



INTRODUCING AUDIT PROGRAM 4.0

Last Updated: December 2024

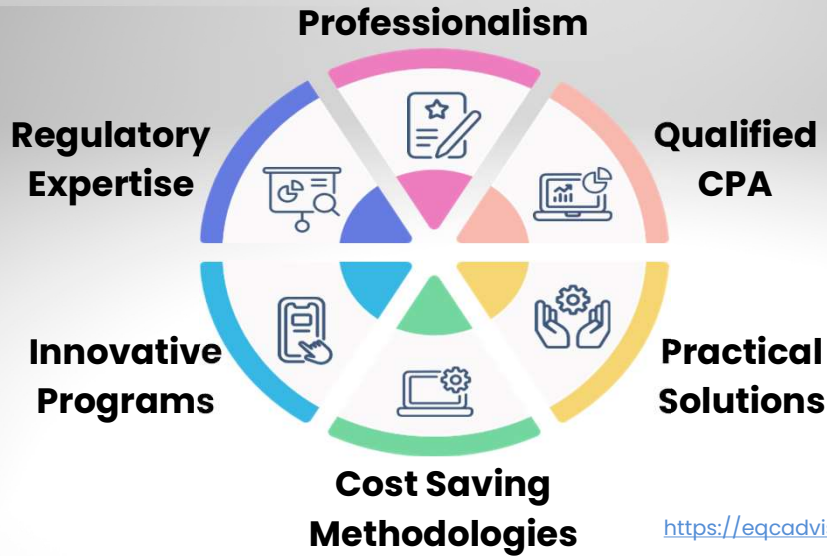
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Today's Agenda

1. EQC & Milestones
 2. Y2024/25 Pain Points
 3. New Functions
 4. Implementation
 5. Pricing & Timeline
 6. Demo
- Q&A

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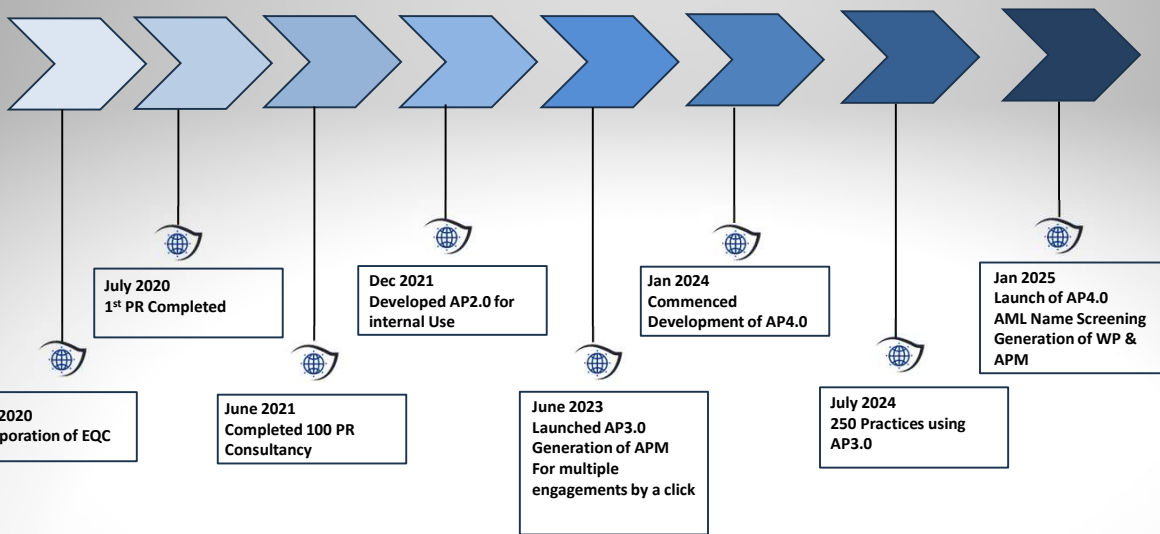
1.1 About EQC



https://eqcadvisory.com/eventregistration_form/

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1.2 EQC Milestones on Audit Program



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2024/25 CPA Pain Points That AP4.0 Tackles

1. Talent Shortage
2. Incomplete working papers
3. Lack of Organization
4. Regulatory Compliance Challenges
5. Inefficient Audit Processes

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2.1 TALENT SHORTAGE

Challenges in attracting new talent to the audit field in Hong Kong

In Jan 2024, HKICPA released survey results on Talent supply in Hong Kong.

Uncertain economic outlook causing employers to adopt a “Wait and See” approach on budgets for new headcounts. Newly recruited talents have a learning curve, and employers risk staff turnover.

Hong Kong SMPs face high staff turnover (20% p.a.)

It takes 3-6 months to fill vacancies and another 3-6 months to train & coach new employees, with no guarantees on retention rates.

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2.1 TALENT SHORTAGE

SMPs face **recruitment challenges** due to **limited career opportunities**, losing talent to larger firms.



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2.2 Incomplete Working Papers

Inconsistent documentation delays audits, increases risks, and creates challenges in meeting regulatory expectations.

Administrative burden on locating audit work, esp. when there is staff turnover.



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2.3 Lack of Organization

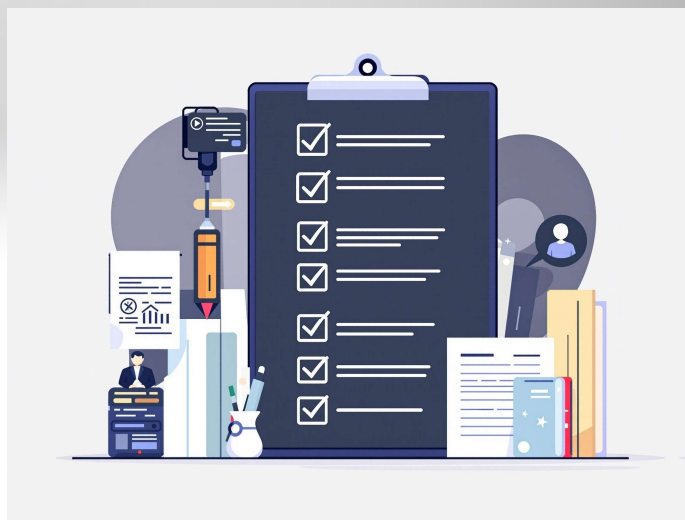
Scattered working papers make reviews, collaboration, and continuity inefficient and prone to errors.



