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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:** | | Summit Equipment |
| **Date of financial statements:** | | 31 December 20X6 |
| **Engagement name:** | | Summit Equipment Year End Audit |
| **EY Canvas data fresh as of:** |  | 31/01/20X7 9:56:23 AM |

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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: | | | Controls | | | | |
| Type of SCOT: | | Non-routine | Related in-scope IT applications: | | None  \*Note- the IT application is utilized only for purposes of entering the journal entry into the system only- this is covered within the Purchases process | | |
| 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 process starts when a new equipment is purchased and the property manager requests the purchasing department to obtain insurance quotes from contracted insurance companies. The purchasing department will secure different insurance quotes, which will be reviewed by the property manager for appropriateness of coverage and will be approved by the purchasing manager. Upon approval, the purchasing department then forwards the documents to the accounting department for recording.  **(Note: this process is out-of-scope for purposes of testing within the amortization of the prepayment account)** | |

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| **Recording** | 🗶 |
| **Recording of prepayments**  The intermediate accountant reviews the documents and prepares an accounts payable voucher based on the amount in the payment request form. He/she reviews the terms of the insurance policy and determines if it will meet the accounting policy on recording prepayments **(SE-009 Global Accounting Policy for Prepayments)**. Based on the accounting policy, a prepayment is recorded if the expense benefits more than one period (i.e., more than a month) and are amortized monthly, otherwise, the amount paid is recognized as an outright expense.  If the item meets the Company’s criteria, the following journal entry is prepared:  DR – Prepayments  CR – Payables – Domestic suppliers  If the transaction does not meet the criteria, the intermediate accountant posts the following journal entry:  DR – Insurance  CR – Payables – Domestic suppliers  The senior accountant obtains a copy of the insurance policy and reviews the terms and conditions, including the amount of insurance premiums to be paid. He/she then determines, based on the details of the contract and the Company’s accounting policy for prepayments, whether the transaction should be recorded as a prepayment.  The senior accountant matches the details in the draft JE, such as the amount of insurance paid, date and description, to the AP voucher and insurance policy. He/she then makes an independent assessment on whether the transaction qualifies as a prepayment based on the accounting policy. If an exception is noted, the senior accountant returns the draft JE and AP voucher to the intermediate accountant with specific instructions on what to change. The intermediate accountant revises the entry or amount in the JE and/or AP voucher and forwards it to the senior accountant for review. The review process repeats until all exceptions are addressed. The senior accountant documents the review by placing a tick mark on the AP voucher and insurance policy as evidence of the tie out procedure and approves the transaction by affixing his/her initials in the AP voucher and posting the entry into the system.  **Monitoring**  When the intermediate accountant concludes that an invoice is a prepayment, it is added within the prepayments monitoring spreadsheet. The intermediate accountant updates the spreadsheet monthly and includes the insurance premium amount, term, and respective amortization period. The amortization is automatically calculated within the spreadsheet based on terms and the current month, as the spreadsheet is pre-populated with a formula to perform the calculation that was reviewed by the senior accountant.  **Amortization**  Each month, the intermediate accountant prepares a JE based on the total amount of amortization expense for the month in the prepayments monitoring spreadsheet. The pro-forma JE to record amortization expense is as follows:  DR – Amortization Deferred Charges  CR – Prepayments  The senior accountant pulls out the inventory of insurance policies availed of each month and determines whether each policy was included in the spreadsheet. He/she checks the clerical accuracy of the footers/extensions by recomputing the amounts in the spreadsheet. He/she then matches the amount in the JE to the total amortization per month in the spreadsheet. If there are any exceptions, the senior accountant sends back the JE to the intermediate accountant with specific comments based on the review. The intermediate accountant prepares a reconciliation explaining the difference and adjusts the spreadsheet based on the reconciliation made. The review process repeats until all exceptions are addressed. The senior accountant documents the review by placing a tick mark on the monthly total column of the spreadsheet as evidence of the tie-out procedure and signifies his/her approval by posting the JE into the system. | |

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| **Processing** | 🗶 |
| The documents will be forwarded to the treasury department for payment scheduling and recording into the payable system/ledger. Once the amount has been entered into the system as to be paid, it follows the purchases process as included within the **Purchases Process** narrative.  **(Note:** **this process is out-of-scope for purposes of testing within the amortization of the prepayment account)** | |

