

CASE STUDY:

Greg Shelton, CPA

Sole practitioner sees benefit of electronic confirmations

Greg Shelton, CPA is a sole practitioner in Bartlett, Tennessee. He has four audit clients and sends out about 20 confirmations each year. He has been an auditor for 25 years and was one of the first users of electronic confirmations. When he first made the switch from paper, he was surprised that he was the only sole practitioner or small local firm in the list of users. But the advantages of using electronic confirmations can be realized by any firm, regardless of their size.

Just Get It Done

When he first learned of electronic confirmations, Greg immediately recognized the benefits of making the switch from paper. "I hate waiting three or four weeks to get a confirmation from a bank. I like to just get it done. Now I can get a confirmation returned from the bank before I even start fieldwork," says Greg.

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Once a company is set up on the Confirmation.com system, sending confirmations in subsequent years is a five minute task: change the date and the auditor is done with a single click of his mouse.

Confirming Liabilities

Greg is quick to point out that a standard bank confirmation does more than simply confirm bank balances; it also gathers information about loans, letters of credit and other liabilities. Obtaining this information is crucial especially when auditing a small business, where many times the liability may not appear on the books.

“You have situations where a loan was obtained to purchase equipment, and the cash never flowed through the company. Or the company got a line of credit and the owner took a draw directly that was never recorded on the company’s books.” Using electronic confirmations allows the auditor to identify those unrecorded liabilities immediately, rather than waiting several weeks (sometimes after the conclusion of fieldwork) to receive a paper confirmation.

Pass Through the Cost

Greg passes through the cost of the electronic confirmation service directly to his clients. Even though his clients are billed about \$100 on each audit, overall they end up saving money because Greg spends essentially no time on the confirmation effort. “It’s a win-win situation because it saves money for the client and improves efficiency for my business,” says Greg.

A No-Brainer

Greg is sold on electronic confirmations. Like anything else, there’s a learning curve, but with electronic confirmations that curve isn’t too steep. “Once you get past your first one, it’s a breeze,” he says. “It’s really a no-brainer.”

There’s only one downside to his switch to electronic confirmations. Greg has a stack of paper bank confirmations he ordered eight years ago taking up space in his storage cabinet. If you see them show up on e-Bay, you’ll know why.

**For more information, contact us at 1-888-716-3577
or visit www.confirmation.com.**