

Sampling guide

by AuditSME - Web based Auditing Software MPERS

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1. Prepare Accounting Record

As most of accounting software in the market allow accounting records to be exported to Microsoft office spreadsheet, AuditSME allows users to import these records directly into system.

Please refer to the sub-section on how to prepare each of the accounting record.

1.1. General Ledger

Export general ledger from accounting package as spreadsheet (.csv or .xls file) , then format the spreadsheet as the table shown below, and finally save it as .xls file.

| A | B | C | D | E | F | G | H |
|------------|--------------|------------------|-------------------------|----------|--------|--------|----------|
| Date | Account code | Account name | Transaction description | Journ al | Ref I | Ref II | Balance |
| | 1050/00 | Retained earning | | | BALANC | | 80,150.4 |
| | 0 | | | | E B/F | | 9 |
| | 1100/00 | Dividend` | | | BALANC | | 35,000.0 |
| | 0 | paid | | | E B/F | | 0 |
| 23/11/2016 | 1100/00 | Dividend paid | DIVIDEND A | Bank | PBB | | 17,500.0 |
| 016 | 0 | | | | 011101 | | 0 |
| 23/11/2016 | 1100/00 | Dividend paid | DIVIDEND B | Bank | PBB | | 17,500.0 |
| 016 | 0 | | | | 011102 | | 0 |

1.2. Receivable & Payable Aging

Export accounting receivable or payable aging listing from accounting package as spreadsheet (.csv or .xls file) , then format the spreadsheet as the table shown below, and finally save it as .xls file.

*The sample shows the aging with 120 days overdue period, and our system support up to 6 months (180 days).

| A | B | C | D | E | F | G | H | I |
|--------------|--------------|----------|--------------|------|------|-------|------------|---------|
| Account code | Company name | Currency | Current type | 30da | 60da | 90da | 120d | Balance |
| | | | | ys | ys | ys | ays | |
| 3000/AA01 | AA Pte Ltd | MYR | 1010. | | | 1000. | 2010. | |
| | | | 50 | | | 00 | 50 | |
| 3000/BB01 | BB Pte Ltd | MYR | 5015. | | | | 5015. | |
| | | | 20 | | | | 20 | |
| 3000/CC01 | CC Pte Ltd | MYR | | | 270 | | 2700. | |
| | | | | | 0 | | 00 | |
| 3000/DD01 | DD Pte Ltd | MYR | 3050. | | | | 1000.4050. | |
| | | | 50 | | | | 00 00 | |

1.3. Inventory Listing

Export inventory listing from accounting package as spreadsheet (.csv or .xls file) , then format the spreadsheet as the table shown below, and finally save it as .xls file.

| A | B | C | D | E | F | G | H | I |
|-------|------|-------|-----|-----|------|---------|------|-------|
| Stock | Item | Other | Ref | Ref | Unit | Quantit | Unit | Total |

| code | description | details no. I | no. II | y | cost |
|--------|--------------|---------------|--------|--------|---------------|
| 107010 | Shelf | | | PCS 20 | 34.40 405.20 |
| 107011 | Screwdriver | | | PCS 5 | 10.00 6909.00 |
| 107012 | Sponge Wheel | | | PCS 15 | 50.10 4896.55 |
| 107013 | Quick Couple | | | PCS 44 | 0.50 555.55 |

1.4. Sales & Purchase Journal

Export sales or purchase transaction journal from accounting package as spreadsheet (.csv or .xls file) , then format the spreadsheet as the table shown below, and finally save it as .xls file.

| A | B | C | D | E |
|------------|----------|----------|--|---------|
| Date | Doc Code | No | Debtor Name | Amount |
| 01/08/2016 | 724 2 | 3000/F02 | ABC TECHNOLOGIES GLOBAL SUPPLY SDN BHD | 3561.60 |
| 01/08/2016 | 724 3 | 3000/F01 | ABC TECHNOLOGIES GLOBAL SUPPLY SDN BHD | 498.20 |
| 01/14/2016 | 724 4 | 3000/F02 | ABC TECHNOLOGIES GLOBAL SUPPLY SDN BHD | 1187.20 |
| 01/14/2016 | 724 5 | 3000/F02 | ABC TECHNOLOGIES GLOBAL SUPPLY SDN BHD | 975.20 |

1.5. How to prepare general ledger?

2. Import Accounting Record

Accounting data (eg. general ledger) could be imported into the system at [Menu> Statistical Sampling> Import accounting records](#)

2.1. Upload Spreadsheet files

SAMPLE DEMO (M) SDN. BHD.
IMPORT ACCOUNTING RECORDS (EXCEL) FOR STATISTIC SAMPLING
AS AT 31 DEC 2016

- Select type of accounting record to import
- Select year end
- Import more than one accounting records of similar type
- Do you want to link imported GL account code to Trial Balance
- Select Microsoft Excel or OpenOffice Calc file (ext: .xlsx, .xls or .ods)
- Import GL with amount greater than (Default: materiality level)
- Match spreadsheet column against system pre-defined field

Select type of accounting data and year end ①

General Ledger
 2016-12-31

- The Company
- Branch with own account
- Multiple records

Check this if you wish to link general ledger to trial balance. ②

general ledger.xls Upload

Upload your excel file. ③

11047

Key in materiality level. ④

| Column 1 | Column 2 | Column 3 | Column 4 | Column 5 | Column 6 | Column 7 |
|-------------|----------|----------------|--------------|--------------------------------|------------------------|--------------|
| Tran. date | Journal | Refer. no I | Ac Code | Account name | Tran. description | Debit/Credit |
| Date | Journal | REF. 1/ REF. 2 | Account code | Account name | Description | Amount |
| BALANCE B/F | | BALANCE B/F | 1000/000 | CAPITAL | | -250000 |
| BALANCE B/F | | BALANCE B/F | 1500/000 | RETAINED EARNING | | 3015 |
| 2016-01-31 | GENERAL | ADJ160105 | 1500/000 | RETAINED EARNING | ACCRUALS | 3015 |
| 2016-01-31 | GENERAL | ADJ160105 | 1500/000 | RETAINED EARNING | PROVISION FOR TAXATION | 4178.4 |
| BALANCE B/F | | BALANCE B/F | 2150/000 | ACCUM. DEPRN. OFFICE EQUIPMENT | | -12536.1 |
| 2016-12-31 | GENERAL | ADJ161204 | 2150/000 | ACCUM. DEPRN. OFFICE EQUIPMENT | DEPRECIATION | -3724.4 |
| BALANCE B/F | | BALANCE B/F | 2200/000 | MOTOR VEHICLE | | 185184.3 |
| BALANCE B/F | | BALANCE B/F | 2250/000 | ACCUM. DEPRN. MOTOR VEHICLE | | -148984.3 |
| 2016-12-31 | GENERAL | ADJ161204 | 2250/000 | ACCUM. DEPRN. MOTOR VEHICLE | DEPRECIATION | -18100 |

Assign column header for each field. ⑤

Submit Reset

Click to submit your upload. ⑥

(https://auditsme.com/wp-content/uploads/2017/12/sampling_2.1.jpg)

(https://auditsme.com/wp-content/uploads/2017/12/sampling_2.12.jpg)

2.2. Delete Uploaded Files

You might need to delete your uploaded files and re-import again if the following circumstances occur:

1. The uploaded document is not tallied to accounting source data due to wrong formatting of excel
2. Your customer amend accounts

Scroll down to the bottom of the page to view or delete accounting records.

