GAO@100

A Century of Non-Partisan Fact-Based Work

GAO's Quality Assurance Framework (QAF)

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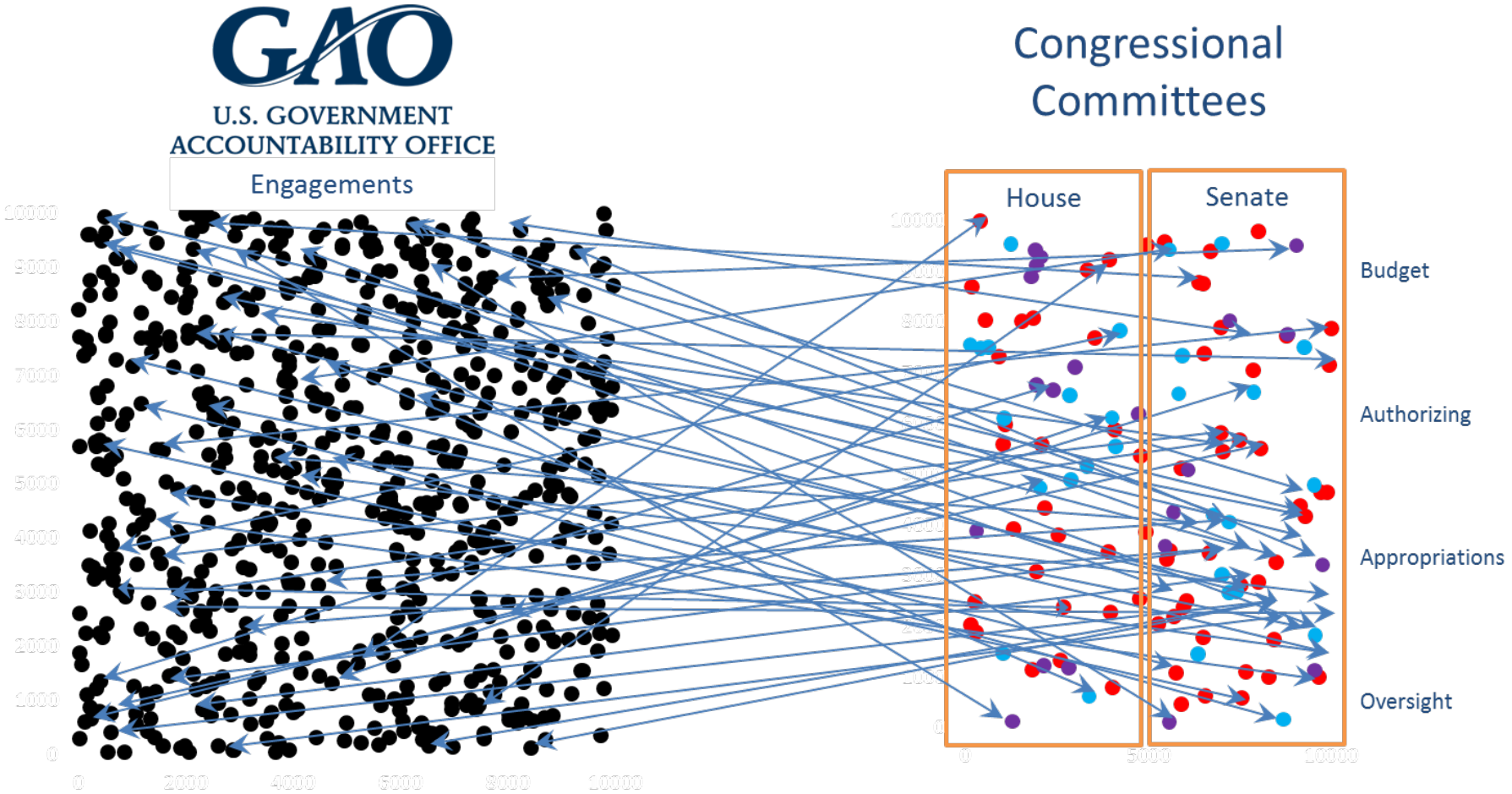
Credibility

- Auditors' goal should include ensuring users—Congress and executive branch agencies—can and will rely on their work to inform decision-making
- To be effective auditors need to maintain their credibility
- To assure credibility, an audit organization needs a robust quality assurance system to ensure products:
  - are accurate
  - are fair, balanced, and objective
  - present information in ways that are contextually sound
  - present recommendations that are practical and feasible

The GAO Context

- Broad mandate
- Large size (3,000+ employees)
- Large number of products (about 800 per year)
- Many different types of products
- 15 mission teams
- 80 or more Senior Executives can sign products
- Active support of deliberative legislative process
- Performance and Financial audit practices (90% performance and 10% financial), Investigations, Tech Assessments

The GAO Operating Environment



More than 700 ongoing engagements (●) for more than 120 committees and subcommittees, some for the majority party only (●), some for the minority party only (●), and some bipartisan (●).