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| **Reporting** | 🗶 |
| The Finance Manager compares the information contained in the prepayments monitoring spreadsheet on a monthly basis, such as the insurance premiums paid, terms and amortization period, against the JEs posted in the system. The Finance Manager then compares the amounts of prepayments and amortization expense against the monthly budget. The senior accountant prepares a reconciliation and explanation of the difference between the budget and actual amounts. When the Finance Manager identifies an unrecorded transaction (i.e., a transaction in the spreadsheet that was not recorded in the system), the Intermediate Accountant prepares an adjusting JE to record the unrecorded transaction and follows the guidance in Section 7.2 of the narrative **(PM8.2.2D Prepayments Process Narrative)**. | |

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

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| **SCOT walkthrough:** | |  | 🗶 |
| Transaction(s) selected: | Month of September 20X6  Availment of prepaid insurance - recorded on 1 September 20X6 | | |
| Individuals with whom we confirmed our understanding: | Martin J Hayter (Finance Manager)  Eduardo Elizondo (Intermediate Accountant)  Vladmira Tokareva (Senior Accountant)  Corey Fulton (Purchasing Manager)  Deron Smith (Property Manager) | | |
| Procedures performed to confirm our understanding: | | | |
| EY obtained and reviewed the prepayments process narrative for Summit Equipment (refer to ***PM8.2.2D Prepayments Process Narrative*** attached in Canvas).  EY held a meeting on 4 January 20X7 with the individuals cited above to confirm our understanding as understood within the aforementioned prepayments process narrative.  During this meeting, EY inquired about any 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 randomly selected the following transaction to walkthrough the prepayments process:   |  |  | | --- | --- | | JE #: | 201X-3000-3200093827 | | Posting date: | 1 September 20X6 | | Description: | To record the purchase of prepaid insurance for new equipment. |   **Initiation**  EY inquired of Deron Smith (Property Manager) regarding the initiation process of availing insurance for new machinery and equipment. Consistent with the prepayments process narrative (PM8.2.2D Prepayments Process Narrative), the process was initiated when he requests to avail of prepaid insurance for a new equipment.  EY obtained a copy of the Property Manager’s e-mail request to the Purchasing Department for availment of prepaid insurance for a new equipment, price quotes from contracted insurance companies and payment request form. The documents were then forwarded to the Accounting Department.  **(Note: this section is not included for learning purposes.)**  **Recording**  EY obtained a copy of the AP voucher that was prepared by Eduardo Elizondo, intermediate accountant, based on the amount in the payment request form *(SR P02 AP Voucher)*.   |  |  | | --- | --- | | *Vendor Name* | *JPS Insurance, Co.* | | *APV No.* | *10001* | | *Date* | *1 September 20X6* | | *Amount* | *CHF400,000* | | *Explanation* | *To record purchase of prepaid insurance for the new equipment.* |   EY obtained a copy of the related insurance policy *(SR P01 Insurance Policy Summary)* and noted that the amount of insurance premium to be paid agrees with the amount in the AP voucher. Vladmira Tokareva, senior accountant, showed to us the related JE to purchase prepaid insurance that was posted in the system. Details are as follows:   |  |  | | --- | --- | | *JE No.:* | *201X-3000-3200093827* | | *Date:* | *1 September 20X6* | | *Preparer:* | *Eduardo Elizondo* | | *Reviewer:* | *Vladmira Tokareva* | | *Debit:* | *Prepayments – 400,000* | | *Credit:* | *Payables – Domestic suppliers – 400,000* | | *Explanation:* | *To record purchase of prepaid insurance for the new equipment.* |   EY notes that the JE was prepared by Eduardo Elizondo and approved by Vladmira Tokareva. The senior accountant walked us through her review by showing JE (in the actual system- a download was not utilized) that was posted in the GL and obtaining the supporting AP voucher and insurance policy summary page. She demonstrated that the amounts in the JE agrees with the AP voucher and amount to be paid in the insurance policy summary page, together with the description of the transaction and date recorded. The senior accountant placed tick marks in the supporting documents to show that she agreed the documents before approving the JE for posting. Furthermore, the senior accountant showed us the terms of the insurance policy and the Company’s accounting policy in recording prepayments as the basis for her own assessment that the amount paid should be recorded as a prepayment. EY notes that in the instance we are walking through, the amount paid to avail of the insurance policy qualifies as a prepayment and should be recorded as such in the system. We also noted that the JE posted in the system was correct and there were no exceptions requiring follow-up on the subject transaction. (**SE CR Control 1: The senior accountant matches the amounts in the draft JE to the AP voucher and insurance policy summary. He/she then makes an independent assessment on whether the transaction qualifies as a prepayment based on the accounting policy. If an exception is noted, the senior accountant returns the draft JE and AP voucher to the intermediate accountant with specific instructions on what to change. The intermediate accountant revises the entry or amount in the JE and/or AP voucher and forwards it to the senior accountant for review. The review process repeats until all exceptions are addressed. The senior accountant documents the review by placing a tick mark on the AP voucher and insurance policy summary as evidence of the tie out procedure and approves the transaction by affixing his/her initials in the AP voucher and posting the entry into the system)**.  