**Suggested solution – Accounts Payable**

**Time:** 5 minutes

**Instructions:**

* Map the relevant assertion(s) to the accounts payable balance risks.
* Assertions can be mapped to more than 1 risk.
* Each correct answer will earn 1 point.

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| **Assertions** |
| Existence (E) |
| Completeness (C) |
| Rights & Obligations (R&O) |
| Valuation (V) |
| Presentation & Disclosure (P&D) |

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| **Risk/WCGW** |
| A payment is made to a vendor for goods that were not received. (C)(R&O)(E) |
| The trade payables subledger is incorrect due to an input error of the quantities received by the Receiving clerk in the warehouse. (C)(V)(R&O) |
| A trade payable is recorded for an asset that the Company does not legally own yet. (R&O)(E)(P&D) |
| A payable is incorrectly recorded twice for the same purchase. (E) |
| Purchases and the corresponding payables are not properly authorized in accordance with Company policy. (R&O)(E) |
| The payable for a purchase of an asset is recorded to the wrong liability account. (P&D)(C) |