

Resolution No. 31029

The City of Seattle – Legislative Department

Resolution sponsored by: McVeen (D)

A RESOLUTION endorsing and supporting the Policy and Procedures of the Office of City Auditor.

Related Legislation File: _____

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|---|---|
| Date Introduced and Referred: <u>12-3-07</u> | To: (committee): <u>Finance & Budget</u> |
| Date Re-referred: <u>Jan. 14, 2008</u> | To: (committee): <u>Housing And Economic Development</u> |
| Date Re-referred: | To: (committee): |
| Date of Final Action: <u>Jan. 22, 2008</u> | Date Presented to Mayor: |
| Date Signed by Mayor: | Date Returned to City Clerk: <u>Jan. 22, 2008</u> |
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Committee Action:

| Date | Recommendation | Vote |
|----------------|----------------|---------------|
| <u>1/15/08</u> | <u>Adopt</u> | <u>RJM/JD</u> |
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This file is complete and ready for presentation to Full Council. _____

Full Council Action:

| Date | Decision | Vote |
|----------------|------------|----------------|
| <u>1/22/08</u> | <u>9-0</u> | <u>Adopted</u> |
| | | |
| | | |
| | | |

RESOLUTION 31029

1
2 A RESOLUTION endorsing and supporting the Policy and Procedures of the Office of City
3 Auditor.

4 WHEREAS, the City Auditor has the responsibility under the City Charter for the performance and
5 control of the audit function for the City; and

6 WHEREAS, the City Council has noted the importance of the independence of the City Auditor
7 and has expressed its intention to maintain the independence of the City Auditor in
8 Ordinance 118957, Resolution 30175 and Legislative Department Policy 98-5 among
9 others; and

10 WHEREAS, certain audit procedures are based on generally accepted government auditing
11 standards (as promulgated by the Comptroller General of the United States) that are revised
12 periodically; and

13 WHEREAS, the City Council hired a consultant to review the policies and procedures of the Office
14 of City Auditor and offer recommendations; and

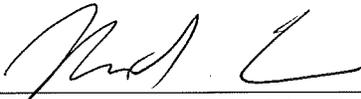
15 WHEREAS, the Office of City Auditor has worked with the consultant to implement the
16 recommendations, resulting in a revised Office of City Auditor Policies and Procedures
17 Manual, attached hereto as Exhibit A, and a revised Office of City Auditor Administrative
18 Manual attached hereto as Exhibit B; NOW THEREFORE,

19 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE:**

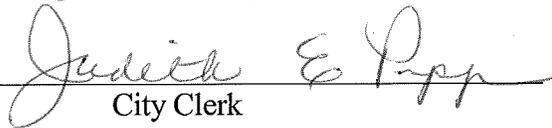
20 Section 1. That the City Council hereby endorses and supports the Office of City Auditor
21 Policies and Procedures Manual, attached hereto as Attachment A, and the Office of City
22 Auditor Administrative Manual attached hereto as Attachment B; which manuals may be
23 updated and modified as needed by the City Auditor.
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1 Adopted by the City Council the 22nd day of JANUARY, 2008⁰⁸, and signed by me
2 in open session in authentication of its adoption this 22nd day of January, 2008⁰⁸.

3
4 
5 _____
6 President _____ of the City Council

7 Filed by me this 22 day of January, 2008⁰⁸

8 
9 _____
10 City Clerk

11 (Seal)

12 Attachment A: Office of City Auditor Policies and Procedures Manual
13 Attachment B: Office of City Auditor Administrative Manual



Attachment A

Office of City Auditor Policies and Procedures Manual

Office of City Auditor Policies and Procedures Manual

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CHAPTER 1: Authority, Mission, Services, Values, Goals, Roles, and General Standards of the Office of City Auditor

Auditing City Departments and Programs

With the City of Seattle's (City) annual budget reflecting total expenditures of over \$3 billion, the members of the Seattle City Council need an effective means to monitor the use of tax dollars and City activities and programs. As an independent audit function, the Office of City Auditor plays an integral role in the oversight process. Audit findings and recommendations have helped save tax dollars, increase revenue, and improve the management of City programs. Additionally, our independent reviews have served as an important, objective information source for the City Council, the Mayor, City department management, and the general public.

Authority and Responsibility

Article VIII Section 2 of the Seattle City Charter establishes the Office of City Auditor and outlines the Auditor's powers and duties as follows:

“There shall be a City Auditor who shall examine and verify the accuracy of the accounts and records of the City; inspect the receipt, safekeeping, and disbursement of public funds; and perform such other duties as are prescribed by law. The City Auditor shall have a term of four years and shall be appointed by a majority of the City Council and may be removed for cause by a majority of the City Council.”

Further details about the City Auditor's duties and authority are found in Chapter 3.40 of the Seattle Municipal Code (SMC 3.40).

In addition, City Council Resolution 30175 defines how the Office of City Auditor develops its work program (Resolution 30175).

Mission, Values, and Goals

Our mission at the Office of City Auditor is to help the City of Seattle achieve honest, efficient management and full accountability throughout City government. We serve the public interest by providing the Mayor, the City Council, and City Department Heads with accurate information, unbiased analysis, and objective recommendations on how best to use public resources in support of the well-being of the citizens of Seattle.

The staff of the Office of City Auditor value a public sector that is responsive to the needs of its citizens and worthy of their trust. Our desire is to add value to the City organization, and ultimately to improve the lives of Seattle's citizens. Credibility is the hallmark of the audit profession, and we strive to uphold strict standards for collecting and disseminating information. We carefully balance the independence of our office with our desire to foster professional collaboration with City departments. The City Auditor's management philosophy is based on the following five core values:

Accountability: We believe that government officials and agencies, including our office, are accountable to citizens for their performance, use of resources, and stewardship of assets.

Transparency: We believe that accountability cannot be effective without free and open access to information.

Integrity: We conduct our work and report results fairly, honestly, and independently.



Professionalism: We conduct our work objectively, base our conclusions on sound evidence, and treat staff and officials of audited agencies with respect. We acknowledge and correct our mistakes.

Respect: We believe most City employees have pride in their work and want to provide citizens with quality public services. We display this respect for these City employees throughout our audit process.

Our goals are to:

- Conduct audits and other projects that are useful to City Councilmembers, the Mayor's Office, department managers, and Seattle's citizens. (*Measurement: 80% or more of our work has an identifiable sponsor from the City Council, Mayor' Office, or department management.*)
- Use resources allocated to us efficiently and effectively. (*Measurement: Our productivity will equal or surpass comparable local government audit organizations.*)
- Conduct our work in accordance with auditing standards. (*Measurement: Our office will have a quality assurance review [external peer review] to assess our compliance with government auditing standards.*)
- Maintain the appearance and reality of organizational independence. (*Measurement: An outside consultant will assess the office's independence a minimum of once every three years.*)

Types of Office of City Auditor Reviews

The Office of City Auditor performs the following types of reviews:

Performance Audits: engagements that provide assurance or conclusions based on an evaluation of sufficient, appropriate evidence against stated criteria, such as specific requirements (e.g., laws, policies and procedures, regulations), measures, or defined business practices. Performance audits provide objective analysis so that management and those charged with governance and oversight can use the information to improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.

Financial-Related Auditing: financial-related audits provide for different levels of assurance and entail various scopes of work. An example of this type of audit is an assessment of the effectiveness of an entity's internal control over compliance with specified requirements, such as those governing the bidding for, accounting for, and reporting on grants and contracts. It should be noted that the Office of City Auditor does not perform financial audits (i.e., verification of the City's financial statements). This responsibility belongs to the State Auditor.

Special Projects: in addition to performance and financial-related audits, the Office of City Auditor, at the request of the City Council or Executive, conducts special projects. Special projects are similar to audits in that they provide an independent, objective, nonpartisan assessment of the stewardship, performance, or cost of government policies, programs, or operations, depending upon the type and scope of the special projects. They differ from an audit in that the scope and nature of the special project allows for a more abbreviated methodology. All special projects are conducted in accordance with the general standards of the Government Audit Standards.



Role In City Government

The Office of City Auditor is part of the legislative branch of the City of Seattle, which includes the Seattle City Council. The primary form of assistance it provides to the City Council is conducting audits of the programs and activities of the Executive branch of Seattle City government. While the City Auditor is appointed by and reports to the Seattle City Council, he/she has the independent authority to develop and conduct the office's audit work program.

The Office of City Auditor's audits and reviews provide insight into City departments, offices, agencies, and their programs. The office conducts financial-related audits, performance audits, and compliance audits of City programs, agencies, grantees, and contracts. Many of our reviews are made in response to specific concerns or requests from City Councilmembers. If resources are available, we will respond to specific requests from the Mayor's Office or City departments. The City Auditor will also independently initiate reviews to fulfill our mission.

The Office of City Auditor's goal is to apportion its work to adhere to the following percentage ranges:

| Type of Work | Percent of Audits |
|--|--------------------------|
| City Council Requested Audits | 40-60 |
| Executive Requested Audits | 40-60 |
| Citizen and Audits Initiated by the City Auditor | 10-30 |
| | |
| For Audits Initiated by the City Auditor | |
| Performance/operational Audits | 0-50 |
| Financial-Related Audits | 0-50 |
| Contract Audits | 0-10 |
| Performance Measure Audits | 0-10 |
| Control Self-Assessment Audits | 0-10 |
| Work Process Re-engineering Audits | 0-10 |
| Information Technology Audits | 0-25 |

Our reviews cover the entire spectrum of City activities, and answer the following types of questions:

- Are City programs being carried out in compliance with applicable laws and regulations, and is data furnished to the Mayor and City Council on these programs accurate?
- Do opportunities exist to eliminate inefficient use of public funds and potential waste?
- Are funds being spent legally, and is accounting for them accurate?
- Are programs achieving desired results?
- Are there better ways of achieving program objectives at lower costs?
- Are there ways to improve the quality of service without increasing costs?
- What emerging or key issues should the Mayor and City Council consider?

Developing the Office's Work Plan

A key to a successful audit function is determining which areas to audit and allocating scarce audit resources to those areas. For the most part, audits undertaken by our office are driven by current events and the interests of City Councilmembers, Mayor, departments and citizens. The Office of City Auditor solicits recommendations for audits and then evaluates each recommendation to identify those projects with the greatest potential impact. Audits are prioritized based on financial impact, risk to the City's reputation, and degree of elected official or department



management interest. In addition, extra consideration is given to audits that provide broad coverage (that is, conducting audits in many different departments and city programs).

Policy

At the beginning of each year, it is the Office of City Auditor's policy to formally seek input from the Mayor, City Council, departments and citizens via memorandum and through meetings. However, City Council Resolution 30175, Section 5 states that: "The City Auditor is authorized to make the final decisions regarding the content of the work program."

Policy

To ensure that our work is addressing the most relevant issues, it is Office of City Auditor policy to continue to solicit informal input through the year.

While the Office of City Auditor lays out a specific work program identifying the audits that are targeted for initiation in the coming year, the City Auditor reserves the right to re-prioritize projects to accommodate special requests from the Mayor or City Council, or to conduct audits that may involve fraud or significant financial ramifications. City Council Resolution 30175, the Office of City Auditor regularly updates and reprioritizes its work program to ensure that it addresses emergent issues as they arise:

"...the Council acknowledges that the City Auditor will periodically during the year re-prioritize the Office of City Auditor's work program so that it will continue to address emergent critical issues in a timely manner."

Our overall goal in developing the work program is to choose projects that will help departments improve services, innovate, and increase revenues and/or reduce costs. While developing the work program, the City Auditor will consider the needs of departments; the quality of their internal controls, program funding and program changes, time elapsed since the last audit, and the skills and availability of audit staff.

During the year, audit office personnel are assigned to projects based on risk, potential benefits, urgency of project, and expertise of audit staff.

Office Policies: Ensuring Adherence to Government Auditing Standards

Employee Ethics and Conduct

Government Auditing Standards and State and City law require Office of City Auditor employees to perform their duties in an ethical fashion and avoid the appearance of unethical conduct or practices. Employees must not be involved in circumstances that invite conflict between their self-interest and the integrity of Office of City Auditor employment, such as seeking employment from agencies being audited. When potential conflicts exist, office employees must inform the City Auditor about such situations to ensure that action is taken to preserve the credibility of the office's work.

Policy

All work performed by Office of City Auditor staff must conform to the Seattle Code of Ethics. All staff members are expected to be thoroughly knowledgeable of and conversant with the requirements of the Seattle Code of Ethics. Staff should read and understand the following documents:

- Chapter 4.16 of the Seattle Municipal Code: Code of Ethics, and
- RCW 42.23 Code of Ethics for Municipal Officers.



If staff members have any questions about the interpretation of the above documents, they should contact the Seattle Ethics and Elections Commission for clarification. In addition, staff members can examine the Ethics and Elections Commission's web site ([Ethics and Elections Home Page](#)) for further information.

In addition, employees are expected to review and adhere to "Ethical Principles in government Auditing", chapter 2 of the Government Auditing Standards.

General Standards

The policy of the Office of City Auditor is to ensure that its work is conducted in accordance with applicable auditing standards and the office's requirements.

Policy

Specifically, it is office policy for staff assigned to audits or evaluations to perform work in accordance with the general standards of the Government Auditing Standards of the United States Government Accountability Office, which are described in Chapter 3 of the Government Auditing Standards (July 2007 Revision). These general standards apply to all of the Office of City Auditor's projects. These general standards cover independence, professional judgment, competence, and quality control.

Independence

In accordance with the Government Auditing Standards, in all matters relating to audit work, the Office of City Auditor and each member of the Office of City Auditor must be free of any personal, external, or organizational impairment to independence that would cause a knowledgeable third person to believe that such impairment had occurred. Facts concerning any impairment must be reported to superiors.

