

PART I	DEPARTMENT OF PERSONNEL SERVICES	2.575
	STATE OF HAWAII	2.576
.		2.578
		2.579
	Class Specifications	2.581
	for the	2.583
		2.584
	<u>AUDITOR SERIES</u>	

Series Definition:

This is a multi-series definition applicable to all classes of positions the primary duties of which are to advise on, administer, supervise, or perform professional auditing work for purposes of reviewing and appraising the adequacy of accounting and related management controls within governmental agencies to insure that each maintains an adequate accounting and reporting system, income and unemployment tax compliance by individuals and business firms, rate-making for public utilities and transportation forms, and other related auditing functions. The work requires primarily the application of sound accounting judgment and generally accepted auditing standards and accounting principles.

The basic unifying function of all professional auditing work covered by this series is the examining of accounts for the purpose of rendering an opinion regarding the financial position and operations of the governmental agencies, individuals and business entities being examined. Governmental agencies are examined to insure that State laws, rules and regulations are adhered to; that prescribed policies and procedures are being carried out; that an agency's financial and operational controls are functioning satisfactorily; that the assets of the State are being adequately protected and properly utilized; and that the agency is operating efficiently and effectively. Individuals and business entities are examined for compliance with State tax laws, regulatory statutes and other regulations.

Determination of Levels:

Although the operations audited vary according to the requirements of each auditing specialty, the factors determining levels of difficulty and responsibility are essentially the same in all specialty areas. The grade of an auditor position depends largely upon the following classification factors: scope and difficulty of the auditing projects that are assigned;

nature of available guidelines for performance of work; originality required; nature and purpose of personal contacts maintained with others; nature of supervisory controls exercised over the work; nature and scope of recommendations and decisions; nature and extent of supervisory responsibility for the work of other employees including the intermittent, limited supervision exercised by positions serving as "auditor-in-charge", and qualifications required.

Use of Specialty Titles:

Grade levels for all professional auditing positions will be established by reference to this classification standard, with the required specialization (level III and above) indicated by the use of the appropriate descriptive title; e.g., by reference to the criteria of the specification, the work of a tax auditor warranting allocation to the IV level will become Auditor (Tax) IV.

The following specialty titles are established:

Auditor (Internal). Includes those professional auditing positions concerned with the financial and operational management of all State agencies in terms of compliance with governing regulations, legislation and consistency and adherence to accepted accounting principles and management practices including internal control practices.

Auditor (Tax). Includes those professional auditing positions concerned with the auditing and examination of tax returns, schedules, books of accounts and records of individuals and business entities to establish correct tax liability.

Auditor (Unemployment Tax). Includes those professional auditing positions concerned with the auditing and examination of employer payroll records and other books of accounts to establish tax liability under the State unemployment insurance law:

Auditor (Public Utilities). Includes those professional auditing positions concerned with the financial examination of public utility and transportation enterprises subject to regulations of the Public Utilities Commission to assess the

acceptability of agency financial activities, including compliance with laws, rules and regulations and prescribed systems of accounts, and to establish the basis or Commission determinations on applications affecting rates and tariffs, issuance of securities, acquisitions and mergers and consolidations.

Auditor (General). Includes those professional auditing positions concerned with the auditing and examination of books of accounts and records of individuals and business entities, etc., not specifically covered under any other specialty in this series.

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This is an amendment to the AUDITOR SERIES approved on May 27, 1969, due to incorporation of managerial levels in EMCP in accordance with Act 254, SLH 1980.

DATE APPROVED: 8/16/82 /s/ Clement L. Kamalu
DONALD BOTELHO
Director of Personnel Services

Note: Class codes changed from 2.511, 2.513, 2.516, 2.518, 2.521, 2.523 & 2.526 to 2.575, 2.576, 2.578, 2.579, 2.581, 2.583 & 2.584, per Departmental Circular No. 84-4.

AUDITOR I 2.575

Duties Summary:

Receives training and assists in a trainee capacity in activities pertaining to professional auditing work; and performs other duties as required.

