



# AUDIT ANALYSIS PROJECTS IN IDEA

USING IDEA TO TEACH DATA ANALYSIS

Dr. Connie O'Brien  
Minnesota State University Mankato  
[connie.obrien@mnsu.edu](mailto:connie.obrien@mnsu.edu)



# AUDIT ANALYTIC PROJECTS IN IDEA PRESENTATION OUTLINE

## **Objective 1.**

IDEA Data Analytics projects

## **Objective 2.**

IDEA Data analysis projects and students

## **Objective 3.**

Projects and procedures in IDEA

## **Objective 4.**

Tips and Tricks to successfully Implementing IDEA in courses

# IDEA DATA ANALYTICS PROJECTS BENEFITS



- Incorporates experiential learning opportunities the course.
- Creates an interactive approach to teaching audit concepts and cycles.
- Adaptable for any teaching modality (online, hybrid, face-to-face, etc.)



# IDEA DATA ANALYSIS PROJECTS AND STUDENTS

## Students Benefits:

- Acquire experience using data analytical software (IDEA).
- Develop their ability to evaluate data and gain useful insights about the relationships that exist within.
- Develop critical thinking skills as they expand on the meaning of the results and the findings to solve problems.
- Prepare students for employers and professional exams.



# PROJECTS AND PROCEDURES IN IDEA

- **COMMON PROCEDURES USED IN IDEA PROJECTS:**

- Control total - Net total of a specific Field
- Field Statistics – Net total, Absolute value, Minimum value, Maximum value, # of Records, # of Zero items, etc.
- Sorting and indexing – Ascending, Descending, >, <, =, etc..
- Stratify data
- Aging report
- Gap and Duplicate detection
- Sampling applications – random, stratified random, systematic
- Data manipulation logic functions such as >, <, <>, =, ==, AND, Date, “ “, etc.

# PROJECTS AND PROCEDURES IN IDEA

## **Initial posting:**

Complete your assessment of the accounts receivable 2015 file utilizing IDEA to evaluate the data and the effects on the financial statements. (You can use the workbook to guide you. My suggestion is to go through aging on page 54. You may also think of additional procedures on your own.) Concisely document your objectives, tests, and analyze the financial statements of the company. Clearly divide your analysis by each steps or procedure, with their analysis, and supporting evidence as demonstrated in class.

Specifically:

- Develop objectives related to each of the tests you performed.
- Clearly relate each of the objectives to an assertion.
- Identify the audit procedure used
- List the evidence you found as a result of the test you performed.
- Explain what the results tell about the condition of the financial statements.
- Identify if you have a recommendation as a result of the findings.

Objectives need to specifically explain the purpose is. Do not combine objectives.