VIEW AND DELETE IMPORTED ACCOUNTING RECORDS FOR DATA ANALYSIS AND STATISTIC SAMPLING AS AT 31 DEC 2016

Click here to delete the imported file. 1

| Imported Date | Location of records | Accounting Records | File Path of Record | Delete | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|--|---|--------|--|---|---|--|---|--|--|---|---|--|---|--|---|--|---|--|---|--|---|--|---|--|---|--|---|--|--|--|---|---|---|--|---|---|--|--|--|--|--|--|---|--|--|---|--|--|--|--|---|--|--|---|---|------------------------------------|
| 2017-08-24 | The Company | Inventory listing -Trading finished goods | Import_records\inventory_trading_ubs.xls | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2017-08-24 | The Company | Account receivable aging listing (local currency RM) | Import_records\debtors Aging_7.xlsx | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2017-08-24 | The Company | Account receivable aging listing (foreign currency) | Import_records\debtors Aging_fx.xls | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2017-08-24 | The Company | Cash and credit sale transaction journal | Import_records\sale Journal.xls | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2017-08-25 | The Company | Account payable aging listing(local currency RM) | Import_records\ap Aging Report.xlsx | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2017-08-25 | The Company | Account receivable aging listing (local currency RM) | Import_records\debtors Aging_branch.xlsx | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2017-08-25 | The Company | Account receivable aging listing (foreign currency) | Import_records\debtors Aging_fx.xls | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2017-08-25 | The Company | Account payable aging listing(local currency RM) | Import_records\apal_20161231.xlsx | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2017-09-08 | The Company | Account receivable aging listing (local currency RM) | Import_records\debtors Aging.xlsx | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2017-09-18 | The Company | General Ledger (ac. codes linked to TB) | Import_records\gl Jemix.xlsx | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"><input type="checkbox"/> 1000/000 Capital (250,000)</td> <td style="width: 33%;"><input type="checkbox"/> 1050/000 Retained Earning (4,336,918)</td> <td style="width: 33%;"><input type="checkbox"/> 3210/000 Bank-mbb(6846) 466,617</td> </tr> <tr> <td><input type="checkbox"/> 3230/000 Bank-mbb(sgd) 155,991</td> <td><input type="checkbox"/> 3400/000 Prepayment 688,975</td> <td><input type="checkbox"/> 3600/000 Interest Income (2,185)</td> </tr> <tr> <td><input type="checkbox"/> 3700/000 Other Receivables 502,554</td> <td><input type="checkbox"/> 4150/000 Accruals (616,477)</td> <td><input type="checkbox"/> 4300/000 Provision For Tax 92,471</td> </tr> <tr> <td><input type="checkbox"/> 4700/000 Deferred Taxation (173,119)</td> <td><input type="checkbox"/> 4800/010 Hire Purchase Pay (97,293)</td> <td><input type="checkbox"/> 4800/020 Gst Output Tax (19,109)</td> </tr> <tr> <td><input type="checkbox"/> 5000/000 Income (1,751,299)</td> <td><input type="checkbox"/> 6100/000 Purchases 845,890</td> <td><input type="checkbox"/> 6200/000 Subcontract Charg 23,622</td> </tr> <tr> <td><input type="checkbox"/> 6300/000 Consumable Materi 129</td> <td><input type="checkbox"/> 9A30/000 Accountancy Fee 11,160</td> <td><input type="checkbox"/> 9A40/000 Audit Fee 5,000</td> </tr> <tr> <td><input type="checkbox"/> 9B20/000 Bank Charges 3,110</td> <td><input type="checkbox"/> 9C40/000 Carriage Charges 20,085</td> <td><input type="checkbox"/> 9D10/000 Depreciation 466,631</td> </tr> <tr> <td><input type="checkbox"/> 9D30/000 Director Remunera 325,000</td> <td><input type="checkbox"/> 9D40/000 Dividend 320,000</td> <td><input type="checkbox"/> 9E10/000 Epf & Socso 105,255</td> </tr> <tr> <td><input type="checkbox"/> 9E20/000 Entertainment 11,257</td> <td><input type="checkbox"/> 9E30/000 Electricity And W 5,224</td> <td><input type="checkbox"/> 9G30/000 Gst Expenses-uncl 566</td> </tr> <tr> <td><input type="checkbox"/> 9G40/000 Gst Expenses-bloc 664</td> <td><input type="checkbox"/> 9I10/000 Insurance And Roa 13,750</td> <td><input type="checkbox"/> 9L10/000 Licenses Fee 580</td> </tr> <tr> <td><input type="checkbox"/> 9L20/000 Legal And Profess 48,400</td> <td><input type="checkbox"/> 9M10/000 Medical Fee 1,246</td> <td><input type="checkbox"/> 9O30/000 Office Facilities 36,000</td> </tr> <tr> <td><input type="checkbox"/> 9P10/000 Petrol,toll And P 24,573</td> <td><input type="checkbox"/> 9P20/000 Printing & Statio 3,444</td> <td><input type="checkbox"/> 9P40/000 Postage 1,423</td> </tr> <tr> <td><input type="checkbox"/> 9R10/000 Rental-house 14,400</td> <td><input type="checkbox"/> 9R40/000 Rental-storage</td> <td></td> </tr> <tr> <td><input type="checkbox"/> 9R40/000 Rental-storage 66,000</td> <td><input type="checkbox"/> 9R50/000 Rounding Expenses</td> <td></td> </tr> <tr> <td><input type="checkbox"/> 9S10/000 Salary,wages & Bo 486,141</td> <td><input type="checkbox"/> 9S20/000 Staff Welfare</td> <td></td> </tr> <tr> <td><input type="checkbox"/> 9S70/000 Secretary Fee 2,073</td> <td><input type="checkbox"/> 9S90/000 Sundry Expenses 5,005</td> <td><input type="checkbox"/> 9T10/000 Telephone And Pos 9,431</td> </tr> <tr> <td><input type="checkbox"/> 9T30/000 Transport & Trave 22,713</td> <td><input type="checkbox"/> 9T40/000 Tax Agent Fee 385</td> <td><input checked="" type="checkbox"/> 9U10/000 Upkeep Of Motor V 10,011</td> </tr> <tr> <td><input type="checkbox"/> 9U20/000 Upkeep Of Office 2,725</td> <td><input type="checkbox"/> 9W01/000 Worker Uniform 5,632</td> <td style="text-align: right;"><input type="button" value="DEL"/></td> </tr> </table> | | | | | <input type="checkbox"/> 1000/000 Capital (250,000) | <input type="checkbox"/> 1050/000 Retained Earning (4,336,918) | <input type="checkbox"/> 3210/000 Bank-mbb(6846) 466,617 | <input type="checkbox"/> 3230/000 Bank-mbb(sgd) 155,991 | <input type="checkbox"/> 3400/000 Prepayment 688,975 | <input type="checkbox"/> 3600/000 Interest Income (2,185) | <input type="checkbox"/> 3700/000 Other Receivables 502,554 | <input type="checkbox"/> 4150/000 Accruals (616,477) | <input type="checkbox"/> 4300/000 Provision For Tax 92,471 | <input type="checkbox"/> 4700/000 Deferred Taxation (173,119) | <input type="checkbox"/> 4800/010 Hire Purchase Pay (97,293) | <input type="checkbox"/> 4800/020 Gst Output Tax (19,109) | <input type="checkbox"/> 5000/000 Income (1,751,299) | <input type="checkbox"/> 6100/000 Purchases 845,890 | <input type="checkbox"/> 6200/000 Subcontract Charg 23,622 | <input type="checkbox"/> 6300/000 Consumable Materi 129 | <input type="checkbox"/> 9A30/000 Accountancy Fee 11,160 | <input type="checkbox"/> 9A40/000 Audit Fee 5,000 | <input type="checkbox"/> 9B20/000 Bank Charges 3,110 | <input type="checkbox"/> 9C40/000 Carriage Charges 20,085 | <input type="checkbox"/> 9D10/000 Depreciation 466,631 | <input type="checkbox"/> 9D30/000 Director Remunera 325,000 | <input 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Rounding Expenses | | <input type="checkbox"/> 9S10/000 Salary,wages & Bo 486,141 | <input type="checkbox"/> 9S20/000 Staff Welfare | | <input type="checkbox"/> 9S70/000 Secretary Fee 2,073 | <input type="checkbox"/> 9S90/000 Sundry Expenses 5,005 | <input type="checkbox"/> 9T10/000 Telephone And Pos 9,431 | <input type="checkbox"/> 9T30/000 Transport & Trave 22,713 | <input type="checkbox"/> 9T40/000 Tax Agent Fee 385 | <input checked="" type="checkbox"/> 9U10/000 Upkeep Of Motor V 10,011 | <input type="checkbox"/> 9U20/000 Upkeep Of Office 2,725 | <input type="checkbox"/> 9W01/000 Worker Uniform 5,632 | <input type="button" value="DEL"/> |
| <input type="checkbox"/> 1000/000 Capital (250,000) | <input type="checkbox"/> 1050/000 Retained Earning (4,336,918) | <input type="checkbox"/> 3210/000 Bank-mbb(6846) 466,617 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> 3230/000 Bank-mbb(sgd) 155,991 | <input type="checkbox"/> 3400/000 Prepayment 688,975 | <input type="checkbox"/> 3600/000 Interest Income (2,185) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> 3700/000 Other Receivables 502,554 | <input type="checkbox"/> 4150/000 Accruals (616,477) | <input type="checkbox"/> 4300/000 Provision For Tax 92,471 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| <input type="checkbox"/> 5000/000 Income (1,751,299) | <input type="checkbox"/> 6100/000 Purchases 845,890 | <input type="checkbox"/> 6200/000 Subcontract Charg 23,622 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> 6300/000 Consumable Materi 129 | <input type="checkbox"/> 9A30/000 Accountancy Fee 11,160 | <input type="checkbox"/> 9A40/000 Audit Fee 5,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> 9B20/000 Bank Charges 3,110 | <input type="checkbox"/> 9C40/000 Carriage Charges 20,085 | <input type="checkbox"/> 9D10/000 Depreciation 466,631 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> 9D30/000 Director Remunera 325,000 | <input type="checkbox"/> 9D40/000 Dividend 320,000 | <input type="checkbox"/> 9E10/000 Epf & Socso 105,255 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> 9E20/000 Entertainment 11,257 | <input type="checkbox"/> 9E30/000 Electricity And W 5,224 | <input type="checkbox"/> 9G30/000 Gst Expenses-uncl 566 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> 9G40/000 Gst Expenses-bloc 664 | <input type="checkbox"/> 9I10/000 Insurance And Roa 13,750 | <input type="checkbox"/> 9L10/000 Licenses Fee 580 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> 9L20/000 Legal And Profess 48,400 | <input type="checkbox"/> 9M10/000 Medical Fee 1,246 | <input type="checkbox"/> 9O30/000 Office Facilities 36,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> 9P10/000 Petrol,toll And P 24,573 | <input type="checkbox"/> 9P20/000 Printing & Statio 3,444 | <input type="checkbox"/> 9P40/000 Postage 1,423 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> 9R10/000 Rental-house 14,400 | <input type="checkbox"/> 9R40/000 Rental-storage | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> 9R40/000 Rental-storage 66,000 | <input type="checkbox"/> 9R50/000 Rounding Expenses | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> 9S10/000 Salary,wages & Bo 486,141 | <input type="checkbox"/> 9S20/000 Staff Welfare | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> 9S70/000 Secretary Fee 2,073 | <input type="checkbox"/> 9S90/000 Sundry Expenses 5,005 | <input type="checkbox"/> 9T10/000 Telephone And Pos 9,431 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> 9T30/000 Transport & Trave 22,713 | <input type="checkbox"/> 9T40/000 Tax Agent Fee 385 | <input checked="" type="checkbox"/> 9U10/000 Upkeep Of Motor V 10,011 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> 9U20/000 Upkeep Of Office 2,725 | <input type="checkbox"/> 9W01/000 Worker Uniform 5,632 | <input type="button" value="DEL"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2017-11-09 | Multiple records | Inventory listing -Trading finished goods (Location: JB) | Import_records\inventory_trading_ubs_2000.xls | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2017-12-01 | The Company | | Import_records\journal_ubs.xlsx | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

