The Inflo Digital Audit Methodology Explained

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Executive Summary

Inflo has built an innovative Digital Audit methodology that gives firms the content and industry coverage they need to help maximize their use of the solutions it provides.

Legacy methodologies were designed for a pre-cloud world and rely on static checklists that stifle critical thinking and efficiency. Our approach replaces these with structured, data-driven workflows that connect engagement planning, risk assessment, execution, and completion. Inflo enables firms to deliver higher quality, more efficient audit processes, and better experience for clients and teams.

How it works

In the Inflo Digital Audit methodology is embedded, quality-focused, tailorable, efficient and designed to support the needs of audit teams:

- The methodology is embedded in the platform, through audit procedures that ensure compliance with auditing standards and linked guidance to the auditor available online as they work.
- The Inflo Platform is underpinned by a sophisticated content management engine that controls what audit procedures appear in each audit engagement. This allows firms to benefit from Inflo's investment in Content Packs that address auditing standards, while allowing firm-specific and territory-specific tailoring of content, for example to reflect local regulatory requirements and firm policies.
- The standard Inflo Content Packs contain tailoring logic that populate the audit engagement with relevant audit procedures based on the nature of the client and their operations.
- The standard Inflo Content Packs help the auditor keep documentation fully consistent and reduce manual effort, by automatically populating responses to audit procedures to reflect work that the auditor has done elsewhere in the Inflo platform. So, for example, if the auditor has used data analytics to support their initial risk assessment, the risk assessment procedure will automatically be pre-populated to record this.
- The Inflo Platform supports collaboration, so teams can work effectively across remote locations and time zones.

Compliance without compromise

Innovation does not come at the expense of quality. The methodology aligns to professional standards dependent on the type of audit, review, and other type of engagements we support, with the full list discussed further in section 2 of this document.

When applied appropriately, the methodology supports strong compliance and can help firms prepare confidently for peer/regulatory review or internal inspections. Our US Audit, Review and PCAOB Content Packs have achieved Quality Controls Materials (QCM) certification through regular independent review.

Content Packs as the engine

Engagement-type specific Content Packs bring structure, automation, and industry depth into every Inflo Workpapers engagement. They propose scoping based on client data, provide draft risks and responses, and add specialized content for stand alone, group, and component

audits. This provides an efficient starting point for the auditor to then apply professional judgement and ensure appropriate for the engagement.

Workprograms and advanced workflows

Traditional checklists and practice aids have been transformed into workprograms supplemented by Advanced Screens. Workprograms are a set of procedures to which the engagement teams provide responses that are captured in the database (firm's data hosted and stored by Inflo) and can therefore be mined in the future for audit quality purposes. For certain, more complex audit areas, Advanced Screens have been created to capture the data in a more standardized and structured manner.

Working paper templates that standardize quality

Excel and Word templates guide audit activities and standardize evidence gathering for areas where either the most appropriate current tools are still Excel and Word (such as sample testing documentation) or better tools are being developed by Inflo. Templates are embedded at the point of need, linked to the audit procedures, and centrally versioned to ensure teams always use the latest materials.

Letters, checklists, and research

Today, most firms maintain subscriptions to established vendors for letter templates, disclosure checklists, and technical research. In parallel, Inflo is developing additional resources and exploring partnerships to deliver a more integrated experience in these areas.

Control and flexibility

Advanced content management capabilities allow firm leaders to create industry-niche approaches, add supplemental procedures, or address firm specific requirements. Admin users utilize a no-code approach to edit, review, and release new or modified Content Packs to their teams.

Licensing that removes barriers

Access to our methodology content is included in the license for using Inflo Workpapers and not charged separately. Firms always have the right industry content without unnecessary cost or complexity.

Looking ahead

Inflo's roadmap focuses on deeper automation, integrated research, and appropriately leveraging Agentic AI to make audits smarter and faster. Firms using our platform benefit from a steady cadence of innovation, continually advancing the quality and efficiency of audits and other similar types of engagements.