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2.4 Regulatory Compliance Challenges

Constantly changing regulations create pressure to stay updated and ensure audits meet required standards.



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2.5 Inefficient Audit Processes

Repetitive, manual tasks consume time, reduce productivity, and divert focus from higher-value business activities.



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What Can AP4.0 Do?



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3.1 Functionalities of AP4.0

1. Affordable AML Name Screening
2. Bulk Generation of Audit Programs (AP3.0 – Excel-Based)
3. Bulk Generation of Analytical Reviews
4. Bulk Generation of Sample Selection Planning Sheets
5. Bulk Generation of Account / Transaction specific Audit Procedures
6. Bulk Generation of Tests of Details

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3.2 Credit Usage

Functionality	Credit Deduction
AML Name Screening	0.02 / Client Added 0.01 / Search Report Generated
Audit Programs	0.8 / Audit Engagement
Sample Selection Planning / Audit Procedures / Analytical Reviews / Working Papers	1.2 / Audit Engagement

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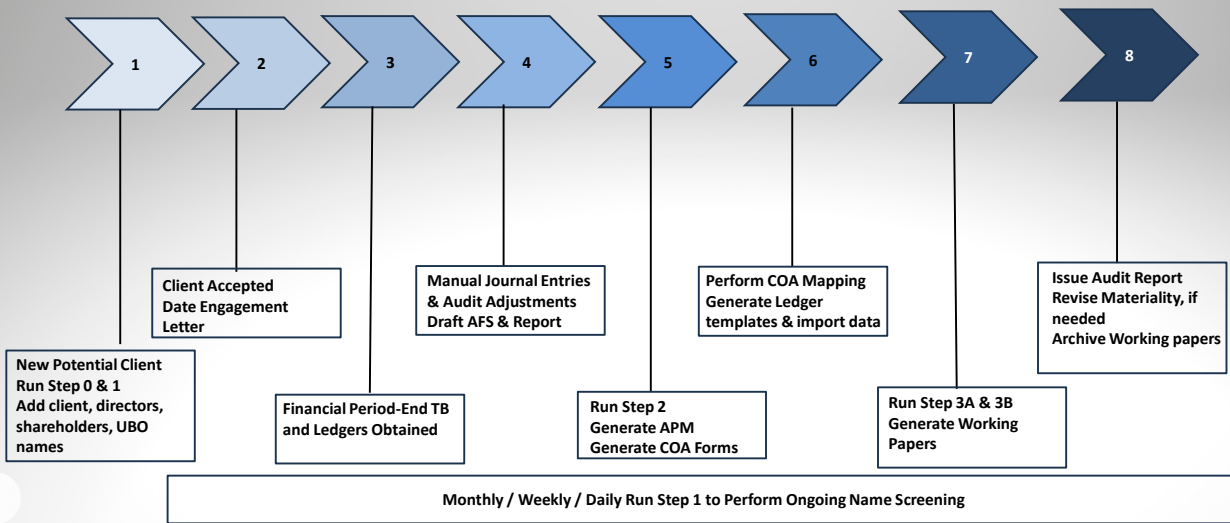
How Do We Adopt AP4.0 in our Existing Audit Operations?



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4.1 Proposed Audit Process with AP4.0

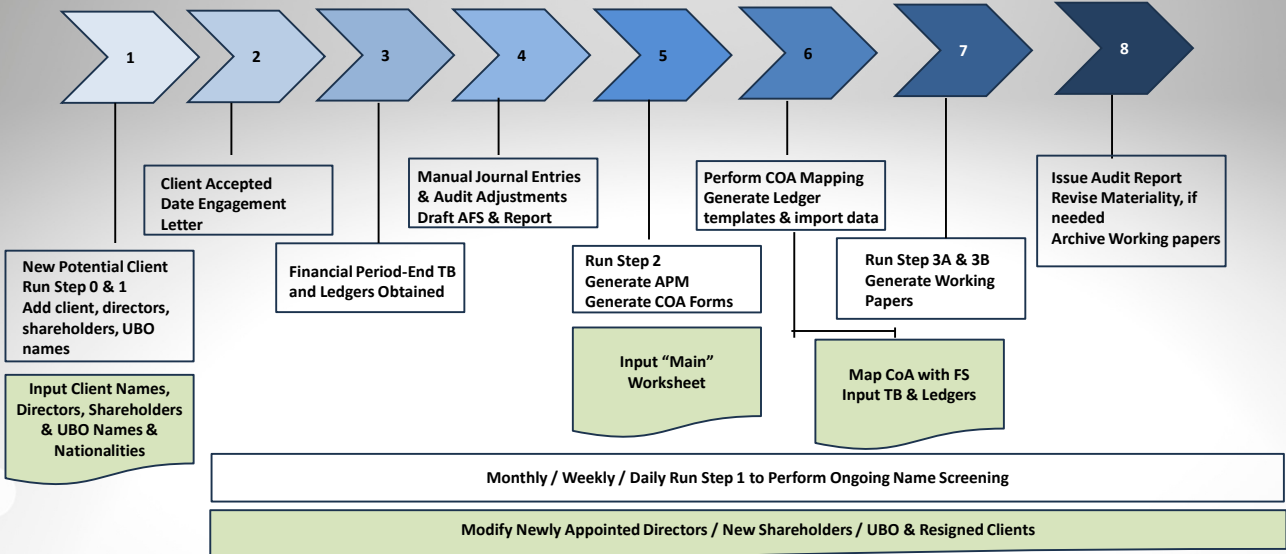
Batch Processing (E.g. Process Audit Engagements by Batch for Next Two Weeks)



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4.2 Key Inputs in Audit Process with AP4.0

