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| **Alert: You have unresolved diagnostic items from the last refresh of Canvas data.** |

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| **Engagement information** | | |
| **Entity name:** | |  |
| **Date of financial statements:** | |  |
| **Engagement name:** | |  |
| **EY Canvas data fresh as of:** |  | 31/01/20X7 1:02:42 PM |

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| **Obtain an understanding of the SCOT** **[SCOT name]:** |

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|  | None identified. |

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| |  | | --- | | 🞧 | |  | | **SCOT characteristics and audit strategy** | | | | | | | |
| Preliminary audit strategy for this SCOT: | | |  | | | | |
| Type of SCOT: | | Routine | Related in-scope IT applications: | | SAP, Other | | |
| Select all characteristics that apply to this SCOT. | | | | | | | |
| 🞎 | Controls over this SCOT are rotated and are NOT tested in this audit period | | | | |  | |
| 🞎 | Includes related party relationships or transactions | | |  | | | |
| 🞎 | Highly automated | | | | | | |
| 🞎 | Entity uses a service organization within this SCOT | | | | | | |
| Provide a brief summary of the entity's use of a service organization within this SCOT: | | | | | | |  |
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| **Related party relationships and transactions** |
| Document our high-level understanding of the controls, if any, that management has established to: |
| Identify, account for, and disclose related party relationships and transactions in accordance with the applicable financial reporting framework: |
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| Authorize and approve significant transactions and arrangements with related parties: |
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| Authorize and approve significant transactions and arrangements outside the normal course of business: |
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Do not delete this bookmark!

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| **Initiation** | 🗶 |
| The acquisition of any asset is initiated when a business unit determines that there is a need for an asset.  When the purchase requisition (“PR”) has been drafted by the requestor, it will be presented to the Department Manager via SAP for review and approval.  The capitalization of an asset and GL coding is determined at this stage by the Department Manager based on the Company’s PP&E Policy.  **<SE Control 3: All purchase requisitions require Department Manager approval which includes a review of the business purpose of the acquisition, the coding of the asset to the appropriate GL account and the classification of the acquisition as either an operating or capital asset in according with the applicable accounting framework>.**  Once the Purchasing Department receives an approved PR in SAP, the Purchasing Clerk will create a purchase order (“PO”) in SAP. The SAP system automatically generates a PO with a unique number. There is restricted user access to SAP **<SE Control 1: Access to SAP is limited to authorized personnel based on the approved authorization listing>.**  **<SE Control 2: The list of authorized is users for SAP is reviewed annually by the CFO to ensure users authorization limits and access rights are appropriate in accordance with their job responsibilities>.**  According to the Company’s Global Authorization Policy (refer to ***FY1X Summit Equipment Global Authorization Policy*** per Canvas for additional information. Note: not applicable for learning purposes), all purchase orders greater than CHF 500,000 must be reviewed and approved by the Chief Financial Officer (“CFO”) **<SE Control 4: Additions to the PPE over CHF 500,000 are approved by the CFO. During the approval process, the CFO ensures the purchase is supported by the appropriate documentation, aligned with the current budget and spending projections communicated to the Board, and is consistent with the business strategy outlined and approved by the Board of Directors. He also reviews the general ledger coding included on the supporting PO is in line with the description of the asset and with relevant accounting standards>.** The CFO will show their approval for the purchase order by sending an email to the Purchasing Clerk specifically noting the approval of the PO.  The Purchasing Clerk verifies that the purchase order is properly approved by inspecting the email approval. Once all the necessary approvals have been obtained, PO’s are printed from SAP and then sent to the Vendor by fax or electronically via email by the Purchasing Clerk. | |

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| **Recording** | 🗶 |
| Once the PO is marked as ‘Delivered’, SAP will automatically create an entry within the general ledger as follows:  DR – PP&E holding account  CR – Invoices to be received  SAP uses the quantity received and the order price for this entry.  The journal entry is reviewed and authorized by the PP&E Accounting Manager in accordance with the entity’s Managing Journal Entries Policy (SE-004). Once approved, the journal entry is posted to the general ledger. The approved journal entry is also attached to the PO in SAP. | |