Section 1: Our Vision

Empowering Auditors for What Comes Next

The most widely used audit methodology was first written in the 1980s. It was built for a world without cloud computing, data analytics, or remote work. Yet many firms still rely on checklist-heavy processes that prioritize compliance over innovation.

These approaches do little to develop the skills today's auditors need. They make the profession less attractive to the next generation. Our vision is to change that.

Methodology should empower people, not constrain them. It should encourage critical thinking, collaboration, and intelligent use of technology. This is how auditors deliver higher-quality work, more value to clients, and a more relevant audit service.

Principles of Modern Methodology

Inflo's methodology is designed to be risk-based, focused on activities, and data-driven. It replaces static checklists with dynamic workflows that link decisions and documentation across the engagement.

We use a "tailor-in" approach. Relevant procedures are brought in when needed, rather than irrelevant ones littering the audit engagement. This approach captures structured documentation into forms and data, which enables automation, consistency, and insight.

Collaboration is built in. Teams can work effectively across locations and time zones because of the way the methodology is structured into distinct activities.

We also promote scalability by intentionally being less prescriptive, in areas where appropriate. Our focus is efficient compliance. You decide what more you want to do.

We do not force unnecessary work upon you. But if you want to add more rigor, the tools are there.

Built for Compliance, Designed for Progress

Our methodology complies with all US and international standards, including PCAOB, US GAAS, and ISAs. Our US methodology has been reviewed by an independent auditor and achieved the Quality Control Materials (QCM) certification. This gives confidence that firms will be prepared and supported through peer/regulatory review and other inspections if our methodology is followed as designed.

We have proven our ability to adopt new standards ahead of deadlines, giving firms more control over when they implement these changes. Firms can trust that progress and compliance go hand in hand and avoid last-minute scrambling to implement long-known changes.

Looking Ahead

Technology and AI will continue to reshape the profession. Our methodology provides the foundation to embrace these opportunities.

We view AI as more than just a research tool. We are working on integrating the latest technologies directly into the audit workflow, where they can improve both quality and efficiency.

Audit methodologies must promote the use of advanced auditing techniques to allow firms to deliver the audit service their clients want and expect.

"Technology has often added work because methodology didn't give credit for it. Inflo's methodology is built to make technology count. It replaces manual effort with intelligent automation."

Section 2: Methodology Content Packs

"Content Packs are the engine of a data-driven audit - bringing structure, automation, and industry depth into every engagement."

What a Content Pack is

A Content Pack is the engagement-specific methodology that drives an Inflo Workpapers engagement. Each Pack includes workprograms, procedures, prepopulated responses, guidance, dependency rules, risk libraries, and the Advanced Screens used for structured documentation. These elements work together to ensure consistency, compliance, and efficiency across engagements.

Industry overlays without duplication

Industry content is blended into the core Content Packs rather than creating separate ones for each industry. When an engagement is created, the industry selected tailors the relevant risks, procedures, responses, and naming conventions. This approach avoids duplication while maintaining depth where it matters and consistency with the underlying auditing standards.

Specialized engagements

Content Packs drive a tailored audit approach and user experience for specialized engagements, for clients such as SEC registrants, Governments, and EBPs, or specialized engagements such as single audits and SOC assurance.

The Content Pack determines the workprograms and procedures to follow and the guidance provided to users. Content Packs also determine which Advanced Screens are populated in the engagement. This is then complemented by working paper templates designed to support the nuanced audit procedures required in that type of engagement.

This combination of resources drives a highly tailored audit approach reflecting the specific procedures required on these engagements.

How a Pack populates the Inflo Workpapers engagement

Content Packs interact with the Inflo Workpapers engagement at defined milestones:

- At Inflo Workpapers engagement creation – the Pack imports planning and completion workprograms and any additional items tied to that creation point.

- In Risk & Response – the Pack provides a draft risk assessment and proposed responses, forming the starting point for the audit plan.

- For special situations – additional content can be added for initial audits, group audits, or component audits.

This staged approach avoids overpopulation and ensures the engagement evolves logically based on the decisions being made as the audit progresses.