If some factor impairs or can be perceived to affect our independence, we should assign the work to an independent auditor or decline to perform the work. If we cannot decline to perform the work we should disclose the impairment(s) and modify the Generally Accepted Government Auditing Standards (GAGAS) compliance statement in our final report.

If impairment to independence is identified after the audit report is issued, the City Auditor should assess the impact on the audit. If the City Auditor concludes that the work did not comply with GAGAS, the City Auditor shall determine the impact on the auditors' report and notify entity management, those charged with governance, the requesters, or regulatory agencies that have jurisdiction over the audited entity and persons known to be using the audit report about the independence impairment and the impact on the audit. Our office shall make such notifications in writing.

Impairments to objectivity can be personal, external, or organizational.

Personal Impairments

If a staff member or consultant believes there may be impairment on a task or an assignment, he or she must report the circumstances to the City Auditor. Normally, this impairment will be documented on the A04 work paper, the Independence Statement, which is completed for all audits. Upon being notified of such impairment, the City Auditor shall take action to resolve the impairment in a timely manner. In situations in which the personal impairment is applicable only to an individual auditor or a specialist on a particular audit, the City Auditor may remove that auditor or specialist to eliminate the cause of the personal impairment. If the personal impairment cannot be eliminated, the City Auditor shall withdraw from the audit. If it is not possible to withdraw from the audit, our office shall disclose the impairment(s) and modify the Government Auditing Standards compliance statement.



External Impairments

Since the goal of the Office of City Auditor is to provide useful and credible analyses and information to interested parties, it must plan, perform, and report the results of its work independently and objectively. Thus, the office must have discretion in determining how and by whom the audit or evaluation work is to be done, as well as in deciding what is to be included in the report. Auditors involved in conducting audit work for the office must report any actual or perceived external impairment to the City Auditor. Normally, this impairment will be documented on the A04 work paper, the Independence Statement, which is completed for all audits. Upon being notified of such impairment, the City Auditor shall take action to resolve the impairment in a timely manner. If the external impairment cannot be eliminated, the City Auditor shall withdraw from the audit. If it is not possible to withdraw from the audit, our office shall disclose the impairment(s) and modify the Government Auditing Standards compliance statement.

An important factor in preventing the Office of City Auditor from being impaired externally by City departments' reluctance to provide access to records and personnel is Seattle Municipal Code Section 3.40.020 B. This section requires City departments to supply the Office of City Auditor with access to any records and personnel needed for an audit.

Organizational Impairments

As defined in section 3.13b of the Government Auditing Standards, the Office of City Auditor is organizationally independent because of our status, established by the Seattle City Charter, as an independent department within the legislative branch of the City of Seattle that conducts audits of the executive branch. Furthermore, our office adheres to the organizational independence criteria listed in section 3.14b of the Government Auditing Standards because the City Auditor is appointed by and subject to removal by the City's legislative body, the Seattle City Council, and reports the results of audits to and is accountable to the City Council.

Our office at times may perform other professional services (nonaudit services) that are not performed in accordance with Government Auditing Standards. When we provide nonaudit services we shall evaluate whether providing the services creates impairment of our independence either in fact or appearance with respect to entities we audit. Based on the facts and circumstances, the City Auditor shall use professional judgment in determining whether a nonaudit service would impair our office's independence with respect to entities we audits. We adopt the following overarching principles in assessing the impact of performing nonaudit service for an audited program or entity: (1) we shall not provide nonaudit services that involve performing management functions or making management decisions and (2) we shall not audit our own work or provide nonaudit services in situations in which the nonaudit services are significant or material to the subject matter of the audits.

If requested to perform nonaudit services that would impair our office's ability to meet either or both of the overarching independence principles for certain types of audit work, we shall inform the requestor and the audited entity that performing the nonaudit service would impair the auditors' independence with regard to subsequent audit engagements.

If the City Auditor decides to conduct nonaudit services, our office shall comply with the applicable requirements listed in Chapter 3 of the Government Auditing Standards.

Competence: Staffing and Training

Government Auditing Standards state that the staff assigned to conduct audits should collectively possess adequate professional competence for the tasks required.



Policy

The City Auditor shall maintain a competent workforce. The City Auditor shall maintain such a workforce by having a process for recruitment, hiring, continuous development, assignment, and evaluation of staff.

Also, the City Auditor is responsible for ensuring that the staff assigned to conduct the office's work collectively possesses the technical knowledge, skills, and experience necessary to be competent for the type of work being performed before beginning work on that assignment.

Continuing Professional Education

Government Auditing Standards require that auditors maintain and continuously improve their professional competence through continuing professional education (CPE).

Policy

Office of City Auditor staff working on audits conducted in accordance with the Government Auditing Standards must comply with the specific CPE requirements outlined in the Government Auditing Standards (e.g., a minimum of twenty CPE credits annually) to remain qualified to participate in such work. Office of City Auditor staff members are responsible (in consultation with the City Auditor) for seeking opportunities for training and professional development, for successfully completing those activities, and for ensuring that earned CPE credits are documented.

Quality Control and Assurance

Quality Control System

The Government Auditing Standards state that each audit organization conducting audits in accordance with the Standards should establish a system of quality control that is designed to provide the audit organization with reasonable assurance that the organization and its personnel comply with professional standards and applicable legal and regulatory requirements.

Policy

The Office of City Auditor will maintain a quality control system on its assignments that includes the following elements:

- Planning, which includes using the office's Master Job Checklist, to ensure, among other things, that audits are not initiated or continued without the approval of the City Auditor.
- Continuous supervision with expectations setting, review of work, and staff evaluation, training, and development.
- Evaluation of the progress and direction of assignments at key stages (e.g., Go/No Go decision point in the Master Job Checklist).
- On selected projects, a staff member independent of the project reviews audit products by assessing support for findings, conclusions, and recommendations, and brings unresolved items to the City Auditor for resolution (Note: this is known as the reference checking process).
- We solicit, review, and report on comments received from audited entities on our office's findings, conclusions, and recommendations.

External Peer Review

One requirement of the Government Auditing Standards is that audit organizations receive an external quality control review (peer review) at least once every three years. The objective of a peer review is to determine whether an audit

organization's internal quality control system is in place and operating effectively, and to provide assurance that established policies and procedures and applicable auditing standards are being followed.

Policy

It is Office of City Auditor policy to have the office undergo peer reviews in accordance with the requirements listed in the Government Auditing Standards.

The City Auditor, after consulting with the chair of the designated City Council Audit Committee, will choose one of the following methods for external review:

1. The Association of Local Government Auditors or the Institute of Internal Auditors or the Washington State Local Government Auditors Association will be asked to form a team to conduct the review; or
2. A Request for Proposal will be issued to engage the services of a qualified private consultant to perform the review.

The peer review's scope of work will include the questions listed in Appendix 1 of this document.

Audit Recommendation and Follow-up Plan

Policy

The Office of City Auditor's policy is to work with the Mayor, City Council and City departments to ensure that action plans (see below for definition of this term) and audit recommendations are implemented.

Action plans differ from recommendations in that they are developed and agreed upon with the auditee before the report is published. They are used in situations in which the audited party is willing to work with our office in a very collaborative manner during an audit. Often action plans are implemented before a report is published.

Procedure for Audit Follow-up

After an audit report has been published, the auditor-in-charge (AIC) will meet with their supervisor and determine which of the report's recommendations should be included in the office's audit recommendation database (i.e., the Office of City Auditor Recommendation Follow-up Database). The purpose of the database is track the status of the implementation of audit report recommendations, and to allow the City Auditor to provide periodic reports on audit recommendation implementation to outside parties such as the City Council. After meeting with the supervisor, the AIC will email the City Auditor a list of the report's recommendations that they believe should and should not be added to the database. The City Auditor will review the list and decide which recommendations should be added to the database.

Normally, the office will allow at least six months to a year to elapse before following up on a recommendation; this period is intended to give an auditee adequate time to implement the recommendation. However, certain recommendations, which will be identified by the City Auditor, may require follow-up sooner than this.

Recommendations will be categorized in the database as one of the following:

- Past Due – auditee hasn't implemented the recommendation and has missed the completion date, and has not communicated their intentions to our office.
- Pending – due date has passed, but auditee is working on implementation.
- Not Yet Due
- No Action Planned – auditee has stated that they don't agree with the recommendation and don't intend to implement it.
- Completed – auditee has implemented the recommendation.



The Deputy City Auditor will monitor the database to ensure that office staff members follow up on recommendations at the appropriate time.

The City Auditor will determine who will perform the follow-up work. Sometimes the auditor who was in charge of the original project will lead the office's follow-up effort. If the auditor-in-charge from the original project has left the office, another auditor will be assigned to conduct the follow-up work. This auditor is responsible for coordinating the follow-up effort and documenting the follow-up activities. However, in other cases, the City Auditor may want to assign an auditor who was not involved with the project in order to obtain a fresh perspective on its recommendations or action plans. The auditor selected to perform the follow-up work by the City Auditor will be responsible for ensuring that the follow-up database is updated to reflect the current status of the recommendation's implementation.

Follow-up work may include discussing the status of recommendations with department officials, obtaining copies of department documents that provide evidence of implementation, and for key recommendations, performing sufficient verification to ensure that the actions are being taken and that the desired results are being achieved.

The City Auditor will determine whether follow-up work should be documented by means in addition to the office's recommendation follow-up database (e.g., work paper, formal written report, news letter).

At times, Office of City Auditor staff will have to work with appropriate department officials and City Council committees to get recommendations implemented. Assistance to committees could entail providing questions and summary data for key oversight, authorization, and appropriations hearings.

Closing recommendations

An action plan item or recommendation should be closed when it has been implemented, or when actions have been taken that essentially meet the recommendation's intent, or when circumstances have changed and the recommendation is no longer valid.

When the intent of a key recommendation has been achieved, the City Auditor may decide that an accomplishment report should be prepared because of the significance of the recommendation. Accomplishment reports document cases of measurable and non-measurable benefits resulting from our recommendations or action plans for which the office deserves some credit.

Chapter 2: Ethical Principles and General Work Standards

Introduction

The Office of City Auditor sets high standards and provides guidance for its staff to ensure the quality of its work. The quality of the office's work depends on the competence, dedication, and enthusiasm of its staff members, and their ability to adhere to professional standards.

The Office of City Auditor recruits staff with diverse personal and professional strengths, provides continuing opportunity for staff development, and maintains an environment that challenges staff to achieve professional excellence.

Policy

All audits performed by the Office of City Auditor must conform to the Government Auditing Standards of the United States Government Accountability Office (July 2007 revision). All staff members are expected to be thoroughly knowledgeable and conversant in the requirements of the Government Auditing Standards and this manual. Staff members should read, sign and have on file a copy of the memo "My Understanding of Office Policy" to confirm that they understand the standards and this manual.

The Office of City Auditor expects its staff to adhere to the ethical principles and general standards set forth in the Government Auditing Standards.

Ethical principles

All staff members are responsible for consistently demonstrating professionalism and high ethical standards, including strict adherence to the City of Seattle's ethics standards and the Office of City Auditor's policies and procedures (as described in this manual), and when appropriate, the Government Auditing Standards.

The ethical principles of the Government Auditing Standards that guide the work of auditors are the public interest, integrity, objectivity, proper use of government information, resources, and position; and professional behavior.

Public Interest

Observing integrity, objectivity, and independence in discharging their professional responsibilities assists auditors in meeting the principles of serving the public interest and honoring the public trust.

Integrity

Integrity includes auditors' conducting their work with an attitude that is objective, fact-based, nonpartisan, and non-ideological with regard to audited entities and users of the auditors' reports.

Objectivity

Staff objectivity is essential to ensure the credibility of auditing in the government sector. Objectivity includes being independent in fact and appearance.

Proper Use of Government Information, Resources and Position

Government information, resources, or positions are to be used for official purposes and not inappropriately for the auditor's personal gain or in a manner contrary to law or detrimental to the legitimate interests of the audited entity or the audit organization.

Professional Behavior

Auditors are expected to comply with laws and regulations and avoid any conduct that might bring discredit to the auditors' work.

General Standards

The City Auditor is responsible for ensuring that assignments undertaken are those that best achieve the mission and objectives of the Office of City Auditor. She/he is responsible for overseeing the quality of assignment performance and the communication of results. This responsibility is normally met by a thorough knowledge of the assignment's objective(s), methodologies, conclusions, and recommendations.

Audit team leaders are responsible for ensuring, through firsthand knowledge and supervision that the assignments for which they are responsible fully comply with the standards and quality requirements of the Office of City Auditor.

Government Auditing Standards describes general standards for performing financial, performance and attestation engagements. These general standards apply to all of the Office of City Auditor's audits and are generally applicable to other assignments. These standards cover independence, professional judgment, competence and quality control. Guidance on how the Office of City Auditor implements each of these general standards is included below.

This chapter also contains information on the office's policies and procedures governing employee ethics and standards of conduct. These topics are closely linked to the general standard covering independence.

Policy

The policy of the Office of City Auditor is to ensure that its work is conducted and its results are reported in accordance with applicable auditing standards and the office's requirements. The policy of the Office of City Auditor is to ensure that staff assigned to audits or other assignments follow ethical principles and have the independence, professional judgment, and competence needed to meet assignment objectives and to perform work in accordance with the general standards of the Government Auditing Standards of the United States Government Accountability Office (July 2007 revision).

Independence

Objectivity is of fundamental importance to the office's continued credibility. We take steps to maintain independence so that our opinions, findings, conclusions, judgments, and recommendations will be impartial and viewed as impartial by objective third parties with knowledge of the relevant information.

