

## How Does Millhuff-Stang, CPA, Inc. Use CCH® ProSystem fx® Knowledge Coach to Garner Excellent Peer and State Auditor Reviews?

Starting a new firm from scratch requires making hundreds of decisions — some of which can have a significant long-term impact on the business. When Natalie Millhuff-Stang was starting her eponymous full-service accounting firm (Millhuff-Stang, CPA, Inc.) in 2009, she weighed the costs and benefits of going paperless and which accounting solution provider could best help them build their business. In their bid to go paperless, the firm made the decision to invest in CCH® ProSystem fx® Engagement and CCH® Accounting Research Manager®. In addition, Millhuff-Stang selected CCH ProSystem fx Knowledge Coach to serve as the backbone of its quality-driven auditing process. The firm's decision to go with Wolters Kluwer was partly motivated by the seamless integration of all three solutions.

With much of their work focused on audits, Knowledge Coach quickly became central to their day-to-day audit work. Knowledge Coach uses Wolters Kluwer's unique Knowledge-Based Audit (KBA) Methodology that links each auditing step to an identified risk, providing clear line-of-sight between the two while streamlining the auditing process and saving valuable time.

*“I had worked with checklist-based auditing solutions in the past, so when I saw that Knowledge Coach could deliver a better, knowledge-driven auditing process that could scale with us, I knew I wanted it for my firm,”* explained Natalie Millhuff-Stang, principal and founder of Millhuff-Stang. *“Knowledge Coach engages the auditor and forces them to really think about the steps they are taking and how they relate to identified risks. It takes the guesswork out of which form to use, creating a consistent, comprehensive and high-quality process.”*

### A Comprehensive Risk-Based Process

In evaluating Knowledge Coach, Millhuff-Stang was initially impressed by the KBA Methodology, which complies with the American Institute of Certified Public Accountants' (AICPA) Risk-Based Audit Standards. In addition, Millhuff-Stang was also attracted to Knowledge Coach's diagnostic tools, which help the firm make sure they have completed all steps and have addressed each risk throughout the audit.



*“Quality is our number one priority, and Knowledge Coach's diagnostics gives me a sense of confidence when I'm looking through a binder for the last time,”* said Millhuff-Stang. *“Knowledge Coach helps us deliver a quality product and the diagnostic tools help us ensure that we've fully addressed every assertion and haven't missed anything. The fact that it is completely integrated with other Wolters Kluwer solutions means that we can better maintain consistency and quality throughout our processes.”*

In addition to Knowledge Coach, the firm uses CCH ProSystem fx Engagement and the CCH® ProSystem fx® Trial Balance module for all audits and compilations. They organize their work in audit binders and take full advantage of the Trial Balance Module for all of their lead schedules. If an audit adjustment or reclassification is posted to the trial balance, their lead schedules are automatically updated, ensuring agreement to the final financial statements, upon which the firm issues an opinion.

Millhuff-Stang uses CCH Accounting Research Manager to keep up on the latest regulatory changes and research any new pronouncements and issues that may arise during an audit. Since Accounting Research Manager is Internet-based, staff can easily access the latest research from the field and at any given time.

### Millhuff-Stang Key Data:

- Founded in 2009
- Based in Portsmouth, Ohio
- 7 full-time and 2 part-time staff members
- Conducts approximately 60 audits per year, ranging from 70 to 1,125 hours per audit

## Knowledge Coach Helps Support Positive Peer and State Audit Reviews

Millhuff-Stang soon had an opportunity to put their quality processes to the test by going through their first peer review as a newly formed firm. Peer reviews are nothing new to accounting firms, but they can be especially pivotal for new firms attempting to make a name for themselves in a competitive market. As a new firm, Millhuff-Stang was required to be peer-reviewed within the first 18 months of starting their business, and in their first peer review, Millhuff-Stang received a perfect review with no comments for improvement from the reviewers.

As an accounting firm based in the state of Ohio, Millhuff-Stang is also required to go through a detailed quality assurance review conducted by the Auditor State of Ohio's office every six months. Millhuff-Stang sailed through their first two state audits, receiving five out of five points for workpaper quality, without even a comment — a rarity for new firms. Those five points are part of a 100 point criteria used by the state to evaluate accounting firms for potential new auditing opportunities.

“We can definitely attribute part of our successful peer and quality assurance reviews directly to our use of Knowledge Coach,” explained Millhuff-Stang. “Both our peer and state reviewers were very impressed with our auditing processes and methodology. As a small firm that does a great deal of business with the government, receiving a perfect peer review and the top score from the state's Quality Assurance Division gives us a competitive advantage when bidding for new audit work.”

## Gaining Efficiencies While Maintaining Quality

Now that Knowledge Coach has been in place at Millhuff-Stang for several years, the firm is benefiting from the single entry capability that allows Millhuff-Stang professionals to enter data once and have it flow across all workpapers, ensuring accuracy and efficiency. Even future changes added at another date flow through the workpapers automatically, and the firm can roll forward prior-year audits to save even more time.

“When small firms set up shop, cost is always a factor, but we've sought to balance that with scaling for growth” explained Millhuff-Stang. “We could have gone with paper, but we wouldn't have gained any efficiencies in year two or three. With Knowledge Coach, year one is a lot of work as we enter client information into the system, but we've already rolled forward several binders and have experienced significant time-savings in year two. We also feel good about knowing that we've captured all changes to standards with the automatic updates. Based on the efficiencies we're gaining in year two and onward, we think that the solution will basically pay for itself.”

## Using CCH ProSystem fx Knowledge Coach, Milhuff-Stang was able to:

- Receive a perfect peer review within 18 months of opening their doors for business
- Receive a five out of five rating from the State Auditor of Ohio with no comments for improvement
- Gain efficiencies and save a significant amount of time in year two by rolling forward client binders, eliminating the need for rekeying information

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