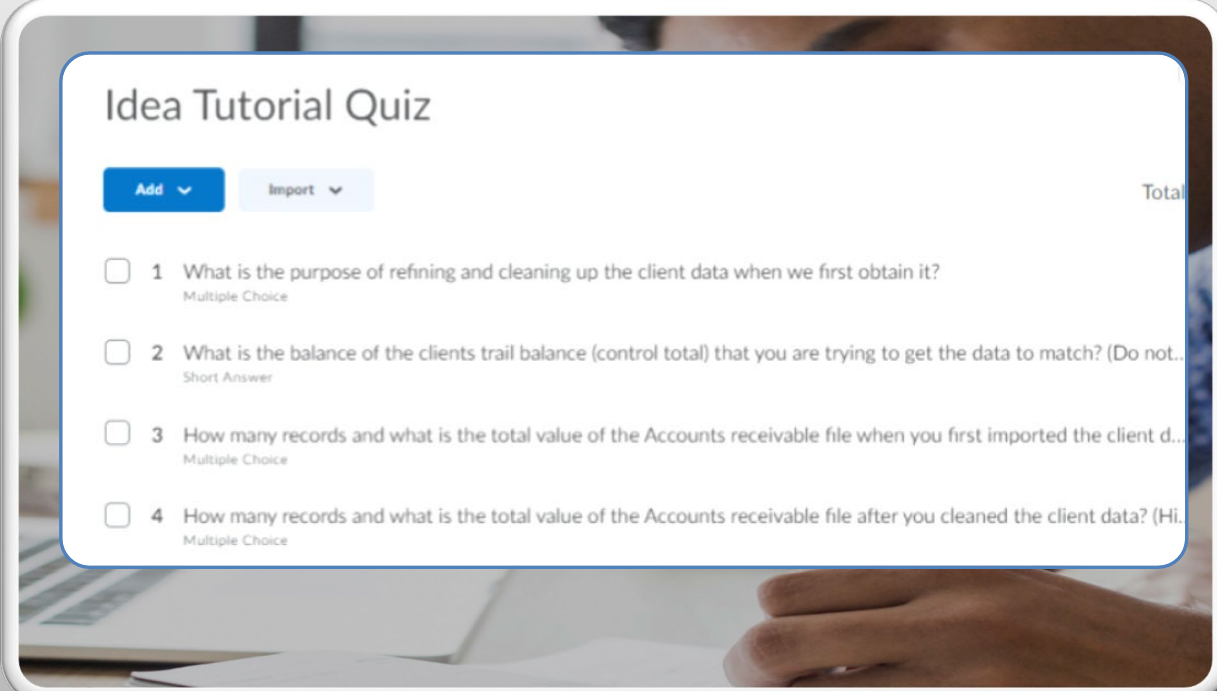
For example: Determine if all interest payments related to the loan have been recorded. to test the completeness of the interest records, I vouched recorded interest payments to the monthly interest invoices provided by the vendor. The recorded amount in the books was \$2368, while the amount billed by the vendor totaled \$2378. Recorded monthly Interest payments were understated by \$10.00. Record an additional \$10.00 of interest.

## • **DISCUSSIONS:**

- DISCUSSION QUESTIONS ALLOW OTHER STUDENTS TO PROVIDE FEEDBACK ON HOW TO TEST AND ANALYSIS DATA.
- IT HELPS TO PROMOTE UNDERSTANDING AND PROVIDES PEER ASSESSMENT OF STUDENT WORK.

# PROJECTS AND PROCEDURES IN IDEA

- **QUIZZES IN D2L:**
  - ALTERNATIVE TO WRITING ASSIGNMENTS.
  - QUIZZES CAN BE INDIVIDUAL OR GROUP QUIZZES.
  - RANGE BETWEEN 5 AND 10 QUESTIONS.
  - GUIDES STUDENTS THROUGH THE ANALYSIS PROCESS.
- **EXAMPLE QUIZ:**
  - [DIRECT EXTRACTION QUIZ](http://tiny.cc/ojjmsz) (HTTP://TINY.CC/OJJMSZ)



The screenshot displays a web-based quiz titled "Idea Tutorial Quiz". At the top, there are two buttons: "Add" (blue) and "Import" (light blue), both with dropdown arrows. To the right of these buttons, the word "Total" is partially visible. Below the buttons, there are four questions, each preceded by an unchecked checkbox. Question 1 asks about the purpose of refining and cleaning client data, with "Multiple Choice" indicated below. Question 2 asks about the balance of the client's trial balance, with "Short Answer" indicated below. Question 3 asks about the number of records and total value of the Accounts receivable file after initial import, with "Multiple Choice" indicated below. Question 4 asks about the number of records and total value after cleaning the data, with "Multiple Choice" indicated below. The background of the quiz interface shows a person's hands working on a laptop.

