


Audit and Assurance

DATA ANALYTICS SOFTWARE 'ELEPHANT COMPANY' QUESTIONS

Note: we have produced this document to help students understand how to use the Data Analytics Software when answering Audit and Assurance questions based on Elephant Company in the Question Bank. The document should be read alongside the answer to the corresponding question.

This does not form part of the answer. The Data Analytics Software screens cannot be cut and pasted from the software into your answer in the Audit and Assurance exam.

Question 26 Elephant One

In the *Explore* module, select 'Account View' and then 'Asset'. Use the  icon to select only 'Land, buildings & improvement' and click 'CONFIRM'.

Select Categories (Asset)

<div>Intangible Assets <input type="checkbox"/></div> <div>Development costs <input type="checkbox"/></div> <div>Patents, licences & trade marks <input type="checkbox"/></div> <div>Goodwill <input type="checkbox"/></div>	<div>Property, Plant & Equipment <input checked="" type="checkbox"/></div> <div>Land, buildings & improvement <input checked="" type="checkbox"/></div> <div>Machinery & equipment <input type="checkbox"/></div> <div>Motor Vehicles <input type="checkbox"/></div> <div>Other property, plant & equipment <input type="checkbox"/></div> <div>Assets under construction <input type="checkbox"/></div> <div>Investment properties <input type="checkbox"/></div>	<div>Investments <input type="checkbox"/></div> <div>Investments in subsidiaries <input type="checkbox"/></div> <div>Investments in joint ventures <input type="checkbox"/></div> <div>Investments in associates <input type="checkbox"/></div> <div>Other investments <input type="checkbox"/></div>	<div>Inventory Work in Progress <input type="checkbox"/></div> <div>Raw materials and supplies <input type="checkbox"/></div> <div>Work in progress <input type="checkbox"/></div> <div>Finished goods and goods for resale <input type="checkbox"/></div>
<div>Other Assets <input type="checkbox"/></div> <div>Other receivables <input type="checkbox"/></div> <div>Prepaid expenses <input type="checkbox"/></div> <div>Accrued income <input type="checkbox"/></div>	<div>Trade Receivables <input type="checkbox"/></div> <div>Trade receivables <input type="checkbox"/></div>	<div>Cash at Bank and in Hand <input type="checkbox"/></div> <div>Cash at bank <input type="checkbox"/></div> <div>Cash in hand <input type="checkbox"/></div> <div>Short-term investments <input type="checkbox"/></div>	<div>Intercompany Receivables <input type="checkbox"/></div> <div>Intercompany trade receivables <input type="checkbox"/></div> <div>Intercompany loans receivable <input type="checkbox"/></div>

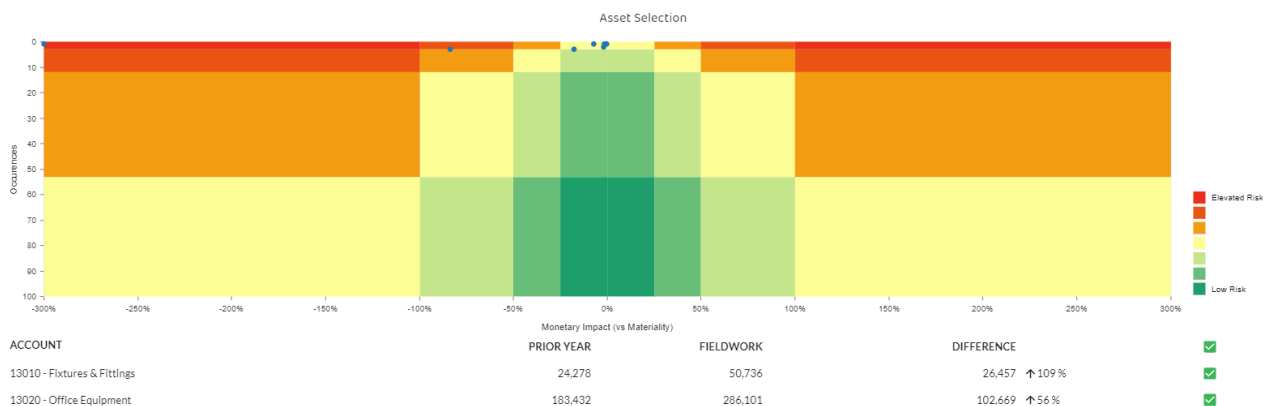
CONFIRM

Account information indicates annual increase in excess of materiality.

Asset		1.84M	Liability	876K	Equity	360K
		(↑ 47.9%)		(↓ 0.9%)		(↓ 1903.3%)
Asset						
ACCOUNT		PRIOR YEAR	FIELDWORK	DIFFERENCE		
13010 - Fixtures & Fittings		24,278	50,736	26,457 ↑ 109 %		
13020 - Office Equipment		183,432	286,101	102,669 ↑ 56 %		

Heat Map for Land, buildings and improvement indicates two types of higher risk entries.

Heat Map



Transaction analysis of these (clicking the two transactions in the red zones so the blue dots turn green and then clicking the 'View Transactions' button) indicates the following transactions:

Asset Transactions

Transaction Id	Description	Debit	Credit	Account Codes	Effective Dates	User Ids	Document Types	Created Dates
NOM061350	Adj Q1 Suspense	5,000	5,000	990, 13010	31/03/2018	FWRIGHT	NOM - Nominal Journal	12/05/2018 11:32:48
NOM062036	Adj Q2 Suspense	9,000	9,000	990, 13010	30/06/2018	FWRIGHT	NOM - Nominal Journal	11/08/2018 14:38:12
NOM062458	Adj Q3 Suspense	11,111	11,111	990, 13010	30/09/2018	FWRIGHT	NOM - Nominal Journal	17/11/2018 16:00:04
SRC006972	Website dev	95,000	95,000	13020, 21010, 61060	29/09/2018	FWRIGHT	SRC - Sales Receipt	06/10/2018 09:44:22

Show 10 lines

CANCEL CREATE TEST

Stacked Bar Chart with Primary Variable set to 'Created Weekday' shows vast majority of increase posted on Saturdays by Frank Wright:



Click on FWRIGHT (yellow) bar for transaction analysis which includes four large entries:

Asset Transactions filtered by created weekday Saturday

Transaction Id	Description	Debit	Credit	Account Codes	Effective Dates	User Ids	Document Types	Created Dates	
NOM061350	Adj Q1 Suspense	5,000	0	13010	31/03/2018	FWRIGHT	NOM - Nominal Journal	12/05/2018 11:32:48	<input checked="" type="checkbox"/>
NOM062036	Adj Q2 Suspense	9,000	0	13010	30/06/2018	FWRIGHT	NOM - Nominal Journal	11/08/2018 14:38:12	<input checked="" type="checkbox"/>
NOM062234	Ikea - Ikea Tables & legs(Studio)	448	0	13010	16/08/2018	FWRIGHT	NOM - Nominal Journal	25/08/2018 06:01:36	<input checked="" type="checkbox"/>
NOM062458	Adj Q3 Suspense	11,111	0	13010	30/09/2018	FWRIGHT	NOM - Nominal Journal	17/11/2018 16:00:04	<input checked="" type="checkbox"/>
PIN030115	2573 - 1 x 42u Server cabinet & 2 shelves - 472	556	0	13020	04/09/2018	FWRIGHT	PIN - Purchase Invoice	08/09/2018 17:51:26	<input checked="" type="checkbox"/>
SRC006972	Website dev	95,000	0	13020	29/09/2018	FWRIGHT	SRC - Sales Receipt	06/10/2018 09:44:22	<input checked="" type="checkbox"/>

Show 10 lines

CANCEL

CREATE TEST

Double entry for Adj Q3 suspense – click on **NOM062458** (same for the other two ‘Adj’ transactions):

Transaction 'NOM062458'

Transaction Id	Account Code	Amount	Effective Date	Document Type	Journal Description	User Id	Line Description	Created Date
NOM062458	13010	11,111	30/09/2018	NOM - Nominal Journal	Adj Q3 Suspense	FWRIGHT		17/11/2018 16:00:04
NOM062458	990	-11,111	30/09/2018	NOM - Nominal Journal	Adj Q3 Suspense	FWRIGHT		17/11/2018 16:00:04

Show 10 lines Showing 1 to 2 of 2 lines

CANCEL

Transactions shown in 990 Suspense account (found in *Explore* module, ‘Account View’, Other P&L category, page 2):

Transactions

Transaction Id	Description	Debit	Credit	Account Codes	Effective Dates	User Ids	Document Types	Created Dates
NOM062036	Adj Q2 Suspense	0	9,000	990	30/06/2018	FWRIGHT	NOM - Nominal Journal	11/08/2018 14:38:12
NOM062037	Adj Q2 Suspense	0	9,000	990	30/06/2018	FWRIGHT	NOM - Nominal Journal	10/08/2018 14:38:12
NOM062353	Johnstones Trade Cen - CJ Sept/Decorating materials	842	0	990	21/08/2018	EDAVIDS	NOM - Nominal Journal	27/08/2018 11:54:10
NOM062416	British Gas - British gas payment re meter move	280	0	990	28/08/2018	FWRIGHT	NOM - Nominal Journal	03/09/2018 16:50:14
NOM062456	Adjust Q3 sales	33,333	0	990	30/09/2018	FWRIGHT	NOM - Nominal Journal	16/11/2018 16:00:04
NOM062457	Adj Q3 Suspense	0	11,111	990	30/09/2018	FWRIGHT	NOM - Nominal Journal	16/11/2018 16:00:04
NOM062458	Adj Q3 Suspense	0	11,111	990	30/09/2018	FWRIGHT	NOM - Nominal Journal	17/11/2018 16:00:04
NOM062459	Adj Q3 Suspense	0	11,111	990	30/09/2018	FWRIGHT	NOM - Nominal Journal	16/11/2018 16:00:04
NOM062460	Suspense clear out	0	304	990	31/10/2018	FWRIGHT	NOM - Nominal Journal	17/11/2018 10:12:32
NOM062903	TFR	1,493	0	990	28/09/2018	EDAVIDS	NOM - Nominal Journal	04/10/2018 19:16:46

Show 10 lines

CANCEL

CREATE TEST

Analysis of double entry for transaction ‘Adjust Q3 Sales’:

Transaction 'NOM062456'

Transaction Id	Account Code	Amount	Effective Date	Document Type	Journal Description	User Id	Line Description	Created Date
NOM062456	990	33,333	30/09/2018	NOM - Nominal Journal	Adjust Q3 sales	FWRIGHT		16/11/2018 16:00:04
NOM062456	51010	-33,333	30/09/2018	NOM - Nominal Journal	Adjust Q3 sales	FWRIGHT		16/11/2018 16:00:04

Show 10 lines Showing 1 to 2 of 2 lines

CANCEL

Question 27 Elephant Two

Liquidity section of *Metrics* module.

Hover over the arrow to reveal prior year values

To view calculation of Metrics click on ⓘ



Gearing section of *Metrics* module:



Calculation of solvency ratio:

Solvency Ratio (Liability Based)

Current Year	1.1
Prior Year	0.4
Formula	Net Assets / Total Liabilities
Values (Original)	$\frac{963,586.4}{875,734.4} = 1.1$
Lower Quartile	3.3
Median	16.9
Upper Quartile	46.1
Benchmarked Against	All Data

CANCEL

In the *Explore* module 'Account View' select 'Cash at Bank and in Hand' and click 'CONFIRM'.

