

V. Procedures/Responsibilities

- A. When an OCA audit team intends to rely on work performed by others, the **Auditor-in-Charge (AIC)** will discuss with and obtain an initial approval from the **Assistant City Auditor (ACA)** assigned to the audit. The **AIC** and the **ACA** should document the ACA's approval in the audit work papers.
- B. After obtaining initial ACA approval, the **AIC** along with the audit team will determine the nature and extent of evidence needed to assess the specified work. Criteria for determination include:
1. how OCA intends to use the information in the report, as information only or support for significant findings, and
 2. how significant the work is in relation to the audit objectives.
- C. If OCA plans to rely upon the work of others in conducting an audit, the **audit team** should assess whether the scope, quality, and timing of the work performed is adequate for reliance in the context of the current audit objectives. The extent of this assessment will depend on the significance of the work to the audit objectives. Some areas the team should evaluate include:
1. the qualifications and independence of the other party;
 2. the time period the work covers and its scope relative to the scope of OCA's audit
 3. the other party's quality control (peer review) report and any letter of comment assessing its qualifications;
 4. the standards followed during their work;
 5. the methodology used, assumptions made, documented evidence, and their final report; and
 6. the need to conduct supplemental tests of the evidence.
- D. If the work performed by others is to be used to support findings or any significant messages contained in OCA's audit report, independence must be evaluated using criteria contained in OCA Policy 3.1.2, *Impairments to Independence*. The results of that evaluation will be included with other evidence of auditor independence (*Auditor Assignment and Independence Form*) in the audit work papers.
- E. The **AIC** will document the assessment methodology used to evaluate the work of others in the audit work papers.

- F. The **AIC** should discuss with the assigned **ACA** the results of the assessment and any supplemental tests of evidence completed. The **ACA** will make a final decision on whether the audit team can rely on the work done by others, and if so, the extent of the reliance.
- G. The **AIC** will document the decision of whether to rely on the work done by others and justifications for the decision. Evidence of the **ACA's** review and approval of the decision and justification must appear in the audit work papers.
- H. The **AIC** will disclose the reliance on work performed by others in the section of objectives, scope, and methodology in the audit report, and the **ACA** will verify that the disclosure is contained in the audit report.