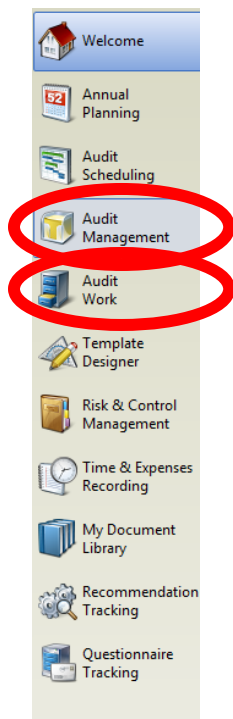


Section 11

Guidance for Recording and Reviewing Working Papers in MKInsight

This section provides guidance on how to utilize the electronic workpaper system – MKInsight through the various steps of the audit to ensure all key audit steps are completed, recorded and approved. The modules incorporate templates to ensure consistency among audits. These templates are periodically reviewed and updated as needed. Therefore, some audits may differ slightly in the Audit Management module. Changes made are not retroactive to existing audits and become effective for audits initiated after the updates are approved.

MKInsight has multiple modules in one system. The modules that auditors utilize during the course of the audit to document the audit steps conducted, store workpapers and where supervisors will approve are “Audit Management” and “Audit Work”. Other modules used by staff are the “Time & Expense Recording” for time keeping for audit and non-audit related activities and “Recommendation Tracking” to follow up on open recommendations. The administration utilizes a web portal to report the status of their open recommendations that feeds into the “Recommendation Tracking” module.



Audit Management tracks more of the administrative side of an audit by “Stages”, as detailed below in **Stage 1: Administration** includes five tasks and an area for additional attachments related to those five tasks, as well as allowing for supervisor review and approval. As each area is completed, the task bar incrementally moves toward 100%. Stage 1 does not have a checklist to complete.

Audit Creation & Review

Performance Reports

Generated Reports

New Audit

New Report

Legend

Refresh

Manage audits

Manage audit associated data

Audit external archiving

Delete selected audits

Close

Save

Details

Additional Notes

Stages & Progress

Attachments

Key Dates

Auditors & Budgets

Questionnaires

Performance

Recommendations

Audit Entity: San Diego Convention Center

Audit Period: February 2016

Status: Audit Work Approved

Stage progress: 67%

Audit name: Performance Audit of San Diego Convention Center

Audit Workplan Reference: FY2016 line 14

Template: Audit File Template (v.9)

Preparation

Live

Completed

Closed

Archived

Stage 1: Administration

Task 1.1: Complete Staff Assignment Form

Open file

Create shortcut

Import / Export

Manage file versions

Name	Size	Type	Review
A-1.1a Staff Assignment Form PDF	25 KB	Adobe Acrobat Document	

Task 1.2: Conduct Staff Expectations Meeting

Open file

Create shortcut

Import / Export

Manage file versions

Name	Size	Type	Review
A-1.2a Staff Expectations Meeting Write-up	37 KB	Microsoft Word Document	

Task 1.3: Conduct Audit Kick-off Meeting

Open file

Create shortcut

Import / Export

Manage file versions

Name	Size	Type	Review
A-1.3a Audit Kickoff Meeting Write-up	36 KB	Microsoft Word Document	

Task 1.4: Issue Job Start Letter

Open file

Create shortcut

Import / Export

Manage file versions

Name	Size	Type	Review
A-1.4a Job Start Letter	13 KB	Microsoft Word Document	

Task 1.5: Conduct Entrance Conference

Open file

Create shortcut

Import / Export

Manage file versions

Name	Size	Type	Review
A-1.5a Entrance Conference Meeting Write-up	35 KB	Microsoft Word Document	

Task 1.6: Review Administration Stage Attachments

Add file

Update file

Delete file

Open file

Create shortcut

Import / Export

Start review

Mark as Approved

Unlock

View permanent files

View audit files

Name	Size	Description	Attributes	Review State	Actions	Date Last Edited	Last Edited By
A-Administrative Folder							
A-1.2b SA Expectations Meeting 6-8-16.docx	37 KB	A-1.2b SA Expectati...				8/2/2016 10:43 AM	Shawnee Pickney
A-1.2c SC Expectations Meeting 7-18-16.docx	37 KB	A-1.2c SC Expectati...				8/2/2016 11:35 AM	Shawnee Pickney
A-1.3b Kick-Off Briefing Document.docx	26 KB	A-1.3b Kick-Off Bri...				10/25/2016 12:31 PM	Shoshana Aguilar

In **Stage 2: Planning**, there are six tasks (which is update from the previous four tasks) to complete which includes a “Planning Checklist” as part of Task 2.1 (see next page for more checklist details). This section provides for all the planning documents related to the audit and an area for any additional supporting documents.