Select Categories (Asset)

Intangible Assets <input type="checkbox"/>	Property, Plant & Equipment <input type="checkbox"/>	Investments <input type="checkbox"/>	Inventory Work in Progress <input type="checkbox"/>
Development costs <input type="checkbox"/>	Land, buildings & improvement <input type="checkbox"/>	Investments in subsidiaries <input type="checkbox"/>	Raw materials and supplies <input type="checkbox"/>
Patents, licences & trade marks <input type="checkbox"/>	Machinery & equipment <input type="checkbox"/>	Investments in joint ventures <input type="checkbox"/>	Work in progress <input type="checkbox"/>
Goodwill <input type="checkbox"/>	Motor Vehicles <input type="checkbox"/>	Investments in associates <input type="checkbox"/>	Finished goods and goods for resale <input type="checkbox"/>
	Other property, plant & equipment <input type="checkbox"/>	Other investments <input type="checkbox"/>	
	Assets under construction <input type="checkbox"/>		
	Investment properties <input type="checkbox"/>		
Other Assets <input type="checkbox"/>	Trade Receivables <input type="checkbox"/>	Cash at Bank and in Hand <input checked="" type="checkbox"/>	Intercompany Receivables <input type="checkbox"/>
Other receivables <input type="checkbox"/>	Trade receivables <input type="checkbox"/>	Cash at bank <input checked="" type="checkbox"/>	Intercompany trade receivables <input type="checkbox"/>
Prepaid expenses <input type="checkbox"/>		Cash in hand <input checked="" type="checkbox"/>	Intercompany loans receivable <input type="checkbox"/>
Accrued income <input type="checkbox"/>		Short-term investments <input checked="" type="checkbox"/>	

CONFIRM

The breakdown of accounts within cash enables the identification of the invoice finance account balance and calculation of the cash balance excluding this amount.

Asset		1.84M	Liability	876K	Equity	360K
		(↑ 47.9%)		(↓ 0.9%)		(↓ 1903.3%)
Asset						
ACCOUNT		PRIOR YEAR	FIELDWORK	DIFFERENCE		✓
20010 - Bank, Current Account		-2,424	189,528	191,952	N/A	✓
20011 - Tracker Account		95	95	0	↑ 0 %	✓
20012 - Bank account 2		650	715	65	↑ 10 %	✓
20014 - Bank account 3		23,106	53,104	29,998	↑ 130 %	✓
20017 - Overseas bank account		100	100	0	0 %	✓
20021 - Invoice Finance account		54,578	-425,414	-479,992	N/A	✓
20030 - Petty Cash		400	400	0	0 %	✓
20040 - Credit card		-13,013	-11,000	2,013	N/A	✓
TOTAL SELECTED		63,492	-192,473	-255,965	N/A	


Question 28 Elephant Three

Note: requirement 1 does not require the use of data analytics software.

Requirement 2

Costs of sales account


In the *Explore* module, select 'Account View' and then 'Expense' and click 'CONFIRM'.

Use the  icon to select only 'Cost of Sales'. This should then show the screen below (scroll down to see all the transactions). From this, the sub accounts can be reviewed for significant changes, each of which may suggest high risk.

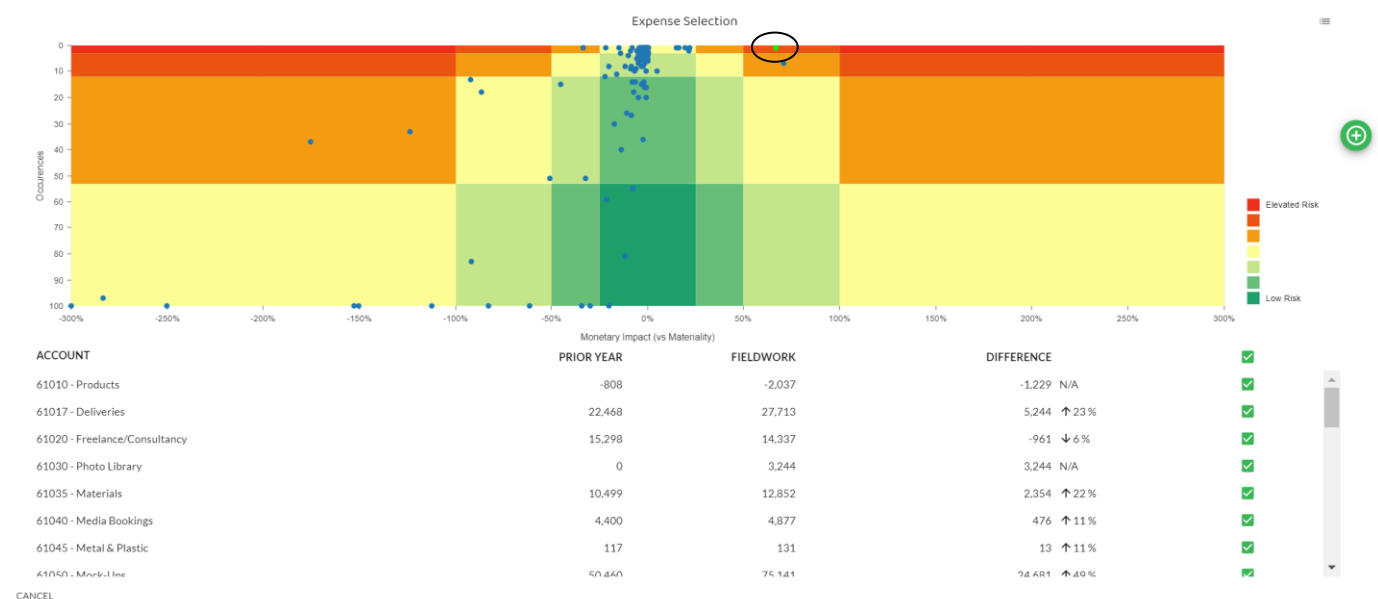
Expense				
ACCOUNT	PRIOR YEAR	FIELDWORK	DIFFERENCE	
61010 - Products	-808	-2,037	-1,229 N/A	✓
61017 - Deliveries	22,468	27,713	5,244 ↑ 23 %	✓
61020 - Freelance/Consultancy	15,298	14,337	-961 ↓ 6 %	✓
61030 - Photo Library	0	3,244	3,244 N/A	✓
61035 - Materials	10,499	12,852	2,354 ↑ 22 %	✓
61040 - Media Bookings	4,400	4,877	476 ↑ 11 %	✓
61045 - Metal & Plastic	117	131	13 ↑ 11 %	✓
61050 - Mock-Ups	50,460	75,141	24,681 ↑ 49 %	✓
61055 - Other Direct Costs	64,867	66,235	1,368 ↑ 2 %	✓
61060 - Photography	72,682	60,302	-12,380 ↓ 17 %	✓
61065 - Packing & Wrapping	995	1,143	148 ↑ 15 %	✓
61070 - Printing	280,064	272,785	-7,279 ↓ 3 %	✓
61075 - Repro	26,654	27,526	872 ↑ 3 %	✓
61085 - Travel & Subs on jobs	72,984	86,825	13,840 ↑ 19 %	✓
61090 - Vehicle Hire / Mileage	10,057	9,709	-348 ↓ 3 %	✓
61095 - Casual Labour	49,850	52,515	2,664 ↑ 5 %	✓
TOTAL SELECTED	809,659	881,464	71,805 ↑ 9 %	✓

Heat map


Still in the 'Account View':

- select 'Expense' (at the top of the screen)
- click on the  icon
- select *Cost of Sales* (ie remove all other green ticks)
- click on **CONFIRM** (bottom right corner)
- click on the 'Heat Map' (shown below)

Heat Map



It can be seen that there is only one transaction (circled) in the dark orange/red areas (click on the second to highest Elevated Risk class chart on the right) so it goes green (as above). Alternatively, click on the dot itself to make it go green.

Click on the transactions icon  , in the top right corner of the Heat Map above, to reveal the underlying transactions for the one high risk item (in green). This then shows the following:

Expense Transactions

Transaction Id	Description	Debit	Credit	Account Codes	Effective Dates	User Ids	Document Types	Created Dates
SRC006972	Website dev	95,000	95,000	13020, 21010, 61060	29/09/2018	FWRIGHT	SRC - Sales Receipt	06/10/2018 09:44:22

Show 10 lines

CANCEL CREATE TEST

Clicking on the blue Transaction Id in the above screen shows the double entry in the screen below.

Transaction 'SRC006972'


Transaction Id	Account Code	Amount	Effective Date	Document Type	Journal Description	User Id	Line Description	Created Date
SRC006972	13020	95,000	29/09/2018	SRC - Sales Receipt	Website dev	FWRIGHT		06/10/2018 09:44:22
SRC006972	61060	-20,000	29/09/2018	SRC - Sales Receipt	Photography	FWRIGHT		06/10/2018 09:44:22
SRC006972	21010	-75,000	29/09/2018	SRC - Sales Receipt	Digital Dreams Ltd	FWRIGHT		06/10/2018 09:44:22

Show 10 lines

CANCEL

Showing 1 to 3 of 3 lines

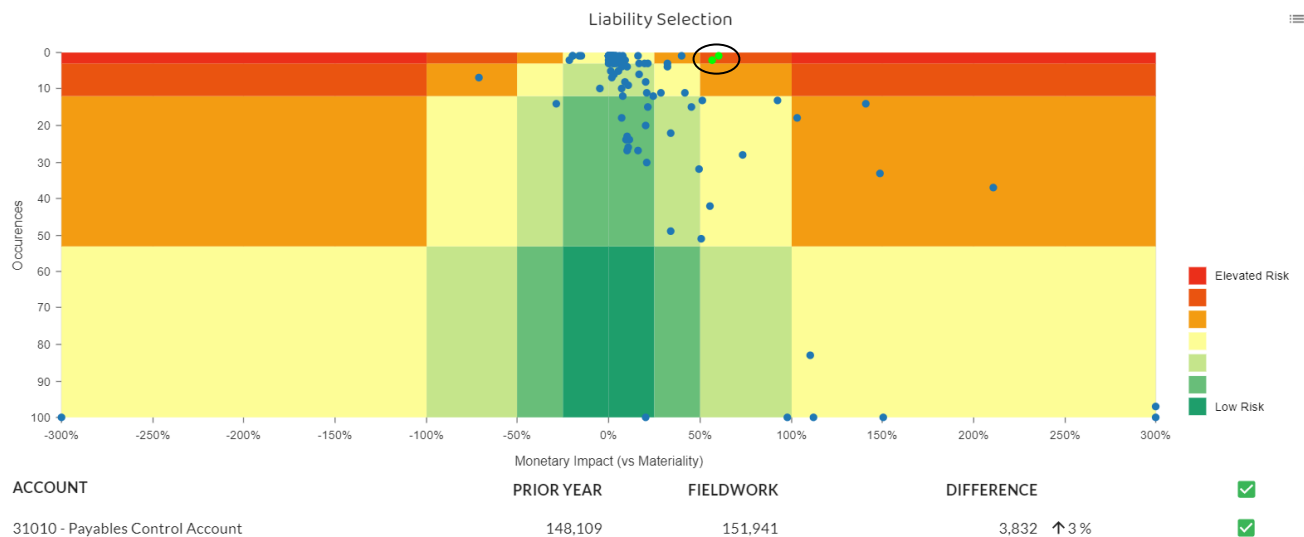
Trade Payables

For trade payables, go to 'Account View' then 'Liability' then 'Trade Payables' (using  icon and similar steps as for Cost of Sales above). The selection can also be made using the 'Financial Statement View' by selecting 'Statement of Financial Position' and unticking the 'Asset', 'Liability' and 'Equity' categories and then ticking the 'Trade Payables' sub-category under the 'Liability' drop-down breakdown. In both cases then click on the Heat Map and repeat the above routine (as for Cost of Sales).

