FORGET EXCEL !

Five Reasons to Switch to a Real Data Analytics Tool for Audits

CaseWare ANALYTICS

When it comes to auditing and fraud detection, spreadsheets are one of the most popular tools because they are both familiar and convenient. Most spreadsheet applications, however, aren't designed to handle large data sets, automate analysis or import data from a variety of sources—all functionalities that auditors and other financial professionals often need.

Professional-grade data analytics tools offer these core capabilities and more to help make audits more effective and efficient. Here are five reasons you should be using a professional-grade data analytics tool, such as CaseWare IDEA® Data Analysis software, rather than standard spreadsheets:

1 DATA ACQUISITION

Although spreadsheets are frequently used to gather data from multiple sources, that data doesn't always come together seamlessly. Cleaning up these large data sets can be time consuming and tedious, not to mention that it's easy for errors to be introduced into the data during the clean-up process. With the limited import abilities spreadsheets offer, processing times are also often very slow.

Analytics Solution:

IDEA allows you to quickly and seamlessly import almost any of your data from and into a variety of formats. These include text files (flat files generated from ERP systems), PDFs, MS Access or Excel, SAP, Oracle, SQL and others. No data clean-up is required because all imported files are read-only and IDEA recognizes various field types instantly.

> "With IDEA's ability to import many different types of data formats with large data files (several tens of millions of records) and user-friendly predefined functions for data analysis and evaluation, it has become our essential work tool."
>
> ~ RNDr. Maya Mašková, Manager of Internal Audit and Control Department, Allianz Pojišovna

2 DATA INTEGRITY

When using spreadsheets, it's easy to alter data values accidentally or intentionally. Errors in formulas can also make your analysis logic prone to mistakes. Finally, because spreadsheets are emailed and shared with other users, there are risks associated with the retention and reliability of information, such as conflicting copies, duplicates or edits.

Analytics Solution:

Data analysis software protects source data and allows only read-only access, ensuring all data is reliable. IDEA also creates an audit trail that records all changes and operations carried out on a database, including file and format imports, types of analysis performed, and results created. This information resides within the file properties and can't be changed, so you can have greater assurance in your results.

3 PRE-BUILT ANALYTICS

Testing within spreadsheets can be time-consuming and complicated as users often need to program intricate macros or multiple pivot tables.

To view free tutorial videos on how to use the top IDEA functions, visit our YouTube channel: https://www.youtube.com/user/CaseWareRCM

Analytics Solution:

You can easily perform tests within IDEA by simply selecting a task such as duplicate or gap detection, join, stratify or Benford's Law. The ribbon-type interface lets you view your results quickly.

Another benefit unique to IDEA is SmartAnalyzer, a framework that helps IDEA users navigate the data analysis process from start to finish. It includes a number of predefined routine tests accessible through a convenient ribbon entry point. Its Financial set of routines include General Ledger, Accounts Payable, Accounts Receivable, Inventory Analysis, and Fixed Assets. The Segregation of Duties set of routines can be used to detect security issues in SAP implementations.

SmartAnalyzer helps auditors perform more comprehensive audits in significantly less time: 11 minutes compared with 61 minutes using Excel.

Core Data Analysis Tasks Built into IDEA

Task	Description
Append/Merge	Combines two files with identical fields into a single file (e.g., merge two years' worth of accounts payable history into one file).
Join/Relate	Creates a new data file using a common field to combine two separate data files. Used to create relational databases on key fields and identify differences between data files.*
Calculated Field/Functions	Creates expressions or computed fields in order to calculate or recalculate key values (e.g., an employee's net pay could be recalculated using the gross pay field and deducting any withholdings/taxes).
Cross Tabulate	Analyzes Character fields by setting them in rows and columns. By cross-tabulating Character fields, you can produce various summaries, explore areas of interest, and accumulate Numeric fields.
Export	Creates a new file in another software format (e.g., export information to MS Word).
Extract/Filter	Extracts specified items from one file and copies them to another, normally using an IF statement (e.g., extracting all account balances over a predefined limit).
Fuzzy Logic	Detects nearly identical character strings based on a predefined degree of similarity using reasoning that is approximate rather than fixed or exact. Quickly identifies similar groupings of numbers, words or phrases (e.g., company names entered into vendor masters with Inc., Inc, or Incorporated).
Index/Sort	Sorts a file in ascending or descending order (e.g., sorting a file by social insurance/social security number to see if any blank or "999999999" numbers exist).
Summarize	Accumulates numerical values based on a specified key field (e.g., summarizing travel and entertainment expense amounts by employee to identify unusually high payment amounts).
Sample	Creates random or monetary unit samples from a specified population.*
Aging	Produces aged summaries of data based on established cutoff dates.
Benford's Law	Finds abnormal duplications of specific digits and round numbers in corporate data, based on a deviation from the expected frequencies as inferred from Benford's Law.
Duplicates	Identifies and displays duplicate items within a specified field in a file (e.g., identify duplicate billings of invoices within the sales file).
Gaps	Identifies and summarizes gaps within a specified field in a file (e.g., identify any gaps in cheque number sequence).
Stratify	Categorizes the data into various strata, or ranges, for a given Numeric field.