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| **Processing** | 🗶 |
| The Accounts Payable (“AP”) department receives all invoices. Invoices are stamped with the date of receipt.  Invoices are entered in SAP by the Accounts Payable Clerks and follow the standard accounts payble process. Refer to ***SE Cash Disbursements Process Narrative*** for additional information (Note: the accounts payable process and related controls are not applicable for learning purposes).  Upon receipt of an invoice, the following journal entry in the AP subledger will occur:  DR – Invoices to be received  CR – Domestic suppliers or Payables - foreign suppliers  Once the invoice has been paid as part of the accounts payble process, the following journal entry will occur:  DR – Domestic suppliers or Payables - foreign suppliers  CR – Cash | |

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| **Reporting** | 🗶 |
| Every month, a PP&E report is prepared by the PP&E Accountant reconciling the PP&E balances. This report contains a detailed Additions Schedule, Disposals Report, Transfers Schedule showing intercompany transfers, Depreciation Report and Impairment Schedule. The asset classes and total balance of the PP&E report is reconciled in the separate IT system.  These reports, along with a reconciliation for each PP&E GL account, are reviewed by the PP&E Accounting Manager and any revisions from that review are provided to the Business Unit to incorporate in the next month’s schedules **<SE Control 6: Month end reconciliations are prepared by the PP&E Accountant and reviewed by the PP&E Accounting Manager to ensure reconciling items over 10,000 are reasonable and are properly investigated, that the balances agree to the underlying support and the reconciliations are prepared within two weeks of month end>.**  Once reconciled, the following journal entry is posted in SAP to record the PP&E balances at month end:  DR – PP&E asset (0002008000-0002017000)  CR – PP&E holding account  On a quarterly basis, an additions report is prepared by asset class (equipment, electronic machines, general plant etc.) and reviewed by the Global PP&E Accounting Manager. This information is then used by the business unit Financial Controller to prepare the financial statement disclosures  Once prepared the financial statements are sent by the Business Unit Financial Controller to the CFO who performs a review. | |

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| **Confirm our understanding of the SCOT** **[SCOT name]:** |

