



SYSTEMS SOLUTIONS

Procedure for Consolidation



caseware™

VERSION 1.00

PROCEDURE SUMMARY

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1. What to do prior to consolidation

- a) Make sure you have a caseware file for every entity.
- b) Maintain the physical location for the caseware file of every entity for consolidation and re-consolidation purposes. If you change the location of an entity's file, you must specify the new location to re-establish the link.

2. Create a new file which will act as the consolidation file

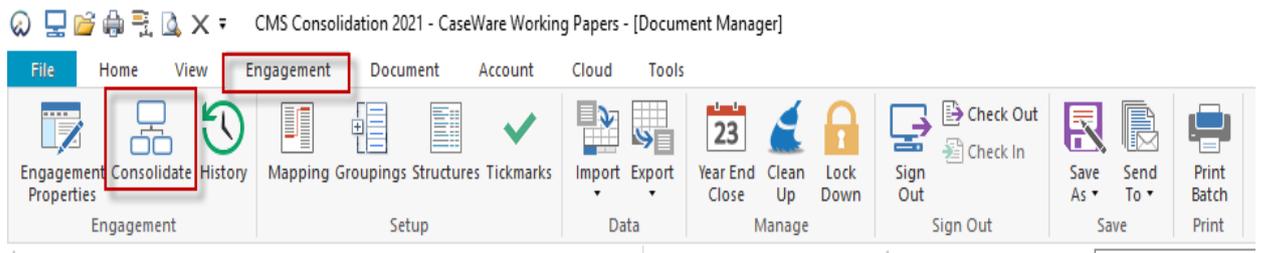
Follow the create new file procedure to create the consolidation file.

In that consolidation file we will import the caseware file of the parent company and its subsidiaries.

3. Import the caseware files for every entity into the Consolidation file

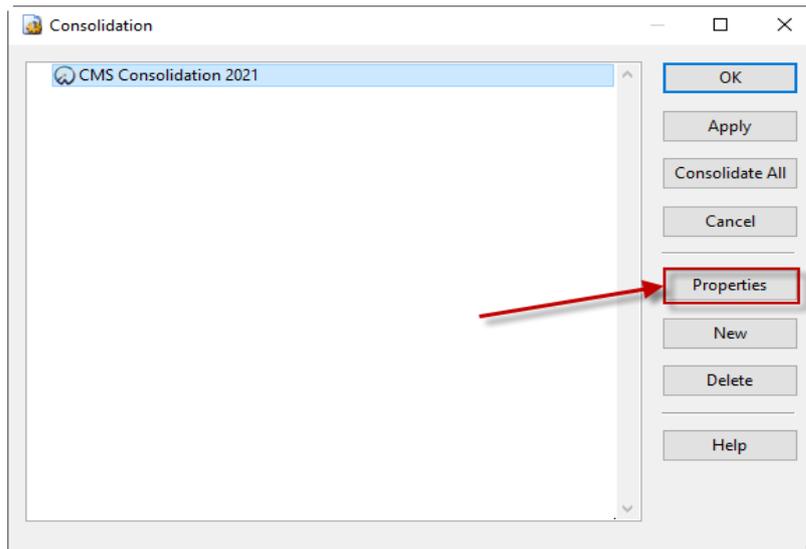
- a) Open the consolidation dialog:

To do this we need to go to the Engagement Tab and click on Consolidate as shown below:



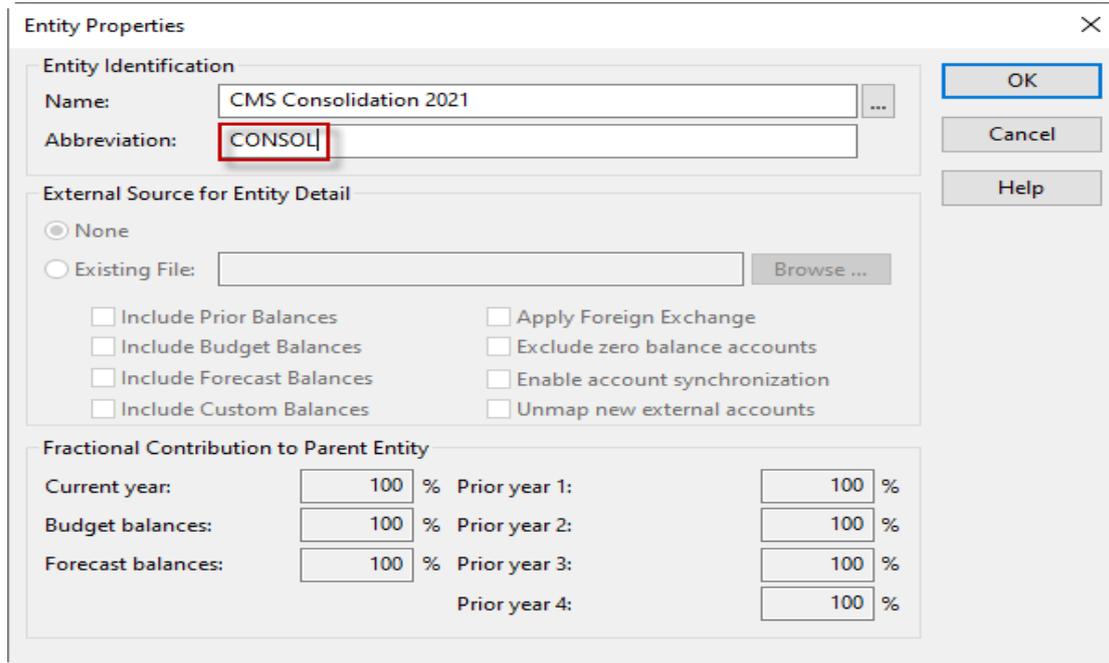
- b) Set the Abbreviation for the consolidation file:

Select the Consolidation file and click on properties to access entity properties



From the “Entity Properties” window, set an Abbreviation for the consolidation file.

The Abbreviation works as an identification number for each entity in the consolidation file.



The "Entity Properties" dialog box is shown with the following fields and options:

- Entity Identification:**
 - Name: CMS Consolidation 2021
 - Abbreviation: CONSOL (highlighted with a red box)
- External Source for Entity Detail:**
 - None (selected)
 - Existing File: [] Browse ...
 - Include Prior Balances
 - Include Budget Balances
 - Include Forecast Balances
 - Include Custom Balances
 - Apply Foreign Exchange
 - Exclude zero balance accounts
 - Enable account synchronization
 - Unmap new external accounts
- Fractional Contribution to Parent Entity:**

