

# AUDIT PROCESS

## FIELDWORK

---

### Definition and Purpose

Fieldwork is the process of gathering evidence and analyzing and evaluating that evidence as directed by the approved Audit Procedures. The audit objectives and procedures should be performed so that the most important and significant audit steps are completed first. Conclusions on audit objectives will form the basis for an audit opinion. Workpapers, including Audit Observation Forms, should be forwarded for review by audit management upon completion of a meaningful section of the audit rather than waiting until all fieldwork is completed.

Throughout fieldwork, professional judgment should be used to: a) determine whether evidence gathered is sufficient, relevant, competent, and useful to conclude on the established objectives; and b) based on the information available, reassess the audit objectives, scope, and procedures to ensure efficient use of audit resources (e.g., should the remaining audit steps be eliminated, should the objective or scope be modified, have more efficient procedures been identified, or should additional hours be allocated to achieve an expanded audit objective). Document changes in audit objectives, scope, and procedures in the workpapers.

Fieldwork includes:

1. Gaining an understanding of the activity, system, or process under review and the prescribed policies and procedures, supplementing and continuing to build upon the information already obtained in the risk assessment process.
2. Observing conditions or operations.
3. Interviewing people.
4. Examining assets and accounting, business, and other operational records.
5. Analyzing data and information.
6. Reviewing systems of internal control and identifying internal control points.
7. Evaluating and concluding on the adequacy (effectiveness and efficiency) of internal controls.
8. Conducting compliance testing.
9. Conducting substantive testing.
10. Determining if appropriate action has been taken in regard to significant audit concerns and corrective actions reported in prior audits.

Standards for documenting fieldwork (e.g., the evidence gathered, the analyses made, the tests performed), to support the findings and conclusions are presented in the sections Workpapers and Audit Observations. In general, all audit work performed should be documented. Each audit procedure should be supported by and have DocLinks to workpapers (schedules, memos, spreadsheets) on which testing performed and results achieved are documented.

Fieldwork should be performed at the auditee's location to facilitate communication with the auditee. The auditor should maintain contact with auditee management and keep them informed of the audit observations and other developments throughout the audit. They may be able to provide additional information or may wish to adopt procedures quickly to rectify deficiencies.