EY obtained a copy of the prepayments monitoring spreadsheet *(SR P03 Prepayments Monitoring Spreadsheet)* for the month ending 30 September 20X6. We noted that the spreadsheet was updated to include the amount of insurance paid, term, amortization period and amortization amount. The spreadsheet was prepared by the intermediate accountant and reviewed by the senior accountant. EY confirmed with the senior accountant that there was only one prepayment transaction for the month of September.  The intermediate accountant provided us with a copy of the prepayments monitoring spreadsheet for the month of September *(SR P03 Prepayments Monitoring Spreadsheet)* and pointed out the total amortization column. The senior accountant showed in the system the JE posted that was posted to record amortization expense for the month of September and showed that the amount in the total amortization column of the spreadsheet tallies with the amount in the JE posted in the system. Details of the JE posted in the system are as follows:   |  |  | | --- | --- | | *JE No.:* | *201X-5000-3200092921* | | *Date:* | *30 September 20X6* | | *Debit:* | *Amortization deferred charges – 183,333.33* | | *Credit:* | *Prepayments – 183,333.33* | | *Explanation:* | *Amortization expense for the month of September* |   *EY reperformed the procedures as walked through as follows- EY notes that the amount in the JE agrees with the amount in the ‘Sep 20X6’ column of the prepayments monitoring spreadsheet. Also noted was that the transaction in JE# 201X-3000-3200093827 above was included in the spreadsheet, with the related monthly amortization amounts reflected in the total of the amortization recorded in JE# 201X-5000-3200092921. We checked the footings/extensions and formulas in the excel spreadsheet and found no exceptions. We also confirmed with the senior accountant that there was only one prepayments transaction during the month of September (SR P01 Insurance Policy Summary) and that there was no exceptions noted during the review process. EY also notes that the JE was prepared by Eduardo Elizondo and approved by Vladmira Tokareva.* ***(SE CR Control 2: The senior accountant pulls out the inventory of insurance policies availed of each month and determines whether each policy was appropriately included in the spreadsheet, including the supplier name, amount paid and date availed. He/she checks the clerical accuracy of the footers/extensions by recomputing the amounts in the spreadsheet. He/she then matches the amount in the JE to the total amortization per month in the spreadsheet. If there are any exceptions, the senior accountant sends back the JE to the intermediate accountant with specific comments based on the review. The intermediate accountant prepares a reconciliation explaining the difference and adjusts the spreadsheet based on the reconciliation made. The review process repeats until all exceptions are addressed. The senior accountant documents the review by placing a tick mark on the monthly total column of the spreadsheet as evidence of the tie-out procedure and signifies his/her approval by posting the JE into the system)****.*  **Processing**  After recording, the documents were forwarded to the treasury department for scheduling of payment. **(Note: this section is not included for learning purposes)**  ***Reporting***  *We inquired with Martin J Hayter, Finance Manager as to the nature of his review and confirmed that he reviews the spreadsheet by tracing to the JEs posted in the system during the month and comparing details, such as the amount paid, date and amortization amount. EY reperformed the procedure by observing the amounts in the system and traced the details back to the supporting documents.*  *EY obtained a copy of the reconciliation made by the senior accountant for the month of September, explaining the difference between the budget and actual amounts (SR P04 September Reconciliation). We noted that the Company made a large claim in the prior year, due to mishandling by a machine operator that prompted JPS Insurance to increase their rates for 20X6. The reconciliation was prepared by Vladmira Tokareva and reviewed by Martin J Hayter. We also confirmed with Martin J Hayter that there were no unrecorded transactions for the month of September.* | | | |

***Note: A detailed assessment of the design effectiveness of SE CR Control 1 has been excluded for learning purposes.***