Automated recommendations

The Inflo platform leverages client data and logic embedded within the Content Pack to recommend scoping, risks, and initial responses. It considers the trial balance, chart of accounts taxonomy, materiality, and industry rules defined in the Pack. The result is a data-driven draft plan that the team reviews and finalizes in the Risk & Response area of Inflo Workpapers.

Inflo Content Packs also provide clear workflows and guidance on when and how to use other Inflo products. Dedicated workprograms support these workflows, while automated recommendations within the products help teams apply data analytics to gather supporting evidence more effectively.

Tailor-in logic and prepopulated responses

Prepopulated responses do more than fill in workprograms. They standardize documentation and trigger automation that keeps the Inflo Workpapers engagement consistent. Selecting a response can answer related procedures, add workprograms, or create notifications, reducing manual effort and preventing contradictory documentation.

Dependencies – the four trigger types

Dependencies are events linked to a user's selection of a specific response. They keep the engagement synchronized without manual cross-checks. The four types are:

- Select Other Response – selects a related response in the same or a different workprogram.

- Notify Other Workprogram – adds a notification to another workprogram

- Import Procedures – adds an additional section of new procedures within a workprogram.

- Import Workprogram – adds an additional workprogram to the engagement.

Advanced Screens - codifying complex areas

Some documentation is better captured as structured, in-platform forms rather than separate files. Advanced Screens do this by guiding auditors through key judgments and calculations. A significant benefit of this approach is that the information input into these screens by engagement teams can be analyzed. This means Inflo can extract all the entries made by all users on all engagements to provide powerful insights to a firm's quality leadership, and to the extent relevant also to the firm's clients.

Examples include:

- Accounting Estimates – prompts for methods, assumptions, and outcomes with clear linkage to assessed risks and conclusions.

- Component Materiality Allocation – supports allocation basis and justifications at group level.

- Business Processes – helps to document the engagement team's understanding of the entity's business processes, including key controls, identified risks, and walkthroughs of each process, in a structured way, linking to identified risks and planned responses.

These screens have evolved from what used to be free-form Word or Excel templates with guided, data-driven inputs.

Governance, updates, and versioning

Inflo Content Packs are developed by an in-house team of experienced auditors (the Inflo Methodology Team) following a defined review and approval process, independent quality checks, and input from customers. Each Content Pack is mapped to the relevant professional standards and released through a documented governance process.

With content versioning, firms can update workprograms, procedures, responses, and risks without disrupting live engagements. Updates can be created, reviewed, and tested safely before being published, and are clearly categorized by impact level — minimal, recommended, or mandatory — giving firms full control over how and when changes are applied. Where appropriate, in-process engagements can also be guided to apply updates made to the Content Pack relevant to their engagement.

This structured and transparent approach builds confidence in making continuous improvements. It allows methodology teams to refine content in smaller, more frequent cycles, rather than relying on large annual updates. The result is greater agility, faster response to regulatory change, and continuous enhancement of audit quality — all while keeping current engagements stable and compliant.

Compliance with standards and updates

Each Content Pack is mapped to relevant standards and available for technical review in Inflo Know. QCM examinations routinely performed by independent auditors provide assurance that both our methodology materials and the processes followed by the Team can be relied upon as compliant materials.

Our Team monitors exposure drafts, participates in IAASB working groups, and plans ahead so changes to our Content Packs are made early in the evolution of professional standards. Changes the Team makes which reflect early-adoption of new standards are performed in a way which allows firm leaders to choose when to make the transition to the new standards. This gives firms far more time to prepare for changes and more control over how these are implemented.

This ensures our guidance is fully aligned with all applicable professional standards.

Tailoring capabilities available to firms

Inflo wants to empower firms to have more control over their methodology, through admin roles which can be assigned to appropriate individuals.

Create and Tailor Content Packs

Inflo wants to empower firms to have more control over their methodology through powerful new authoring capabilities for Content Packs. Quality leaders can create Content Packs from the ground up, embedding firm-specific procedures, guidance, and

risk libraries to reflect unique approaches or address regulatory feedback. This allows the firms to import proprietary approaches to the audit or work with niche clients.