Stage 2: Planning

Task 2.1: Complete Planning Checklist

Open Checklist

Name	Type	Review State
2) Planning Stage	< n/a >	

Task 2.2: Conduct Data Reliability Questionnaire

Open fileCreate shortcutImport / ExportManage file versions

Name	Size	Type	Review
Data Reliability Questionnaire	56 KB	Microsoft Word Document	

Task 2.3: Complete Data Reliability Sign-Off

Open fileCreate shortcutImport / ExportManage file versions

Name	Size	Type	Review
Data Reliability Sign-Off	55 KB	Microsoft Word Document	

Task 2.4: Complete Data Reliability Testing Plan

Open fileCreate shortcutImport / ExportManage file versions

Name	Size	Type	Review
Data Reliability Testing Plan	48 KB	Microsoft Word Document	

Task 2.5: Complete Planning Memorandum

Open fileCreate shortcutImport / ExportManage file versions

Name	Size	Type	Review
Planning Document	58 KB	Microsoft Word Document	

Task 2.6: Conduct Planning Memorandum Meeting

Open fileCreate shortcutImport / ExportManage file versions

Name	Size	Type	Review
Planning Memorandum Meeting Write-up	34 KB	Microsoft Word Document	

Task 2.7: Review and Approve Planning Stage Attachments

Add fileUpdate fileDelete fileOpen fileCreate shortcutImport / ExportStart reviewMark as ApprovedUnlockView permanent filesView audit files

Name	Size	Description	Attributes	Review State	Actions	Date Last Edited	Last Edited By
B-Planning							

The planning checklist (Task 2.1 from above) provides more details of what auditors should be looking at during the planning stages. For example, auditors should review “relevant documents” which includes all policies and procedures, Budget documents, City governing documents – City Charter, San Diego Municipal Codes, Council Policies, Administration Regulations, Process Narratives and Flow Diagrams, etc. Auditors should also “Review Previous Audits” conducted on the subject matter, whether internally or externally). To gain a better understanding of the program, process, or area under consideration for audit, auditors should conduct an interview with staff to determine risks and controls and any other areas of concern while determining the scope of the audit. During this stage, Fraud is considered and discussed with management, staff, and the OCA fraud investigator, as well as reviewing and documenting any applicable IT systems and determining if an information systems control assessment is necessary.

Checklist: 2) Planning Stage					
Close Save changes					
Caption	Done	Date completed	Comments	Attachments	Contributors
Review Relevant Document	<input checked="" type="checkbox"/>	6/6/2016	See B-2.1a Budget and Govt 1-27-16 See B-2.1e Grand Jury Findings and IBA Response	< Click to add/edit attachments >	< Click to view contributors >
Review Previous Audits	<input checked="" type="checkbox"/>	6/6/2016	See B-2.1h Other Audits Lead Sheet (includes review of other audits and reports/studies)	< Click to add/edit attachments >	< Click to view contributors >
Program Staff Interviews	<input checked="" type="checkbox"/>	6/6/2016	See I.1.1a Interview with J. Kuwar See I.1.1b Interview with Lisa Celaya	< Click to add/edit attachments >	< Click to view contributors >
Field Observation	<input checked="" type="checkbox"/>	6/6/2016	SP 4-19-16 None to date.	< Click to add/edit attachments >	< Click to view contributors >
Determine if External Assistance is Necessary	<input checked="" type="checkbox"/>	6/6/2016	SP 4-19-16 None necessary to date.	< Click to add/edit attachments >	< Click to view contributors >
Review and Document IT Systems	<input checked="" type="checkbox"/>	6/6/2016	Data reliability summary work paper F-1.1.1z4 Auditors found data compiled overall to be	< Click to add/edit attachments >	< Click to view contributors >
Fraud Considerations	<input checked="" type="checkbox"/>	6/6/2016	See B-2.1u Ratio Analysis	< Click to add/edit attachments >	< Click to view contributors >
Identify Criteria	<input checked="" type="checkbox"/>	6/6/2016	See B-2.1n Criteria Workpaper	< Click to add/edit attachments >	< Click to view contributors >

