PROCESS TRIAGE

FINANCIAL AUDIT PROCESS | Process Triage™ Quick Start Map

Process Triage™ Workflow Map
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CLIENT:

PRE-AUDIT CONTRACTING & SCHEDULING

PROCESS TRIGGER
PUBLIC ENTITY: SEC, PCAOB, New or Successor Auditor
PRIVATE ENTITY: Lender Bank Requirement, Corporate Governance, New or Change in Auditor

MARKETING: • Leads (warm/hot)

Marketing Plan Executed → Audit Required

10 INITIATE ENGAGEMENT → Engagement Initiated

20 DRAFT SCOPE OF WORK → Scope of Work Drafted

30 ASSESS ENGAGEMENT RISKS • Client sensitivities - procedures → Engagement Risks Assessed

40 REVIEW SCOPE OF WORK → Scope of Work Reviewed

20 (If Revisions)

50 SIGN ENGAGEMENT LETTER (or SOW signature) → Engagement Letter Signed

60 DRAFT AUDIT SCHEDULE → Audit Schedule Drafted

70 ASSIGN AUDIT STAFF (Partner) → Auditor Staff Assigned

AUTOMATIC STAFF ASSIGNMENT

80 ASSIGN AUDIT STAFF (Client) → Client Staff Assigned

90 CONFIRM AUDIT SCHEDULE → Audit Schedule Confirmed

CLIENT STAFF ASSIGNED
On Time ? YES NO
Sufficient Quality ? YES NO
Sufficient Quantity ? YES NO

Milestone: Engagement Letter
Total Loaded Labor $
Share of Project Loaded Labor %
Segment's Elapsed Business Days (to nearest ½ day)

Milestone: Confirmed Audit
Total Loaded Labor $
Share of Project Loaded Labor %
Segment's Elapsed Business Days (to nearest ½ day)

From START to SIGNED ENGAGEMENT LETTER

From SIGNED ENGAGEMENT LETTER to CONFIRMED AUDIT SCHEDULE

AUDITOR TEAM

Engagement Principal	
Concurring Principal	
Senior Manager (optional)	
Manager	
Manager	
Senior Staff	
Senior Staff	
Senior Staff	
Staff	
Staff	
Staff	

CLIENT TEAM

CFO		
Controller		
Staff Assignments Lead		
"Books Closed" date (0/210 Trigger)		
Trial Balance Lead (see 210)		
Client Schedules Lead (see 240)		
Draft Financial Statements Lead (see 410)		
T Adjustments Lead (see 310 's)		
V		

VERSION 1/17/2010

From CONFIRMED AUDIT SCHEDULE to APPROVED AUDIT PROGRAM

FIELD WORK PLANNING

110 EVALUATE AUDIT RISKS → Audit Risks Evaluated

120 REVIEW INTERNAL CONTROLS → Internal Controls Reviewed

130 COMPLETE PLANNING FORMS • Bullet/photo → Planning Forms Completed

140 DRAFT AUDIT PROGRAM → Audit Program Drafted

145 REVISE SCOPE OF WORK (If Required) • Client revised

140 (If Revisions)

150 REVIEW AUDIT PROGRAM → Audit Program Reviewed

140 (If Revisions)

160 APPROVE AUDIT PROGRAM (If Approved) • Signed off → Audit Program Approved

Milestone: Approved Audit Program
Total Loaded Labor $
Share of Project Loaded Labor %
Segment's Elapsed Business Days (to nearest ½ day)

From APPROVED AUDIT PROGRAM or VERIFIED CPS SCHEDULES & TRIAL BALANCE to 1st FIELD AUDIT REVIEW COMPLETION
Use the longer of the two elapsed times

