Code42 & Stack Overflow Sail Through Remote Financial Statement Audits with FloQast

For companies across the globe, the COVID-19 pandemic dramatically changed the way teams interact and collaborate. Some companies had remote-work contingency plans in place, and a handful already fully supported remote work. However, very few could have expected the need to have 100% of their teams start working from home overnight.

Just as teams started to shift to remote work environments, many also were preparing for their annual financial statement audits, a painful enough practice with everyone working from one location, let alone spread between numerous home offices and spare bedrooms across the country.

In the face of unprecedented challenges, accounting teams around the world adapted and evolved — relying on existing and new tools to fill the gaps left by shrinking headcounts and limited resources.

In the case of Code42, a Minnesota-based Insider Risk Management software company, and Stack Overflow, a professional development community for developers, leaning on a combination of Sage Intacct's cloud financial management platform and FloQast's accounting workflow automation and close management platform helped their teams accomplish everything it needed to during incredibly trying times — including a 100% remote audit.

CODE42 FINDS NEW, BETTER RHYTHM AMID PANDEMIC

Industry:
Insider Risk Management Software

Founded:
2001

Objective:
To replace the company's existing accounting software with an integrated ERP and close management solution that can handle multiple entities, multiple currencies, and more robust internal controls.

Results:
- Transitioned staff to remote work on the eve of the audit in days without missing a beat
- Exceeded leadership's expectations for a suddenly-remote audit
- Gave the team confidence in executing remote audits moving forward

Code42, a security software company that specializes in insider risk management and protects some of the world's most prominent businesses, was very much an in-person team before the pandemic. In-person collaboration is a big part of the company's culture. Still, as a fast-growing emerging technology company, the Code42 accounting team has to be nimble, which is why the company already leveraged cloud-based tools like FloQast in conjunction with the company's ERP of choice, Sage Intacct.

When the pandemic hit, the Code42 team started working from home just as they were about to begin fieldwork for their 2019 fiscal year-end audit.

Grant Christianson, Controller at Code42, said his immediate concern was simple: How were they going to get the audit done?

"What happens if there's a complex accounting issue, we just adopted ASC606, and we need to use the whiteboard or show the auditors our laptop or screenshots? How can you do that remotely? That was our issue," Christianson said.

Despite the upheaval, Christianson was pleasantly surprised by how smoothly the team was able to navigate the audit. "With all the tools that we have, with Google Drive, with all our documents, everything's online; it was really seamless," Christianson said.

"This Audit Is Going To Be a Piece of Cake for Us."

The auditors performed an analytical audit, taking the raw general ledger detail from Sage Intacct, importing it into an analytical tool, and investigating unexpected variances and outliers instead of testing massive samples of transactions.

Thanks to FloQast, any documentation the auditors needed was securely stored in an easy-to-navigate folder structure and available remotely – with no need to sort through paper files or make copies.

From there, Christianson and his team had several virtual status meetings with the auditors every week, offering both Code42 and the auditors confidence in the remote audit.

"It goes back to knowing that we have the tools in place to rely on, and we can believe the systems and the process that we've put in place produces accurate numbers for us," Christianson said.

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"As long as we have the internet, we can do everything, basically. All our vendor invoices come in electronically, and all our customer invoices go out electronically … It's just the ease of doing the day-to-day stuff; we've really become efficient at it."

Looking forward, the company will be doing its 2020 year-end audit the same way.

"This audit is going to be a piece of cake for us," Christianson said.

STACK OVERFLOW NAVIGATES FIRST-YEAR AUDIT WITH AID OF FLOQAST, SAGE INTACCT

Industry:
Technology

Founded:
2008

Objective:
To To leverage existing technology, improve and expedite processes, and have greater efficiency in the close process.

Results:
- Transitioned staff to remote work on the eve of the audit in days without missing a beat
- Exceeded leadership's expectations for a suddenly-remote audit

Gave the team confidence in executing remote audits moving forwardStack Overflow — a community where developers can learn new skills, share their knowledge, and grow their careers — is a remote-first company with offices in New York, London, Austin, and Munich. As such, many employees were already working remotely before the pandemic hit, and all of the company's platforms are cloud-based so that people can work from anywhere.

Andrew Rankin, Stack Overflow's Financial Controller, started with the company just as the pandemic hit. While he'd met many of his co-workers in person during the interview process, all of his onboarding happened remotely.

#FloQast

Despite the team's comfort with working remotely, the 2019 year-end audit, which began the last week of July 2020, was a laborious lift. Stack Overflow had just switched auditing firms, so it was the firm's first time evaluating Stack Overflow's systems, processes, and internal controls.

"We had a great experience," recalled Rankin. "We started the audit in the last week of July and had our finished audit opinion in September. For a first-year audit — let alone a remote one where the firm had never seen our systems before — that's a huge accomplishment. A big part of that was the preparation involved, and FloQast played a big part in that. It was a place where we could track what was done versus what still needed to be done and it offered a central place where we could ensure the quality of the audit schedules was up to par."

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More Control, Greater Clarity With Sage Intacct and FloQast

Rankin said his team also saw a great deal of value in how Sage Intacct was able to bring efficiency to the company's processes.

"From an accounting process perspective, we feel like we're more in control, we have greater clarity, greater visibility into what we do, and we can then use that capital that we build up going forward to get other people to buy into the close process changes we want to do in the future," Rankin said.

Now, Stack Overflow is preparing for the 2020 financial statement audit and plans to move the timeline up.

They're using FloQast to prepare by creating a folder in FloQast for the year-end audit.

"We have a checklist we can carry forward for each year. We have all the adjustments we know we need to make, all the auditor requests. Then we can allocate that out to the team and have a central place where everybody can see where we are, what still needs to be done," Rankin said. "That's been a big upgrade on before, where we would have a few different Google Sheets. It's a lot more intuitive, and because we're now in sync on a monthly basis using FloQast, we're all comfortable doing that."

The Future of Remote Audits

The pandemic presented many business challenges, including accommodating remote work and collaborating remotely with audit teams. However, the transition from on-site to remote audits has benefited companies and auditors alike. It reduces the time auditors spend traveling to a client's office and cuts back on the time their clients spend tracking down PBC items.

Fully or partially remote auditing is likely here to stay, so organizations would be wise to prepare for this future with tools like those offered by FloQast that allow professionals to track progress and work from a single source of accurate data, in real-time, together.

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