Analytical Procedures

	11m (£k)	31.12.22 (£k)	Change (£k)	Change %	Comments
Revenue					
40220 Product A	40,893	57,353	(16,460)	(29%)	Full amount before discounts
40500 Customer discounts	(8,003)	0	(8,003)		Discount from Jan to encourage larger orders; caused monthly revenue variation
40610 Rebates	(918)	(75)	(843)	1,124%	███████████
Product A (Construction)	**31,972**	**57,278**	**(25,306)**	**(44%)**	
40230 Product B	10,555	7,792	2,763	35%	Increase despite introduction of B New; high in Sep
40200 Product B New	5,185	0	5,185		More sustainable; customers must modify manufacturing processes; suggestion to incentivise customers to buy; only sold to ChemCo; decreasing
Product B (Glass)	**15,740**	**7,792**	**7,948**	**102%**	
Product A + B	47,712	65,070	(17,358)	(27%)	
40210 Engineers income	1,624	1,147	477	42%	Consultancy services: increase could relate to manufacturing process modification for B New
Total Revenue	**49,336**	**66,217**	**(16,881)**	**(25%)**	
Cost of Materials					
					████████████
52100 COS Product A	█	█	█	█	
52110 COS Product B					
Total Cost of Materials	█	█	█	█	
Contribution					
Product A	█	█	█	█	
Margin	█	█			████████████
Product B	█	█	█	█	
Margin		█			B ██████████
Margin excluding New†	█				████████████
Engineers income	█	█	█	█	
Total Contribution	█	█	█	█	
Margin	█	█			
Average discount:	█				████████████
A excluding discount:					
Revenue	█				
COS	█				
Contribution	█				
Margin	█				████████████
Zede:					
Invoice	█				
Discount	█				
Discount %	█				

Numbers in *italics* should be replaced with 12m numbers.

AI Risk	Procedures
Revenue and cost of materials Risk of overstatement of revenue and receivables because revenue is recognised when a sales order is received not when PO is satisfied (goods delivered). The delay in manufacturing and despatch increases the likelihood that premature recognition causes a cut off error at 31.12.23. Risk of ███████████████████████ ████████████████████████████ █████████████████ Product A (Construction) ████████████████████████████ ████████████████████████████ ███████████ ████████████████████████████ ███████████████████ ████████████████████████████ ████████████ Product B (Glass manufacturing) Risk of overstatement of revenue and understatement of liabilities because: ████████████████████████ ████████████████████████████ ████████████	Inspect contracts to identify when PO satisfied. Obtain breakdown of sales orders not despatched to calculate amount of revenue overstatement. Inspect signed contract with customers to identify when control and ownership pass to customer. ████████████████████████████ ████████████████████████████ ████████ ████████████████████████████ ████ ████████████████████████████ ████████████████████████████ █████ ████████████████████████████ █████████ ████████████████████████ ████████████████████████ ████████████████████████

Inflo / Data Analytics Software (DAS) Exam Technique Guidance

Explore

- FS view: high level view
- Account view: breakdown of FS number by account code
    - Significant change from prior year/11m data/inconsistent with information in scenario
    - Accounts with significant monthly increase/decrease (can visualise on bar chart) e.g.
        - Revenue
        - Discounts
        - Cost of materials

    - Accounts not moving as expected e.g.

- Transaction detail:
    - Other side of entry e.g. suspense account, technically incorrect
    - Amount e.g. material, round number

    - Document type e.g.
    - Description e.g.

- Stacked Bar Chart

Variables	Risks