However now there are two transactions in the dark orange/red zone (identified by clicking on the second to highest Elevated Risk class bar chart on the right).


Click on each dot individually to make each one green in turn - so the transactions can be identified separately for each (circled below):

Heat Map



Now repeat the same routine for payables (ie, the same steps as for Cost of Sales above) to show the following:

Heat Map - trade payables – left-hand green dot

Clicking on the transactions icon  for the left-hand green dot, produces the screen below:

Liability Transactions

Transaction Id	Description	Debit	Credit	Account Codes	Effective Dates	User Ids	Document Types	Created Dates
PIN029277	- PIN029277 - Posting Run Control	15,653	15,653	31010, 72020	02/02/2018	ABLOGGS	PIN - Purchase Invoice	08/02/2018 19:16:45
PIN030667	- PIN030667 - Posting Run Control	1,367	1,367	31010, 72020	23/10/2018	FWRIGHT	PIN - Purchase Invoice	29/10/2018 10:07:58

Show 10 lines

CANCEL

CREATE TEST

Clicking on the first blue Transaction Id in the above screen shows the double entry in the screen below.

Transaction 'PIN029277'

Transaction Id	Account Code	Amount	Effective Date	Document Type	Journal Description	User Id	Line Description	Created Date
PIN029277	72020	15,653	02/02/2018	PIN - Purchase Invoice	6906459815 - Rates 01/04/15 - 31/3/16	ABLOGGS		08/02/2018 19:16:45
PIN029277	31010	-15,653	02/02/2018	PIN - Purchase Invoice	- PIN029277 - Posting Run Control	ABLOGGS		08/02/2018 19:16:45

Show 10 lines

CANCEL

Showing 1 to 2 of 2 lines

Heat Map - trade payables – right-hand green dot

Liability Transactions

Transaction Id	Description	Debit	Credit	Account Codes	Effective Dates	User Ids	Document Types	Created Dates
PIN030006	- PIN030006 - Posting Run Control	18,127	18,127	31010, 33020, 77030	10/08/2018	TPOTTS	PIN - Purchase Invoice	16/08/2018 17:43:55

Show 10 lines

CANCEL CREATE TEST

Clicking on the blue Transaction Id in the above screen shows the double entry in the screen below.

Transaction 'PIN030006'

Transaction Id	Account Code	Amount	Effective Date	Document Type	Journal Description	User Id	Line Description	Created Date
PIN030006	77030	7,250	10/08/2018	PIN - Purchase Invoice	T301/NWB/KRM - TDG Holdings & TDG Brand Audit 2017	TPOTTS		16/08/2018 17:43:55
PIN030006	77030	4,600	10/08/2018	PIN - Purchase Invoice	T301/NWB/KRM - TDG Holdings & TDG Brand prep work 2017	TPOTTS		16/08/2018 17:43:55
PIN030006	33020	3,021	10/08/2018	PIN - Purchase Invoice	- PIN030006 - Posting Run Control	TPOTTS		16/08/2018 17:43:55
PIN030006	77030	1,600	10/08/2018	PIN - Purchase Invoice	T301/NWB/KRM - Corp Tax 2017	TPOTTS		16/08/2018 17:43:55
PIN030006	77030	700	10/08/2018	PIN - Purchase Invoice	T301/NWB/KRM - Discussing impact of NEL loan	TPOTTS		16/08/2018 17:43:55
PIN030006	77030	400	10/08/2018	PIN - Purchase Invoice	T301/NWB/KRM - Closure on appeal on assessment of tax demand	TPOTTS		16/08/2018 17:43:55
PIN030006	77030	300	10/08/2018	PIN - Purchase Invoice	T301/NWB/KRM - Drafting and filing dormant co accs	TPOTTS		16/08/2018 17:43:55
PIN030006	77030	150	10/08/2018	PIN - Purchase Invoice	T301/NWB/KRM - Revision of Corporation tax for prior year loss	TPOTTS		16/08/2018 17:43:55
PIN030006	77030	106	10/08/2018	PIN - Purchase Invoice	T301/NWB/KRM - travel/post/telephone etc	TPOTTS		16/08/2018 17:43:55
PIN030006	31010	-18,127	10/08/2018	PIN - Purchase Invoice	- PIN030006 - Posting Run Control	TPOTTS		16/08/2018 17:43:55

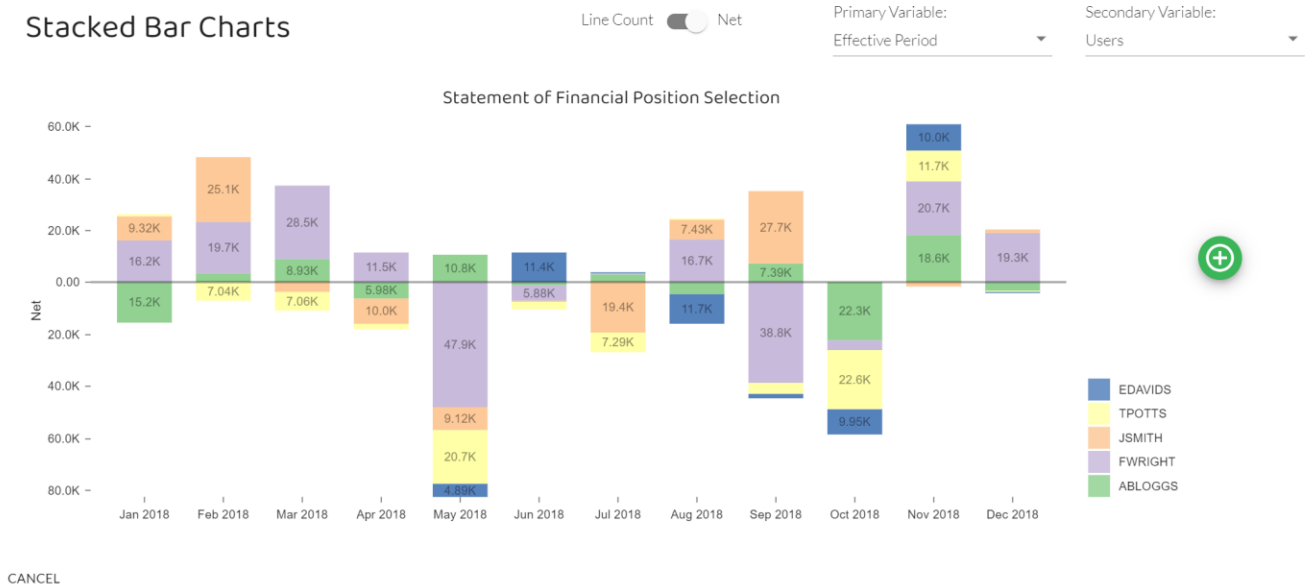
Show 10 lines

CANCEL

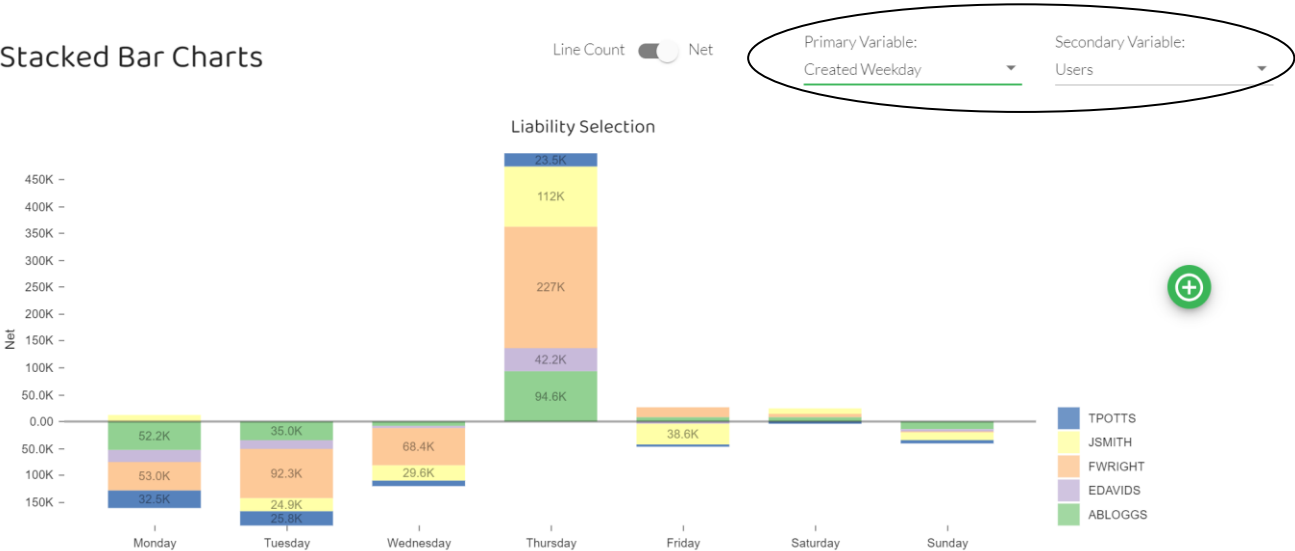
Showing 1 to 10 of 10 lines

Stacked Bar Charts - trade payables

Keeping the same selection of 'Trade Payables' as above, clicking the Stacked Bar Charts reveals the following:




The Primary Variable and Secondary Variable (circled) can then be adjusted.



Question 29 Elephant Four

Requirement 1 (b)

In the *Explore* module, select 'Account View' and then 'Asset'. Use the  icon to select only 'Trade Receivables' and click 'CONFIRM'.