Policy

The Office of City Auditor maintains that all staff must be independent of any personal or external factors that would impair his or her independence in connection with an assignment, or would cause a knowledgeable third person to believe that such impairment had occurred. Auditors are to avoid the appearance of such impairments of independence. The Office of City Auditor will also only use consultants who are independent.

The types of independence impairments for audit services are:



Personal impairments – result from relationships or beliefs that might cause auditors to limit the extent of the inquiry, limit disclosure, or weaken or slant audit findings in any way. (see the Government Auditing Standards for examples)

External impairments – occur when auditors are deterred from acting objectively and exercising professional skepticism by pressures, actual or perceived from management and employees of the audited entity or oversight organizations. (see the Government Auditing Standards for examples)

To ensure that the Office of City Auditor audit staff maintain independence each staff member must complete and sign the “Statement of Independence” form (see G:\Required Documents\A Bundle\A04 Independence Statement). The auditor includes this form in the work papers for each project. This form is also read and signed by any consultant hired to work on an assignment by the Office of City Auditor.

If one or more impairments affects or can be perceived to affect our independence, we should assign the work to an independent auditor or decline to perform the work. If we cannot decline to perform the work we should disclose the impairment(s) and modify the Government Auditing Standards compliance statement.

If an impairment to independence is identified after the audit report is issued, the City Auditor should assess the impact on the audit. If the City Auditor concludes that the work did not comply with the Government Auditing Standards, the City Auditor shall determine the impact on the auditors’ report and notify entity management, those charged with governance, the requesters, or regulatory agencies that have jurisdiction over the audited entity and persons known to be using the audit report about the independence impairment and the impact on the audit. Our office shall make such notifications in writing.

Professional Judgment

Professional judgment includes exercising *reasonable care* and *professional skepticism*. Reasonable care concerns acting diligently in accordance with applicable professional standards and ethical principles. Professional skepticism is an attitude that includes a questioning mind and a critical assessment of evidence. Professional skepticism includes a mindset in which auditors assume neither that management is dishonest or absolutely honest.

Policy

The policy of the Office of City Auditor is to maintain a competent staff; collaborate with other stakeholders, outside experts, and management as needed; consider inherent risks and the risk level of each assignment; and document significant decisions. It is also the policy of the Office of City Auditor to ensure that its staff members use professional judgment by following independence standards, maintaining objectivity and credibility, defining the scope of work, evaluating and reporting the results of the work and maintaining appropriate quality control over the assignment process.

Competent staff

Office management shall assess its staff needs to consider whether its workforce has the essential skills that match those necessary to fulfill a particular audit mandate or scope of audits to be performed. Accordingly, the office shall maintain a process for recruitment, hiring, continuous development, assignment, and evaluation of staff to maintain a competent workforce.

Technical Knowledge and Competence

The City Auditor shall determine whether the staff assigned to conduct an audit collectively possess the technical knowledge, skills, and experience necessary for the type of work being performed. The staff assigned to a Government Auditing Standards audit shall collectively possess:



- a. Knowledge of Government Auditing Standards applicable to the type of work they are assigned and the education, skills, and experience to apply this knowledge to the work being performed;
- b. General knowledge of the environment in which the audited entity operates and the subject matter under review;
- c. Skills to communicate clearly and effectively, both orally and in writing; and
- d. Skills appropriate for the work being performed. For example, staff or specialist skills in:
 - (1) Statistical sampling if the work involves use of statistical sampling;
 - (2) Information technology if the work involves review of information systems;
 - (3) Engineering if the work involves review of complex engineering data;
 - (4) Specialized audit methodologies or analytical techniques, such as the use of complex survey instruments, actuarial-based estimates, or statistical analysis tests, as applicable; or
 - (5) Specialized knowledge in subject matters, such as scientific, medical, environmental, educational, or any other specialized subject matter, if the work calls for such expertise.

Continuing Professional Education

Staff members are expected to maintain and continuously improve their professional competence through continuing professional education (CPE). Compliance with CPE requirements is essential for audit or evaluation staff, and must be met for them to remain qualified to participate in assignments. Office of City Auditor staff members are responsible (in consultation with the City Auditor) for seeking opportunities for training and professional development, for successfully completing those activities, and for ensuring that earned CPE credits are documented.

Government auditing standard require that auditors earn at least 20 CPEs annually and at least 80 over a two year period (Note: these requirements are prorated for part-time auditors) with 24 of the 80 being in government-related topics. Office of City Auditor staff should meet Government Auditing Standards CPE requirements.

Collaboration; Risk Assessment; Documentation

The additional professional judgment standards are listed as follows:

Policy

It is the policy of the Office of City Auditor to consult with other audit agencies (e.g., State Auditor's Office, CPA firms, State Department of Transportation, HUD IG, consultants and internal departments) to avoid duplication of efforts. The Office of City Auditor contacts the Law Department before initiating an audit to determine whether there are court decisions or legal issues relevant to the auditee's functions under review. The Office of City Auditor considers whether to brief Councilmembers on the audit's scope.

The Master Job Checklist (explained below) is used to determine if collaboration efforts have been appropriately assessed. (see steps I.4, 5, 7B, 10G and 12).

Policy

It is the policy of the Office of City Auditor to consider the risk level of each assignment, including the risk that the auditor may come to an improper conclusion.

The auditor is required to assess risk during an audit to ensure that he/she has formulated appropriate audit objectives and obtained sufficient and appropriate evidence to support any conclusions. In the Job Design Phase (see Master Job Checklist, I-11.8) the auditor is required to consider performing a risk assessment to help ensure that the job is addressing the highest risks. In the Data Gathering and Analysis Phase (see Master Job Checklist, II-3) the auditor is required to consider creating an internal control matrix or using COSO and/or other relevant control models to analyze the information gathered.

Policy

The Office of City Auditor ensures that findings, conclusions, and recommendations are accurately, promptly, fully, and clearly documented in workpapers for each audit and study performed.

The auditor is required to create an electronic and hardcopy work paper filing system. (see Master Job Checklist, I-2.)

Employee Ethics and Conduct

Office of City Auditor employees must perform their duties in an ethical fashion and avoid the appearance of unethical conduct or practices. Employees must not be involved in circumstances that invite conflict between their self-interest and the integrity of Office of City Auditor employment, such as seeking employment from agencies being audited. When potential conflicts exist, office employees must inform the City Auditor about such situations to ensure that action is taken to preserve the credibility of the office's work.

All work performed by Office of City Auditor staff must conform to the Seattle Code of Ethics. All staff members are expected to be thoroughly knowledgeable of and conversant with the requirements of the Seattle Code of Ethics. Staff should read and understand the following documents:

- Chapter 4.16 of the Seattle Municipal Code: Code of Ethics, and
- RCW 42.23 Code of Ethics for Municipal Officers.

If staff members have any questions about the interpretation of the above documents, they should contact the Seattle Ethics and Elections Commission for clarification. In addition, staff members can examine the Ethics and Elections Commission's web site ([Ethics and Elections Home Page](#)) for further information.

In addition, employees are expected to review and adhere to "Ethical Principles in Government Auditing", chapter 2, GAGAS.

Office of City Auditor staff must sign a copy of the memo My Understanding of Office Policy confirming that they have read and understood the documents listed above. The Office Administrator should keep the signed memo in the office's files.

Entertainment, Gifts, Favors, and Honoraria

Office of City Auditor employees must not accept anything of monetary value from anyone with whom they conduct City business. Office staff also must not accept any honorarium or anything of monetary value for writing articles or making speeches based on their work at the Office of Auditor, with the exceptions noted in the City's Ethics Code. If it would be awkward to refuse a gift, the staff should accept it on behalf of the City and discuss its disposition with the City Auditor.

Financial

Annually, all of the office's professional staff must complete, sign and file a "Statement of Financial Interest" form with the Ethics and Elections Commission.

Outside Employment

Office of City Auditor employees shall not engage in outside activities, with or without compensation, that are not compatible with the full and proper discharge of their City employment. Employees must notify the City Auditor via e-mail or a written letter before engaging in outside employment.



Writing and Speaking Activities

Staff must not compromise the objectivity or credibility of the Office of City Auditor in external speeches or articles related to the office's work or to the programs it reviews. Staff preparing such speeches or articles, including letters to the editor of newspapers, must obtain the approval of the City Auditor.

Professional Associations

The Office of City Auditor encourages its staff to join and participate in professional organizations with interests and objectives similar to those of the office. Such a relationship can help expand staff's professional expertise, increase public confidence in the office and the excellence and civic-mindedness of its staff, and achieve goals of mutual interest to the associations and the Office of City Auditor.

Staff may use Office of City Auditor equipment to support their work with professional associations (see policy below regarding use of office equipment). Time spent on professional organizations should be discussed with the City Auditor to ensure the office's needs are considered.

Volunteer Activities

Staff may use the office's equipment to support volunteer activities that foster official City policies such as bolstering young people (e.g., tutorial programs, Boys and Girls Club, etc.). However, time spent in the office on volunteer activities must be on the individual's own time, such as during a break, lunchtime, or after work.

Political Activities

Staff shall not engage in any political activities during work time or while in City-owned buildings. Nor may they use any City-owned equipment, such as the Office's laptop computers, to engage in political activities. Staff members need to understand that engaging in any political activities concerning the City, such as becoming involved with Mayoral or City Council campaigns or voter initiatives concerning City issues, may compromise their independence.

Use of Office Equipment

Staff should be familiar with all City policies regarding the use of office equipment. Office equipment is provided to Office of City Auditor staff to perform the work of the Office. Employees should refrain from any personal use of City equipment that incurs a cost to the City. However, the office recognizes that employees are juggling personal, family, and work commitments so occasional minimal use of office equipment is allowed. Any personal use of office equipment that incurs a cost to the City must be reimbursed to the City. Staff must use personal phone cards for personal long distance calls and a personal e-mail account for personal e-mail.

All staff members are responsible for consistently demonstrating professionalism and high ethical standards, including strict adherence to the City of Seattle's ethics standards and the Office of City Auditor's policies and procedures (as described in this manual), and when appropriate, the Government Auditing Standards and/or the Institute of Internal Auditors' (IIA) Standards for the Professional Practice of Internal Auditing.





Chapter 3: Audit Process and Job Design Phase

This section summarizes the types of activities we generally perform in conducting an audit. Each assignment has unique objectives and stakeholders, which means that the audit process may vary.

Step 1. Inclusion in Work Plan: We select audits for our work plan that are most likely to significantly improve services, increase revenues, or reduce costs. The potential risks are also considered. For additional information on the audit selection process, please refer to "[How We Create Our Work Program.](#)" (PDF: 59.4KB)

Step 2. Notification of Audit: We notify all relevant parties to formally announce an audit and describe its general scope. This typically includes telephone calls and a letter or e-mail.

Step 3. Introductory Meeting: We meet with program officials to discuss the audit's objectives, and any concerns or suggestions the officials have regarding the project.

Step 4. Job Design Phase: During job design, we define the audit objectives and determine what specific audit steps and tests we will need to perform.

Step 5. Data Gathering and Analysis: During this phase, we document and evaluate processes and analyze the data we collect.

Step 6. Draft Documents: After we have completed our analysis and developed conclusions and recommendations, we determine the most effective means of conveying this information to relevant decision-makers and other interested parties. Often this means a full report, but at times we may choose other communication methods such as memorandums, newsletters, or PowerPoint presentations. For all documents that we produce, we send drafts to the relevant officials for review and comment. Program management is responsible for reviewing drafts. By reviewing a draft, program management has an opportunity to correct any factual inaccuracies, suggest wording changes to improve the report's tone, and describe any relevant changes or improvements that have been made to the program. In response to the comments and additional evidence program officials provide, we may examine all relevant evidence; conduct additional research and analyses; or remove, change, or add to the draft's findings, conclusions, and recommendations. Each organization that receives a draft may comment on it either orally or in writing. If program management formally responds to the draft audit, we may include that response as an addendum in the final report.

We will provide draft reports for review and comment to any individual or organization that we believe may improve the draft's accuracy and fairness. We may publish any written comments that are submitted with the final report along with our responses to those comments.

Step 7. Final Document: We publish the final report.

Step 8. Audit Follow-up: Periodically, we conduct follow-up work on significant past audit findings to determine whether program management has successfully resolved the issues raised.

Policy

The Office of City Auditor performs sufficient design work on an assignment to ensure that it is conceptually sound and well planned before spending substantial resources on detailed work. Well-planned assignments result in the efficient use of office resources while also producing products that are timely and will meet the requester's needs. An assignment that cannot be completed or is not likely to produce desired results will be promptly terminated. Terminating an unproductive assignment makes resources available for other assignments.

Job Design Phase

Auditors must plan their audits to attain reasonable assurance that the evidence is sufficient and appropriate to support the audits' findings and conclusions.

Most assignments begin in the Job Design Phase (step 4 of the audit process). During this phase the audit team seeks to gain an understanding of the area or program being audited so that an appropriate audit plan can be developed. The team conducts work to provide the City Auditor with the information needed to decide whether to continue the assignment to the Data Gathering and Analysis Phase or the Report Writing and Presentation Phase, or to terminate it. During the Job Design Phase, office staff and the City Auditor consider:

- The assignment's potential value,
- The role of our office,
- Customer interest, and
- The project's feasibility and timeliness.

Value of Proposed Work

The value of the proposed work will be considered. This requires considering the assignment's anticipated cost and expected benefit(s). In this phase, it is not expected that detailed staffing and cost estimates will be finalized, but an estimate of the total resources required to complete the assignment in relation to the expected results is considered. The City Auditor will also have to continually reassess the project's value by comparing it with newer requests for work.