Distinguishing Characteristics:

This class involves assignments designed to provide experience in the practical application of auditing principles, procedures and techniques, and familiarity with the nature of the auditing program of the assigned department. Assignments are part of a planned, organized training program and are characterized by detailed instructions and close review.

Examples of Duties:

Attends orientation and training sessions; learns the procedures, work processes, regulations, and other aspects of the auditing program of the assigned program or department; performs simple tasks for the purpose of gaining knowledge and developing skill in the application of professional work processes and techniques such as: preparing worksheets, working papers, financial reports, exhibits, and statements in accordance with instructions; compiling and tabulating fiscal information; and collecting data for an auditor of higher grade.

Knowledge and Abilities Required:

Knowledge of: Principles and practices of accounting; report writing.

Ability to: Learn the principles, methods and techniques of auditing; learn and interpret pertinent laws, rules and regulations; collect and organize facts and reach sound conclusions; prepare clear and concise reports; deal effectively with people; operate adding and calculating machines.

AUDITOR II

2.576

Duties Summary:

As an advanced trainee, performs a variety of assignments ranging from the simple to moderately difficult which do not require the services of a fully trained auditor; and performs other duties as required.

Distinguishing Characteristics:

This class is the advanced trainee level through which the trainee advances as part of his progression to full performance as an independent worker. The incumbent of a position in this class is required to apply knowledge of auditing principles, procedures and practices in carrying out his assignments. He performs a variety of assignments which involve simple to moderately difficult work and may include tasks such as auditing general ledgers, journals, bank statements, and other financial records for accuracy and propriety; counting cash and reconciling cash records; and preparing worksheets, balance sheets and other schedules and working papers. The degree of instruction and review received varies with the newness and complexity of the assignments and the progress made by the trainee.

Examples of Duties:

Attends and participates in lecture and discussion sessions; performs and reports on required reading; receives advanced training in the assigned department's program or programs and auditing procedures; audits general ledgers, journals, cash disbursement books, bank statements, and other financial records for accuracy, propriety, reliability and validity of entries; counts cash and reconciles cash records; prepares worksheets and other schedules; prepares reports on findings and may make comparative financial reports; may be assigned to particular phases of an audit, working under specific instructions of a higher-level auditor, including performance of data collection during field trips.

Knowledge and Abilities Required:

Knowledge of: Principles and practices of accounting and auditing; books of accounts and financial statements; financial report writing.

Ability to: Learn the principles, methods and techniques of auditing; learn and interpret pertinent laws, rules and regulations; collect and organize facts and reach sound conclusions therefrom; prepare clear and concise reports; deal

effectively with people; operate adding and calculating machines.

AUDITOR III

2.578

Duties Summary:

Performs moderately difficult professional auditing work by conducting the examinations of smaller agencies or business entities or by auditing primarily one aspect of the fiscal work of both small and large agencies; assists higher-level auditors on more complex audit assignments; and performs other duties as required.

Distinguishing Characteristics:

An auditor at this level generally conducts limited examinations. Such examinations involve auditing all aspects of smaller agencies or business entities or limited portions of large, complex agencies independently, or assisting a higher-level auditor in performing certain assigned phases of a more complex audit. Assignments typically show the application of clear-cut precedents, and the approach and plan of each audit is discussed with the supervisor before and while audits are in progress. Completed work is reviewed for soundness of auditing judgment and to ensure completion of assignments. Determinations made at this level are based on clearly applicable procedures or instructions, or on precedent decisions and rules and regulations. Person-to-person contacts at this level are generally with the heads of the business enterprises being audited, representatives of agencies, tax payers, and with co-workers. An incumbent may supervise lower-level auditors or clerical personnel in the performance of auditing duties.

Examples of Duties:

The following are illustrative only and not all-inclusive:

Auditor (Internal). Receives specific phases of large or medium-sized audit assignments; independently conducts small-sized audits; reviews pertinent background data; audits general

ledgers, subsidiary ledgers; books of original entry, and other financial records for accuracy, propriety, reliability and validity of entries; counts cash and reconciles cash records; examines, verifies, and reviews and analyzes accounting procedures and financial data such as balance sheets, income and surplus accounts, appropriations, allotments and expenditures, operating revenues and expenses, plant accounts, depreciation reserves and operating taxes to determine compliance with generally accepted principles and procedures; makes recommendations and suggestions for improvement of accounting methods and procedures for strengthening of internal controls.