Select Categories (Asset)

<input type="checkbox"/> Intangible Assets	<input type="checkbox"/> Property, Plant & Equipment	<input type="checkbox"/> Investments	<input type="checkbox"/> Inventory Work in Progress
<input type="checkbox"/> Development costs	<input type="checkbox"/> Land, buildings & improvement	<input type="checkbox"/> Investments in subsidiaries	<input type="checkbox"/> Raw materials and supplies
<input type="checkbox"/> Patents, licences & trade marks	<input type="checkbox"/> Machinery & equipment	<input type="checkbox"/> Investments in joint ventures	<input type="checkbox"/> Work in progress
<input type="checkbox"/> Goodwill	<input type="checkbox"/> Motor Vehicles	<input type="checkbox"/> Investments in associates	<input type="checkbox"/> Finished goods and goods for resale
	<input type="checkbox"/> Other property, plant & equipment	<input type="checkbox"/> Other investments	
	<input type="checkbox"/> Assets under construction		
	<input type="checkbox"/> Investment properties		
<input type="checkbox"/> Other Assets	<input checked="" type="checkbox"/> Trade Receivables	<input type="checkbox"/> Cash at Bank and in Hand	<input type="checkbox"/> Intercompany Receivables
<input type="checkbox"/> Other receivables	<input checked="" type="checkbox"/> Trade receivables	<input type="checkbox"/> Cash at bank	<input type="checkbox"/> Intercompany trade receivables
<input type="checkbox"/> Prepaid expenses		<input type="checkbox"/> Cash in hand	<input type="checkbox"/> Intercompany loans receivable
<input type="checkbox"/> Accrued income		<input type="checkbox"/> Short-term investments	

CONFIRM

Then use green ticks to select only '21010 - Receivables Control Account'. This should then show the screen below:

1

Asset1.84M(↑ 47.9%)

Liability876K(↓ 0.9%)

Equity360K(↓ 1903.3%)

Asset

ACCOUNT

PRIOR YEAR

FIELDWORK

DIFFERENCE

21010 - Receivables Control Account

364,641

610,382

245,741 ↑ 67 %

☒

21020 - Overseas Receivable

0

100,000

100,000 N/A

☐

21040 - Floats

100

100

0 0 %

☐

21050 - Receipts Unallocated

-20,000

-20,000

0 N/A

☐

TOTAL SELECTED


364,641

610,382

245,741 ↑ 67 %

Select the icon in the bottom right corner to show relevant transactions:

Transactions								
Transaction Id	Description	Debit	Credit	Account Codes	Effective Dates	User Ids	Document Types	Created Dates
NOM003045	Write off Geoworld receivable	0	9,875	21010	28/10/2018	TPOTTS	NOM - Nominal Journal	03/11/2018 10:45:00
NOM064030	Contra adjustment	0	6,000	21010	31/12/2018	FWRIGHT	NOM - Nominal Journal	06/01/2019 17:39:13
SCR001145	- SCR001145 - Posting Run Control	0	15	21010	02/11/2018	EDAVIDS	SCR - Sales Credit	08/11/2018 13:07:13
SCR001146	- SCR001146 - Posting Run Control	0	743	21010	16/12/2018	ABLOGGS	SCR - Sales Credit	22/12/2018 09:35:28
SCR001147	- SCR001147 - Posting Run Control	0	15	21010	31/12/2018	FWRIGHT	SCR - Sales Credit	06/01/2019 14:14:48
SCR001148	- SCR001148 - Posting Run Control	0	3,930	21010	31/12/2018	FWRIGHT	SCR - Sales Credit	06/01/2019 15:53:33
SCR001149	- SCR001149 - Posting Run Control	0	395	21010	18/01/2018	ABLOGGS	SCR - Sales Credit	24/01/2018 11:40:42
SCR001150	- SCR001150 - Posting Run Control	0	610	21010	18/01/2018	TPOTTS	SCR - Sales Credit	24/01/2018 11:28:03
SCR001151	- SCR001151 - Posting Run Control	0	1,512	21010	26/01/2018	ABLOGGS	SCR - Sales Credit	01/02/2018 17:42:33
SCR001152	- SCR001152 - Posting Run Control	0	55	21010	27/01/2018	ABLOGGS	SCR - Sales Credit	02/02/2018 17:51:00
Show 10 lines								
CANCEL								

In order to find the invoice that gave rise to the credit note in Alice's post year end sample, use the filter icon  in the top right corner to select:
 'Dec 2018' – as the Effective Period
 'SIN - Sales Invoice' – as the Document Type

You know the effective date of the invoice is 31 December 2018 from the question, so search sales invoices on this date for the amounts and description in the sample transaction.

January 2018 credit notes

Use the same routine as above, but for the filter select:

'Jan 2018' – as the Effective Period
 'SCR - Sales Credit' (credit notes) – as the Document Type

This gives the screen below:

10 - Receivables Control Acc... 364,641 610,382 245,741 ↑ 67 %

Transactions

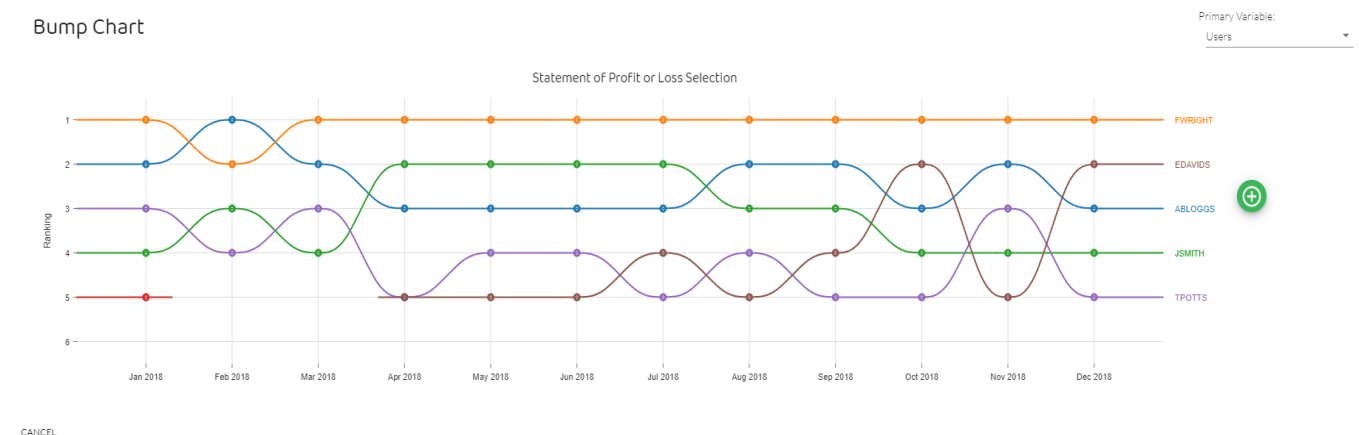
Transaction Id	Description	Debit	Credit	Account Codes	Effective Dates	User Ids	Document Types	Created Dates
SCR001149	- SCR001149 - Posting Run Control	0	395	21010	18/01/2018	ABLOGGS	SCR - Sales Credit	24/01/2018 11:40:42
SCR001150	- SCR001150 - Posting Run Control	0	610	21010	18/01/2018	TPOTTS	SCR - Sales Credit	24/01/2018 11:28:03
SCR001151	- SCR001151 - Posting Run Control	0	1,512	21010	26/01/2018	ABLOGGS	SCR - Sales Credit	01/02/2018 17:42:33
SCR001152	- SCR001152 - Posting Run Control	0	55	21010	27/01/2018	ABLOGGS	SCR - Sales Credit	02/02/2018 17:51:00
SCR001153	- SCR001153 - Posting Run Control	0	55	21010	28/01/2018	ABLOGGS	SCR - Sales Credit	03/02/2018 09:53:01
SCR001154	- SCR001154 - Posting Run Control	0	4,664	21010	28/01/2018	JSMITH	SCR - Sales Credit	03/02/2018 18:38:47
SCR001155	- SCR001155 - Posting Run Control	0	123	21010	28/01/2018	FWRIGHT	SCR - Sales Credit	03/02/2018 17:09:25

Show 10 lines

CANCEL

CREATE TEST

Requirement 2 (a) Audit procedures

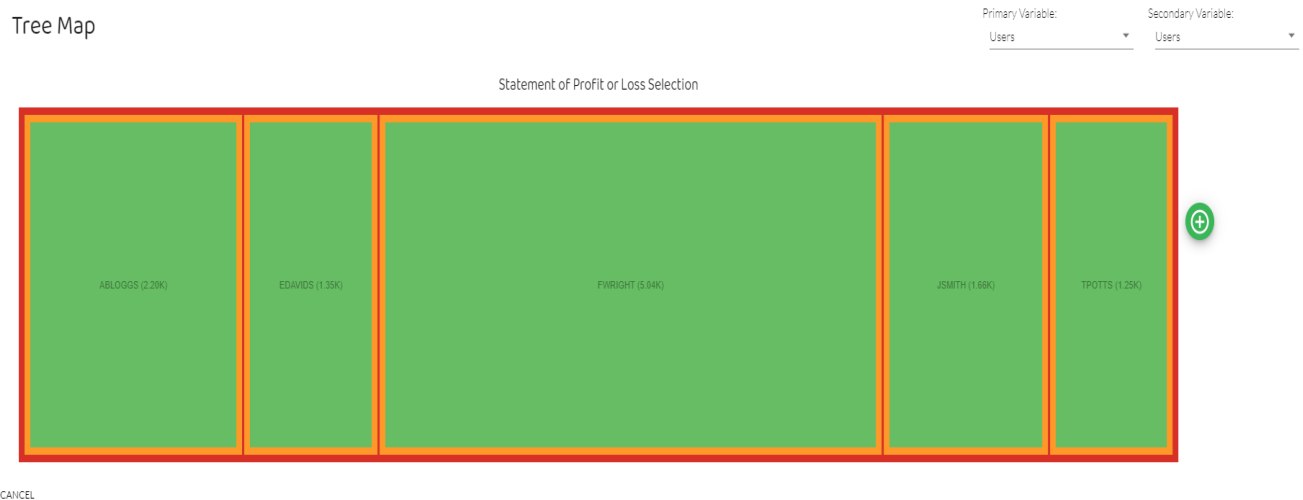


In the *Explore* module, select 'Financial Statement View' and 'Statement of Profit or Loss' (with all categories ticked). Hover cursor over E Davids on the Bump Chart.



This shows peaks of transaction activities in October and December. There is a reduction in November, between these two peaks, which may be indicative of Emma's personal problems in this month.

Requirement 2 (b) Sample Item – November

Using the Tree Map, all Emma's transaction postings can be identified. Use 'User' as both the primary and secondary variable to select all Emma's transactions. The screen looks as follows (E Davids is second section from the left).



Select E Davids section by clicking on that section in the Tree Map.

