CaseWare AnalyticsAI

Getting Started

v1.1

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What is CaseWare AnalyticsAI

CaseWare AnalyticsAI is a risk-based transaction analysis tool that auditors can use to scan large transaction sets and find exceptions that might warrant further investigation. It reduces the time spent in transaction analysis by automatically performing multiple tests on the entire transaction set.

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Create engagement

An engagement file is where you collect, organize and review your client's data.

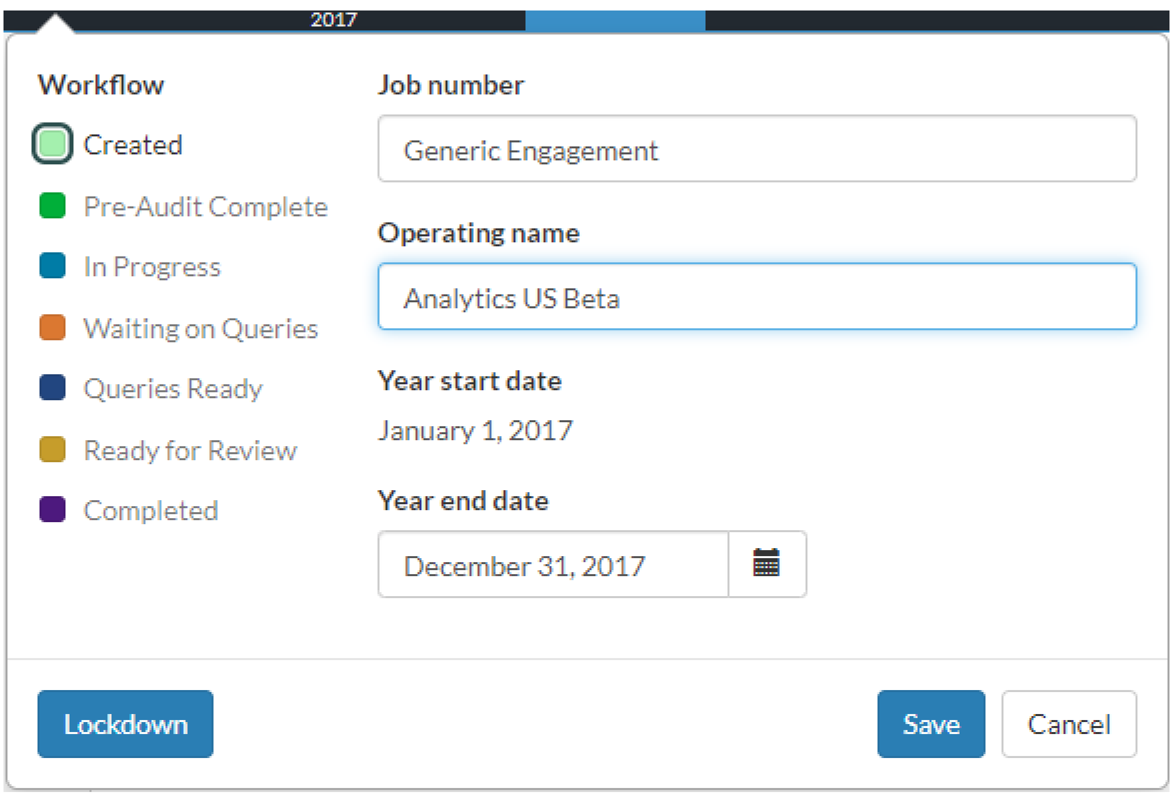
See Create an engagement file for more information.

To create an AnalyticsAI engagement:

1. From the **Cloud** menu ( ), select **AnalyticsAI** ( ).
2. Select the entity that you will be auditing from the drop-down menu, for example:

3. Select **New** ( ).
4. Enter a **Name** for the engagement, enter any other optional information, then select **Save**.

The engagement properties display.



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5. Edit the engagement properties as desired and select **Save**.

   Note: To avoid errors, the **Year end date** must match your trial balance data.

   The **Documents** page displays.

The **Documents** page contains links to documents for these stages of the engagement:

- **Preparation** – gather required data for the engagement
- **Validation** – check data for reliability and completeness
- **Risk Profile** – adjust influencers, run risk analysis and perform analytical review

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Preparation

In this stage, you will complete the following:

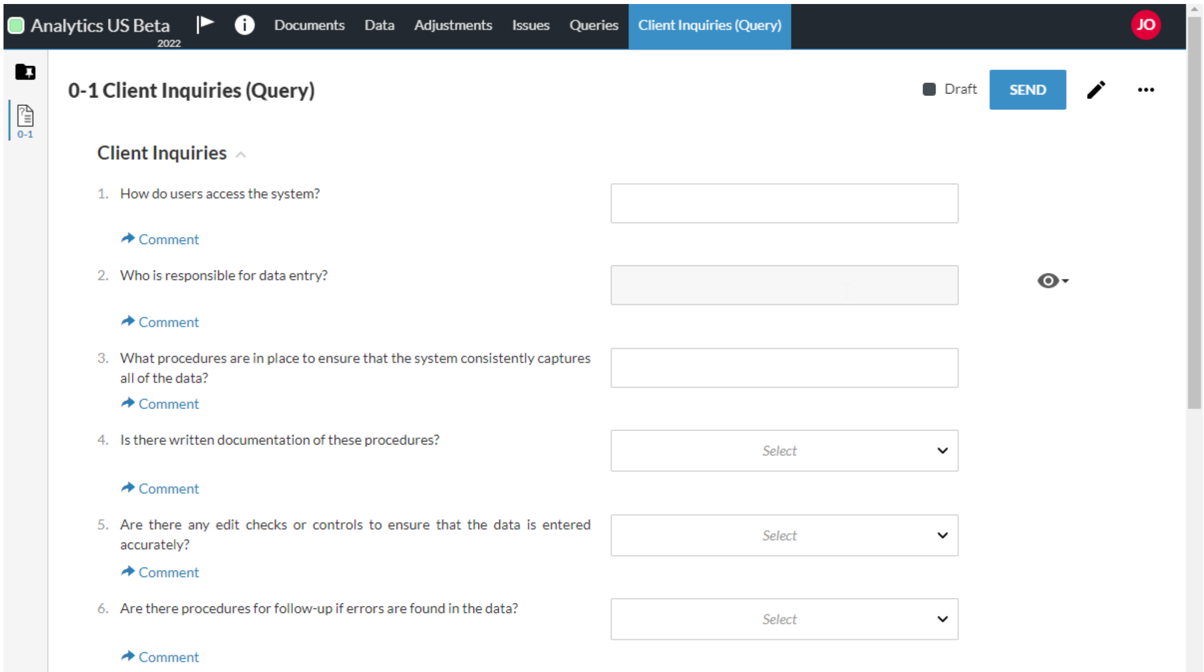
- **0-1 Client Inquiries (Query)**
- **0-2 Import Trial Balance & Online Transactions**
- **0-3 Import Transactions CSV**

Client inquiries

An AnalyticsAI engagement includes an inquiries document that you can send to your client for completion.

To access the inquiries document:

- Select **0-1 Client Inquiries (Query)** from the **Documents** page.



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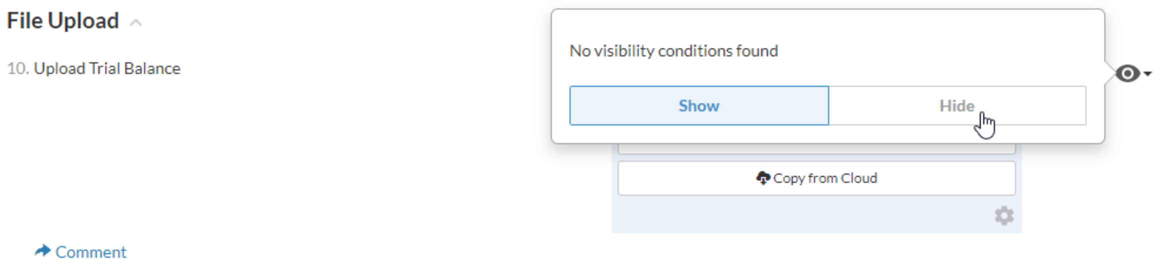
You can adjust which procedures you want to send by using the show/hide functionality. For example, under **File Upload**, you can hide **Upload Trial Balance** if you intend to use a different method for adding a trial balance to the engagement.



You can also add comments to individual procedures in the query document.