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| 🞧 | + | **Control name:** | SE CR Control 1: The senior accountant matches the amount, date and description in the draft JE prepared by the intermediate accountant to the AP voucher and insurance policy. He/she then makes an independent assessment on whether the transaction qualifies as a prepayment based on the accounting policy. |

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| 🞧 | + | **Control name:** | SE CR Control 2: On a monthly basis, the senior accountant compares the insurance policies availed for the month to the entries in the prepayments monitoring spreadsheet. The senior accountant determines whether all insurance policies for the month have been included in the spreadsheet and amortized appropriately. |

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

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

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| SE Prepayments WCGW 1: Amortization expense is not recorded on prepaid insurance.  SE Prepayments WCGW 2: Extensions/totals in amortization schedule are incorrect.  SE Prepayments WCGW 3: Prepaid insurance has no future benefit.  SE Prepayments WCGW 4: Amortization expense is calculated using an inappropriate basis. |

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| 🞧 |  | **Control properties** |

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| Control Description |  |
| The senior accountant pulls out the inventory of insurance policies availed of each month and determines whether each insurance policy was appropriately included in the prepayments monitoring spreadsheet, including information on supplier name, amount paid and date availed. If there is an exception, the senior accountant will ask the intermediate accountant to include the omitted transaction in the spreadsheet, compute for the corresponding amortization and update the totals in the spreadsheet. She checks the clerical accuracy of the footers/extensions in the spreadsheet by recomputing the amounts in double checking the formulas in the ‘total’ cells. She then matches the amount in the JE prepared by the intermediate accountant to record amortization expense for the month to the total amortization for the corresponding month in the spreadsheet. The review process repeats until all exceptions are addressed. The senior accountant documents the review by placing a tick mark on the monthly total column of the spreadsheet as evidence of the tie-out procedure and signifies her approval by posting the JE into the system. | |
| 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** | The senior accountant performs a monthly review of the prepayments monitoring spreadsheet. There are several levels of review performed over this spreadsheet. The senior accountant obtains the new insurance policies entered into for the current month and determines whether each policy was included in the spreadsheet (and that all information agrees from the spreadsheet to the policy).  *EY will obtain a copy of the prepayments monitoring spreadsheet and insurance policies that were availed for the month of September 20X6. EY will determine whether all insurance policies were appropriately included in the spreadsheet, including the supplier name, amount paid and date availed.* | |
|  | **B** | The senior accountant checks the clerical accuracy of the footers/extensions by recomputing the amounts in the spreadsheet.  *EY will obtain a copy of the spreadsheet and recalculate the footers/extensions clerical accuracy. EY will also review the cells that contain formulas for appropriateness and consistency with the entity’s prepayment policy.* | |
|  | **C** | The senior accountant matches the amount in the JE to the total amortization per month in the spreadsheet.  *EY will obtain a copy of the spreadsheet and observe the corresponding JE posted in the system. EY will agree the amounts in the September total amortization column of the spreadsheet to the amount in the JE.* | |
|  | **D** | If there are noted exception, the senior accountant will ask the intermediate accountant to include the omitted transaction in the spreadsheet, compute for the corresponding amortization, update the totals in the spreadsheet and/or revise the amount in the JE. The intermediate accountant submits the corrected document or JE again for her review.  *For noted exceptions, EY obtains a documentation, such as an e-mail from the senior accountant to the intermediate accountant, explaining the error noted and changes that have to be made. EY observes whether the error has been corrected in the spreadsheet or in the JE.* | |

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| Control Type: | | IT Dependent Manual Control | | Frequency: | | Many times per day | | | | |
| 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: | Vladmira Tokareva (Senior Accountant) | | | | |
| Is the person performing the control objective and competent? | | 🞊 |  | ⭘ |  |
| Document the basis for our conclusion: | | | | | |
| Vladmira Tokareva is an experienced accountant who has been with Summit Equipment for more than 5 years. She is a Certified Public Accountant and has almost 10 years of corporate accounting experience. Prior to Summit Equipment, she worked for another retail company as an accounting supervisor, who is in-charge of monitoring JEs that are posted in SAP.  Her experiences, familiarity with the company and industry, and designation support his competence and ability 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:  - Screenprint from system - PM8.2.7D SAP AP entry  - Screenprint from system - PM8.2.9D September amortization entry  Refer to ***20X6 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 included for learning purposes.**) | | | |
| What is the source of this information? | Relevant application: | SAP | |
| Downloaded copy of JE – The JE screenprints were generated and downloaded from SAP. |  | | |

