# Overview

This PM contains the necessary information for performing the “Confirming Our Understanding” and “Walkthrough”.

# Overall Case Study Information

1. Summit Equipment has financial statements closing at 31 December. We are working on the financial statements at 31 December 20X6. Prior period is 31 December 20X5. We are performing our procedures to confirm our understanding of the relevant SCOTs.
2. You will have to document your work on gaining an understanding of the SCOT you’ve been assigned and then confirming that understanding by completing a walkthrough of the SCOT that has been assigned to you.
3. The allocation of the tasks are indicated in the EY Canvas engagement. You should only perform the steps assigned to you.
4. The facilitators will play the role of the client representative. You will ask questions of the client representative as if you really were at the entity location. You also have the ability to interact with the senior who will provide guidance and review your work.
5. **Work in your table teams to complete the tasks, but you are each responsible for completing your own workpaper documentation.**
6. Your team can work together to prepare the questions to ask the client representative but only one person per group should interview the client. All participants will need to interact with the entity representative throughout the day, so take turns.
7. Keep in mind that you may want to keep a detailed list of items for which you are waiting on or have to do, such as those items that require follow-up. The client representative and senior may not be readily available, so they might be delayed in following up on items. You should continue to do as much as possible while waiting for the entity representative or senior to become available.
8. After you have completed your tasks, you should save your workpapers and supporting documents to your hard drive. Then upload your support to the EY Canvas task, sign off on the task and hand it off to your senior.
9. The Group Leader will also need to email their completed workpapers and support to your assigned senior for their review. The seniors will review the workpapers prepared by the Group Leader, prepare review notes for you to address, score your team on the quality of the work documented and provide your team with feedback on the client interview.

# Case Study

## Confirming Our Understanding

### Objective

Practice performing procedures to confirm our understanding of a SCOT.

### Time

* 30 minutes to read through the existing electronic files (see below) available in the EY Canvas engagement
* 15 minutes to prepare for the interview by drafting questions and determining the support needed to confirm your understanding of the SCOT. You can ask your senior to review the information you have prepared.
* 10 minutes for conducting each interview. You need to pick a time slot for your interview with the respective client representative. You will also need to monitor the time during the interview, as it will end on schedule to allow for the next team.
* 40 minutes to complete your documentation.

### Instructions

* You should first familiarize yourself with your SCOT by reading the narrative and flowchart. Your senior has already selected one transaction for the walkthrough, which was already started by another team member. So you only need to complete the boxed in sections.
* You will then need to interview your client representative to complete the walkthrough documentation confirming your understanding of the SCOT. Only one member of your table team may interview the client. All other team members should attend the interview and take notes.
* You will have to speak to the appropriate member of Summit Equipment’s management team:
  + Cash/Cash Receipts SCOT – Martin Hayter, Finance Manager
  + Payroll/Payroll SCOT – Seth Jeffrey, Controller
  + Accounts Payable/Purchases and Trade payables SCOT – Keith James, Assistant Purchasing Manager
  + Prepayments/ Record and amortize prepayments SCOT - Vladmira Tokareva, Senior Accountant
* The entity’s personnel are of course very busy and will have only limited time to answer any questions. Therefore each interview will be limited to 10 minutes.

1. Once you have completed your interview, document the walkthrough procedures performed and your conclusions on the design effectiveness of the controls within the walkthrough documentation workpaper.
2. You will also need to cross-reference the support received to the walkthrough.
3. You should work in your table teams to complete this activity, but **each** of you is required to document your work individually, using the applicable form (**SCOT Walkthrough Documentation – PM 8.2.4**).
4. At the conclusion of this activity, the Group Leader will need to send the walkthrough and supporting documentation to the senior for review.

### EY Canvas

Perform the following to access the available documents in EY Canvas:

1. From your dashboard, click on the “My Tasks” tile to open your task list.
2. Scroll down your list of tasks and open the walkthrough (WT) task for the SCOT related to your assigned significant account.
3. You will find attached to your respective task the relevant information to be used to gain an understanding of the SCOT:
4. Client prepared narrative (PM 8.2.2)
5. EY prepared flowchart (PM 8.2.3)
6. Walkthrough documentation workpaper (partially completed) (PM 8.2.4)