

FREE PRACTICAL GUIDE

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FIELDWORK

# How to Conduct an Effective Audit Walkthrough

A practical guide to understanding how a process really works before you test it

02

# Why this guide matters

This guide is designed for internal auditors who need a concise, practical way to apply conduct an effective audit walkthrough in real engagements. It focuses on decisions, evidence and common failure points rather than theory.

## THE OUTCOME YOU WANT

A practical guide to understanding how a process really works before you test it.

## The six-step approach

- 1 Choose a real transaction or case to follow from start to finish.
- 2 Ask the process owner to show the process, not just describe the policy.
- 3 Record systems, hand-offs, approvals, evidence and exceptions.
- 4 Challenge where the actual practice differs from documented procedures.
- 5 Identify key risks, controls and points where management judgment enters.
- 6 Close the walkthrough with a confirmed process map and evidence list.

# Steps 1-3: Build the foundation

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## **Choose a real transaction or case to follow from start to finish.**

Define the decision, risk or process question before collecting evidence. Write down what a good outcome would look like.

2

## **Ask the process owner to show the process, not just describe the policy.**

Use actual transactions, system evidence, data and accountable owners to confirm how the process operates in practice.

3

## **Record systems, hand-offs, approvals, evidence and exceptions.**

Record assumptions, exceptions and boundaries early so later testing remains focused and reproducible.

### **AUDITOR PROMPT**

Ask: "What evidence would convince another experienced auditor that this conclusion is reasonable?" If the answer is unclear, strengthen the planned work before moving on.

## Steps 4-6: Turn work into assurance

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### **Challenge where the actual practice differs from documented procedures.**

Match the depth of work to the severity of the risk. High-risk conclusions need stronger evidence and clearer documentation.

5

### **Identify key risks, controls and points where management judgment enters.**

Challenge exceptions for frequency, impact, root cause and management awareness before deciding what they mean.

6

### **Close the walkthrough with a confirmed process map and evidence list.**

Finish with an explicit conclusion and next action: no issue, improvement opportunity, finding, escalation or follow-up.

#### **QUALITY CHECK**

Before you finalize, ask whether the work directly answers the original audit question, whether evidence is sufficient, and whether a reader can understand the reasoning without being in the audit team.

## SCENARIO

Vendor bank account change.

## WALKTHROUGH FOCUS

Request origin, independent verification, master-data change, approval, payment impact and change log.

## RED FLAG

The team can explain the process but cannot produce evidence that independent verification happened.

## What makes the example useful?

- It starts from a specific risk or audit question.
- It connects evidence and testing to a conclusion.
- It avoids treating process description as proof of control effectiveness.
- It leaves a clear path for management action or follow-up.

# Quick reference - use this on your next audit

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## Five practical reminders

- The best walkthroughs are evidence-led: screens, records and actual examples beat verbal explanations.
- Ask “what happens when this goes wrong?” to uncover exception handling.
- Capture who owns each hand-off; many control failures occur between departments.

## Mini self-check

- ☐ Have I linked the work to a clear audit objective or business risk?
- ☐ Is the evidence strong enough for the importance of the conclusion?
- ☐ Have I distinguished facts, explanations and assumptions?
- ☐ Have I considered root cause and recurrence, not only the immediate exception?
- ☐ Can management understand what decision or action is required?

### RESOURCE NOTE

This is a practical learning resource, not formal professional guidance. Adapt the approach to your organization, applicable standards, regulation and audit methodology.