**Office of the District of Columbia Auditor
Audit Policy and Procedure Manual**

Effective Date: August 8, 2017
Version 1.2

The Office of the District of Columbia Auditor
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August 8, 2017

This manual outlines the updated audit policies and procedures of the Office of the District of Columbia Auditor (ODCA). These policies and procedures promote consistency, objectivity, professionalism, and the proper implementation of the United States Government Accountability Office's Generally Accepted Government Auditing Standards (GAGAS) issued in December 2011.

The policies and procedures in this manual present a set of quality controls and techniques designed to help ODCA meet its primary objective of making sound recommendations that improve the effectiveness, efficiency, and accountability of the District of Columbia government.

For clarification on any policies or procedures, or to recommend changes to the manual, please contact the Assistant Deputy Auditor. As necessary, ODCA will issue bulletins revising or supplementing the manual until a new edition of the manual incorporates such guidance.

Adherence to the prescribed policies and procedures within this manual and all associated bulletins is mandatory for all staff.

The effective date of this manual is August 8, 2017.

TABLE OF CONTENTS

I. GUIDING PRINCIPLES OF THE OFFICE OF THE D.C. AUDITOR

The following sections provide background on the Office of the District of Columbia Auditor (ODCA).

A. Mission

The mission of the Office of the D.C. Auditor is to support the Council of the District of Columbia by making sound recommendations that improve the effectiveness, efficiency, and accountability of the District government.

B. Statutory Authority

Home Rule Act

Section 455 of the Home Rule Act and P.L.198 (D.C. Official Code § 1-204.55) established the Office of the District of Columbia Auditor. The Auditor is appointed by the Chairman of the Council of the District of Columbia (D.C. Council), subject to the approval of a majority of the D.C. Council, to a six-year term.

Pursuant to the Act, the Auditor "shall each year conduct a thorough audit of the accounts and operations of the District of Columbia government in accordance with such principles and procedures, and under such rules and regulations," that the Auditor may prescribe. In determining the auditing procedures to be followed, the Auditor "shall give due regard to generally accepted principles of auditing, including the effectiveness of the accounting organization and systems, internal audit and control, and related administrative practices." In addition, "the Auditor shall have access to all books, accounts, records, reports, findings and all other papers, things, or property belonging to or in use by any department, agency, or other instrumentality of the District government and necessary to facilitate the audit." The Auditor shall submit audit reports to the Mayor, D.C. Council, and the U.S. Congress.

District of Columbia Auditor Subpoena and Oath Authority Act of 2003

The D.C. Auditor has subpoena authority pursuant to D.C. Code § 1-301.171, District of Columbia Auditor Subpoena and Oath Authority Act of 2003, effective April 22, 2004, (D. C. Law 15-146, D.C. Code § 1-301.171 *et seq*. (2006 Repl.)).

C. Strategic Goals

ODCA's strategic goals are as follows:

- Support the Council of the District of Columbia in its legislative and oversight roles with timely and comprehensive audits and special reports that help the Council make sound policy and protect the District's financial health.
- Attain the highest level of professional competence through continuing professional education, professional affiliations, and continuous improvement in the management and performance of audits and other critical services.
- Provide best-value audit, accountability, and financial analyses through continuous evaluation, improvement, and enhancement of audit techniques, methodologies, activities, and administrative processes.
- Foster a quality work-life environment that promotes trust, teamwork, mutual respect, superior job performance, and high morale.

D. Work Plan

The ODCA work plan includes audits mandated by the D.C. Code, requests from D.C. Councilmembers, and audits and program evaluations initiated at the discretion of the Auditor. Priorities include programs that involve high risk of fraud, large dollar volume, and known or suspected misuse of resources.

E. GAGAS Audit Process

The decision to initiate an audit is determined by a combination of factors, including legislative requirements, the vulnerability of a program or agency to fraud, waste and abuse, and suggestions from residents and members of the D.C. Council. While each audit is unique, most audits follow four basic phases: planning, survey, field work, and reporting. The ODCA audit process is designed to ensure compliance with generally accepted Government Auditing Standards (GAGAS), 2011 Revision, issued by the Comptroller General of the United States. See Appendix A-1 for a more detailed description of ODCA's audit procedures.

Planning

The planning phase begins with a planning and scoping meeting between the D.C. Auditor, ODCA senior staff,[1] and the audit team. Following the planning and scoping meeting, the Audit Supervisor must ensure that the audit team is independent and possesses the skills necessary to perform the audit. At this point, the Auditor-in-Charge begins development of the audit plan.