Role of the Office Of City Auditor

Audit Office staff will continuously consider whether an assignment's objective is appropriate for our examination. The following questions will be resolved:

- Do we have the necessary access to data to conduct the assignment?
- Will our independence allow us to make a unique contribution to the assignment?
- Will we be able to perform high-quality work in sufficient detail to accomplish the objective in a timely manner?
- Has anyone else performed work in the area, and to what extent can we rely on it?
- Is anyone likely to act on the results developed by our office?
- Is the issue sensitive or controversial? Should special steps and precautions be taken?
- Is the issue being litigated?
- Does the objective involve potential criminal matters that could be recommended for prosecution?
- Does the objective involve a major decision in a process?

If litigation or criminal justice issues are likely to arise, the City Auditor will carefully consider our policy of not usually expressing opinions on such matters or doing work that might interfere with the legal process.

If audit work may affect a major decision in a process, office staff will exercise caution and consult with the City Auditor before intervening in the decision-making process. This is particularly important when the potential exists to release sensitive information that might put the City or other parties at a disadvantage. Examples include information on a planned procurement or potential government programs whose details have not been made public.

Customer Interest

During the Job Design Phase the City Auditor or her/his designee will normally consult with the entity or entities that have requested audit work, to clarify their expectations and obtain their views on our objectives, methodologies, timing of our work, and communication strategy. To best serve the requester(s), our office will:

- Maintain effective communications with the requester(s) throughout the assignment;
- Refer requests, after discussing this with the requester(s), to other entities such as City Council Central Staff, the State Auditor's Office, or other sources if they can meet the requester's needs in a more timely manner;
- Broaden the scope of narrowly-focused requests, if needed, to (1) be more responsive to the requester's needs; (2) provide a more balanced and representative perspective, or (3) avoid the need for restrictive qualifications in the objectives, scope, and methodology statement;
- Narrow the scope of a request when the requester needs only a limited amount of information or the scope of requested work is too broad and impractical or impossible to do; and
- Combine similar requests or modify ongoing assignments to include the subject matter of new requests.

Feasibility and Timeliness

A key question to answer when deciding whether to undertake an assignment is whether we can perform the work in the required time frame. Although our office's role, the assignment's value, and customer interest may be clearly established, the overall feasibility may be questionable because we lack sufficient resources, expertise or data to satisfy the request.

In such cases, the City Auditor and the office's staff will reassess the assignment's objective, scope, and methodology in light of the proposed time frames, and determine whether alternative means could satisfy the request. When an assignment no longer appears feasible in its existing format, we will consider recommending such steps as: redefining its objectives, narrowing its scope, using a different methodology, expanding the time frame, or using an alternative source of information, such as City Council Central Staff, to satisfy the request. Terminating the effort could also be a logical outcome of this assessment.

Policy

The City Auditor is ultimately responsible for the audits prepared by the Office of City Auditor. The principal tool used by the City Auditor to monitor the progress of audits is the office's Master Job Checklist (for the latest version of the checklist, see G:\Required Documents\Master Job Checklist.doc). The checklist's requirements are designed to establish clear expectations between auditors and the City Auditor about each audit. They are also intended to help ensure that the City Auditor is informed about job status and has the opportunity to provide input and feedback as the job is progressing. In most cases, staff will be expected to perform the steps listed in the Master Job Checklist. While some steps on the checklist may not be applicable to a particular audit, the auditor completing the checklist will seek authorization from the City Auditor to skip any of the checklist's steps.

The City Auditor will designate the person who will act as the auditor-in-charge on an assignment. The auditor-in-charge will be expected to fill in the date and signature boxes in the TASKS box on page one of the Master Job Checklist.

It is the auditor-in-charge's responsibility to submit the checklist for review by the City Auditor or her/his designee at the indicated times, and to inform the City Auditor when there will be significant deviations from the estimated target dates.

In some cases, the Master Job Checklist's steps do not have to be performed in the order that they are listed. Contact the City Auditor or Deputy City Auditor if you have questions about the order in which the checklist's steps should be performed.

In cases in which a consultant is leading an assignment for the Office of City Auditor, the City Auditor may decide that the consultant's job control procedures will be used for that assignment rather than the Master Job Checklist.



Reaching Key Decisions (Go/No Go Decision)

During the Job Design Phase, office staff will contribute to the decisions reached on the assignment's design by:

- Defining the assignment's objective(s)
- Formulating specific questions to address the assignment's objective(s),
- Establishing the assignment's scope,
- Establishing a methodology that best responds to the assignment's objective(s),
- Obtaining general background information,
- If applicable, testing transactions, and
- Preparing a detailed assignment plan for those assignments progressing to the Data Gathering and Analysis Phase.

Defining the Assignment's Objective(S)

The objectives are what the audit is intended to accomplish. They identify the audit subject matter and may also include the potential findings and reporting elements that the auditors expect to develop. Audit objectives can be thought of as questions about the program that the auditors seek to answer based on evidence obtained and assessed against criteria.

Formulating Specific Questions to Address the Assignment's Objective(S)

As the assignment progresses, the objective(s) will be broken down into a series of more specific questions. This refinement may be unnecessary if the assignment's original objective was a specific question.

The process of formulating questions:

- Fosters discipline and precision,
- Helps in developing alternative ways to obtain answers,
- Helps establish the underlying logic needed to be responsive to the requester(s),
- Aids in the establishment of manageable job segments,
- Guides project design, and
- Structures the presentation of communication products.

Most questions in our work fall into one of the following categories: descriptive, normative, program impact or prospective. Descriptive questions seek information about a condition or an event. Normative questions require that a condition be compared with a criterion. Impact questions establish how a condition differs from what it would have been without a program or a policy. Prospective questions examine the likely impact of one or several alternative proposals for addressing a particular problem.

Assignment questions are formulated before developing the methodologies by which they will be answered. However, methodology problems, which are normally discussed and resolved with the requester, may lead to a modification of the assignment questions.

Establishing the Assignment Scope

Generally, scope relates to the number of sites or field locations visited, the time frames covered by the examination, and the evaluation steps necessary to ensure that all audit standards have been met. Many factors affect an assignment's scope: the complexity of the issue to be addressed, the work environment, data availability, methodologies selected, the time allotted to data gathering and analysis activities, and the availability of resources to implement the assignment plan.

In establishing the assignment scope, office staff must determine such things as:

- The assignment question(s) and which elements--cause, criteria, condition or effect--may be necessary to develop a finding;
- The degree to which we want or need to generalize our findings (that is, to an entire program or function or to only a part of it);
- The types of information that will be needed to answer the questions (for example, whether anecdotal data are acceptable);
- What time frames should be explored (for example, time elapsed since program inception or a limited number of recent fiscal years);
- How available the required data are for collection and analysis;
- Whether the objective calls for assessing internal controls, compliance with laws and regulations, or verification of computer-processed data; and
- The degree of testing required.

Determining the overall assignment scope generally includes tradeoffs. For example, in some instances, a more narrow scope or different methodology would result in a less powerful message, but the work would be accomplished within the established time frames. The City Auditor and the office's staff will consider these tradeoffs and, when necessary, present scope alternatives to a requester while remaining mindful of our responsibility to provide sufficient information to contribute to overall improved government actions.

Establishing Methodologies to Meet Objectives

A critical part of the Job Design Phase is considering alternative methodologies and selecting one that will satisfy the assignment's objectives. The following questions will be considered in examining alternative methodologies:

- Will the proposed methodology develop the needed elements of a finding (i.e., criteria, condition, cause, effect, recommendation)?
- Did we use an appropriate rationale for selecting locations or sources of accurate information?
- Is the extent of proposed data collection adequate to attain our objectives or is it excessive? For example, will performing the assignment in fewer departments still yield valid results?
- What are potential data collection problems? For example, can we rely on information collected or compiled by others (with appropriate testing to ensure accuracy and reliability), instead of spending substantial staff resources developing our own information?
- How do alternative methodologies affect the timeliness of the product?

After considering alternatives, a methodology will be selected that meets the assignment's objectives as efficiently as possible.

Obtaining Background Information

The extent of background information to be collected and reviewed varies by assignment and depends on staff's knowledge of the area or the program. Standard background information that will be collected--unless the City Auditor or Deputy City Auditor determines that it should be excluded--are described in the office's Master Job Checklist (available electronically at g:\Required Documents\A02 Master Job Checklist). Typically, staff collects and analyzes background information on the audited entity's legal authority, management structure, finances, and relevant comparative information (e.g., performance measures and results from other jurisdictions).



Testing Elements in the Audit or Evaluation Plan

Testing may help determine whether the planned job design is feasible or will be too costly or time consuming to execute. The need to test transactions or data collection plans during the Job Design Phase varies by assignment. In testing transactions, the key element to be evaluated is the adequacy of a department's procedures and systems. When it is relevant to the assignment objectives, staff are expected to do some transaction testing to ensure that the department's internal controls are working as designed and are adequate. Such testing can significantly impact the assignment plan; typically, the more effective and reliable the internal control system, the less testing is required. To test these transactions, staff will:

- Assess the management controls structure and determine the level of risk associated with the lack of good controls,
- Assess compliance with applicable laws and regulations,
- Determine the level of reliance that could be placed on the work of others,
- Determine the quality of computer-processed data if the objective relies heavily on this data source, and
- Test a limited number of transactions to determine if policies and procedures are followed.

Testing strategies also may include:

- Checks to ensure that the chosen information sources are available and knowledgeable;
- Questionnaire and structured interview pre-testing; and
- Model testing, verification and validation.

The job design may be tested at various stages of its development, but if such testing is deemed necessary, it will be administered before the Data Gathering and Analysis Phase begins. If, at any stage, plans cannot be implemented as expected, the assignment questions may need to be revised. Revisions will be discussed with the City Auditor and may need to be renegotiated with the requester.

As preliminary data and information are obtained, analyzed and tested, tentative conclusions (including potential savings, benefits or other impact) and potential recommendations emerge. As this phase continues and evidence accumulates, the results will continue to be compared with tentative conclusions.

In all instances, the totality of evidence obtained must be objectively analyzed and interpreted. Sometimes, emerging or tentative conclusions or recommendations are later proved invalid; staff must maintain an objective attitude to ensure that our products are based on solid evidence and sound logic.

Preparing the Assignment Plan

During the initial stage of the Job Design Phase, staff will determine the basic tasks that need to be completed during this phase. These basic tasks will be described in the Preliminary Job Agreement (see Step 7 of the Master Job Checklist). As the Job Design Phase progresses, staff will prepare a plan that will describe what needs to be accomplished in the subsequent assignment phases.

Generally, this plan will:

- State the assignment's objective(s) and questions to be answered;
- Provide a summary and analysis of the background information collected during the Job Design Phase.
- State the line of reasoning or the methodology to address the objective(s) and answer the questions;
- Identify information needed, tasks to be performed and key management decision points;
- Identify those responsible for (1) obtaining and analyzing information or performing other tasks and (2) preparing and reviewing the expected products (including work papers);
- Identify expected beginning and completion dates for major work segments;

- Identify what and where data will be collected and how it will be analyzed;
- Promote efficient performance by sequencing activities and organizing work and staff around assignment outputs;
- Provide a mechanism for monitoring, controlling and, when necessary, redirecting the assignment during the Data Gathering and Analysis phase.

Before an assignment plan is finalized, the audit team will consider developing a data analysis plan. This requires that the projected data gathering and analysis activities be carefully considered to determine how the data will be manipulated, portrayed, compared or analyzed. Careful planning makes it more likely that sufficient information will be collected to support firm conclusions and that accumulation of unnecessary information will be avoided

At the end of the Job Design Phase, the City Auditor will decide whether to terminate the assignment or produce a report with the information at hand or proceed with additional audit work.

Chapter 4: Data Gathering and Analysis Standards

The standards discussed in this chapter cover planning, supervision, obtaining sufficient and appropriate evidence, and preparing audit documentation. Reasonable assurance, significance and audit risk form the framework for applying these standards. Audits that comply with Generally Accepted Government Auditing Standards provide reasonable assurance that evidence is sufficient and appropriate to support the auditors' findings and conclusions. Sufficiency is the relative importance of a matter within the context in which it is being considered, including quantitative and qualitative factors. Audit risk is the possibility that the auditors' findings, conclusions, recommendations or assurance may be improper or incomplete, as a result of factors such as evidence that is not sufficient and/or appropriate, an inadequate audit process, or intentional omissions or misleading information due to misrepresentation or fraud.

Policy

The Office of City Auditor's policy is to efficiently obtain and analyze data to develop supportable findings, conclusions and recommendations for approved assignment objectives.

PLANNING

Auditors must adequately plan and document the planning of the work necessary to address the audit objectives.

Auditors must plan audits to reduce audit risk to an appropriate level to provide reasonable assurance that the evidence is sufficient and appropriate to support the auditors' findings and conclusions. Adequate planning means assessing significance and audit risk and applying these assessments in defining audit objectives, and the scope and methodology to address those objectives. Planning is a continuous process throughout the audit. Therefore, auditors may need to adjust the audit objectives, scope, and methodology.

Auditors should assess audit risk and significance within the context of the audit objectives by gaining an understanding of the following:

- The results of previous audits (e.g., State Auditor's Office report) that directly relate to the current audit objectives.
- The nature and profile of the program and the needs of potential users of the audit report
- Internal control as it relates to the specific objectives and scope of the audit
- Information systems controls for purposes of assessing audit risk and planning the audit within the context of the audit objectives
- Legal and regulatory requirements, contract provisions or grant agreements, potential fraud, or abuse that are significant within the context of the audit objectives

A written audit or evaluation plan must be prepared for every audit. It will specifically show the methodology to be used and the steps to be followed to ensure that each assignment objective is met.