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| **SCOT walkthrough:** | |  | 🗶 |
| Transaction(s) selected: | Purchase of Plant & Equipment – PR#98374 | | |
| Individuals with whom we confirmed our understanding: | Kerri Stephens (Department Manager)  Mario Singh (Warehouse Employee) | | |
| Procedures performed to confirm our understanding: | | | |
| **Additions of Plant & Equipment**  EY obtained and reviewed the PP&E process narrative for Summit Equipment (refer to ***FY1X Summit Equipment PP&E Process Narrative (PM2.1)*** per Canvas).  EY held inquiries with the appropriate process owners to confirm that our understanding of the process was current and accurate.  EY inquired about the process changes from the prior year and noted that there were none. This is consistent with the results of our walkthrough procedures documented below.  EY selected the following PP&E addition from the current year to walkthrough the additions process:   |  |  | | --- | --- | | Date | 8 April 20X6 | | Vendor | ABX Manufacturing | | Vendor Number | ABX001 | | PR Number | 98374 | | PO Number | 4078315 |   **IT Overview**  The entity uses SAP as the Group’s IT system. Summit Equipment also uses a separate IT system to record and account for its PP&E. The system maintains a complete listing of all PP&E held for use and depreciates them according to appropriate accounting, tax, and regulatory requirements in the system.  The system generated reports were supported by effective ITGC’s as tested by EY FAIT and the basis for reliance for electronic audit evidence is documented in our substantive work papers (refer to ***FY1X Summit Equipment Information Produced by the Entity Form*** per Canvas. Note: not applicable for learning purposes).  **Initiation**  EY also inquired with Kerri Stephens how the GL coding allocation for the asset was determined based on the Company’s PP&E Policy. Kerri will ensure the GL coding is reasonable by reviewing the goods and/or services description on the purchase requisition and applying the company’s PP&E Policy which is reviewed annually consistently with the accounting framework. The Department Manager demonstrated an appropriate level of knowledge and understanding that would indicate the ability to perform this control effectively. EY inspected the approved purchase requisition #98374 reviewed by Kerri Stephens (Department Manager) and observed that the reviewer appropriately determined that the expenditures could be capitalized (refer to ***PP&E1*** of the PP&E walkthrough on hard copy file). Additionally, the purchase requisition was coded to GL Account 0002004000 – General Plant, an appropriate GL code per the asset description of the purchase requisition **<SE Control 3: All purchase requisitions require Department Manager approval which includes a review of the business purpose of the acquisition, the coding of the asset to the appropriate GL account and the classification of the acquisition as either an operating or capital asset in according with the applicable accounting framework>.**  **Recording**  For each approved purchase requisition, a PO will be generated in SAP with a unique number, price, delivery terms and expected date of delivery.  Once all the necessary approvals have been obtained, PO’s are printed from SAP and then sent to the Vendor by fax or electronically via email by the Purchasing Clerk.  EY obtained the order confirmation for purchase order #4078315 and agreed the order number, quantity, unit price and overall value of the order to the order confirmation noting no discrepancies.  The received order confirmation from ABX Manufacturing was recorded in SAP by the Purchasing Clerk, and the status of the purchase order was then changed to “Confirmed”.  **Processing**  Once the goods have been received, the warehouse employee uses the Goods Received Note in the shipment to:   1. Check for any external damage to the asset 2. Compare the quantity/type of asset actually received from the vendor.   We inquired of Mario Singh (Warehouse Employee) what types of errors he notices in his review. He mentioned that occasionally, quantities do not agree or that a similar asset is mistaken for another. Should these errors occur, he will make handwritten notes on the Goods Received Note which is then sent to the Purchasing Department for further follow up and resolution with the vendor.  We inspected Goods Received Note #33894 related to purchase order #4078315 mentioned above and noted that it was signed by Mario Singh (Warehouse Employee) stating that the asset had been physically checked.  Additionally, we inquired with the Mario Singh (Warehouse Employee) that he reconciled the related purchase order in SAP on the receipt date and compared it to the Goods Received Note. We verified that it reconciled with SAP by observing the electronic Goods Received Note in SAP. We confirmed with Mario Singh (Warehouse Employee) that this evidences his review and discussed how often he finds reconciling items. He notes that it is uncommon, however, if a reconciling item exists, he makes handwritten notes on the Goods Received Note which is then sent to the Purchasing Department for further follow up and resolution with the vendor.  Mario Singh (Warehouse Employee) showed us a Goods Received Note and email correspondence from another transaction where there was adequate follow up for a reconciling item. EY obtained and inspected the email to confirm each of the details described above (Note: not applicable for learning purposes). The reconciling item was due to the incorrect delivery of an asset, which did not agree to the purchase order. The error was identified and communicated to the Purchasing Manager who contacted the vendor and corrected the discrepancy. The incorrect asset was returned with the correct asset received that day. This follow up evidences the level of precision at which the control operates, as the reconciling item was for the amount of CHF 1265.35 and the total account balance for PP&E at the period end was CHF 64,253,776.  No reconciling items were noted in the transaction selected for our walkthrough so the status of the purchase order was then changed to “Delivered” in SAP by Mario Singh (Warehouse Employee). EY obtained SAP screenshots for the “Delivered” asset in SAP. We noted that Mario Singh (Warehouse Employee) has been in his current position for fifteen years and appears to have the necessary competence and authority to properly execute these tasks.  **Reporting** | | | |

***Note: a detailed assessment of the design effectiveness of SE Controls 1, 2, 3 and 5 have been excluded for learning purposes.***

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| 🞧 | + | **Control name:** | SE Control 1: Access to SAP is limited to authorized personnel based on the approved authorization listing. |

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| 🞧 | + | **Control name:** | SE Control 2: The list of authorized is users for SAP is reviewed annually by the CFO to ensure users authorization limits and access rights are appropriate in accordance with their job responsibilities. |

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| 🞧 | + | **Control name:** | SE Control 3: All purchase requisitions require Department Manager approval which includes a review of the business purpose of the acquisition, the coding of the asset to the appropriate GL account and the classification of the acquisition as either an operating or capital asset in according with the applicable accounting framework. |

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| 🞧 | + | **Control name:** | SE Control 4: Additions to the PPE over CHF 500,000 are approved by the CFO. During the approval process, the CFO ensures the purchase is supported by the appropriate documentation, aligned with the current budget and spending projections communicated to the Board, and is consistent with the business strategy outlined and approved by the Board of Directors. He also reviews the general ledger coding included on the supporting PO is in line with the description of the asset and with relevant accounting standards. |

