Substantive Testing

Accounting & Finance

Testing balances directly, and the assertions each test addresses.

Assertion and typical test.

Assertion	Question	Typical test
Existence	Does it exist?	Inventory count, confirmation
Completeness	Is anything missing?	Trace from source to ledger
Valuation	Is the amount right?	Recalculate, check NRV
Rights	Do we own it?	Title deeds, contracts
Cutoff	In the right period?	Test either side of year end
Presentation	Disclosed correctly?	Review disclosures

Existence tests work from the ledger to the item. Completeness tests work the other way — that direction is the whole point.