Idea Tutorial Quiz

Add Import Total

☐ 1 What is the purpose of refining and cleaning up the client data when we first obtain it?  
Multiple Choice

☐ 2 What is the balance of the clients trial balance (control total) that you are trying to get the data to match? (Do not...  
Short Answer

☐ 3 How many records and what is the total value of the Accounts receivable file when you first imported the client d...  
Multiple Choice

☐ 4 How many records and what is the total value of the Accounts receivable file after you cleaned the client data? (Hi...  
Multiple Choice



# PROJECTS AND PROCEDURES IN IDEA

- **IDEA PROJECTS:**

- THIS PROJECT IS SEMI GUIDED. STUDENTS ARE GIVEN A LIMITED AMOUNT OF DATA AND SOME CHECK FIGURES TO DETERMINE IF THE DATA IS CLEAN.

- **AUDIT OF STARK COMPANY ACCOUNTS RECEIVABLE**

- STUDENTS ARE PROVIDED LINKS TO DATA FILES
- LINKS TO EXAMPLE MEMOS
- LINKS TO EXAMPLE TESTS FOR ACCOUNTS RECEIVABLE

- **EVALUATIONS**

- RELEVANCE OF EVIDENCE
- SUFFICIENCY OF EVIDENCE
- ANALYSIS OF THE EVIDENCE
- GRADE A SAMPLE PARAGRAPH ON GRAMMAR AS OPPOSED TO THE WHOLE DOCUMENT.
- ALLOW WRITTEN PROJECTS TO GROUP ASSIGNMENTS IN STEAD OF INDIVIDUAL.

## Auditing Accounts Receivable

You have been engaged to audit a public. You and your partner have been assigned to examine the Accounts receivables. Your team leader has tasked you with:

1. Testing all relevant assertions
2. Providing persuasive evidence that you have examined all relevant aspects and accounts associated with the accounts receivable.
3. Providing written documentation all about the findings and conclusions related to accounts receivable.
4. Write a memo stating your findings.

Relevant information:

- Account Receivable Confirmations have been conducted and the findings are included in the data obtained from the Company.
- Gross Amount is equal to \$369,255.13
- Goods and Services Tax is equal to \$25,193.36
- Provincial sales Tax is equal to \$28,525.83
- Date range 11/4/2018 to 3/31/2019
- Record count is 300

### Submission requirements and order:

1. Memo (page one)
2. Printouts and supporting documents (evidence) (additional pages)
3. History (additional pages)

**Data file and Link for MEMO example are located on D2L**



# PROJECTS AND PROCEDURES IN IDEA

- **IDEA PROJECTS:**

- Audit Documentation and Opinion

- STUDENT ARE PROVIDED LINKS TO DATA FILES
    - LINKS TO **PCAOB AS 3101 AND 3105**
    - PROJECT IS DESIGNED TO TIE ANALYSIS AND DOCUMENTATION TO OPINIONS
    - BUILDS ON PREVIOUS WRITING PROJECTS

## Audit Documentation and Opinion

### Introduction

You have been engaged to conduct an objective assessment of the Company's financial statements. Generally Accepted Audit Standards (GAAS) require that you plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Your audit should be conducted with the objective of our expressing an opinion on the financial statements. As an auditor you need to document:

1. A statement briefly explaining your overall audit objective
2. Concisely document your tests and analysis of the financial statements provided. Clearly divide your documentation according to the tests performed.
3. Provide a concise, but informative analysis of each test using the following as a guide:
  - a. Tie the objective/assertion tested, procedure used to the results of the test. Explain what the results means to the financials or account/data tested (understated, overstated, agrees, implies bad debt, should be reclassified, etc.)
  - b. Proposed audit adjustments (reclassify negative accounts receivables as accounts payables, etc.).
  - c. Support your statements and proposed with evidence found in your analysis (numbers, accounts, results, etc.)
  - d. Provide evidence of your findings and recommendations with documentation such as printouts of your analysis, extractions, invoices, etc. Use a form of mapping or documentation such as the history, to show the reader where your evidence is located.
4. Write a formal opinion in good form regarding the presentation of the financial statements as a whole. Use the PCAOB websites listed below as a guide to writing an opinion. Do not leave blank spaces.