For general ledger, you could select some of the accounts and delete them partially. 2

(https://auditsme.com/wp-content/uploads/2017/12/sampling_2.2.jpg)

3. Sampling Methods

You could start selecting samples with various sampling methods once you have uploaded the accounting data.

Please go to menu [Statistic Sampling > Generate Sampling Data](#).

3.1. Judgemental Sampling

Using auditor professional judgement, auditors manually select the samples by checking the checkbox of the selected item.

With built-in sorting function, an auditor can quickly select the largest value or sample value **more than tolerable error** (TE) from the whole population (records).

Since judgemental sampling is a non-statistical method, neither Classical Variable Sampling (CVS) nor Monetary Unit Sampling (MUS) projection could be selected.

SAMPLE DEMO (M) SDN. BHD.
GENERATE SAMPLE SIZE AND SAMPLE DATA FOR AUDIT VERIFICATION
AS AT 31 DEC 2016

Select transaction journal for sampling: **General Ledger**

Select location of accounting records: **The Company**

Purpose of substantive testing for selected samples: **Income and expense transactions**

Audit assertion of relevant audit testing: **Completeness**
 Accuracy
 Existence or Occurrence
 Validity
 Right or Obligation
 Valuation and measurement
 Disclosure

Statistic sampling method: **Judgemental sampling**

Statistic sampling projection and evaluation: None

Select the accounting record. ①

Select judgemental sampling as your sampling method ②

GENERAL LEDGER:

| | | | |
|---|-------------|---|-------------|
| <input type="radio"/> 1000/000 Capital | (250,000) | <input type="radio"/> 1050/000 Retained Earning | (4,336,918) |
| <input type="radio"/> 3210/000 Bank-mbb(6846) | 466,617 | <input type="radio"/> 3230/000 Bank-mbb(sgd) | 155,991 |
| <input type="radio"/> 3400/000 Prepayment | 688,975 | <input type="radio"/> 3600/000 Interest Income | (2,185) |
| <input type="radio"/> 3700/000 Other Receivables & Deposits | 502,554 | <input type="radio"/> 4150/000 Accruals | (616,477) |
| <input type="radio"/> 4300/000 Provision For Taxation | | | |
| <input type="radio"/> 4800/010 Hire Purchase Payable | | | |
| <input checked="" type="radio"/> 5000/000 Income | (1,751,299) | <input type="radio"/> 6100/000 Purchases | 845,890 |
| <input type="radio"/> 6200/000 Subcontract Charges | 23,622 | <input type="radio"/> 6300/000 Consumable Materials | 129 |
| <input type="radio"/> 9A30/000 Accountancy Fee | 11,160 | <input type="radio"/> 9A40/000 Audit Fee | 5,000 |
| <input type="radio"/> 9B20/000 Bank Charges | 3,110 | <input type="radio"/> 9C40/000 Carriage Charges | 20,085 |

Select the account code for sampling selection. ③

Descriptive Statistics of the Analyzed Population Data:

| | | | | | |
|-----------------------|------------|--|-----|-----------------------------------|-------------|
| Maximum value: | -45 | Number of records with positive value: | 1 | Median: | -940 |
| Minimum value: | -282,156 | Number of records with negative value: | 856 | Standard deviation of the sample: | 10,280 |
| Total net value: | -1,751,299 | Number of records with zero value: | 0 | Sample variance: | 105,683,706 |
| Statistical range: | 282,111 | Total number of records: | 856 | Population variance: | 105,560,244 |
| Total positive value: | 0 | | | % coefficient of variation: | -502 |

④ Click here to pick samples from selected account code.

Click here to save selected sample ⑦

⑤ You could filter your samples based on
 1) Tolerance Error (TE)
 2) Materiality level
 3) any amount you type

⑥ Click on the checkbox to apply mass selection of samples to filtered record.

Select Samples Save Samples

Criteria: **Debit and Credit**

Select Scope: **5,523 => Tolerance**

Min sample scope: 5523
 Max sample scope:

Check: All Current

Re-compute balance

Print Column visibility Show 50 entries Search: search clear

| Tran. date | Journal | Refer. no I | Refer. no II | Tran. description | Dr | Cr | Total | |
|------------|---------|-------------|--------------|-----------------------------------|----|-----------|-------------|--------------------------|
| 2016-01-15 | SALES | 7249 | | Sahid Sdn Bhd | | 13480.00 | -21,960.00 | <input type="checkbox"/> |
| 2016-01-18 | SALES | 7251 | | Cameron (malaysia) Sdn Bhd-subang | | 5820.00 | -33,080.00 | <input type="checkbox"/> |
| 2016-01-22 | SALES | 7241 | | Pt.onthy Dickson Putra | | 282156.00 | -318,616.00 | <input type="checkbox"/> |
| 2016-01-29 | SALES | 7312 | | One Subsea System-johor | | 13800.00 | -404,082.00 | <input type="checkbox"/> |
| 2016-01-29 | SALES | 7313 | | One Subsea System-johor | | 11700.00 | -415,782.00 | <input type="checkbox"/> |
| 2016-02-15 | SALES | 7330 | | Cameron (malaysia) Sdn Bhd-subang | | 5820.00 | -449,988.00 | <input type="checkbox"/> |
| 2016-02-24 | SALES | 7346 | | One Subsea System-johor | | 6700.00 | -469,908.00 | <input type="checkbox"/> |

Showing 1 to 30 of 30 entries (filtered from 856 total entries)

Previous 1 Next

(https://auditsme.com/wp-content/uploads/2017/12/sampling_3.1.jpg)

3.2. Simple Random Sampling

Every item in the population has equal chances of being selected as samples.