Congress

GAO
U.S. GOVERNMENT ACCOUNTABILITY OFFICE

The American People

Assesses executive branch agencies to provide assurance to Congress and the American people that government programs comply with requirements and achieve results

Executive Branch

What Does this Environment Require?

Well-developed quality and risk management system

One Quality Assurance System

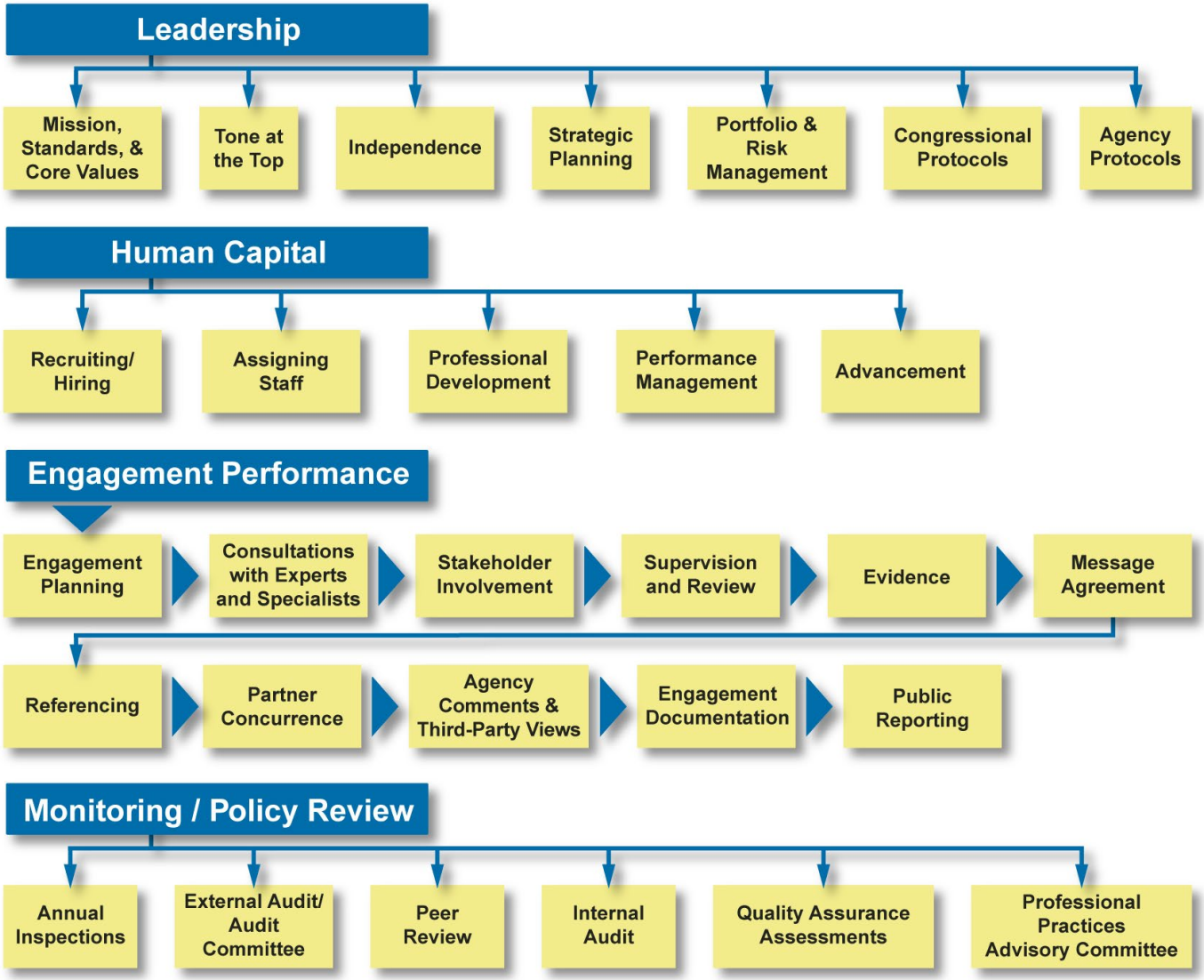
- While GAO undertakes a wide variety of engagements—using many different approaches and methodologies and a wide range of specialized skills—we have one quality assurance system.

