**Objective:**

To perform journal entry analysis for **CLIENT – PERIOD** using the EY/Global Analytics module.

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| --- | --- |
| **Client / Engagement Name:** |  |
| **Client / Engagement Code:** |  |
| **SEC Registrant:** |  |
| **GL System:** |  |
| **Client Contact:** |  |
| **Financial Audit Contact:** |  |
| **CAAT Preparer:** |  |
| **CAAT Reviewer:** |  |
| **Data Receipt Date:** |  |
| **Period of Analysis:** |  |
| **JE Module Delivery Date:** |  |
| **Reviewer Signoff Date:** |  |

**Method of Analysis:**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | EY/Global Analytics Module |  | ACL |  | MS Access |  | Other: \_\_\_\_\_\_\_\_\_\_\_\_ |

***NOTE:*** *Agreed upon per discussion with the Assurance team.*

**Source Data Files:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Data File Name*** | ***Record Count*** | ***Control Total*** | ***Description*** | ***ACL Table Name*** |
|  |  |  | JE activity for FY2011 | SRC\_JE |
|  |  | Beg Bal: $0.00  End Bal: $0.00 | Trial Balance for FY2011 | SRC\_TB |

***NOTE:*** *No record counts or control totals were provided by the client. The totals above reflect the record counts and control totals after import into ACL*.

**ACL Scripts:**

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| --- | --- | --- | --- | --- |
| ***#*** | ***Script*** | ***Purpose*** | ***Input Files Created*** | ***ACL Logs*** |
| 1 | A\_JE\_PREP | Formats source JE data files and consolidates into one table (if necessary).  ***NOTE:*** *A manual import of the JE data files must be performed prior to running this script. This is imported through the use of the ACL delimited function.* | EY\_JE |  |
| 2 | B\_TB\_PREP | Formats source TB data files and consolidates into one table (if necessary).  ***NOTE:*** *A manual import of the JE data files must be performed prior to running this script. This is imported through the use of the ACL delimited function.* | EY\_TB |  |
| 3 | C\_WORKLOG | Performs data quality checks on the journal entry data file.  *Please see attachment section.* | C\_WORKLOG.LOG |  |
| 4 | D\_JE\_ROLL | Performs Trial Balance roll-forward to validate completeness and extracts to Excel format.  *Please see attachment section.* | Trial\_Balance\_Rollforward Unmatched\_Roll\_Trans  INSERT FILENAME |  |
| 5 | E\_JE\_MAPPING | Maps fields in ACL to fields compatible with EY/Global Analytics and exports to text format. | EY\_JE.txt  EY\_TB.txt |  |
| ***ACL File*:** | | | | |
|  | | | | |

**Global Tool Field Mapping:**

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| --- | --- | --- |
| ***JE Transaction Files*** | | |
| ***EY/Global Analytics Field Name*** | ***ACL Field Name*** | ***Client Data Field Name*** |
| **Journal Entry Number** | EY\_JENum | *ACL Computed Field:*  COMPANY + FISCAL YEAR + ACCT PERIOD |
| **Journal Entry /Transaction Description** | EY\_JEDescr | DESCRIPTION |
| **General Ledger Account Number** | EY\_Acct | ACCOUNT |
| **Amount** | EY\_Amount | BASE\_AMOUNT |
| **Business Unit** | EY\_BusUnit | COMPANY |
| **Effective Date** | EY\_EffectiveDt | EFFECT\_DATE |
| **Entry Date** | EY\_EntryDt | R\_DATE |
| **Preparer ID** | EY\_PreparerID | OPERATOR |
| **Period** | EY\_Period | ACCT\_PERIOD |
| **Source** | EY\_Source | R\_SYSTEM |
| **UDF1** | INSERT FIELD NAME | INSERT FIELD NAME |
| **UDF2** | INSERT FIELD NAME | INSERT FIELD NAME |
| **UDF3** | INSERT FIELD NAME | INSERT FIELD NAME |

