Use of Metrics in an Audit Organization

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GENERAL GUIDELINES

• Need to tie to strategic plan
• Need to incorporate in performance plans
• Factors to consider include:
  – Reliability of data sources
  – Ability to manipulate
  – Stakeholders priorities
COMMON METRICS

- Cost savings
- Cycle Time
- Client Satisfaction
- Workforce Climate Survey
- Recommendations Fixed the Problem
- Audit Quality?
Cost Savings

• Most commonly used
• Easiest to demonstrate value
• Often small portion of audit plan
• Over focus can cause organization to ignore non-monetary high risk areas.
CYCLE TIME

• Every audit organizations Achilles Heel
• Hard to determine correct goal
• If over emphasized can affect quality
• Actions you can take to reduce it:
  – Better planning
  – More and early interaction with auditee
  – Writing early
CLIENT SATISFACTION

• Useful for obtaining information to improve service to the client.
• Emphasizes need to engage client
• Hard to get honest feedback
• If over-emphasized can cause auditors to lose objectivity.
WORKFORCE SURVEY

• Helpful to assessing health of organization.
• Can provide actionable information.
• Gives you quantifiable way to assess managers leadership skills.
• Need to take actions as a result of feedback received.
RECOMMENDATIONS FIX THE PROBLEM

• Important to assessing impact of audits.
• Verifiable way to determine if recommendations corrected condition and if savings were achieved.
• It is a lag indicator.
• Takes an investment of resources.
• Toughest area to define criteria.
• Sen Grassley’s office developed a set of criteria that included:
  – Relevance
  – Connecting the Dots on the Money trail
  – Strength & accuracy of recommendations
  – Fraud & Waste meter
  – Timeliness
CONCLUSION

“What you measure is what gets done so make sure you are measuring the right things and understand the second and third order affects of those measures”.