- The plan will identify the potential criteria needed to evaluate matters subject to audit.
- The plan will identify sources of audit evidence and determine the amount and type of evidence needed given audit risk and significance.
- The plan will provide an effective basis for assigning sufficient staff and specialists and adequate collective professional competence and identify other resources needed to perform the audit.
- When modified during the assignment, the audit or evaluation plan will provide a summary record of the work performed.
- The plan will provide information about the audit's planning and performance to management officials, those charged with governance, and others as applicable.

SUPERVISION

Staff members are to be properly supervised:

The purpose of supervision is to ensure that audit objectives are being met and that all work meets the applicable standards such as those found in the Generally Accepted Government Auditing Standards and the office's Policies and Procedures Manual. Elements of supervision include instructing staff members, keeping informed of significant problems encountered during an assignment, reviewing the work performed, and providing effective on-the-job training.

EVIDENCE

Sufficient and appropriate evidence must be obtained to afford a reasonable basis for the auditors' findings and conclusions.

Sufficiency is a measure of the quantity of evidence used to support the findings and conclusions related to the audit objectives. In assessing the sufficiency of evidence, auditors must determine whether enough evidence has been obtained to persuade a knowledgeable person the findings are reasonable.

Appropriateness is the measure of the quality of evidence that encompasses its relevance, validity, and reliability in providing support for findings and conclusions related to the audit objectives. In assessing the overall appropriateness of evidence, auditors must assess whether the evidence is relevant, valid, and reliable.

Policy

Office of City Auditor policy is to meet assignment objectives by obtaining and presenting persuasive evidence for our findings, conclusions, and recommendations.

TYPES OF EVIDENCE

There are different types and sources of evidence that auditors may use, depending on the audit objectives. Evidence may be obtained by observation, inquiry, or inspection. The four types of evidence used to support our findings, conclusions, and recommendations are:

- Physical
- Testimonial
- Documentary
- Analytical

Physical Evidence

Evidence obtained through the auditors' direct physical examination, observation, computation, and inspection is generally more reliable than evidence obtained indirectly. Auditors obtain physical evidence by inspecting or observing people, property, or events.

The standard requires that the inspection or observation be made at a time and under circumstances that are representative of the activity, property, or events. Such inspection or observation must be recorded in a form that establishes its credibility in a convincing way. In certain cases, corroboration by documentary evidence is essential. For example, observed construction progress at a site allegedly owned by the auditee must be corroborated by such documents as contracts, insurance policies, permits, and property titles.

Testimonial Evidence

Testimonial evidence is information obtained from others through interviews or written responses to inquiries, such as questionnaires. Testimonial evidence obtained under conditions in which persons may speak freely is generally more reliable than evidence obtained under circumstances in which the persons may be intimidated. Testimonial evidence obtained from an individual who is not biased and has direct knowledge about the area is generally more reliable than testimonial evidence obtain from an individual who is biased or has indirect or partial knowledge about the area. Testimonial evidence may be useful in interpreting or corroborating documentary or physical information.

Documentary Evidence

Examination of original documents is generally more reliable than examination of copies. Documents may be generated by a department or a contractor, or they may originate with suppliers, program beneficiaries, or others external to the organization being reviewed. When documents used as primary evidence are the product of an organization's accounting, administrative, or management system, the organization's internal controls should normally be reviewed and tested.

Examples of documentary evidence include correspondence, contracts, department files and records, laws, regulations, audit or evaluation reports, internal management studies or evaluations, automatic data processing tapes, maps, charts, and graphs.

Analytical Evidence

Analytical evidence is developed or derived from other evidence by making computations, comparisons, or analyses. While documentary evidence is created by others, analytical evidence is developed by the auditor using other types of evidence as the basis for analysis. For example, analytical evidence is created when we analyze responses to questionnaires or structured interviews or make computations on the basis of information obtained from department case files.

Standard of Evidence

Auditors must obtain sufficient, appropriate evidence to provide a reasonable basis for their findings and conclusions. Evidence used without qualification in a product must be:

- Competent,
- Relevant, and
- Sufficient.

This standard applies to all types of evidence. It must be met regardless of assignment design or the methods used in collection, verification, or analysis.

In rare cases, the best evidence reasonably available may not fully meet our standard. Such evidence may be used in our products if its limitations are appropriately disclosed, but generally no conclusions or recommendations should

be drawn from it. Also, care must be taken to ensure that such evidence is the best available and that limitations on its competence and sufficiency do not preclude its usefulness.

The auditor is responsible for establishing the reliability of evidence. We hold exit conferences and obtain comments on draft reports to verify the accuracy and completeness of the facts and validate the evidence.

Policy

Office of City Auditor policy is to ensure that findings, conclusions, and recommendations are accurately, promptly, fully, and clearly documented in work papers for each audit and study performed.

Preparing Audit Documentation

Auditors must prepare audit documentation related to planning, conducting, and reporting for each audit. Auditors should prepare audit documentation in sufficient detail to enable an experienced auditor, having no previous connection to the audit, to understand from the audit documentation the nature, timing, extent, and results of audit procedures performed, the audit evidence obtained and its source and the conclusions reached, including evidence that supports the auditors' significant judgments and conclusions. Auditors should prepare audit documentation that contains support for findings, conclusions, and recommendations before they issue their report. A record of the auditors' work should be retained in the form of working papers.

Work papers are the principal record of the work that the auditors have performed in accordance with the standards and the conclusions that the auditors have reached. They serve to provide the principal support for the auditors' report, aid auditors in conducting and supervising the audit, and allow for the review of audit quality.



Chapter 5: Reporting Standards

Reporting standards cover the form of the report, the report contents, report issuance and report distribution. Guidance on each of these standards is included below.

Policy

Auditors must issue audit reports communicating the results of each completed audit..

The purposes of audit reports are to:

- (1) Communicate the results of audits to those charged with governance and oversight, the appropriate officials of the audited entity, and, as applicable, the public.
- (2) Make the results less susceptible to misunderstanding; and
- (3) Facilitate follow-up to determine whether corrective action has taken place.

Report Contents

Objectives, Scope, and Methodology

Auditors will report the audit objectives and the audit scope and methodology.

Every report will contain a description of the audit objectives and scope and methodology used for addressing audit objectives. The report will include important information on the agency, program, activity, or function discussed. The introductory material also covers the assignment's scope and objectives and explains the methodology used to meet the objectives. The information is needed to understand the assignment's purpose, to judge the merits of work done and what is reported, and to understand any significant limitations. The scope section will also disclose any impairment to the audit work.

Audit Results

Auditors should report significant audit findings and, where applicable, the auditor's conclusions.

In the audit report, auditors should present sufficient, appropriate evidence to support the findings and conclusions in relation to the audit objectives. The findings and conclusions of each Office of City Auditor product should be consistent with the evidence on which they are based and responsive to the assignment's objectives. Findings and conclusions should provide a sound basis for any recommendations that will be included.

Recommendations

Auditors should recommend actions to correct problems identified during the audit and to improve programs and operations when the potential for improvement in programs, operations, and performance is substantiated by the reported findings and conclusions.

When feasible, the Office of City Auditor works with the auditee(s) to solve problems during the course of the review and to develop an action plan to address and implement solutions for those problems that cannot be solved immediately. Action plans differ from recommendations in that they are developed and agreed upon with the auditee before the report is published. They are used in situations in which the audited party is willing to work with our office in a very collaborative manner during an audit. Often action plans are implemented before a report is published.

When a department is hesitant about adopting an action plan, the office may make an official audit recommendation to decision makers to bring about the desired actions. The Office of City Auditor follows up on selected recommendations and action plans to ascertain whether they have been satisfactorily implemented.

During the course of an audit, the office will consider providing interim reports to appropriate parties about matters that require immediate attention. The office's Master Job Checklist specifies several points at which auditors in charge of an audit must provide status reports or documents to their supervisors that should prompt consideration of interim reports.

Statement on Auditing Standards

Auditors should report the audit standards that were followed.

When auditors comply with all applicable Government Auditing Standards (GAS) requirements, they should use the language which represents an unmodified GAS compliance statement to indicate that they performed the audit in accordance with GAS.

When the auditors do not comply with all applicable GAS requirements, they should include a modified GAS compliance statement in the audit report.

Views of Responsible Officials

Auditors should report the views of responsible officials of the audited program concerning auditors' finding, conclusions, and recommendations, as well as corrections planned.

City Departments and other affected parties should be given the opportunity to provide comments on reports issued by the Office of City Auditor. Written comments are preferred on draft reports and the City Auditor may require them when the issues are particularly sensitive or controversial.

Noteworthy Accomplishments

Auditors should report noteworthy accomplishments, particularly when management improvements in one area may be applicable elsewhere.

Inclusion of favorable findings helps to convince departments of the fairness and integrity of the office's work and of the need to act on its recommendations. It also provides information on management improvements that may apply elsewhere.

Issues Needing Further Study

Auditors should refer significant issues needing further audit work to the auditors responsible for planning future audit work.

When the work of the office brings up issues needing further study beyond the scope of the present assignment, staff should either refer the matter to the departments or consider future work on those issues.

Privileged and Confidential Information

If certain information in a request is prohibited from general disclosure, auditors should discuss the information with the City Auditor and then report the nature of the information omitted and the requirement that makes the omission necessary.



Report Presentation

The report should be complete, accurate, objective, convincing, and be as clear and concise as the subject matter permits.

Office of City Auditor products should:

- Contain enough information to promote an adequate understanding of the matters reported.
- Present the results of the office's work in an unbiased manner and include enough information to be persuasive.
- Be error free to assure users and readers of product reliability. All factual data must be verified.
- Be clear and not assume that the reader has detailed technical knowledge of the subject. When technical terms, acronyms, or unfamiliar abbreviations must be used, they should be clearly defined.
- Be no longer than necessary to communicate the message. The office's audiences are composed largely of busy people who should not be burdened with unessential details.
- Persuade readers of the importance of the findings and the reasonableness of any conclusions and recommendations.

Report Distribution

The Government Auditing Standards states that audit reports should be distributed 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. As appropriate, copies of the reports should be distributed to other officials who have legal oversight authority or who may be responsible for acting on audit findings and recommendations, and to others authorized to receive such reports.

Generally, Office of City Auditor reports are sent to City Councilmembers, the Mayor's Office, department directors, and the media. Further distribution of reports is determined by considering the results of the work performed and the need, requirement, or desirability of communicating the information. Most of the office's reports are available to City officials and the public on the office's web pages on the City of Seattle's public web site.

Appendix 1: Scope of Work for External Review

| |
|---|
| STANDARDS: |
| INDEPENDENCE |
| 1. Have policies and procedures (P&P) to identify and resolve personal impairments. Communicate P&P to staff and monitor compliance. (Government Auditing Standards [GAS] 3.05-3.09, 3.12-3.20) |
| 2. Be free from external impairments. Have P&P for resolving and reporting external impairments. (GAS 3.19-3.20) |
| 3. Be free from organizational impairments (GAS 3.21): |
| A. When reporting externally to 3 rd parties, through appropriate reporting or organizational structure (GAS 3.22-3.24) or statutory safeguards (GAS 3.25-3.26) |
| B. When reporting internally to management, by meeting all statutory safeguards (GAS 3.27) and documenting conditions allowing organizational independence (GAS 3.27-3.32) |
| PROFESSIONAL JUDGMENT |
| 4. Use professional judgment in applying GAS and justify any departures. (GAS 3.34-3.38) |
| COMPETENCE |
| 5. Have a process for recruiting, hiring, continuously developing, and evaluating staff. (GAS 3.40) |
| 6. Staff and consultants have adequate knowledge, skills, and experience. (GAS 3.42) |
| 7. Auditors performing financial audits or attestation engagements have knowledge of relevant standards. (GAS 3.43) |
| 8. Audit organizations ensure that auditors obtain 80 hours of Continuing Professional Education (CPEs) credits every two years. (GAS 3.45, 3.46) |
| QUALITY CONTROL |
| 9. Have appropriate internal quality control system. (GAS 3.50-3.51) |
| 10. Have external peer review every three years. (GAS 3.52-3.56) |
| PERFORMANCE STANDARDS: |
| PLANNING |
| 11. Plan work adequately. (GAS 7.07) |

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| 12. Obtain understanding of internal controls significant to the audit objectives; test if relying upon them; consider test results in designing audit procedures. (GAS 7.11-7.16) |
| 13. Design work to detect significant illegal acts, violations and fraud that are significant to audit objectives. (GAS 7.17- 7.24) |
| 14. Be alert to situations or transactions indicative of abuse. (GAS 7.25) |
| 15. Exercise due care in pursuing possible fraud, illegal acts, violations or abuse; don't interfere with legal proceedings or investigations. (GAS 7.26) |
| 16. Follow up on significant findings from previous audits that directly relate to audit objectives. (GAS 7.29,7.30) |
| 17. Identify previous audit work and assess its reliability before using. (GAS 7.32-7.34) |
| 18. Assign sufficient number of appropriately skilled staff. (GAS 7.35) |
| 19. Communicate planned testing and reporting. Follow appropriate requirements if audit terminated before completed. (GAS 7.39, 7.40, 8.06) |
| 20. Prepare and update a written audit plan. (GAS 7.41-7.43) |
| SUPERVISION |
| 21. Properly supervise staff. Document supervision in working papers. (GAS7.45-7.47) |
| EVIDENCE |
| 22. Obtain sufficient, competent, and relevant evidence for findings and conclusions. (GAS 7.48- 7.61) |
| DOCUMENTATION |
| 23. Prepare and maintain documentation related to audit planning, conducting, and reporting. (GAS 7.66-7.68) |
| REPORTING |
| 24. Prepare written audit report. (GAS 8.02-8.05) |
| 25. Report objectives, scope, and methodology. (GAS 8.07-8.12) |
| 26. Report audit results, including findings, conclusions, and recommendations. (GAS 8.07, 8.13-8.16, 8.27- 8.29) |
| 27. Report scope of work on internal controls and any significant deficiencies found. (GAS 8.17, 8.18) |
| 28. Report likely fraud, illegal acts, violations, abuse if relevant (GAS 8.19-8.26) |
| 29. Refer to management letter in audit report. Document all communication regarding deficiencies found. (GAS8.17, 8.21) |
| 30. Cite GAS in report, disclose when not followed. (GAS 8.07, 8.30) |



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| 31. Report views and plans of responsible officials. (GAS 8.07, 8.31-8.34) |
| 32. Report the nature of and requirement for omitted information. (GAS 8.07, 8.35-8.37) |
| 33. Audit report should be timely; consider interim reporting (GAS 8.38-8.40) |
| 34. Audit report should be complete, accurate, objective, convincing, clear and concise. (GAS 8.38, 8.41-8.53) |
| 35. Submit report to appropriate officials and make available to the public. (GAS 8.54-8.57) |



Attachment B

Office of City Auditor Administrative Manual



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YOUR WORK

Exempt Status

The Office of City Auditor's (OCA) employee positions are exempt from the City of Seattle's Civil Service requirements. These positions are "at will" and serve at the discretion of the City Auditor. These positions do not serve a probationary period.