FIELD WORK ENTRANCE CRITERIA

210 COMPLETE TRIAL BALANCE → Trial Balance Completed

220 TRANSFER TRIAL BALANCE → Trial Balance Imported

230 ADD CLIENT LEAD SHEET • Financial (Balance) grouped (Client lead) → Lead Sheets Generated

240 ADD CLIENT SCHEDULES → Client Schedules Delivered

250 VERIFY CPS TRANSFER TRIAL BALANCE → CPS Schedules & Trial Bal Verified

Client Books Closed → Trial Balance Completed

TRIAL BALANCE COMPLETED
On Time ? YES NO
Sufficient Quality ? YES NO

DELIVERED CLIENT SCHEDULES
On Time ? YES NO
Sufficient Quality ? YES NO

PBC is required for 210 (Field Work Entrance Criteria)

Milestone: CPS Schedules & Trial Balance
Total Loaded Labor $
Share of Project Loaded Labor %
Segment's Elapsed Business Days (to nearest ½ day)

From CONFIRMED AUDIT SCHEDULE to VERIFIED CPS SCHEDULES & TRAIL BALANCE

FIELD WORK

NOTICE! DO NOT FINALIZE 1st REVIEW UNTIL ALL OPEN ISSUES (WORK UNITS, THIS DELIVERABLE'S QUALITY IS SATISFACTORY)

260 PERFORM REVIEW • By cycle → Audit Procedures Reviewed

270 REVIEW AUDIT CYCLE • By cycle (If Rework Req'd) → Audit Cycle Reviewed

280 COMPLETE 1st REVIEW (If Cycle Review Passed) → 1st Review Completed

260 (If Rework Req'd)

A

CLIENT FINANCIAL STATEMENTS
On Time ? YES NO
Sufficient Quality ? YES NO

410 DRAFT FINANCIAL STATEMENTS (Preparer • Includes Footnotes) → Financial Statements Drafted

415 Certify Asset "Tie Out" (Completed) → Certified Asset "Tie Out"

425 COMPLETE CONSOLIDATED "TIE OUT" (If Multiple Entities) → Consolidated "Tie Out" Completed

455 COMPLETE FINAL FS/TRIALITY CALCULATIONS → Final Materiality Calculations Completed

460 CONDUCT ENGAGEMENT PARTNER REVIEW → Engagement Partner Review Completed

470 CONDUCT CONCURRING PARTNER'S REVIEW → Concurring Partner Review Completed

480 DRAFT CLIENT REPRESENTATION LETTER → Client Representation Letter Drafted

485 SUBMIT CLIENT REPRESENTATION LETTER → Client Representation Letter Signed

490 ISSUE AUDIT OPINION → Audit Opinion Signed

Preparer to Client

Client

Milestone: 1st Review Completed
Total Loaded Labor $
Share of Project Loaded Labor %
Segment's Elapsed Business Days (to nearest ½ day)

From 1st REVIEW to COMPLETED ENGAGEMENT PARTNER REVIEW

From ENGAGEMENT PARTNER REVIEW to CONCURRING PARTNER REVIEW

From CONCURRED OPINION TO SIGNED AUDIT OPINION

FIELD WORK ADJUSTMENTS

NOTICE! PROJECT "PENALTY" ADJUSTMENTS ADJUSTMENTS ARE NOT TYPICALLY BUDGETED IN THE SCOPE OF WORK!

MOST ADJUSTMENTS ARE AVOIDED BY PROPERLY COMPLETE CPS SCHEDULE & TRIAL BALANCE VERIFICATION (ACTIVITY 250)!

310 PROPOSE ADJUSTMENT → Audit Adjustment Proposed

320 REVIEW PROPOSED ADJUSTMENTS → Proposed Adjustments Reviewed

330 ACCUMULATE ADJUSTMENT (If Material) → Adjustments Accumulated

340 POST ADJUSTMENT (If Accepted) → Adjustments Posted

350 EVALUATE MATERIALITY OF PRIOR UNPOSTED ADJUSTMENTS → Prior Unposted Adjustments Materiality Tested

360 POST DELECTED ADJUSTMENT (If Accepted) → Selected Adjustments Posted

370 SUSPEND ADJUSTMENTS (If Rejected or Not Posted) → Reporting Suspended

380 WAIVE ADJUSTMENTS (If Not Material) → Adjustments Waived

CLIENT

Milestone: Adjustments Resolved
Total Loaded Labor $
Project Loaded Labor % Share
Segment's Elapsed Business Days (to nearest ½ day)