To add a comment to a procedure:

1. Under the desired procedure, select **Comment**.

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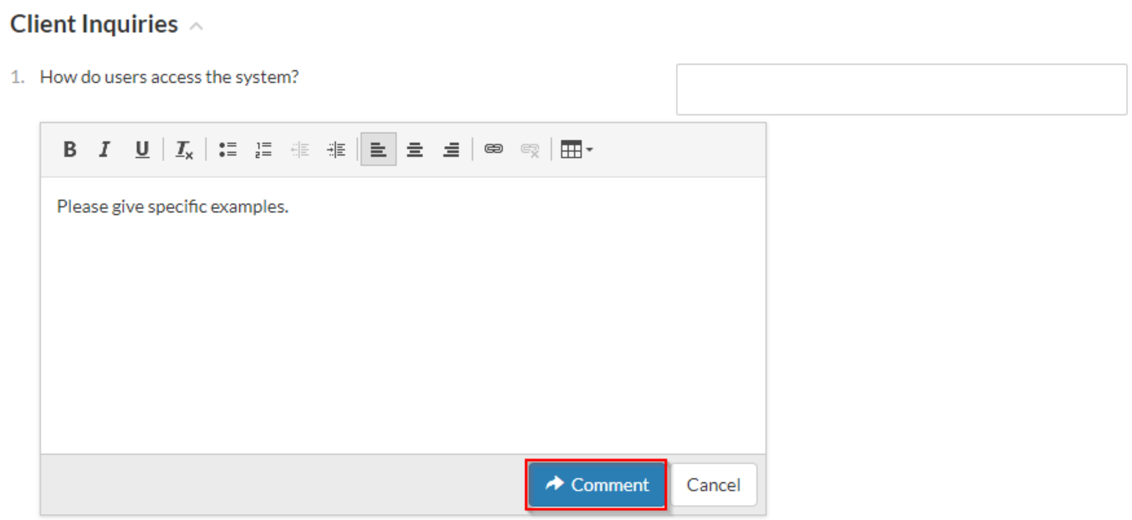
2. Type in the desired comment in the dialog that appears and select **Comment**.



Your comment displays with the procedure.

To send the query:

1. Select **0-1 Client Inquiries (Query)** from the **Documents** page.
2. From the top-right of the page, select **Send**.

   The Open Query dialog displays.

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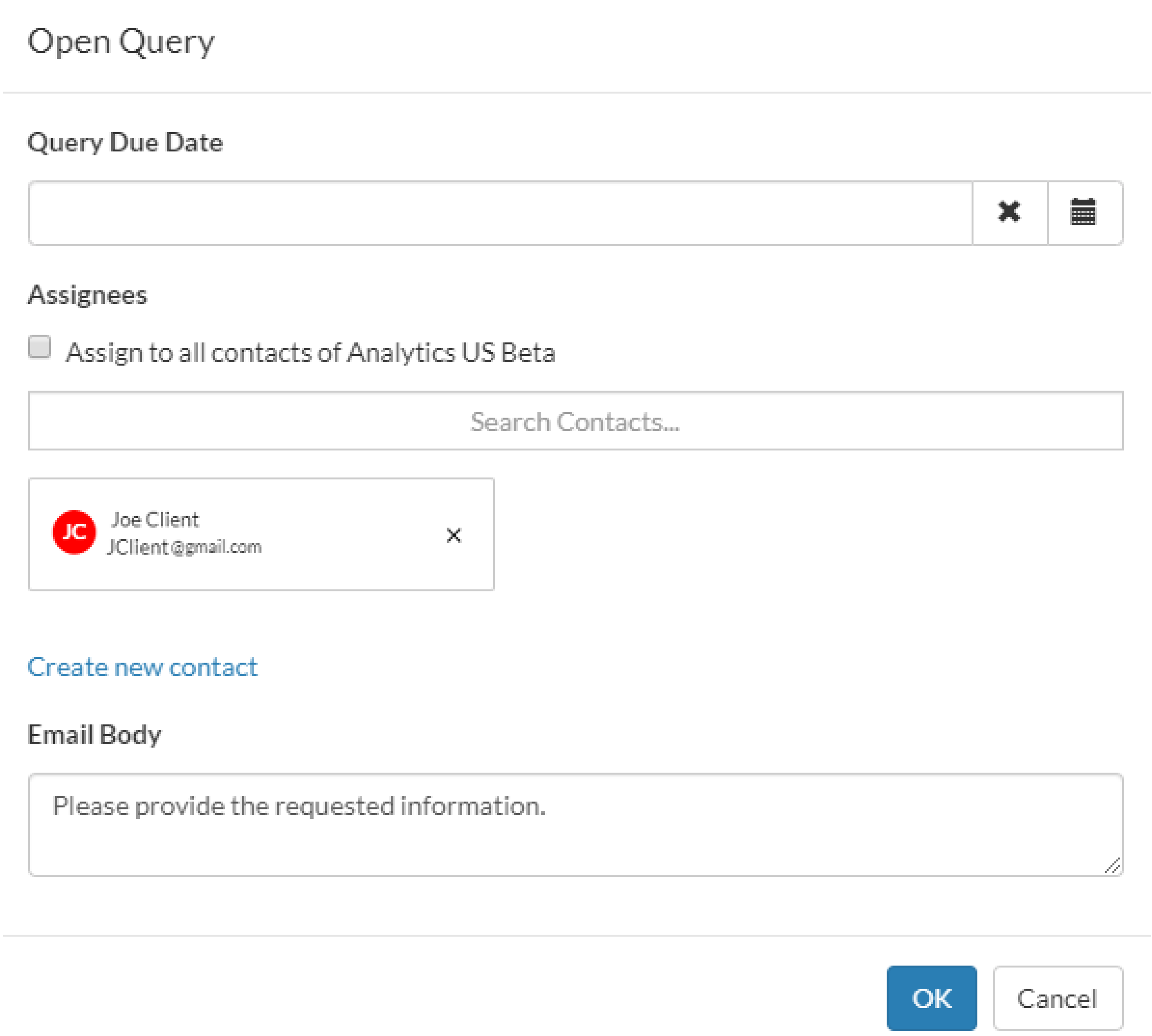
3. Enter a **Query Due Date**, select an **Assignee**, enter a message in the **Email Body** and select **OK**.



An email is automatically sent to the assignee, and the status of the document changes to **Awaiting response**.

The assignee’s email includes a link to view the details of the query.

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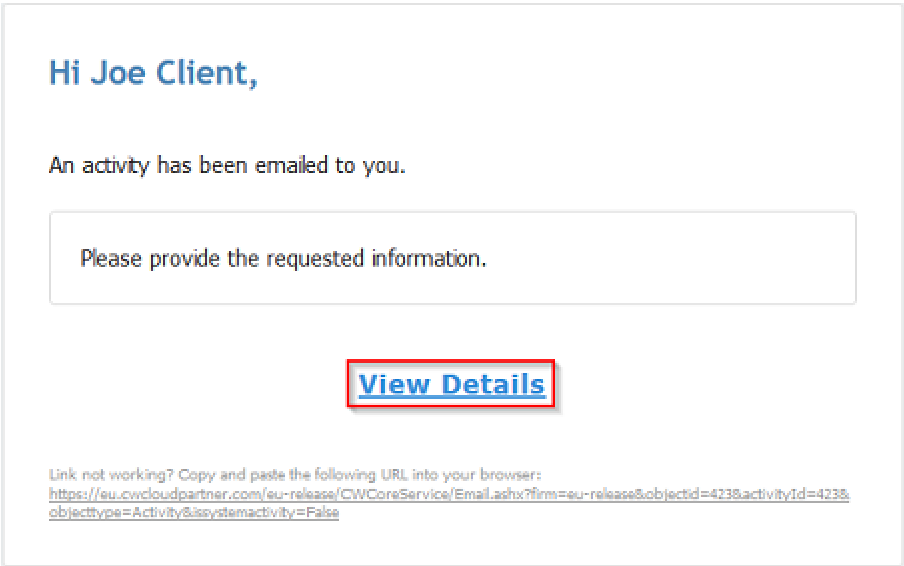

When the assignee selects the link, a version of the document appears. The assignee can answer the questions and provide the required files and then select **Responded** to indicate that the item has been completed.

Note: The assignee can see any comments that have been entered.

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Import data

You’ll need to import a trial balance for your engagement to reconcile your data in the **Data Completeness** page, and to be able to use **Influencers**. You’ll also need to import your client’s transactions to run analyses.

You can import a trial balance or transactions from:

- CaseWare Working Papers
- Desktop accounting software
- An Excel or CSV file
- Online platforms such as Quickbooks Online and Xero

If you’re importing from online accounting software, you have the option to choose to import transaction data as you import the trial balance data.

See [Import a client's trial balance in the Data page] for more information.

Note: You can also request your client’s trial balance and transactions file using the **0-1 Client Inquiries (Query)** document. See "Preparation" on page 4 for more information.

Trial balance

In this example, we import a trial balance from a CSV file.

To import a trial balance from a CSV file:

1. Select **0-2 Import Trial Balance & Online Transactions** from the **Documents** page.
2. Select **Excel or CSV**.
   The import dialog displays.
3. In the import dialog, use one of these methods to import your trial balance data:
   - Drag and drop a CSV file into the import area in the grey dashed box.
   - Browse for the file on your local device.
   - Select the file from the engagement if you have already uploaded it.