Job Descriptions

The Office of City Auditor maintains job description for all of its positions. The job descriptions are periodically reviewed and updated. See appendix 1 for current job descriptions.

Office of City Auditor Office Policy Agreement Memo

Staff must adhere to the requirements listed in the memo and sign it upon completion of the new employee orientation checklist.

Continuing Professional Education

All auditors are required to strive to adhere to the Continuing Professional Education (CPEs) requirements set forth in the Government Auditing Standards (a.k.a. "Yellow Book").

Travel

Staff may be asked to travel on City business or attend professional conferences or training sessions. You will be reimbursed for actual expenses, lodging and meals (when necessary), per City rules.

Use of City Vehicles

Staff may be asked to complete work assignments requiring the use of City vehicles. Staff must possess a current Washington State driver's license before using city vehicles.

WORKPLACE EXPECTATIONS

Nondiscrimination and Harassment

Staff members are required to adhere to laws and policies which prohibit discrimination and harassment.

Ethics

Staff members are required to adhere to the City's Code of Ethics. For details, check the City of Seattle's Ethics and Elections Commission website at <http://inweb/ethics/>.

Use of City Equipment and Facilities

Staff may use City provided communications tools, including telephones, internal mail service, e-mail, bulletin boards and facsimile machines, for the performance of City business. Personal use is generally limited; however, you may use these communication tools to schedule personal appointments, to contact home service and repair companies, to verify the safety of dependents, and for other similar, reasonable purposes. Such contacts should be moderate in number and length, and must not interfere with your assigned work. For specific guidelines, see the Chapter 2 of the Citywide Employee handbook at <http://inweb/personnel/policy/pubs/handbook.pdf>.

Attendance

Staff members are required to phone or send an email to their supervisor when they will be absent from work. They should record the appropriate leave codes on their Inweb time sheets when they have to charge for time absent from work.

Inclement Weather

Staff members are expected to check for official announcements in the media about City requirements for City employees to report to work when the weather is bad or there is a severe storm warning.

Time that you are absent from work due to inclement weather may be charged against your vacation, personal holidays, compensatory time, or executive or merit leave. You may choose to take the time off without pay. You cannot use sick leave to cover your time absent from work unless you can establish, to your supervisor's satisfaction, that you had a bona fide reason for sick leave. If the CA approves, you may make up lost time through an adjusted



work schedule.

Emergency Response

The Emergency Broadcast System at KIRO Radio (710 AM) will carry information and instructions regarding any emergency disaster situation.

GroupWise Calendar and Email

Staff members are required to use GroupWise for their work calendar and email and keep it up to date. Staff members are required to provide GroupWise (GW) proxy rights as follows:

- 1 READ proxy rights for GW calendar to all OCA staff
- 2 READ and WRITE proxy rights for GW email to the CA, and the Deputy City Auditor (DCA).

COMPENSATION

Office of City Auditor staff members are compensated in accordance with City Ordinance 118850, effective January 7, 1998 and with pay bands established through periodic market studies. See appendix 2 for current pay band information.

Evaluation

All staff of the Office of City Auditor will be evaluated annually with a narrative evaluation. The basis of evaluations will be the job descriptions and the Office of City Auditor's performance appraisal system. The Office of City Auditor has adopted a performance evaluation system developed by the U.S. Government Accountability Office (GAO). This includes an evaluation of various job dimensions such as planning, data gathering and documentation, data analysis, written communication, oral communication, working relationships, teamwork; and for supervisors - supervision, appraisal, and counseling.

These evaluations will also include input solicited from individuals in units audited by the Office of City Auditor, Executive staff, City Council staff, and City Councilmembers.

All non-supervisory audit staff will be evaluated by the Deputy City Auditor or the Supervisory Auditor.

The Deputy City Auditor and the Supervisory Auditor will be evaluated by the City Auditor.

The City Auditor's performance as a department head may be reviewed annually through a process developed by the chair of the designated City Council Audit Committee, or at a minimum, before consideration of reappointment.

Payday

The City's pay periods are two weeks long, beginning on a Wednesday and ending on the second Tuesday of the period. Paychecks are issued after 3 p.m. on the Thursday before the Friday payday, which is the 10th day after the end of the pay period for which the paycheck is produced. The City's Finance Director may advance the payday when the regular payday falls on a holiday.

Leave

Vacation: 12 days per year for the first four years, with increases based on length of service (based on 2088 hours of annual employment).

Holidays: 10 days per year

Personal Holiday: 2 days per year

Executive Leave: 4 days per year

Merit Pay

Up to 6 days per year can be awarded to an auditor based on their previous year's performance. Merit days will be awarded based on:

- 1) Productivity -Productivity will be assessed by an auditor's annual output. Staff members will not be eligible for merit days if their productivity is not on par with their current salary.



(2) Commitment to increasing work-related knowledge and skills -The commitment to increasing knowledge will be gauged by such activities as independent course work, working towards professional certifications such as the CIA or CPA, and participation in professional activities. This will also include developing new training courses and participation as an IIA instructor.

3) Quality of work -Among items that will be considered are impact, improved processes, economic impact, and subsequent consulting requests that a report generates.

TRAINING AND TRAVEL RELATED PROCEDURES

The City Auditor (CA) or her/his designee must pre-authorize all travel and training with their signature on the training forms. Completion of either a manual or electronic training form is **required**. Training includes luncheon seminars, conferences, lectures, meetings, seminars, workshops, retreats, and other like events.

City Personnel Department Sponsored Training

1. Complete the "Training and Development" application form.
2. Sign, date the form, and secure the necessary signatures.
3. Enter your training data in the OCA training log
4. Fax or e-mail an electronic version of this form to Personnel's Training and Development group and retain a copy of the form for your records.
5. Personnel's Training and Development unit will send you a class confirmation via interdepartmental mail.
6. Keep a copy of the class confirmation and the original application form for your own records.

Note: This type of training does not require a trip number or the OCA Training form.

Training that does NOT require registration payment from the office (i.e., free training)

1. Enter your training data in the OCA training log
2. Complete the vendor's registration form and register yourself.
3. Keep a copy of your registration form, description of training provided and CPE certificate.

Training that requires registration payment or for which the employee incurs expenses for reimbursement (e.g., parking).

1. Complete the Office of City Auditor Training Request and Approval form
2. Phone the AT to obtain a Department Trip # and enter that number into the box titled Trip Number.
3. Sign, date the form, and secure the necessary signatures.
4. Enter your training data in the OCA training log
5. Complete the vendor's registration form and register yourself.

If you will be incurring any expense associated with this training, be sure to obtain the City Auditor's or her/his designee's approval **before** training. Otherwise, your expense will not be reimbursed.



6. Give a copy of the Training Request and Approval form and the vendor's registration form to the OCA auditor responsible for travel for the office records.
7. Send the paperwork to the AT via interoffice mail.

PAYROLL RELATED PROCEDURES

Attendance

Auditors should report their unplanned absences from work as soon as possible by contacting a supervisor. The best way to alert the office to your absence is by sending an email through GroupWise to "City Auditors". If email is not available then call your supervisor. If your supervisor is not available, leave them a voicemail message and also leave a message with the City Auditor.

See above in the Workplace Expectations/Attendance section for the office policy concerning employee absences.

Leave

Appropriate leave time must be charged for time used and reflected on an employees InWeb timesheet.

For planned leave, staff can enter their leave time immediately on their InWeb timesheet and then approve it. You can enter leave time up to **9 or more months** in advance. You do not need to wait until the current pay period to enter leave and approve your timesheet.

If a staff member is out of the office on the Monday of the pay period ending week and cannot enter leave time and approve their timesheet, the staff member should either e-mail or call their supervisor to enter leave their time.

Problems or questions about your payroll check should be **emailed** to the AT and you should cc: your supervisor.

Timecard Submittal and Review

The CA will review and approve the office supervisors' timecards. In turn, each supervisor will review and approve their own team's timecards.

TECHNOLOGY RELATED PROCEDURES

Personal Computer Assistance

Call the DOIT Help Desk at 6-1212 and indicate you are from the Legislative Department. Report your personal computer (PC) issue and obtain a service request #. They will forward your request to the Legislative Department's IT unit or another appropriate contact.

PC Usage

City standards dictate that PCs and the resources employees access (e-mail, Internet, etc.) should be used only for City business, but City policy permits minor personal use of a City computer to handle the demands of daily living as long as the use does not cost the City money.

Telephone Assistance

For problems with your phone, speak with the OCA staff member who has been assigned telephone coordinator duties. If that person is not available, call DOIT at 6-1111. For other services requiring moving a phone, add and/or delete phones, consult with the auditor responsible for telephones.

Archived Electronic Work Papers

The Deputy City Auditor keeps CD copies of the electronic work paper files that have been archived (i.e., sent to the DEA warehouse and/or removed from the G:\drive). If you need a file from prior audits, consult with the Deputy City Auditor.

MISCELLANEOUS PROCEDURES



Office Library

All staff members are responsible for maintaining the organization of the library. The library has a shelf map, located on the work shelf. Each shelf is assigned a number as indicated on the map. Consult the City Auditor if you want to store something in the library.

Magazines are generally kept only for six months and then are recycled. The ALGA and IIA Internal Auditor magazines are kept permanently.

Manuals for Copier, Printer and Fax

The manuals for the copier, printer and other office equipment are located in respective folders by the printers in the supply room. For troubleshooting, consult the appropriate manual.

Use of City Vehicle

City vehicles may be borrowed by calling the Fleets and Facilities Motor Pool at 684-8560. Information needed by the Motor Pool when you request a reservation are the OCA low org (VG100), time of pick up, and approximate return turn. You must have a valid driver's license to drive a City vehicle.

Inclement Weather and Emergency Response

In case of emergency, listen to the KIRO Radio (710 AM) Emergency Broadcast system.

Records Management Process

Sending Files to In-house Storage: Sending files to the in-house storage room is part of the A02 (Master Job Checklist). Once the A13 is signed by the CA, you may submit the box or workpapers to the office's Records Coordinator

Retrieving Files from In-house Storage: When there is a need for reviewing audit's workpapers, the requestor should fill out the "Out Card" located in the storage room. Indicate your name and the date the box was removed to indicate who borrowed the workpapers.

Retrieving Files from the FFD Warehouse: To retrieve files from the warehouse, either inform the office's Records Coordinator or, if that person is unavailable, contact the Department of Fleets and Facilities Warehousing Services Section (phone 684-0827).

The following is a list of the retention periods for various types of Office of City Auditor records, which is based on the retention schedule approved on 12/18/2003 by the City Records Manager and the Washington State Office of the Secretary of State's Local Records Committee:

- Audit Working Papers 6 years
- Final Audit Report 10 years
- Loss of Assets Report 3 years
- Continuing Professional Education Records 4 years
- Office of City Auditor Annual Reports 5 years
- Annual Report Working Papers 2 years



Appendix 1: Job Descriptions



City Auditor

City of Seattle

Position Description

| | |
|------------------------|------------------|
| Position: City Auditor | Position Number: |
| Department/Site: | FLSA: Exempt |
| Evaluated by: | Salary Grade: |

Summary

Plans, organizes, and directs the objective auditing, analysis, and evaluation of municipal government operations and programs. Ensures that recommendations and action plans are responsive to City Council, managerial, and public expectations.

Distinguishing Career Features

The City Auditor is a senior management position, responsible for directing and managing the performance of an independent audit group that performs management, financial, and feasibility studies having considerable impact on agencies' operating efficiency, level of service, staffing, and funding. The City Auditor is appointed by the City Council, serves a four year term and can only be removed for cause.

Essential Duties and Responsibilities

- Plans, organizes, controls, integrates and critiques the work of the Audit office. Develops, implements, and monitors audit plans. Oversees strategic planning to effectively accomplish office mandates and mission.
- Directs the development, implementation and evaluation of work plans, policies and procedures, processes and systems to achieve City Auditor goals and performance consistent with expectations and in compliance with mandates.
- Plans, organizes, directs, and evaluates the performance of audit staff. Establishes performance requirements and personal development targets. Monitors performance and provides coaching for performance improvement and development.
- Researches, plans, and administers the budget for the office. Reviews proposed projects and services and offers recommendations to the City Council for the annual budget.
- Directs the preparation of a wide variety of operational audits, studies, public reports and recommendations related to the City's services and programs. Establishes an audit work program and oversees auditing activities to identify conditions in City government needing improvement.
- Provides executive-level assistance to audit leaders and staff in resolving complex and unusual problems relating to audits.
- Reviews, edits, and approves, and writes audit reports.
- Consults with and provides technical assistance to City policy makers and management on ideas, methods, approaches and resources for improving the performance, efficiency, and accountability of municipal government and related matters consistent with the mission and mandates of the office.
- Communicates with the City Council, City agencies, other governments, the media and citizens about audit processes and report results. Provides written and oral briefings, progress, and final



reports to the City Council and agencies.