Then, using the filter  set to Effective Period 'Nov 2018' (User should already be set to 'EDAVIDS'), scan through November using the numbered buttons  to identify the largest transaction which is:

SIN019506 57265 - Re-print of 300 Pharaton FUS's 0 19,800 51010 22/11/2018 EDAVIDS SIN - Sales Invoice 28/11/2018 14:27:16

Question 30 Elephant Five

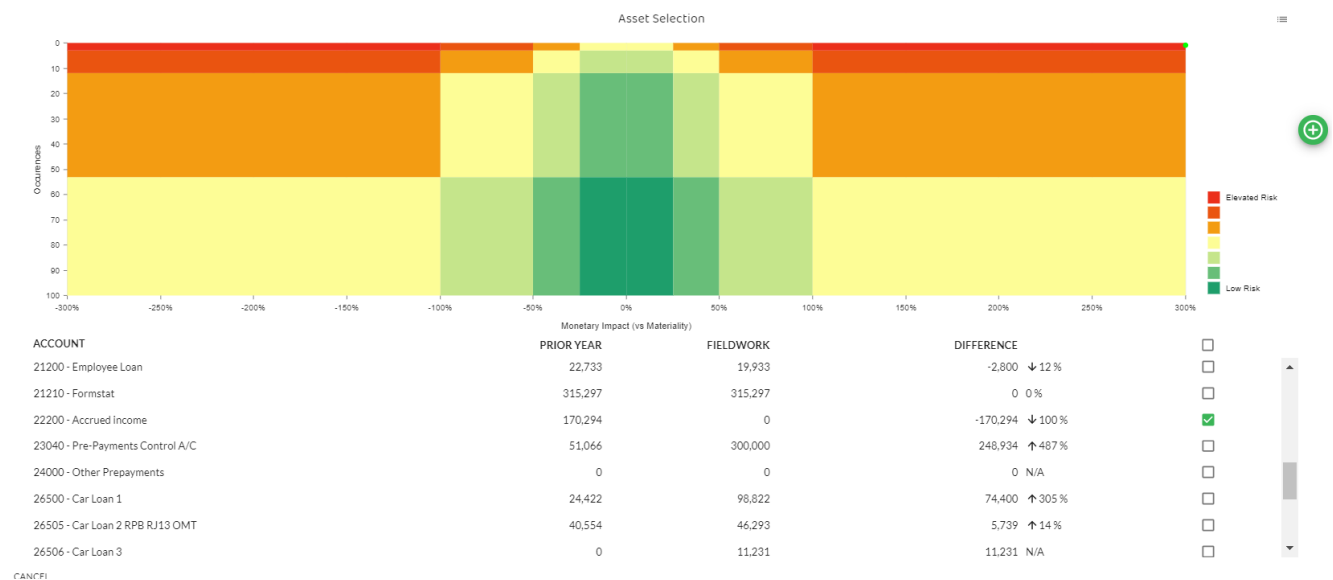
Requirement 1


Scroll down and select accounts shown in the question from 'Account View':

Asset		1.84M (↑ 47.9%)	Liability	876K (↓ 0.9%)	Equity	360K (↓ 1903.3%)
Asset						
ACCOUNT		PRIOR YEAR	FIELDWORK	DIFFERENCE		
21200 - Employee Loan		22,733	19,933	-2,800 ↓ 12 %	<input type="checkbox"/>	
21210 - Formstat		315,297	315,297	0 0 %	<input type="checkbox"/>	
22200 - Accrued income		170,294	0	-170,294 ↓ 100 %	<input checked="" type="checkbox"/>	
23040 - Pre-Payments Control A/C		51,066	300,000	248,934 ↑ 487 %	<input checked="" type="checkbox"/>	
24000 - Other Prepayments		0	0	0 N/A	<input type="checkbox"/>	
26500 - Car Loan 1		24,422	98,822	74,400 ↑ 305 %	<input type="checkbox"/>	
26505 - Car Loan 2 RPB RJ13 OMT		40,554	46,293	5,739 ↑ 14 %	<input type="checkbox"/>	
26506 - Car Loan 3		0	11,231	11,231 N/A	<input type="checkbox"/>	
26510 - Other loan receivable		8,361	16,723	8,361 ↑ 100 %	<input type="checkbox"/>	
26520 - Car Loan 5		49,953	116,061	66,108 ↑ 132 %	<input type="checkbox"/>	
26524 - Car Loan 6		15,495	25,004	9,509 ↑ 61 %	<input type="checkbox"/>	
26530 - Car Loan 7		46,846	111,385	64,539 ↑ 138 %	<input type="checkbox"/>	
26537 - Car Loan 8		24,330	37,113	12,783 ↑ 53 %	<input type="checkbox"/>	
26560 - Car Loan 9		-3,113	-3,113	0 N/A	<input type="checkbox"/>	
26561 - Car Loan 10		-2,048	-4,621	-2,572 N/A	<input type="checkbox"/>	
29999 - Other Temp		0	0	0 N/A	<input type="checkbox"/>	
TOTAL SELECTED		221,360	300,000	78,640 ↑ 36 %		

Select Heat Map, tick only '22200 - Accrued income' and click the single dot (turns from blue to green when selected)

Heat Map



Select transaction on Heat Map for Accrued income by clicking 

Asset Transactions

Transaction Id	Description	Debit	Credit	Account Codes	Effective Dates	User Ids	Document Types	Created Dates
SRC006974	Reversal of un-invoiced sales in December 2017 now invoiced in sept 2018	170,294	170,294	22200, 54800	17/12/2018	TPOTTS	SIN - Sales Invoice	23/09/2018 10:10:10

Show 10 lines

CANCEL

CREATE TEST

Click on transaction Id [SRC006974](#) for the double entry:

Transaction 'SRC006974'

Transaction Id	Account Code	Amount	Effective Date	Document Type	Journal Description	User Id	Line Description	Created Date
SRC006974	54800	170,294	17/12/2018	SIN - Sales Invoice	Sales invoice	TPOTTS		23/09/2018 10:10:10
SRC006974	22200	-170,294	17/12/2018	SIN - Sales Invoice	Reversal of un-invoiced sales in December 2017 now invoiced in sept 2018	TPOTTS		23/09/2018 10:10:10

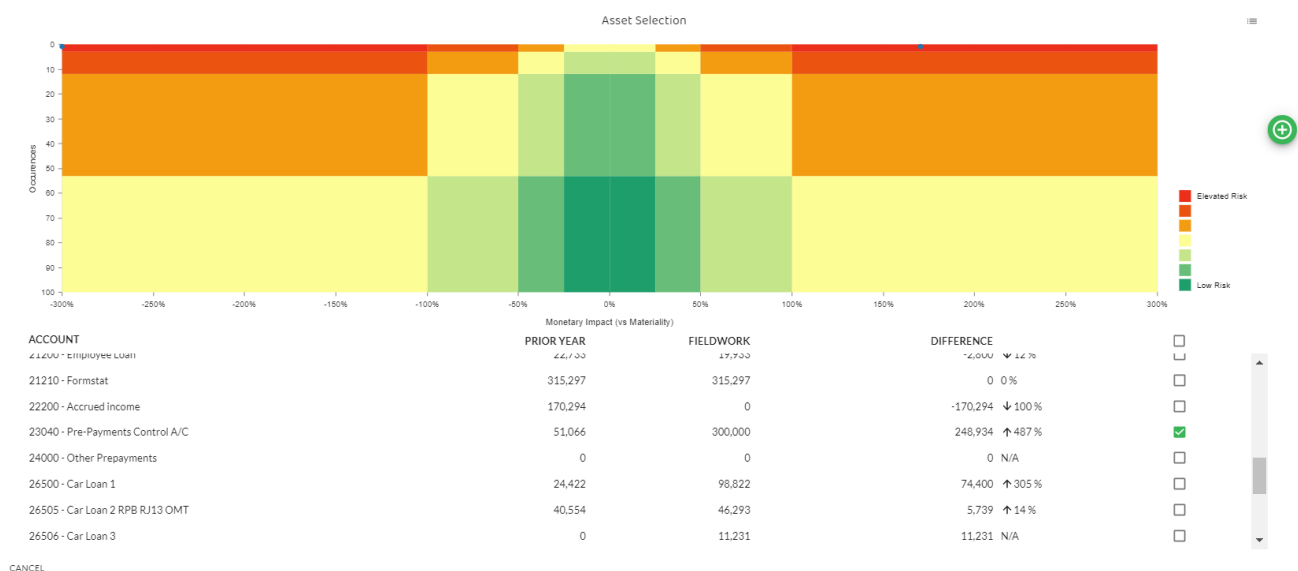
Show 10 lines


CANCEL

Showing 1 to 2 of 2 lines

Select Heat Map and select only '23040 - Pre-Payments Control A/C':

Heat Map



Select Elevated Risk transactions shown on Heat Map by clicking the blue dots individually or clicking the 'Elevated risk' red box in the legend to select both. The dots turn green when selected. Then click  to view the selected transactions.

Asset Transactions

Transaction Id	Description	Debit	Credit	Account Codes	Effective Dates	User Ids	Document Types	Created Dates
NOM059638	2017 Prepay reversal - Prepayments	0	51,066	23040	01/12/2018	FWRIGHT	NOM - Nominal Journal	07/12/2018 06:49:58
SRC006975	Sales invoice	300,000	0	23040	18/12/2018	ABLOGGS	SIN - Sales Invoice	24/12/2018 12:55:08

Show 10 lines

CANCEL

CREATE TEST

Click on transaction Id [SRC006975](#) for the double entry:


Transaction 'SRC006975'

Transaction Id	Account Code	Amount	Effective Date	Document Type	Journal Description	User Id	Line Description	Created Date
SRC006975	23040	300,000	18/12/2018	SIN - Sales Invoice	Sales invoice	ABLOGGS		24/12/2018 12:55:08
SRC006975	54800	-300,000	18/12/2018	SIN - Sales Invoice	Sales accrued reverse in January 2019	ABLOGGS		24/12/2018 12:55:08

Show 10 lines

Showing 1 to 2 of 2 lines

CANCEL

































Note: The nature of data analytics software means that it often offers more than one way to get to information. Given the small number of transactions in accounts 22200 and 23040 you could also have clicked on  to show all transactions from 'Account View' shown above as follows:


Asset Transactions

Transaction Id	Description	Debit	Credit	Account Codes	Effective Dates	User Ids	Document Types	Created Dates
NOM059638	2017 Prepay reversal - Prepayments	0	51,066	23040	01/12/2018	FWRIGHT	NOM - Nominal Journal	07/12/2018 06:49:58
SRC006974	Reversal of un-invoiced sales in December 2017 now invoiced in sept 2018	0	170,294	22200	17/12/2018	TPOTTS	SIN - Sales Invoice	23/09/2018 10:10:10
SRC006975	Sales invoice	300,000	0	23040	18/12/2018	ABLOGGS	SIN - Sales Invoice	24/12/2018 12:55:08

Show 10 lines

From 'Account View' select '21020 - Overseas Receivable' to find transaction SRC006973. (Note: There are other ways to find this transaction, including selecting '51020 - Overseas Sales' from 'Account View' and following the procedures below or selecting Trade Receivables in 'Financial Statement View' and then using the Heat Map to identify high value transactions)

Asset		1.84M	Liability	876K	Equity	360K
		(↑ 47.9%)		(↓ 0.9%)		(↓ 1903.3%)
Asset						
ACCOUNT		PRIOR YEAR	FIELDWORK	DIFFERENCE		
 	20030 - Petty Cash	400	400	0 0 %	<input type="checkbox"/>	
 	20040 - Credit card	-13,013	-11,000	2,013 N/A	<input type="checkbox"/>	
 	21010 - Receivables Control Account	364,641	610,382	245,741 ↑ 67 %	<input type="checkbox"/>	
 	21020 - Overseas Receivable	0	100,000	100,000 N/A	<input checked="" type="checkbox"/>	
 	21040 - Floats	100	100	0 0 %	<input type="checkbox"/>	
 	21050 - Receipts Unallocated	-20,000	-20,000	0 N/A	<input type="checkbox"/>	
 	21200 - Employee Loan	22,733	19,933	-2,800 ↓ 12 %	<input type="checkbox"/>	
 	21210 - Formstat	315,297	315,297	0 0 %	<input type="checkbox"/>	
 	22200 - Accrued income	170,294	0	-170,294 ↓ 100 %	<input type="checkbox"/>	
 	23040 - Pre-Payments Control A/C	51,066	300,000	248,934 ↑ 487 %	<input type="checkbox"/>	
 	24000 - Other Prepayments	0	0	0 N/A	<input type="checkbox"/>	
 	26500 - Car Loan 1	24,422	98,822	74,400 ↑ 305 %	<input type="checkbox"/>	
 	26505 - Car Loan 2 RPB RJ13 OMT	40,554	46,293	5,739 ↑ 14 %	<input type="checkbox"/>	
 	26506 - Car Loan 3	0	11,231	11,231 N/A	<input type="checkbox"/>	
 	26510 - Other loan receivable	8,361	16,723	8,361 ↑ 100 %	<input type="checkbox"/>	
 	26520 - Car Loan 5	49,953	116,061	66,108 ↑ 132 %	<input type="checkbox"/>	
TOTAL SELECTED		0	100,000	100,000 N/A		