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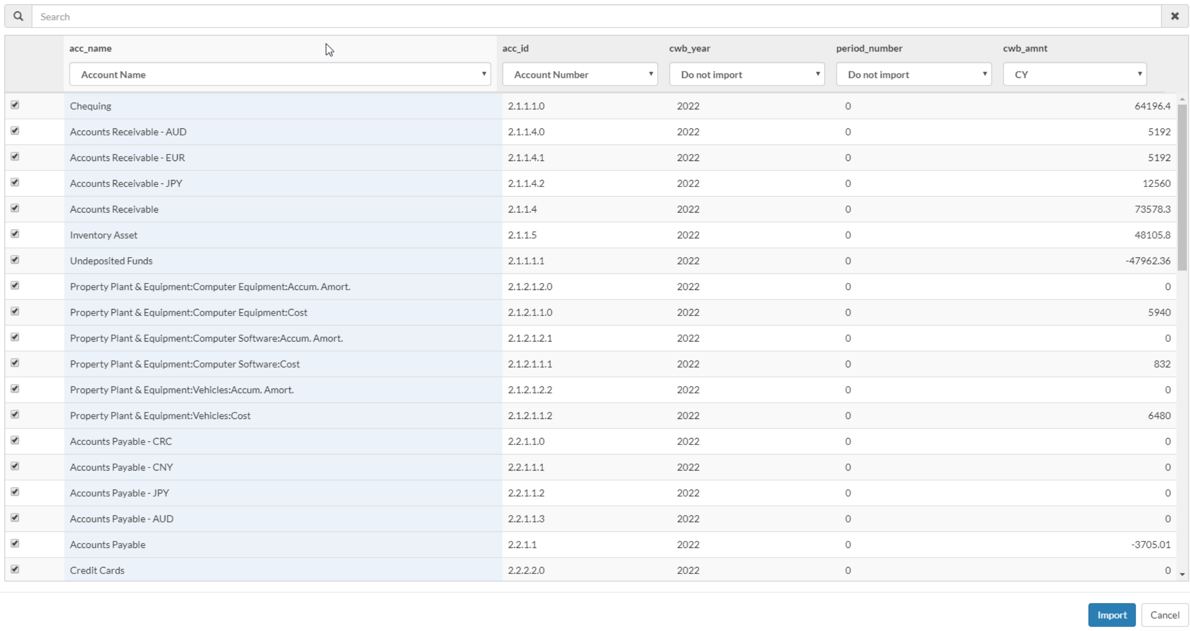
4. To map the columns in the import file, choose the field that best matches the data from the drop-down. If you don't want to import a column, select **Do not import** to exclude it.



	acc_name	acc_id	cwb_year	period_number	cwb_amnt
	Account Name	Account Number	Do not import	Do not import	CY
☑	Chequing	2.1.1.1.0	2022	0	64196.4
☑	Accounts Receivable - AUD	2.1.1.4.0	2022	0	5192
☑	Accounts Receivable - EUR	2.1.1.4.1	2022	0	5192
☑	Accounts Receivable - JPY	2.1.1.4.2	2022	0	12560
☑	Accounts Receivable	2.1.1.4	2022	0	73578.3
☑	Inventory Asset	2.1.1.5	2022	0	48105.8
☑	Undeposited Funds	2.1.1.1	2022	0	-47962.36
☑	Property Plant & Equipment:Computer Equipment:Accum. Amort.	2.1.2.1.2.0	2022	0	0
☑	Property Plant & Equipment:Computer Equipment:Cost	2.1.2.1.1.0	2022	0	5940
☑	Property Plant & Equipment:Computer Software:Accum. Amort.	2.1.2.1.2.1	2022	0	0
☑	Property Plant & Equipment:Computer Software:Cost	2.1.2.1.1.1	2022	0	832
☑	Property Plant & Equipment:Vehicles:Accum. Amort.	2.1.2.1.2.2	2022	0	0
☑	Property Plant & Equipment:Vehicles:Cost	2.1.2.1.1.2	2022	0	6480
☑	Accounts Payable - CRC	2.2.1.1.0	2022	0	0
☑	Accounts Payable - CNY	2.2.1.1.1	2022	0	0
☑	Accounts Payable - JPY	2.2.1.1.2	2022	0	0
☑	Accounts Payable - AUD	2.2.1.1.3	2022	0	0
☑	Accounts Payable	2.2.1.1	2022	0	-3705.01
☑	Credit Cards	2.2.2.2.0	2022	0	0

5. Select **Import**.
   The **TRIAL BALANCE- ACCOUNTS** page displays with the imported trial balance.

Transactions CSV

If you've imported the client's data from a CSV file, you'll need to import the transactions CSV to store and run analyses on your data.

To import transactions from a CSV file:

- Go to the **Data** page, select **Import** then **Import Transactions CSV**.

See Import the client's transactions for detailed instructions.

Note: If you imported the trial balance from an online platform such as Xero, it most likely included transactions information. See Import a client's trial balance in the Data page for more information.

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Validation

In this stage, you will complete the following:

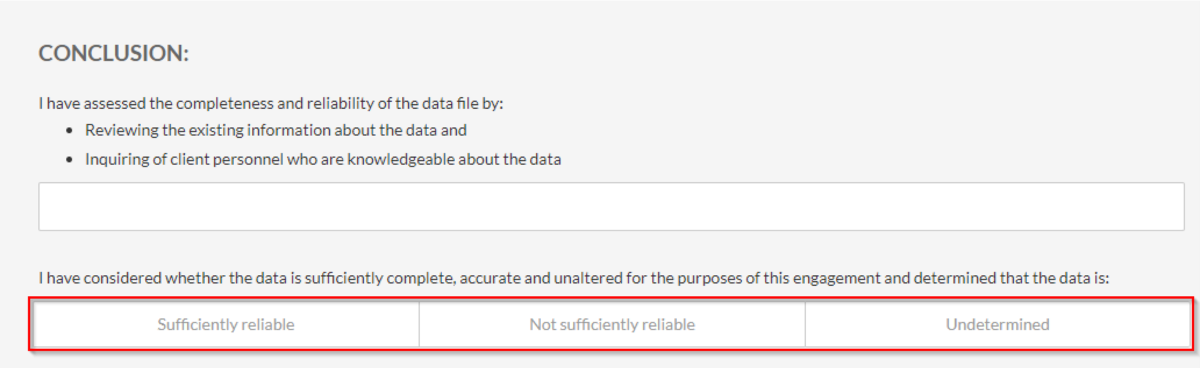
- **1-1 Data Reliability Checklist**
- **1-2 Data Completeness**

Data reliability checklist

Use this document to assess the completeness and reliability of the data file.

To complete the Data Reliability Checklist:

1. Select **1-1 Data Reliability Checklist** from the **Documents** page.
2. Complete the procedures in the document.
3. Select the appropriate response in the **Conclusion** section of the document.



CONCLUSION:

I have assessed the completeness and reliability of the data file by:

- Reviewing the existing information about the data and
- Inquiring of client personnel who are knowledgeable about the data

I have considered whether the data is sufficiently complete, accurate and unaltered for the purposes of this engagement and determined that the data is:

Sufficiently reliable | Not sufficiently reliable | Undetermined

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Data completeness

To review the Data Completeness file:

1. Select **1-2 Data Completeness** from the **Documents** page.

2. Use the **Data Completeness** file to see whether the account balances calculated from the trial balance match the account balances calculated from the transactions in an engagement.

Note: Discrepancies may indicate that you have received or imported an incomplete data set and may need to re-import the data.

See Check data completeness for more information.

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Risk profile

In this stage, you will complete the following:

- **2-1 Influencers (Organizational Risk)**
- **2-2 Risk Analysis (Transaction Risk)**
- **2-3 Analytical Review**

Influencers

Influencers are applied to accounts that you want to emphasize as part of your risk analysis. They capture macroeconomic and organizational risk and highlight transactions that may be of interest in light of those risks.

For example, if you suspect that an organization's controls for cash accounts are lax, you might set the influencer for any cash accounts to raise the risk score by a specific percentage. You could set the influencer for cash accounts to, say 50%, and the risk scores of any transactions which contain cash accounts will be automatically increased by 50%. Transactions with zero risk will not be adjusted, and therefore will remain at zero risk.

See Adjust influencers for more information.