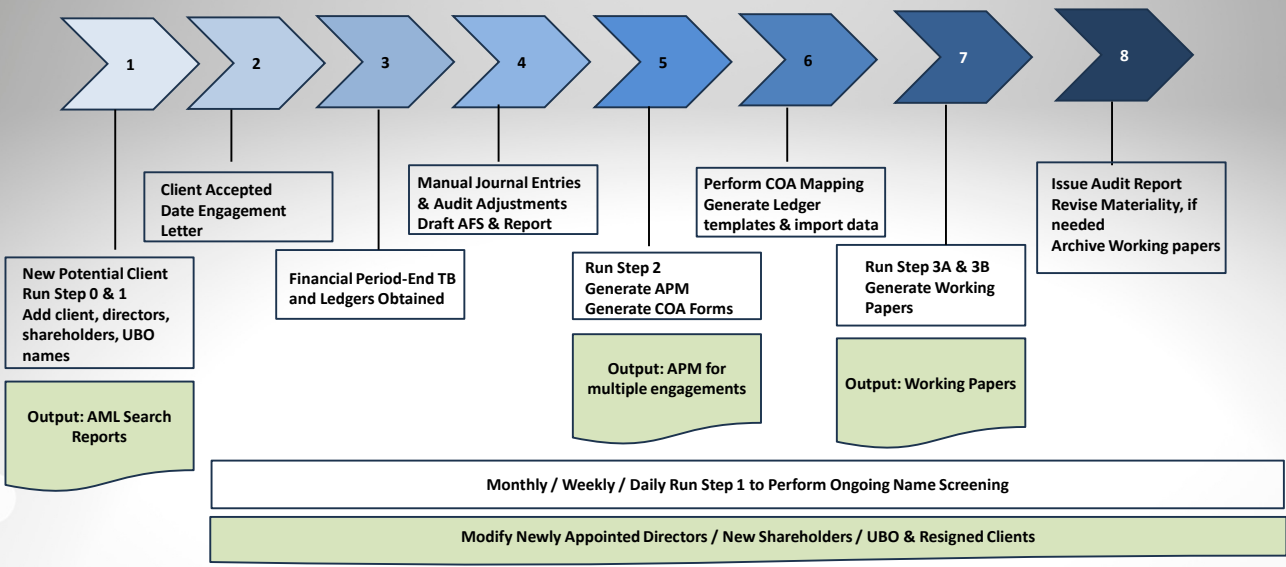
Batch Processing (E.g. Process Audit Engagements by Batch for Next Two Weeks)



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4.3 Key Outputs in Audit Process with AP4.0

Batch Processing (E.g. Process Audit Engagements by Batch for Next Two Weeks)



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Pricing & 2025 Timeline



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5.1 Alignment of Validity Period of Credits

Year 2025											
Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec
2025 Winter - Demo on New Functions - Sales of Credits - Installation						2025 Summer - Demo on New Functions - Sales of Credits - Installation					
		2025 Spring - Training & Tutorial						2025 Fall - Training & Tutorial			
	2025 H1 EQC Development of New Functions						2025 H2 EQC Development of New Functions				

New Expiry Dates:

2025 Winter Credits: 30 June 2026 (i.e. 15-18 month validity)

2025 Summer Credits: 30 June 2026 (i.e. 12 month validity)

Extension of Unused Credits by 6 months: 20% of Purchase Price of Unused Credits

No new purchases in 2025 with unused credits B/F from 2024 – Maintain Original Expiry Dates

New credits purchased in 2025 with unused credits B/F from 2024 – Align All Credits to New Expiry Dates

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5.2 Pricing of AP4.0 Credits (2025 Winter)

Credits (Minimum Order)	2025 Winter (HKD) 1 Jan – 31 Mar, 2025	Additional Credits After 31 Mar, 2025 (80%)
20	1,250	1,000
40	1,000	800
60	800	640
80	700	560
100 (Free Installation)	600	480
200 (Free Installation)	500	400
300+ (Free Installation)	400	320

Remarks:
All 2025 Winter Credits expire on **30 Jun, 2026**, regardless of when they were purchased.

Purchases of AP4.0 credits for the first time after 31 March, 2025, would be installed in Jul – Aug for version control purpose. Additional credits only for Top-Up of more credits

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5.3 Examples of What 100 credits Can Do:

Example 1:

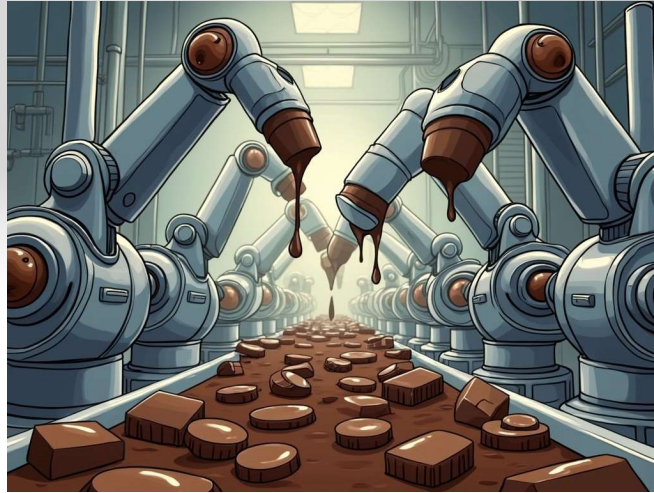
1. Conduct daily AML name search for 100 audit clients for all weekdays except for public holidays
2. Generate APM for 30 highest audit fee engagements
3. Generate testing, sample selection sheets, analytical review and audit procedures for 30 highest audit fee engagements

Example 2:

1. Conduct monthly AML name search for 100 audit clients
2. Generate APM for 40 highest audit fee engagements
3. Generate testing, sample selection sheets, analytical review and audit procedures for 40 highest audit fee engagements

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AP4.0 Demo



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6.1 AP4.0 Workflow - AML Name Screening

1. Batch Upload Client Names

Input Client
Names /
CSV Upload
Names



2. Batch Upload AML Names

Input Directors,
Shareholders,
UBO /
CSV Upload
Names



3. Master Client List in Database

Database of Client Data
Stored Locally



4. AP4.0 Performs Name Screening

AP4.0 Performs Name Screening
Based on Self-Determined Frequency
(E.g. Daily, Weekly,
Weekdays Only, Monthly)



5. Search Reports Stored Locally

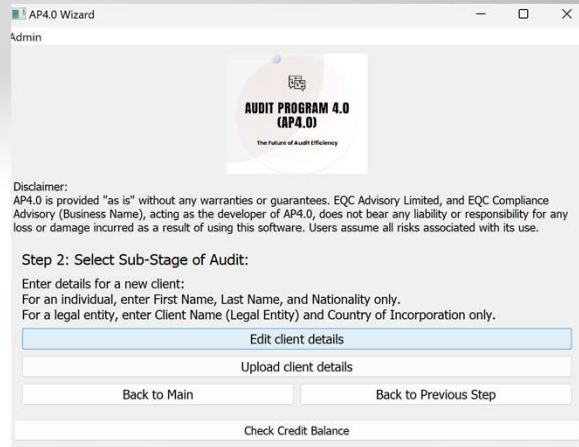
Individual Search Reports
Generated showing list of
names searched, timestamp,
results and UN Sanction List
attached