# PROJECTS AND PROCEDURES IN IDEA

- **IDEA PROJECTS:**
  - Audit Documentation and Opinion
    - RUBRIC USED TO GUIDE STUDENTS WRITING AND FOR GRADING.
    - RUBRICS CAN BE EMBEDDED IN D2L.
    - POST AN EVALUATION FOR THE CLASS OF COMMON ISSUES FOUND IN THE ASSIGNMENT AS OPPOSED TO INDIVIDUAL RESPONSES.

Rubric for Audit Write-ups	Proficient	Adequate	Deficient	Score
Overall Audit Objective	Audit purpose is clear and appropriately defined. Addresses appropriate audience and business	Purpose of audit is not clear or combined with other objectives.  Audience or client is not appropriate or clear.	Audit purpose is missing or poorly incorrectly defined.  Audience or client is not properly addressed.	
General Writing	Develops concise Standard English Sentences. Writing is essentially error-free in terms of spelling, grammar, and MWR	Word forms are correct and sentence structure is effective. The present tense is effective  Minor errors in spelling, grammar, and MWR.	Uses words that are unclear and sentence structure is inadequate.  Writing contains frequent errors in spelling, grammar, and MWR.	
Objectives	Clear and measurable  Tied clearly to one assertion  Logically supported with sufficient and appropriate evidence  Effectively connected to documents	Stated but may not be clearly measureable  adequate organized to develop a coherent argument in support of an assertion sufficient and appropriate evidence is present but may not be adequate analyzed or detailed connections to objectives, assertions, and evidence may be weak	objective are not clearly or easily measureable not adequate organized to develop a coherent argument in support of an assertion  lacks sufficient and appropriate evidence or lacks adequate analysis or details connections to objectives, assertions, and evidence weak or missing	

# TIPS AND TRICKS

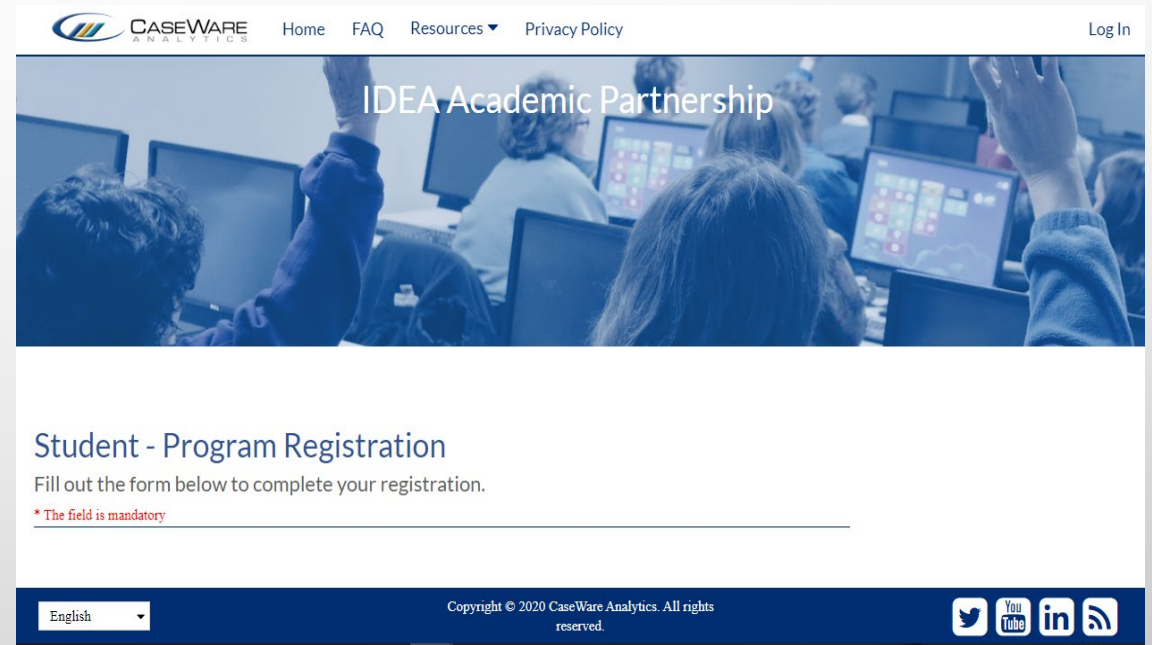
- **MAKE DATA ANALYSIS PART OF YOUR REGULAR LECTURE**
  - INTRODUCE SOFTWARE TO STUDENTS EARLY IN THE COURSE.
  - GUIDE STUDENTS THROUGH THE DOWNLOADING AND INSTALLING PROCESS
  - DEMONSTRATE THE SOFTWARE IN CLASS
  - INCORPORATE DATA ANALYSIS DEMONSTRATIONS INTO DISCUSSIONS ON CYCLE CHAPTERS.
  - HAVE EACH PROJECT BUILD ON THE PREVIOUS PROJECTS IN LEVEL OF DIFFICULTY AND RIGOR.



