



Office of the City Auditor Policies and Procedures

Number: 3.5.5

Title: Audit Report Distribution

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Approved by:

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I. References:

See *Government Auditing Standards* (also referred to as the *Generally Accepted Government Auditing Standards - GAGAS*), July 2007 revision, Chapter 8, Section 8.05 and 8.43; OCA Policy 3.5.1, Report Writing Process; OCA Policy 3.5.4, Report Content and Format for Performance Audits; OCA Policy 3.5.6, Corrections in Published Reports; OCA Policy 3.5.7, Reporting Confidential and Sensitive Information; and the [Code of the City of Austin](#) Title 2, Chapter 2-3, Section 2-3-8, Paragraph (D).

II. Policy

- A. Unless restricted due to confidential information content, OCA will distribute final audit reports to those charged with governance, to the appropriate officials of the audited entity, and to the appropriate oversight bodies or organizations requiring or arranging for the audits. In addition, unless restricted by the report's confidential nature, OCA will make final audit reports available for public inspection.
- B. Audit reports produced by the Office of the City Auditor (OCA) are considered final after they are approved by the City Auditor and are released in final form to City Council members. As such, final audit reports do not have the open records protections afforded to audit working papers under Texas open records law.
- C. Final audit reports produced by OCA shall be distributed first to members of the City Council, including members of the Audit and Finance Committee (AFC), and then to other report recipients. Distribution of the final audit report to other recipients or to the public is not contingent upon acceptance of the report by the AFC.

III. Purpose

This policy sets forth the process for distributing and otherwise making available final audit reports to City officials, external oversight bodies, and other stakeholders including the public to help ensure the accountability of government and its officials to the people we serve.

IV. Definitions

- A. **Audit Report** – Any report containing the results of an audit conducted in accordance with GAGAS. This includes both regular Service Plan audits as well as Special Request limited-scope audits.

V. Procedures/Responsibilities

- A. All report drafts created prior to the final audit report shall be clearly marked *draft*.
- B. After issuing the draft report for management response according to OCA Policy 3.5.1, Report Writing Process, and before issuing the final audit report, the **audit team** may provide auditee management with updated drafts that reflect changes resulting from exit conferences and from management review of prior drafts, but without the management responses inserted.
- C. Once the final report draft is approved by the **City Auditor (CA)** and the management responses have been inserted according to policies 3.5.1 and 3.5.4, the report may not be distributed outside of OCA, except through the normal report distribution process outlined in this policy, through an open-records request, or with the permission of the **CA**.
- D. For reports that will be presented at the Audit and Finance Committee (AFC) meeting, the AFC presentation draft, which in itself is a summarized form of the report, will not generally be distributed to management before presentation to the AFC. However, if auditee management requests the AFC presentation, and if trust and cooperation are high in the judgment of the **AIC** and **Assistant City Auditor (ACA)**, the **audit team** may provide a draft copy of the presentation, clearly marked *draft* and without any scripted comments, to the auditee in advance of the AFC meeting.
- E. Once the management responses have been incorporated into the final draft of the audit report, and the report is signed by the **CA**, the **Auditor-in-Charge (AIC)** is responsible for providing a reproduction-ready copy of the report to the **OCA administrative staff** for reproduction and distribution. The **AIC/ACA** are responsible for

providing adequate quality control during and following the reproduction process to ensure that the reports are properly collated and complete. If report copies are later discovered to have been produced or distributed which do not meet these requirements, the **AIC** along with the **ACA/DCA** should determine appropriate action.