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6.1 AP4.0 Workflow - AML Name Screening

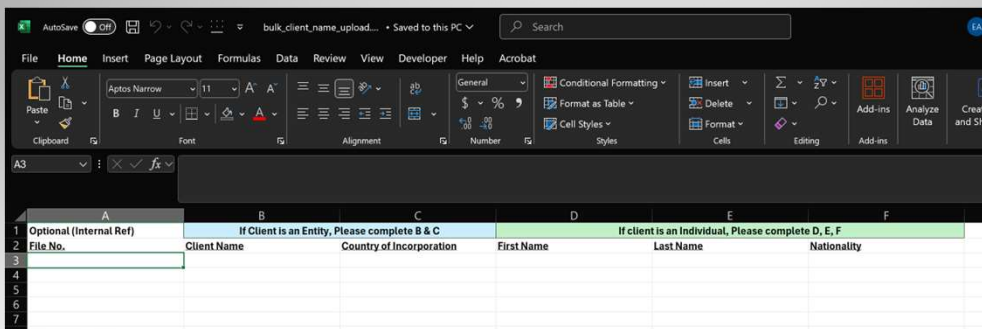
1. First Add Client Names into the Program
2. AP4.0 automatically assigns Client ID to each client
3. Clients can be legal entities / individuals
4. Batch Upload allowed

Click "Edit Client Details" to Download and Open Excel file for batch upload



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6.1 AP4.0 Workflow - AML Name Screening



For clients that are:
 Legal entities, complete columns B & C
 Individuals, complete columns D, E & F

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6.1 AP4.0 Workflow - AML Name Screening

Optional (Internal Ref)	If Client is an Entity, Please complete B & C		If client is an Individual, Please complete D, E, F		
File No.	Client Name	Country of Incorporation	First Name	Last Name	Nationality
A001	ABC Company Limited	Hong Kong			
S001P	Sun Sun Wong		Sun Sun	Wong	Hong Kong
E001	Company E Limited	Hong Kong			
F001	Company F Limited	Hong Kong			
G001	Company G Limited	Hong Kong			

For clients that are:
 Legal entities, complete columns B & C
 Individuals, complete columns D, E & F

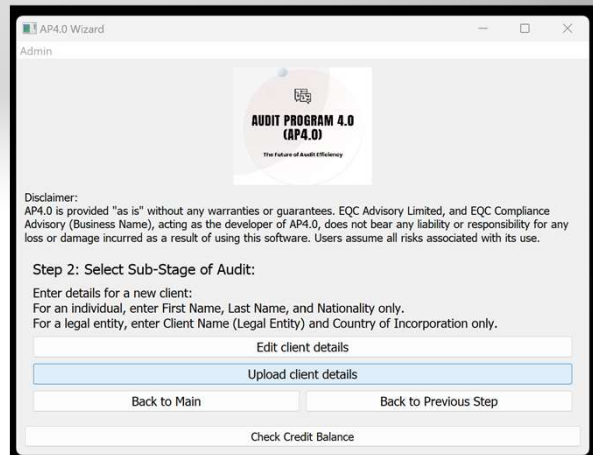
Here is an Example with 4 legal entities and 1 individual person with a total of 5 clients

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6.1 AP4.0 Workflow - AML Name Screening

1. First Add Client Names into the Program
2. AP4.0 automatically assigns Client ID to each client
3. Clients can be legal entities / individuals
4. Batch Upload allowed

Click "Upload Client Details" to Store the client names into the Program's database.

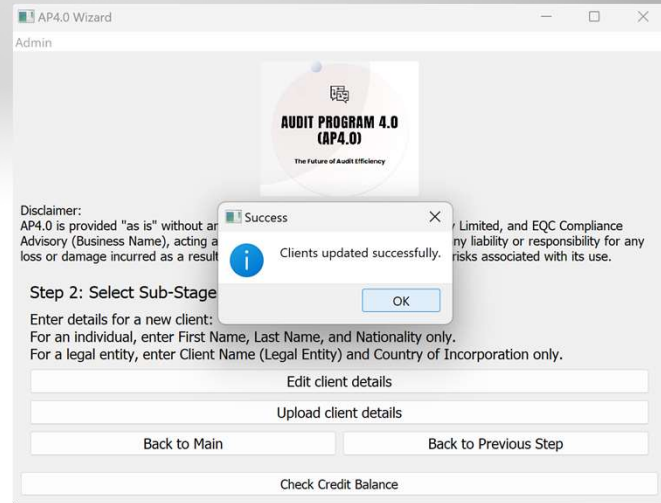


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6.1 AP4.0 Workflow - AML Name Screening

1. First Add Client Names into the Program
2. AP4.0 automatically assigns Client ID to each client
3. Clients can be legal entities / individuals
4. Batch Upload allowed

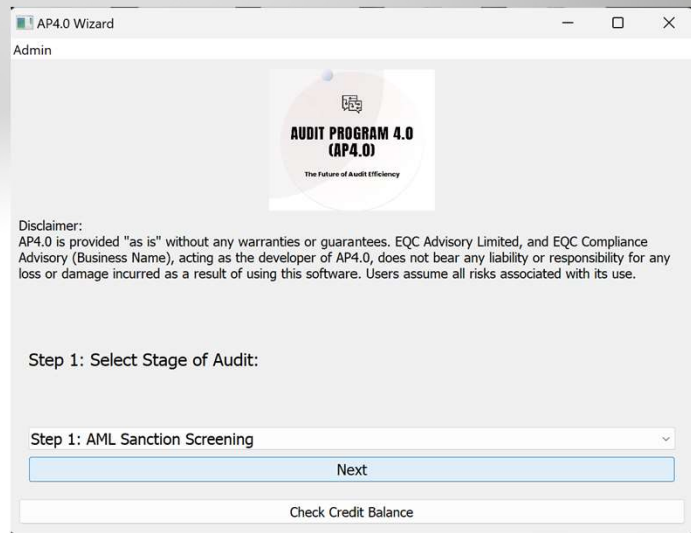
When clients are added successfully, a message box appears.



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6.1 AP4.0 Workflow - AML Name Screening

After clients are added, select "Step 1: AML Sanction Screening" to perform sanction name checks!