# TIPS AND TRICKS

## BECOME AN ACADEMIC PARTNER:

- REGISTERED FACULTY AND STUDENTS ARE PROVIDED FREE ACCESS TO THE EDUCATIONAL VERSION OF IDEA SOFTWARE AND DATA.
- <https://academicportal.casewareanalytics.com/en/public/student-registration>

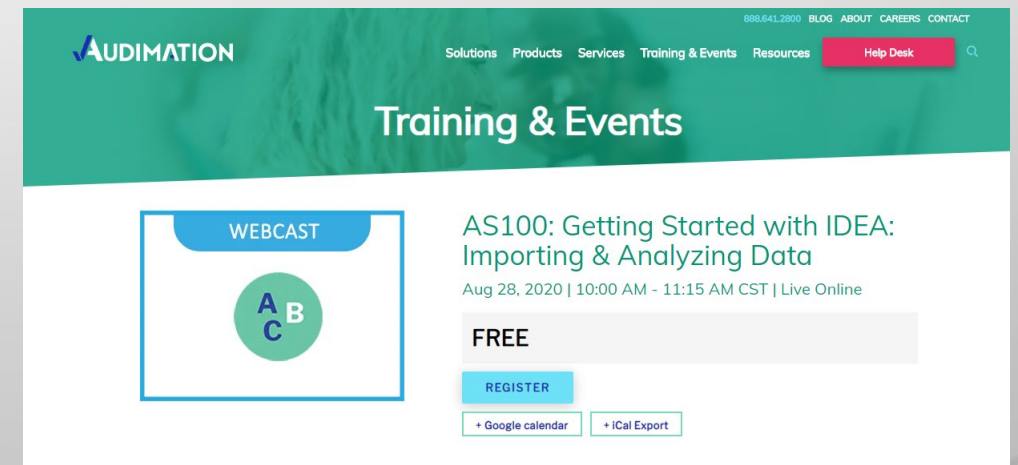
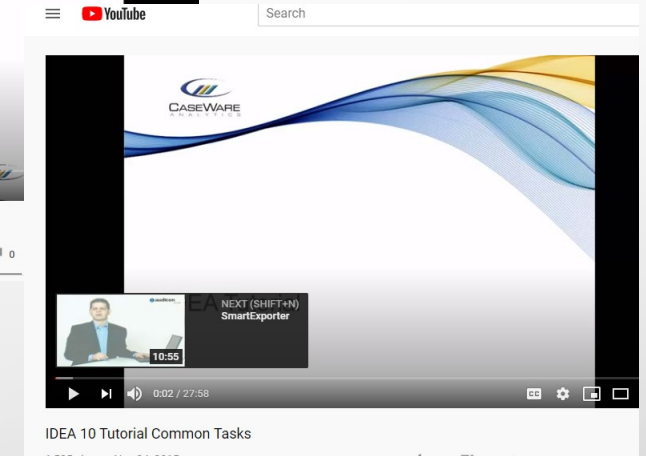
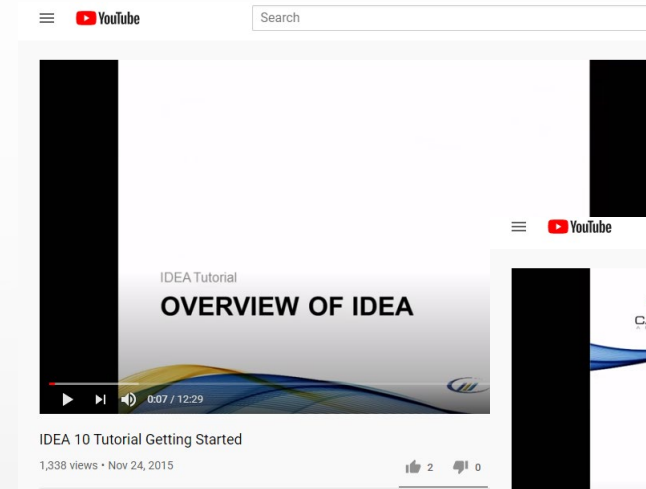