Stage 3: Risk Assessment is where all the information collected during the planning stage is used to narrow down the potential objectives by identifying the Risks and associated Controls. After the Risk Vulnerability Assessment (Task 3.1) is discussed with and approved by OCA management, the approved objectives, risks and controls are used to populate the Audit Workplan (Task 3.2) template. The Audit Workplan serves as the Audit Program to discuss how the Audit team will test each objective, risk(s), and control(s). After discussions with and approval by OCA management, the Audit Workplan template is used to populate Task 3.3 Create Audit Objectives Based on Audit Work Plan and Assign to Auditors which when pushed live to the Audit Work module, the auditors will conduct all fieldwork testing and record all steps, methodologies, and conclusions. A scope document was added to the template and labeled Task 3.5 and Task 3.5 shown below was renamed Task 3.6: Review and Approve Risk Assessment Stage Attachments. Stage 3 does not have a checklist to complete.

Stage 3: Risk Assessment

Task 3.1: Complete Risk Vulnerability Assessment

Open fileCreate shortcutImport / ExportManage file versions

Name	Size	Type	Review
Risk Vulnerability Assessment	19 KB	Microsoft Excel Worksheet	

Task 3.2: Complete Audit Work Plan

Open fileCreate shortcutImport / ExportManage file versions

Name	Size	Type	Review
Audit Workplan	15 KB	Microsoft Excel Worksheet	

Task 3.3: Create Audit Objectives Based on Audit Work Plan and Assign to Auditors

Add Template(s)Remove Template(s)Customize TemplateUser AssignmentsStart Audit Objectives

Name	Status	Type	Custom structure	Review State
Objective D	Unreviewed	Standard layout...		
Objective E	Unreviewed	Standard layout...		
Objective F	Unreviewed	Standard layout...		

Task 3.4: Conduct Risk Assessment and Work Plan Review Meeting

Open fileCreate shortcutImport / ExportManage file versions

Name	Size	Type	Review
Risk Assessment and Work Plan Review Meeting	33 KB	Microsoft Word Document	

Task 3.5: Review and Approve Audit Objectives to Start Fieldwork

Add fileUpdate fileDelete fileOpen fileCreate shortcutImport / ExportStart reviewMark as ApprovedUnlockView permanent filesView audit files

Name	Size	Description	Attributes	Review State	Actions	Date Last Edited	Last Edited By
C-Risk Assessment							
Workpaper Template.docx	331 KB	Reminder - send o...				1/26/2017 11:05 AM	Nathan Otto

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Stage 4: Fieldwork has two tasks to complete and an area for additional supporting documents. The checklist below provides details on the steps required for completion before an audit is complete.

Stage 4: Fieldwork

Task 4.1: Complete Fieldwork Checklist

Open Checklist

Name	Type	Review State
4) Fieldwork Stage	< n/a >	

Task 4.2: Conduct End of Fieldwork Meeting

Open fileCreate shortcutImport / ExportManage file versions

Name	Size	Type	Review
End of Fieldwork Meeting Write-up	36 KB	Microsoft Word Document	

Task 4.3: Review Fieldwork Attachments

Add fileUpdate fileDelete fileOpen fileCreate shortcutImport / ExportStart reviewMark as ApprovedUnlockView permanent filesView audit files

Name	Size	Description	Attributes	Review State	Actions	Date Last Edited	Last Edited By
Fieldwork							
D-1.1.2b2 Authorization documentation.pdf	8.9 MB	D-1.1.2b2 Authoriz...				12/28/2016 4:02 PM	Stephanie Chernau
D-1.1f FY15 Expansion Administration Expenses 6.7.16.xlsx	1.2 MB	D-1.1f FY15 Expans...				11/15/2016 3:56 PM	Shoshana Aguilar
D-1.1g SDCCC Sources of Revenue 8.1.16.xlsx	305 KB	D-1.1g SDCCC Sour...				12/22/2016 9:28 AM	Shawnee Pickney

Part of the checklist items is to document the *Milestone Meetings with OCA Executives* (via a Planned Update Meeting Fieldwork 1/3, 2/3, and Planned Final Update Meeting when the audit team Presents Finding Development Sheets). This provides for ongoing supervision and discussion with the executive management team. During the meetings the progress of the audit is discussed, issues that are identified as of that meeting date, and feedback from OCA Executives to the audit team. The meetings help the audit team discuss issues/findings before preparing the draft report outline.