- F. If the **audit team/AIC's** assessment of the potential confidentiality of the report information has identified the need for issuing a confidential report, or if the **AIC** or **ACA** become aware of a need or a request to withhold the final audit report from public distribution due to the fact that it may contain confidential information, the **audit team/AIC** should follow the procedures outlined in OCA Policy 3.5.7, Reporting Confidential Information.
- G. The **OCA administrative staff** is responsible for maintaining and updating a standard report distribution list for OCA final audit reports. The standard distribution list should contain at least the following designated recipients:
1. each of the members of the Austin City Council;
 2. the City Manager;
 3. each of the Assistant City Managers;
 4. the City's Chief Financial Officer (CFO) and Deputy CFO;
 5. each of the Assistant City Auditors; and
 6. the Austin History Center.
- H. The **AIC** is responsible for compiling an audit-specific distribution list of addressees separate from the standard OCA report distribution list, and for ensuring that copies of the final audit report are distributed to the addressees on the list. The audit-specific distribution list should include:
1. the director and other appropriate officials of the audited entity;
 2. the organization requesting the audit, if applicable;
 3. officials responsible for implementing recommendations, as determined by the AIC; and
 4. any state, federal, or other oversight authority, as determined by the AIC. These include bodies or organizations that possess oversight authority for the audited entity. In cases of audits involving federally-funded grant programs, the **AIC** must identify the federal agency which receives all grant-related audits for the audited entity (referred to as the "cognizant agency"), and ensure the agency is included on the distribution list.

- I. The **OCA administrative staff** is responsible for coordinating the distribution process to ensure that all members of the City Council, including the Audit and Finance Committee (AFC) members, receive the final audit reports first (at approximately the same time) and in accordance with the AFC's established timelines.
- J. After the final audit report has been provided to City Council members, the **OCA administrative staff** is responsible for ensuring that the report is promptly distributed to the remaining addressees on the standard distribution list and for uploading the final audit report to OCA's external website.
 - 1. Note that for reports that are presented at an AFC meeting, the distribution to Council members and the City Manager will occur before the AFC meeting, and the upload to OCA's website will occur after the AFC meeting. The website link may be used to distribute the report to remaining recipients.
 - 2. Note that per GAGAS, one purpose of audit reports is to make audit results available to the public. AFC acceptance constitutes an endorsement of the audit recommendations and the management improvements identified in the management response; it is not required to finalize or authorize distribution of the final audit report itself. Therefore, OCA will make final audit reports publicly available (with the exception of confidential reports), whether or not they have been formally accepted by the AFC.
 - 3. See OCA Policy 3.5.7, Reporting Confidential and Sensitive Information, for specific details on the handling of confidential reports.
- K. The **AIC** is responsible for coordinating with **OCA administrative staff** to ensure the final audit report is also promptly distributed to the audit-specific distribution list, for addressees who did not receive a copy at the AFC meeting. The **OCA administrative staff** is responsible for ensuring that a permanent copy of the report is retained by OCA.
- L. The **City Auditor (CA)** is ultimately responsible for ensuring that audit results are communicated to parties who can ensure that the results are given due consideration.
- M. If a request is received by OCA to release a report or portion of a report or its findings (other than to the auditee or the auditee's oversight personnel in the City Manager's Office), before the final audit report has been provided to Council and AFC members,
 - 1. The release of the report or portion thereof shall not be made without CA approval.

2. Before authorizing the release, if not otherwise mandated by statutory or regulatory requirements, the **CA** shall:
 - a. Assess the potential risk to the organization;
 - b. Consult with senior management and/or legal counsel; and
 - c. Control dissemination by indicating the intended users of the report.
 3. If the CA decides to release the report or portion thereof, the **AIC** is responsible for documenting the **CA's** decision to release the report as well as the name of the person or agency to which the report was released.
- N. The **AIC** is responsible for documenting the final, complete report distribution list and any limitations on report distribution in the audit working papers.
- O. If, after distribution, an error is discovered in a final audit report or the need is identified for the report to be changed for other reasons, refer to OCA Policy 3.5.6, Corrections in Published Reports. The use of the term 'final audit report' in this policy does not preclude the issuance of subsequent corrections or errata as needed.
- P. Requests for information other than audit reports or portions thereof should be handled according to OCA Policy 5.1.2, Release of Information.