



Office of the City Auditor Policies and Procedures

Number: 1.3

Title: Professional Standards

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Approved by:

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I. References

See *Government Auditing Standards*, also referred to as *GAGAS (Generally Accepted Government Auditing Standards)*, July 2007 revision, Chapter 1, Sections 1.03-04 on the Purpose and Applicability of *GAGAS* and Sections 1.11-13 on Stating Compliance with *GAGAS* in the Auditors' Report.

II. Policy

The Office of the City Auditor (OCA) adheres to *Government Auditing Standards*, sometimes referred to as the Yellow Book or *GAGAS (Generally Accepted Government Auditing Standards)*, as promulgated by the Comptroller General, U.S. Government Accountability Office, Washington, D.C. and required by the City Charter (Article VII, Section 17).

- A. All projects conducted by OCA shall be conducted in accordance with the *GAGAS* ethics and general standards at a minimum, as well as the applicable standards for field work and reporting.
- B. For all audit work undertaken by OCA, auditors shall follow all applicable *GAGAS* requirements and cite the extent of compliance with those requirements in the audit report.
- C. Non-audit projects undertaken by OCA, including investigations and special request projects for which *GAGAS* fieldwork and reporting standards are not followed, shall be conducted in accordance with the *GAGAS* ethics and general standards at a minimum. See policy 2.2.1, Non-Audit Services, as well as OCA CAIU investigation policies, for relevant requirements.

II. Purpose

This policy establishes the GAGAS as the professional standards required for the conduct of OCA audit projects and clarifies the minimum standards to be followed for all OCA projects.

III. Definitions

None

IV. Procedures/Responsibilities

- A. **All OCA auditors and audit investigators** are responsible for knowing the requirements contained in the GAGAS and for complying with those requirements in their work. All questions concerning adherence or applicability of particular GAGAS requirements should be communicated to the **Auditor-in-Charge (AIC)** and/or the appropriate **Assistant City Auditor (ACA)** or the **Deputy City Auditor (DCA)**.
- B. The **City Auditor (CA)** is responsible for ensuring that OCA has a quality control system (QCS) to provide reasonable assurance that OCA and its staff comply with GAGAS. See policy 1.7 on OCA's QCS.
- C. The **AIC** and the appropriate **ACA** for each project are responsible for ensuring that:
 1. audits are conducted in accordance with applicable GAGAS requirements and that compliance is adequately documented within the audit working papers. For more detailed requirements on how to comply with GAGAS, refer to the policies contained in Section 3 of the OCA Policy Manual which collectively address the audit process.
 2. non-audit services are conducted according to OCA Policy 2.2.1, Non-Audit Services, which specifies among other things, that non-audit services shall not be reported as complying with GAGAS.
- D. The **AIC** and the appropriate **ACA** are responsible for ensuring that audit reports include the appropriate GAGAS compliance statement, according to OCA Policy 3.5.4, Report Content and Format for Performance Audits, which specifies the standard GAGAS compliance statement, and what the modified GAGAS compliance statement should address if used.