Random sample results in a **statistically unbiased sample** that may or may not be a representative sample.

Avoid using random sampling if audit objective is to detect over-statement of a class of transaction or balance, stratification or MUS is more appropriate.

Random sampling is usually to be used in conjunction with classical variable sampling (CVS) for projection and evaluation.

Statistic sampling method: Simple random sampling

Statistic sampling projection and evaluation: None Classical variable sampling (CVS)

Select sampling method: simple random sampling ①

| GENERAL LEDGER: | | | |
|---|-------------|--|-------------|
| <input type="radio"/> 1000/000 Capital | (250,000) | <input type="radio"/> 1050/000 Retained Earning | (4,336,918) |
| <input type="radio"/> 3210/000 Bank-mbb(6846) | 466,617 | <input type="radio"/> 3230/000 Bank-mbb(sgd) | 155,991 |
| <input type="radio"/> 3400/000 Prepayment | 688,975 | <input type="radio"/> 3600/000 Interest Income | (2,185) |
| <input type="radio"/> 3700/000 Other Receivables & Deposits | 502,554 | <input type="radio"/> 4150/000 Accruals | (616,477) |
| <input type="radio"/> 4300/000 Provision For Taxation | 92,471 | <input type="radio"/> 4800/010 Hire Purchase Payable | (97,293) |
| <input checked="" type="radio"/> 5000/000 Income | (1,751,299) | <input type="radio"/> 6100/000 Purchases | 845,890 |
| <input type="radio"/> 6200/000 Subcontract Charges | 23,622 | <input type="radio"/> 6300/000 Consumable Materials | 129 |
| <input type="radio"/> 9A30/000 Accountancy Fee | 11,160 | <input type="radio"/> 9A40/000 Audit Fee | 5,000 |

Select account code for sample selection. ②

Descriptive Statistics of the Analyzed Population Data:

| | | | | | |
|-----------------------|------------|--|--------|-----------------------------------|-------------|
| Maximum value: | -45 | Number of records with positive value: | 1 | Median: | -940 |
| Minimum value: | -282,156 | Number of records with negative value: | 856 | Standard deviation of the sample: | 10,280 |
| Total net value: | -1,751,299 | Number of records with zero value: | 0 | Sample variance: | 105,683,706 |
| Statistical range: | 282,111 | Number of total records: | 856 | Population variance: | 105,560,244 |
| Total positive value: | 0 | Mean: | -2,046 | % coefficient of variation: | -502 |
| Total negative value: | 1,751,299 | | | | |

Random Sampling

Sampling size: Key in sample size. ③

Random number seed:

Starting number record to select:

Ending number record to select:

Allow duplicate records:

Click to preview selected record ④

Click to save samples. ⑤

Preview Save Reset

(https://auditsme.com/wp-content/uploads/2017/12/sampling_3.2.jpg)

3.3. Systematic Sampling

Systematic sampling could be used in conjunction with classical variable sampling (CVS) for projection and evaluation.

Statistic sampling method: **Systematic sampling**

Statistic sampling projection and evaluation: None Classical variable sampling (CVS)

Select sampling method: Systematic sampling ①

GENERAL LEDGER:

| | | | |
|---|-------------|---|-------------|
| <input type="radio"/> 1000/000 Capital | (250,000) | <input type="radio"/> 1050/000 Retained Earning | (4,336,918) |
| <input type="radio"/> 3210/000 Bank-mbb(6846) | 466,617 | <input type="radio"/> 3230/000 Bank-mbb(sgd) | 155,991 |
| <input type="radio"/> 3400/000 Prepayment | 688,975 | <input type="radio"/> 3600/000 Interest Income | (2,185) |
| <input type="radio"/> 3700/000 Other Receivables & Deposits | 502,554 | <input type="radio"/> 4150/000 Accruals | (616,477) |
| <input type="radio"/> 4300/000 Provision For Taxation | 92,471 | | |
| <input type="radio"/> 4800/010 Hire Purchase Payable | (97,293) | | |
| <input checked="" type="radio"/> 5000/000 Income | (1,751,299) | <input type="radio"/> 6100/000 Purchases | 845,890 |
| <input type="radio"/> 6200/000 Subcontract Charges | 23,622 | <input type="radio"/> 6300/000 Consumable Materials | 129 |
| <input type="radio"/> 9A30/000 Accountancy Fee | 11,160 | <input type="radio"/> 9A40/000 Audit Fee | 5,000 |

Select account code for sample selection. ②

Descriptive Statistics of the Analyzed Population Data:

| | | | | | |
|-----------------------|------------|--|--------|-----------------------------------|-------------|
| Maximum value: | -45 | Number of records with positive value: | 1 | Median: | -940 |
| Minimum value: | -282,156 | Number of records with negative value: | 856 | Standard deviation of the sample: | 10,280 |
| Total net value: | -1,751,299 | Number of records with zero value: | 0 | Sample variance: | 105,683,706 |
| Statistical range: | 282,111 | Number of total records: | 856 | Population variance: | 105,560,244 |
| Total positive value: | 0 | Mean: | -2,046 | % coefficient of variation: | -502 |
| Total negative value: | 1,751,299 | | | | |

Systematic Sampling

Population size: 856

Sample size: 30

Sampling interval: 29

Random number seed: 1513520395

Allow duplicate records:

Key in your sample size ③

Click to preview selected record ④

Click to save samples. ⑤

Buttons: Preview, Save, Reset

(https://auditsme.com/wp-content/uploads/2017/12/sampling_3.3.jpg)

3.4. Stratification Random Sampling

It divides population into relatively homogeneous sub-group.

It is most appropriate techniques for sampling populations where **overstatements** are the focus or a concern.

Statistic sampling method: Stratification random sampling

Statistic sampling projection and evaluation: None

Select Stratification Random Sampling ①

GENERAL LEDGER:

| | | | |
|---|-------------|---|-------------|
| <input type="radio"/> 1000/000 Capital | (250,000) | <input type="radio"/> 1050/000 Retained Earning | (4,336,918) |
| <input type="radio"/> 3210/000 Bank-mbb(6846) | 466,617 | <input type="radio"/> 3230/000 Bank-mbb(sgd) | 155,991 |
| <input type="radio"/> 3400/000 Prepayment | 688,975 | <input type="radio"/> 3600/000 Interest Income | (2,185) |
| <input type="radio"/> 3700/000 Other Receivables & Deposits | 502,554 | <input type="radio"/> 4150/000 Accruals | (616,477) |
| <input type="radio"/> 4300/000 Provision For Taxation | 92,471 | <input type="radio"/> 6100/000 Purchases | 845,890 |
| <input type="radio"/> 4800/010 Hire Purchase Payable | (97,293) | <input type="radio"/> 6300/000 Consumable Materials | 129 |
| <input checked="" type="radio"/> 5000/000 Income | (1,751,299) | | |
| <input type="radio"/> 6200/000 Subcontract Charges | 23,622 | | |

Select account code for sample selection ②

Descriptive Statistics of the Analyzed Population Data:

| | | | | | |
|-----------------------|-----------|--|-------|-----------------------------------|-------------|
| Maximum value: | 282,156 | Number of records with positive value: | 1 | Median: | 940 |
| Minimum value: | 45 | Number of records with negative value: | 856 | Standard deviation of the sample: | 10,280 |
| Total net value: | 1,751,299 | Number of records with zero value: | 0 | Sample variance: | 105,683,706 |
| Statistical range: | 282,111 | Number of total records: | 856 | Population variance: | 105,560,244 |
| Total positive value: | 0 | Mean: | 2,046 | % coefficient of variation: | 502 |
| Total negative value: | 1,751,299 | | | | |

