

DiCicco, Gulman & Company LLP Uses ProSystem fx® Knowledge Coach to Significantly Improve Audit Efficiency



Like most firms, Boston-based DiCicco, Gulman & Company LLP is always searching for new ways to improve efficiency and better serve their clients, many of which rely on the firm for real estate expertise. With approximately 100 full-time staff, the firm serves individual and institutional investors across the country, providing financial reporting, auditing, tax and consulting services. In 2010, DiCicco, Gulman & Company began looking for ways to improve their audit process to better comply with the AICPA's Risk-Based Audit Standards. After considering a number of potential solutions, they decided to implement ProSystem fx® Knowledge Coach.

“When we first saw a presentation of Knowledge Coach, we were struck by the powerful Knowledge-Based Auditing approach, which is markedly different than the checklist approach we used in the past,” explained Bill Jencyk, a principal in DiCicco, Gulman & Company's real estate group. “We were so impressed by the efficiencies gained and the integration with other CCH solutions that we made the decision to migrate the firm to Knowledge Coach.”

DiCicco, Gulman & Company rolled out Knowledge Coach in August 2010, adding to its library of CCH solutions already in place, including ProSystem fx® Engagement, Tax, Document, Accounting Research Manager® (ARM), Practice Management, Fixed Assets and PDFlyer™. Prior to implementation, a core Knowledge Coach committee and firm leaders participated in two full days of training on both the solution and the Knowledge-Based Audit™ (KBA) methodology. The committee and firm leaders were responsible for helping others in the firm make the transition to the KBA methodology, and for tailoring the solution for the firm's clients, context and use.

“Going through training and working our way through the tailoring process were central to our success with Knowledge Coach,” said Jencyk. “Training gave us the foundation we needed to internalize the methodology. Likewise, the tailoring process required us to think through how we wanted to approach the Knowledge Coach documents, which helped us streamline our process and save time on each engagement moving forward.”

An Immediate Impact

The firm felt the impact of the power of knowledge-based auditing from the start. With Knowledge Coach, auditors enter data once and it flows to all relevant workpapers, saving time and ensuring accuracy. In addition, Knowledge Coach employs investigative questions designed to identify material risks. The solution then creates tailored audit procedures based on the identified risks.

DiCicco, Gulman & Company LLP Key Data:

- Founded in 1995
- Offices in Boston and Woburn, Massachusetts
- Approximately 100 full-time staff members, 11 partners
- Conducts approximately 140 audits per year, ranging from 80 to 400+ hours per audit

Upon implementation, the firm saw fundamental benefits in how Knowledge Coach helped them plan an audit and more accurately assess risk. The solution documents the planning throughout the process as work is being completed instead of at the end of an engagement. Rather than a formula-driven materiality calculation, Knowledge Coach relies on the auditor's expert assessment of risk and type of business at the client level. In addition, the solution's diagnostics highlight when a documented risk hasn't been addressed by a program step. As a result, the auditor immediately knows what areas need greater focus.

“With the knowledge-based approach, we are automatically much more aware of the relevant audit assertions and how we tailored our audit approach to address each risk,” said Jencyk. “In the past, the connection between audit assertions and program steps was buried in the background, and now it's front and center. We can now quickly determine that work being done is directly related to a material risk and not just a generic program step, which reduces the risk of over-auditing.”

In addition, Knowledge Coach's integration with ProSystem fx Engagement and other CCH solutions provides guidance and efficiencies throughout the audit, reducing the time required to populate the audit binder. If a question arises, DiCicco Gulman & Company auditors launch Accounting Research Manager® (ARM) directly from Knowledge Coach to get the answers they need.

“The tight integration between Knowledge Coach and Accounting Research Manager means that we are always just a click away from finding the answers to research questions,” said Jencyk. “The interpretive guidance provides additional detail and confidence in our audit decisions.”

The Power of Rolling Forward Prior Audits

While the firm started experiencing the benefits of Knowledge Coach from implementation, it began realizing the true power of the solution when auditors rolled forward 2010 audits to 2011. Knowledge Coach's roll forward functionality makes it easy for reviewers to see what's changed and then sign off on the work, saving a noteworthy amount of time.

“While migrating to an entirely new audit approach required a significant time investment, we started to see significant timesaving benefits at the start of year two, thanks to Knowledge Coach's unique roll forward capability,” said Jencyk. “We've been very pleased with the ease and efficiency of the roll forward function.”

To standardize and manage their roll forward process, DiCicco, Gulman & Company assembled a rollover team, which was responsible for making sure the rollovers went smoothly. Thanks to the team's planning and process management, now audit teams only have to review the forms for the data that rolled over, saving an estimated 12 hours per audit — a time savings of approximately 10%. Over the course of the firm's 140 audits per year, that's a time savings of approximately 1,680 hours annually.

“Knowledge Coach is one of those solutions in which the benefits will continue to increase with time,” explained Jencyk. “Now that we've completed the training and tailoring processes, we've begun to experience significant efficiencies. We're anticipating saving even more time as more people in the firm become Knowledge-Based Audit experts.”

Using ProSystem fx® Knowledge Coach, DiCicco, Gulman & Company LLP was able to:

- Improve audit efficiency per audit by nearly 10%, saving a total of approximately 1,680 hours per year
- Roll forward prior year audits, saving time and making it easier for firm leaders to sign off on completed work
- Strengthen the connection between risk assertions and program steps
- Reduce the risk of over-auditing due to the Knowledge-Based Audit methodology



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