Firms can also duplicate any Inflo Content Pack as a starting point, then tailor it to their needs. This allows teams to leverage proven, compliant content while making targeted adjustments. Edits could be to add supplemental procedures, refine risk language, or incorporate firm policies. The result is a methodology that feels bespoke yet benefits from the depth and regular updates of Inflo's core content.

While flowing updates from the base Content Pack to the duplicated version is manual today, this is an area where we are exploring greater automation.

Methodology Management – firm-level configuration

Admin users assigned the Methodology Manager user role can configure key variables that shape the methodology for their firm, including:

- Materiality rules and ranges

- Customized pervasive risks

- Roll-forward settings for workprograms and risks

- Options for warnings and entity-level risk fields

- Impact of the variables defined in Sampling Methodology

This gives firms more control over how the methodology is applied and some of the key variables which impact audit efficiency and quality. They ensure consistency of engagement execution.

Template Manager – working paper templates

Admin users assigned the Template Manager user role can embed firm templates at the procedure or response level across Content Packs. This feature allows firms to standardize detailed audit documentation such as memos or working papers, improving quality and efficiency.

N.B.: Admin roles are restricted and usually recommended to be properly supervised by firms to ensure the appropriate people have access to them.

Access and licensing

Our per-engagement SaaS licensing model has some major benefits when compared to traditional methodology licensing models. Teams have access to all the available content so they can pick the most effective audit approach for their clients. Firms do not have to pay additional fees to make specific content titles available to their teams.

Our Content Pack titles

The following US Content Pack titles and industry content are available for selection:

US CONTENT PACK NAME	ADDITIONAL INDUSTRY CONTENT AVAILABLE
US AUDIT	Manufacturing; Oil & Gas; Construction; Dealerships; Financial & Insurance Activities; Healthcare; Asset Management; Homeowners Association

US AUDIT – PRIVATE NONPROFIT	Healthcare
US AUDIT – EMPLOYEE BENEFIT PLAN	Manufacturing; Construction; Dealerships
US AUDIT – PRIVATE NONPROFIT (+ SINGLE AUDIT)	Healthcare
US AUDIT – LOCAL GOVERNMENT (+ SINGLE AUDIT)	Healthcare; Education
US AUDIT – HUD (+ SINGLE AUDIT)	Real Estate Activities; Construction
US AUDIT – FINANCIAL INSTITUTION	Manufacturing, Construction; Dealerships
US AUDIT – PCAOB	Manufacturing, Construction; Dealerships; Healthcare; Financial Institutions; Capital Markets; Asset Management

The following US Content Packs for other engagement types are also available for selection:

- US PCAOB QUARTERLY REVIEW
- US COMPILATION
- US FINANCIAL STATEMENTS PREPARATION
- US EXAMINATION
- US EXAMINATION – SYSTEM & ORGANIZATION CONTROLS
- US AGREED-UPON PROCEDURES
- US REVIEW OF INTERIM FINANCIAL INFORMATION

For more details about our full offering and the latest list please see Inflo Know.

Key takeaway

"Content Packs insert the right work at the right time. They apply dependency logic to keep the engagement in sync, make the best industry content available to all, and leverage automation to provide recommended approaches to auditors. And experienced leaders in the firm have far more control over how their team perform audit engagements."

Section 3: Working Paper Templates

Standardizing detailed documentation of work improves quality and efficiency - and makes reviews faster and clearer through consistency and structure.

What they are and why they matter

Working paper templates – also commonly referred to as "practice aids" - are resources that guide auditors in performing and documenting certain audit activities.

In Inflo's Digital Audit Methodology, these take four forms:

- Workprograms – a consistent, data-rich manner to capture audit evidence and provide guidance to auditors as to the expected level of evidence required.

- Advanced Screens – structured, detailed data captured through screens, supporting more complex workflows and the ability to link to other areas of the engagement, such as risk assessment.

- Excel templates – for calculations or schedules that require spreadsheet functionality.

- Word templates – for narrative documentation or confirmations.

Workprograms and Advanced Screens form part of the Content Packs and therefore are not referenced as working paper templates. The benefits of these have been covered above and in the previous section of this document.