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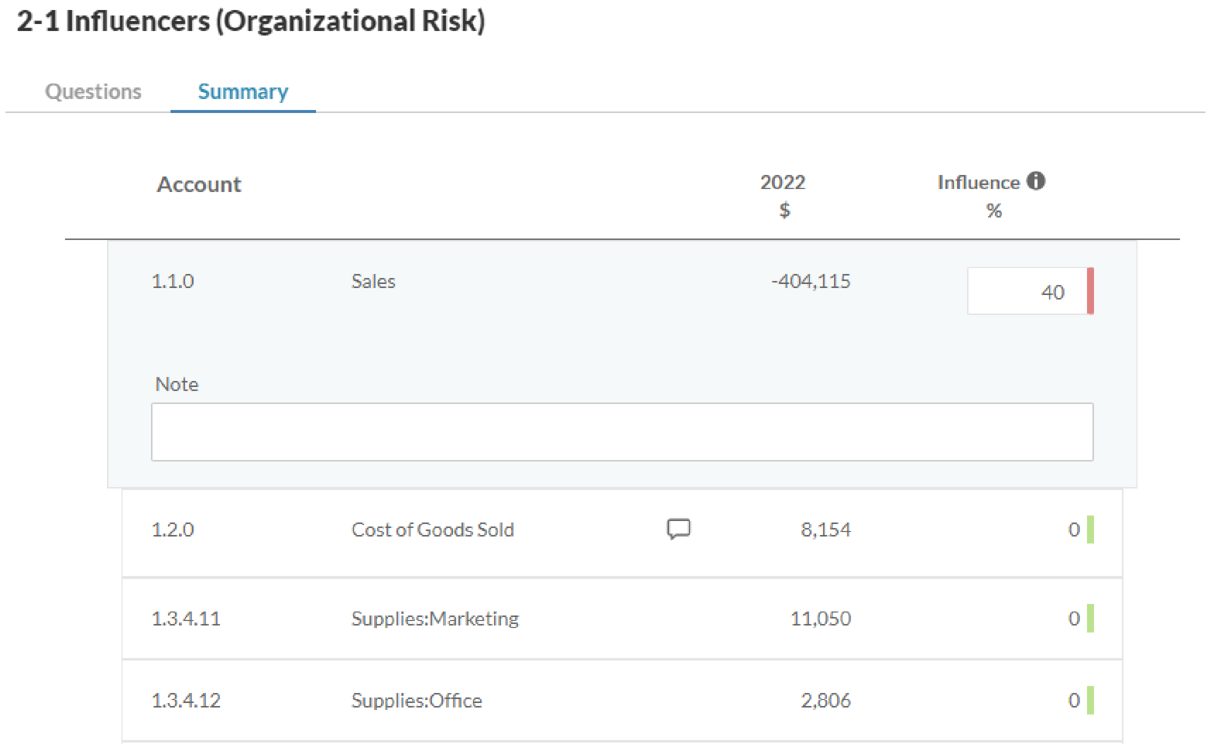
To adjust Influencers:

1. Select **2-1 Influencers (Organizational Risk)** from the **Documents** page.
2. Select the **Summary** tab.
3. Click the **Influence %**field for the desired **Account** and enter a new value.
4. Document the reason for increasing the **Influence %** in the **Note** box.



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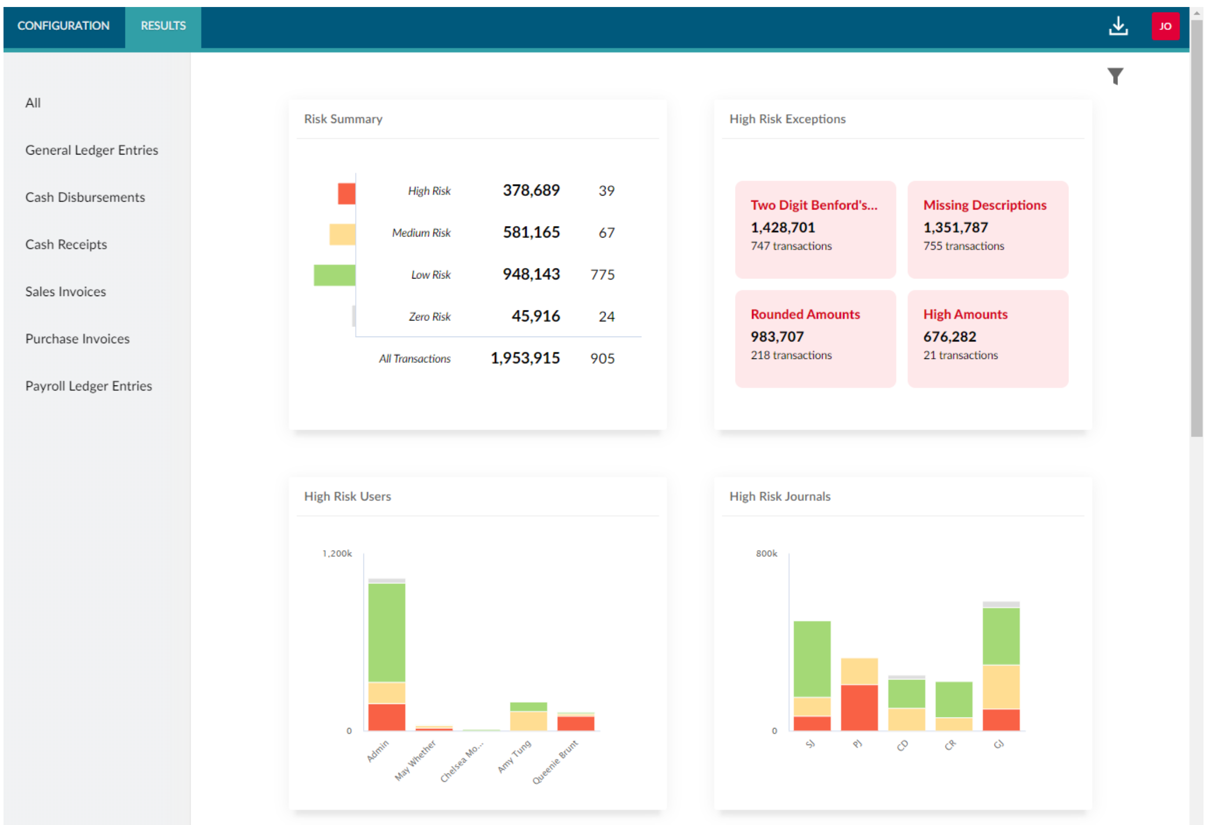
Risk analysis

The **RESULTS** page gives you an overview of the engagement's test results using different widgets.

To view the test results:

- Select **2-2 Risk Analysis (Transaction Risk)** from the **Documents** page.



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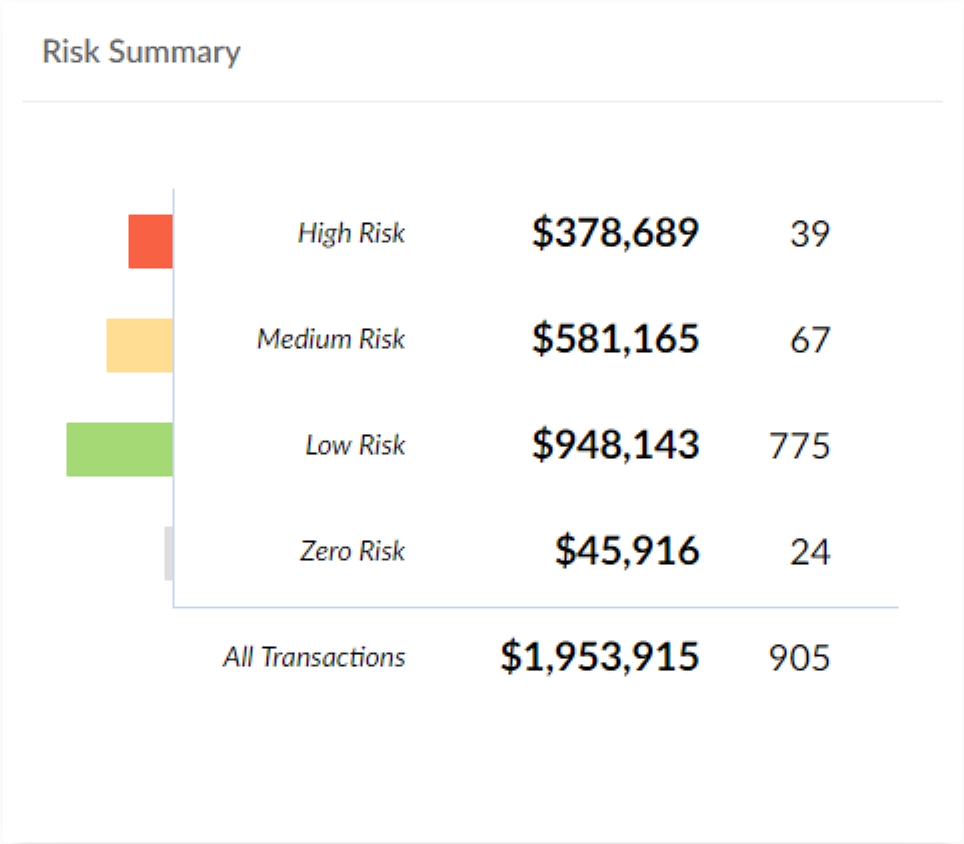
Widgets

Click labels or charts in any of the widgets to display more information. The information shown in the widgets changes to reflect your selection.

