



Office of the City Auditor
Policies and Procedures

Number: 3.1.3

Title: Assessing Audit Team Competence

Original Date: **Revision Date:** **Last Review Date:** **Approved by:**

12/31/2007

I. References

See *Government Auditing Standards* (GAS), July 2007 Revision, Chapter 3, Sections 3.40-3.43. See also Chapter 7, Section 7.44.

II. Policy

- A. When making audit team assignments, management of the Office of the City Auditor (OCA) will determine the skills required to complete the audits and consider whether the current OCA workforce collectively possesses adequate professional competence for the audit tasks required.
- B. When the determination is made that the current OCA workforce does not collectively possess adequate professional competence for a particular audit, OCA management will consider options for acquiring assistance in completing the audit or may choose to discontinue the audit.

III. Purpose

To establish a policy for assessing and ensuring the professional competence of OCA's audit teams and to demonstrate compliance with *Government Auditing Standards* by documenting the determination of audit team competence.

IV. Definitions

Competence – The appropriate combination of technical knowledge, skills, and experience derived from education and work experience which enables the auditor to make sound professional judgments in the performance of assigned work.

V. Procedures/Responsibilities

- A. The **OCA Management Team (OCA MT)**, consisting of Assistant City Auditors (ACA), the Deputy City Auditor (DCA), and the City Auditor (CA), is responsible for developing OCA's annual audit service plan, accepting special request audits, and making audit team assignments.
- B. When developing OCA's annual service plan and accepting special request audits throughout the year, in making audit team assignments, the **OCA MT** will:
 - 1. determine the technical knowledge, skills, and experience needed to complete each audit;
 - 2. consider whether the current OCA workforce possesses the combined technical knowledge, skills, and experience required to complete each project; and, if so
 - 3. assign such combined professional competence to each project.
- C. When considering audit team competence, the **OCA MT** will examine the team's collective:
 - 1. knowledge of Government Auditing Standards (GAS) applicable to the type of work involved and the education, skills, and experience to apply the knowledge to the work involved;
 - 2. general knowledge of the environment within the City department or external entity being audited and the subject matter under review;
 - 3. skills to communicate clearly and effectively, both orally and in writing regarding the subject matter involved; and
 - 4. specialized skills appropriate for the work being performed, for example:
 - a. statistical sampling, surveying and/or analysis methodologies, if needed;
 - b. information technology, if the work involves information systems;
 - c. engineering, if the work involves the review of engineering data; or
 - d. specialized knowledge in subject matters, such as scientific, medical, environmental, educational, or another field, as needed.

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- D. The **DCA** shall make the final determination regarding whether the assigned audit team collectively possesses the professional competence needed to properly perform the project work and will attest to such using form 3.1.2, (entitled *Auditor Assignment & Independence Form*) which will be maintained in the work papers for each audit.
- E. When the **DCA** concludes that the assigned audit team does not possess the requisite professional competence required, the DCA along with the **CA**, will consider the following options:
1. changing the composition of the audit team to include staff with the requisite skill set;
 2. modifying assignment objectives, scope, and methodology to come within the qualifications of available staff;
 3. arranging for the assignment of qualified staff from other departments of the City of Austin;
 4. using an outside expert; or
 5. discontinuing the assignment.
- F. When the DCA and CA decide which of the above choices best meets OCA's requirements and needs, the DCA or appropriate ACA will ensure that documentation of that decision is included in the audit work papers.
- G. When the decision is made to use an outside expert, Policy 3.1.4, *Use of Outside Experts*, should be followed.