

Chapter 11

WORKING PAPER SUMMARIES

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Chapter 11 - Working Paper Summaries

1100. Purpose

1. As a matter of systematic operation and good workmanship, the policy of this office shall be to require that all audit fieldwork procedures be organized and written-up in accordance with a prescribed summary format. Audit fieldwork procedures shall be interpreted to include not only audit objectives but also all work steps performed in which the drawing of a conclusion is involved.
2. The reasons for preparation of working paper summaries are:
 - A. A summary ties together the essence of the work performed, the results achieved, and the conclusions reached, as reflected in the detailed working papers accumulated in carrying out the work segment.
 - B. With appropriate indexing and cross-referencing, the summary functions as a focal point in the working papers on any particular fieldwork procedure and as a mechanical control over the underlying working papers.
 - C. When properly prepared, a summary facilitates:
 - (1) Supervisory review of the work segment.
 - (2) Making of decisions as to the disposition of the results of the work.
 - (3) Preparation of the report.
 - (4) Future reference to end use of the working papers.

1101. Four Sections of a Summary

1. Each summary shall consist of the following sections:
 - A. Objective. The central purpose or objective to be achieved in the performance of the particular fieldwork procedure should be stated concisely in this section. When a fieldwork procedure is being performed in accordance with a particular segment of an audit program a condensed statement of the overall objective to be accomplished by that segment of the audit program should be provided along with a reference to that section of the audit program.
 - B. Facts. All pertinent factual data developed on each work segment must be shown under this section so as to clearly establish the results that were achieved. This

means that the staff member must eliminate all characterizations and conclusions or personal opinions from this section of the summary. The “facts” section is intended to disclose only the factual evidence obtained--not a description of it.

In writing the “facts” section of the summary, characterization can be avoided by disclosing the source of the evidence used as follows:

- (1) The record (be specific--the cash receipts journal, the University invoice, etc.) should.....
- (2) The administrator (be specific--give name, title, duties, etc.) said
- (3) I (or we) observed, or I (or we) photographed....

The auditor must constantly guard against a tendency to record all the facts that were obtained. Discretion and mature judgment must be exercised by the auditor to ensure that only the “pertinent” facts which have a direct bearing on the audit objective are recorded in the “facts” section.

- C. Conclusion. Given the audit objective, the work that has been performed, and the facts obtained which relate to the audit objective, the auditor should reach a conclusion on the basis of the criteria stated in the audit objective or audit program. It is generally a good practice to state the basis on which the conclusion is reached, and to include the means (performance criteria) that should have been used in order to avoid the condition reported.
- D. Recommendations. The auditor’s recommendations as to the corrective action which should be taken are to be recorded in this section.

2. Generally, if a summary has been well thought out and carefully written, the auditor should be able to draft his/her report almost entirely from his summary with little, if any, need to refer to the underlying working papers. It should be the objective of each staff member of this office to strive continuously for the preparation of summaries which meet this high standard.