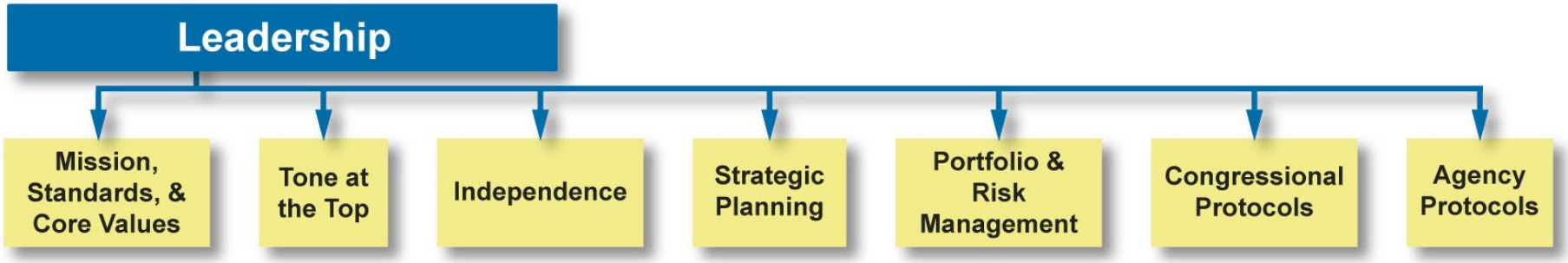
- The quality assurance system
  - Comprises a comprehensive set of clearly defined, well-documented, and transparent standards and control procedures
  - Assures compliance with *Government Auditing Standards*

The QAF Builds in Quality

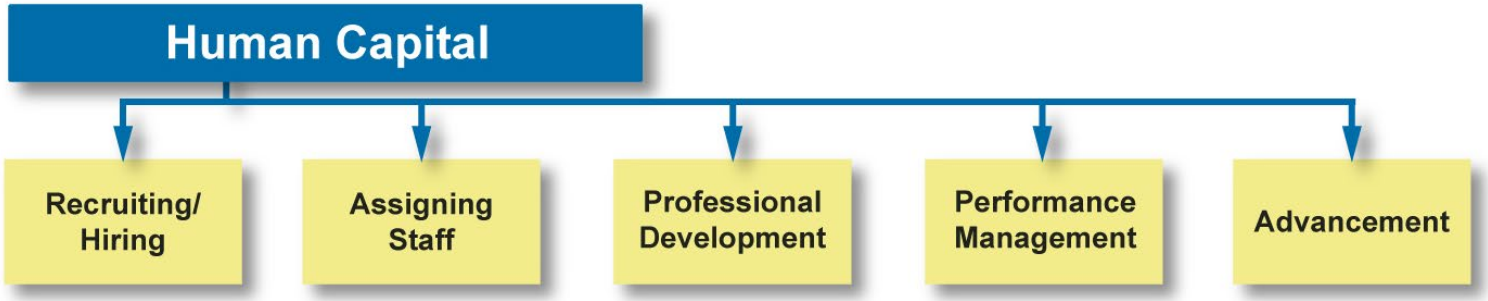
- Key Characteristics:
  - Lessens the extent to which quality is dependent on individuals via standard approaches and centralized decisions on key aspects of acceptance, planning, design, and resources, designed around people, processes, and technology
  - Is comprehensive and transparent
  - Encompasses professional standards and core values
  - Is value- and risk-based
  - Assures compliance with Government Auditing Standards

GAO's Quality Assurance Framework for Assuring Compliance With Government Auditing Standards