- Serves as the principle contact on external relations. Gives media presentations and responds to media inquiries. Meets with civic associations, public organizations and professional groups.
- Develops and makes policy decisions regarding administration of the City Auditor's office. Directs the analysis of proposed legislation and regulations affecting the office.
- Participates in industry and governmental activities to influence legislation and regulatory change consistent with the City's interests and needs.
- Represents the City with other industry and governmental agencies, professional organizations and elected officials at the local, state, and national level.
- Performs other duties as assigned that support the overall objective of the position.

Qualifications

Knowledge and Skills

- The position requires extensive advanced professional knowledge of the theory, concepts, principles, and practices of government auditing.**
- Requires broad working knowledge of the principles, practices and methods of organizational, operational, administrative, performance and procedural research and analysis, including program evaluation methodologies.
- Requires knowledge of the principles and practices associated with supervision, leadership style, team building, and performance management.
- Requires familiarity with the principles, practices, methods and techniques of financial analysis and forecasting, including financial, statistical, comparative analysis tools, techniques and related computer-aided applications.
- Requires familiarity with government accounting and auditing principles and the practices and procedures of enterprise and fund accounting, including cost and project accounting, and methods of financial control and reporting.
- Requires knowledge of the principles, tools and techniques of project planning and management and methods and procedures for design and installation of management and administrative control systems.
- Requires well-developed knowledge of modern English to prepare professional reports suitable for public communication.
- Requires well-developed human relations skill to adapt to diverse personalities and styles, establish harmony and cooperation with work teams, facilitate small group discussions, and prepare and deliver formal presentations to audiences that may offer argumentative discussion, often in frustrating situations, and conduct advanced negotiations.

Abilities

- Requires the ability to carry out the duties and responsibilities of the position.
- Requires the ability to apply critical thinking and conceptual analysis to issues associated with directing an independent audit organization and pursuing improvements in municipal government.
- Requires the ability to initiate and establish a multidisciplinary team, performance objectives, and work plans to perform audits and studies in a wide variety of financial, operational, and program situations.
- Requires the ability to direct and supervise complex analyses of financial, budgetary, operational and organizational problems, evaluate alternatives and reach sound, logical, fact-based conclusions and recommendations.
- Requires the ability to direct and provide oversight to complex, rigorous and politically sensitive audits, studies, and monitoring processes.
- Requires the ability to apply governmental audit standards to audit work conducted.**
- Requires the ability to understand, interpret, apply, and evaluate applicable laws codes, and



- policies.
- Requires the ability to maintain productive and cooperative relationships with those encountered on work-related matters, including elected officials, the media, municipal employees, representatives of other governmental agencies, and the public..

**These items are not a prerequisite to the position but the candidate must demonstrate that they can become proficient in them shortly after assuming the position.

- **Physical Abilities**

- Incumbent must be able to function indoors engaged in work of primarily a sedentary nature.
- Requires sufficient ambulatory ability to move about office environs and locations.
- Requires the ability to sit for extended periods of time to accomplish deskwork.
- Requires sufficient arm, hand, and finger dexterity in order to use a personal computer keyboard, multi-media presentation, and other office equipment.
- Requires hearing and speaking skills to communicate in one-on-one and group settings.
- Requires visual acuity to read printed materials and computer screens.
- Requires the ability to work varying hours and at remote locations.

- **Education and Experience**

The position typically requires a Master's degree in public administration, accounting, business, or similar discipline that would enable directing an audit function, supplemented by over 12 years of progressive experience in administration and audit or an equivalent function.

- **Working Conditions**

Work is performed indoors where minimal safety considerations exist.



Deputy City Auditor/Supervisory Auditor

City of Seattle

Position Description

| | |
|---|------------------|
| Position: Deputy City Auditor/Supervisory Auditor | Position Number: |
| Department/Site: | FLSA: Exempt |
| Evaluated by: | Salary Grade: |

Summary

Plans, organizes, and manages objective auditing projects involving, analysis, and evaluation of municipal government operations and programs. Oversees and prepares recommendations and action plans responsive to City Council, managerial, and public expectations.

Distinguishing Career Features

The Deputy City Auditor and Supervising Auditor are working leadership positions, responsible for overseeing and participating with independent audit teams that perform management, financial, and feasibility studies having considerable impact on agencies' operating efficiency, level of service, staffing, and funding.

Essential Duties and Responsibilities

- Plans, organizes, integrates and critiques the work of the Audit office. Develops, implements, and monitors audit plans.
- Participates in the development and monitoring of performance against the budget. Develops, implements, and evaluates work programs, plans, processes, systems and procedures to achieve City Auditor goals, objectives, and performance measures consistent with the City's service expectations.
- Monitors and evaluates the performance of audit staff. Assists the City Auditor to establish performance requirements and personal development targets. Regularly monitors performance and provides coaching for performance improvement and development.
- Participates in establishing the audit work program and oversees auditing activities to identify conditions in City government needing improvement. Develops audit objectives and analytical standards and methods.
- Serves as audit manager and participant in a wide variety of operational audits, studies, public reports and recommendations related to the City's services and programs.
- Serves as project technical or process leader for a variety of complex management, performance and other specialized audits. Plans, organizes, monitors, integrates and evaluates work performed by audit staff or consultants.
- Provides technical and logistics assistance to audit staff in resolving complex and unusual problems relating to audits. Advises staff in developing audit recommendations. Ensures staff work is performed in accordance with Government Auditing Standards.
- Reviews, edits and writes audit reports. Assesses logic and conceptual soundness of audit findings and recommendations. Ensures conclusions are based on adequate supporting evidence. Ensures report language is clear, convincing, fair and concise.
- As assigned by the City Auditor, communicates with the City Council, municipal agencies, other governments, the media and residents about audit processes and report results. Provides written



and oral briefings, progress, and final reports to the City Council and its agencies.

- Assists the City Auditor on external relations. Gives media presentations and responds to media inquiries. Meets with civic associations, public organizations and professional groups.
- Assists the City Auditor in making policy decisions and administering the City Auditor's office. Directs the analysis of proposed legislation and regulations.
- Participates in industry and governmental activities to influence legislation and regulatory change consistent with the City's interests and needs. Represents the City with other agencies, professional organizations and elected officials.
- Deputy City Auditor serves as acting City Auditor when necessary.
- Performs other duties as assigned that support the overall objective of the position.

Qualifications

▪ **Knowledge and Skills****

- The position requires advanced professional knowledge of the theory, concepts, principles, and practices of government performance auditing and generally accepted Government Auditing Standards.
- Requires advanced professional knowledge of the principles, practices and methods of organizational, operational, administrative, performance and procedural research and analysis, including program evaluation methodologies.
- Requires a working knowledge of principles and practices of civil and administrative law, particularly those relating to municipal governments and state subdivisions.
- Requires knowledge of the principles and practices associated with supervision, leadership style, team building, and performance management.
- Requires in-depth knowledge of City functions, strategies, programs, policies, and related legislative, intergovernmental, and community issues and challenges.
- Requires advanced specialized knowledge of the principles, practices, methods and techniques of financial analysis and forecasting, including financial, statistical, comparative analysis tools, techniques and related computer-aided applications.
- Requires in-depth knowledge of government accounting and auditing principles and the practices and procedures of enterprise and fund accounting, including cost and project accounting, and methods of financial control and reporting.
- Requires knowledge of the principles, tools and techniques of project planning and management and methods and procedures for design and installation of management and administrative control systems.
- Requires well-developed knowledge of, and skill in using personal computers, common desktop productivity software, relational databases, decision-sciences and simulation tools, and specialized research applications.
- Requires well-developed knowledge of modern English to prepare professional reports suitable for public communication.
- Requires well-developed human relations skill to adapt to diverse personalities and styles, establish harmony and cooperation with work teams, facilitate small group discussions, and prepare and deliver formal presentations to audiences that may offer argumentative discussion, often in frustrating situations.

▪ **Abilities****

- Requires the ability to carry out the duties and responsibilities of the position.
- Requires the ability to organize and supervise multidisciplinary audit teams, monitor, performance objectives, and work plans to perform audits and studies in a wide variety of financial, operational, and program situations.
- Requires the ability to perform highly complex analyses of financial, budgetary, operational and organizational problems, evaluate alternatives and reach sound, logical, fact-based



- conclusions and recommendations.
- Requires the ability to direct and provide oversight to complex, rigorous and politically sensitive audits, studies, and monitoring processes.
- Requires the ability to collect, evaluate and interpret a broad range of complex data, either in electronic, written, statistical or narrative form.
- Requires the ability to apply governmental audit standards to audit work conducted.
- Requires the ability to understand, interpret, apply, and evaluate applicable laws codes, and policies.
- Requires the ability to develop and apply sophisticated statistical, spreadsheet, database and geographic information system applications to conduct analyses.
- Requires the ability to prepare clear, concise and comprehensive reports, correspondence and other documents appropriate to the audience including the ability to present findings and recommendations clearly, logically, and persuasively to a diverse group of audiences.
- Requires the ability to maintain productive and cooperative relationships with those encountered on work-related matters, including elected officials, the media, City employees, representatives of other governmental agencies, and the public.
- Requires the ability to conduct studies in the field at remote sites and varying schedules.

**The audit office, as a whole, is expected to have all of these skills. Each individual member of the audit team is expected to have most of these skills though is not required to possess all of them. These skills and knowledge are not a prerequisite to the position but the candidate must demonstrate that they can become proficient, within a shortly after assuming the position, in most of these skills.

- **Physical Abilities**

- Incumbent must be able to function indoors engaged in work of primarily a sedentary nature.
- Requires sufficient ambulatory ability to move about office environs and locations.
- Requires the ability to sit for extended periods of time to accomplish deskwork.
- Requires sufficient arm, hand, and finger dexterity in order to use a personal computer keyboard, multi-media presentation, and other office equipment.
- Requires hearing and speaking skills to communicate in one-on-one and group settings.
- Requires visual acuity to read printed materials and computer screens.
- Requires the ability to work varying hours and at remote locations.

- **Education and Experience**

The position typically requires a Master's degree in public administration, accounting, business, or similar discipline that would enable the individual to direct an audit function, supplemented by over 8 years of progressive experience in administration and audit or equivalent function.

- **Working Conditions**

Work is performed indoors where minimal safety considerations exist.



Master Auditor

City of Seattle

Position Description

| | |
|--------------------------|------------------|
| Position: Master Auditor | Position Number: |
| Department/Site: | FLSA: Exempt |
| Evaluated by: | Salary Grade: |

Summary

This position can function highly independently with minimal supervision. Performs complex administrative, financial, statistical, and performance analyses of municipal operations, activities, functions, services, management and programs. Develops and presents advanced professional recommendations for action; for formulating policies, procedures and performance measures; for improving operational and organizational performance; and/or for modifying the scope of services provided to the public

Distinguishing Career Features

Master Auditors represent the senior-level in a multi-tiered career path for operational and financial audit and analysis. Master Auditors conduct and carry out highly complex analyses, audits, and studies on a wide range of management, administrative, financial, budgetary, and operational and other organizational issues. In order for Auditors to advance to Master Auditor, they are expected to define and apply appropriate study methodologies, utilize sound analytical tools and techniques and apply generally accepted audit standards and principles on large-scale projects to achieve sound, reliable, fact-based conclusions and recommendations. Master Auditors are also expected to produce public reports that are both independent and objective on sensitive or controversial issues. Advancement to Deputy City Auditor/Supervisory Auditor is possible based on appointment and need.

Essential Duties and Responsibilities

- Plans, organizes, coordinates, conducts, and oversees complex administrative, operational, financial, and management studies and audits of City operations, activities, functions, and programs.
- Identifies opportunities to improve efficiency and effectiveness and to solve problems. Determines analytical techniques, data-gathering processes, and obtains necessary information and data for analysis.
- Analyzes alternatives and makes recommendations. Discusses findings with the City Auditor or Deputy City Auditor, City management and their staff. Prepares reports of study findings, discussion, conclusions, and develops implementation recommendations.
- Performs highly complex work in conducting specialized organizational analyses using research and knowledge of industry best practices. Identifies and evaluates a variety of administrative and work practices and issues that can be adjusted to enhance outcomes.
- Facilitates audit project startup and data gathering. Prepares detailed work plans to accomplish audit objectives. Carries out analytic tasks to support objectives and milestones. Obtains documents and prepares written record of work performed.
- Reviews laws, policies, best practices, regulations, labor contracts, and previous audit reports. Collects qualitative and quantitative data. Conducts interviews and observes operations and activities in the field.



- Serves as project technical or process leader for a variety of complex management, performance and other specialized audits. Plans, organizes, monitors, integrates and evaluates work performed by audit staff or consultants.
- Provides technical assistance to organization units, as requested, in support of activities to influence legislative and regulatory changes. Assists City organization units with clarification of mission and goal statements and the development of performance measures.
- Drafts a wide variety of materials including reports, recommendations, procedures, manuals, briefing packets, proposed legislation or code changes and other materials. Identifies issues, obtains input and feedback.
- Conducts quality assurance reviews of audit files and working papers to ensure compliance with Government Auditing Standards.
- Represents the City Auditor at inter-agency meetings of City organization units and committees, at professional conferences, and before the City Council.
- May oversee projects completed by outside consultants. Monitors and reports on progress. Ensures that deliverables meet needs and contract stipulations.
- Performs other duties as assigned that support the overall objective of the position.