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[1] Senior staff includes the D.C. Auditor, Deputy Auditor, Assistant Deputy Auditor, Director of Program Evaluation, General Counsel, Chief of Staff, and Communications Director.

Next, the audit is announced to the audited entity with an Audit Engagement letter from the Auditor to the head of the agency. The Audit Engagement letter includes a request for an introductory meeting between agency management and ODCA staff. At the introductory meeting, the audit team members are introduced and the purpose, process, and timeline of the audit are explained. The audit team also addresses any concerns agency management may have regarding the audit and arrangements are made for access to information systems and key personnel.

Survey

During the survey phase, the audit team gathers and reviews information about the program, including relevant statutes, regulations, and professional literature. Interviews are conducted with agency staff so the audit team can gain an understanding of agency operations and results of the program. The audit team also assesses the program's relevant risks and internal controls.

At the end of the survey phase, auditors develop sound audit objectives to pursue during the field work phase and a plan to gather the information needed.

Field work

During the field work phase, auditors gather sufficient and appropriate evidence to meet the objectives of the engagement. The audit team conducts field work procedures to gain an in-depth understanding of the specific issues and risks identified during the survey phase. Auditors use a variety of quantitative techniques (such as statistical sampling and financial analysis) and qualitative techniques (such as interviewing) to gather evidence about D.C. government programs. At the end of field work, auditors hold a closeout meeting with agency management to discuss findings and recommendations.

During each phase of the audit, the audit team keeps the agency apprised of the status of the audit. Through meetings, informal discussions, and briefings, the audit team works with the agency to clearly understand the facts and circumstances surrounding each finding, and to correct misunderstandings and inaccuracies. The audit team also advises the audited agency of critical issues that require immediate resolution.

Reporting

When field work is completed, the audit team prepares the draft audit report. The audit report communicates the audit findings and recommendations. Auditors conduct a vigorous review to validate all of the information contained in the report, ensuring that all conclusions are supported by sufficient and appropriate evidence. After multiple levels of supervisory review, the draft report is provided to the audited entity for written comment.

After reviewing the draft report, the audited agency may request an exit conference. The draft report may be revised in response to agency feedback and comments. The final report includes the agency's formal written response.

The final audit report is a public document. The goal of the final audit report is to provide recommendations to improve the effectiveness and efficiency of District agencies and programs. The audit report is provided to the D.C. Council and other relevant stakeholders and is posted on the ODCA website.

After 90 days, the Auditor initiates periodic follow up with the agency to determine whether the agency has implemented or intends to implement the audit recommendations.

F. Program Evaluation Process

ODCA undertakes a variety of non-GAGAS audits including program evaluations that typically involve analysis of a program's quality, outcomes, or processes. These projects are not subject to the requirements of the Comptroller General's Government Auditing Standards. We nevertheless use the audit procedures found in Appendix A-1 to guide the work of our program evaluations. Using the audit procedures as a starting point, our teams conduct comprehensive research, employ various methodologies to analyze the information gathered, and interpret the results to identify recommendations to improve the program under review.

G. Nonaudit Process

ODCA's work plan also includes some projects that are neither GAGAS audits nor program evaluations. These nonaudit engagements typically involve the calculation of revenues or expenditures, assessment of compliance, or certification of expected revenues. Nonaudit engagements are not subject to the requirements of the Comptroller General's Government Auditing Standards, however, we sometimes use the audit procedures found in Appendix A-1 to guide the work of our nonaudit engagements.

H. District of Columbia Organizational Chart

Legislative Branch

Executive Branch

Judicial Branch

Council of the District of Columbia

Office of the Chief Financial Officer
- Office of Budget and Planning
- Office of Tax and Revenue
- Office of Financial Operations and Systems
- Office of Finance and Treasury
- Office of Revenue Analysis
- Lottery and Charitable Games Control Board

D.C. Auditor

Advisory Neighborhood Commissions

Mayor

Office of the Inspector General

Office of the Attorney General

D.C. Court of Appeals

City Administrator

Mayor's Office of Legal Counsel

Office of the Senior Advisor

Executive Office of the Mayor

D.C. Superior Court

Office of Budget and Finance

Joint Committee on Judicial Administration

Commission on Judicial Disabilities and Tenure

Judicial Nomination Commission

Sentencing and Criminal Code Revision Commission

Deputy Mayor for Greater Economic Opportunity

Deputy Mayor for Education

Deputy Mayor for Planning and Economic Development

Deputy Mayor for Health and Human Services

Deputy City Administrator/ Deputy Mayor for Public Safety and Justice

Regional Bodies
- Metropolitan Washington Council of Governments
- National Capital Planning Commission (Federal)
- Washington Metropolitan Area Transit Authority
- Washington Metropolitan Area Transit Commission
- Washington Metropolitan Airports Authority