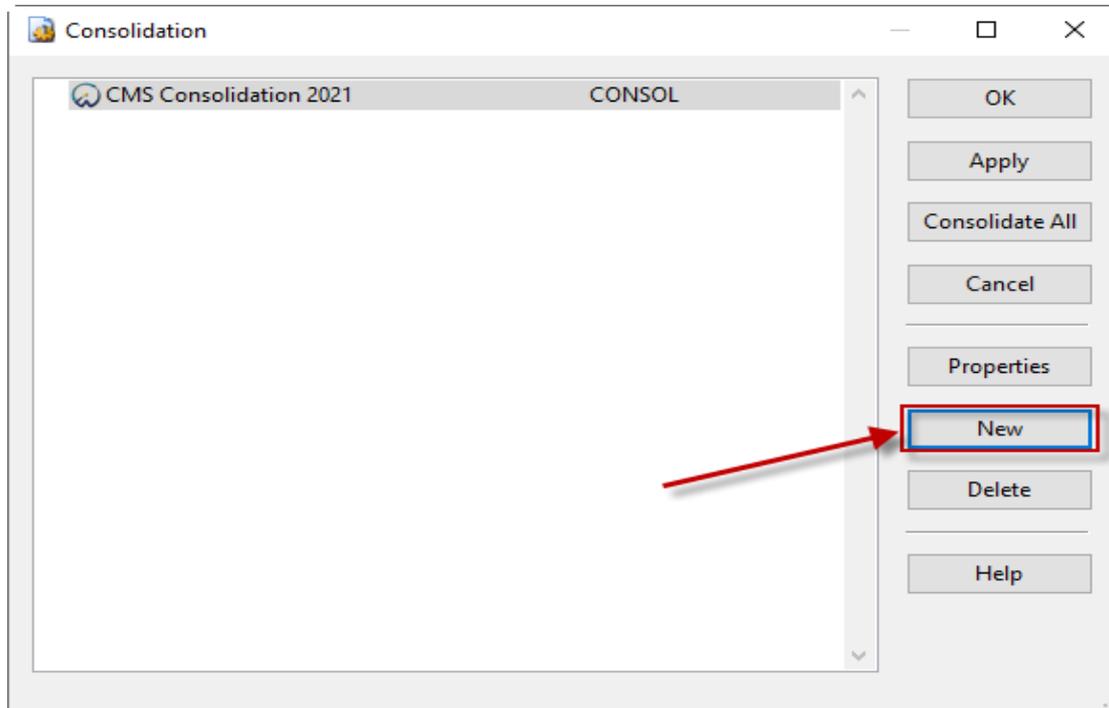
Current year:	100 %	Prior year 1:	100 %
Budget balances:	100 %	Prior year 2:	100 %
Forecast balances:	100 %	Prior year 3:	100 %
		Prior year 4:	100 %

Buttons: OK, Cancel, Help

Select ok and then apply.

- c) Import the caseware files of the parent entity and the subsidiaries

From the consolidation dialog, select “New”



The "Consolidation" dialog box is shown with the following elements:

- Tab: CMS Consolidation 2021
- Abbreviation: CONSOL
- Buttons: OK, Apply, Consolidate All, Cancel, Properties, **New** (highlighted with a red box and arrow), Delete, Help

Add the name and abbreviation of the entity you are about to import and use the browse button to locate the file.

The screenshot shows the 'New Entity' dialog box with the following details:

- Entity Identification:**
 - Name: Parent Company 2021
 - Abbreviation: PC2021
- External Source for Entity Detail:**
 - None (unselected)
 - Existing File: ..\Parent Company 2021\Parent Company 2021 (selected)
 - Browse... button
- Options:**
 - Include Prior Balances
 - Include Budget Balances
 - Include Forecast Balances
 - Include Custom Balances
 - Apply Foreign Exchange
 - Exclude zero balance accounts
 - Enable account synchronization
 - Unmap new external accounts
- Fractional Contribution to Parent Entity:**

Current year:	100 %	Prior year 1:	100 %
Budget balances:	100 %	Prior year 2:	100 %
Forecast balances:	100 %	Prior year 3:	100 %
		Prior year 4:	100 %

Notes:

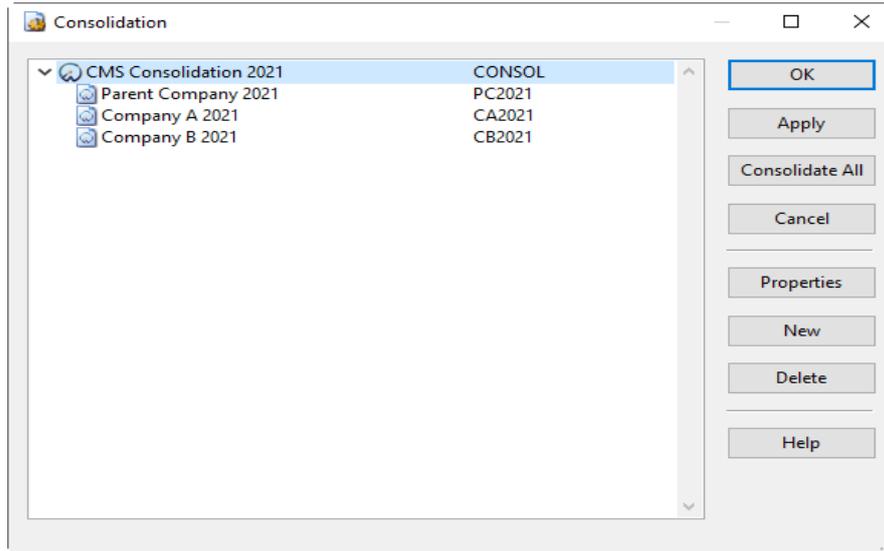
- Select **Include prior balances** to import the prior balances from the entity's file.
- Select **Apply foreign exchange** to import the foreign exchange rate and the accounting records of an entity where the currency is different than the consolidation's currency.
- Select **Exclude zero balances accounts** if you do not want to show these accounts in the consolidation.
- Select **Enable account synchronization** if you want changes to the account properties of the entity's Working Papers file to flow through to the consolidation engagement.