Divide your population into relatively homogeneous subgroups ③

10300

6

You could select samples from each subgroup with simple random sampling. ⑤

| No. | > Lower Limit | <= Upper Limit | # Records | % Records | Amount (RM) | Amount (%) | Sample Size |
|-----|---------------|----------------|-----------|-----------|-------------|------------|-------------|
| 1. | 0 | 10300 | 842 | 98.36 | 1188733.44 | 67.88 | 20 |
| 2. | 10300 | 20600 | 10 | 1.17 | 131310.00 | 7.50 | 8 |
| 3. | 20600 | 30900 | 1 | 0.12 | 28800.00 | 1.64 | 1 |
| 4. | 30900 | 41200 | 1 | 0.12 | 31606.00 | 1.80 | 1 |
| 5. | 41200 | 51500 | 0 | 0 | 0.00 | 0.00 | |
| 6. | 51500 | 300000 | 2 | 0.23 | 370850.00 | 21.18 | 2 |
| 7. | | | 0 | 0 | 0.00 | 0.00 | |
| 8. | | | 0 | 0 | 0.00 | 0.00 | |
| 9. | | | 0 | 0 | 0.00 | 0.00 | |
| 10. | | | 0 | 0 | 0.00 | 0.00 | |
| 11. | | | 0 | 0 | 0.00 | 0.00 | |
| 12. | | | 0 | 0 | 0.00 | 0.00 | |
| 13. | | | 0 | 0 | 0.00 | 0.00 | |
| 14. | | | 0 | 0 | 0.00 | 0.00 | |
| 15. | | | 0 | 0 | 0.00 | 0.00 | |
| | | | 856 | 100 | 1751299.44 | 100 | 32 |

Update

Preview your samples. ⑥

Preview Save Reset

Click to save samples ⑦

(https://auditsme.com/wp-content/uploads/2017/12/sampling_3.4.jpg)

3.5. Monetary Unit Sampling

It is also called “probability-proportional-to-size” (PPS) sampling. It is kind of systematic sampling that automatically identifies any item that is individually significant if its amount exceeds the sampling interval.

Thus it is most appropriate if audit objective is to detect **over-statement** of class of transaction or balance.

It is most commonly used statistical sampling in the practice i.e. KPMG in Malaysia is using this for sample selection.

MUS can be used for statistical projection and evaluation.

Statistic sampling method

Monetary unit sampling

Statistic sampling projection and evaluation

None
 Monetary unit sampling (MUS)

Select method: Monetary Unit Sampling (MUS) ①

GENERAL LEDGER:

| | | | |
|---|-------------|---|-------------|
| <input type="radio"/> 1000/000 Capital | (250,000) | <input type="radio"/> 1050/000 Retained Earning | (4,336,918) |
| <input type="radio"/> 3210/000 Bank-mbb(6846) | 466,617 | <input type="radio"/> 3230/000 Bank-mbb(sgd) | 155,991 |
| <input type="radio"/> 3400/000 Prepayment | 688,975 | <input type="radio"/> 3600/000 Interest Income | (2,185) |
| <input type="radio"/> 3700/000 Other Receivables & Deposits | 502,554 | | |
| <input type="radio"/> 4300/000 Provision For Taxation | 92,471 | | |
| <input type="radio"/> 4800/010 Hire Purchase Payable | (97,293) | <input type="radio"/> 4800/020 Gst-Output Tax | (19,109) |
| <input checked="" type="radio"/> 5000/000 Income | (1,751,299) | <input type="radio"/> 6100/000 Purchases | 845,890 |
| <input type="radio"/> 6200/000 Subcontract Charges | 23,622 | <input type="radio"/> 6300/000 Consumable Materials | 129 |

Select account code for sample selection. ②

Descriptive Statistics of the Analyzed Population Data:

| | | | | | |
|-----------------------|-----------|--|-------|-----------------------------------|-------------|
| Maximum value: | 282,156 | Number of records with positive value: | 1 | Median: | 940 |
| Minimum value: | 45 | Number of records with negative value: | 856 | Standard deviation of the sample: | 10,280 |
| Total net value: | 1,751,299 | Number of records with zero value: | 0 | Sample variance: | 105,683,706 |
| Statistical range: | 282,111 | Number of total records: | 856 | Population variance: | 105,560,244 |
| Total positive value: | 0 | Mean: | 2,046 | % coefficient of variation: | 502 |
| Total negative value: | 1,751,299 | | | | |

Monetary Unit Sampling (MUS)

Purpose of the test

To ensure accuracy, existence or occurrence and right or obligation of General Ledger: Income (5000/000) by selecting samples using monetary unit sampling method

Population to be tested

Income

Inherent risk of material mis-statements in the relevant assertions

Low risk
 Accuracy : Low risk
 Existence or occurrence : Low risk
 Right or obligation : Low risk

Risk reduction obtained from testing of controls
 i.e. reliance on internal control

High (excellent system) Works well and only minor improvement(s) needed

Risk reduction from other procedures
 i.e. analytical review procedure

Moderately effective substantive analytical procedures

Confidence factor to be used (reduce for risk reduction gained from other sources)

In light of other sources of evidence, a confidence factor of 50% or 0.69 will be used.

Confidence level

50%

Assessment of risk parameters to obtain confidence level. ③

Reliabilites factor for mis-statement on overstatement of balances

0.69 (50%) (A)

Monetary value of population

1751299.44 (B)

Specific items subjects to separate evaluation

282156 (C)

Left click on the field, so largest value item will be selected for separate evaluation. ④

Materiality level

11047 (D)

Tolerable error (performance materiality)

5523 (E)

Expected errors (devaiations) in samples

(F)

Expansion factor for expected errors

1.00 (R)

Sampling interval

8004 G=E*(F*R)/A

Sampling size

184 H=(B-C)/G

R: stands for expansion factor for expected misstateemnts

Preview Save Reset

Sample size will be defined automatically. Click on Preview and Save selected sample. ⑤

([https://auditsme.com/wp-](https://auditsme.com/wp-content/uploads/2017/12/sampling_3.5.jpg)

content/uploads/2017/12/sampling_3.5.jpg)

4. Projection & Evaluation

The final goal when applying a sampling method is to project (extrapolate or estimate) the level of error (misstatement) observed in the sample to the whole population.

This process will allow to conclude whether a population is materially misstated or not and, if so, by how much (an error amount).

Projection methods varies based on different sampling methods, as shown in table below.

| Sampling method | Projection and Evaluation |
|-------------------------|-----------------------------------|
| Judgemental sampling | No projection |
| Systematic sampling | Classical Variable Sampling (CVS) |
| Random sampling | Classical Variable Sampling (CVS) |
| Stratification sampling | Classical Variable Sampling (CVS) |
| Monetary unit sampling | Monetary Unit Sampling (MUS) |

4.1. Classical Variable Sampling (CVS)

When to use Classical Variable Sampling (CVS) ?

1. Samples must be sufficiently large enough to be representative i.e. 200 or more samples
2. The auditor anticipates a significant number of audit differences between audited and recorded amounts or where both overstatements and understatements are likely to exist. For example, **Inventory test counts and price tests**.
3. CVS are often the most appropriate techniques for sampling populations where **understatements are the focus or a concern**

4.2. Monetary Unit Sampling (MUS)

When to use Monetary Unit Sampling (MUS) ?

Some of the circumstances (detection of over-statement) in which MUS may be especially useful include the following:

1. **Receivable confirmation** (for example, real estate mortgage loans, commercial loans, and instalment loans)
2. **Tests of investment security pricing** compared to published (market) prices
3. **Inventory price tests** (lower of cost or NRV) in which the auditor anticipates relatively few misstatements and the population is not expected to contain a significant number of large (relative to book amount) understatements
4. **Fixed-asset additions tests** where existence is the primary risk

5. Gap and Duplicate Detection

5.1. Gap Detection

5.2. Duplicate Detection

6. Integration of selected samples into audit worksheet

You could integrate selected samples together with their audit procedures once you have completed one of the following processes:

1. Sample selection at [menu Statistic sampling> Generate sampling data](#)
2. Gap and duplicate detection at [menu Statistic sampling>Gap and duplicate detection](#)

6.1. Circularisation of receivable/payable

First, you have to upload account receivable aging listing at [menu Statistical Sampling> Import Accounting Records](#).

