

## 2.2.11 Engagement Executives

### Introduction

This section provides policies and guidance on the appointment, roles and responsibilities of Engagement Executives (EEs) for financial and performance audits. Whilst Assistant Auditors-General (AA-G) may be appointed to the EE role of an auditee, the EE role is separate and distinct from their financial audit branch and neighbourhood oversight responsibilities.

### Policies and guidance

#### Scope of the Engagement Executive

1. **EEs may be appointed to an auditee:**
  - where there is an identified need for senior executive involvement in the management of relationships between the Audit Office (the Office) and the auditee and
  - to provide a mechanism to support the quality of the engagement as an engagement team member.
2. Unlike the Engagement Quality Reviewer, the EE is not required to operate independently of the engagement team.
3. **Appointment of an EE for the financial audit branch is the responsibility of the:**
  - Head of Financial Audit (HoFA) for a term of up to five years
  - Deputy Auditor-General (DA-G) for terms exceeding five years.

**Appointment of an EE for the performance audit branch is the responsibility of the Assistant Auditor-General (AA-G), Performance Audit where a specific need has been identified.**

**On an annual basis, a briefing of the EE appointments needs to be provided to the DA-G for noting.**

#### Staff assigned as Engagement Executives

4. **The EE must be a professional staff member with appropriate experience and knowledge. Those eligible for assignment as EEs comprise the DA-G and AA-Gs.** Appropriate experience and knowledge include relevant experience and knowledge of the auditee's industry, its economic environment, Australian auditing, accounting and ethical standards, the audit process and the regulatory environment.
5. **The HoFA/AA-G, Performance Audit must appoint another eligible individual within the Office to be the EE if the current EE is:**
  - unable to comply with the Office's independence or rotation of staff requirements
  - otherwise unable to continue with the role.

#### Roles and responsibilities of the Engagement Executive

6. **The EE's role is to support the Engagement Controller (EC) in their management of key relationships within an auditee and ensure the file is of sufficient appropriate quality.**

7. In the area of relationship management, this support may include:
  - accompanying the EC to meetings with senior management (for example, Deputy Secretaries, Secretaries, Chief Executive Officers, Managing Directors, or General Managers)
  - accompanying the EC to Audit and Risk Committees, Board meetings, Council meetings, or other meetings of Those Charged with Governance
  - consulting on communication strategies to ensure key messages are delivered in a considered manner
  - acting as a point of escalation if differences of opinion between the EC and senior management are unable to be resolved
  - providing the EC and auditee with relevant insights from across the Office's operations that may be of interest to the auditee.
8. In the area of engagement quality, the EC should involve the EE in agreeing the:
  - treatment of significant, complex, or contentious accounting issues
  - matters requiring discussion at the Technical Issues Committee
  - adoption of unconventional audit strategies or procedures.
9. **Where such involvement takes place, this should be documented in the audit file.**
10. **If a difference of opinion between the EE and the EC cannot be resolved, policy [2.5.3 Technical Issues Committee \(TIC\)](#) must be applied.**
11. **The EE must complete the following as evidence of their involvement:**
  - **Engagement Executive – Planning sign-off**
  - **Engagement Executive – Completion sign-off.**
12. **The EE's roles and responsibilities do not replace that of the EC as the EC retains the responsibility for signing the audit report.**
13. Apart from the planning and completion sign-offs, it is up to the judgement of the EE to determine the extent of their involvement, taking into consideration the complexity of the engagement, the experience of the EC and the level of auditee relationship management required.
14. **Where the EE has been appointed for an engagement where the A-G signs the Independent Auditor's Report, the EE must evidence their review of the 'Clearance Memorandum - Recommendation for Auditor-General to sign the IAR'.**
15. **Whilst the EE is considered a member of the engagement team, the EE does not otherwise participate in the engagement or make decisions for the engagement team unless the person appointed EC is unavailable to complete the engagement. Where this is the case, the EE:**
  - **will assume all the responsibilities of the EC, including signing audit reports**
  - **must comply with the Office's policies and the audit methodology as they relate to the relevant activities.**

## Effective date

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