Screening for High Sales Volumes: Existence Testing of the Bibitor, LLC. September 2016
Sales Incorporating ACL or IDEA.

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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 11,000 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 determined that many bars, restaurants and hotels in Lincoln State purchase their wines and spirits directly from Bibitor, LLC versus purchasing from the wholesalers. Each organization has a credit card on file for payment. This sometimes leads to large amounts of bottle sales at individual stores.

The in-charge is interested in screening for large daily sales volumes of individual brands at individual stores. Using this screen, the audit team can make inquiries with management about large sales volumes that occurred during the year.

Required:

Use a Business Intelligence Tool to screen for large sales volumes by day, by brand, and by store. Document your test work using the standard workpaper documentation format.