After that, select samples at [menu Statistical Sampling> Generate Sampling Data](#).

Once the samples are selected, you will be redirected to page [Statistical Sampling> Worksheet and Sampling Projection](#). Please follow the steps as below:

SAMPLE DEMO (M) SDN. BHD.
INTEGRATING SAMPLING DATA WITH AUDIT WORKSHEET AND PROGRAMME
AS AT 31 DEC 2016

Generated Sampling Data

Select accounting records where sampling data is generated:

Select location of accountng records:

Select sampling technique or substantive test:

Select sample data and size to integrate:

Select account receivable/payable aging listing ①

Account receivable aging listing (local curre) v
 The Company v
 Stratification random sampling v
 2017-08-29 sample size: 9

Choose selected sample. ②

B - Trade Receivables v
 Circularisation of balances v
 Circularisation of trade and other receivable: v

Worksheet Column Header Description

- Book Value (Fx)
- Book Value (RM)
- Confirmed Value (Fx)
- Confirmed Value (RM)
- Difference (Fx)
- Difference (RM)
- Verified Subsequent Receipt
- Verified Invoice Amount

Select the correct audit procedure. ③

Integrate Audit Procedures with Worksheets

Display aging analysis upon integrtrng i.e. 30 days etc

Lead Schedule

Worksheet header decription based on nature of substantive testing

Audit procedures\programme to integrate with worksheet

Schedule Index for Selected Samples

New Create a new sub-lead schedule to display worksheet

New sub-lead schedule index number

New sub-lead schedule title I

New sub-lead schedule title II

Enter indexing number for the worksheet ④

B1
 Account receivable aging listing (local currency RM)
 Circularisation of trade and other receivables

Confirmation Letters

Export sampling data to create confirmation letter

Date of confirmation

Method of circularisation

Person to sign this document:

Check this if you wish to create confirmation letter ⑤

2017-12-31
 Positive Circularisation v
 The Company's Director - Aizuddin Bin Abd v

Preview your worksheet. ⑥

Preview Integrate Worksheet

Click here to create schedule. ⑧

Print Column visibility Show 25 entries

| Account Code | Company Name | | | | |
|--------------|--|-----|------------|-----------|--|
| 1 3000/F02 | ABC Technologies Global Supply Sdn Bhd | USD | 1452.20 | 5808.80 | |
| 2 3000/T01 | CDE Solutions Sdn Bhd | SGD | -1961.71 | -5885.22 | |
| 3 3000/O01 | ABC Sdn Bhd | MYR | - | 10469.62 | |
| | | | 2716351.30 | 489675.40 | |

Showing 1 to 8 of 8 entries Previous 1 Next

If you have created company information at card menu, you could perform matching here. ⑦

Audit objectives

- To determine that trade receivables exist and are bona fide debts to the client.
- To confirm accuracy and collectability of trade receivables balances.

Audit procedures for selected samples

- a. Where there are material differences, request client to prepare a reconciliation between these amounts
- b. Vouch the reconciliation to external source documents
- c. Where there is no reply from trade receivable, vouch collections subsequent to the balance sheet date to bank-in-slip
- d. Where there is no reply from trade receivable, vouch outstanding amounts invoices together with delivery orders acknowledged by the trade receivables

(<https://auditsme.com/wp-content/uploads/2017/12/6.1.png>)

6.2. Generate receivable/payable confirmation

As mentioned in Step 6.1, you could generate receivable or payable confirmation letters by enabling checkbox **“Export sampling data to create confirmation letter”**.

Confirmation Letters

Export sampling data to create confirmation letter

Date of confirmation

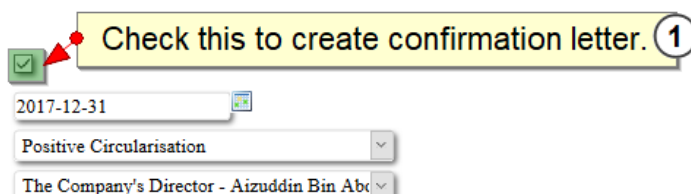
2017-12-31

Method of circularisation

Positive Circularisation

Person to sign this document:

The Company's Director - Aizuddin Bin Ab



(<https://auditsme.com/wp-content/uploads/2017/12/6.2-1.png>)

After that, navigate to [menu Audit Letter > Print All](#) to view and print confirmation letters.

6.3. Test of Sales or Purchase

Visit [menu statistical sampling>import accounting records](#) to upload your sales transaction journal or general ledger (with sales/purchase account code).

After that, select samples at [menu Statistical Sampling> Generate Sampling Data](#).

Once the samples are selected, you will be redirected to page [Statistical Sampling> Worksheet and Sampling Projection](#). Please follow the steps below:

**SAMPLE DEMO (M) SDN. BHD.
INTEGRATING SAMPLING DATA WITH AUDIT WORKSHEET AND PROGRAMME
AS AT 31 DEC 2016**

Generated Sampling Data

Select accounting records where sampling data is generated:

Select location of accounting records:

Select sampling technique or substantive test:

Select sample data and size to integrate:

Select sales or purchases journal ①

Cash and credit sale transaction journal

The Company

Simple random sampling

2017-08-30 sample size: 20

Test of transactions-income and expense transactions

Pilot sample

Choose selected samples ②

Integrate Audit Procedures with Worksheets

Lead Schedule

Worksheet header description based on nature of substantive testing

Audit procedures/programme to integrate with worksheet

10 - Incomes

Income and expense transactions

Sale of goods and services (sale journal)

Worksheet Column Header Description

Book Value (Fx)

Book Value (RM)

Audited Value (RM)

Difference (RM)

Select "sale of goods and services" ③

Schedule Index for Selected Samples

New Create a new sub-lead schedule to display worksheet

New sub-lead schedule index number

New sub-lead schedule title I

New sub-lead schedule title II

Insert index number ④

10-1

Cash and credit sale transaction journal

Sale of goods and services (sale journal)



Print Column visibility Show 25 entries Search:

| Invoice Date | Account Code | Company Name | Invoice No | Amount |
|--------------|--------------|--|------------|----------|
| 1 2016-01-14 | 3000/F01 | ABC Wellhead Equipment Sdn Bhd | 7243 | 498.20 |
| 2 2016-02-19 | 3000/F02 | ABC Technologies Global Supply Sdn Bhd | 7331 | 805.60 |
| 3 2016-02-24 | 3000/F02 | ABC Technologies Global Supply Sdn Bhd | 7339 | 805.60 |
| 4 2016-02-26 | 3000/F02 | ABC Technologies Global Supply Sdn Bhd | 7351 | 805.60 |
| | | | | 29805.61 |

Showing 1 to 20 of 20 entries Previous 1 Next

Audit objectives

- All invoices raised are bona fide.
- All goods dispatched are invoiced.
- Invoices are correctly calculated.
- All sales invoiced are correctly recorded in the accounts.

Audit procedures for selected sampling data

- For each invoice selected:
 - ensure that the delivery order has been signed;
 - check invoice price to current price lists at the date invoice was raised;
 - ensure that the mathematical accuracy of the invoice has been checked;
- Agree details to the sales journal and ensure recording of GST tax, commission, etc is correct and then to debtors ledger.
- For transactions in foreign currencies, ensure that the transactions are translated at prevailing at transaction dates
- Test postings to (i) general ledger; and (ii) subsidiary ledgers.

Other audit procedures:

- Peruse file copies of sale invoices and check the sequence. Enquire into any missing credit notes.
- check that the customer's authorised credit limit has not been exceeded.
- If perpetual inventory record is used For each invoice selected,
 - ensure that the cost of the goods sold has been correctly removed from the inventory account.
 - check to ensure that the quantity of items sold as per the invoice has been recorded in the client's perpetual inventory records.