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| Is our documentation of this control and related procedures contained in another SCOT? | ⭘ |  | 🞊 |  |
| WP reference: | Not applicable. | | | |

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| 🞧 |  | **Other WCGWs in this SCOT addressed by this control:** |  |

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| SE PP&E WCGW 1: The Classification of an Asset Purchase is Incorrect (i.e. operating or capital).  SE PP&E WCGW 2: The GL Coding of an Asset Purchase is Incorrect / Not Performed.  SE PP&E WCGW 4: Assets are Purchased without Proper Approval / Supporting Documentation. |

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| 🞧 |  | **Control properties** |

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| Control Description |  |
| Additions to PP&E greater than CHF 500,000 require approval from the CFO to ensure they are appropriate and accounted for in accordance with Summit Equipment’s PP&E Policy and the applicable accounting framework. | |
| The following significant risks are addressed by this control: | |
| No significant risks have been identified for this SCOT. | |

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| Design attributes (including precision and sensitivity): | | |  |
|  | **A** | As part of the additions review for fixed assets, management (Warren Evans, Chief Financial Officer) will review the additions for proper capitalization in accordance with expectations based on what was requested for approval and the Company’s PP&E Policy. As part of their process management will pay special attention to the type of transaction and review the support prior to approval of the purchase order.  EY re-performed the review of the addition by inspecting the purchase order ensuring that it was booked into an appropriate GL account. Per inspection of purchase order #4078315, we note the conveyer system was coded to GL Account 0002004000 – General Plant which is an asset account used for capital expenditure.  The review of the classification is evidenced by the CFO’s approval. Approval rejection would occur if the classification was not related to the good/services ordered and the PO would be sent back to the Department Manager to appropriately complete the PO with the accurate information.  Refer to ***PP&E3*** of the PP&E walkthrough on hard copy file for support obtained. | |
|  | **B** | Management also reviews the GL Coding to ensure it is appropriate in accordance with Summit Equipment’s PP&E Policy.  Management will verify the correct asset class was selected by checking the GL account the asset was allocated to. This prevents the incorrect depreciation rate from being applied to the asset in SAP.  Per inquiry of Warren Evans, he reviews the dollar value of the expenditure, approved purchase requisition form and verifies that it is in line with his expectations. He also compares the nature of the asset to the GL code noted on the PO to determine if it’s reasonable.  EY re-performed Warren’s review of the addition by inspecting the purchase requisition and ensuring that it was booked into the appropriate GL account. Per inspection of the purchase order, we note the conveyer system was coded to GL Account 0002004000 – General Plant which is an asset account used for capital expenditure.  Refer to ***PP&E1*** of the PP&E walkthrough on hard copy file for support obtained.  The review of the GL coding is evidenced by the CFO’s approval. Approval rejection would occur if the allocated GL code listed on the purchase order was not related to the good/services ordered.  Refer to ***PP&E3*** of the PP&E walkthrough on hard copy file for support obtained. | |
|  | **C** | As part of the review process management identifies that the purchase requisition has been appropriately authorized.  EY inspected the signed purchase requisition *(approved by Kerri Stephens (Department Manager),* or e-mail approval from people with the appropriate level of authority per the Global Authorization Policy to verify if the asset purchase was appropriately authorized (refer to ***FY1X Summit Equipment Global Authorization Policy*** for additional information. Note: not applicable for learning purposes).  Refer to ***PP&E1*** of the PP&E walkthrough on hard copy file for support obtained. | |
|  | **D** | The purchase order request above CHF 500,000 is signed by the CFO as evidence that his review has been complete.  EY inspected the CFO’s approval to ensure that the asset was reviewed by the CFO as evidenced by the completed authorization field on the purchase order.  EY further observed that the purchase order was reviewed in a timely manner, as evidenced by the date of the reviewer's email approval. The email was reviewed by Warren Evans, CFO and was approved in a timely manner on 19 April 20X6.  Refer to ***PP&E3*** of the PP&E walkthrough on hard copy file for support obtained. | |

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| Control Type: | | Manual Prevent | | Frequency: | | As Needed | | | | |
| Testing: | | Yes | Review or monitoring control? | |  | | 🞊 |  | ⭘ |  |
| Testing strategy (select all that apply): | | | | | | | | | | |
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| 🞧 |  | **Control owner information** |

