The following are comments related to the design attributes outlined on page 7 of the walkthrough document (HO8.2.1D). They are the responses to the items noted in red within that document for our specific walkthrough selection.

***Walkthrough attribute documentation***

**Attribute 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.

*Walkthrough Response:*

EY obtained a copy of the prepayments monitoring spreadsheet and insurance policies that were availed for the month of September 20X6. EY compared the insurance policies availed to the entries in the prepayments monitoring spreadsheet, including supplier name, amount paid and date availed, to determine whether all policies availed were included. We noted that all policies were appropriately included in the spreadsheet.

**Attribute 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.

*Walkthrough Response:*

EY obtained a copy of the prepayments monitoring spreadsheet and recalculated the footers/extensions for clerical accuracy. EY performed a review of the cells that contain formulas for appropriateness.

**Attribute 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.

*Walkthrough Response:*

EY obtained a copy of the prepayments monitoring spreadsheet and observed the corresponding JE posted in the system. EY agreed the amount in the September total amortization column of the spreadsheet to the amounts in the corresponding JE.

**Attribute D** - 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, 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.

*Walkthrough Response:*

EY noted no exceptions for the September 20X6 transaction 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)**.

**JPS Insurance Co.**

0002 Bolivar Road East, Los Angeles CA 90001

+1 800 999 0982

Company Name: Summit Equipment, Inc.

Date: 1 September 20X6 √

Property to be insured: Machinery equipment for production of camp supplies, equipment and accessories. √

Details:

Model No.: RX92839

Gross weight: 30,480 kgs (67,200 lbs)

Max. payload: 27,570 kgs (60,790 lbs)

Tare weight: 2,910 kgs (6,410 lbs)

Condition: Brand new

Cost: CHF400,000 per year √

Term: Renewable every year

Coverage: 1. Accidental mishandling

2. Fire and explosion

3. All other acts of God

Payout: JPS Insurance will cover 80% and 100% of the equipment replacement cost for the first and next six months, respectively, due to damage caused by the covered items.

Remarks If there are no claims for the year, the Company is entitled to a CHF20,000 discount upon renewal. Otherwise, JPS reserves the right to re-evaluate the Company’s account upon renewal.





√ - information agreed to SR P02, SR P03 and the JE to record the purchase of prepaid insurance posted in the system. No exceptions noted.

**SR P01 Insurance Policy Summary**