

Computer-Assisted Audit Techniques (CAATs) Newsletter

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Introduction

In the previous issue of this newsletter, we carried on exploring CAATs functionalities that can help the internal auditor become more efficient, and we looked at the "Gaps" function of ACL as compared to alternatives in Excel.

In this issue, we look at the "Join" command.

Basic CAATs functionalities

Join command

"Join" command allows us to combine two tables, so we can use the information they each contain (e.g. for calculations) or just to compare them. Table 1 below shows the result of the "Join" command, including the fields from Sales Ledger (first 3 columns - highlighted in red) and General Ledger (following 3 columns - highlighted in green).

Table 1.

	Invoice_Number	Description	Amount	Invoice	Account_number	Invoice_Amount
1	132440	Payment to Vendor	432.00	132440	543642	432.00
2	334442	Purchases	436.00	334442	855324	436.00
3	343674	Inventory	54.00	343674	553446	54.00
4	344767	Cost of Sales	125.00	344767	246465	125.00
5	356785	Sales	565.00	356785	657535	565.00

Table 1 above shows the matched invoice numbers between Sales Ledger and General Ledger. We can instead choose to extract the invoices that do not match, or to include the fields of the primary or secondary table not matched.

Table 2 below shows the result of the "Join" operation if we choose to also keep the invoice numbers from the Sales Ledger that were not matched to the General Ledger. These can be identified by the empty cells of the fields of the General Ledger and may need further investigation (i.e. how come sales transactions did not end up in the General Ledger).

Table 2.

	Invoice_Number	Description	Amount	Invoice	Account_number	Invoice_Amount
1	132440	Payment to Vendor	432.00	132440	543642	432.00
2	334442	Purchases	436.00	334442	855324	436.00
3	343674	Inventory	54.00	343674	553446	54.00
4	344767	Cost of Sales	125.00	344767	246465	125.00
5	345745	Purchases	546.00			0.00
6	356785	Sales	565.00	356785	657535	565.00
7	446564	Cost of Sales	324.00			0.00

Why not do it in Excel?

A matching between two tables could be also performed in Excel using the "vlookup" formula, but this would take more time, provide less information, and lack in the quality of presentation of the results.

Table 3 below shows the matching of the records using the "vlookup" formula. As you can see, with the use of a single formula, only one column appears from the sheet 2 (i.e. invoice number) and the column heading is not automatically provided.

Table 3.

D2			
=VLOOKUP(A2,Sheet2!A:C,1,FALSE)			
A	B	C	D
Invoice Number	Description	Amount	
132440	Payment to Vendor	432	132440
343674	Inventory	54	343674
344767	Cost of Sales	125	344767
356785	Sales	565	356785
334442	Purchases	436	334442
345745	Purchases	546	#N/A
446564	Cost of Sales	324	#N/A

Conclusion

By looking at the way matching of tables is handled in ACL and Excel, we realise the benefit of using purpose-built audit tools as compared to general applications. With Excel you can do many things, though it was not designed with the auditor in mind. Auditors can improve efficiency and the presentation quality of their findings by using purpose-built audit software.

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