

Quick Books Data File Analysis Procedure

Confirm that QuickBooks Lists are Setup Correctly

- Check the Chart of Accounts
 1. Number of Accounts
 2. Review Income Accounts
 3. Review Expense Accounts
 4. Check the following accounts for duplicates
 - Retained Earnings
 - Inventory
 - Opening Bal Equity
 - Accounts Receivable
 - Accounts Payable
 - Cost of Goods Sold
 - Payroll Liabilities
 - Payroll Expenses
 - Undeposited Funds
 - Estimates
 - Sales Orders
 - Purchase Orders

- Verify the Accuracy of Items

- Review Payroll Items for Correct Setup

Confirm the Accuracy of the Balance Sheet

- Confirm that the Balance Sheet Balances – on both the Cash and Accrual basis
- Compare the fiscal year-end Balance Sheet to the Prior Year Tax Return
- Bank Accounts
 1. When did the client last perform a bank reconciliation?
 2. Confirm that the Opening Balance field of the bank reconciliation window agrees to the ending balance of the last reconciled bank statement.
 3. Check for excessive deposit detail on the bank reconciliation window of check register

- Check Undeposited Funds

- Confirm the Accuracy of the Accounts Receivable Balance
 1. Review the Open Invoices Report for Zero amounts
 2. Compare the total of the Open Invoices Report to Accounts Receivable on an Accrual Basis Balance Sheet
 3. Review the AR Aging Report for Invoices with Aging of More Than 90 Days

- Confirm the Accuracy of the Inventory Balance
 1. Check Inventory for Negative Quantities on Hand
 2. Confirm QuickBooks' Calculation of Average Cost
 3. Using an inventory sample, reconcile stock status to the shelf

- Confirm the Accuracy of the Accounts Payable balance
 1. Review the Unpaid Bills Report for Zero Amounts
 2. Review the AP Aging Report for Payables with Aging of More Than 90 Days
 3. Confirm that the Total of the Unpaid Bills Report Agrees to Accounts Payable on an Accrual Basis Balance Sheet

- Confirm the Accuracy of the Sales Tax Payable Balance
 1. Confirm that Total Sales Tax Payable per the Sales Tax Liability Report Agrees to the Balance Sheet
 2. Confirm that total sales per the Sales Tax Liability and Sales Tax Revenue Summary Reports agrees to Total Income per the P&L
 3. Review the Sales Tax Liability Report for negative numbers
 4. Review the Sales Tax Liability Report for inappropriate vendors
 5. Does QuickBooks show a balance in Sales Tax Payable for periods in which all Sales Tax was paid?

- Confirm the Accuracy of the Payroll Liabilities Balance

- Check for a Balance in the Opening Balance Equity Account

Confirm the Accuracy of Income Statement Balances

- Reconcile the Sales by Item Summary Report to the total sales on the Profit & Loss

- Compare the Payroll Summary Report with the Profit & Loss