



# Quickbooks® Pro 2007

Accounting Software  
(Windows-based)

## An Auditor's Overview

# 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**



# 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

# 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



# 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**



# 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



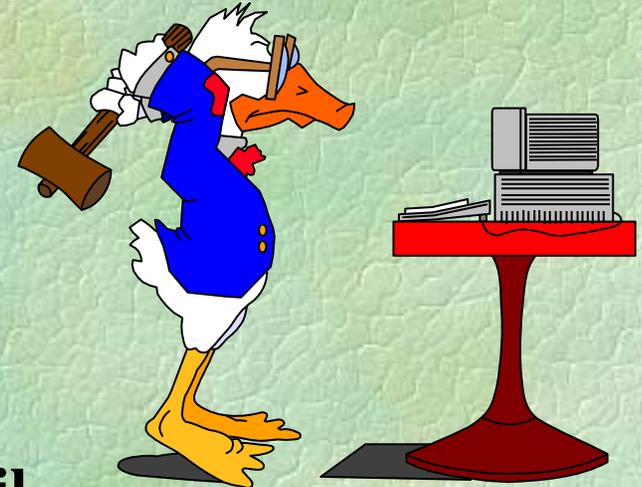
## Software

-  **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**

# 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



# 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](http://flexquarters.com)) but not used at this time**

**(upgrades have been purchased each year since 2001)**

# If only:

**BLISS** | *Harry Bliss*



"No, they're next door. We're People for the Ethical Treatment of Auditors."

**PARDON MY PLANET** By Vic Lee



**Union of Auditor and Taxpayer**

# Presenter

 **Carol Erdle, CAS**

 **Washington State Dept of Revenue**

 **(206) 956-3080**

 **CarolE@dor.wa.gov**

