

Case Study: How Electronic Confirmations Enable More Accurate Responses, While Saving Time and Money.

A case study with Schaffner, Knight, Minnaugh & Company, P.C.



Schaffner, Knight, Minnaugh & Company, P.C.

FIRM PROFILE: Founded in 1995, the firm currently has 8 partners with offices in Erie, PA and Jamestown, NY. Since its inception, the firm has held a consistent record of delivering superior customer solutions to owner operated businesses. The firm serves clients in manufacturing, construction, retail, professional service organizations, wholesalers, and auto dealerships.

CHALLENGE

Like many firms that use paper audit confirmations, the risk of human error is a potential problem. Human errors occur in the preparation of the confirmation forms as well as the individual assigned to complete the confirmation. The process grows longer when a second confirmation needs to correct or follow up an apparent incorrect address or account balance. Further, the process of preparing and sending paper confirmations is a time consuming process to manage. Ensuring the confirmations are prepared correctly, sent and received in a timely fashion require precious billable hours that could be better spent on performing the audit. Like other firms looking to save time and reduce costs, a simple low-cost solution that can help reduce the risk of human error would be a welcome improvement to the firm.

SOLUTION

The firm now uses Confirmation.com to simplify their audit process and to get quicker confirmation responses from banks and other financial institutions. Confirmation.com is a secure web-based service that can be used to confirm cash, term loan balances, lines-of-credit balances, investment accounts, Accounts Receivable, Accounts Payable, and much more (30+ different types of confirmation requests are supported).

BENEFITS

- Saves time, reduces human error while providing a more secure process to confirm balances
- Allows the audit team to prepare and send confirmations during the planning stage of the audit
- Reduces administrative costs for the firm and the client



Andrew R. Nelson
CPA, Schaffner, Knight,
Minnaugh & Company, P.C.

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— **Andrew R. Nelson, CPA, Schaffner, Knight, Minnaugh & Company, P.C.**

Schaffner, Knight, Minnaugh & Company, P.C. takes pride in being a progressive, forward-thinking firm that is continually on the lookout for smarter, more efficient ways to service their clients’ needs, while running their firm more efficiently and profitably. When one of their client’s larger banks switched to electronic confirmations, it was a natural fit for the firm’s audit staff to take advantage of the unique benefits of using Confirmation.com – a secure online audit confirmation tool.

Reduces human error

The firm’s audit staff currently uses Confirmation.com to send audit confirmation requests to banking institutions that are taking advantage of electronic confirmations. Andrew R. Nelson, a CPA at the firm, noted that Confirmation.com “has significantly helped our firm’s audit process because it provides faster responses from banks and other financial institutions. Confirmation.com has also allowed for more accurate responses, reducing some of the errors that we have experienced in the past.”

As an example, Andy said, “We would sometimes run into issues in which banks would confirm the wrong date or balance or the confirmation would be sent to the local bank rather than the department established to answer the confirmations. We would then be required to follow up with the bank, resend the updated confirmation and wait for a response. Confirmation.com has helped to limit these types of errors and inefficiencies!”

Increases staff efficiency

Confirmation.com also improved the firm’s audit process. Andy commented that Confirmation.com “has improved our audit planning procedures. We now initiate confirmations during the planning phase of our audits compared to waiting to prepare and send at year end as in prior years. This has helped to increase our efficiency on our various audit engagements.”

Prior to using Confirmation.com, their auditors would attempt to prepare the confirmation during planning procedures; but would then wait to mail them out until year-end hoping to get the best and most accurate response from banks and other financial institutions. The audit team would have to make sure someone was in the office to receive and send out the mail. “If there were any discrepancies on the confirmations, a team member would need to follow up with the bank, requiring more time consumed during the audit. With paper-based cash confirmations, banks would sometimes get confused and provide a balance based on the receipt date of the confirmation and not the year-end date. We would then have to resend the confirmation request through the mail all over again and wait for a second response,” said Andy.

Saves your staff time

Before Confirmation.com, Andy estimated he could easily spend 2 to 3 hours preparing confirmations for each client. But after Confirmation.com, Andy estimated he spends no more than “one hour maximum per client, saving about 50% of our time!” **That’s 50% of precious billable hours recovered for higher-valued client work.**

Little things that make life easier

Sometimes little things can make a big difference in productivity. For example, here's a neat little feature of Confirmation.com that helps Andy save time and perform his job more efficiently: "By moving the mouse cursor next to the client name, you can instantly see how many confirmations are confirmed, still pending, have been denied, and need more information. It gives you a quick snapshot on the status of your confirmations, so you know how many you're waiting on and can plan accordingly. That feature is quite handy."

Another nice feature is the confirmation log: "Having that available is very useful, too, as opposed to an administrative person checking paper folders and scanning paper confirmations as they are received. . . and then updating the separate confirm controls. Sometimes it's the simplest things that make your job easier and more efficient."

Another great feature that Andy likes is that "you can prepare confirmations in advance, put them in the queue to release on a specific date and then not have to think about them again. Confirmation.com has really saved us a lot of time!"

Reduces costs

On a case by case basis, the firm decides whether to pass the costs of using Confirmation.com onto their clients. In either case, the ROI of using the service and the billable hours recovered make Confirmation.com worth every penny. Andy commented, "I don't hear any negative feedback from our clients because the cost is minimal and the process is efficient at their end. And they do like that it is more secure than sending paper confirmations through the mail."

To sum up his experience using Confirmation.com, Andy said that it is a "very handy tool to use that saves you time in the confirmation process."



About Confirmation.com

As the exclusive Preferred Provider of Electronic Confirmations for AICPA Trusted Business AdvisorSM Solutions and for the American Bankers Association, Confirmation.com provides secure online confirmation services for auditors, banks and their shared clients. Confirmation.com's patented service minimizes fraud and brings efficiency to the audit confirmation process. In addition to its bank confirmation solution, the company provides solutions for more than 30 different types of audit confirmations, including accounts receivable confirmations. Several hundred In-Network responding companies, including all of the Top 10 banks in the U.S. and over 8,000 accounting firms in more than 100 countries, trust Confirmation.com for their audit confirmation needs. For more information, please visit cpa2biz.com/confirmations

About CPA2Biz and the Trusted Business AdvisorSM Solutions Program

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