Click on  to show all transactions in 21020 - Overseas Receivable:

Asset Transactions								
Transaction Id	Description	Debit	Credit	Account Codes	Effective Dates	User Ids	Document Types	Created Dates
SRC006973	Overseas receivable	100,000	0	21020	01/12/2018	FWRIGHT	SRC - Sales Receipt	07/12/2018 15:18:32
Show 10 lines								

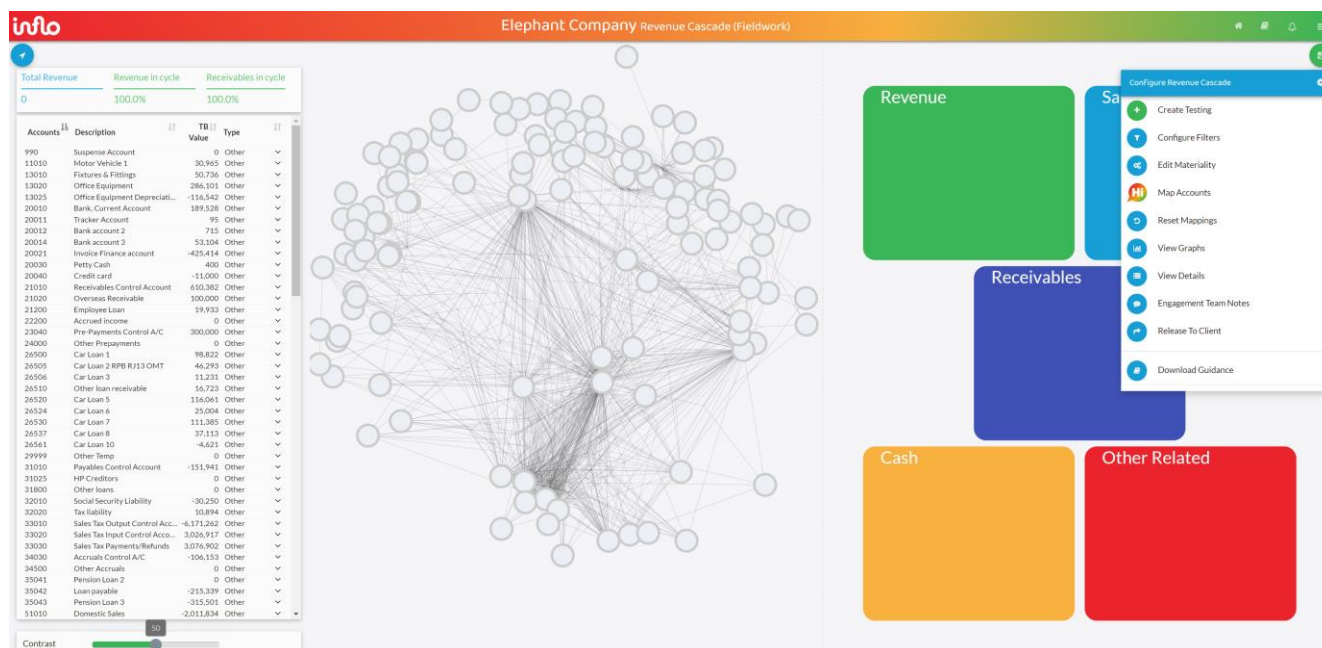
Click on transaction Id [SRC006973](#) to identify the double entry:



Transaction 'SRC006973'								
Transaction Id	Account Code	Amount	Effective Date	Document Type	Journal Description	User Id	Line Description	Created Date
SRC006973	21020	100,000	01/12/2018	SRC - Sales Receipt	Overseas receivable	FWRIGHT		07/12/2018 15:18:32
SRC006973	51020	-100,000	01/12/2018	SRC - Sales Receipt	Deposit on Brand maangement contract with Spooks	FWRIGHT		07/12/2018 15:18:32
Show 10 lines								
Showing 1 to 2 of 2 lines								
CANCEL								


Question 31 Elephant Six

Requirement 1

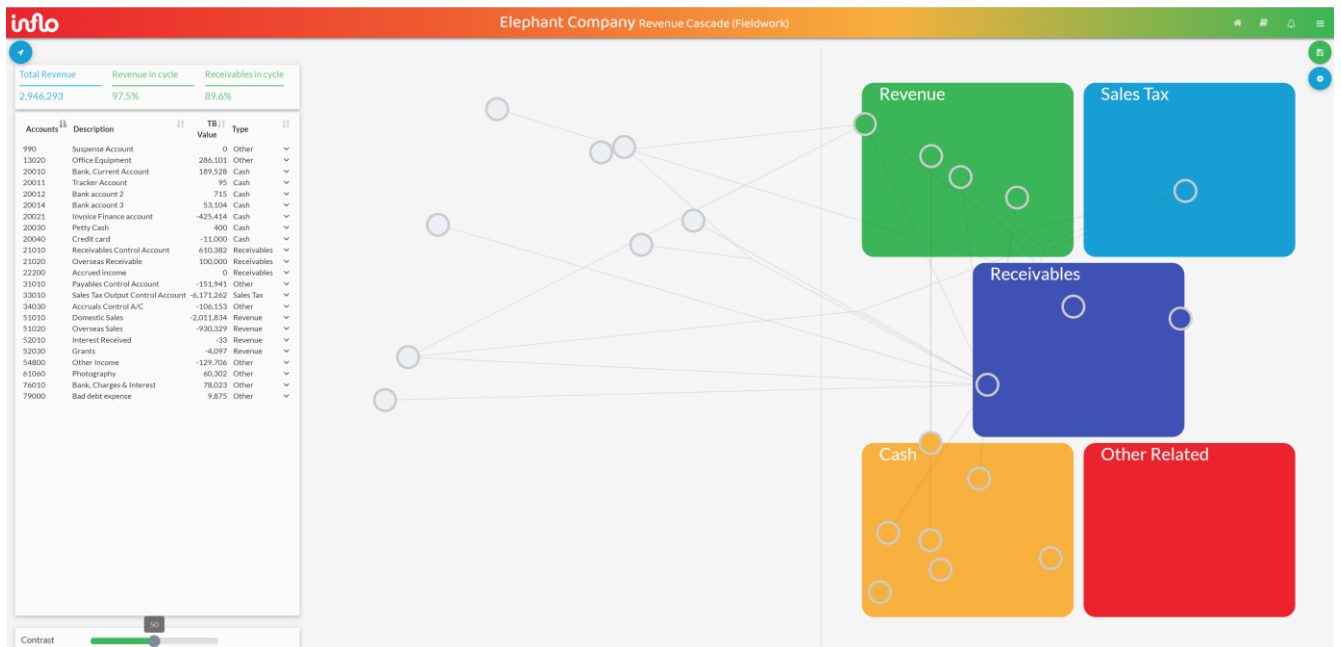
In the *Revenue Cascade* module select the  **Map Accounts** (Hybrid intelligence) option on the drop-down menu from the cog at the top right to map the accounts.



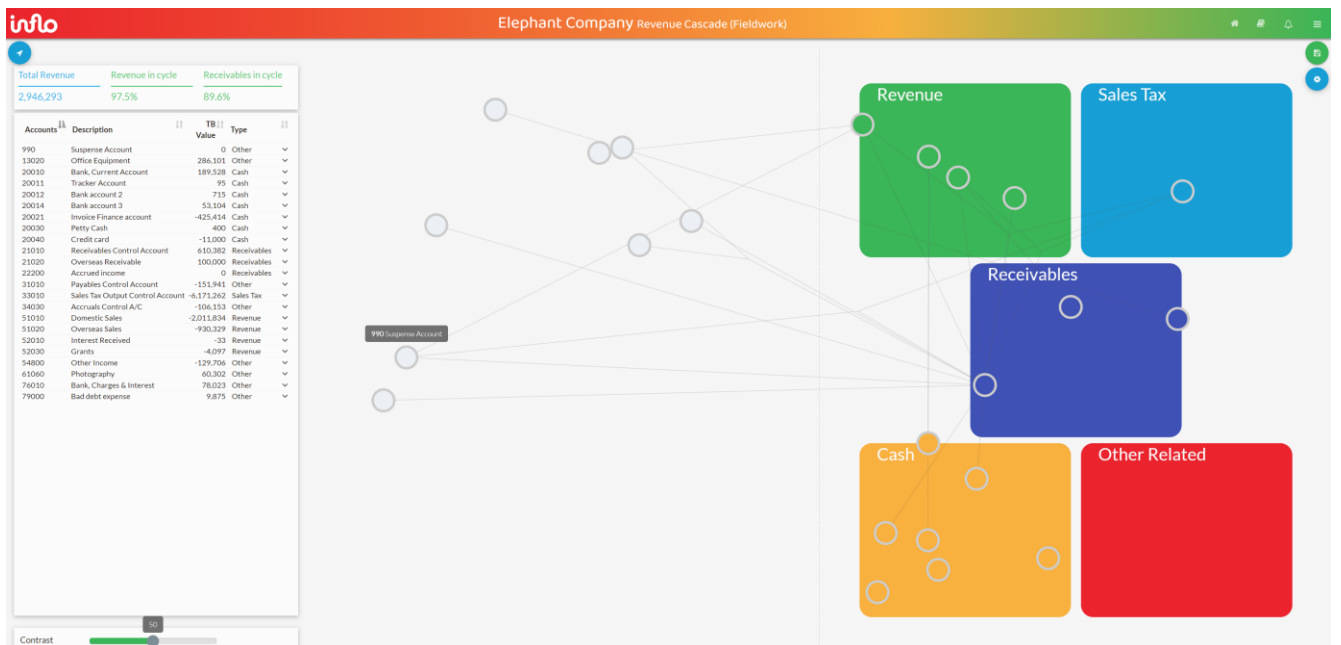
(Note: A pop-up box will appear inviting you to use Hybrid intelligence to map the accounts. Click **CONFIRM**. You will need to map the accounts each time you enter the Cascade Revenue module unless you click the Save button  to save your mapping. You can reset the mapping at any time using the Reset Mappings tool  on drop-down menu on the cog).

This will result in the accounts automatically being mapped as below. You may need to manually map some revenue-receivables-cash cycle accounts which have not been automatically mapped by the Hi Map Accounts tool, such as the Overseas receivable. You can do this by clicking the down arrow  and selecting the appropriate category – 'Revenue', 'Receivables', 'Cash', 'Sales Tax' or 'Other Related' ('Other Related' = related to the revenue-receivables-cash cycle). The accounts **not** related to the revenue-receivables-cash cycle, eg, 'Photography' which is an expense, can remain labelled as 'Other' (ie, other **not** related).

