**CHAPTER 4** 

### Introduction

The commands in this chapter are a continuation of those in Chapter 3, but they are used primarily to help the auditor evaluate the likelihood of errors or fraud. Examine the Quick Reference Guide – Category of Command. All five commands in this chapter are in the Investigation category. They can all be thought of as being a form of analytical procedure.

Proceed through each command in the same way as for Chapter 3, reading the command requirements in this chapter and then using the Reference material. Again, also use the Quick Reference Guide to identify and learn the buttons, and to better understand each command.

As in Chapter 3, all practice activities and assignments in this chapter require you to use tables from the ACL project called Sample Project. You will not be reminded again in this chapter which project to use.



Use the Classify command to determine the gross pay for each work department. Additionally, accumulate the net pay of each work department.

If you executed the Classify command correctly, the command results show the following information:

As of: 0	5/26/20	17 10:32:07			
Command: 🖸	LASSIFY	ON WORK DEPT	SUBTOTAL GROSS	PAY NET PAY	Y TO SCREE
Table: P	ayroll				
WORK_DEPT_	Count	Percent of Count	Percent of Field	GROSS_PAY	NET_PAY
<u>A00</u>	5	11.36%	17.12%	17,062.49	13,656.82
<u>B01</u>	1	2.27%	3.45%	3,437.50	2,749.75
<u>C01</u>	4	9.09%	9.94%	9,907.49	7,925.73
D11	11	25%	23.12%	23,051.69	18,440.88
<u>D21</u>	7	15.91%	15.02%	14,973.34	11,978.43
E01	1	2.27%	3.36%	3,347.92	2,678.34
E11	6	13.64%	9.87%	9,840.84	7,882.84
<u>E21</u>	8	18.18%	16.45%	16,401.69	13,120.63
E83	1	2.27%	1.67%	1,662.50	1,329.25
Totals	44	100%	100%	99,685.46	79,762.67

Next, identify all employees in work department D11.

You can obtain this information by returning to the Payroll table. However, an easier way is to use the "drill-down" feature, which is described next.



- *Click on work department D11. Observe that the filter box includes WORK\_DEPT = "D11",* the same as if you had used a filter.
- Next, determine how employees with a gross pay of \$2,500 or more are included in work department D11.

If you revised the filter correctly, you should have determined that only one employee in work department D11, #000060, has gross pay of \$2,500 or more.

### Summarize Command (Click the heading to open the Reference materials)

Use the Summarize command on the AP\_Trans table.

- Accounts\_Payable
  - AP\_Trans
- \_

Use the Summarize command to determine which five vendors had the highest total dollar value of invoices (purchases) for the year. Create an output file (a new ACL table) called "AP\_Trans\_Summ\_by\_VendorNo" with the results of the Summarize command. Hint: To quickly find the five vendors with the most purchases for the year, right-click on the Invoice\_Amount heading in the new table to highlight the entire column. Select "Quick Sort Descending."

If you executed the Summarize command correctly, the five vendors with the highest dollar value of purchases for the year were #10025, #11475, #12130, #10134, and #11922.

#### **Cross-tabulate Command** (Click the heading to open the Reference materials)

Use the Cross-tabulate command on the Empmast table.

- 📕 Payroll\_Analysis
  - Empmast
- Use the Cross-tabulate command to accumulate the Salary by work department (Work\_ Dept) and job description (Job\_Desc). Select Work\_Dept in the Rows box and Job\_Desc in the Columns box. Do not include a count. Send the results to the screen.

If you executed the Cross-tabulate command correctly, the command results show the following information:

As of:	05/04/201	7 13:26:00						
Command:	CROSSTA	3 ON Work	Dept COLU	MNS Job D	esc SUBTOT/	AL Salary TO	SCREEN	
Table:	Empmast							
Work_Dept	Salary Job Desc ANALYST	Salary Job Desc CLERK	Salary Job Desc DESIGNER	Salary Job Desc FIELDREP	Salary Job Desc MANAGER	Salary Job Desc OPERATOR	Salary Job Desc PRES	Salary Job Desc SALESREF
<u>A00</u>	0	58,500	0	0	0	0	52,750	93,500
<u>B01</u>	0	0	0	0	41,250	0	0	C
<u>C01</u>	80,640	0	0	0	38,250	0	0	C
D11	0	0	244,370	0	32,250	0	0	C
<u>D21</u>	0	143,510	0	0	36,170	0	0	(
<u>E01</u>	0	0	0	0	40,175	0	0	C
E11	0	0	0	0	29,750	118,090	0	C
E21	0	0	0	118,370	26,150	0	0	C
Totals	80,640	202.010	244.370	118.370	243.995	118.090	52,750	93,500

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Next, assume that you now decide you want a count of the number of employees in each cell. Double-click on the Command line and check the "Include Count" box in the bottom right of the cross-tabulate window before running the command.