Auditor (Tax). Searches records for Net Income Returns, Gross Income Returns and Miscellaneous Tax Returns of firms in office files; prepares worksheets from information obtained on the returns; searches for and studies pertinent tax rulings and regulations; interviews taxpayers and their employees, customers and suppliers to obtain evidence and information pertaining to taxable transactions; examines firm's books, records and contracts, and checks them with invoices and other forms of original source documents; prepares written reports, assessments and supporting evidence.

Auditor (Public Utilities). Conducts independent investigations of smaller utility and transportation companies' accounts for consistent compliance with prescribed systems and standards of accounting; accompanies a higher-level auditor as a team member in the more complex and comprehensive audits; prepares financial statements; makes analyses and interprets and prepares audits or examination reports with conclusions and recommendations.

Auditor (Unemployment Tax). Receives audit assignments covering all types of agencies; plans the scope and procedure of audit; determines the method of verification, the appropriate test periods, and the extent of the audit required; verifies total taxable wages and ascertains unemployment tax liability by analyzing various journals, ledgers and accounts; prepares audit reports and supporting schedules; analyzes any differences between audit findings and employer's reported wages; locates assets on which liens may be filed; determines methods of collection of delinquent taxes, and initiates requests for legal actions to pursue collections; promotes and furnishes

information on the services available to the public by the agency; may work as a team on unusually large audits.

Knowledge and Abilities:

In addition to the knowledge and abilities required at the next lower level, auditors at this level must have a good working knowledge of the common, well-established theories, principles, practices and techniques of auditing; and the ability to analyze financial operations and prepare and interpret financial reports.

AUDITOR IV

2.579

Duties Summary:

Performs difficult professional auditing work by independently conducting field audits of governmental books of accounts and records or those of business entities, regulated public utilities and transportation firms, etc.; may supervise a small group of lower-level auditors as a project leader on less complex cases; and performs other duties as required.

Distinguishing Characteristics:

A position in this class is a fully-operating specialist in all the conventional aspects of a broad subject-matter or functional area of assignment. Auditors at this level are assigned more complex audits than those at the III level. Assignments are usually given with a statement of the objectives, limits of the assignment, suggested overall plan of work, and nature of results expected. Auditors at this level are expected to be sufficiently expert in their knowledge and judgment to warrant only a limited review of their decisions. Controlling precedents, policies, procedures and decisions are not immediately apparent nor are they directly applicable to problems being analyzed by positions at this level. Recommendations, decisions and commitments made by incumbents at this level are limited to results obtained from evaluation of assigned field audit projects and are heavily relied upon in making final decisions. Personal work contacts are with agency

heads, regulated companies and, for certain positions, involves testifying at hearings.

Examples of Duties:

The following are illustrative only and not all-inclusive:

Auditor (Internal). Receives specific phases of large or complex assignments; independently conducts medium-sized audits; reviews the annual reports, budget documents, applicable statutes, and other available data pertaining to the agency being audited to develop audit plans and programs; acts in a consultative capacity for department head in relation to accounting problems; and makes recommendations and suggestions for improvement of accounting methods and procedures.

Auditor (Tax). Determines correct income classification of various kinds of operations in which multitude of activities are engaged in by business and others not specifically described by law; reviews exemptions and deductions taken from gross income in arriving at the taxable income under the General Excise Tax Law; determines whether there is an employer-employee relationship or one of independent contractor for general excise tax and payroll withholding tax determination; determines whether the accounting methods used by the taxpayer properly reflects income; reviews legal documents and sales agreements to verify the correctness of the return; testifies before the Board of Review and Tax Appeals Court; may assist in performing large scale audits or may train and supervise lower-level auditors.