You click on the **Risk Summary**, **High Risk Exceptions**, **High Risk Users** and **High Risk Journals** widgets to see further details. See Navigate a widget for more information.

Risk summary

This widget ranks the transactions in terms of overall risk score.



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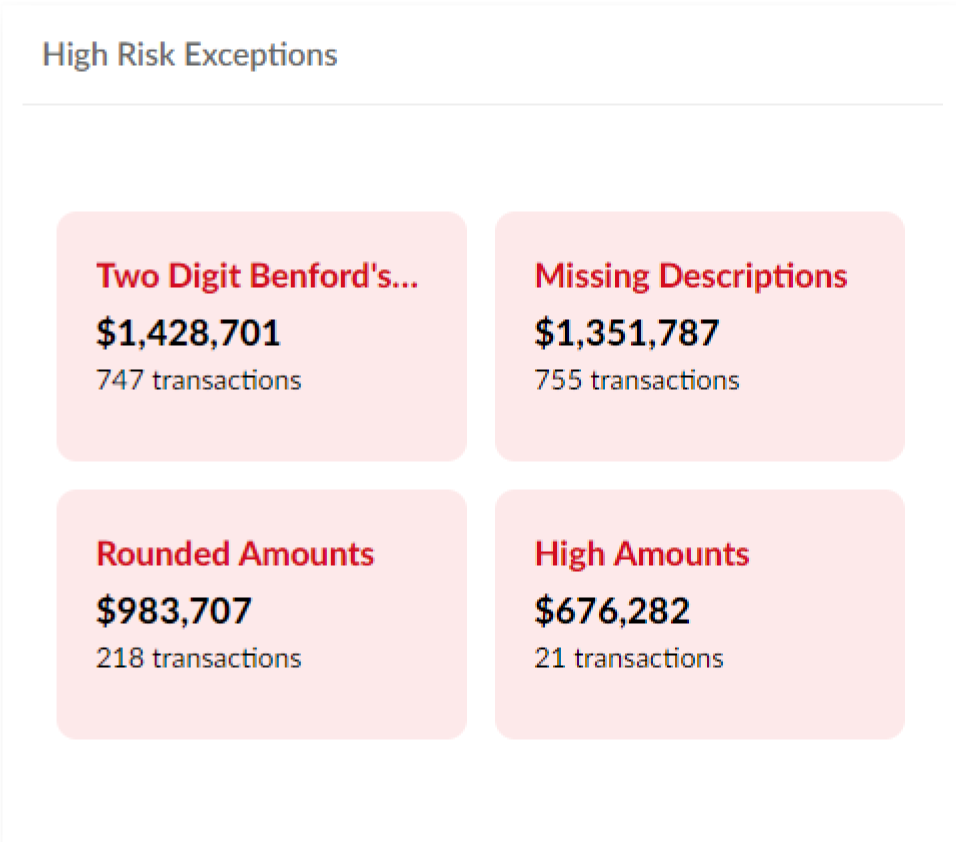
High risk exceptions

This widget shows transactions with a risk score that are grouped by test. The top four tests with the highest dollar amount display.



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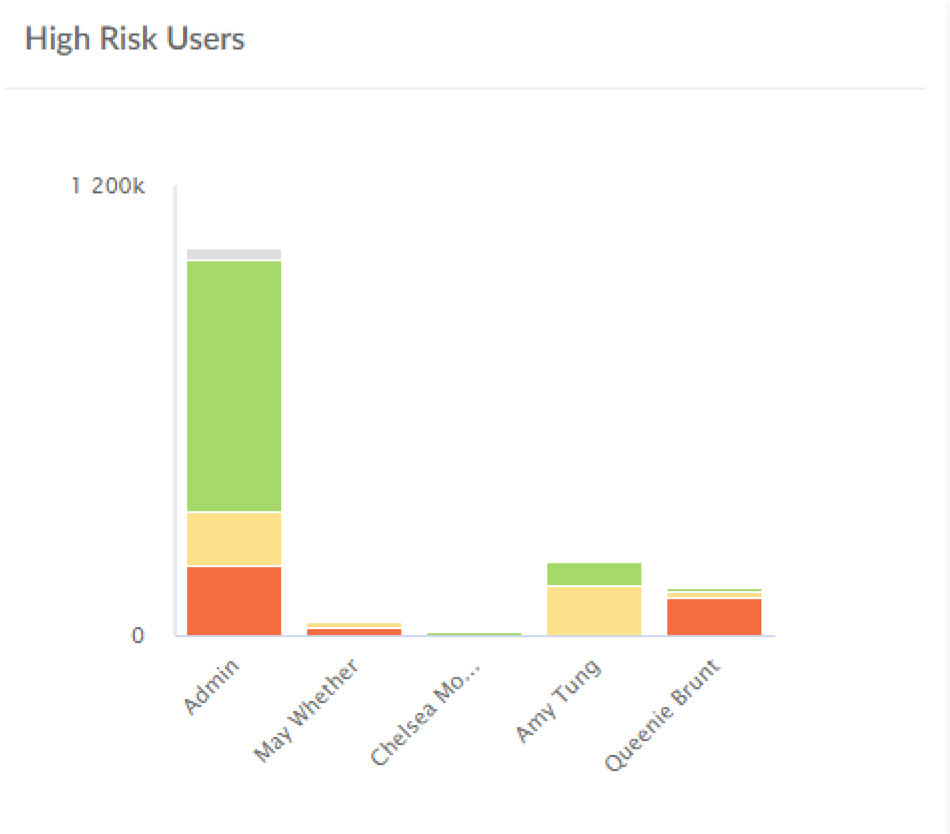
High risk users

This widget shows the top five users that posted transactions with the highest risk score.



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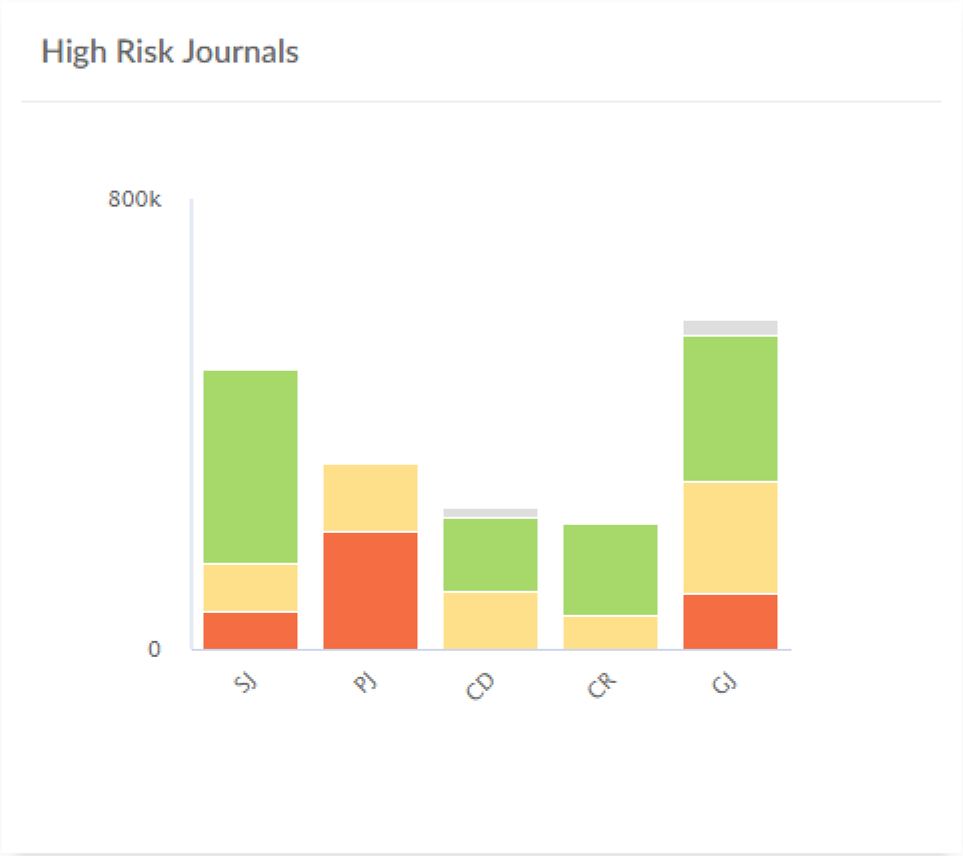
High risk journals

This widget shows the top five journals with the highest risk score.



