

# KPMG Clara Computer Assisted Audit Techniques (KPMG Clara CAATs) Document

Entity	Period-end	Reference
[Entity]	[Period-end]	[Reference]
<b>Audit procedure</b>		
[Audit procedure]		

## Purpose

This document is designed to assist the engagement team with documenting the procedures performed on data used in KPMG Clara's Advanced Capabilities.

## Applicability

This document is applicable for all eAudIT workflows when KPMG Clara is used. Once completed, this document is attached to eAudIT activity 2.9.10 *Data and Analytics capabilities*. This document is specifically for use when Advanced Capabilities are performed through KPMG Clara. When any CAATs are used in the audit, the engagement team should document those procedures in accordance with the requirements included in KAM Topic 15, *Computer assisted audit techniques*.

This document includes the following sections:

- I. Data pre-processing
- II. Data file details
- III. Import data verification

This document is to be used to document procedures performed over the underlying data used in the operation of an Advanced Capability within KPMG Clara and is not to be used to document procedures performed with Advanced Capabilities within KPMG Clara or the results of the procedures performed.

Throughout this document, the text that appears in brackets [ ] represents guidance text to be updated by the engagement team to reflect the actual procedures performed. Certain sections of this document may not be relevant to the engagement. When a section is considered not relevant to a particular engagement, the reason(s) supporting that determination is (are) documented herein, if appropriate. The section itself is not deleted from this document.

Prepared by:	Date:
Reviewed by:	Date:
Reviewed by:	Date:

## I. Data pre-processing

Consider and document relevant data files to be obtained and imported into KPMG Clara. Consider and document the entity's and the engagement team's data pre-processing steps and indicate who performed each action.

KPMG Clara data file*	Entity file name**/Optional	Data field specifications/Optional	Entity's pre-processing procedures	Engagement team pre-processing procedures
GL Accounts	[The entity's file name may follow a specific naming convention or ERP code that the engagement team may want to document in order to utilize for future data extractions]	[List names of data fields extracted that have been processed in order to meet requirements for successful import in KPMG Clara]	[The entity's pre-processing procedures should be listed and would include such items as: Description of unnecessary data fields removed from raw data, description of data fields added to raw data, description of combining two dataset tables into a single table, etc.]	[The engagement team's pre-processing procedures should be listed and would include such items as: Description of unnecessary data fields removed from raw data, description of data fields added to raw data, description of combining two dataset tables into a single table, etc.]
JE Transactions				
GL Account Balances – Prior Year Ending Balances, Current Year Opening Balances and Current Year Ending Balances <sup>1</sup>				
<p>* The minimum data requirements for KPMG Clara will differ depending upon which Advanced Capabilities the engagement team plans to use. The list of data files above, which assumes all KPMG Clara Advanced Capabilities are being used, should be tailored based upon the engagement specific circumstances.</p> <p>** This column represents the entity's file naming convention for the KPMG Clara data files.</p>				

<sup>1</sup> This document assumes the GLAB file contains the following balances: PY closing, CY opening and CY closing. If the engagement team imports a GLAB file with additional data elements, this document should be modified appropriately.

## II. Data file details

Document details regarding how the data was obtained and imported into KPMG Clara for the engagement team's use. This may include the description and format of the relevant data files imported, the data source and system, and the media used to transfer the data from the entity's files, together with the client contact and the date the data was extracted from the entity's information system.

KPMG Clara data file*	File format	Data source and system	Method of receiving data	Entity contact	Date of extraction	Period-end date	Period covered
GL Accounts	Delimited flat file (.txt)						
JE transactions	Delimited flat file (.txt)						
GL Account Balances – Prior Year Ending Balances, Current Year Opening Balances and Current Year Ending Balances	Delimited flat file (.txt)						
* The minimum data requirements for KPMG Clara will differ depending upon which Advanced Capabilities the engagement team plans to use. The list of data files above, which assumes all KPMG Clara Advanced Capabilities are being used, should be tailored based upon the engagement specific circumstances.							

## III. Import data verification

For each data file used, document the procedures performed to verify that the data has been completely and accurately extracted from the client's system and imported into KPMG Clara. These may include:

- reconciling the data file imported to the entity's source data
- checking the appropriateness of the parameters used<sup>2</sup>
- checking the logic of the equation and/or programming of the extraction routine for consistency with our audit procedures<sup>1</sup>.