(<https://auditsme.com/wp-content/uploads/2017/12/6.3.png>)

The page will be redirected to “sales/purchase transaction journal” worksheet.

6.4. Valuation of Inventory Listing

Visit [menu statistical sampling>import accounting records](#) to upload your inventory listing or stock listing.

After that, select samples at [menu Statistical Sampling> Generate Sampling Data](#).

Once the samples are selected, you will be redirected to page [Statistical Sampling> Worksheet and Sampling Projection](#). Please follow the steps below:

**SAMPLE DEMO (M) SDN. BHD.
INTEGRATING SAMPLING DATA WITH AUDIT WORKSHEET AND PROGRAMME
AS AT 31 DEC 2016**

Generated Sampling Data

Select accounting records where sampling data is generated:

Select location of accountng records:

Select sampling technique or substantive test:

Select sample data and size to integrate:

Integrate Audit Procedures with Worksheets

Lead Schedule

Worksheet header decription based on nature of substantive testing

Audit procedures\programme to integrate with worksheet

Select procedures. For example, "Valuation of raw material" or "Valuation of finished goods"

Schedule Index for Selected Samples

New Create a new sub-lead schedule to display worksheet

New sub-lead schedule index number

New sub-lead schedule title I

New sub-lead schedule title II

Preview worksheet

Preview

Integrate Worksheet

Select inventory listing. 1

Inventory listing -Trading finished goods
 The Company
 Judgemental sampling
 2017-08-30 sample size: 20
 Test of transactions-lower of cost or nrv

Choose selected samples. 2

C - Inventory
 Lower of cost or NRV
 Valuation of raw materials

- Worksheet Column Header Description**
- Client Quantity
 - Client Unit Cost (RM)
 - Audited Quantity
 - Audited Unit Cost (RM)
 - Audited Costs (RM)
 - (I) Costs Diff. (RM)
 - NRV after year-end (RM)
 - Lower of Cost or NRV (RM)
 - (II) NRV Diff. (RM)
 - (I+II) Total Diff. (RM)

Insert index number for new worksheet 4

Inventory listing -Trading finished goods
 Valuation of raw materials

Click to create new worksheet. 6

Print Column visibility Show 25 entries Search:

| Stock Code | Item description | Unit | Quantity | Unit cost | Total |
|-------------------------|--|-------|----------|-----------|----------|
| 1 AAEN1010 | Toptul Standard Com.wrench 75 10mm | Pcs | 188.00 | 15.00 | 2820.00 |
| 2 BSR-TSK-200FHC(BT&ST) | Toyoseiki Tsk-200fnc Welding & Generator | Units | 1.00 | 3150.00 | 3150.00 |
| 3 CC-31 | 75mm-3" M10*1.50 Econ. Type Cup Brushes | Pcs | 912.00 | 4.80 | 4089.60 |
| 4 DCM-ADV-MIG215M1 | Max-3 Easy Advan Mig215m1 Inverter Mig/ | Unit | 2.00 | 1650.00 | 3300.00 |
| | | | 1289.00 | 28300.77 | 75552.72 |

Showing 1 to 20 of 20 entries Previous 1 Next

Audit objectives

- To ensure that the value at which inventory is stated in the balance sheet is correctly calculated on a basis consistent with previous years

Audit procedures for selected samples

- Test additions and extensions of inventory items.
- Vouch unit costs of raw materials to original suppliers' invoices
- Ensure the cost elements are included in the unit costs. Evaluate the treatment of freight, discounts and rebates together with their effect on valuation.
- Ensure that the descriptions of the raw materials in invoices match with the inventories list

(<https://auditsme.com/wp-content/uploads/2017/12/6.4.png>)

6.5. Translation of Foreign Currency Balance

Visit [menu statistical sampling>import accounting records](#).

You must fulfil the following requirements in order to generate “foreign currency exchange of balances” schedule:

1. **Separate aging listing into two worksheets:** local currency and foreign currency.
2. We calculate “foreign exchange rate as per client” by matching debtor/creditor code between two worksheets, hence you must make sure the **correct code is applied to both debtors and creditors**.
3. You have to use **standard currency abbreviation**, for example, USD, SGD, JPY etc
4. Upload **local currency aging listing**
5. Upload **foreign currency aging listing**

After that, select samples on **foreign currency aging listing** at menu [Statistical Sampling> Generate Sampling Data](#).

Once the samples are selected, you will be redirected to page [Statistical Sampling> Worksheet and Sampling Projection](#). Please follow the steps below:

**SAMPLE DEMO (M) SDN. BHD.
INTEGRATING SAMPLING DATA WITH AUDIT WORKSHEET AND PROGRAMME
AS AT 31 DEC 2016**

Generated Sampling Data

Select accounting records where sampling data is generated:

Select location of accounting records:

Select sampling technique or substantive test:

Select sample data and size to integrate:

Select foreign currency aging listing ①

Account receivable aging listing (foreign cu)

The Company

Judgemental sampling

2017-08-29 sample size: 5

Test of balances-foreign exchange translation of balances

Choose selected samples. ②

B - Trade Receivables

Foreign exchange translation of balances

Translation of foreign currency balances

Select programme:
"Translation of foreign
currency balances" ③

Worksheet Column Header Description
Book Value(Fx)
Book Value(RM)
C Fx Rate as per auditor
D=A/B Fx Rate as per client
E=B*C Audited Balance (RM)
F=A-E Loss'(-gain) on Fx Balance (RM)
G=D-C Loss'(-gain) on Fx Rate (RM)

Insert index number for new worksheet. ④

B2

Account receivable aging listing (foreign currency)

Translation of foreign currency balances

Integrate Audit Procedures with Worksheets

Display aging analysis upon integrtrng i.e. 30 days etc

Lead Schedule

Worksheet header decription based on nature of substantive testing

Audit procedures\programme to integrate with worksheet

Schedule Index for Selected Samples

New Create a new sub-lead schedule to display worksheet

New sub-lead schedule index number

New sub-lead schedule title I

New sub-lead schedule title II

Confirmation Letters

Export sampling data to create confirmation letter

Preview worksheet. ⑤

Create worksheet. ⑥

Print Column visibility Show 25 entries Search:

| Account Code | Company Name | Currency Type | Balance (RM) | Balance (FX) |
|--------------|--|---------------|--------------|--------------|
| 1 3000/D01 | ABC Engineering Services Sdn Bhd | JPY | 94015.64 | 2686161.00 |
| 2 3000/F01 | ABC Wellhead Equipment Sdn Bhd | USD | 58845.90 | 14711.48 |
| 3 3000/F02 | ABC Technologies Global Supply Sdn Bhd | USD | 5808.80 | 1452.20 |
| 4 3000/I01 | ABC Solutions Sdn Bhd | SGD | -5885.12 | -1961.71 |
| 5 3000/M02 | ABC Manufacturing Sdn Bhd | SGD | 47965.00 | 15988.33 |
| | | | 200750.22 | 2716351.30 |

Showing 1 to 5 of 5 entries Previous 1 Next

Audit objectives

- To determine that trade receivables exist and are bona fide debts to the client.
- To confirm accuracy and collectability of trade receivables balances.

Audit procedures for selected samples

- Vouched selected sample to custom declaration forms, sales invoices and acknowledged delivery orders
- Checked foreign exchange rate @ year-end to Bank Negara Foreign Exchange web site: http://www.bnm.gov.my/index.php?ch=statistic&pg=stats_exchangerates
- Vouch the reconciliation to external source documents

(<https://auditsme.com/wp-content/uploads/2017/12/6.5.png>)

7. Integration of imported record into audit worksheet

This data extraction tool helps to display accounting records on a new worksheet without performing sample selection/gap detection/duplicate detection.

For examples, you wish to display account receivable aging listing or inventory listing as your supporting worksheet.

You may navigate to menu [Statistical Sampling](#)> [Worksheet and accounting records](#) to use this function.

7.1. Related Party Transaction

Visit menu [statistical sampling](#)>[import accounting records](#) to upload your sales transaction journal or general ledger.

After that, navigate to menu [statistical sampling](#)>[+worksheet and accounting record](#) to select related party transaction.

