2.6.2 Differences of Opinion over Technical Issues

Introduction

Differences of opinion over technical issues may occur internally or between the Audit Office and contract audit agents, such as disagreements on technical accounting matters or legal interpretations.

In practice, the parties directly involved would ordinarily resolve differences of opinion among themselves. However, where a difference of opinion cannot be resolved this way the resolution process outlined in this policy must be followed.

Policies and guidance

1. Engagement Managers (EMs) and/or Engagement Controllers (ECs) must resolve disagreements between junior members of the audit team.

2. Where there is a disagreement between the EM and EC, the Engagement Quality Assurance Reviewer (EQAR), if appointed, must arbitrate in the first instance. If there is no appointed EQAR, the matter must be referred to an Assistant Auditor-General (AAG).

3. Where the EM and EC, in consultation with the EQAR or AAG, cannot confidently agree on a proposed course of action to resolve an issue, the EC must refer the matter to the Director, Audit Support.

4. Referrals must use a ‘Request for technical advice from Audit Support Team (AST)’ form.

5. AST must respond to the request for technical advice in writing.

6. The Financial Audit Executive (FAE) may instruct AST to consult with external independent experts.

7. Where an EC disagrees with AST’s advice they must refer the matter to the FAE for arbitration. The FAE may consult with external independent experts.

8. The assurance report must not be issued until the matter is resolved.

Documentation

9. Documentation of the resolution of differences of opinion must include:
   - details of consultations over the resolution of the differences
   - conclusions reached in addressing differences of opinion
   - how the conclusions have been implemented on the engagement.
Effective date

Issued April 2016 and effective April 2016.