

# Workpaper Documentation and Standards - Best Practices in Documenting Processes

Dallas IIA Chapter

January 7, 2010

*Powerful Insights.  
Proven Delivery.™*

**protiviti**®  
Risk & Business Consulting.  
Internal Audit.



## Learning Objectives

- Identify the critical components of a process
- Use best practices in documenting processes with:
  - Process maps
  - Process narratives



## What is a process?

- A series of activities that lead to the achievement of a measurable result
- All processes have the following elements:
  - Objective
  - Scope
  - Actions

# Components of a Process

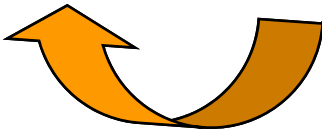
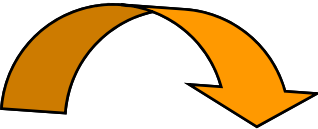
Inputs



Activities



Outputs



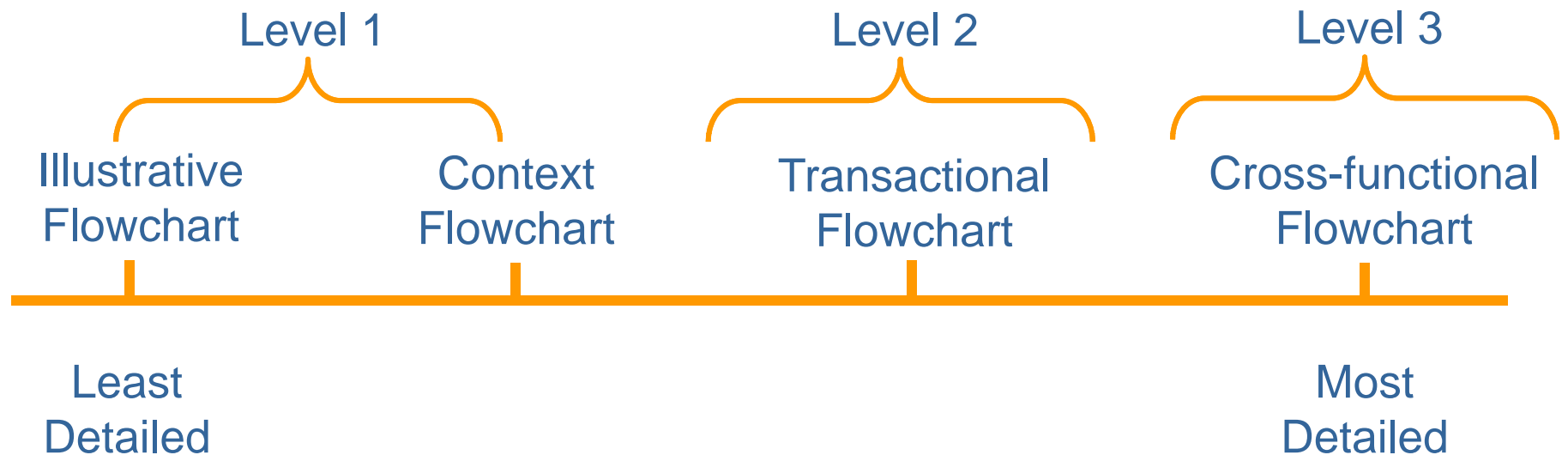


## How to Create a Process Map

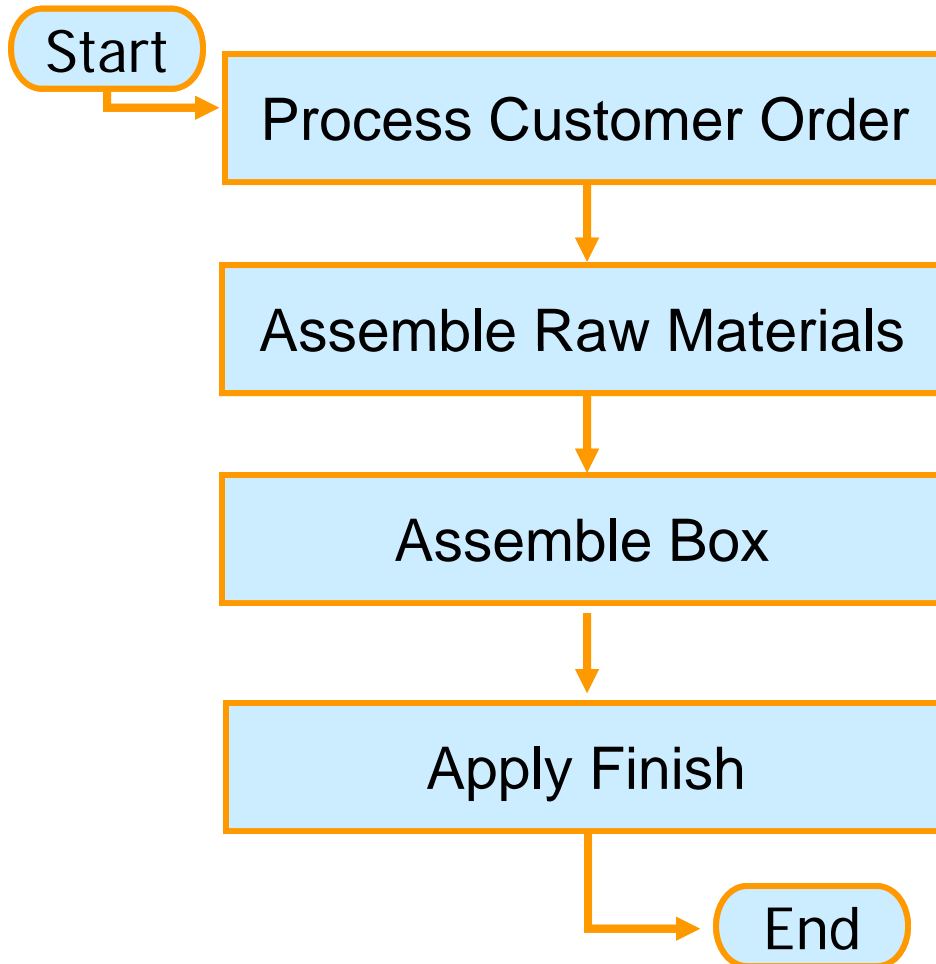
1. Select the process
2. Define the process boundaries (start and end points)
3. Gather information
4. Depict the process “as is”
5. Validate your understanding

## Types of Process Maps

There are four basic ways to graphically document a process.