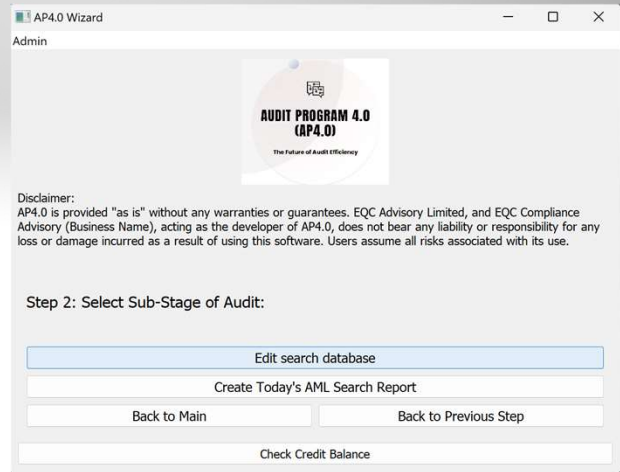


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6.1 AP4.0 Workflow - AML Name Screening

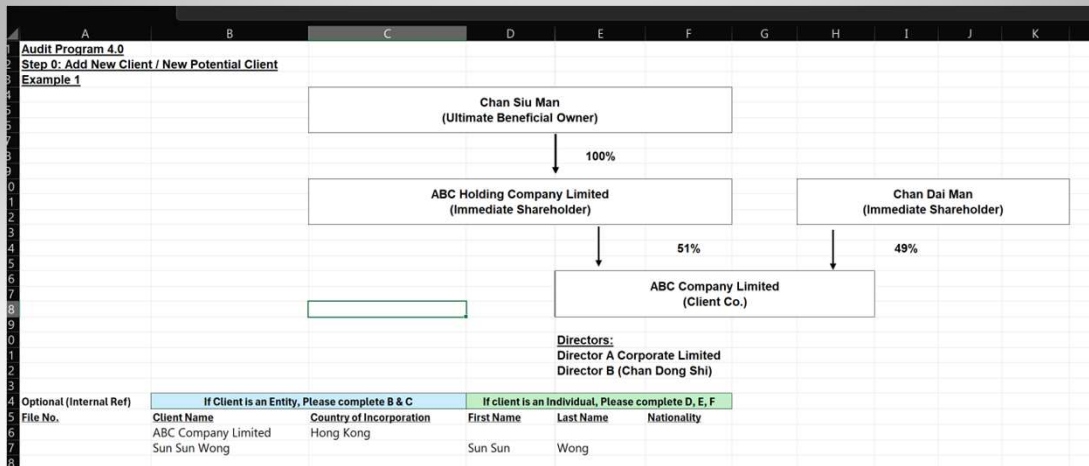
Reminder: In addition to searching the client name, also include Directors, Shareholders and Ultimate Beneficial Owner in your name searches!

Click "Edit Search Database" to add names of Directors, Shareholders and UBO.



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6.1 AP4.0 Workflow - AML Name Screening



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6.1 AP4.0 Workflow - AML Name Screening

Shareholders, Directors, and Ultimate Beneficial Owners								
Please only fill one individual or one entity per row								
ap4.0 client number	client name	file no.	first name	last name	if individual, nationality	entity name	if entity, country of incorporation	role
A0001	ABC Company Limited						Hong Kong	
S0001	Sun Sun Wong		Sun Sun	Wong	Hong Kong			
C0001	Company E Limited						Hong Kong	
C0001	Company F Limited						Hong Kong	
C0001	Company G Limited						Hong Kong	
A0001	ABC Company Limited					ABC Holding Company Limited	Hong Kong	Immediate Shareholder
A0001	ABC Company Limited		Dai Man	Chan	Hong Kong			Immediate Shareholder
A0001	ABC Company Limited		Siu Man	Chan	Hong Kong			Ultimate Beneficial Owner
A0001	ABC Company Limited		Dong Shi	Chan	Hong Kong			Director
A0001	ABC Company Limited					Director A Corporate Limited	Hong Kong	Director

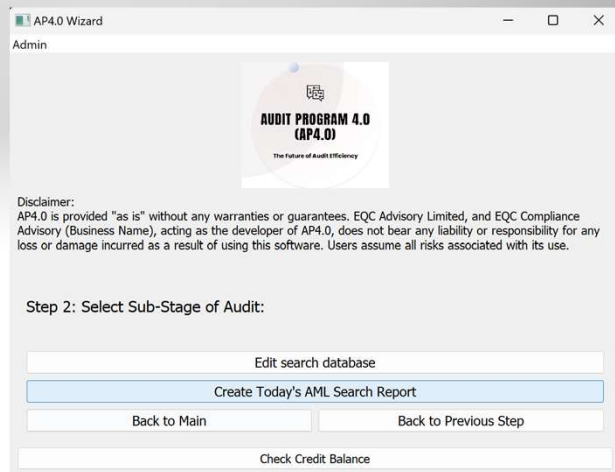
Column B “Client Name” is used to identify which client the directors, shareholders, or UBO are associated to. Then, depending on the name to be added is an individual or an entity, complete Columns D, E & F, or Columns G & H, respectively. Column I “Role” then defines the relationship with the client.

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6.1 AP4.0 Workflow - AML Name Screening

After directors, shareholders and UBO are added, you are ready to conduct name searches. A PDF search report would be generated and saved locally each time you create a report. No longer be bound by search providers.

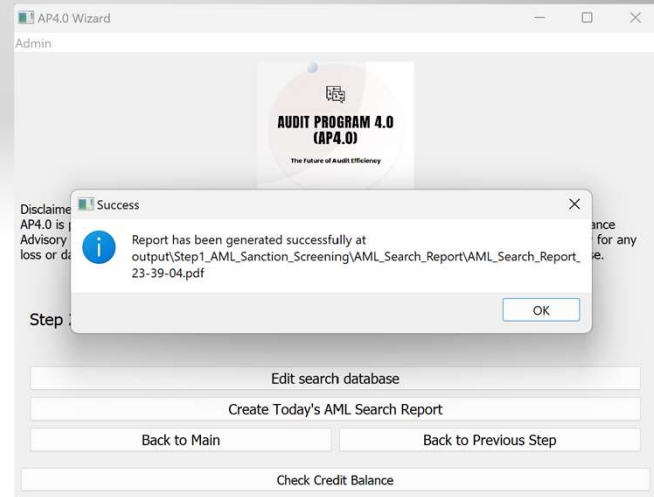
Click “Create Today’s AML Search Report” to conduct name screening immediately.