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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 Vladmira Tokareva how she performs her review of the prepayments monitoring spreadsheet and JE prepared by the intermediate accountant to record amortization expense for the month of September.  *Vladmira Tokareva performs the following steps during her review:*   1. *She matches the details (i.e., supplier name, amount paid and date availed) of the insurance policies availed in the month of September with the corresponding entry in the spreadsheet. EY notes that there was only one insurance policy availed in the month of September (SR P01 Insurance Policy Summary) and that the supplier name, amount paid and date availed agrees with the corresponding entry in the spreadsheet (SR P03 Prepayments Monitoring Spreadsheet).* 2. *She then checks for the clerical accuracy of the footings and extensions in the report and the appropriateness of the formulas contained in the total cells. To evidence her review, she places tick marks on total columns to evidence her review. EY recalculated the totals/extensions and reviewed the formulas contained in the total cells and found no exceptions.* 3. *She reviews the JE prepared by the intermediate accountant to record amortization expense for the month of September by agreeing the amount in the JE to the total amortization expense for the month of September in the spreadsheet. EY notes that the total amortization in ‘Sep 20X6’ column in the spreadsheet agrees with the amount in the JE. EY also notes that the JE was prepared by Eduardo Elizondo and reviewed by Vladmira Tokareva.* 4. *Whenever exceptions are noted, she sends back the JE to the intermediate accountant with specific comments based on the review. The intermediate accountant prepares a reconciliation explaining the difference and adjusts the spreadsheet based on the reconciliation made. EY confirmed with the senior accountant that there were no exceptions noted during her review of September prepayment transactions and through observation and inquiry, there were no exceptions noted during the entirety of the current year. To corroborate the nature and detection of exceptions identified, we note that an exception was noted in our prior year walkthrough documentation for the month of July and confirmed that the exception has been resolved. Refer to* ***Summit Equipment PY Walkthrough Documentation (Note: this was not included for learning purposes).*** |
| Describe the results of the review and follow-up and the procedures we performed to corroborate actions taken and results: |
| EY inquired of Vladmira Tokareva regarding the follow-up process:  *There were no exceptions noted during the performance of the review in this instance However, when exceptions are identified, as noted above, an email is sent with the exceptions identified and complete reconciliation is performed to document the reason for the exception noted and correct any, if appropriate. Vladmira performs a second review after receiving the follow up reconciliation to verify that all exceptions have been appropriately documented or corrected as part of her general follow up process. While there was no follow up in the instance of our selection, as noted above EY noted an exception in the prior year walkthrough documentation where Vladmira demonstrated how the exception was resolved.*  **Corroborative Actions**  *EY inquired of Vladmira Tokareva whether there were any points of follow-up that came up during her review of the September 20X6 JE to record amortization expense.*  *There were no points for follow-up that came up during the review. See note above regarding the follow-up process.* |

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

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| Person(s) we made inquiries of: | |
| Vladmira Tokareva (Senior Accountant) | |
| Transaction or control instance used to confirm our understanding: | |
| JE# 201X-5000-3200092921 dated 30 September 20X6 to record amortization expense for the month of September. | |
| 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 senior accountant frequently attends accounting-related trainings that are sponsored by the Company. She helps cascade any changes based on these trainings to the Company’s internal manuals, policies and procedures to stay compliant with the relevant standards.*   1. What procedures are performed as part of the review? Are there specific items that receive additional attention?   ***Refer to the specific procedures performed documented 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.   ***Refer to the specific procedures performed documented 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?   ***Any errors noted by the senior accountant in the JE or inconsistencies with the supporting spreadsheet will trigger an additional follow-up procedure.***   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.)   ***Refer to the specific procedures performed documented 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?)   ***Refer to the specific procedures performed documented in the attributes section and review control considerations* *section above for procedures as part of managements review. The steps taken support a conclusion that the review would prevent or detect a material misstatement.***   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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| **Considerations for the use of the internal audit function** | |  |
| Who performed the walkthrough? | | |
| **x** | 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:** | |
| **x** | Our documentation accurately describes the operation of the SCOT and we have identified appropriate WCGWs. |
| ⭘ | Other (document additional observations) |
| Additional observations: | |
|  | |

**\*\*\*** **Do not edit or delete anything below this point in the document! \*\*\***

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Control Summary v1.21

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