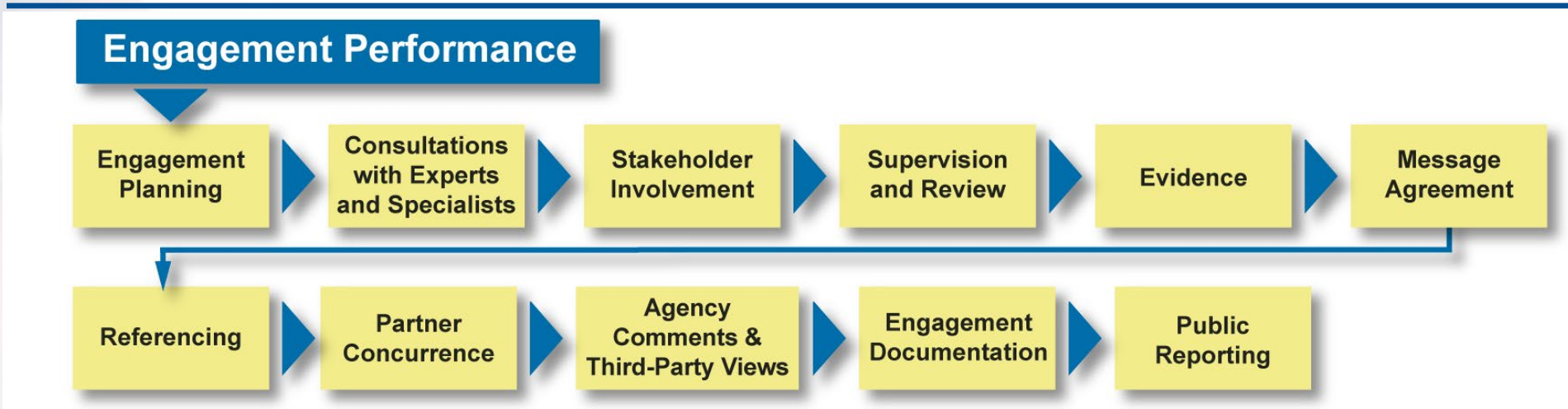




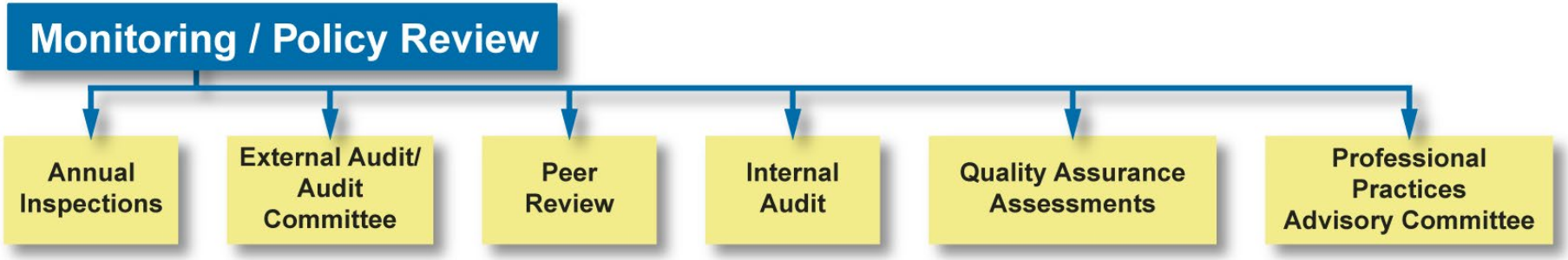
- Defines GAO's mission and outlines professional standards and core values, together with a style of leadership that both embodies and makes clear to professionals at all levels of the organization the importance and relevance of these standards and values
- Ensures that GAO and its staff members are independent in mind and in appearance
- Uses strategic planning as a tool to provide a blueprint for GAO's structures and resources to address long-term goals and objectives for assisting the Congress
- Establishes a risk-based approach building quality into each step of the process that ensures that the work GAO undertakes is within its competency and authority, in compliance with professional standards and core values, and managed at the appropriate executive level
- Outlines how GAO prioritizes its work for the Congress and provides a means to ensure that GAO is consistent in dealing with all committees and members and
- Identifies expectations for auditees and GAO regarding interactions during the course of GAO's work and follow-up on GAO's recommendations



- Aims to create a diverse workforce with the knowledge, skills, and abilities needed to implement the agency's strategic plan and individual engagements as effectively as possible
- GAO
  - is committed to attracting, developing, and retaining a workforce that is representative of all segments of our society
  - fills positions, whether through recruitment or promotion, in accordance with a workforce plan tied to the strategic plan
  - assigns staff based on the individual's competence, experience, and independence
  - bases decisions affecting employees on a modern and constructive performance management system



- Outlines a systematic approach for designing and performing engagements and developing quality products
  - Ensures that the work performed is objective, credible, and legally, methodologically, and analytically sound
  - Ensures that the evidence supporting the answers to the audit objectives is sufficient and appropriate
  - Ensures that the work is properly documented and reviewed, and the results effectively reported



- Ensures the quality assurance system over engagements is suitably designed and operating effectively to product products that comply with GAGAS
- Ensures the internal controls over operations and financial management are suitably designed and operating effectively in accordance with laws and regulations
- Provides a systematic process for monitoring, reviewing, and changing GAO's professional practices and policies to improve adherence to policies that implement GAGAS and GAO's core values