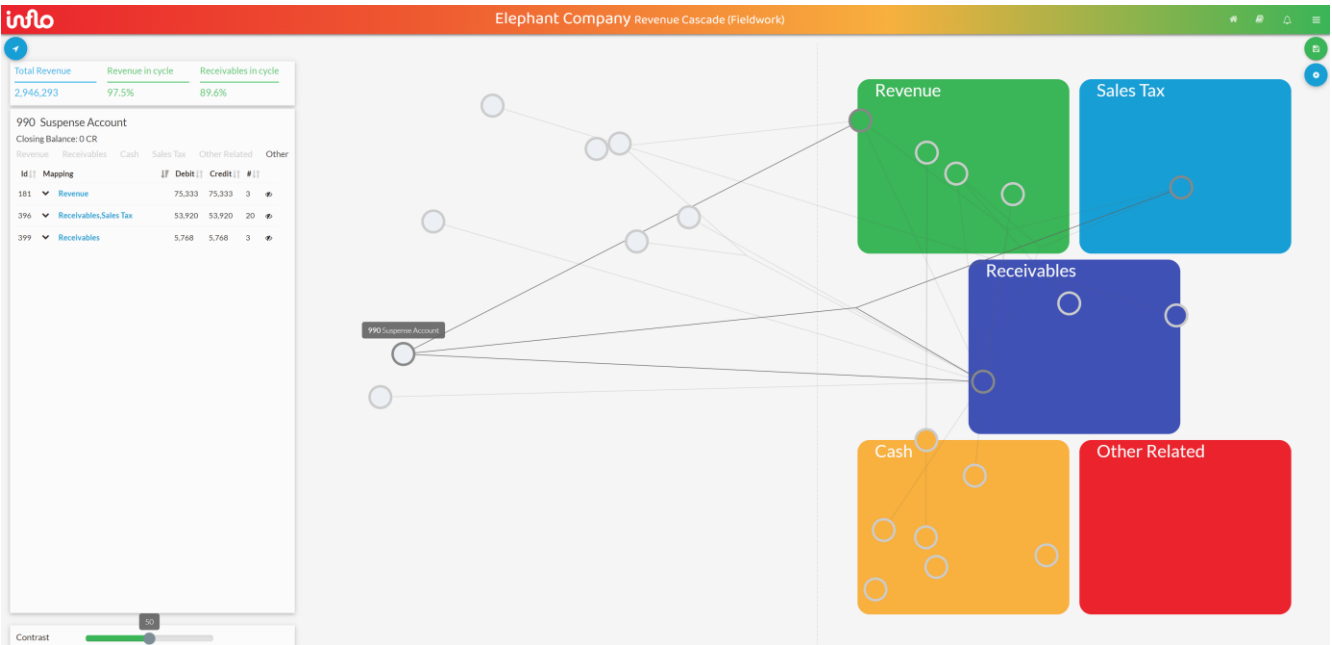
(Note: The exact pattern of grey circles representing each account appears differently each time the accounts are mapped. Therefore, whilst providing the same information, your Revenue Cascade may appear superficially different to that shown below.)



Hover over each circle to identify 990 Suspense account that contains the transaction group identified in Issue 1 by Maureen:



Click on the grey circle representing 990 suspense account:



Click on 'Revenue' with a value of £75,333 to see the underlying entries:

Detail for grouping #181

Journal Id	Amount	Effective Date	Document Type	Journal Description	Account Code	User Id	Line Description	Line Description
NOM061348	15,000	31/03/2018	NOM - Nominal Journal	Correct Q1 sales	990	FWRIGHT		11/05/2018
NOM061348	-15,000	31/03/2018	NOM - Nominal Journal	Correct Q1 sales	51010	FWRIGHT		11/05/2018
NOM062034	27,000	30/06/2018	NOM - Nominal Journal	Correct Q2 sales	990	FWRIGHT		10/08/2018
NOM062034	-27,000	30/06/2018	NOM - Nominal Journal	Correct Q2 sales	51010	FWRIGHT		10/08/2018
NOM062456	33,333	30/09/2018	NOM - Nominal Journal	Adjust Q3 sales	990	FWRIGHT		16/11/2018
NOM062456	-33,333	30/09/2018	NOM - Nominal Journal	Adjust Q3 sales	51010	FWRIGHT		16/11/2018

Show 10 lines

CANCEL

The entries for the year in 990 Suspense Account can be identified by selecting the account in 'Account View' in the *Explore* module. It is under the 'Other P&L' category.

CANCEL

CREATE TEST

Clicking on 'Receivables' will provide details of the double entry:

Detail for grouping #404

Journal Id	Amount	Effective Date	Document Type	Journal Description	Account Code	User Id	Line Description	Line Description
SRC006972	95,000	29/09/2018	SRC - Sales Receipt	Website dev	13020	FWRIGHT		06/10/2018
SRC006972	-75,000	29/09/2018	SRC - Sales Receipt	Digital Dreams Ltd	21010	FWRIGHT		06/10/2018
SRC006972	-20,000	29/09/2018	SRC - Sales Receipt	Photography	61060	FWRIGHT		06/10/2018

Show 10 lines

Showing 1 to 3 of 3 lines

1

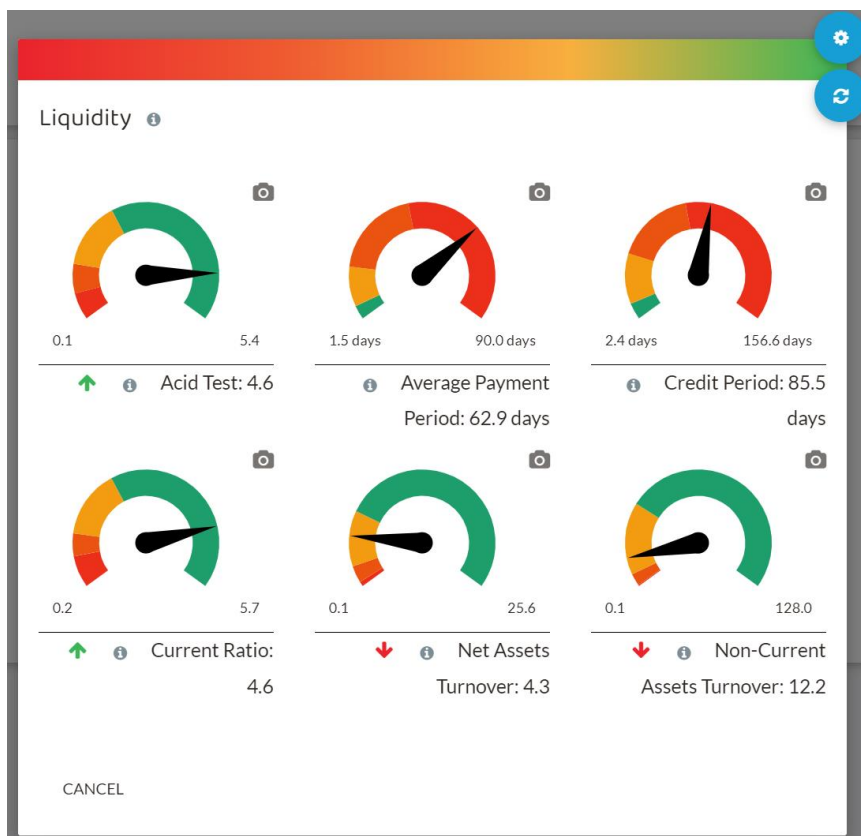
CANCEL

Requirement 2

The 'Financial Statement View' can be used to identify the increase in both Income and Receivables:

Income	2,706,639	3,075,999	369,360 (↑ 14 %)	✓
Trade Receivables	344,741	690,482	345,741 (↑ 100 %)	✓

Receivables days should be calculated manually from the values above in this question as the question only requires use of the *Explore* module. Note that it could also be obtained from the liquidity section of the *Metrics* module as 'Credit Period'.



We know from the information provided in the question that a bad debt write off will be recorded as a journal to receivables. To identify these items first select 'Trade Receivables' from 'Assets' in 'Account View'.

Select Categories (Asset)

Intangible Assets <input type="checkbox"/> Development costs <input type="checkbox"/> Patents, licences & trade marks <input type="checkbox"/> Goodwill <input type="checkbox"/>	Property, Plant & Equipment <input type="checkbox"/> Land, buildings & improvement <input type="checkbox"/> Machinery & equipment <input type="checkbox"/> Motor Vehicles <input type="checkbox"/> Other property, plant & equipment <input type="checkbox"/> Assets under construction <input type="checkbox"/> Investment properties <input type="checkbox"/>	Investments <input type="checkbox"/> Investments in subsidiaries <input type="checkbox"/> Investments in joint ventures <input type="checkbox"/> Investments in associates <input type="checkbox"/> Other investments <input type="checkbox"/>	Inventory Work in Progress <input type="checkbox"/> Raw materials and supplies <input type="checkbox"/> Work in progress <input type="checkbox"/> Finished goods and goods for resale <input type="checkbox"/>
Other Assets <input type="checkbox"/> Other receivables <input type="checkbox"/> Prepaid expenses <input type="checkbox"/> Accrued income <input type="checkbox"/>	Trade Receivables <input checked="" type="checkbox"/> Trade receivables <input checked="" type="checkbox"/>	Cash at Bank and in Hand <input type="checkbox"/> Cash at bank <input type="checkbox"/> Cash in hand <input type="checkbox"/> Short-term investments <input type="checkbox"/>	Intercompany Receivables <input type="checkbox"/> Intercompany trade receivables <input type="checkbox"/> Intercompany loans receivable <input type="checkbox"/>

CONFIRM

Then select the *Tree Map* and make 'Document Type' the primary variable, and 'Users' secondary. Hover over each segment to determine that the smallest green segment (marked) represents the journals, of which there are only two. This may appear in a different location depending on your screen size/resolution.

Tree Map

Primary Variable: Users
Secondary Variable: Document Type



ACCOUNT	PRIOR YEAR	FIELDWORK	DIFFERENCE	
21010 - Receivables Control Account	364,641	610,382	245,741 ↑ 67%	✓
21020 - Overseas Receivable	0	100,000	100,000 N/A	✓
21040 - Floats	100	100	0 0%	✓
21050 - Receipts Unallocated	-20,000	-20,000	0 N/A	✓

Clicking on the segment for TPOTTS reveals one of the journals, which has narrative indicating it is an irrecoverable debt write off.