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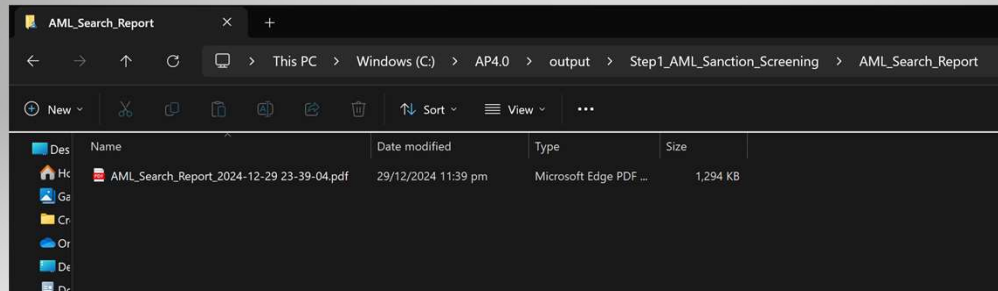
6.1 AP4.0 Workflow - AML Name Screening

Success Message appears when Search Report is generated, with File Path, so you know exactly where to find the Report.



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6.1 AP4.0 Workflow - AML Name Screening



Locate Search Report.

A PDF file is generated. Time Stamp on when the search was conducted is included in File Name and within the Search Report. This gives concrete evidence on the timeliness of search being conducted that matches with the "Date Modified"

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6.2 AP4.0 Workflow - AML Name Screening

AML Sanction Screening - Name Search

Number of individuals searched: 4

Number of legal entities searched: 6

All names have been searched against the UN Consolidated List of Entities and Individuals on 2024-12-29 23:39:04, and no matches are found.

Cover Page of Search Report:

- Has Name of CPA Practice (Not shown in this Illustrative Sample)
- Number of individuals & legal entities searched
- Time Stamp & Date when search was conducted
- Results of any matches
- Search of original language names enabled (English, Chinese, Arabic, Korean, etc.)

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6.2 AP4.0 Workflow - AML Name Screening

ap4.0 client number	client name	file no.	Shareholders, Directors, and Ultimate Beneficial Owners					match	search date	
			first name	last name	if individual, nationality	entity name	if entity, country of incorporation			role
A0001	ABC Company Limited						Hong Kong		no match	2024-12-29 23:39:04
S0001	Sun Sun Wong		Sun Sun	Wong	Hong Kong				no match	2024-12-29 23:39:04
C0001	Company E Limited						Hong Kong		no match	2024-12-29 23:39:04
C0001	Company F Limited						Hong Kong		no match	2024-12-29 23:39:04
C0001	Company G Limited						Hong Kong		no match	2024-12-29 23:39:04
A0001	ABC Company Limited					ABC Holding Company Limited	Hong Kong	Immediate Shareholder	no match	2024-12-29 23:39:04
A0001	ABC Company Limited		Dai Man	Chan	Hong Kong			Immediate Shareholder	no match	2024-12-29 23:39:04
A0001	ABC Company Limited		Siu Man	Chan	Hong Kong			Ultimate Beneficial Owner	no match	2024-12-29 23:39:04
A0001	ABC Company Limited		Dong Shi	Chan	Hong Kong			Director	no match	2024-12-29 23:39:04
A0001	ABC Company Limited					Director A Corporate Limited	Hong Kong	Director	no match	2024-12-29 23:39:04

All names searched are included after the Cover Page with results of search and search date & time next to each name! Creates an irrefutable evidence that all stakeholders related to the client have been searched.

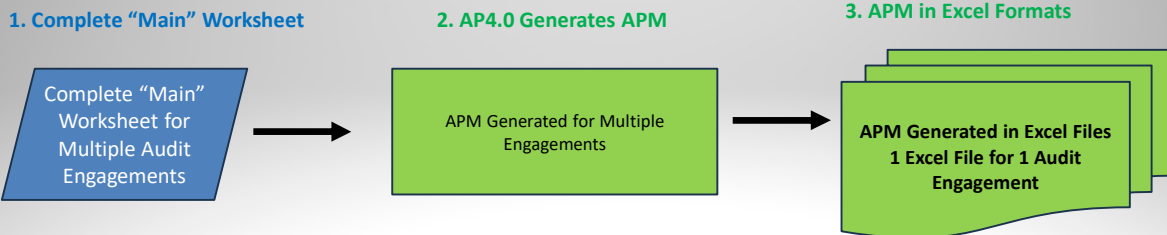
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6.2 AP4.0 Workflow - AML Name Screening

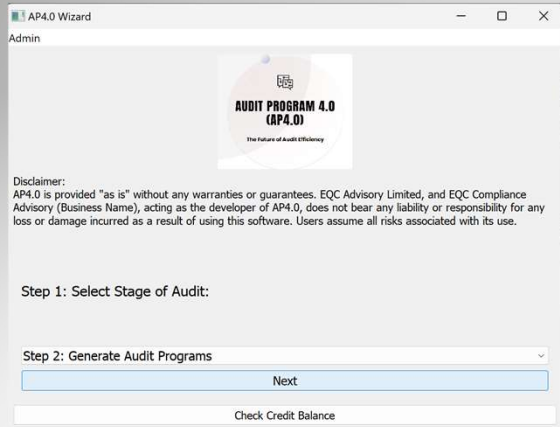


The day's UN Consolidated Sanction List is attached after the searched list and included in the same PDF file!

6.3 AP4.0 Workflow - APM Generation



6.3 AP4.0 Workflow - APM Generation

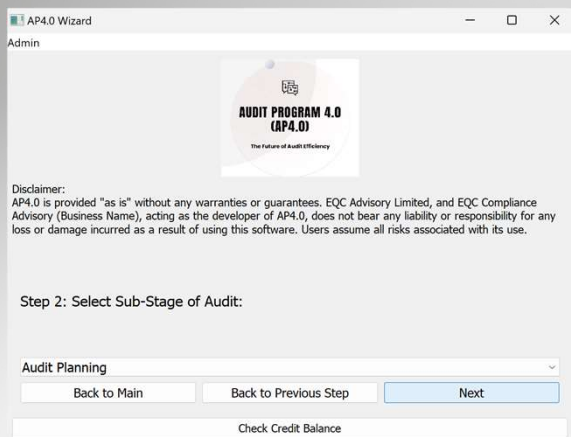


The entire functionality of AP3.0 (i.e. generation of APM) is included in one of the 5 functions of AP4.0.