## Illustrative Process Map

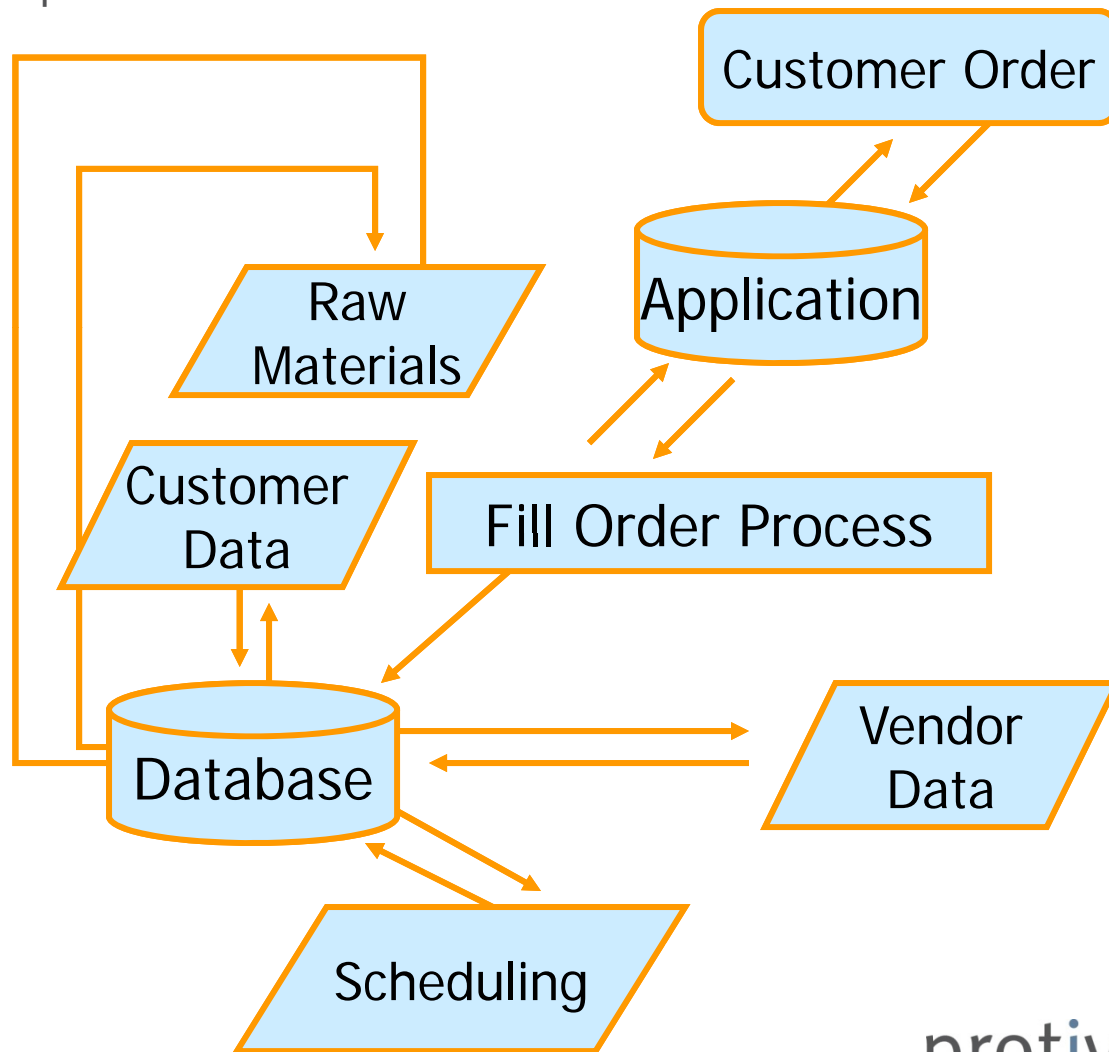


Build a Wooden Box