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| Name/title of control owner: | Warren Evans (Chief Financial Officer). | | | | |
| Is the person performing the control objective and competent? | | 🞊 |  | ⭘ |  |
| Document the basis for our conclusion: | | | | | |
| Warren Evans is a Chartered Accountant with over 25 years of experience in corporate finance within the manufacturing industry. Warren commenced his career with Summit Equipment in 20X0 as the Group Financial Controller before progressing to Chief Financial Officer in 20X2.  His experiences, familiarity with the company, and designation support his competence and ability to perform this control. EY concludes that he has the necessary competence and authority to perform this control. | | | | | |
| Document any observations made regarding conflicting duties or authorization issues: | | | | | |
| EY did not observe any conflicting duties or authorization issues. | | | | | |

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| 🞧 |  | **Information produced by the entity (IPE)** |

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| What IPE is used in the execution of this control and how have the IPE risks been addressed? | | |  |
| The IPE used in the execution of this control are:  - Purchase Order.  Refer to ***FY1X Summit Equipment IPE Summary (265GL)*** for additional information on the testing performed on this report. Based on our procedures, we have concluded that we can rely on this report (Note: this schedule is not applicable for learning purposes). | | | |
| What is the source of this information? | Relevant application: | SAP | |
| The purchase order which includes details such as date, amount, vendor details, description and other details is generated in SAP by the Purchasing Manager. |  | | |

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| 🞧 |  | **Review control considerations:** |

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| Describe the precision and sensitivity of the review and the procedures we performed to conclude the review is sufficiently precise: |
| EY inquired of Warren Evans regarding the procedures he takes when reviewing the purchase orders:   1. He ensures that all of the required support for the type of transaction has been included as support. 2. He considers whether they are aware of any special terms or agreements that could affect accounting for the acquisition. 3. He reviews each line of the purchase order to ensure that every line is supported by attached evidence. 4. He matches each dollar line item of the purchase order to the supporting documentation. There is no threshold of allowable error.   All amounts must match supporting evidence. On this basis, EY notes no issues with the precision of management's review.  For additional detail please view the attribute section above. |
| Describe the results of the review and follow-up and the procedures we performed to corroborate actions taken and results: |
| EY inquired of Warren regarding his follow-up process:   1. If he has any questions or review comments, he will raise his queries with the purchase order creator. This is generally performed verbally. At times, the purchase order creator can resolve these immediately though the queries are usually resolved within the next business 1-2 days. EY inquired of George Yates (Purchasing Clerk) regarding this review process and George corroborated the information provided by Warren. 2. Once no further issues are noted, he approves the purchase order and sends an email to the Purchasing Clerk specifically noting the approval of the PO.   **Corroborative Actions**  EY inquired of Warren whether there were any points of follow-up that came up during his review of purchase order #4078315 for conveyer system #00410.  According to Warren, he didn't notice any issues; therefore, no follow-up was required. |

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| 🞧 |  | **Confirm our understanding** |