NOTES:

Agencies enclosed within dashed boxes are independent agencies or entities

*Agencies marked with an asterisk are Charter Independent Agencies

**Entities marked with two asterisks are non-governmental entities

***The New Columbia Statehood Commission is co-chaired by the Mayor and the Council Chairman

Department of Small and Local Business Development

Department of Employment Services

Office of African-American Affairs

Commission on Fathers, Men, and Boys

DC Public Schools

Office of the State Superintendent of Education

Department of Parks and Recreation

DC Public Library

Public Charter School Board

Public Charter Schools**

State Board of Education

University of the District of Columbia (Including UDC Community College)

Department of Housing and Community Development

Department of Consumer and Regulatory Affairs

Department of Transportation

Office of Planning

Department of Energy and Environment

Department of Insurance, Securities, and Banking

Office of Cable Television, Film, Music, and Entertainment

Commission on the Arts and Humanities

Department of For-Hire Vehicles

Department of Health

Department of Human Services

Child and Family Services Agency

Department of Disability Services

Department of Behavioral Health

Department of Youth Rehabilitation Services

Department of Health Care Finance

Office on Aging

Health Benefit Exchange Authority

Not-for-Profit Hospital Corporation

Metropolitan Police Department

Fire and Emergency Medical Services Department

Homeland Security and Emergency Management Agency

Department of Corrections

Department of Forensic Sciences

Office of Unified Communications

Office of the Chief Medical Examiner

Office of Victim Services and Justice Grants

DC National Guard

Corrections Information Council

Criminal Justice Coordinating Council

Office of Police Complaints

Uniform Law Commission

Department of Human Resources

Department of Public Works

Department of General Services

Office of the Chief Technology Officer

Office of Contracting and Procurement

Department of Motor Vehicles

Office of Risk Management

Office of Disability Rights

Office of Human Rights

Board of Elections* (including the Office of Campaign Finance)

Board of Ethics and Government Accountability (including the Office of Open Government)

Contract Appeals Board

D.C. Retirement Board

Office of Administrative Hearings

Office of Employee Appeals

Public Employee Relations Board

Office of Policy and Legislative Affairs

Office of Federal and Regional Affairs

Office of the Secretary

New Columbia Statehood Commission***

Office of the Statehood Delegation

Office of the General Counsel:
Office of Partnerships and Grants

Office of Communications:
Mayor's Correspondence Unit

Office of Talent and Appointments

Office of Scheduling and Advance

Mayor's Office of Community Affairs:
Clean City Office

Mayor's Office of Community Relations and Services

Serve DC

Mayor's Office of African Affairs

Mayor's Office of Asian & Pacific Islander Affairs

Mayor's Office of LGBTQ Affairs

Mayor's Office on Latino Affairs

Mayor's Office of Religious Affairs

Mayor's Office of Veteran Affairs

Mayor's Office of Returning Citizens Affairs

Mayor's Office on Women's Policy and Initiatives

Alcoholic Beverage Regulation Administration

D.C. Housing Authority

D.C. Water (Water and Sewer Authority)

Housing Finance Agency

Office of the People's Counsel

Office of the Tenant Advocate

Office of Zoning

Public Service Commission*

Real Property Tax Appeals Commission

Washington Convention and Sports Authority

Zoning Commission*

I. ODCA Organizational Chart

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                                    │   D.C. Auditor   │
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                                             │─────────│  Deputy Auditor  │
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│Chief of Staff│ │Dir. of Program│ │Assist. Deputy│                        │General Counsel│
│              │ │ Evaluation    │ │   Auditor    │                        │              │
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Chief of Staff	Dir. of Program Evaluation	Team Leader/ Program Evaluations	Team Leader	Team Leader	Team Leader	Special Projects/ Compliance	General Counsel / Senior Financial Auditor/AFO / Communications Manager / Journalist Contractor
Supervisory IT Specialist		Analyst	Senior Auditor	Senior Auditor	Analyst		Senior Financial Auditor/AFO
IT Specialist		Analyst	Senior Program Analyst	Analyst	Auditor		Communications Manager
Human Resource Specialist		Analyst	Program Analyst	Analyst	Auditor		Journalist Contractor
Receptionist		Auditor	Auditor	Program Analyst			

7

J. ODCA Roles and Responsibilities

ODCA uses different terminology to describe the roles and associated responsibilities of our staff members. Audit roles are broken down into three levels:

- The Audit Supervisor: As the ultimate supervisor for the audit, the Audit Supervisor approves critical workpapers and directs the work of the Auditor-in-Charge.
- The Auditor-in-Charge: As the day-to-day manager of the audit, the Auditor-in-Charge oversees the work of team members.
- Audit Team Members: Audit Team Members – analysts and auditors – report to the Auditor-in-Charge for issues related to their audit, and to their Audit Supervisor for all other matters.