Auditor (Public Utilities). Examines, evaluates and makes recommendations regarding applications filed by transportation companies and evaluates and conducts joint investigations of utility companies for issuance of securities, long-term notes, capital expenditures, rate adjustments, mergers and consolidations; compiles and makes periodic reports on the operating statistics of utility companies for determination of rates of return being earned on capital investment; prepares annual earnings and expense reports of utility companies; prepares and presents evidence and testimony as a witness at hearings before the Commission.

Auditor (Unemployment Tax). Independently performs audits of employers engaged in large scale operations, usually with inter-company affiliations and relationships complicating their capital structure and financing, and contract audits which require the review of a number of prime and subcontractor using various accounting systems; explains controversial and critical observations, findings and recommendations; discusses corrective actions required, and suggests changes that will improve future operations; conducts audits of delinquent corporate entities to determine their financial conditions; participates in the preparation of evidence at tax hearings and court appeal cases; and may serve as auditor-in-charge of the most complex audits or as the chief auditor in an unemployment insurance field office.

Auditor (General). Independently conducts all phases of an audit assignment; reviews pertinent background data; audits the records of contractual parties to verify the accuracy of financial reports; determines the adequacy of the reporting system used by concessionaires, lessees, permittees and other contractual parties; may train and supervise lower-level auditors.

Knowledge and Abilities Required:

In addition to the knowledge and abilities required at the III level, auditors at this level must have a thorough knowledge of standard guides, precedents, methods and techniques in the area of specialization; and applicable laws, regulations, policies and procedures of the agency. Must also have the ability to conduct independent audits, collect and organize facts and reach sound conclusions.

AUDITOR V

2.581

Duties Summary:

Supervises and participates in field audits of governmental books of accounts, business entities, regulated public utilities and transportation companies, etc.; assumes complete charge of a team of auditors engaged in an extensive or complicated audit;

prepares financial exhibits and audit reports; and performs other duties as required.

Distinguishing Characteristics:

This level has continuing responsibility for the technical direction and supervision of a staff of lower-level auditors and/or performs work regularly encompassing the most difficult and complex auditing problems. Assignments are given in terms of general objectives, and work is performed independently of technical review by the supervisor. Determinations made are based on specialized knowledge and on precedents and decisions which can be interpreted and applied only through the use of experienced judgment. Personal contact at this level may also involve appearing as the department's representative at commission and court hearings.

A position in this class is typically (but not exclusively) a supervisory position involving planning, directing, advising on and reviewing the auditing activities of a staff of auditors engaged in the more comprehensive audits.

Examples of Duties:

The following are illustrative only and not all-inclusive:

Auditor (Internal). Receives large and complex audit assignments; reviews annual reports, budget documents, applicable statutes, and other available data pertaining to the agency being audited to develop audit plans and programs; assigns specific tasks and supervises operations of a field auditing team; makes proper study and evaluation of internal control; makes recommendations and suggestions for improvement of accounting methods, procedures and internal control; acts in a consultative capacity to departments regarding accounting problems; prepares audit reports and makes recommendations.

Auditor (Tax). Determines proper taxation of the largest and most complex domestic, mainland U.S., and foreign corporate organizations; determines the applicability of all tax laws to various corporate mergers, reorganizations, dissolutions, etc.; examines the cost accounting of manufacturers for the determination of proper deductions and allocation of expenses;

testifies before the Board of Review and Tax Appeals Court; assigns specific tasks and supervises operations of a field auditing team; prepares audit reports.

Auditor (Public Utilities). Directs the examination of accounts, records and reports of the largest public utilities and transportation companies whose extensive and diverse organization and operations make these examinations very complex; discusses personnel and time requirements with superiors; plans the scope of the examination, prescribes procedures for verification and analysis, and makes assignments to other auditors; testifies at hearings before the Public Utilities Commission to support examination findings and, as required, serves as expert witness on matters being heard.

Knowledge and Abilities Required:

In addition to the knowledge and abilities required at lower levels, this level requires: A thorough and extensive knowledge of standard guides, precedents, methods and techniques in the area of specialization; and the ability to plan, organize, guide and oversee the work of others and to deal tactfully with the public and other officials. In supervisory positions, the ability to supervise and direct effectively the work of others is also required.