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| Person(s) we made inquiries of: | |
| Warren Evans (Chief Financial Officer). | |
| Transaction or control instance used to confirm our understanding: | |
| Purchase Order #4078315 (dated 14 April 20X6). | |
| Describe the procedures we performed to confirm our understanding of the design of this relevant control and that it has been implemented: |  |
| Please see documentation in attributes section above for this control. | |
| For review controls, document here our specific inquiries of the control owner. Our testing of design of controls (in particular management review controls) includes performing probing inquiries and documenting the specific inquiries made and the responses to those inquiries. The bullets below highlight some of the more critical inquiries to appropriately test the design of the control:  • How does the reviewer set expectations to critically challenge assumptions, methodologies,  results and other relevant items before performing the review?  • What procedures are performed as part of the review? Are there specific items that receive  additional attention?  • What quantitative or qualitative threshold is used to perform the review? (“Reviewed for  significant and unusual items” should be defined through additional probing questions.)  • What triggers the reviewer to request the preparer to perform additional follow-up procedures?  • What is the nature of questions resulting from the review, the subsequent follow-up and the types of adjustments or changes that result from the review? Were the adjustments or changes made timely? (If no errors have been detected by the control, consider whether this indicates that the control is not designed at a sufficient level of precision.)  • What evidence exists reflecting the nature of questions resulting from the review and follow-up  actions performed? (Does the documentation of questions from the review and follow-up actions taken support a conclusion that the review would prevent or detect a material misstatement?)  • If prospective financial information (PFI) is used, what procedures are performed by the control  owner to challenge the PFI and the related key assumptions?  Refer to CONTROLS Appendix 2 for additional inquiries that can be made. | |
| 1. How does the reviewer set expectations to critically challenge assumptions, methodologies, results and other relevant items before performing the review?   ***The CFO leads a bi-weekly management meeting with personnel from the Treasury, Corporate, PP&E Accounting and other Accounting Departments to provide information on the upcoming purchase and disposal of assets and other business changes (if any). As such, the reviewer is up to date with current and future projects and is able to set expectations for the addition to PP&E.***   1. What procedures are performed as part of the review? Are there specific items that receive additional attention?   ***Please refer to the specific responses in the attributes section and review control considerations* *section above for procedures as part of managements review.***   1. What quantitative or qualitative threshold is used to perform the review? (“Reviewed for significant and unusual items” should be defined through additional probing questions.   ***Please refer to the specific responses in the attributes section and review control considerations* *section above for procedures as part of managements review.***   1. What triggers the reviewer to request the preparer to perform additional follow-up procedures?   ***Typical triggers include any differences between the purchase order and support, if there is a lack of support or if the purchase order is contrary to expectations (e.g. GL coding is inconsistent with the requested asset).***   1. What is the nature of questions resulting from the review, the subsequent follow-up and the types of adjustments or changes that result from the review? Were the adjustments or changes made timely? (If no errors have been detected by the control, consider whether this indicates that the control is not designed at a sufficient level of precision.)   ***According to Warren, follow up is required for items that are coded incorrectly. When this occurs, Warren will return the Purchase Order to the Purchasing Manger to address with the Department Manager. Once corrected it will be resubmitted to Warren to recommence his review.***  ***Please refer to the specific responses in the attributes section and review control considerations* *section above for procedures as part of managements review.***   1. What evidence exists reflecting the nature of questions resulting from the review and follow-up actions performed? (Does the documentation of questions from the review and follow-up actions taken support a conclusion that the review would prevent or detect a material misstatement?)   ***Warren will send an e-mail to the Purchasing Manger explaining his rejection (i.e. coded incorrectly) and to instruct that the purchase order is revised so that items are coded correctly.***  ***EY selected the purchase order review Warren performed for PO##3967204 as the sample to walkthrough. We obtained the rejection email Warren had sent to the Purchasing Manager. As a result of Warren’s review, he identified one asset had been incorrectly coded to Specific Plant and Machinery #0002005000. The other assets had a brief explanation next to them as to why it was reasonable to keep them in their allocated accounts.***  ***Please refer to the specific responses in the attributes section and review control considerations* *section above for procedures as part of managements review.***   1. If prospective financial information (PFI) is used, what procedures are performed by the control owner to challenge the PFI and the related key assumptions?   ***Not applicable for this control.*** | |

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| 🞧 |  | **Control conclusion** |

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| Has the control been designed effectively to mitigate the WCGWs identified and has it been implemented? | 🞊 |  | ⭘ |  |

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| 🞧 | + | **Control name:** | SE Control 5: Journal entries are prepared and recorded in the GL with adequate supporting documentation (i.e. Goods Received Note) and are reviewed and approved by the PP&E Accounting Manager in accordance with the JE Policy (SE-003 Managing Journal Entries). |

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| 🞧 |  | **Control name:** | SE Control 6: Month end reconciliations are prepared by the PP&E Accountant and reviewed by the PP&E Accounting Manager to ensure reconciling items over CHF 10,000 are reasonable and are properly investigated, that the balances agree to the underlying support and the reconciliations are prepared within two weeks of month end. |

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| Is our documentation of this control and related procedures contained in another SCOT? | ⭘ |  | 🞊 |  |
| WP reference: | Not applicable. | | | |

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| 🞧 |  | **Other WCGWs in this SCOT addressed by this control:** |  |

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| 🞧 |  | **Control properties** |