ODCA auditors should follow this chain of command, unless otherwise authorized by the D.C. Auditor.

K. Audit Workpaper Management

TeamMate is the audit workpaper management system that enables ODCA to maintain all audit documentation in electronic form. TeamMate allows for the creation of standard audit processes to ensure consistent application of ODCA policies and Government Auditing Standards.

TeamMate provides a common platform for documenting, reviewing, and sharing work during and after an audit, as well as enhancing communication and productivity. All ODCA audits are recorded in TeamMate.

II. GOVERNMENT AUDITING: FOUNDATION AND ETHICAL PRINCIPLES

To provide assurance that ODCA follows high professional standards, ODCA auditors[2] and all internal and external specialists employed by ODCA adhere to the Government Auditing Standards, 2011 Revision, issued by the Comptroller General of the United States. These standards, referred to as generally accepted government auditing standards (GAGAS), "provide a framework for performing high quality audits with competence, integrity, objectivity, and independence." Additionally, ODCA complies with the District of Columbia Municipal Regulations (DCMR) found in 1 DCMR § 901 (1986) entitled "Audit Standards."[3]

As stated in Chapter 1 of GAGAS, the GAGAS ethical principles of the public interest; integrity; objectivity; proper use of government information, resources, and positions; and professional behavior "provide the foundation, discipline, and structure, as well as the climate that influence the application of GAGAS."

A. Ethical Principles

GAGAS Standard[4]	ODCA Policy
1.11 Because auditing is essential to government accountability to the public, the public expects audit organizations and auditors who conduct their work in accordance with GAGAS to follow ethical principles. Management of the audit organization sets the tone for ethical behavior throughout the organization by maintaining an ethical culture, clearly communicating acceptable behavior and expectations to each employee, and creating an environment that reinforces and encourages ethical behavior throughout all levels of the organization. The	ODCA Basic Ethics Principles: • ODCA auditors must exercise honesty, objectivity, and diligence in the performance of their duties and responsibilities. • ODCA auditors must exhibit loyalty in all matters pertaining to the affairs of the District of Columbia government. • ODCA auditors must not knowingly be part of any illegal or improper activity. • ODCA auditors must refrain from entering into any activity which may be in conflict

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[2] Throughout this manual, ODCA is consistent with GAGAS in using the term "auditor" to describe "individuals performing work in accordance with GAGAS regardless of job title."

[3] The specific references to audit standards contained in 1 DCMR § 901 (1986) are obsolete, but in keeping with the spirit of the regulation, ODCA adheres to GAGAS.

[4] The GAGAS standards cited throughout this manual are often paraphrased. For the full text of GAGAS, please refer to the GAO's website (www.GAO.gov).

ethical tone maintained and demonstrated by management and staff is an essential element of a positive ethical environment for the audit organization. **1.12** Conducting audit work in accordance with ethical principles is a matter of personal and organizational responsibility. Ethical principles apply in preserving auditor independence, taking on only work that the audit organization is competent to perform, performing high-quality work, and following the applicable standards cited in the auditors' report. Integrity and objectivity are maintained when auditors perform their work and make decisions that are consistent with the broader interest of those relying on the auditors' report, including the public.	with the interest of the District of Columbia government or that would prejudice their ability to carry out objectively their duties and responsibilities. • ODCA auditors must not accept a fee or a gift from an employee, consultant, vendor, taxpayer, or resident of the District of Columbia. • ODCA auditors must report all ethical issues or questions to the ODCA Ethics Counselor. (The ODCA Chief of Staff serves as the ODCA Ethics Counselor.) • ODCA auditors must attend ethics training every 3 years.
1.13 Other ethical requirements or codes of professional conduct may also be applicable to auditors who conduct audits in accordance with GAGAS. For example, individual auditors who are members of professional organizations or are licensed or certified professionals may also be subject to ethical requirements of those professional organizations or licensing bodies. Auditors employed by government entities may also be subject to government ethics laws and regulations.	In addition to the ethical principles contained in GAGAS, ODCA auditors subscribe to: • The Code of Ethics of the Institute of Internal Auditors (IIA), adopted by the IIA Board of Directors on June 17, 2000. The Code covers basic principles of integrity, objectivity, confidentiality, and competency in the practice of professional internal auditing, and obligates members to "perform their work with honesty, diligence, and responsibility." • The provisions of the Board of Ethics and Government Accountability Establishment and Comprehensive Ethics Reform Amendment Act 2011. Specifically, applicable ODCA employees shall file a financial disclosure report each year. • The Code of Official Conduct of the D.C. Council and relevant sections of the D.C. Code, including Section 1-618.01 and 618.02 pertaining to standards of conduct.