ADJUSTMENTS POSTED / WAIVED
On Time ? YES NO
Sufficient Quality ? YES NO

Has a Material Error Occurred? YES NO → A

Executive Action Required

From ADJUSTMENT IDENTIFIED (during audit procedures [ri260]) to ADJUSTMENT RESOLUTION

FIELD WORK COMPLETION

The scheduled report date is indicated in the Approved Audit Program

Report Date Scheduled → Complete Workpaper Events & Inquiries

440 COMPLETE WORKPAPER EVENTS & INQUIRIES

445 ACQUIRE ATTORNEY LETTERS

Events & Inquiries Completed → Attorney Letters Acquired

450 COMPLETE DISCLOSURE CHECKLISTS → Disclosure Checklists Completed

420 ADDRESS PRESENTATION & DISCLOSURE ISSUES (If Required) → Disclosure Issues Addressed

430 ADDRESS PRESENTATION & DISCLOSURE ISSUES (If Required) → Disclosure Issues Addressed

465 ADDRESS ENGAGEMENT PARTNER ISSUES (If Required) → Engagement Partner Issues Addressed

475 ADDRESS CONCURRING PARTNER ISSUES (If Required) → Concurring Partner Issues Addressed

Final Materiality Calculations Completed

Milestone: Completed Engagement Partner Review
Total Loaded Labor $
Project Loaded Labor % Share
Segment's Elapsed Business Days (to nearest ½ day)

Milestone: Completed Concurring Partner Review
Total Loaded Labor $
Project Loaded Labor % Share
Segment's Elapsed Business Days (to nearest ½ day)

Milestone: Signed Audit Opinion
Total Loaded Labor $
Project Loaded Labor % Share
Segment's Elapsed Business Days (to nearest ½ day)

From SIGNED AUDIT OPINION to CLOSED BINDER & LETTERS ISSUED

AUDIT CLOSE OUT

SIGNED REPRESENTATION LETTER (by Client)
On Time ? YES NO

510 ADDRESS DOCUMENTATION POINTS → Documentation Points Addressed

Time Period Ended → Time Period Issued

520 ISSUE "114" LETTER → "114" Letter Issued

530 ISSUE "115" LETTER → "115" Letter Issued

540 CLOSE BINDER → Binder Closed

Milestone: Closed Binder & Issued Letters
Total Loaded Labor $
Project Loaded Labor % Share
Segment's Elapsed Business Days (to nearest ½ day)

From START to CLOSE OUT

TOTAL AUDIT PROJECT
Total Loaded Labor $
Share of Project Direct Labor % 100%
Total Elapsed Business Days (to nearest ½ day)

From START to CLOSE OUT

Diagram Key

TANGIBLE DELIVERABLES
- Physical work product
- Measurable attributes by consumer
- Consumer Acceptance Criteria (Quality)
- Normal (Mean + Plus) service goals
- Arranged in EARLIEST DEMAND order

Process Trigger | Process Activity | Milestone Deliverable | Milestone Process Activity

TASKS / ACTIVITIES
- Consumes resources
- Has and upstream trigger (earliest start)
- Has a duration
- May be subdivided and/or assigned
- Has a "Normal" Elapsed Business Days Number to compare to this map, may be different than actuals
- Does not indicate rate or sequence

DUMMY TASK (Dashed Arrow)
- Does not consume resources
- Does not consume elapsed time
- Indicates a task requires parallel, optional deliverables

Activity 50 cannot complete until out prerequisite deliverables 10 & 20.

CONDITIONAL TASK
- Hash mark on base of arrow
- Indicates a task is subject to conditional. Condition short name (IF...) with the task labeling.

SAMPLE

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