



PROCEDURE	Procedure No.	240.20 REQUIRED AUDIT DOCUMENTATION FORMS LAST REVISED: MAY 1, 2017	PAGE 1 OF 5

Every engagement requires certain minimal documentation that is necessary to show compliance with GAGAS, ensure the engagement is properly planned and supervised, ensure that sufficient and appropriate evidence is collected throughout the course of the assignment, and document satisfactory completion of the assignment. This data shall be approved by the Audit Supervisor, Audit Manager and the CA. This documentation consists of the following:

- Planning Memorandum (Required) (See Procedure [220.20](#));
- Engagement Risk Document (Required) (See Procedure [220.30](#); [220.40](#));
- Audit Sampling Documentation Form (Required) (See Procedure [230.00](#));

The next sections detail the specific types of data to be included within each of these required AD documents. NOTE: The referenced examples below are for illustration purposes and do not indicate specific approval of the formats presented. The formats do not replace auditor judgment. Appropriate exercise of auditor judgment is to be applied in the development of these documents. Additionally, these documents are to be reviewed and approved by the audit management before the commencement of related field work.

Planning Memorandum - Example

City of Houston
Office of the City Controller
Audit Division

20XX Sample Audit Engagement
SAMPLE PLANNING MEMORANDUM

TEAM MEETINGS

Date: August 22, 20XX

Attendees: Name, City Auditor
Name, Audit Manager
Name, Lead Auditor
Name, Staff Auditor

Meeting Type: Status Update

Agenda: Review Action Items

Points Discussed/Decisions Made:

- Complete individual Department's Draft Report
- Complete Risk Profile, including significant changes since last Risk Assessment.
- Prepare Executive Summary/Draft Report.

Next Meeting Scheduled: August 31, 20XX

City of Houston
Office of the City Controller
Audit Division



PROCEDURE	Procedure No.	240.20 REQUIRED AUDIT DOCUMENTATION FORMS	PAGE 2 OF 5
	LAST REVISED: MAY 1, 2017		

Planning Memorandum - Example
(Continued)

City of Houston
Office of the City Controller
Audit Division

20XX Sample Audit Engagement
SAMPLE PLANNING MEMORANDUM

ACTION ITEMS

Action Items Schedule				
Action Item	Assigned To	Assigned Date	Commitment Date	Closed Date
1. Update the proposed schedule of the selected departments for the 20XX ERA Update	Auditor Initials	3/14/20XX	3/14/20XX	3/14/20XX
2. Prepare and Update Notification Letters to include requested date of return. City Auditor to sign letters. Distribute letters to the selected Departments.	Auditor Initials	3/14/20XX	4/3/20XX	4/1/20XX
3. Review Risk Rating for potential Component Units and complete Component Units spreadsheet.	Auditor Initials	5/23/20XX	5/31/20XX	5/29/20XX
4. Include in Department-wide Sections of questionnaire: Question regarding whether the Department has a Component Unit attached; and Questions regarding audit findings from Theresa. Team to review Department-wide Sections.	Auditor Initials	4/3/20XX	4/20/20XX	4/27/20XX
5. Review 20XX Risk Profiles in preparation of Questionnaires and prepare additional questions for Section IV (Divisions) for each Department to be discussed with ERA Team.	Auditor Initials	3/14/20XX	4/20/20XX	5/20/20XX

City of Houston
Office of the City Controller
Audit Division

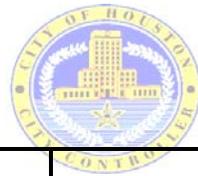


PROCEDURE	Procedure No.	PAGE 3 OF 5
	240.20 REQUIRED AUDIT DOCUMENTATION FORMS LAST REVISED: <i>FEBRUARY 15, 2017</i>	

Engagement Risk Document - Example

ENGAGEMENT RISK DOCUMENT (ERD) – SECTION I						
Planning Activity	Audit Objective	Risk	Internal Controls	W/P Reference for Risk/Internal Controls	Rank	Finding

ENGAGEMENT RISK DOCUMENT (ERD) – SECTION II					
Objective	Risk	Internal Controls – (IC Narrative, Process Flows, & ICQ)	W/P Reference for Risk/Internal Controls	Rank	Audit Program Step – (IC Walk-through's & Substantive)



PROCEDURE	Procedure No. 240.20 REQUIRED AUDIT DOCUMENTATION FORMS	PAGE 4 OF 5
	LAST REVISED: FEBRUARY 15, 2017	

AUDIT SAMPLING DOCUMENTATION FORM – EXAMPLE

Description of Test:

Test Description should include the Engagement Objective to which the test applies.

Test Objective(s):

Test objectives are the primary driver of the Population Definition.

Population: Definition (Should be derived from the test objective or objectives):

Example – If the objective of the test is to determine the frequency with which disbursement vouchers occur without proper authorizing signature, the voucher becomes the sampling unit. On the other hand, if the objective is to determine whether the items on the voucher are authorized items, the line item on the voucher becomes the sampling unit, and there may be several sampling units on a single voucher.

Population Size:

Stratification Plan (if applicable):

Statistical Sample Size Determination:

Confidence Level:

Precision Level:

Expected Error Rate:

Sample Size:

Note: Sample size determination support documentation should be attached.

Non-Statistical Sample Size Determination:

Audit Risk Considerations:

Considerations to Assure Sample is Representative of the Population:

Sample Selection Options (Select the options that apply):

Stratified Non-Stratified

Non-Random; Employing:

Non Systematic (Judgmental) Selection

Systematic Selection (every nth item)

Random; Employing:

Computerized Random Number Table Selection (retain program output in workpapers)

Systematic (every nth item) Selection (identify method of selecting starting point)

Evaluation of Sample Test Results:

Results Projected to Population (statistical sampling)

Results Hypothesized to Population (judgmental sampling)

Results Neither Projected nor Hypothesized to Population

Conclusion(s) Drawn from Evaluation of Sample Testing Results:



PROCEDURE	Procedure No.	240.20 REQUIRED AUDIT DOCUMENTATION FORMS LAST REVISED: FEBRUARY 15, 2017	PAGE 5 OF 5

CHANGE HISTORY

Chg #	Date	Section	Description/Reason
1	3/31/2016	Other Sections	To address various editorial concerns and add a rewrite of sampling methodology documentation.
2	5/1/2017	Sampling Documentation	Sampling methodology documentation updated
	5/1/2017	Other Sections	General edits for clarification