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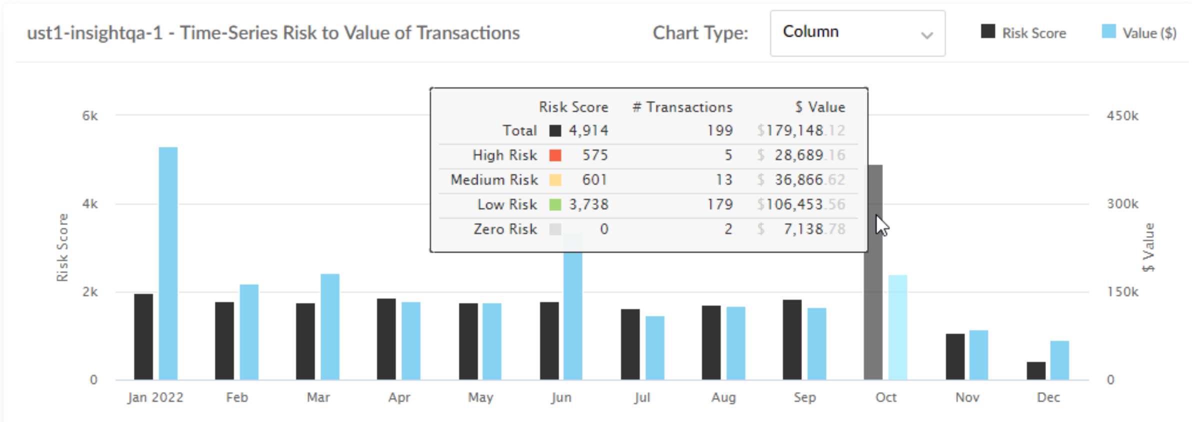
Time series chart

Use the **Time Series Risk to Value of Transactions** chart to observe the risk score and dollar value of the evaluated transactions for the previous 13 months from the uploaded data set. Hover over the chart to display more information.



Change the configuration on specific tests

From the **CONFIGURATION** tab, you can see all the tests that are run in AnalyticsAI. You can also configure the tests here by doing the the following:

- Select what tests to run.
- Change the emphasis (**Risk Score**) on specific tests.
- Refine test parameters.

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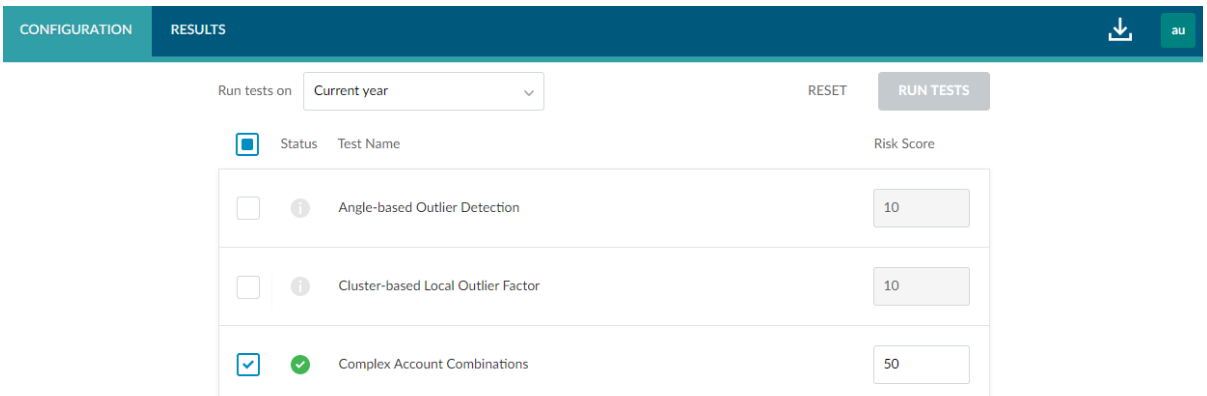
To view the CONFIGURATION page:

1. Click **2-2 Risk Analysis (Transaction Risk)** in the **Documents** page.

   The **RESULTS** page displays.

2. Select **CONFIGURATION**.

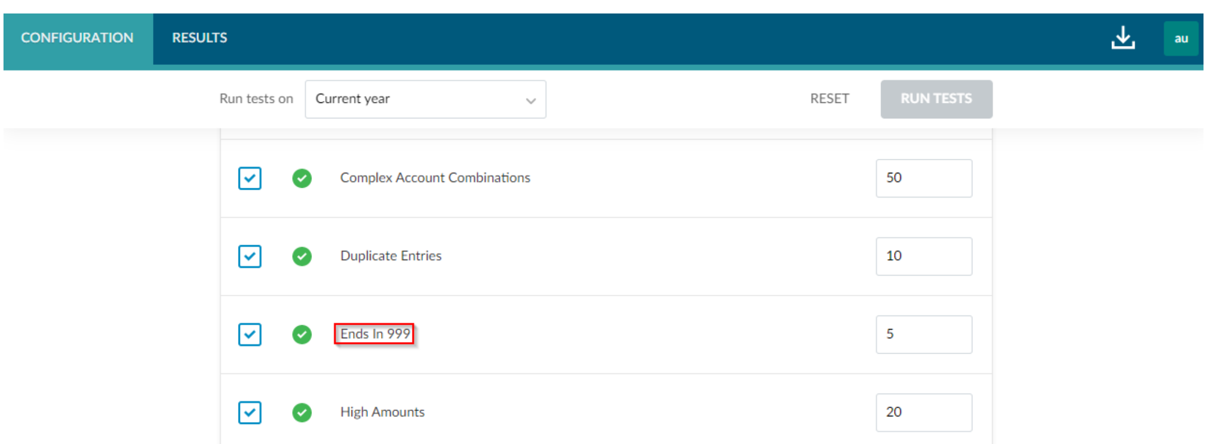


Deselect a test's check box if you don't want it to run.

You can also use this page to change the emphasis (**Risk Score**) on specific tests and their parameters.

To change a test's Risk Score:

1. Select the check box of a specific test, for example, **Ends in 999**.



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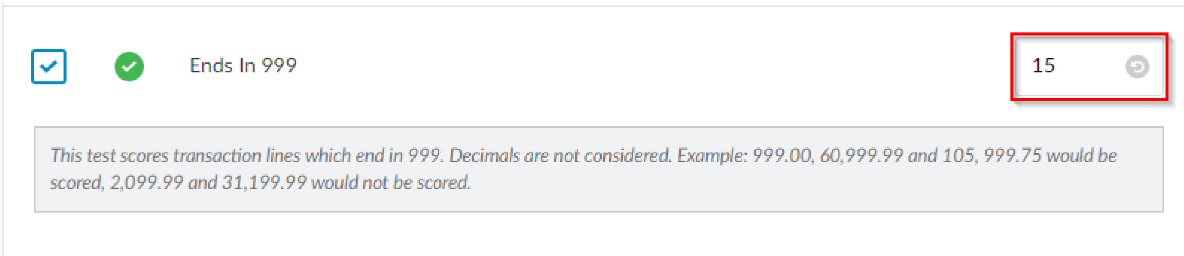
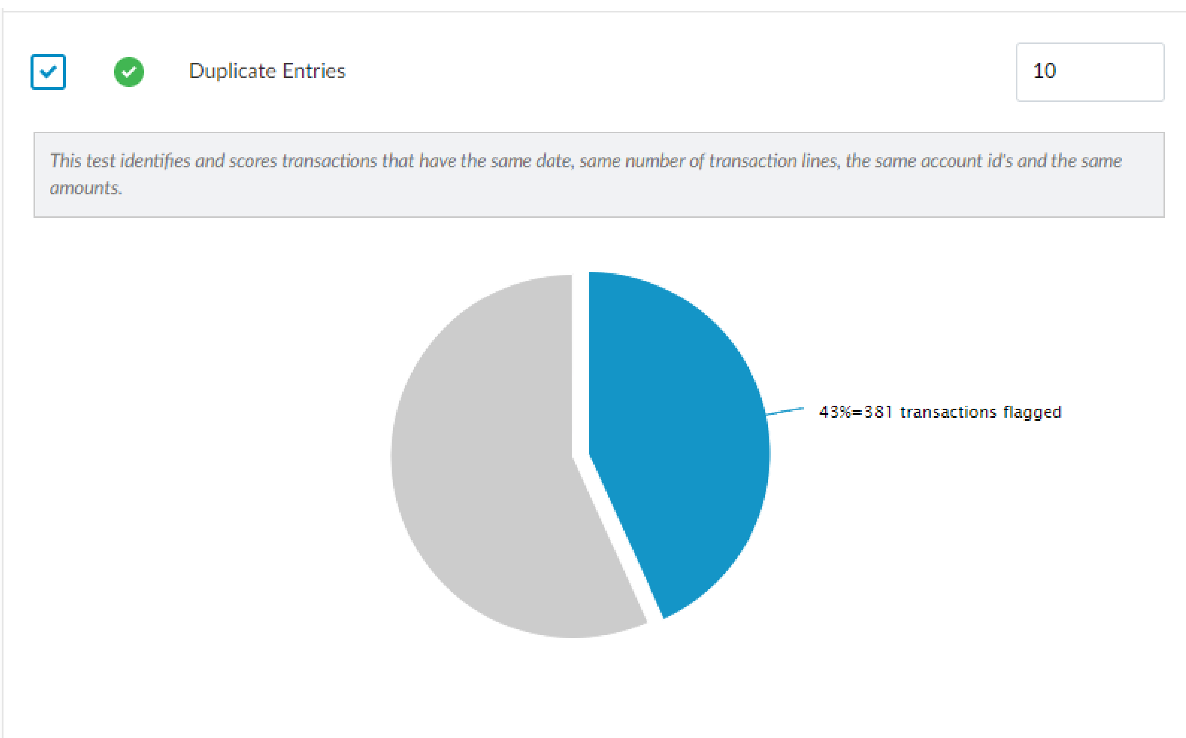
2. Enter a new **Risk Score**, for example, 15.



