Quality Assurance Working Group (QAWWG) Overview

Presenters:
Beverly Lyons, DOT- OIG, Quality Assurance Auditor
Juana Morales, USAID-OIG, Senior Auditor
Rhonda Horried, USAID-OIG, Assistant Director

CIGIE Federal Audit Executive Council Annual Conference
September 5, 2019
Agenda

- Background: Requirements for QA Programs
- History and Overview of the QAWG
- QAWG’s Goals 4 & 5
- Participant Discussion
- Q&A
CIGIE’s Quality Standards for Federal Offices of Inspector General, August 2012, (the Silver Book), Section V, Maintaining Quality Assurance, requires that each OIG:

- Establish and maintain a QA program
- Participate in external QA review programs (peer reviews) implemented through CIGIE guidelines
CIGIE QA Requirements (cont.)

- QA program must provide an independent, objective, timely and comprehensive appraisal that the OIG’s work:
  - Complies with applicable professional standards
  - Is performed in accordance with established OIG policies and procedures
  - Is carried out economically, efficiently, and effectively
QA work must be performed with the same professional care for:

- Planning the review
- Documenting findings
- Developing recommendations
- Obtaining comments from responsible managers of the activity or unit reviewed
CIGIE QA Requirements (cont.)

- QA program can vary in its nature and extent depending on the OIG’s:
  - Size
  - Organizational structure
  - Nature of its work
  - Cost vs. benefit considerations
Monitoring of Quality (GAS, 5.42-5.46)

- **Establish policies and procedures** for monitoring the system of quality control
- **Perform procedures to assess compliance** with standards and quality controls for GAGAS engagements
- **Communicate to appropriate officials** deficiencies noted and recommend remedial actions

* 2011 Yellow Book, para. 3.93-3.95 contain similar requirements
Monitoring of Quality (cont.)

- At least annually, analyze and summarize monitoring results, including:
  - Description of the procedures performed
  - Conclusions reached from those procedures
  - Identifications of systemic, repetitive, or other deficiencies needing improvement
  - Recommendations for corrective action

- GAS, 5.47-5.59 provides application guidance*

* 2011 Yellow Book, para. A3.10c contains similar guidance
Number of OIGs by Audit Staff Size
(Per CIGIE’s Audit Peer Review Schedule, Updated 3/1/18)

- Staff < 10, Total 27
- Staff 10-100, Total 20
- Staff >100, Total 19
- Not Included (Intelligence Agencies & AbilityOne), Total 7

Total number of federal OIGs: 73
QAWG Summary Timeline

- June 2016: Survey Sent
- Oct 2016: Kick-off Meeting
- Nov 2017: MAX.OMB.gov Site
- Jan 2019: Under FAEC
- May 2019: Charter Approved
June 2016 – Brief survey via CIGIE’s list serve

Initiated by FRB-CFPB OIG’s QA Manager, Vera Garrant & Senior QA Reviewer, Twyla Tatum

22 OIGs responded, all but 1 said want in a QAWG

October 2016 – Kick-off meeting

Hosted by FRB-CFPB OIG

15 participants from 12 OIGs

Discussed group’s purpose, OIGs’ QA structures, frequency of meetings, QA topics for future meetings
Purpose: To enhance and improve the quality assurance (QA) review processes within the Federal Inspector General community.

Scope of Responsibilities: QA activities related to Federal OIGs’ audits.
Enhance understanding of how offices across the OIG community select, perform, and report on the results of QA reviews.

Develop a pool of QA subject matter experts to whom working group members may contact for assistance.

Provide insight into current events in the OIG and QA communities.

Identify and document best practices to assist the OIG community with improving their QA functions (includes internal and external training).

Issue or establish practice advisories to disseminate best practices within the OIG community.
Info available to all with OMB MAX access:
- Meeting announcements, meeting and website points of contact, links to GAO and CIGIE resources

Member only site pages document and share:
- QAWG members’ names and contact information
- Meeting agendas and minutes
- Results of surveys and requests for information
- Resources, e.g., some OIGs’ policies, procedures, templates, and forms

Site’s disclaimer: The thoughts, opinions, and comments expressed during meetings and described herein are those of the individual participants and not representative of (and should not be attributed as) the thoughts, opinions, and positions of the participant's Inspector General (IG) or other personnel of the Office of Inspector General.
OMB Max FAEC QA Workgroup site

FAEC QA Workgroup (QAWG)
Created by Vera Garrant (FRB), last modified by Juana Morales (USAID) yesterday at 04:21 PM

Mission Statement / Charter

Purpose - To enhance and improve the quality assurance review processes within the Federal IG community.