Select "Step 2: Generate Audit Program" in the AP4.0 Wizard Home Screen.

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6.3 AP4.0 Workflow - APM Generation



The entire functionality of AP3.0 (i.e. generation of APM) is included in one of the 5 functions of AP4.0.

Select "Audit Planning" and then click "Next".

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6.3 AP4.0 Workflow - APM Generation

AP4.0 Wizard
Admin

AUDIT PROGRAM 4.0 (AP4.0)
The Future of Audit Efficiency

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Step 3: Select Sub-Sub-Stage:

Simplified (SME-FRS / PE)

Back to Main Back to Previous Step **Next**

Check Credit Balance

The entire functionality of AP3.0 (i.e. generation of APM) is included in one of the 5 functions of AP4.0.

Select version of APM (AP3.0) you would like to use, and then click "Next". Here we chose "Simplified" version.

Reminder: Even simplified version can generate APM for SME-FRS / PE / HKFRS.

FYI we will also launch local GAAP & IFRS for the following countries by February, 2025:

UK, MY, SG, Ireland, AU, NZ, South Africa, Canada, India

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6.3 AP4.0 Workflow - APM Generation

AP4.0 Wizard
Admin

AUDIT PROGRAM 4.0 (AP4.0)
The Future of Audit Efficiency

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Step 4: Final Selections.

Back to Main Back to Previous Step

Download Input AP Template

Upload Filled AP Template and Generate Audit Programs

Check Credit Balance

The entire functionality of AP3.0 (i.e. generation of APM) is included in one of the 5 functions of AP4.0.

Download the Controller Excel with the "Main" worksheet to input engagement data to generate APM. **Click "Download Input AP Template"**

Reminder: Even simplified version can generate APM for SME-FRS / PE / HKFRS.

FYI we will also launch local GAAP & IFRS for the following countries by February, 2025:

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6.3 AP4.0 Workflow - APM Generation

Client Name	Year-End Date	File No.	Preparer's Full Name	Prepared by (Initials)	Reviewer's Full Name	Review (Initials)
Sample ABC Company Limited - 2022	44926	A001	Victoria Smith	VS	Jack Chan	JC
ABC Company Limited	30/6/2023		Joyce Chan	JC	A.B Wong	ABW
Company E	30/6/2023		Joyce Chan	JC	A.B Wong	ABW
Company F	30/6/2023		Joyce Chan	JC	A.B Wong	ABW

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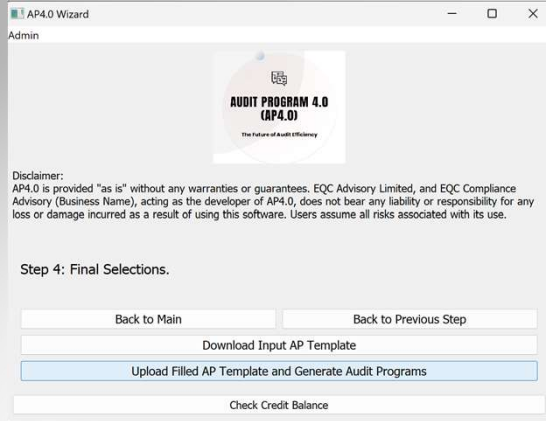
6.3 AP4.0 Workflow - APM Generation

Generate Audit Programs (If no, leave blank; If yes, select Yes)	Generate Working Papers (If no, leave blank; If yes, select Yes)	Name of COA Form	Generate Confirmations	Generate Sample Selection Planning	Generate Working Papers
		ABC Company Limited - 2022 - COA Form.xlsx		Yes	Yes
Yes	Yes	ABC Company Limited - COA Form.xlsx		Yes	No
Yes	Yes	Company E - COA Form.xlsx		Yes	No
Yes	Yes	Company F - COA Form.xlsx		Yes	No

Newly Added Columns in the "Main" worksheet to control the next Steps in AP4.0

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6.3 AP4.0 Workflow - APM Generation

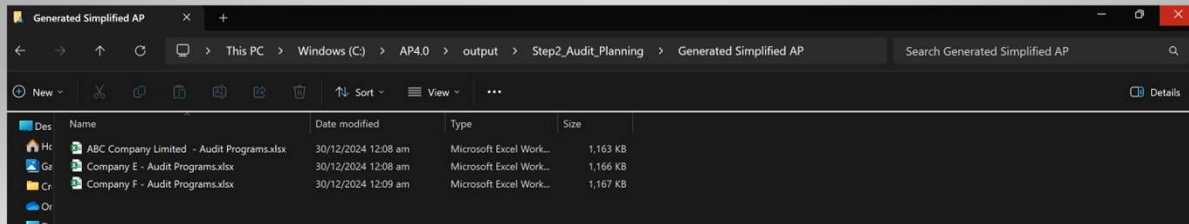


After completing the "Main" worksheet

Click "Upload Filled AP Template and Generate Audit Programs"

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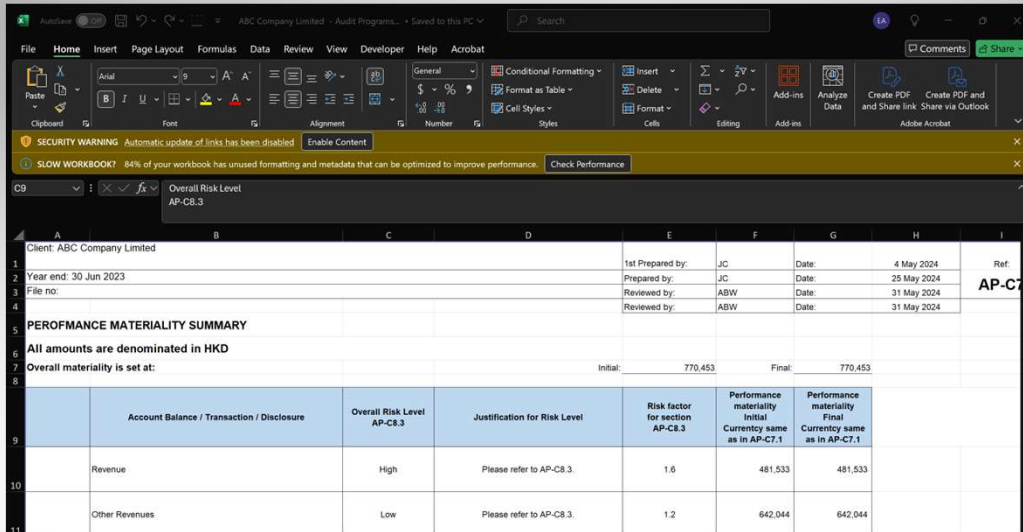
6.3 AP4.0 Workflow - APM Generation