Transaction Id	Description	Debit	Credit	Account Codes	Effective Dates	User Ids	Document Types	Created Dates	
NOM003045	Write off Geoworld receivable	0	9,875	21010	28/10/2018	TPOTTS	NOM - Nominal Journal	03/11/2018 10:45:00	

Show 10 lines

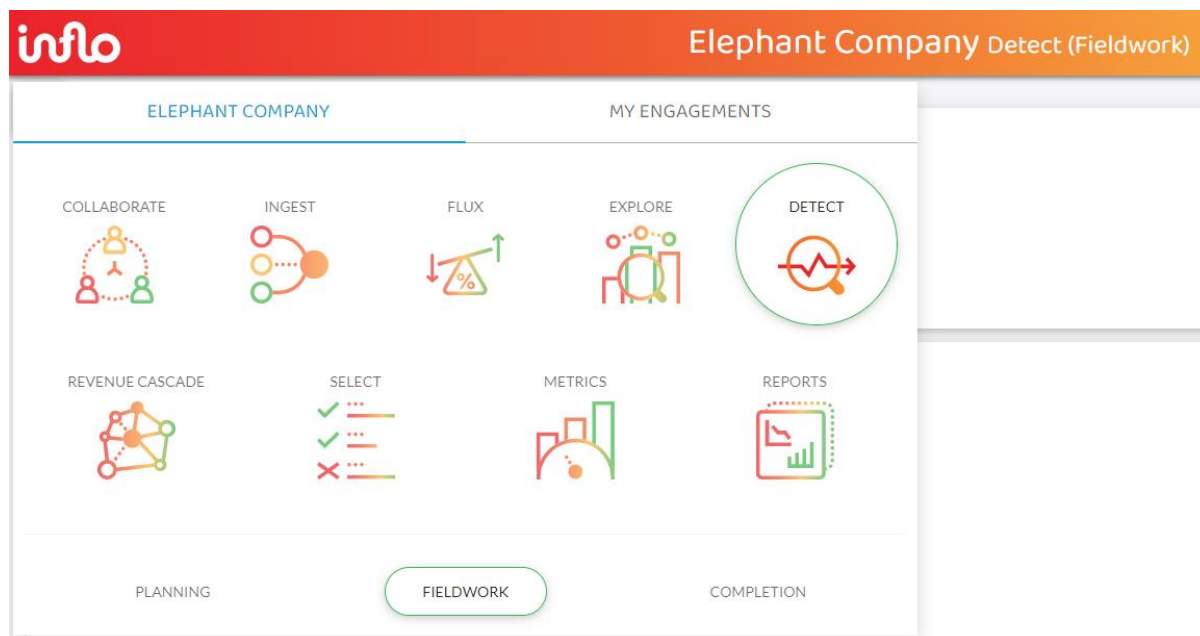
CANCEL

CREATE TEST

Question 32 Elephant Seven

Requirement 1

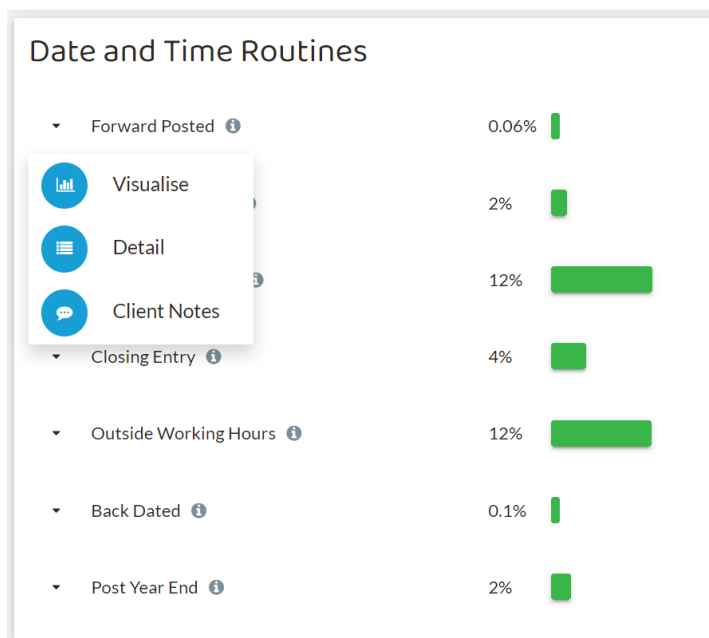
Selecting the 'Detect' module within Inflo launches a series of routines.



As the engagement partner has requested that the firm should focus on date-related manipulation, the 'Date and Time Routines' should be used.

The three key routines that should be used to satisfy the engagement partner's instructions are Forward Posted, Back Dated and Post Year End.

Hovering over the  icon displays the criteria that Inflo is looking for in each routine.



Clicking on the downward arrow then selecting 'Detail' shows a list of all the relevant transactions that meet the routine's criteria.

For the 'Forward Posted' routine, five transactions are detected, of which one (SRC006974) is material.

Transactions ⓘ

Transaction Id	Description	Debit	Credit	Account Codes	Effective Dates	User Ids	Document Types	Created Dates	
PCR001152	- PCR001152 - Posting Run Control	107	107	31010, 33020, 72050	26/11/2018	EDAVIDS	PCR - Purchase Credit Record	03/02/2018 15:08:59	
PCR001185	- PCR001185 - Posting Run Control	871	871	31010, 33020, 77035	02/10/2018	ABLOGGS	PCR - Purchase Credit Record	15/08/2018 18:44:34	
PCR001198	- PCR001198 - Posting Run Control	7,884	7,884	31010, 33020, 61055	09/11/2018	ABLOGGS	PCR - Purchase Credit Record	27/04/2018 07:18:11	
SIN018349	- SIN018349 - Posting Run Control	198	198	21010, 33010, 51010	31/12/2018	FWRIGHT	SIN - Sales Invoice	23/01/2018 09:13:01	
SRC006974	Reversal of un-invoiced sales in December 2017 now Invoiced in sept 2018	170,294	170,294	22200, 54800	17/12/2018	TPOTTS	SIN - Sales Invoice	23/09/2018 10:10:10	

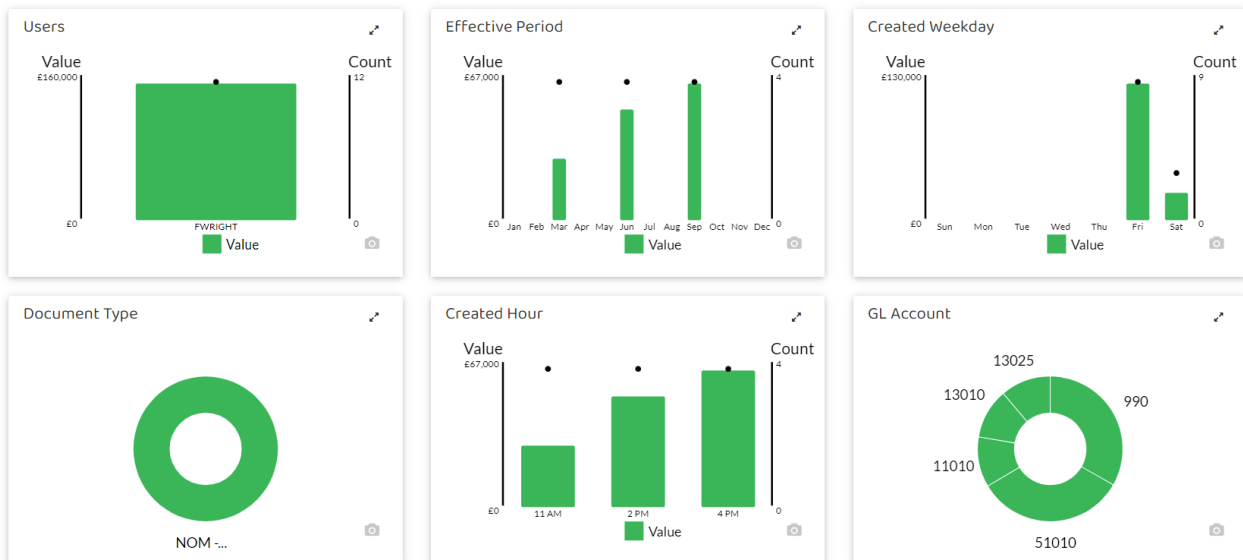
Show 10 lines

CANCEL CREATE TEST

The 'Visualise' option (accessed by clicking the downward arrow for each routine, or simply clicking the green bar to the right of the routine) shows the transactions in graph form.

The 'Back Dated' routine graphs show:

Graphs ⓘ



Hovering the cursor over the 'Users' graph indicates that the total of these twelve transactions is £150,666 which is material in aggregate to the financial statements of Elephant.

Selecting 'FWRIGHT' on the above 'Users' graph (or simply on 'Detail' from the routine's dropdown arrow as, in this case, all transactions are posted by the same person), one transaction (NOM062456) is individually material, however other similar transactions all posted through suspense account 990 exist, which are material in aggregate.

Transactions filtered by user FWRIGHT ⓘ

Transaction Id	Description	Debit	Credit	Account Codes	Effective Dates	User Ids	Document Types	Created Dates
NOM061348	Correct Q1 sales	15,000	15,000	990, 51010	31/03/2018	FWRIGHT	NOM - Nominal Journal	11/05/2018 11:32:48
NOM061349	Adj Q1 Suspense	5,000	5,000	990, 13025	31/03/2018	FWRIGHT	NOM - Nominal Journal	11/05/2018 11:32:48
NOM061350	Adj Q1 Suspense	5,000	5,000	990, 13010	31/03/2018	FWRIGHT	NOM - Nominal Journal	12/05/2018 11:32:48
NOM061351	Adj Q1 Suspense	5,000	5,000	990, 11010	31/03/2018	FWRIGHT	NOM - Nominal Journal	11/05/2018 11:32:48
NOM062034	Correct Q2 sales	27,000	27,000	990, 51010	30/06/2018	FWRIGHT	NOM - Nominal Journal	10/08/2018 14:38:12
NOM062035	Adj Q2 Suspense	9,000	9,000	990, 13025	30/06/2018	FWRIGHT	NOM - Nominal Journal	10/08/2018 14:38:12
NOM062036	Adj Q2 Suspense	9,000	9,000	990, 13010	30/06/2018	FWRIGHT	NOM - Nominal Journal	11/08/2018 14:38:12
NOM062037	Adj Q2 Suspense	9,000	9,000	990, 11010	30/06/2018	FWRIGHT	NOM - Nominal Journal	10/08/2018 14:38:12
NOM062456	Adjust Q3 sales	33,333	33,333	990, 51010	30/09/2018	FWRIGHT	NOM - Nominal Journal	16/11/2018 16:00:04
NOM062457	Adj Q3 Suspense	11,111	11,111	990, 13025	30/09/2018	FWRIGHT	NOM - Nominal Journal	16/11/2018 16:00:04

Show 10 lines

CANCEL

CREATE TEST

The 'Visualise' option for the 'Post Year End' routine shows:

Graphs ⓘ



The 'Effective Period' graph shows that there are over 200 transactions worth almost £800,000 in total that have been entered after the year end date. Many legitimate transactions will be necessary in this period to reflect the position and performance of Elephant: however, as auditor, we should be prepared to consider any post year-end adjustments that lack this legitimacy.

In the transactions posted outside office hours on a Sunday in the 'Created Weekday' graph, transaction NOM059282 is identified as particularly material with a description that does not relate to 2018 and which is also posted to unusual account codes (see answer):

NOM059282	Salary Jnl Jan 2017 - January 2017 salary journal	120,574	120,574	21200, 26500, 26520, 26530, 26561, 32010, 62100, 62105, 62120, 62125, 62130, 62135, 71000, 71060, 71500, 71510, 91060, 31800	31/12/2018	JSMITH	NOM - Nominal Journal	06/01/2019 18:53:56	✓
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