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| --- | --- | --- |
| ***Trial Balance Files*** | | |
| ***EY/Global Analytics Field Name*** | ***ACL Field Name*** | ***Client Data Field Name*** |
| **General Ledger Account Number** | EY\_Acct | ACCOUNT |
| **General Ledger Account Description** | EY\_AcctDescr | ACCOUNT\_DESC |
| **Account Type** | EY\_AcctType | *ACL Computed Field:*  Based on ‘ACCOUNT’ field |
| **Account Class** | *N/A – Not Provided* | *N/A – Not Provided* |
| **Beginning Balance** | EY\_BegBal | ACTIVITY\_BB |
| **Ending Balance** | EY\_EndBal | ACTIVITY\_CB |

**Business Rules:**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 1. **Identify and order journal entry fields to arrive at a unique journal entry**    * Journal Entry Number = COMPANY + FISCAL YEAR + ACCT PERIOD 2. **Account Type Definition**    * Based on the EY\_Acct field as follows:  | **Account Number Range** | **Description** | | --- | --- | |  | Assets | |  | Liabilities | |  | Equity | |  | Revenues | |  | Expenses |  1. **Account Class Definition**    * Based on the client provided field ‘GL\_Class’. 2. **System/Manual Identification**    * Manual Entries: INSERT    * System Entries: All other entries 3. **Inter-Company /Related Party Accounts**    * GL Account Number = 4. **Professional Fee Accounts**    * GL Account Number = 5. **Report Thresholds and Other Parameters:**    * User Defined Criteria Report:      1. *Threshold:* $      2. *Parameters:* Standard Parameters (No Defined Criteria)    * Identified Number Pattern Report:      1. *Threshold:* $      2. *Parameters:* Standard Parameters (Number Patterns = ‘000’ or ‘999’)    * JEs Near Period End Report:      1. *Threshold:* $      2. *Parameters:* Standard Parameters (Days Prior To Period End = 10 Days)    * Identified Phrases Report:      1. *Threshold:* $      2. *Parameters:* Standard Parameters (Phrases: Personal, Error, Reverse, Reclass, Adjust)    * Account Pairings Report:      1. *Threshold:* $      2. *Parameters:* Standard Parameters (Account Pairing = Debit to ‘Assets’, Credit to ‘ Expenses’    * Inter-Company/Related Party/Professional Fee Report:      1. *Threshold:* $      2. *Parameters:* Refer to Inter-Company, Related Party, & Professional Fees Identifications above    * Subsequent Period Report:      1. Not Applicable – No Subsequent Period Journal Entries |