3. Select **RUN TESTS** to see the updated results.

Charts and graphs

Tests include a pie chart that shows the percentage and quantity of the flagged transactions for that test. Pie charts appear when a test has flagged transactions.



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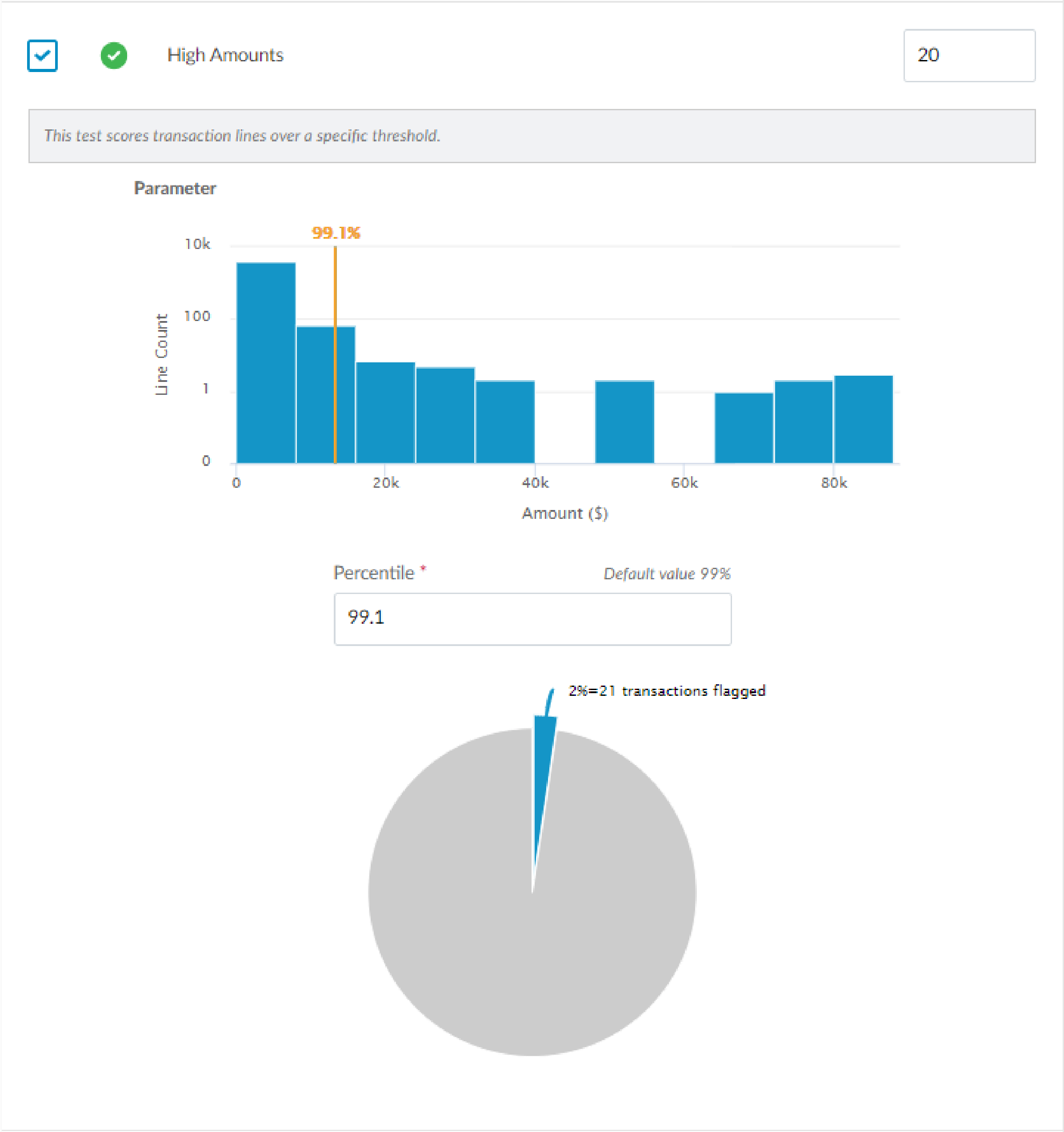
Some tests, such as **High Amounts** include a pie chart and an additional graph that helps you configure parameters.



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The test-specific bar graphs show the data distribution relative to the default test parameter, so that an auditor can have a clear picture of where to set the parameter. For example, the **High Amounts** bar graph shows the transactions' line counts distribution across dollar amounts. You can adjust the **Percentile** to flag transactions to the right of the orange bar (the default parameter).

In this example, the default percentile value has been changed to 99.7. Notice that for the default percentile value of 99.1 there are 21 transactions flagged. When we change the **Percentile** to 99.7 and rerun the tests, the number of transactions flagged drops to five.

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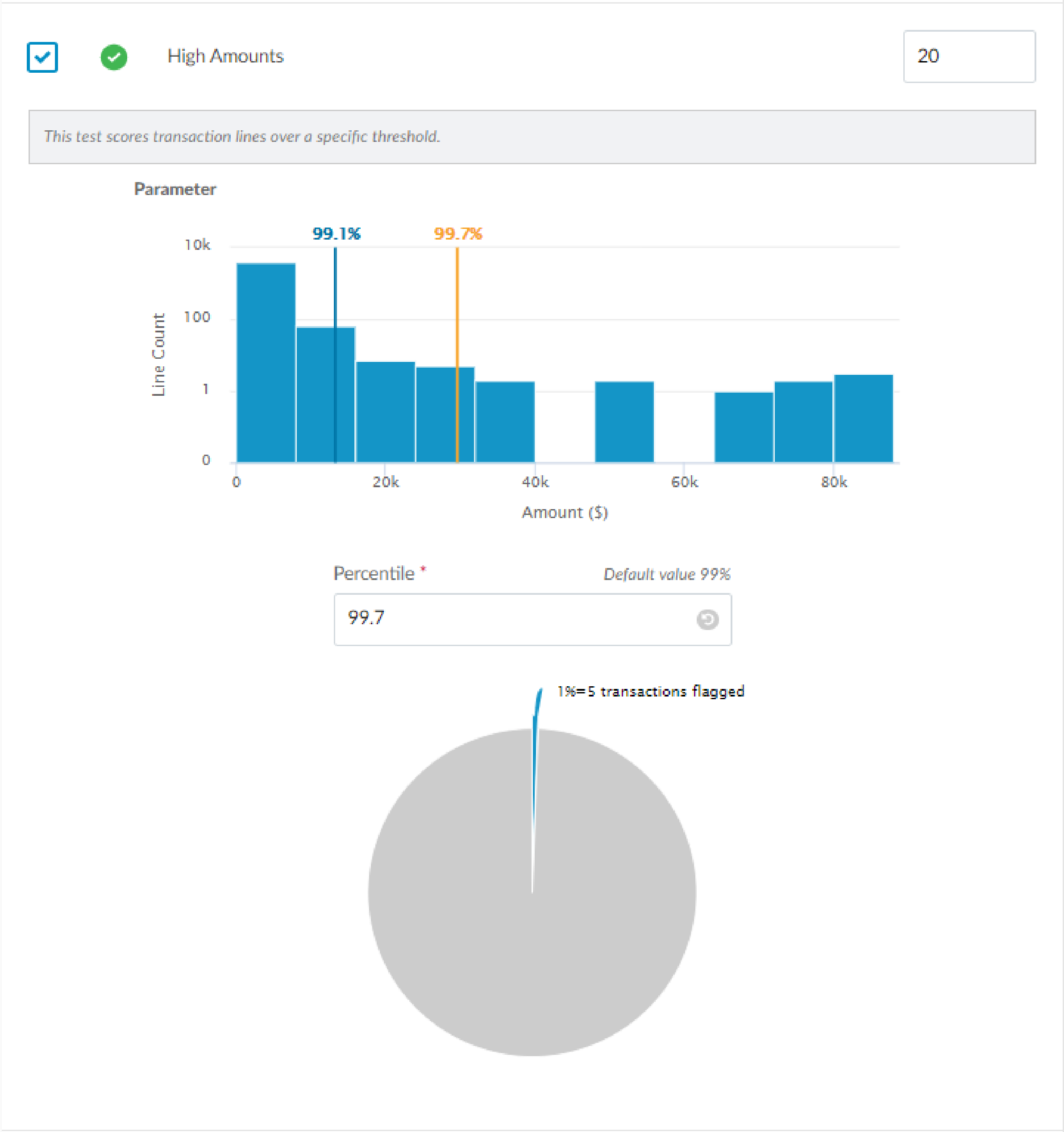