Key Decisions in Developing the QAF

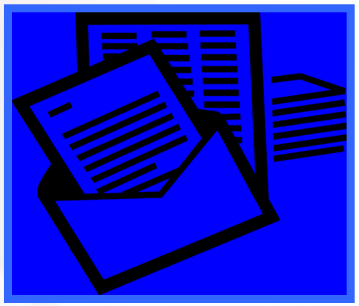
1. Moving from an audit program to a design matrix for engagement planning

Researchable Question(s) (i.e., Objective(s))	Criteria and Information Required and Source(s)	Scope and Methodology Including Data Reliability	Limitations	What This Analysis Will Likely Allow GAO to Say
What question(s) is the team trying to answer? Identify key researchable questions (i.e., engagement objectives). Ensure each question is specific, objective, neutral, measurable, and doable. Ensure key terms are defined. Each major evaluation question should be addressed in a separate row on this table. **Upon completing the Risk Assessment Tool for Nonfinancial Engagements: Design Attachment (Form 418C), cite the applicable codes in the appropriate columns for internal controls and other issues that are significant to each engagement objective as instructed.** (Optional: Insert DM link for completed Form 418C)	**What information does the team need to address the question? Where will they get it?** **For performance audit objectives that will evaluate evidence against explicit criteria, identify the criteria or plans to collect documents that will establish the criteria to be used.** Identify documents or types of information that the team must have. If applicable, identify any provisions of laws, regulations, contracts, or grant agreements that are significant within the context of the audit objectives and cite code **(B)** from the Form 418C. Identify whether photographs, video, audio, or other media could be collected to enhance documentation and communication of information. Identify information to address internal controls as applicable and cite the applicable **(A#)** code(s) from the Form 418C. Identify plans to follow up on known	**How will the team answer each question?** Describe strategies for collecting the required information or data, such as conducting random sampling, case studies, DCIs, focus groups, questionnaires; benchmarking to best practices; using existing databases; taking or acquiring photographs, video or audio recording, etc. Describe the planned scope of each strategy, including the timeframe, locations to visit, and sample sizes. Describe procedures for assessing internal controls if significant (along with the applicable **(A#)** code(s) from the Form 418C). Describe procedures for obtaining reasonable assurance of detecting noncompliance if significant and cite code **(B)** from the Form 418C. Describe procedures for identifying whether fraud may have occurred if significant and cite code **(C)** from the	**What are the engagement's design's limitations and how will it affect the product?** Cite any limitations as a result of the information required or the scope and methodology, such as: --Questionable data quality and/or reliability. --Inability to access certain types of data or obtain data covering a certain time frame. --Security classification restrictions. --Inability to generalize or extrapolate findings to the universe. Be sure to address how these limitations will affect the product.	**What are the expected results of the work?** Describe what GAO can likely say. Draw on preliminary results for illustrative purposes, if helpful. Ensure that the proposed answer addresses the question in column one. As appropriate, describe potential video, audio, animation, or other media that could help communicate information.

Key Decisions in Developing the QAF

2. Establishing an engagement acceptance meeting (EAM) and an engagement review meeting (ERM) for portfolio and risk management

Risk-Based Engagement Management Process



Requests

Mandates

CGA Starts

EAM

Authority

Independence

Risk Level

Cost

Complexity

Controversy

Priority

Internal Controls

Stakeholders

Weekly

ERM

Design

Commitments to Clients

Draft Reports and Agency Views

Access

Independence

Stakeholders

Bi-weekly

Key Decisions in Developing the QAF

3. Establishing a message agreement meeting to assess the collective evidence and agree on the likely findings, conclusions and recommendations based on the work performed
   - Includes the engagement team, management, and internal subject matter experts identified as stakeholders

4. Establishing a second partner role for reviewing draft reports
   - Performed by an independent senior executive based on risk, typically from the Audit Policy and Quality Assurance office
   - Review for consistency with reporting standards and GAO core values before sending for agency comments

Outcomes

- Quality is built in throughout the organization and the engagement process
- Consistent approach for all engagements
- High degree of credibility in the Congress and with the public
- Passing successive peer reviews without issues

"The [peer review] team found that GAO has designed a holistic quality assurance framework (QAF). Moreover, the team found that the framework complies with international standards for quality assurance for audit institutions…and therefore can be applied by both small- and large-scale organizations."

Key Lesson

Quality Doesn't Cost: It Pays