Field Work/Findings Phase Portion

In the Field Work Phase, your audit team is (hypothetically) out at the company performing the audit techniques that you identified in your Work Program. The team may be conducting interviews, observing, reviewing company documents, calculating financial ratios, or benchmarking the company’s data against competitors, among other things! What did your team find when it conducted its audit? This phase simply gathers the data collected out in the field. You may use the Specific Field Work Techniques given on page 137( see yellow highlighted below) and Sample work papers file sections given on page 161 ( see green highlighted below) of the Reider text.

You need to prepare 12-14 power point slides about **Walmart**, I have attached an example of the ppt ( please do not use home depot, it’s just an example)

 (the Specific Field Work Techniques given on page 137)

SPECIFIC FIELD WORK TECHNIQUES

Although there are many tools and techniques that can be used in the field work phase, there are a number that are used consistently. The operational reviewer should be most aware of these techniques, which include:

• Interviewing

• Systems flowchart

• Layout flowchart

• Ratio, change, and trend analysis

Following are exercises for you to do with regard to each of these techniques. Respond to the exercise on your own prior to looking at the suggestions.

Sample Interview

1. Reviewer (Walks right into Department Manager's office, unannounced): Hi, we're doing an operational review of your area, so I thought you might answer some questions about the inventory system.

2. Department Manager (looks up and looks at watch): What! You caught me by surprise. I have a meeting shortly, but I'll see what I can do for you.

3. Reviewer (sits down next to Department Manager, picks up pencil from desk): Can you tell me the status of the SRP program?

4. Department Manager: Huh?

5. Reviewer (louder): SRP program—surplus removal program.

6. Department Manager: Oh. We haven't used that in months.

7. Reviewer: I know. Can you describe the program?

8. Department Manager (obviously disturbed): I told you, it's not currently being used.

9. Reviewer: Could you just describe it?

10. Department Manager (more annoyed): Okay. The purpose was to transfer surplus inventory to another location where it was needed. We dropped it because we couldn't establish an effective reporting system between locations where we could tell … (cut short)

11. Reviewer: Uh huh. So, you have to correct your reporting system for SRP to work. What type of inventory records do you keep?

12. Department Manager: We use an online computerized record.

13. Reviewer: I see. It's my experience that whatever records you use, it's almost impossible to effectively control inventory. In fact, most inventory operations are extremely sloppy. I suppose I'll see for myself how good yours are.

14. Department Manager (shocked, sits back in chair): Uh huh.

15. Reviewer: What vehicles do you have in your delivery fleet?

16. Department Manager (looks confused and disturbed): Two panel trucks, one pick-up, one station wagon.

17. Reviewer (writes down answer and asks manager to repeat): Run that by me again.

18. Department Manager (in very annoyed tone): Two panel trucks, one pick-up, and one station wagon.

19. Reviewer: Is that all?

20. Department Manager (extremely annoyed): Yeah, that's all!!!

21. Reviewer: Who schedules the deliveries?

22. Department Manager: Chief storekeeper schedules deliveries and dispatches drivers.

23. Reviewer: Is the schedule formally written?

24. Department Manager: No, its not formal! Its just a day-to-day type thing.

25. Reviewer: Do you have any delivery records and time spent on them?

26. Department Manager (really disturbed): No!

27. Reviewer: Have you ever calculated the cost to make a delivery?

28. Department Manager: No!

29. Reviewer: That's funny; Tony Maroney, the assistant storekeeper told me that they keep detailed records and costs of all deliveries. He thinks we could save a bundle of money if we got out of the delivery business.

30. Department Manager (quite disturbed, turns away): You don't say.

31. Reviewer: Where do you get your authority over inventories?

32. Department Manager (picks up large loose-leaf binder): Look, its right here in the Company Policies and Procedures Manual (flips through the book). Here are the sections.

33. Reviewer: That's okay. I'll read my copy when I get back to the office. Do you have an organization chart I can have?

34. Department Manager: Sure, just a minute. I'll call my assistant, (calls out) Al, get me a copy of our organization chart.

35. Al (enters room): I have a chart you can have, but it's about three years old.

36. Reviewer: You don't have a current organization chart? How can you run your department without one?

37. Department Manager (upset and embarrassed, pauses and stutters): We'll, uh, I'll get you a copy when we update it (nods to Al, who leaves).

38. Reviewer (starts to gather up his papers, puts the Department Manager's pencil in his bag): Uh, I've written down the forms I'd like to have copies of (hands piece of handwritten paper to Department Manager).

39. Department Manager (looks over paper): Uh huh, Order and Bill, Log of Filled Orders, Manufacturing Order, Inventory Addition Record, Inventory Status Report, Completed Order, Shipping Documents. Look, I can't get them for you now (looks at watch). I'm already 20 minutes late for my meeting. I'll have to send them to you.

40. Reviewer: Okay. I didn't think it was that much trouble (grabs paper back and copies down forms on pad).

41. Department Manager (gets up to leave): If you have any more questions, contact my secretary (leaves the office with the reviewer still sitting there).

Sample work papers file sections given on page 161

WORK PAPERS

The following are the sections that should be included in the current operational review work paper files:

• Work paper index

• Work program

• Review checklist

• Time control

• Engagement status reports

• Supervision notes

• Correspondence (both in and out)

• Minutes of meetings

• Planning papers

• Fact finding: statement of condition

• Fact finding: establishment of criteria

• Analysis and conclusions

• Development of recommendations: alternatives

• Development of recommendations: final

• Presentation outline: oral reporting

• Written report: draft

• Written report: final copy

• Bulk material

Reader: Using the preceding list, document for your review team the contents of your operational review work paper file.