Instant Generation of APM for multiple audit engagements

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6.4 AP4.0 Workflow - APM Generation



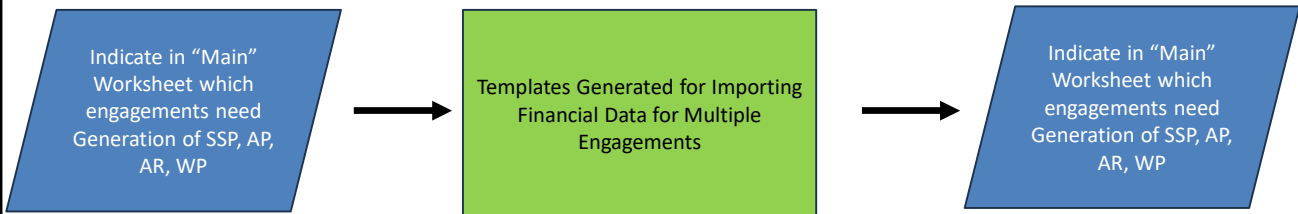
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6.5 AP4.0 Workflow - WP Generation

1. Indicate in "Main" Worksheet Engagements that require W/P Generation

2. AP4.0 Generates Chart of Accounts and Ledger Import Templates

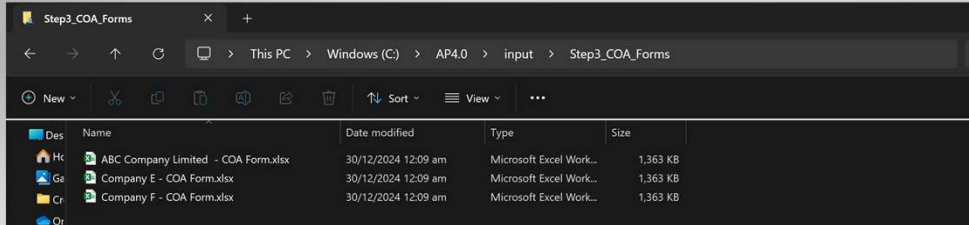
3. Import TB / ledgers for Multiple Engagements



SSP = Sample Selection Planning
 AP = Audit Procedures
 AR = Analytical Review on Management Accounts
 WP = Tests of Details (Substantive Testing)

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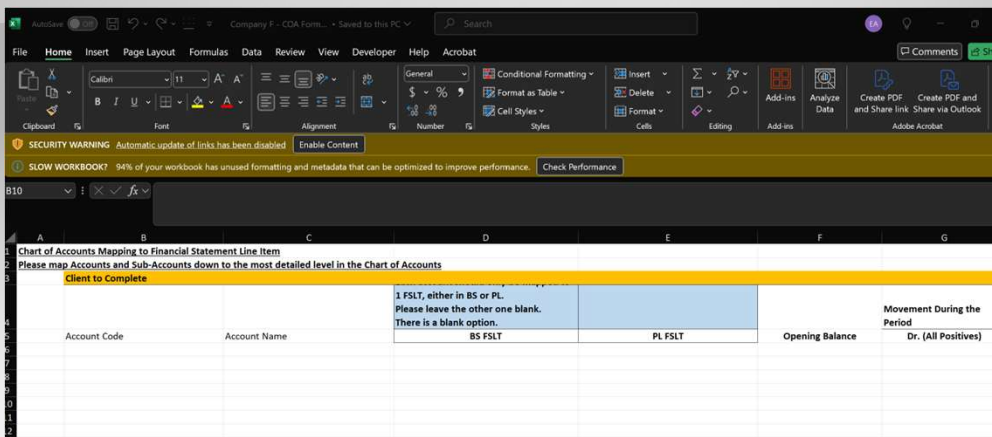
6.5 AP4.0 Workflow - WP Generation



When generating APM, Chart-of-Account and Financial Statement Mapping worksheets are also simultaneously generated

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6.5 AP4.0 Workflow - WP Generation



Complete the “COA.FSLT.Mapping” worksheet by mapping the COA against the Financial Statement Line Items (FSLT). Those FSLT indicated “Yes” are shown as line items in the drop-down menu that you can map to. “PL Eqc” and “BS Eqc” can easily identify which FSLT you have not mapped!

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6.5 AP4.0 Workflow - WP Generation

Choose “Step 3A: Generate Sample Selection Planning, Audit Procedures and Analytical Review” in the AP4.0 Wizard Home Screen.

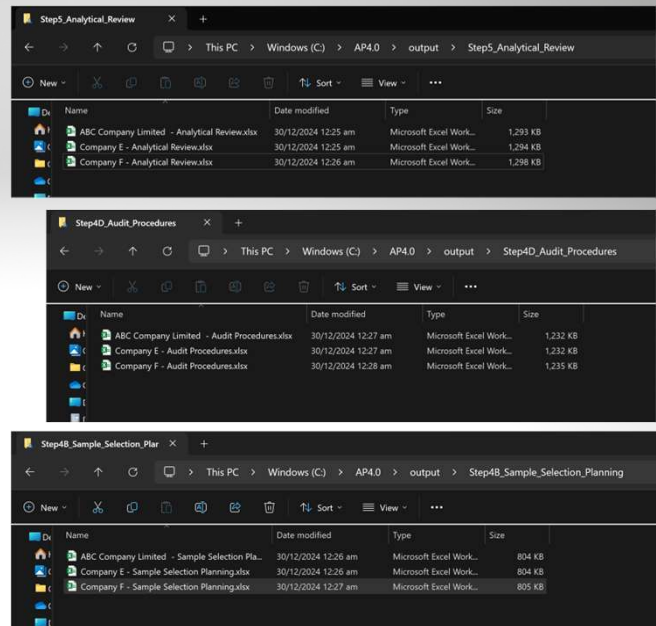


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6.6 AP4.0 Workflow - WP Generation

Just One Click:

Generates all three series of working papers for multiple engagements. Took 4 minutes to generate 9 files for 3 audit engagements.



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