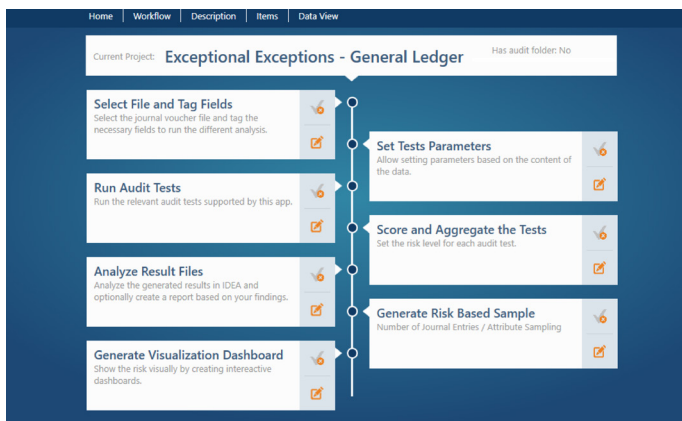


Exceptional Exceptions



Exceptional Exceptions uses audit intelligence and machine learning techniques to generate risk-based samples and provide an overview of risk areas to identify notable journal entries and focus audit efforts on items posing the highest risk of fraud or error.



By using the Exceptional Exceptions - General Ledger app within SmartAnalyzer, auditors can easily pinpoint the most risky transactions. Auditors can assign criteria along with test weightage for selecting these risky transactions.

Auditors can apply higher weightage to high-value transactions or potential duplicates than transactions entered on weekends. By aggregating the results of each weighted test for each transaction, IDEA can identify 'most risky' transactions. Auditors can then go through these transactions to select the ones that can be a part of the audit sample.

Benefits of Exceptional Exceptions



Risk-Based Sample

Focus on transactions that are more risky and study them in details



Better Audit Quality

Scan all transactions for data irregularities and sample quality to provide more insightful results



Identify High-Risk Areas

Quickly pinpoint the riskiest transactions and all related details

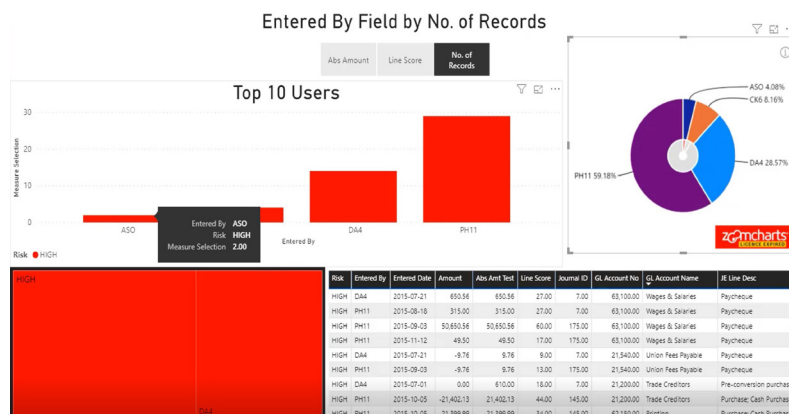
Key Capabilities

Analytics-Based Audit Process

Exceptional Exceptions is a combination of rules-based and machine learning tests that allow users to run analytics on General Ledger data, which can then be linked to audit procedures in Working Papers as audit evidence for further investigation. All individual results are risk-rated so users can focus on the most risky transactions, if tests generate too many transactions.

These tests include Benford's Law tests, rare and complex account combinations, and Outliers Detection, which uses different Unsupervised Machine Learning algorithms such as Local Outlier Factor (LOF) and Isolation Forest to determine records (vectors) that deviate from the normal behavior of the majority of the population.

Select Risk Levels					
	N/A	Low	Med	High	
01 - Out of Balance Journal Entries					10
02 - Potential Duplicate journal entries by User					6
03 - Potential Duplicate journal entries by Date					4
04 - Journal entries posted on Weekends					2
05 - Journal entries posted on unusual day					4
06 - Journal entries posted at unusual time					4
07 - Journal entries posted at year-end					3
08 - Back-dated Journal entries					4
09 - Journal entries with rounded amount					2
10 - Journal entries with recurring digits					2
11 - Journal entries with keywords of interest					4
12 - Journal entries with little or no description					2
13 - Unusual/rare account posting combinations					5
14 - Complex account combinations					3
15 - Unusual accounts for document type					3
16 - Entries with opposite as normal debits and credits					4
17 - Unusual Users posting entries					5
18 - Journal entries with High value amounts					9
19 - Benford's law first two digits					3
20 - Benford's law summation					2
21 - Benford's law second order					1
22 - Benford's law last two digits					1
23 - Outliers Detection - Machine Learning					5
				Number of Records	Number of Journal Entries
				23	6
				22	2
				1171	76
				46	14
				75	23
				28	4
				6	2
				4	4
				22	13
				32	20
				505	114
				14	5
				1426	105
				0	0
				50	30
				1	1
				2	1
				15	8
				18	10
				7	7
				11	10
				20	19
				32	22
				1648	178



Powerful Testing

Exceptional Exceptions allows users to score journal entries based on fraud or error risk and extract a risk-based sample, which is more relevant and efficient than a random sample.

Auditors often rely on sampling techniques to conduct audit analysis. Traditional statistical approaches rely on random sampling procedures which can often lead to missing transactions that could be categorized as risk. The result would be an incomplete or poor-quality audit.

Get started on the latest version of IDEA and take advantage of powerful risk-based audit analytics with Exceptional Exceptions.

Download from Passport on IDEA 11 and beyond.
For more information, contact [a local partner](#) or salesidea@caseware.com.

CaseWare IDEA is a division of CaseWare International, which has led the audit and accounting software industry for over 30 years, with solutions supported in 16 languages and used by more than 500,000 people across 130 countries. IDEA uses artificial intelligence and machine learning to change the way we think about and work with data. To learn more, visit idea.caseware.com.

© Copyright of CaseWare IDEA. All Rights Reserved.