Checklist: 4) Fieldwork Stage					
Close Save changes					
Caption	Done	Date completed	Comments	Attachments	Contributors
Conduct Data Reliability Testing	<input checked="" type="checkbox"/>	12/19/2016	Data reliability summary work paper F-1.1.1z4 Auditors found data compiled overall to be	< Click to add/edit attachments >	< Click to view contributors >
Complete Fieldwork Steps with Objectives	<input checked="" type="checkbox"/>	12/17/2016	See Objectives in Audit Work Module	< Click to add/edit attachments >	< Click to view contributors >
Conduct Milestone Meetings with OCA Executives	<input checked="" type="checkbox"/>	11/21/2016	4.1a OCA Update Meeting (2/3) 7.12.16 4.1b OCA Mngt Update 9.7.16 4.1c OCA Mngt Update 11.15.16	Attachments: 4	< Click to view contributors >
Prepare Report Outline	<input checked="" type="checkbox"/>	11/21/2016	4.1e Mngt Report Outline 11.15.16	Attachments: 1	< Click to view contributors >
Conduct the Pre-Exit Meeting with Auditee	<input checked="" type="checkbox"/>	12/17/2016	4.1f Pre Exit Confirmation	Attachments: 1	< Click to view contributors >

Stage 5: Reporting Writing documents the various steps of reporting writing – from draft report to OCA management to final report issuance. This stage has a checklist as detailed below. The checklist was updated in January 2017 and is in effect for audits that started in February and later in 2017.

Task 5.1: Complete Report Writing Checklist

Open Checklist

Name	Type	Review State
5) Report Writing Stage	< n/a >	

Task 5.2: Review Report Attachments

Add file
 Update file
 Delete file
 Open file
 Create shortcut
 Import / Export
 Start review
 Mark as Approved
 Unlock
 View permanent files
 View audit files

Name	Size	Description	Attributes	Review State	Actions	Date Last Edited	Last Edited By
R-Report							

Removed Prepare Audit Standards Plan and Final Report Issuance

Checklist: 5) Report Writing Stage

Close Save changes

Caption	Done	Date completed	Comments
Prepare Draft Report	<input type="checkbox"/>	< None >	
Conduct Report Review Meeting	<input type="checkbox"/>	< None >	
Conduct Independent Review	<input type="checkbox"/>	< None >	
Draft Report Issuance	<input type="checkbox"/>	< None >	
Conduct Exit Conference	<input type="checkbox"/>	< None >	
Final Draft Issuance	<input type="checkbox"/>	< None >	

Stage 6: Report Issuance was added and updated in January 2017 and will be effective for audits starting in February or later in 2017. **Task 6.3: Attach Final Report and Distribution Email** was added here and removed from Report Writing as some of these items must be completed before report issuance and others on the day of or within a day of report issuance.

Stage 6: Report Issuance

Task 6.1: Complete Audit Standards Plan

Open file Create shortcut Import / Export Manage file versions

Name	Size	Type	Review
Audit Standards Plan	104 KB	Microsoft Word Document	

Task 6.2: Complete Review of Evidence Form

Open file Create shortcut Import / Export Manage file versions

Name	Size	Type	Review
Review of Evidence Form	26 KB	Adobe Acrobat Document	

Task 6.3: Attach Final Report & Distribution Email

Stage 7: Post Report Issuance documents and recorded items for staff to complete to close the audit. Executive management and the audit team conduct a Debrief meeting after the audit to determine Lessons Learned from the audit and pass them along to OCA staff. Auditors prepare a self-evaluation for the audit and the Manager/Supervisor completes a project evaluation and incorporates the Auditor’s self-evaluation. This becomes the basis for the auditor’s Annual Performance Evaluation. The Quality Control Review is for Executive Management to perform as part of the ongoing monitoring and determine if any changes in the process or templates are required for any audits going forward. This step ensures the audit file is complete and properly approved at all stages.

Stage 7: Post Report Issuance

Task 7.1: Complete Post Report Issuance Checklist

Open Checklist

Name	Type	Review State
6) Post Report Issuanc...	< n/a >	

Task 7.2: Review Post Issuance Attachments

Add file

Update file

Delete file

Open file

Create shortcut

Import / Export

Start review

Mark as Approved

Unlock

View permanent files

View audit files

Name	Size	Description	Attributes	Review State	Actions	Date Last Edited	Last Edited By
S-Subsequent to Issuance							

Checklist: 6) Post Report Issuance Stage

Close

Save changes

Caption	Done	Date completed	Comments
Prepare and Submit Monetary Benefits Form	<input type="checkbox"/>	< None >	
Prepare ALGA Abstract	<input type="checkbox"/>	< None >	
Conduct Debrief Meeting with OCA Executives	<input type="checkbox"/>	< None >	
Conduct Staff Evaluations	<input type="checkbox"/>	< None >	
Conduct Quality Control Review	<input type="checkbox"/>	< None >	

Audit Work is the module auditors use to record fieldwork as determined in the Audit Work Plan (Audit Management module – Stage 3), Audit work is designed to record objectives, risks, and controls and document the tests performed, test results, conclusions, and recommendations. Management and Auditors can always see the progress and status of the audit.