Qualifications

▪ **Knowledge and Skills ****

- The position requires advanced professional knowledge of the theory, concepts, principles, and practices of government performance auditing and generally accepted government auditing standards.
- Requires advanced professional knowledge of the principles, practices and methods of organizational, operational, administrative, performance and procedural research and analysis, including program evaluation methodologies.
- Requires in-depth knowledge of the services provided by, and the operations of public administration including budgeting, purchasing, risk management, human resource management, public contracting, and maintenance of public records.
- Requires advanced specialized knowledge of the principles, practices, methods and techniques of financial analysis and forecasting, including financial, statistical, comparative analysis tools, techniques and related computer-aided applications.
- Requires in-depth knowledge of government accounting and auditing principles and the practices and procedures of enterprise and fund accounting, including cost and project accounting, and methods of financial control and reporting. **
- Requires knowledge of the principles, tools and techniques of project planning and management and methods and procedures for design and installation of management and administrative control systems.
- Requires well-developed knowledge of modern English to prepare professional reports suitable for public communication.
- Requires well-developed human relations skill to adapt to diverse personalities and styles, establish harmony and cooperation with work teams, facilitate small group discussions, and prepare and deliver formal presentations to audiences that may offer argumentative discussion or in frustrating situations.

▪ **Abilities****

- Requires the ability to perform highly complex analyses of financial, budgetary, operational and organizational problems, evaluate alternatives and reach sound, logical, fact-based conclusions and recommendations.



- Requires the ability to collect, evaluate and interpret a broad range of complex data, either in electronic, written, statistical or narrative form.
- Requires the ability to apply governmental audit standards to audit work conducted.**
- Requires the ability to understand, interpret and apply applicable laws codes, and policies.
- Requires the ability to develop and apply sophisticated statistical, spreadsheet, database and geographic information system applications to conduct analyses.
- Requires the ability to prepare clear, concise and comprehensive reports, correspondence and other documents appropriate to the audience including the ability to present findings and recommendations clearly, logically, and persuasively to a diverse group of audiences.
- Requires the ability to maintain productive and cooperative relationships with those encountered on work-related matters, including elected officials, the media, City employees, representatives of other governmental agencies, and the public.
- Requires the ability to conduct studies in the field at remote sites and varying schedules.

**The audit office, as a whole, is expected to have all of these skills. Each individual member of the audit team is expected to have most of these skills though is not required to possess all of them. These skills and knowledge are not a prerequisite to the position but the candidate must demonstrate that they can become proficient in them shortly after assuming the position.

- **Physical Abilities**

- Incumbent must be able to function indoors engaged in work of primarily a sedentary nature.
- Requires sufficient ambulatory ability to move about office environs and locations.
- Requires the ability to sit for extended periods of time to accomplish deskwork.
- Requires sufficient arm, hand, and finger dexterity in order to use a personal computer keyboard, multi-media presentation, and other office equipment.
- Requires hearing and speaking skills to communicate in one-on-one and group settings.
- Requires visual acuity to read printed materials and computer screens.

- **Education and Experience**

The position typically requires a Master's degree in public administration, accounting, business, or similar discipline that would enable performing audits, supplemented by over 6 years of progressive experience in administration, auditing or comparable experience.

- **Working Conditions**

Work is performed indoors where minimal safety considerations exist.



Staff Auditor

City of Seattle

Position Description

| | |
|-------------------------|------------------|
| Position: Staff Auditor | Position Number: |
| Department/Site: | FLSA: Exempt |
| Evaluated by: | Salary Grade: |

Summary

Under supervision, performs complex administrative, financial, statistical, and performance analyses of municipal operations, activities, functions, services, management and programs. Assists in developing and presenting advanced professional recommendations for action; in formulating policies, procedures and performance measures: improving operational and organizational performance:, and/or modifying the scope of services provided to the public

Distinguishing Career Features

The Staff Auditor represents the first-level in a multi-tiered career path for operational, performance and financial audit and analysis. Staff Auditors typically assist and participate as part of a team, to carry out difficult analyses, audits, and studies on a variety of management, administrative, financial, budgetary, operational and other organizational issues. Advancement to Master Auditor requires the ability, under minimal supervision, to plan, organize, and apply appropriate study methodologies, utilize sound analytical tools and techniques and apply generally accepted audit standards and principles on large-scale projects to achieve sound, reliable, fact-based conclusions and recommendations. Advancement to Master Auditor is possible based on appointment and need.

Essential Duties and Responsibilities

- Participates in, and conducts, difficult administrative, operational, financial and management studies and audits of City operations, activities, functions, and programs.
- Identifies opportunities to improve efficiency and effectiveness and to solve problems. Determines analytical techniques, data-gathering processes, and obtains necessary information and data for analysis.
- Analyzes alternatives and makes recommendations. Discusses findings with the City Auditor or Deputy City Auditor, City management and their staff. Prepares reports of study findings, discussion, conclusions, and develops implementation recommendations.
- Assists in conducting organizational analyses using research and knowledge of industry best practices. Identifies and evaluates a variety of administrative and work practices and issues that can be adjusted to enhance outcomes.
- Executes detailed work plans to accomplish audit objectives. Carries out analytic tasks to support objectives and milestones. Obtains documents and prepares written record of work performed.
- Reviews laws, policies, best practices, regulations, labor contracts, and previous audit reports. Collects qualitative and quantitative data. Conducts interviews and observes operations and activities in the field.
- Provides technical assistance to organization units, as requested, in support of activities to influence legislative and regulatory changes. Assists City units with clarification of mission and goal statements and the development of performance measures.



- Drafts a variety of materials including reports, recommendations, procedures, manuals, briefing packets, proposed legislation or code changes and other materials. Identifies issues, obtains input and feedback.
- Assembles working papers, ensuring compliance with Government Auditing Standards.
- As assigned, represents the City Auditor at inter-agency meetings of City organization units and committees, at professional conferences, and before the City Council.
- Performs other duties as assigned that support the overall objective of the position.

Qualifications

▪ **Knowledge and Skills****

- The position requires professional knowledge of the theory, concepts, principles, and practices of government performance auditing and generally accepted government auditing standards.
- Requires professional knowledge of the principles, practices and methods of organizational, operational, administrative, performance and procedural research and analysis, including program evaluation methodologies.
- Requires working knowledge of the services provided by, and the operations of public administration including budgeting, purchasing, risk management, human resource management, public contracting, and maintenance of public records.
- Requires knowledge of the principles, practices, methods and techniques of financial analysis and forecasting, including financial, statistical, comparative analysis tools, techniques and related computer-aided applications.
- Requires basic knowledge of government accounting and auditing principles and the practices and procedures of enterprise and fund accounting, including cost and project accounting, and methods of financial control and reporting.
- Requires basic knowledge of the principles, tools and techniques of project planning and methods and procedures for design and installation of management and administrative control systems.
- Requires well-developed knowledge of modern English to prepare professional reports suitable for public communication.
- Requires well-developed human relations skill to adapt to diverse personalities and styles, establish harmony and cooperation with work teams, and facilitate small group discussions.

▪ **Abilities****

- Requires the ability to perform difficult analyses of financial, budgetary, operational and organizational problems, evaluate alternatives and reach sound, logical, fact-based conclusions and recommendations.
- Requires the ability to collect, evaluate and interpret a broad range of complex data, either in electronic, written, statistical or narrative form.
- Requires the ability to apply governmental audit standards to audit work conducted.
- Requires the ability to learn, understand, interpret, and apply applicable laws codes, and policies.
- Requires the ability to develop and apply sophisticated statistical, spreadsheet, database and geographic information system applications to conduct analyses.
- Requires the ability to prepare clear, concise and comprehensive reports, correspondence and other documents appropriate to the audience including the ability to present findings and recommendations clearly and logically.
- Requires the ability to maintain productive and cooperative relationships with those encountered on work-related matters, including elected officials, the media, City employees, representatives of other governmental agencies, and the public.
- Requires the ability to conduct studies in the field at remote sites and varying schedules.

**The audit office, as a whole, is expected to have all of these skills. Each individual member of the audit team is expected to have most of these skills though is not required to possess all of them. These skills and knowledge are



not a prerequisite to the position but the candidate must demonstrate that they can become proficient in them shortly after assuming the position.

▪ **Physical Abilities**

- Incumbent must be able to function indoors engaged in work of primarily a sedentary nature.
- Requires sufficient ambulatory ability to move about office environs and locations.
- Requires the ability to sit for extended periods of time to accomplish deskwork.
- Requires sufficient arm, hand, and finger dexterity in order to use a personal computer keyboard, multi-media presentation, and other office equipment.
- Requires hearing and speaking skills to communicate in one-on-one and group settings.
- Requires visual acuity to read printed materials and computer screens.

▪ **Education and Experience**

The position typically requires a Master's degree in public administration, accounting, business, or similar discipline that would enable performing audits. Work experience can substitute for education requirement.

▪ **Working Conditions**

Work is performed indoors where minimal safety considerations exist.



Appendix 2: Pay Bands



Office of the City Auditor
Recommended Salary Ranges for 2007
Using the Median or 50th Competitive
Percentile

| City Auditor | | |
|--------------|-----------|-----------|
| Minimum | Midpoint | Maximum |
| \$89,747 | \$112,184 | \$134,621 |
| \$43.15 | \$53.93 | \$64.72 |

| Deputy City Auditor | | |
|---------------------|----------|-----------|
| Minimum | Midpoint | Maximum |
| \$78,009 | \$97,511 | \$117,013 |
| \$37.50 | \$46.88 | \$56.26 |

| Master Auditor | | |
|----------------|----------|-----------|
| Minimum | Midpoint | Maximum |
| \$73,770 | \$92,213 | \$110,655 |
| \$35.47 | \$44.33 | \$53.20 |

| Senior Auditor | | |
|----------------|----------|-----------|
| Minimum | Midpoint | Maximum |
| \$69,531 | \$86,914 | \$104,297 |
| \$33.43 | \$41.79 | \$50.14 |

| Staff Auditor | | |
|---------------|----------|----------|
| Minimum | Midpoint | Maximum |
| \$62,221 | \$77,776 | \$93,331 |
| \$29.91 | \$37.39 | \$44.87 |



Placement in salary ranges roughly follows the illustration below.

| <u>Ratio of Salary to Midpoint</u> | <u>Years in Exemplary the Position</u> | <u>Performer</u> |
|--|--|------------------|
| 80 | 0 | 0 |
| 84 | 1 | 0.5 |
| 88 | 2 | 1 |
| 92 | 3 | 2 |
| 96 | 4 | 3 |
| 100 | 6 | 4 |
| 104 | 8 | 5 |
| 108 | 10 | 6 |
| 112 | 12 | 8 |
| 116 | 15 | 10 |
| 120 | 20 | 12 |



FISCAL NOTE FOR NON-CAPITAL PROJECTS

| Department: | Contact Person/Phone: | DOF Analyst/Phone: |
|--------------------|------------------------------|---------------------------|
| Auditor | Mary Denzel4-8158 | NA |

Legislation Title:

A RESOLUTION endorsing and supporting the Policy and Procedures of the Office of City Auditor.

• **Summary of the Legislation:**

- **Background:** *(Include brief description of the purpose and context of legislation and include record of previous legislation and funding history, if applicable):*

- *Please check one of the following:*

This legislation does not have any financial implications. *(Stop here and delete the remainder of this document prior to saving and printing.)*





**Legislative Department
Office of the City Clerk**

Judith E. Pippin
City Clerk

To: Resolution No. 31029 jacket

From: Emilia M. Sanchez *EMS*

Date: December 17, 2007

RE: Substitution of Attachment B to Res. 31029

Attachment B of Resolution No. 31029 has been substituted without a formal motion by the Finance and Budget Committee. This action was necessary because the attachment included employee user names, employee passwords, and internal procedures of the City Auditor's Office. The attachment that contains this vital information is located in the City Clerk's Office Appointment Administrative file.

Once this Resolution has been re-referred to a committee in 2008, a proper motion to substitute Attachment B - Office of the City Auditor Administrative Manual- to Resolution No. 31029, will need to be made.

STATE OF WASHINGTON – KING COUNTY

--SS.

219927
CITY OF SEATTLE, CLERKS OFFICE

No.

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

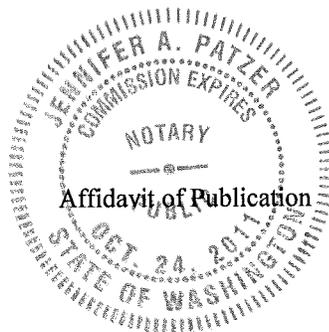
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:31029&31030 TITLE ONLY

was published on

01/30/08

The amount of the fee charged for the foregoing publication is the sum of \$ 42.15, which amount has been paid in full.



01/30/08

[Signature]
Subscribed and sworn to before me on

[Signature]
Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

City of Seattle

TITLE-ONLY PUBLICATION

The full text of the following resolutions, passed by the City Council on January 22, 2008 and published here by title only, will be mailed upon request, or can be accessed electronically at <http://clerk.ci.seattle.wa.us>. For further information, contact the Seattle City Clerk at 684-8344.

RESOLUTION NO. 31030

A RESOLUTION Establishing overall goals for the Office of City Auditor's work program; establishing a process to be used by the City Auditor to continually update the work program; authorizing the City Auditor to make the final decisions regarding the content of the work program; and superseding Resolution 30175.

RESOLUTION NO. 31029

A RESOLUTION endorsing and supporting the Policy and Procedures of the Office of City Auditor.

Publication ordered by JUDITH PIPPIN,
City Clerk

Date of publication in the Seattle Daily
Journal of Commerce, January 30, 2008.

1/30(219927)