KPMG Clara imported data file name	Performed by KPMG Clara	Performed by Engagement team (include statement confirming that validation was successful or resolution if not successful)
GL Accounts JE Transactions GL Account Balances	Compare the general ledger accounts listed in the GL Accounts data file to JE Transactions and GL Account Balances data files to verify that all general ledger accounts contained in the JE	[If validation does not succeed, investigate any differences and amend the imported data as necessary. If necessary, obtain and re-import the corrected GL Accounts. An exception report is available in the Status Report window of the Data Management tool which may assist in facilitating a request for correct data]

<sup>2</sup> The procedures included in the table are provided to aid in reconciling the data file imported to the entity's source data when using KPMG Clara. The procedures included in the table do not address checking the appropriateness of the parameters used or checking the logic of the equation and/or programming of an extraction routine. If these types of procedures are also applicable in the engagement circumstances, additional procedures should be added as necessary.

KPMG Clara imported data file name	Performed by KPMG Clara	Performed by Engagement team (include statement confirming that validation was successful or resolution if not successful)
	Transactions and GL Account Balances data files are included in the GL Accounts file.	
JE Transactions (a) GL Account Balances - opening balances (a)	Using the GL Account Balances and JE Transactions data files, KPMG Clara recreates the trial balance as of the period end date (Refer to the <i>Validate &amp; Confirm</i> screen with the Trial Balance Report or the <i>Reconciliation/Rollforward</i> screen in <i>Planning Analytics</i> ) to verify that the GL Accounts - Opening balances plus the JE Transaction data imported reconciles to the GL Account - closing balance.	<i>[Use the Trial Balance Report (refer to the Reports screen) for an automated comparison to the detailed trial balance provided by the entity or use the Reconciliation/Rollforward screen in Planning Analytics. If the validation does not succeed, investigate any differences. Request corrected GL Account Balances or Journal Entry Transaction data files and re-import the corrected data.]</i>
JE Transactions (a) (b)	Verify that the sum of period journal debit entries equals the sum of credit entries in the JE Transactions data file.	<i>[If validation does not succeed, investigate any differences. An exception report is available in the Data Validation window of the Data Management-Transformation screen that may assist in facilitating a request for new data. Obtain correct JE Transactions data file and re-import.] [If the engagement team proceeds to process with out of balance entries, the total amount of out of balance JE should be documented.]</i>  <i>[If validation is successful: use the Trial balance report for an automated comparison to the detailed trial balance provided by the entity or use the Reconciliation/Rollforward screen in Planning Analytics.]</i>
GL Account Balances (a)	Verify that each period in the GL Account Balances file balances to zero.	<i>[If validation does not succeed, investigate any differences. An exception report is available in the Data Validation window of the Data Management-Transformation screen that may assist in facilitating a request for new data. Request corrected GL Account Balances data file and re-import the corrected data.]</i>  <i>[If validation is successful: use the Trial Balance Report for an automated comparison to the detailed trial balance provided by the entity or use the Reconciliation/Rollforward screen in Planning Analytics.]</i>
<p>a. When GL Account Balances - current period opening balances and JE Transactions files are imported, the period-end trial balance will be created by KPMG Clara (Trial Balance Report) from available opening balances and current year journal entry transactions. An automated reconciliation is performed by KPMG Clara between the created Trial Balance (Trial Balance Report) and the detailed Trial Balance provided by the client. This Trial Balance is uploaded as part of the GL Account Balances file. This will provide evidence over the completeness and accuracy of the data imported into KPMG Clara (pending the engagement team's investigation and resolution of identified variances, if any).</p> <p>Using the created Trial Balance Report perform the following procedure:</p> <ul style="list-style-type: none"> <li>– Agree the opening account balances and prior period account balances to the prior period audited balances</li> </ul>		

KPMG Clara imported data file name	Performed by KPMG Clara	Performed by Engagement team (include statement confirming that validation was successful or resolution if not successful)
b. KPMG Clara will alert users if there are out-of-balance journal entries in the JE Transactions file. The engagement team can proceed in processing with out-of-balance journal entries. Out-of-balance journal entries will be displayed in the journal entry analysis, Pre-Screening Statistics.		