



Quickbooks® Pro 2007

Accounting Software
(Windows-based)

An Auditor's Overview

1

Users of Intuit's Products

- No background in accounting
 - Limited accounting jargon
 - Minimum data entry techniques
 - Most accounting entries made automatically
- Program Is Designed to Work with an Outside Accountant or Bookkeeper
 - Who makes necessary accounting entries
- User Friendly
 - Linking through drop-down lists
 - Easy to delete, alter entries
- Inexpensive



2

Intuit's Accounting Products

- 📁 Quicken®
- 📁 Quickbooks® – online *
- 📁 Quickbooks® – Simple Start, Basic
- 📁 Quickbooks® Pro
- 📁 Quickbooks® Premier
- 📁 Quickbooks® Enterprise **

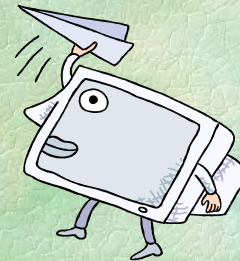


* Data files can not be opened with Quickbooks® Pro or Premier
** Quickbooks Enterprise can only open Enterprise data files

3

Multiple Data Files Types

- 📁 Backup file (qbb) **
- 📁 Windows Based file (qbw)
- 📁 Data File for Macintosh
- 📁 Accountants transfer file (qbx) *
- 📁 Accountants file (qba)
- 📁 Portable file (qbm)
- 📁 Quicken file (qdf)
- 📁 Quicken Backup file (qdb) **








* Can no longer be opened with Quickbooks® Pro 2007
** May see spanned data files

4

Software Features of Note

 **Program works as a database which allows:**

 **Creation of standard or custom reports:**


-  for any time period
-  summary or detail format
-  cash or accrual
-  customizing or filtering of information in report





5


Software Features of Note

 **Quick Zoom**

 **Quickbooks® Pro can read Premier, Quickbooks and Quicken**

 **Later versions can read earlier versions but not vice versa ***

 **Files can be password protected**

 **Administrator vs subordinate user**

* QB Enterprise Edition 6.0 and later can not open Editions 5.0 and earlier



Auditor's Challenges



Software

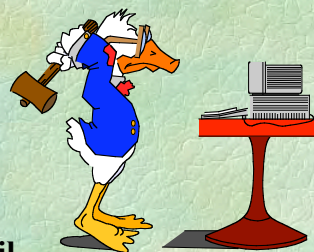
- ▣ Accounting simplification
 - ▣ No journals – transaction based
 - ▣ Consolidated journal entries
 - ▣ Consolidation of fields
- ▣ Accounting basis is not fixed
- ▣ Retroactive modifications
- ▣ Report limitations
 - ▣ Not all fields displayed in a report
 - ▣ **Audit Trail – Not all changes can be tracked**

7

Auditor's Challenges

Human error

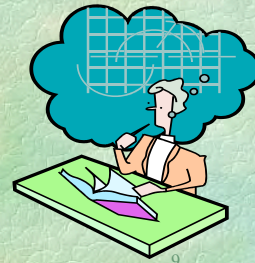
- ▣ Forgetting administrator password
- ▣ Posting errors
- ▣ Misplacing Archive copy for condensed data files – lost detail data
- ▣ T/P provided reports
 - ▣ Mislabeled Reports
 - ▣ Filtered Data



8

Suggestions

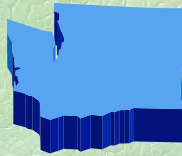
- 📄 Reconcile to bank statements, Federal Income tax returns
- 📄 Third party Quickbooks® training
 - 📄 How to enter transactions correctly
- 📄 Intuit provides password removal for administrator
- 📄 Condensed data files
 - 📄 Search user drive for filename “*Archive*”
 - 📄 Manually convert accrual basis to cash
- 📄 In-house training (example -Washington DOR)
 - 📄 Features of QB program
 - 📄 Mechanics
 - 📄 Accounting simplification
 - 📄 Report properties
 - 📄 Dual accounting basis consequences
 - Unusual entries
 - Default settings for reports



Suggestions (In- house training)

- 📄 Auditing tools
 - 📄 Specialty Reports
 - 📄 Open Invoices (for unrecognized income –cash or accrual)
 - 📄 Sales Tax Liability
 - 📄 Audit Trail
 - 📄 Transaction Journal, Transaction History
 - 📄 Adding Columns
 - 📄 Entered/Last Modified Date, Account Type, Debit, Credit, Source Name
 - 📄 Filtering for transaction types,
 - 📄 Review invoices for Bill To, Ship To
- 📄 Manual





Washington State

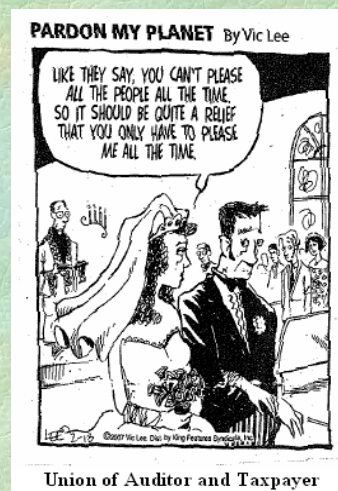


- In 1999 – Committee to study program – 2 copies
- In 2001 -Purchased Quickbooks® Pro - one per field office
- By 2003 - Expanded to one per Washington based field auditor
- In 2004 - Purchased telephone support for one resource person
- In 2006-Purchased Quickbooks® ProAdvisor Program for one resource person
 - QB Enterprise
 - QB Premier Accountants Edition
 - Telephone Support
 - qODBC driver (flexquarters.com) but not used at this time


(upgrades have been purchased each year since 2001)


11


If only:



Presenter

 **Carol Erdle, CAS**

 **Washington State Dept of Revenue**

 **(206) 956-3080**

 **CarolE@dor.wa.gov**