Member Only Site Pages

1. Resources
2. Listing of Members
3. Meeting Agenda & Minutes
4. QA Workgroup Message Board
5. Survey Results
6. QA Workgroup Charter
Voluntary, QA experience recommended

- 86 members from 46 OIGs listed (as of 5/28/19)
  - 20 from 13 of the 27 OIGs with staff < 10
  - 26 from 15 of the 20 OIGs with staff 10-100
  - 36 from 16 of the 19 OIGs staff > 100
  - 4 from 2 of 7 OIGs not on peer review schedule
Informed members that in January 2019 the QAWG was recognized by CIGIE and will be under its FAEC

- Charter discussed and approved by participating members
- Chair and Vice Chair positions discussed
- Subgroup established for Goal 4
QAWG Structure – May 2019

- Cardell Johnson, Chair
  - cardjohnson@usaid.gov
- Beverly Lyons, Vice-Chair
  - Beverly.Lyons@oig.dot.gov
- Juana Morales, QAWG Website Administrator
  - jmorales@usaid.gov
- Jonna Mueller, QAWG Website Administrator
  - JMueller@hudoig.gov
EXAMPLES OF QAWG DISCUSSION TOPICS

- **QA staff’s:**
  - Documentation of QA review work performed
  - Distribution of QA review reports
  - Assessment of OIG internal IT systems

- **Auditor’s Documentation of:**
  - Assessment of the reliability of computer-processed data
  - Assessment of the reliability of testimonial evidence
  - Overall assessment of collective evidence to support findings
  - Workpaper elements and required procedures
  - Independence certifications of IG and legal counsel

- **Other:**
  - Implementation of Enterprise Risk Management within OIGs
  - OIG’s reporting of monetary benefits
(Goal 4) Identify and document best practices to assist the OIG community with improving or enhancing their QA function.

**Phase 1: Survey**
- Established an inter-agency committee to conduct survey
- Survey launched in July 2019
- Focus on topics that require more consistent interpretation on *General Audit Standards*, *Fieldwork Standards*, and *Reporting Standards* for Performance Audits

**Response from 39 agencies/48 participants**
Goal 4- Survey Results

- Planning and Conducting the Engagement
  - Data Reliability, Assessing and Documenting Audit Risk, Internal/External Specialist
- Evidence and Audit Documentation
  - Supervisory Review, Sampling Methodology, Assessment of Audit Evidence
- Quality Control and Peer Review
  - Establishing Systems of Quality Control, Monitoring Quality, Complying with Standards
- Internal Control
### Goal 4 - Next Steps

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<tr>
<th>Milestones</th>
<th>Dates</th>
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<tr>
<td>Present survey results to QAWG practitioners to finalize topics</td>
<td>September 2019</td>
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<tr>
<td>Establish subcommittee for each topic</td>
<td>September 2019</td>
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<tr>
<td>Present to FAEC selected topics</td>
<td>Fall 2019</td>
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## Goal 4 - Next Steps

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<th>Milestones</th>
<th>Dates</th>
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<tr>
<td>Subcommittees to document best practices</td>
<td>September 2019 – May 2020</td>
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<tr>
<td>Review Survey Comments</td>
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<td>Conduct Interviews</td>
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<td>Solicit Best Practices</td>
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<td>Review Documents</td>
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<td>Subcommittees present and finalize results at QWAG meeting</td>
<td>May 2020</td>
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Next Steps – Disseminate Results

- (Goal 5) Issue or establish practice advisories to disseminate best practices within the OIG community
  - Share results with CIGIE Community
  - Post results on QAWG website
Goal 4- Discussion on QA issues

- Group discussion on Quality Improvement and Consistent Practices

- Virtual participants may email responses to questions to rhorried@usaid.gov
Planning and Conducting the Engagement

What about the following items lead to inconsistent application of quality control and fieldwork standards for performance auditing:

- Assessing reliability of computer-processed data
- Sampling methodology
- Documenting audit risks

QA - Discussion Questions
Evidence and Audit Documentation

- What about the following items lead to inconsistent application of quality assurance standards for during fieldwork:
  - Documenting supervisory review
  - Quality of supervisory review
  - Documenting assessment of evidence
Quality Control and Peer Review

- What are potential causes for inconsistent interpretation of quality control standards?
- What role do you think the difference between “must” and “should” plays in inconsistent interpretation of standards?
- How should internal and external reviewers effectively approach their work to help OIGs develop better quality control systems?
QAWG Meetings

- September 17th at USAID-OIG
  - Future Meetings will be:
    - December 3, 2019
    - February 11, 2020
    - May 19, 2020

- Questions, email: cardjohnson@usaid.gov
Questions