For areas of the engagement that either the most appropriate current tools are still Excel and Word (such as sample testing documentation) or the better tools are still being developed, our Team have developed supporting working papers templates.

Each template is designed to support both the execution of the work and the documentation of evidence, ensuring consistency and clarity across engagements.

Designed for consistency and speed

Templates remove unnecessary variation. They define what good documentation looks like, prompt for the right inputs, and use consistent headings and evidence prompts across engagements. This reduces rework loops, shortens review time, and helps staff learn faster by seeing the same structure in every engagement.

Excel and Word Templates – embedding standardized working papers

A suite of optional working paper templates is hosted on Inflo Know.

Admin users assigned the Template Manager user role control which of the Word and Excel template files are made available to engagement teams. They do this by downloading the Inflo Know templates and uploading them within the Template Management area. Templates they wish to publish are embedded at the procedure or response level, so they appear at the exact point of need.

One template can be linked across multiple Content Packs and several procedures. When auditors select a response that requires a template, the Inflo platform prompts them to open or attach this template - keeping the documentation trail tight and predictable.

As Template Management is a new area for many firms, Inflo is continuing to develop the most effective methods for adoption and ongoing template management. To support customers, Inflo provides clear guidance for setting up and using templates, including steps to follow when updates occur. While automated maintenance of legacy templates is not yet available, Inflo will offer manual assistance to firms using outdated or incorrect versions as needed.

This approach is being refined based on user feedback. At present, templates are optional; firms may choose to set them as defaults or apply them selectively. As Inflo learns which features are most valuable to customers, options for automated template population and maintenance will be explored for future releases.

How updates and versioning work

The library managed by Template Manager user roles is the single source of truth. When a new template is available, admin users review the new version and replace the template in the

library. The updated version is available everywhere it is linked. With in-process engagements, if the templates have already been uploaded on the engagement, then the teams would have to reset and re-upload. If they haven't done that yet, then they will always be accessing the latest version.

This provides robust version control, stops outdated shells from circulating, and means teams do not waste time hunting for the latest template. Updates are released immediately in the engagement.

Integration with Content Packs and dependencies

Templates are designed to mesh with Content Packs and their dependency logic. Inflo has developed these working paper templates and the related Content Packs updates so that the workflow fully leverages these materials and avoids duplication of effort.

Governance and quality checks

Templates follow the same in-house authoring and review process as Content Packs. Drafts are created by experienced auditors, reviewed, tested with real users, and then released. We typically release templates with a beta flag to highlight new templates and invite feedback from users once the templates are practically applied.

Roadmap and new releases

The Inflo Release Hub carries the latest on new templates, enhancements, and availability timelines.

Benefits of a digital audit

Inflo automates what has previously been large libraries of practice aids, using industry tailoring inside the template or within the Content Pack.

The result is a leaner, clearer set of resources that are easier to maintain, readily available to teams, and primed to drive increasing levels of automation.

Feedback from users

- Fewer review comments about "what to include" as structure drives clarity.

- Faster reviews due to consistent placement of evidence and conclusions.

- Reduced time spent finding or updating the "right" template.

- Improved staff development as juniors learn from repeatable formats.

- Engagements that are more inspection-ready because documentation is complete, consistent, and traceable.

Section 4: Letter Templates

"Standardizing letters reduces drafting time and review churn—teams start from proven language, not a blank page."

What we mean by letter templates

Letter templates are the standard documents firms use to initiate, communicate, confirm, and conclude audit engagements. They include:

- Engagement letters

- Management representation letters

- Confirmations: Cash, Investments, Debt, Legal, Accounts Receivables, Accounts Payables, Inventory, Leases, Insurance, Asset Retirement Obligations

- Client communications

- Audit reports

- Predecessor/successor communications

Current stance

Inflo currently provides a small set of example letters. These are helpful samples, but they are not comprehensive enough to replace existing methodology subscriptions. In 2025, most firms continue to rely on their established libraries for complete coverage.