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| Control Description |  |
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| The following significant risks are addressed by this control: | |
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| Design attributes (including precision and sensitivity): | | |  |
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| Control Type: | |  | | Frequency: | |  | | | | |
| Testing: | |  | Review or monitoring control? | |  | | ⭘ |  | ⭘ |  |
| Testing strategy (select all that apply): | | | | | | | | | | |
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| 🞧 |  | **Control owner information** |

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| Name/title of control owner: |  | | | | |
| Is the person performing the control objective and competent? | | ⭘ |  | ⭘ |  |
| Document the basis for our conclusion: | | | | | |
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| Document any observations made regarding conflicting duties or authorization issues: | | | | | |
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| 🞧 |  | **Information produced by the entity (IPE)** |

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| --- | --- | --- | --- |
| What IPE is used in the execution of this control and how have the IPE risks been addressed? | | |  |
|  | | | |
| What is the source of this information? | Relevant application: |  | |
|  |  | | |

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| 🞧 |  | **Review control considerations:** |

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| Describe the precision and sensitivity of the review and the procedures we performed to conclude the review is sufficiently precise: |
|  |
| Describe the results of the review and follow-up and the procedures we performed to corroborate actions taken and results: |
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| 🞧 |  | **Confirm our understanding** |

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| Person(s) we made inquiries of: | |
|  | |
| Transaction or control instance used to confirm our understanding: | |
|  | |
| Describe the procedures we performed to confirm our understanding of the design of this relevant control and that it has been implemented: |  |
|  | |
| For review controls, document here our specific inquiries of the control owner. Our testing of design of controls (in particular management review controls) includes performing probing inquiries and documenting the specific inquiries made and the responses to those inquiries. The bullets below highlight some of the more critical inquiries to appropriately test the design of the control:  • How does the reviewer set expectations to critically challenge assumptions, methodologies,  results and other relevant items before performing the review?  • What procedures are performed as part of the review? Are there specific items that receive  additional attention?  • What quantitative or qualitative threshold is used to perform the review? (“Reviewed for  significant and unusual items” should be defined through additional probing questions.)  • What triggers the reviewer to request the preparer to perform additional follow-up procedures?  • What is the nature of questions resulting from the review, the subsequent follow-up and the types of adjustments or changes that result from the review? Were the adjustments or changes made timely? (If no errors have been detected by the control, consider whether this indicates that the control is not designed at a sufficient level of precision.)  • What evidence exists reflecting the nature of questions resulting from the review and follow-up  actions performed? (Does the documentation of questions from the review and follow-up actions taken support a conclusion that the review would prevent or detect a material misstatement?)  • If prospective financial information (PFI) is used, what procedures are performed by the control  owner to challenge the PFI and the related key assumptions?  Refer to CONTROLS Appendix 2 for additional inquiries that can be made. | |
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| 🞧 |  | **Control conclusion** |

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| Has the control been designed effectively to mitigate the WCGWs identified and has it been implemented? | ⭘ |  | ⭘ |  |

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| |  |  |  | | --- | --- | --- | | 🞧 | | | |  | | **Other considerations:** | | |
| **Considerations for the use of the internal audit function** | |  |
| Who performed the walkthrough? | | |
| 🞊 | EY | |
| ⭘ | Internal auditors | |
| ⭘ | Others | |
| Document how we supervised and reviewed their work, including the method used to select the transaction(s) to walkthrough if we did not make the selection ourselves. | | |
|  | | |

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| --- | --- |
| **Other considerations** | |
| Observations that would indicate issues related to authorization or segregation of duties: |  |
| We have not identified any issues related to authorization or segregation of duties. | |
| Observations that would indicate the potential for management override of controls or other risks of material misstatement due to fraud in the SCOT: |  |
| None noted. | |

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| |  |  |  | | --- | --- | --- | | 🞧 | | | |  | | **Conclusions:** | |
| 🞊 | Our documentation accurately describes the operation of the SCOT and we have identified appropriate WCGWs. |
| ⭘ | Other (document additional observations) |
| Additional observations: | |
| All process owners were competent and possessed the appropriate authority to perform the control(s).  Each control adequately addressed the relevant WCGWs and was capable of effectively preventing, or detecting and correcting a material misstatement. | |

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1.4



Control Summary v1.21

English

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