SAMPLE DEMO (M) SDN. BHD.
DATA EXTRACTION AND ANALYSIS OF ACCOUNTING RECORDS
AS AT 31 DEC 2016

1 Select uploaded general ledger/sales transaction journal

Select type of accounting records: Cash and credit sale transaction journal

Select location of accounting records: The Company - income (5000/000)

Grouping mode: View detailed sale transaction journal

Filter transactions and balances of the records i.e. related parties transactions:

2 Click to enable filtering of related party transaction.

Integrate Audit Procedures with Worksheets

Lead Schedule: 10 - Incomes

Create a new sub-lead schedule to display worksheet:

Create a new sub-lead audit schedule title I: Cash and credit sale transaction journal

Create a new sub-lead: The Company - income (5000/000)
Related parties transacti

3 Click to view accounting records

Create a new sub-lead: 11

View Accounting Records

Integrate Worksheet

4 Type keyword to search related parties

Check: All Current

Search: Sample Sdn Bhd search clear

6 Create new sub-lead schedule with audit index, then click on "integrate worksheet"

| Print | Invoice No | Amount | |
|-------|------------|----------|----------------|
| 8 | 2016-01-15 | 3000/SG1 | Sample sdn bhd |
| 788 | 2016-11-21 | 3000/S01 | Sample sdn bhd |

Showing 1 to 2 of 2 entries (filtered from 860 total entries)

5 Select related parties

(https://auditsme.com/wp-content/uploads/2017/12/sampling_7.1.jpg)

Below shows the result of related parties transactions worksheet.

**SAMPLE DEMO (M) SDN. BHD.
CASH AND CREDIT SALE TRANSACTION JOURNAL
THE COMPANY - INCOME (5000/000)
RELATED PARTIES TRANSACTIONS
AS AT 31 DEC 2016**

     **Cache Status: off**

| | | | |
|------------------------------|-------|-------------------------------|--------------|
| Selected sample size: | 2 | Selected sample value: | RM 16,709 |
| Population size: | 860 | Population value: | RM 1,847,559 |
| % of sample size: | 0.23% | % of population value: | 0.9% |

Print Size: 900px 

| | Invoice Date | Account Code | Company Name | Invoice No | Amount |
|---|--------------|--------------|----------------|------------|----------|
| 1 | 2016-01-15 | 3000/S01 | Sample Sdn Bhd | 7249 | 13480.00 |
| 2 | 2016-11-21 | 3000/S01 | Sample Sdn Bhd | 8028 | 3229.23 |
| | | | | | 16709.23 |

(https://auditsme.com/wp-content/uploads/2017/12/sampling_7.12.jpg)

7.2. Twelve Months Analysis

Visit menu [statistical sampling>import accounting records](#) to upload your sales transaction journal or general ledger.

After that, navigate to menu [statistical sampling>+worksheet and accounting record](#) to perform twelve months analysis.

**SAMPLE DEMO (M) SDN. BHD.
DATA EXTRACTION AND ANALYSIS OF ACCOUNTING RECORD
AS AT 31 DEC 2016**

Select type of accounting records

Select location of accounting records:

Grouping mode

Integrate Audit Procedures with Worksheets

Lead Schedule

Create a new sub-lead schedule to display worksheet

Create a new sub-lead audit schedule title I

Create a new sub-lead audit schedule title II

Create a new sub-lead schedule index

Select uploaded general ledger or sales transaction journal ①

Cash and credit sale transaction journal

The Company - income (5000/000)

Month

Change this to display monthly figure. ②

10 - Incomes

Cash and credit sale transaction journal

The Company - income (5000/000)

12

Save monthly analysis ④

View Accounting Records

Integrate Worksheet

Print Column visibility Show 50 entries Search: search clear

| No. | | | Amount | Total |
|-----|-----------|------|-----------|------------|
| 1. | August | 2017 | 0.00 | 0.00 |
| 2. | January | 2016 | 451484.12 | 451484.12 |
| 3. | February | 2016 | 131893.15 | 583377.27 |
| 4. | March | 2016 | 130064.12 | 713441.39 |
| 5. | April | 2016 | 122184.61 | 835626.00 |
| 6. | May | 2016 | 153006.76 | 988632.76 |
| 7. | June | 2016 | 158072.50 | 1146705.26 |
| 8. | July | 2016 | 90058.66 | 1236763.92 |
| 9. | August | 2016 | 141075.40 | 1377839.32 |
| 10. | September | 2016 | 127237.63 | 1505076.95 |
| 11. | October | 2016 | 131107.69 | 1636184.64 |
| 12. | November | 2016 | 91410.63 | 1727595.27 |
| 13. | December | 2016 | 119963.38 | 1847558.65 |

Showing 1 to 13 of 13 entries Previous 1 Next

Click to view twelve month analysis ③

(https://auditsme.com/wp-content/uploads/2017/12/sampling_7.2.jpg)

7.3. View, Filter, and Sort Accounting Record

Visit [menu statistical sampling>import accounting records](#) to upload accounting data.

After that, navigate to [menu statistical sampling>+worksheet and accounting record](#).

**SAMPLE DEMO (M) SDN. BHD.
DATA EXTRACTION AND ANALYSIS OF ACCOUNTING RECORDS
AS AT 31 DEC 2016**

Select type of accounting records

Select location of accounting records:

Grouping mode

Filter transactions and balances of the records i.e. related parties transactions

Select accounting record ①

General Ledger
The Company
View detailed general ledger

You could change your data grouping mode, for examples, group by month, group by date etc ②

GENERAL LEDGER:

| | | | |
|---|-----------|---|-------------|
| <input type="radio"/> 1000/000 Capital | (250,000) | <input type="radio"/> 1050/000 Retained Earning | (4,336,918) |
| <input checked="" type="radio"/> 3210/000 Bank-mbb(6846) | 466,617 | <input type="radio"/> 3230/000 Bank-mbb(sgd) | 155,991 |
| <input type="radio"/> 3400/000 Prepayment | 688,975 | <input type="radio"/> 3600/000 Interest Income | (2,185) |
| <input type="radio"/> 3700/000 Other Receivables & Deposits | 502,554 | | |
| <input type="radio"/> 4300/000 Provision For Taxation | 92,471 | | |
| <input type="radio"/> 4800/010 Hire Purchase Payable | (97,293) | | |
| <input type="radio"/> 9W01/000 Worker Uniform | 5,632 | | |

If data is extracted from general ledger, please select account code. ③

Integrate Audit Procedures with V

Insert index number for new worksheet. ④

Lead Schedule

Create a new sub-lead schedule to display worksheet

Create a new sub-lead audit schedule title I

Create a new sub-lead audit schedule title II

Create a new sub-lead schedule index

A - Cash And Bank Balances

General Ledger: Bank-mbb(6846) (Account Number:3210/000)

Click to create new worksheet. ⑨

View Accounting Records Integrate Worksheet

Click here to view accounting records. ⑤

Criteria:
Select Scope:
Min sample scope: 5523

Filter by scope ⑥

Filter by keyword ⑦

Print Column visibility Show 50 entries Search: search clear

| Tran. date | Journal | Refer. no I | Refer. no II | Tran. description | Dr | Cr | Total |
|------------|---------|-------------|--------------|-----------------------------|------------|----------|--------------|
| 2016-01-01 | | | | Opening balance | 1038748.03 | | 1,038,748.03 |
| 2016-01-01 | BANK | MBB228756 | | Gst Expenses-block | | | 1,038,664.20 |
| 2016-01-01 | BANK | MBB228756 | | Insurance And Road Tax | | | 1,037,267.05 |
| 2016-01-01 | BANK | MBB228756 | | Sundry Expenses | | 10.00 | 1,037,257.05 |
| 2016-01-05 | BANK | BP160106 | | Accruals | | 59257.90 | 977,999.15 |
| 2016-01-20 | BANK | BR160110 | | M & R Manufacturing Sdn Bhd | 11600.00 | | 1,182,663.27 |

Click on header to sort data. ⑧

Showing 1 to 50 of 636 entries Previous 1 2 3 4 5 ... 13 Next

(https://auditsme.com/wp-content/uploads/2017/12/7.3.png)

7.4. AR AP Contra & Reclassification