

Chapter 13

TIME REPORTING

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Chapter 13 - Time Reporting

1300. Time Reporting Requirements

Audit and Management Services is responsible for reporting all time incurred by the audit staff to the Audit Committee of the Board of Visitors. The mechanism by which this is accomplished is through the preparation of Weekly Time Sheets (Exhibit 13-1). The audit staff records all hours worked for the week by posting in one-half hour increments the time spent on each audit engagement or administrative task according to the predetermined codes assigned to each audit engagement and administrative task. By 8:30 am each Monday a Time Sheet is to be completed and forwarded to the Director for approval. The Time Sheet should be forwarded to the Director on Friday if you know you will not be at work on Monday. The individual Time Sheets will be used to update the automated Time Reporting System. Current week and year to date time summary reports are produced by the system. The year to date report is used to prepare the audit status reports and the Time Budget Analysis.

A time budget will be established for each audit project. The budget is developed by the auditor in charge and recorded on the "Time Budget Analysis for Audit Projects" form (Exhibit 13-2). The Time budget form is to be completed in phases for scheduled audits. The first preliminary time budget includes time for planning and the entrance conference, preliminary survey, point sheets, Project Management-Incharge, and Audit Supervision-Director. The second preliminary budget will be submitted with the preliminary survey and will include time for all categories. A final budget will be completed and submitted with the audit program. The final budget will reflect changes to budget hours for fieldwork that may be required after completing the Audit Program. Time is budgeted under the following categories:

- A - Planning and Entrance Conference
- B - Preliminary Survey
- C - Systems Understanding
- D - Audit Program
- F-S - Audit Fieldwork
- T01 - Clearing Review Notes
- U01 - Control Findings
- V01 - Discussing and Revising Findings and Exit Conference
- W - Audit Report
- X - Review and Supervision
- Y01 - Time Budget Analysis

For the audit fieldwork classification the time is budgeted by the audit objective (F01 used for the first objective, G01 for the second objective and so on). If an objective will require more than forty hours to complete, the time must be budgeted by specific audit procedures unless approved otherwise by the Director. For example, if it will require seventy hours to test the controls in procurement of goods for resale, F01 would be used to record the time budget to test the order/receipt process. F02 would be used to budget time for testing of the use of credit

memorandums; F03 would be used to budget time for the open purchase order follow-up audit procedures, and so on.

The Time Budget Variance Analysis compares by (1) total and (2) by category the amount of time incurred on an audit engagement and the amount of time budgeted to complete the audit. The Auditor-in-charge is responsible for informing the Director of budget overages (both verbally and by submitting the Variance Analysis.) The Time Budget Variance Analysis should be prepared during the audit when a significant variance exists. A final Time Budget Variance Analysis will be completed when the audit report is issued.

Procedure:

The time budgeted for each audit segment is recorded on the Time Budget Variance Analysis in the “budget column” (col.1).

The Auditor-in-charge obtains the actual time to date from the time system and posts by category the hours expended by the audit staff for that time period in the “Actual Time to Date” column (col. 2).

The Auditor-in-charge estimates the remaining time required to complete that segment of the audit and posts those to the “Estimated Time to Complete” column (col. 3).

The “Actual Time to Date” (col. 2) and the “Estimated Time to Complete” (col. 3) are added together and recorded in the column labeled “Total Time” (col. 4).

The total hours incurred for each audit segment (col. 4) are compared to the total hours budgeted for the segment (col. 1). Differences between the two are noted in the “Variance Under/Over” column (col. 5). Any significant variance (generally 20% of the segment budget and greater than 10% of the total project budget hours) must be explained on the blank spaces provided on the report.

Upon completion, the report is to be forwarded to the Director for his review. After review, the Time Budget Analysis Report is returned to the Auditor-in-charge and filed in the workpapers.