If you executed the Cross-tabulate command correctly, including the cell count, the command results show the following information (only a portion of the grid may be visible on the screen):

05/04/201	7 13:26:4	2													
CROSSTAE	ON Work	Dept COL	UMNS Jo	b Desc SUE	TOTAL Sala	ry COUNT 1	TO SCREEN								
Empmast															
	<u> </u>		· ·				<u> </u>	<u>.</u> .	<u> </u>				<u> </u>		
Salary ob Desc	Count	Job Desc	Count	Job Desc	Count	Job Desc	Count	Salary Job Desc	Count	Job Desc	Count	Job Desc	Count	Job Desc	Count
ANALYST	ANALYST	CLERK	<u>CLERK</u>	DESIGNER	DESIGNER	FIELDREP	FIELDREP	MANAGER	MANAGER	OPERATOR	OPERATOR	PRES	PRES	SALESREP	SALESREP
0	0	58,500	2	0	0	0	0	0	0	0	0	52,750	1	93,500	2
0	0	0	0	0	0	0	0	41,250	1	0	0	0	0	0	0
80,640	<u>3</u>	0	0	0	0	0	0	38,250	1	0	0	0	0	0	0
0	0	0	0	244,370	<u>10</u>	0	0	32,250	1	0	0	0	0	0	0
0	0	143,510	<u>6</u>	0	0	0	0	36,170	1	0	0	0	0	0	0
0	0	0	0	0	0	0	0	40,175	1	0	0	0	0	0	0
0	0	0	0	0	0	0	0	29,750	1	118,090	<u>6</u>	0	0	0	0
0	0	0	0	0	0	118,370	5	26,150	1	0	0	0	0	0	0
80,640	3	202,010	8	244,370	10	118,370	5	243,995	7	118,090	6	52,750	1	93,500	2
	5/04/201 ROSSTAF impmast Salary ob Desc NALYST 0 0 0 80,640 0 0 0 0 80,640	Solory Count   Salary Count   0 0   0 0   0 0   0 0   0 0   0 0   0 0   0 0   0 0   0 0   0 0   0 0   0 0   0 0   0 0   0 0   0 0	Sold/2017 13:26:42   CROSSTAB ON Work Dept COL   impmast Salary Salary   00 Dess ANALYST   00 0 S8,500   00 0 S8,500   00 0 0   00 0 0   00 0 0   00 0 0   00 0 0   00 0 0   00 0 0   00 0 0   00 0 0   00 0 0   00 0 0   00 0 0   00 0 0   00 0 0   00 0 0   00 0 0   00 0 0   00 0 0   00 0 0	Solod/2017 13:26:42   ROSSTAB ON Work Dept COLUMNS 3d   ampmast Salary Count   Salary O Dess Cult   ANALYST ANALYST CLERK CLERK   0 0 58,500 2   0 0 58,500 2   0 0 0 0   80,640 3 0 0   0 0 143,510 6   0 0 0 0   0 0 0 0   0 0 0 0   0 0 0 0   0 0 0 0   0 0 0 0   0 0 0 0 0   0 0 0 0 0   0 0 0 0 0   0 0 0 0 0   0 0	Solary (SSSTAB ON Work Dept COLUMINS Job Desc SUB impmast   Salary OD Desc ANALYST Count Job Desc CLERK Salary CLERK Count Job Desc Desc Desc Desc Desc Desc Desc Desc	Solary INALYST Count Job 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## Stratify Command (Click the heading to open the Reference materials)

Use the Stratify command with the AP\_Trans table.

Accounts\_Payable

 $\square$  AP\_Trans

Use the Stratify command to stratify the Invoice\_Amount field into 5 even intervals. Execute the Statistics command first, and the minimum and maximum values will be automatically entered. Change the default number of intervals of 10 to 5 in the box located below maximum. Print the results to the screen.

If you executed the Stratify command correctly, the command results show the following information:

As of: 05/04/201	17 13:33	3:21		
Command: STRATIFY	ON Inv	oice Amount INTER	VALS 5 TO SCREE	<u>v</u>
Table: AP_Trans				
Maximum encountered w	as 56,7	67.20	Percent of Field	Invoice Amount
14.88 - 11,365.34	97	95.1%	54.02%	150,517.24
11,365.35 - 22,715.80	4	3.92%	25.61%	71,356.89
22,715.81 - 34,066.27	0	0%	0%	0.00
34,066.28 - 45,416.73	0	0%	0%	0.00
45,416.74 - 56,767.20	1	0.98%	20.37%	56,767.20
Totals	102	100%	100%	278,641.33



Use the Age command on the Trans table.

- Accounts\_Receivable\_Audit
  - Trans

Use the Age command to age the Invoice\_Amount field, using December 31, 2018, as the cutoff date and the default aging intervals shown in the Age window.

If you ran the Age command correctly, the command results show the following:

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As of:	05/04/2	017 13:41:02		
Command:	AGE ON	Invoice Date CUTC	OFF 20181231 INT	ERVAL 0,30,60,90,
Table:	Trans			
Minimum enco Maximum enco	untered ountered	was 0 I was 363		
Days	Count	Percent of Count	Percent of Field	Invoice_Amount
Days 0 - 29	Count 47	Percent of Count 13.86%	Percent of Field 7.34%	Invoice_Amount 22,070.02
Days 0 - 29 30 - 59	Count 47 31	Percent of Count 13.86% 9.14%	Percent of Field 7.34% 8.85%	Invoice_Amount 22,070.02 26,616.79
Days 0 - 29 30 - 59 60 - 89	Count 47 31 26	Percent of Count 13.86% 9.14% 7.67%	Percent of Field 7.34% 8.85% 3.86%	Invoice_Amount 22,070.02 26,616.79 11,610.19
Days 0 - 29 30 - 59 60 - 89 90 - 119	Count 47 31 26 21	Percent of Count 13.86% 9.14% 7.67% 6.19%	Percent of Field 7.34% 8.85% 3.86% 23.78%	Invoice_Amount 22,070.02 26,616.79 11,610.19 71,510.85
Days 0 - 29 30 - 59 60 - 89 90 - 119 120 - 10,000	Count 47 31 26 21 214	Percent of Count 13.86% 9.14% 7.67% 6.19% 63.13%	Percent of Field 7.34% 8.85% 3.86% 23.78% 56.16%	Invoice_Amount 22,070.02 26,616.79 11,610.19 71,510.85 168,874.19

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