**Statements of Fact:**

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| **Control Totals:**   * No record count or control totals were provided by the client. We tested data completeness through the trial balance roll forward completeness test. We summarized the trial balance file on account number to eliminate duplicates reducing the number of records from XXXX to XXXX. We manually calculated control totals in ACL. * The ACL record count for JE data is XXXX. * We noted that the total amount for the journal entry data nets to $0.00. * The ACL record count for trial balance data is XXXX, after summarizing on duplicate account numbers. * We noted that the beginning balance nets to $0.00 and the ending balance nets to $0.00.   **Worklog:**   * EY executed the C\_Worklog script. Based on our review of the script output, we made the following observations: * We noted that the XXXX journal entry lines balance to $0.00. * We noted that XX out of the XXXX distinct journal entries do not balance to $0.00. We extracted the unbalanced journal entries from ACL and provided them to the Assurance team in the ‘Unbalanced JEs’ tab in the spreadsheet ‘**INSERT FILENAME**’ below for further analysis. * The journal entries had effective dates ranging from XXXX to XXXX. * The journal entries had entry dates ranging from XXXX to XXXX. * Only an entry date was provided within the journal entry data file; therefore, we processed the data based on the period. Based on our review of the entry date to period, we determined that the dates appear to drop in the proper time frame.   **Trial Balance Roll-Forward**   * We noted two out of the XXXX accounts in the Trial Balance do not roll forward. Upon further review we determined the two accounts are offsetting: account XXXX offsets XXXX. In addition to these differences, we noted XXXX accounts in the journal entry file that were not included in the trial balance file provided by the client. These differences were communicated to the Assurance team, and we were instructed to proceed with the analysis despite the differences. The final roll forward results were provided to the Assurance team in the ‘TB Rollforward’ tab and “Unmatched Accounts” tab in the spreadsheet ‘**INSERT FILENAME**’ attached below. * We communicated with the Assurance team to validate that they were performing procedures to tie the trial balance utilized in the roll-forward procedures to the trial balance utilized in their account testing procedures.   **Data Modification / Missing Data / Other Observations:**   * The client provided EY a delimited text file with all the Journal Entry detail for FY20xx. EY was able to import this text file directly into ACL. Following the import into ACL, we ran the script ‘A\_JE Prep,’ which performed the following:   + We defined 10 new computed fields in ACL to either reformat a field or define a new field for easier processing. * We defined the Period based on the month and year provided in the source file. * We calculated the EY\_Amount by subtracting the Debit column by the Credit column provided in the source file. * We defined column names and exported the data to the table EY\_JE. * The client provided EY one Trial Balance file with account balances from XXXX to XXXX (QX). EY imported this file into ACL. Following the import we ran the script ‘B\_TB\_Prep,’ which performed the following:   + We defined 5 new computed fields in ACL to either reformat a field or define a new field for easier processing. * We noted that Field\_1 began with the character “.” EY removed this unnecessary character while computing the EY\_Account field. * We defined the beginning and ending balances as numeric fields. * We noted that the last line of the client provided file contained titles for the columns. We excluded this line from the export. * We defined column names and exported the data to the table EY\_TB. * After completing the roll forward procedures, we extracted the EY\_JE and EY\_TB files from ACL and imported them into the EY Global Analytics tool for analysis. We noted the following: * The same number of records exported from ACL was imported into Global Analytics (200,300 JE data records and 1,125 trial balance records). * We noted XXXX journal entries that do not net to 0.00, XXXX% of all transactions. * We noted 29 journal entries that were missing a JE Description. * We noted 115 journal entries that were missing an Entry Date. * We noted 115 journal entries that were missing a Preparer ID. * We noted that 12 accounts in the Trial Balance were missing an Account Type. * We noted XXXX GL Account Numbers in the trial balance with no beginning or ending balance or JE activity. These accounts have been excluded from further analysis. * There were 18 journal entries (12 line items) that matched the user defined criteria above the noted threshold amount. * There were 7 journal entries (19 line items) that related to the identified account pairing above the noted threshold amount. * There were 397 journal entries (885 line items) that end with a number pattern of ‘000’ above the noted threshold amount. There were 2 journal entries (2 line items) that end with a number pattern of ‘999’ above the noted threshold amount. * There were 12 Inter-Company/Related-Party journal entries (14 line items) above the noted threshold amount. * There were 24 Professional Fee journal entries (10 line items) above the noted threshold amount. * There were 69 journal entries (54 line items) with the identified phrases within the **[JE Description]** field above the noted threshold amount. * There were 32 journal entries (10 line items) near period end above the noted threshold amount. * We noted that there were no subsequent period journal entries.   **EY EAGLe Procedures**  **[ONLY TO BE USED FOR SELECTED NON-PUBLIC CLIENTS UNTIL FULL ROLL-OUT]**   * After the data was successfully imported into Global Analytics, we then imported the Global Analytics file into the EY EAGLe tool. The EY EAGLe analysis was provided to the Assurance team in the spreadsheet ‘**INSERT FILENAME**’ attached below. |

**Sample Data Attachments and Data Request Letter:**

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| Examples files to aid client data preparation for next period:  *Journal Entry Data: Trial Balance Data: Data Retention Letter:* |

**Notes / Recommendations (if needed):**

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| 1. The client should provide control totals for each file provided to assist with the reconciliation. 2. The client should provide the files in a “|” delimited format to reduce the potential of data corruption issues. |