## Context Flowchart

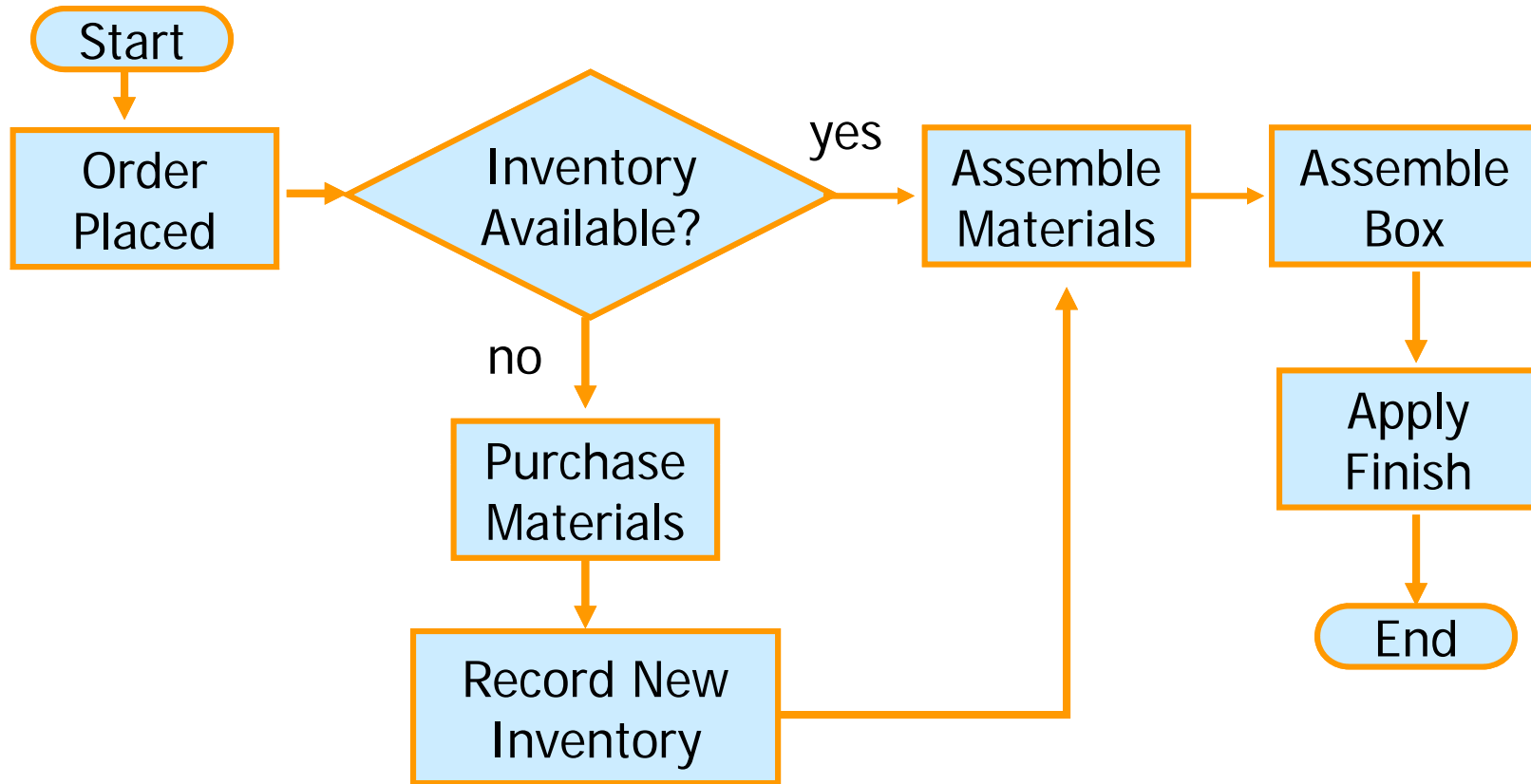
Depicts only a few aspects of a process:

- Internal entities
- External entities
- Enabling technologies

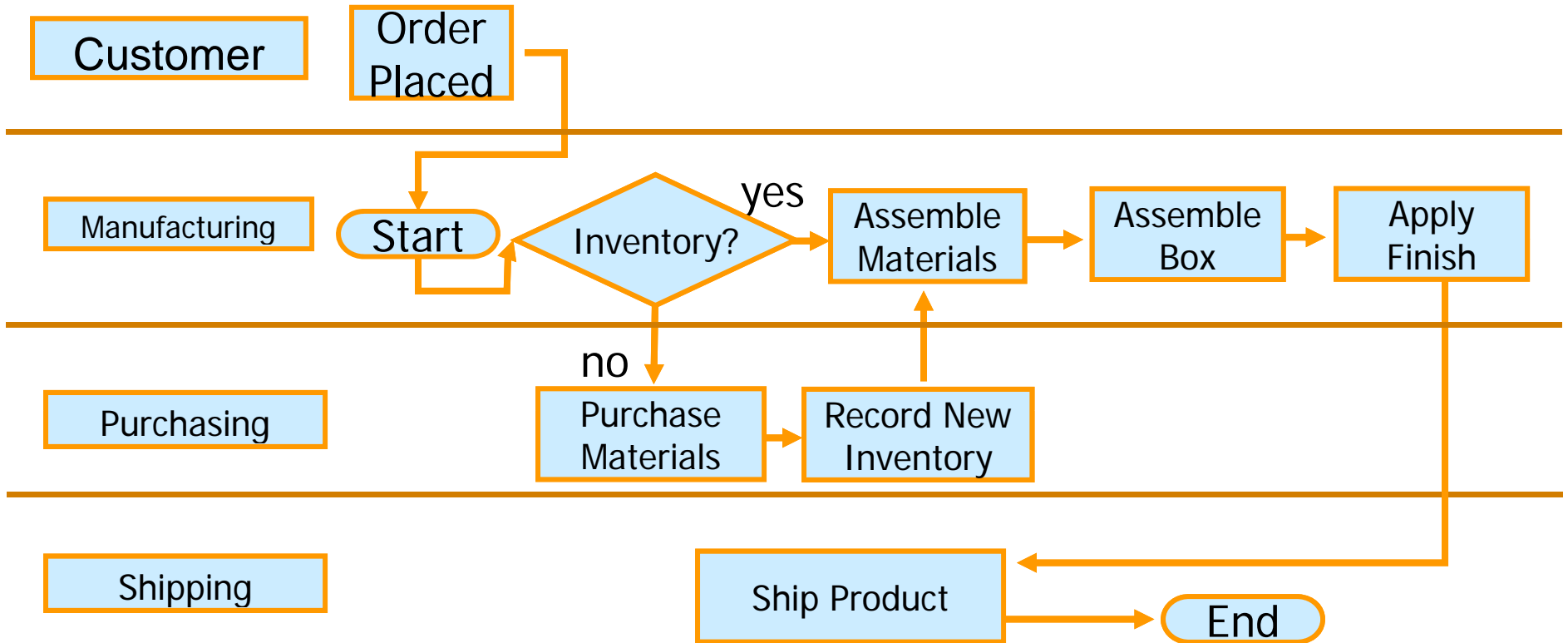




# Transactional Flowchart



# Cross-Functional Flowchart





## Process Mapping Guidelines and Best Practices

- Start with illustrative flowchart
- Identify internal and external entities
- Define Key inputs and outputs
- Proceed to the next level of detail
- Document key decisions
- Define major activities
- Walk through each activity
- User standard shapes and symbols
- Include key/legend
- Label risks and controls
- Connect shapes with arrows



## Process Narratives

- Describe the “as is” process
- Represent the entire process from start to finish, showing:
  - Inputs
  - Pathways
  - Circuits
  - Actions
  - Decision points
  - Completion
- Identify who is doing what, with whom, when and for how long
- Identify the sequence of events and any wait times or delays inherent in the process



## Components of a Process Narrative

- Process name
- Process objective
- Key personnel (title) performs the control
- Segregation of duties
- Key applications
- Key data forms / reports
- Spreadsheets used to perform key activities and controls
- Financial statement accounts affected by the process, if applicable
- Process description (description of the key process steps, detailing the beginning and end of the process)
- Key risks, highlighted within the narrative
- Key controls, highlighted within the narrative
- Adequate information to prepare a Risk and Control Matrix (RCM)



## Activity – Process Narrative Key Information

**Purpose:** Realize the importance of writing a detailed process narrative.

### Group Activity (15 minutes)

1. Review the Process Narrative
2. Develop a process map for Sections I and II of the narrative (Purchase Orders and Invoice Receipt and Approval of Disbursements)
  - No need to include risks and controls
  - Create the process map on a flipchart (or whiteboard)
  - Identify missing information



## Evaluation of Process Documentation

- Completeness – Does the document address the entire process?
- Flow and readability – Is the sequence logical?
- Key inputs and outputs documented and/or plotted?
- Is it accurate?



## Summary

- A process has inputs, activities and outputs
- There are three levels at which processes can be documented with process maps:
  1. Illustrative or context flowchart
  2. Transactional flowchart
  3. Cross-functional flowchart
- Process maps and narratives, used to document processes, must:
  - Be complete and accurate
  - Logically flow
  - Include key inputs and outputs





*Powerful Insights.  
Proven Delivery.™*

For more information or if you have questions, please contact:

Cindy Hart, Manager  
972.788.8505 (Office) or 817.253.9176 (Mobile)  
[cindy.hart@protiviti.com](mailto:cindy.hart@protiviti.com)