BIBITOR, LLC DATASET SUPPORTING MATERIAL

Screening for Slow Moving Inventory: Valuation Testing of the Bibitor, LLC. June 2016
Ending Inventory Incorporating ACL or IDEA.

AUTHORS:
Charles W. Bame-Aldred, Northeastern University
Ryan J. Murphy, RSM
EXERCISE

You are assigned as the Associate on the audit engagement of Bibitor, LLC. The audit team is using Business Intelligence Tools to examine the population of transactions, such as Sales, Purchases, and Inventory.

Read the Background Information provided and complete the requirements and document your audit testwork.

Background Information:

Bibitor, LLC is a retail liquor company with 79 locations throughout the state of Lincoln. They sell spirits and wine products. Bibitor, LLC has been serving the area for over 50 years. Their wine and spirits selection is hand-picked and focused on value. Their employees are trained as personal beverage concierges and provide unmatched service to all customers. There are over 10,000 brands throughout the organization.

Task:

The in-charge on the engagement obtained 6 data files from the Controller and the Chief Information Officer for beginning and ending inventory, purchases, sales, purchases by invoice, and purchase prices for each inventory item.

The in-charge recently read an article on About.com discussing the shelf life of distilled spirits and wines. (http://cocktails.about.com/od/stockyourbar/f/liquor_storage.htm) To examine the potential spoilage of the inventory, the in-charge is looking for a simple way to identify slow moving inventory. They suggest using the results from the roll-forward test to help identify potential inventory items that may need an obsolescence reserve.

Required:

Use a Business Intelligence Tool to screen for slow moving ending inventory. Document your test work using the standard workpaper documentation format.