In the **Fractional Contribution to Parent Entity** group, enter the percentage contributed to the consolidation. This has nothing to do with the percentage of ownership. It is highly recommended to always leave this figure at 100%.

Repeat the previous steps to add more entities if required.

When finished, click **OK**. In the Consolidation dialog, click **Apply**.

An example of the Consolidation structure is shown below:



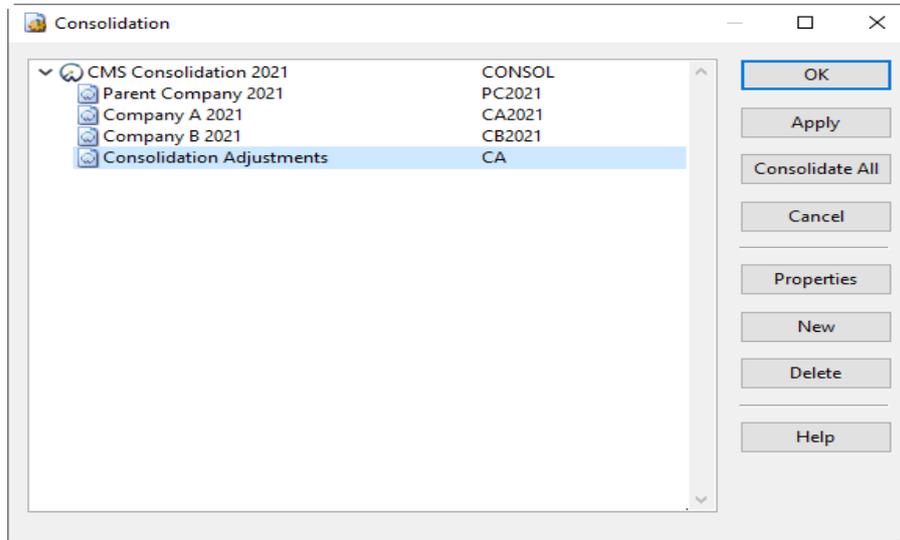
4. Consolidation Adjustments

This step is **HIGHLY** recommended.

Apart from the group entities we need to import an additional caseware file called "Consolidation Adjustments".

This newly created caseware file needs to be imported in the Consolidation dialog following the steps in section 3 above.

The final consolidation dialog will look like this:

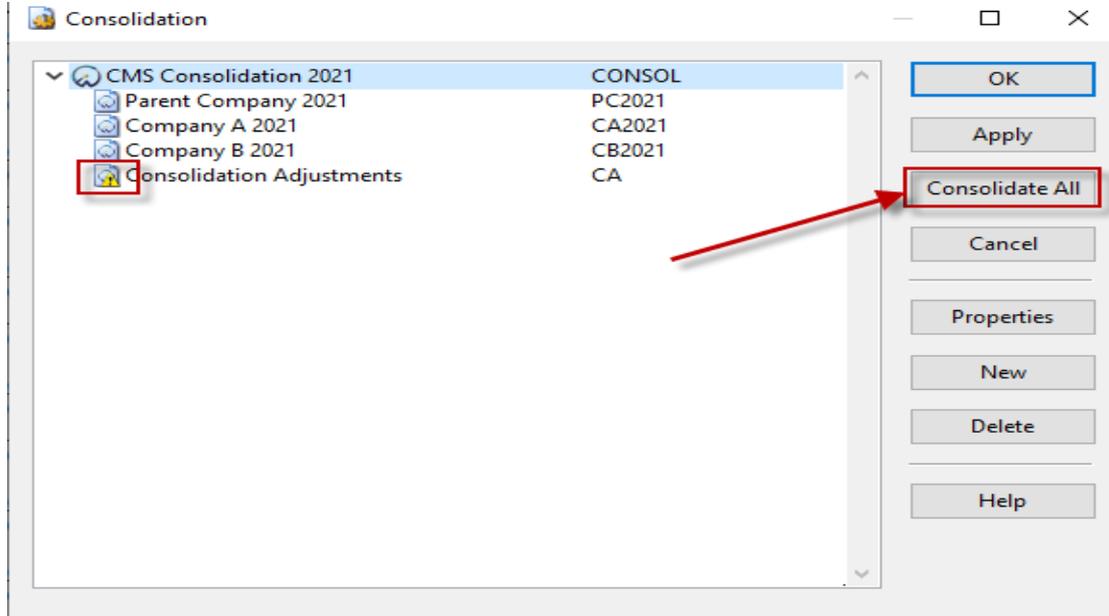


Consolidation adjustment will be made in the Consolidation Adjustments file **NOT** the Consolidation file.

Currently, the consolidation adjustment file does not have a mapped trial balance thus, it does not have any accounts.

For every consolidation adjustment you make you need to create the account numbers being affected and map them accordingly (**Note:** To avoid this you may import the mapped Trial Balance of the Parent Company with zero balances using the copy components procedure)

a) Consolidate the consolidation adjustments



As you may notice there is an **exclamation mark** under the icon of the Consolidation Adjustments file. This icon may appear on any of the entities and indicates that there have been changes to that file that have not been reflected in the consolidation file. To resolve this we need to click on **Consolidate All** button for the changes to take effect.

See below the extract from the consolidated trial balance document:

Account No	Description	CONSOL	PC2021	CA2021	CB2021	CA	Total
1010	Goodwill	0.00	282.40	285.40	235.40	0.00	803.20
1.A.1.1	Goodwill	0.00	282.40	285.40	235.40	0.00	803.20
1015	Amortisation of goodwill	0.00	-113.49	-98.49	-46.49	0.00	-258.47
1.A.1.2	Amortisation of goodwill	0.00	-113.49	-98.49	-46.49	0.00	-258.47
1020	Computer software	0.00	282.40	282.40	235.40	0.00	800.20
1.A.1.3	Computer software	0.00	282.40	282.40	235.40	0.00	800.20
1025	Amortisation of software	0.00	-118.49	-87.49	-46.49	0.00	-252.47
1.A.1.4	Amortisation of software	0.00	-118.49	-87.49	-46.49	0.00	-252.47
1030	Research and developer	0.00	540.40	355.40	235.40	0.00	1,131.20
1.A.1.5	Research and development	0.00	540.40	355.40	235.40	0.00	1,131.20
1035	Amortisation of research	0.00	-123.49	-93.49	-46.49	0.00	-263.47
1.A.1.6	Amortisation of research and	0.00	-123.49	-93.49	-46.49	0.00	-263.47
1040	Patents and trademarks	0.00	555.40	299.40	197.40	0.00	1,052.20
1.A.1.7	Patents and trademarks	0.00	555.40	299.40	197.40	0.00	1,052.20
1045	Amortisation of patents a	0.00	-53.49	-167.49	-35.49	0.00	-256.47
1.A.1.8	Amortisation of patents and t	0.00	-53.49	-167.49	-35.49	0.00	-256.47

The entity's abbreviation is shown at the top of each column.