# TIPS AND TRICKS

## GETTING STARTED:

- REQUIRE THE SOFTWARE TO BE INSTALLED EARLY.
  - RECORD AND POST A VIDEO DEMONSTRATING HOW TO DOWNLOAD AND INSTALL IDEA.
  - HOST AN IN-CLASS CHECK-IN SESSION TO ASSIST WITH DOWNLOAD AND INSTALLATION ISSUES.
  - CONNECT STUDENTS WITH FREE TRAINING SESSIONS AND VIDEO RESOURCES
- 
- [HTTPS://WWW.YOUTUBE.COM/WATCH?V=TVKWHAWBUCA](https://www.youtube.com/watch?v=TVKWHAWBUCA)
  - [HTTPS://WWW.YOUTUBE.COM/WATCH?V=HEZ49DPKQ44](https://www.youtube.com/watch?v=HEZ49DPKQ44)
  - [HTTPS://WWW.AUDIMATION.COM/TRAINING/GETTING-STARTED-WITH-IDEA-IMPORTING-ANALYZING-DATA-W-200828/](https://www.audimation.com/training/getting-started-with-idea-importing-analyzing-data-w-200828/)



# TIPS AND TRICKS

## IN-CLASS GUIDED DEMONSTRATIONS HELP STUDENTS UNDERSTAND:

- HOW TO IMPORT FILES
- HOW TO TABULATE FIELD STATISTICS.
- HOW TO TABULATE CONTROL TOTALS
- HOW TO SORT FILES
- HOW TO CREATE INDICES
- HOW TO EXTRACT DATA
- HOW TO SUMMARIZE DATA
- HOW TO AGE DATA.

IT ALSO PROVIDES THE OPPORTUNITY TO DEMONSTRATE HOW EVIDENCE CREATES A PICTURE OF WHAT IS GOING ON IN THE FINANCIAL STATEMENTS.

The screenshot displays the CaseWare IDEA software interface. The main window shows a data table with columns: ACCOUNT\_NO, NO\_OF\_RECS, GROSS\_AMT, GST, PST, NET\_AMOUNT, and ACCOUNT\_NO. The table contains 27 rows of data. A 'Summary' window is open, showing fields to summarize (ACCOUNT\_NO, NONE, NONE, NONE, NONE, NONE) and numeric fields to total (GROSS\_AMT, GST, PST, NET\_AMOUNT). The 'Summary' window also includes options for 'Use Quick Summarization', 'Create database', 'Include % in output database', 'Statistics to include' (Sum, Maximum, Minimum, Average, Variance, Standard deviation), and 'Create result' (Result name: Summary). The 'Properties' panel on the right shows the 'Database' tab with fields like Data, History, Field Statistics, Control Total: 369,255.13 (GROSS\_AMT\_SUM), Criteria, Indices, and Comments. The bottom status bar indicates the project path, connection status, and record count.