AUDITOR VI

2.583

Duties Summary:

Schedules, assigns and reviews the activities of an audit staff of subordinate supervisory auditors on a continuing basis or supervises the activities of a large tax auditing unit; conducts training, and reviews audit reports and recommendations prior to submittal for final approval; and performs other duties as required.

Distinguishing Characteristics:

An auditor at this level works under very general administrative direction with assignments received in terms of

broad, general objectives. A position at this level is assigned responsibility for determining methods, procedures, scheduling of work activities, and assignment of personnel to accomplish the work most effectively. The work involves advising field auditors on policies, procedures, laws, regulations, court decisions and other matters relating to the various aspects of the work. Duties also include the conduct of in-service training and development programs for staff personnel and making recommendations or revisions to existing auditing systems. Personal contacts at this level are with department heads or their representatives, top management officials of business firms, employers, taxpayers and the general public.

Examples of Duties:

Auditor (Internal). Determines staff assignments taking into consideration such matters as order of priority, size and type of operations, availability of staff, etc.; participates in conferences with auditors-in-charge to discuss proposed audit plans; conducts field trips of audits in progress and observes how work is progressing, the conduct and attitudes of staff, application of proper audit techniques, etc.; conducts in-service training and development programs for staff personnel; makes recommendations for improvements or revisions to existing accounting systems; assists departments with installing of new procedures and maintaining internal control.

Auditor (Tax). Directs and reviews the work of a group of tax auditors; discusses departmental procedures, audit problems, accounting principles and methods, tax laws and regulations with subordinates; conducts training for new employees; reviews audits for completion and accuracy prior to submittal for final approval; analyzes periodic progress and production sheets for quality and quantity control purposes; studies and recommends improved auditing procedures and means of establishing higher standards of performance.

Knowledge and Abilities Required:

In addition to the knowledge and abilities required at lower levels, must have a comprehensive knowledge of pertinent laws, policies, regulations and procedures of the assigned area;

knowledge of principles and practices of supervision; and the ability to plan, implement and review the work of others.

AUDITOR VII

2.584

Duties Summary:

Provides administrative and technical direction over all activities of a major auditing division, branch or district office; and performs other duties as required.

Distinguishing Characteristics:

A position in this class works under general administrative direction with overall responsibility for planning, organizing, directing and the auditing program of a division, branch or district office. Guides at this level are limited to the broad framework of legal standards, requirements, policies, procedures and objectives of the department. A position in this class represents the organizational or functional area on questions which are fundamental to the major purposes and policies of the department. Decisions made are limited only by laws, executive orders, commission orders and actions of other governing federal agencies having concurrent jurisdiction. Personal contacts are with top management people and their legal counsel, taxpayers or their representatives, and public officials.

Examples of Duties:

Auditor (Tax). Plans, schedules and assigns tax auditing work; keeps abreast of changes in federal income tax laws, State income and other tax laws, attorney general's opinions, regulations, and court decisions, and interprets them to subordinates; studies audit requests and assigns them to specific tax auditors on the basis of scope and technical complexity of audits; renders technical advice on accounting and tax problems, and laws and regulations to group chiefs, especially in areas of the law where precedents or data are lacking or confusing; reviews all audit reports and assessments and gives technical approval; formulates budget estimates and otherwise assists in administrative housekeeping.

Auditor (Public Utilities). Plans, organizes, directs and coordinates the program of examination and investigation of the financial condition and manner of operations of utility and transportation companies; supervises the investigation of formal applications filed by utility companies relative to rate revisions, issuance of stocks, consolidation and mergers, acquisition and disposition of properties; evaluates staff performance and takes or recommends appropriate actions; confers with executives and officials of utility companies in connection with matters pertaining to utility regulations; supervises the preparation and compilation of reports and statistical data for submission to the Governor, Legislature and other governmental agencies; testifies as expert witness on matters being heard before the Public Utilities Commission.

Knowledge and Abilities Required:

In addition to the knowledge and abilities required at lower levels, must have knowledge of the principles and practices of administration, and the ability to interpret laws, rules and regulations pertinent to the assigned area.