** While spreadsheets can join/relate and sample, unlike IDEA, most require an add-on designed specifically for complex statistical or engineering analysis.*

4 REPEATABLE ANALYSIS

It's hard to repeat your analysis consistently when using spreadsheets. While routine analyses can be built in spreadsheets, you likely need to have extensive programming knowledge.

Analytics Solution:

Professional data analytics tools simplify task automation, saving you time and effort, and standardizing audit processes. IDEA's Visual Script feature can also be used to repeat standard analysis processes and build continuous monitoring applications.

In addition, you can produce consistent results using IDEAScript—an advanced scripting language—to standardize routine analyses and basic procedures. IDEAScripts can also address complex processes that you repeat periodically (for example, import and normalization of data from different sources to prepare for comparison).

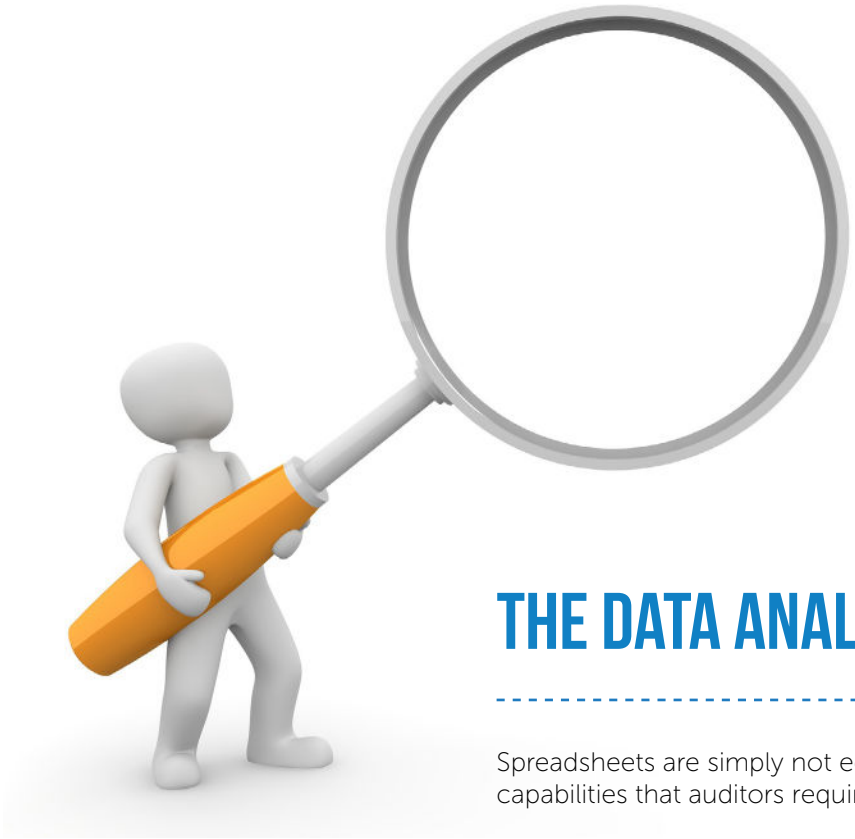
Supported IDEA users can access prewritten IDEAScripts as well as many other data analysis resources.

> "Being able to accomplish a task while everyone else says it is impossible to do is priceless. I am able to do this using IDEA and present results within minutes."
>
> ~ Sabri Keskin, CIA CFE, CCSA, Manager, Internal Audit, American Water

5 SUPPORT

Professional analytics tools speak the language of audit, and guidance is always available if you need help using any of IDEA's features or functions. The IDEA Help Desk is one of the greatest benefits of IDEA; with just a call or email, CaseWare Analytics Support will provide you step-by-step assistance when you need it.

IDEA is designed solely with the data analyst in mind, from auditors and accountants to compliance analysts and others. CaseWare IDEA comes fully loaded with a wide range of help features, tutorials and reminders. The CaseWare IDEA Support Site is another great resource where supported users can access instructional videos, @functions, IDEAScripts and much more.



THE DATA ANALYSIS POWERHOUSE

Spreadsheets are simply not equipped with many of the core capabilities that auditors require to audit effectively.

If you're looking for a secure, extensive and efficient way to audit, CaseWare IDEA Data Analysis software is the professional data analysis tool for you. With more than 400,000 users in 90 countries, CaseWare Analytics technologies are built upon the foundation of best practices in assessing risk and controls, enabling audit and finance professionals to use real data insights to create remarkable ROI and business improvement opportunities.

To learn more about how IDEA can help you complete your audits quickly and effectively, or to enjoy a free live demonstration of IDEA in action, contact us at salesidea@caseware.com or 1-800-265-4332 ext. 2800. You can also visit us at casewareanalytics.com to schedule your free demo.

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