

AUDIT PROCESS

WORKPAPERS

Introduction

The auditor documents the work performed in AutoAudit. The workpapers serve as the connecting link between the audit assignment, the auditor's fieldwork, and the final report. Workpapers contain the records of the planning and risk assessment process, audit procedures, fieldwork, and other documents relating to the audit. Most importantly, the workpapers document the auditor's conclusions and the reasons those conclusions were reached. The disposition of each audit observation identified during the audit and its related corrective action should be documented on an Audit Observation Form within AutoAudit. Workpapers should be completed throughout the audit. As each meaningful section is completed, the auditor should submit the related workpapers for review. The workpapers provide a basis for evaluating the Office's quality assurance program and demonstrate the Office's compliance with the The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

Workpapers should be economical to prepare and to review. It is easy to include every scrap of information and every form in the workpapers. However, the workpapers then become a confused mixture of data that is difficult to assimilate and use. Workpapers should be complete but concise--a usable record of work performed. Auditors should include in their workpapers only what is essential; and they should ensure that each workpaper included serves a purpose that relates to an audit procedure. Workpapers that are created and later determined to be unnecessary may be deleted.

Among other things, workpapers may include:

- Planning documents and audit procedures.
- Controls questionnaires, flowcharts, checklists, and narratives.
- Notes and minutes resulting from interviews.
- Organizational data, such as charts and job descriptions.
- Copies of important documents.
- Information about operating and financial policies.
- Results of control evaluations.
- Letters of confirmation and representation.
- Analysis and test of transactions, processes, and account balances.
- Results of analytical review procedures.
- Audit reports and management responses.
- Audit correspondence that documents the audit conclusions reached.

Workpapers should be clear and understandable. The auditor should keep in mind that other people will examine and refer to the workpapers. The workpapers should not need any supplementary information and should stand alone. An experienced auditor reviewing the workpapers, without referring to documents outside of those included in the workpapers and without asking questions, should be able to identify what the auditor set out to do, what they did, what they found, and what they concluded. Conciseness is important; but clarity should not be sacrificed just to save time and space.

SCANNED DOCUMENTS

Scanned documents should include a reference to the source and the purpose of the document when relevant to understanding or appreciating the actual audit work performed. Such information needs to be included only when it is not provided elsewhere in the workpapers or apparent by the actual document.

WEBLINKS

When using references to websites in auto workpapers, to help ensure the site can be readily accessed in the future, both the name of the site and a hotlink to the website should be included. If specific information from a website was referenced (e.g., Federal Register, IRS publications, various guidelines), the webpage should be saved to a file and attached to the workpapers.

TICKMARKS

Tickmarks do not need to be standardized throughout the set of workpapers, but must be consistent throughout a particular workpaper. Tickmark explanations must be a part of the workpaper.

DOCLINKS (CROSS-REFERENCING)

Workpapers should be prepared using the appropriate DocLinks (cross-referencing). A DocLink from the Audit Procedures to the primary workpaper provides a reference to where the work was performed. It is not necessary to DocLink all workpapers to the Audit Procedures - only the primary workpaper. The primary workpaper will then contain DocLinks to other, supporting workpapers, which provide additional information regarding the audit procedures performed, results, conclusions reached, and audit observations.

DocLinks should be used to reference information useful in more than one place or to other relevant information including the source of information, composition of summary totals, or other documents or examples of transactions. Documents/information should be in the workpapers only once.

STANDARD WORKPAPERS

Auditor

The auditor should conduct a review of the workpapers prior to submission to the appropriate member of audit management to determine whether they are relevant and have a useful purpose, evidence the audit work performed, and sufficiently support the audit findings. In addition, the auditor should ensure the conclusions reached were reasonable and valid, and that Office workpaper standards were followed. The auditor should review all comment forms to be certain that all issues have been resolved within the workpapers since the comment forms will not be retained. All other information obtained during the audit should be reviewed to determine whether all documentation relevant to the audit has been included in the audit workpapers. Documentation obtained and not relevant to the audit should be returned/destroyed upon the completion of the audit.

Audit Management

Approval should be documented at the time the risk assessment process, audit procedures, and workpapers are reviewed. This approval is recorded by using the approval function within AutoAudit. It is important to document appropriate and timely management supervision. All workpapers should be independently reviewed to ensure there is sufficient evidence to support conclusions and all audit objectives have been met. A comprehensive review will be conducted by audit management before approving the draft audit report.

Audit management will:

- Determine compliance with workpaper guidelines.
- Review the risk assessment process to ensure that objectives are defined.
- Review the audit procedures to ensure that they are adequate to accomplish the objectives.
- Review the referenced workpapers to ensure they support the procedures performed and all procedures have been completed.
- Determine that the workpapers adequately document the conclusions reached in the report.
- Confirm that all observation forms prepared have been discussed with the appropriate member of management, and that the disposition of the audit concern is documented.

Document review comments by using the comment form within AutoAudit. When review comments have been satisfactorily cleared in the audit workpapers, audit management will remove the comments from the workpapers.

Upon completion of the Audit Report Checklist audit management will close the audit in the AutoAudit Overview document using the current date.

FILING AND PROTECTION OF WORKPAPERS

All workpapers are the property of the Office of University Audits and are considered confidential. Workpapers often contain sensitive information or data that must be protected from unauthorized use or review. (See section on [Confidentiality](#)).

WORKPAPERS RETENTION POLICY

All electronic workpapers are to be retained by the Office of University Audits subject to the retention requirements below:

1. Audit workpapers are maintained on the production file until audit management deems no pending items related to the audit remain. Audit workpapers are then moved to an AutoAudit archive file for the year the audit was established. Workpapers on the AutoAudit archive file are retained 10 years. Workpaper retention should be destroyed after 10 years unless workpapers related to a lawsuit inactive less than 10 years are included on the electronic media.
2. Each annual AutoAudit archive file of audit reports will be moved to electronic media (tape, CD-Rom) 10 years after the end of the fiscal year of report publication. This media will be given to the Archivist 10 years after reports are moved to this media and 20 years after the year of report publication.
3. Audit management must ensure any investigative audit reports on the tape or CD-Rom media to be given to the Archivist have had no active lawsuits in the past 10 years.