**Objective:**

Execute the substantive procedures to address the completeness assertion of trade and other payables as of year-end.

**Time:**

* Part I: 35 minutes to complete the work
* Part II: 10 minutes to complete the work

**Instructions:**

You will complete all parts of this exercise working on your own. However, you may discuss any questions you have with the senior assigned to your table.

**Your overall task:**

Address the completeness assertion of the trade and other payables account on the financial statements as of year-end for Summit Equipment.

The task has been split into two detailed steps.

Follow the instructions in this document. It references evidence and documentation you will need in this activity, all of which will be included in your Canvas engagement for you to access as necessary. After you have completed your tasks, you should save your workpapers and support to your hard drive. Then upload your support to the Canvas task, sign off on the task and hand it off to your senior.

If you have questions throughout this activity, ask the facilitator.

# *Part I: Subsequent disbursements*

* You are now performing the year-end substantive procedures for trade and other payables.
* You have 35 minutes to complete Part I

### Steps:

1. Navigate to tasks in the EY Canvas and read through the substantive procedures allocated to you by the senior.
2. Set up the lead sheet as your workpaper for the assigned substantive procedures for payables (Attached in EY Canvas). Index it as N1. Remember to agree the leadsheet with the trial balance.
3. Access the listing of accruals that supports the account identified for testing as at 31 December 20x6 in EY Canvas. Save it to your desktop and index it as N2.

\*\*You are only testing one account. Refer to the ***Additional information*** section below.

1. Test the mathematical accuracy of the accrual listing and agree and cross-reference the total amount to the lead sheet.
2. Access the bank statements for January and February 20X7 for all bank accounts in EY Canvas.

***\*\****The listing of banks have already been obtained by your senior. Refer to ***Additional information*** below.

1. Select disbursements from the bank statements to test based on the testing threshold set.

***\*\****Other information pertaining to the audit is included in the ***Additional information*** section below.

1. Access the supporting documents for the disbursements identified in EY Canvas and determine if they have been accrued properly. Document the results the procedures performed in the workpaper labeled Search for Unrecorded Liabilities. Index this workpaper as N-3 Search.

***\*\****Other information pertaining to the audit is included in the ***Additional information*** section below.

# *Part II: Unpaid invoices 20x7*

* You have 10 minutes to complete Part II

1. Access the list of unpaid invoices covering the period from 1 January through 28 February 20x7 in EY Canvas.
2. Select items for testing based on testing threshold set.

***\*\****Other information pertaining to the audit is included in the ***Additional Information*** section below.

1. Obtain supporting documents of the sample selection and check if accrued properly. Document results in your workpaper marked as N-3 Search for unrecorded liabilities (Attached in EY Canvas).
2. Associate the work performed to the appropriate workstep in EY Canvas and hand-off to your senior.

***\*\****Other information pertaining to the audit is included in the ***Additional Information*** section below.

# *Additional information*

# Bank Listing

The following are the list of bank accounts received from the entity employee(s):

* Hilltop Bank Current Account: Account Number 1001100230
* Hilltop Bank Savings Account: Account Number 1001100430
* Capstone Bank Current Account: Account Number 345624568
* Capstone Bank Deposit Account: Account Number 345624569

The trial balance was also checked by the senior for the cash accounts and the listings above are determined to be all the cash accounts per trial balance.

**Other information**

* In practice, you would need to determine the accounts over threshold for testing. For this activity. We are only testing one account.
* The audit senor has created a template to document your task for Search for Unrecorded Liabilities.
* The control risk assessment for trade and other payables was determined to be minimal. Testing threshold is set at CHF 1,125,000, which is 25% of tolerable error.
* Audit report for this engagement is 28 February 20x7.
* The IPE(s) for this activity has been tested by the senior to address risks related to IPE.