

Audit Working Papers

What auditors mean by working papers



Audit Working Papers

This session will consider:

- How improving working papers and working together helps deliver early closure
- Case studies examining what is sufficient audit evidence

Pembrokeshire 2014-15

Audit Committee 28 September 2015

Interim audit - February 2015

Completion of I&E transactions testing – 25 September 2015



Pembrokeshire 2015-16

Audit Committee 27 July 2016

Interim audit - February 2016 and April 2016 (no work in March)

Completion of I&E transactions testing – June 2016



General working papers



2 key changes for 2015-16:

- **Audit deliverables document AND discussion**
- **Better understanding of accounts production process and ledger**

Detailed transaction testing

3 key changes for 2015-16:

- **Accountants workshop – but what about non-accountants?**
- **Co-ordinator (and cover arrangements)**
- **April testing**

Audit evidence - case study (1)

Teachers Pension

Disclosure note in the accounts confirms that Teachers Pension contributions of £6.5m were paid in 2015-16.

Audit deliverables document asks for *'supporting documentation for Teachers Pension disclosure'*

What evidence would you provide?



Audit evidence- case study (2)

Payroll costs

The auditor has selected a sample of employees (including teachers) and wants to confirm that pay, allowances and pension contributions are correct?

What evidence would you provide?



Audit evidence- case study (3)

Social care costs

The auditor has selected a transaction to test which is the monthly invoice from an agency supplying 200 domiciliary care hours to multiple residents at a cost of £20 per hour.

They have asked for 'supporting evidence for the transaction' and also said 'I will need to test one resident back to prime documents'

What evidence would you provide?



Audit evidence - case study (4)

Fees and Charges Income

The auditor has selected an income transaction relating to funding towards social services from the local health board.

The total income per the debtor invoice has been split over several ledger codes via a journal and you know that the figure selected has since changed as funding has increased.

What evidence would you provide?

Audit evidence - case study (5)

Year end creditors testing

The auditor has selected an invoice paid in April relating to repairs on property which they think should be included in year end creditors.

They have asked you to provide the evidence to confirm that the expenditure is in the correct financial year.

What evidence would you provide?

Audit Working Papers

Closing remarks:

- Early closure increases the need for working papers (and requests for evidence from auditors) to be right first time
- Ensure working papers tie up to the figures in the accounts as this is the starting point for audit
- Ensure evidence goes further than the ledger

Thank you



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