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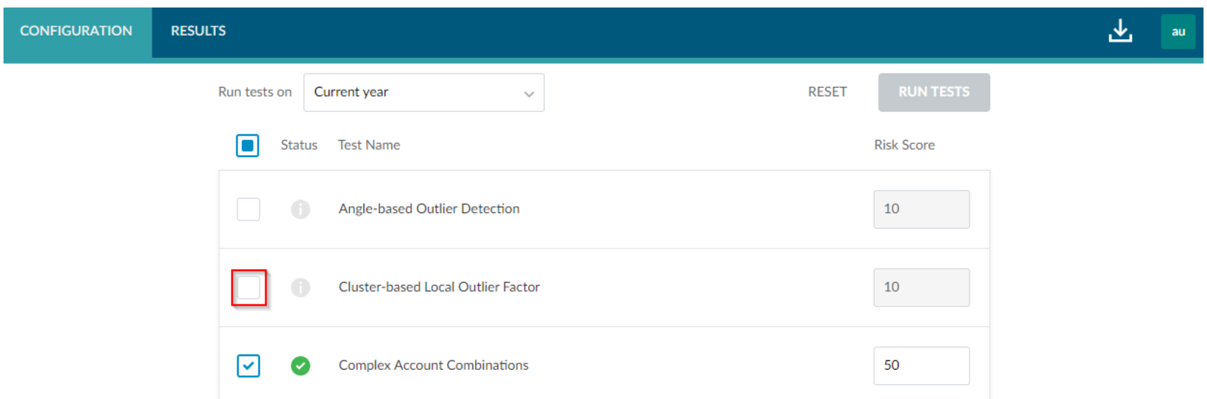
Outlier detection

AnalyticsAI has a number of machine learning (ML) based outlier detection tests. These tests are turned off by default.

To turn on the outlier detection tests:

- Select the check boxes of the outlier detection tests on the **CONFIGURATION** page



See [Test status] for more information.

Analytical review

The **2-3 Analytical Review** document identifies relationships (for possible use in substantive analytical procedures), risks and inconsistencies. The analysis charts in this document are linked to data throughout the engagement to help auditors visually compare data and discover trends and patterns using predefined data analytics.

Use the drop-down to select **Preliminary** or **Final** results. Use the filter switches to display the desired analyses widgets. The widgets are interactive. Hover over a specific item in a graph to see more information.

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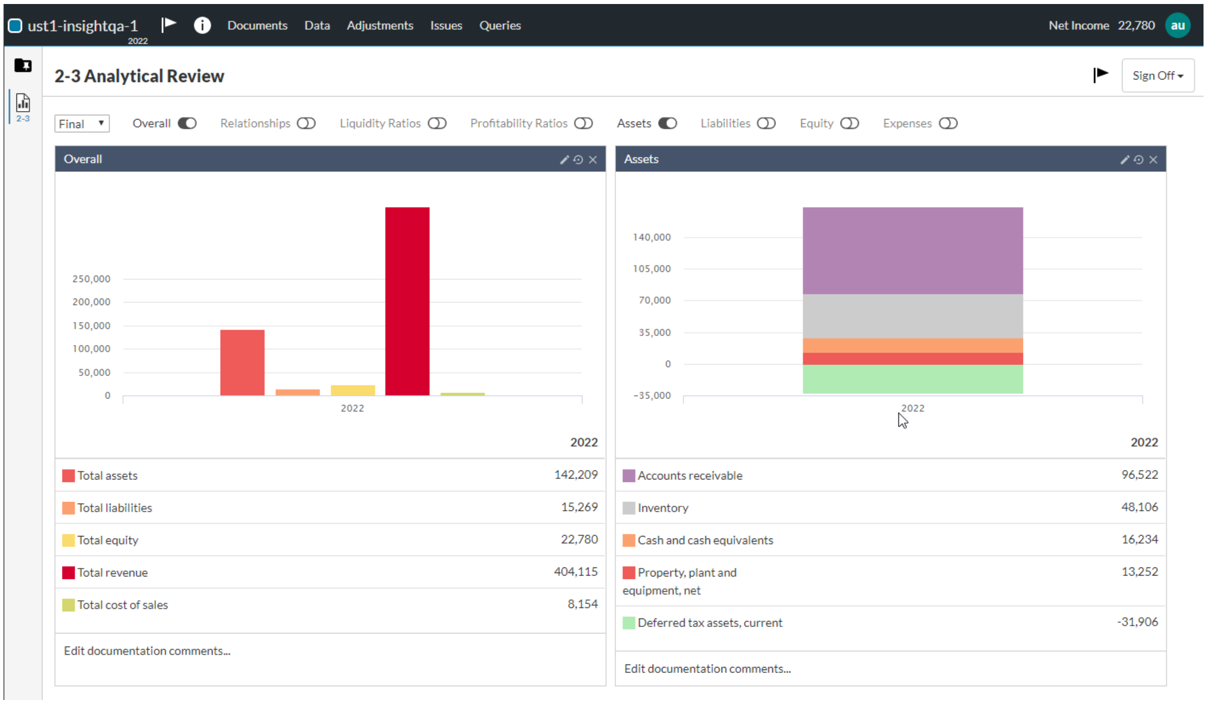
To view the Analytical Review:

- Select **2-3 Analytical Review** from the **Documents** page.



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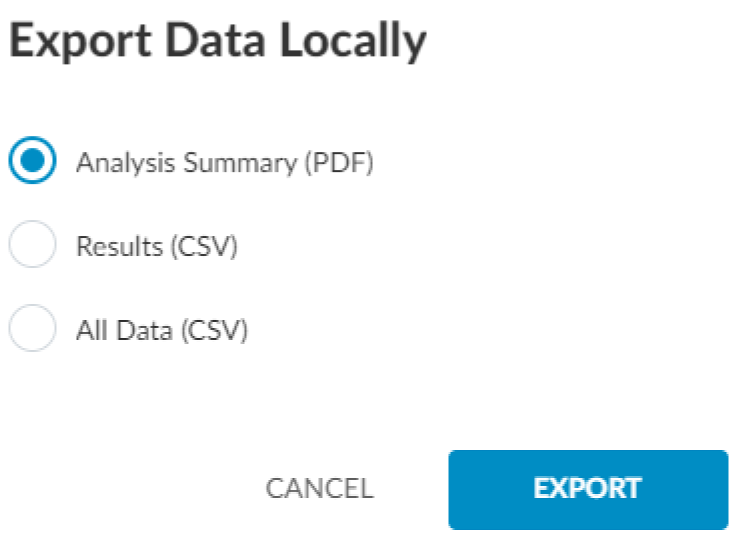
Export results

After you’ve completed your analytical review, you can export the analysis data for audit evidence.

To export the risk analysis results:

1. From the **Document** page, select the **2-2 Risk Analysis (Transactional Risk)** document.
2. Select the **Download** icon () from the top of the **RESULTS** page.
3. Choose a file format from the Export Data Locally dialog and select **Export**.



Available formats are:

- **Analysis Summary (PDF)** — outlines the tests that were run, including their descriptions, base scores and parameters. It contains:

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- Time Series Graph – Risk-to-Value of Transactions
- List of Tests Performed
- List of Accounts Influenced
- Appendix A: Descriptions of Tests Performed

- **Results (CSV)** — contains a list of all transactions sorted by risk score, along with total scores and test scores for each transaction.
- **All Data (CSV)** — contains all the information for each transactions and its risk score. This can be used for further analysis, in CaseWare IDEA, for example.

Default export file names

The default file name formats for the exported data files are:

Exported file type	File name format
Analysis Summary (PDF)	`<year>_<month>_<day>_<entity>_AAi Summary.pdf`
Results (CSV)	`<year>_<month>_<day>_<entity>_AAi Audit Evidence.csv`
All Data (CSV)	`<year>_<month>_<day>_<entity>_AAi All Data.csv`

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