Partner or build—our near-term approach

As of Q3 2025, we are actively exploring two paths:

- Partner/license: Discussions are underway with methodology providers and large CPA firms to license their letter templates that complement our methodology materials, so other firms can license these from Inflo.

- Build: If appropriate partnerships are not secured, we will develop a far more comprehensive curated set of Inflo letter templates in-house.

The Release Hub will carry the latest status on availability and scope of letter templates.

Our broader plan—automation and integration

Enhancements to InfloLink in 2025 now allow firms to pull key client and engagement data from the Inflo Workpapers engagement directly into Word and Excel. This creates an immediate opportunity for firms to prepopulate letter templates with accurate, engagement-specific information.

Longer term, we are exploring how to make this process even more intelligent. We will explore a data-driven approach where letter templates are dynamically generated utilizing the right templates and based on engagement data, reducing manual effort and improving accuracy.

Where letters fit in the workflow

A suite of optional letters is hosted on Inflo Know.

The same process using Template Management area, as described in the previous section for working paper templates is also recommended for letters.

What firms should do now

Until the partner-licensed or Inflo-built set is available, we recommend firms maintain access to proven, comprehensive libraries of these templates, from their existing providers.

This is a temporary solution given our planned advancement in this area in 2026.

What good looks like

The future of letter templates is not just about standardization. It's about intelligent automation. A best-in-class solution will:

- Always use the right template for the engagement type and jurisdiction without manual searching or human error.

- Pull key client and engagement data directly from the engagement into the letter, reducing errors and duplication.

- Update on a timely basis when standards or firm policies change, so teams always comply.

- Integrate seamlessly with methodology content and workflow, so letters are naturally utilized at the right time in the engagement.

This represents Inflo's long-term vision for letter templates. As with all areas of our product and methodology, we'll continue to listen to our customers and focus on solving the highest-impact problems first.

While intelligent automation is an exciting direction, we know firms already manage these letters manually today, and other areas may deliver greater value sooner.

Section 5: Disclosure Checklists

Disclosure checklists help teams test that required financial statements disclosures are appropriately included in the client financial statements.

Current stance

Inflo does not currently provide any disclosure checklists. Most firms continue to use their existing or licensed checklists and attach the completed output into the engagement.

Partner-first approach

Our intention is to integrate checklists from specialist vendors rather than build a large checklist library ourselves. We will revisit this if we cannot find an appropriate partner.

The exact user experience will depend on the integration we build, and we will be seeking to drive greater automation within this activity. Updates on our approach will be communicated through the [Release Hub](#).

Future direction

Over time, we aim to support checklists that scope to engagement characteristics and introduce powerful automation to reduce manual effort comparing financial statements to the checklist.

What firms should do now

Until our partner integrations are available, firms should maintain their current subscriptions to existing checklists.

Section 6: Research & Guidance

"Research should flow like the audit itself—guidance at your fingertips, answers in context, and a clear path to document the work."

Primary source: Inflo Know

The primary source of guidance is Inflo Know. It houses searchable knowledge articles and how-to guides for both the software and the methodology embedded in Inflo Workpapers. Teams also have Inflo Academy for self-paced learning on key topics. These resources are always on, kept current, and accessible from the platform.

Inside the engagement, the procedures within workprograms include on-screen guidance and references to the specific standards paragraph(s) the procedure relates to.

When firms need more depth

Firms commonly supplement Inflo Know with external research tools for greater technical depth and industry specific resources.

Our current guidance mirrors the approach used for disclosure checklists and letters: maintain existing subscriptions while we explore alternative approaches to research content.

Bringing research into the workflow

Our aim is to bring more of the research experience directly into the audit workflow. That includes surfacing text and interpretations of the relevant standards directly next to the audit procedures. This will strengthen the link between methodology content and authoritative sources. Release Hub will provide updates on our progress in this area.

How we keep guidance current

Our Team monitors exposure drafts, participates in IAASB working groups, and plans ahead so firms can choose when to adopt changes. This is the same discipline we use to keep methodology and guidance aligned with PCAOB, US GAAS, ISA/ISA(UK), SSAE, and all other applicable standards.