<div><div><div></div><div></div></div><div>Backup my Audit Objectives</div><div><div></div><div></div></div><div>Refresh</div></div>							
Name	Status	Progress	Review Progress	Assigned To	Score	Business Areas	Divisions
My Audits							
SAP Privileged User Access Audit; FY2016 IT Audit Workplan; IT Audit; January 2016	Audit Started					IT Audits	Deliver, Servic
						IT Audits	Deliver, Servic
						IT Audits	Deliver, Servic
						IT Audits	Deliver, Servic
						IT Audits	Deliver, Servic
						IT Audits	Deliver, Servic
						IT Audits	Deliver, Servic
						IT Audits	Deliver, Servic
Objective F	In Progress	<div><div></div></div> 20%		Laura Reyes-Cor...	40.0%		
Objective E	Under Review	<div><div></div></div> 100%	<div><div></div></div> 100%	< All Reviewers >	20.0%		
Objective D	Under Review	<div><div></div></div> 100%	<div><div></div></div> 100%	< All Reviewers >	25.8%		
Performance Audit of StreetLight Utility Billing; FY2017 Line 9; Performance Audit; October 2016							
Objective D	In Progress	<div><div></div></div> 0%			< n/a >	Environmental Serv...	Energy Sustain
Performance Audit of San Diego Convention Center; FY2016 Line 14; Performance Audit; February 2016							
Objective F	Approved	<div><div></div></div> 100%	<div><div></div></div> 100%		0.0%	San Diego Convent...	
Objective E	Approved	<div><div></div></div> 100%	<div><div></div></div> 100%		0.0%		
Objective D	Approved	<div><div></div></div> 100%	<div><div></div></div> 100%		35.0%		

When the auditors are working on an objective, they will see the Overall Audit Objective Description; followed by all the risks and associated controls; lastly, they will see the Testing Summary Sheets which describes the overall testing that conducted for that Risk and Associated Control. Once testing is completed, a selection is made that describes the overall assessment. The details of the testing are recorded in the Findings tab.

Audit Objectives Descriptions

D - Determine whether the City of San Diego has implemented recommendations contained in the San Diego County Grand Jury Report : San Diego Police Department Property and Evidence Room - Review of Operations, June 1, 2015

Total score: 50.0%

Risks (1/7)

D-1

SDPD has not performed a management review to identify deficiencies in property and evidence room operations, and has not addressed the deficiencies it identifies (Grand Jury Rec 15-50)

Controls (1/2)

D-1.1

Documented management review, study, or evaluation designed to identify property and evidence room operational deficiencies (TC)

D-1.2

Action plan or other strategy document to address Property Unit program management deficiencies (TC)

Testing Summary Sheets (1)

D-1.1.1

Analyze the SDPD management review deliverable to assess whether it addresses program management deficiencies

In Process (60%)

Findings

Progress: Done: 49, To-do: 0

Review progress: Approve: 42 Not Approve: 0 Unreviewed: 0

MKInsight-Live • DKnighten

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The instructions for ***How to Work with the Audit Objectives in Audit Work*** detail the step-by-step instructions to complete the necessary tabs during fieldwork. These tabs include:

- Details – Notes to auditor, Procedures, and Conclusions
- Additional Notes – Testing period, Sampling Method, Sample Size, Reason for the Number in the Sample, Sample Analysis, Priority (Recommendation – Appendix in the report), Remarks, Were Exceptions Noted During Testing, Were Documentation Gaps Noted During Testing.
- WP Analysis & Finding Developments
 - Analysis – record test analysis
 - Finding Development Worksheet – Record the Finding, Condition, Criteria, Cause, and Effect
- Recommendations – Recommendation to address the cause of the finding
- Attachments
- Contributors – Log of all activity

Each Risk should have a least one control recorded, but the risk can have many controls – it is not a one-for-one. Conversely, there could be many risks and one control or many risks and many controls. This is where an auditor will determine if proper control(s) exist to mitigate the risk(s). If controls are weak and do not adequately address the risk then a potential finding is listed and prepared for discussion with OCA Executive management.

As fieldwork is completed, it is reviewed and approved at two levels. Audit Work records the basis for the audit report findings, condition, cause, criteria, effect, and recommendation.