B. The Public Interest

GAGAS Standard	ODCA Policy
1.15 The public interest is defined as the collective well-being of the community of people and entities the auditors serve. Observing integrity, objectivity, and independence in discharging their professional responsibilities assists auditors in meeting the principle of serving the public interest and honoring the public trust. The principle of the public interest is fundamental to the responsibilities of auditors and critical in the government environment. **1.16** A distinguishing mark of an auditor is acceptance of responsibility to serve the public interest. This responsibility is critical when auditing in the government environment. GAGAS embodies the concept of accountability for public resources, which is fundamental to serving the public interest.	ODCA auditors must abide by the GAGAS ethical principle of serving the public interest and honoring the public trust.

C. Integrity

GAGAS Standard	ODCA Policy
1.17 Public confidence in government is maintained and strengthened by auditors performing their professional responsibilities with integrity. Integrity includes auditors conducting their work with an attitude that is objective, fact-based, nonpartisan, and nonideological with regard to audited entities and users of the auditors' reports. Within the constraints of applicable confidentiality laws, rules, or policies, communications with the audited entity, those charged with governance, and the individuals contracting for or requesting the audit are expected to be	ODCA auditors must abide by the GAGAS ethical principle of performing their professional responsibilities with integrity.

honest, candid, and constructive.

1.18 Making decisions consistent with the public interest of the program or activity under audit is an important part of the principle of integrity. In discharging their professional responsibilities, auditors may encounter conflicting pressures from management of the audited entity, various levels of government, and other likely users. Auditors may also encounter pressures to inappropriately achieve personal or organizational gain. In resolving those conflicts and pressures, acting with integrity means that auditors place priority on their responsibilities to the public interest.

D. Objectivity

GAGAS Standard	ODCA Policy
1.19 The credibility of auditing in the government sector is based on auditors' objectivity in discharging their professional responsibilities. Objectivity includes independence of mind and appearance when providing audits, maintaining an attitude of impartiality, having intellectual honesty, and being free of conflicts of interest. Maintaining objectivity includes a continuing assessment of relationships with audited entities and other stakeholders in the context of the auditors' responsibility to the public. The concepts of objectivity and independence are closely related. Independence impairments impact objectivity.	ODCA auditors must abide by the GAGAS ethical principle of maintaining objectivity. ODCA auditors must always be independent in all matters related to their audit work. ODCA auditors must exhibit independence of mind and independence in appearance. ODCA auditors must complete an Independence Statement upon assignment to a GAGAS audit. The Independence Statement requires ODCA auditors to attest that they are free from any impairment to independence. (The Independence Statement can be found in Appendix B-1 of this document. More detail on how and when to complete the Independence Statement is found in Appendix A-1.) Failure of an ODCA auditor to report any

	personal impairment to independence may result in disciplinary action, including termination.

E. Proper Use of Government Information, Resources, and Positions

GAGAS Standard	ODCA Policy
1.20 Government information, resources, and positions are to be used for official purposes and not inappropriately for the auditor's personal gain or in a manner contrary to law or detrimental to the legitimate interests of the audited entity or the audit organization. This concept includes the proper handling of sensitive or classified information or resources. See **GAGAS 1.21-1.23** for more detail on proper use of government information, resources, and positions.	ODCA auditors must abide by the GAGAS ethical principle of properly using government information, resources, and positions.

F. Professional Behavior

GAGAS Standard	ODCA Policy
1.24 High expectations for the auditing profession include compliance with all relevant legal, regulatory, and professional obligations and avoidance of any conduct that might bring discredit to auditors' work, including actions that would cause an objective third party with knowledge of the relevant information to conclude that the auditors' work was professionally deficient. Professional behavior includes auditors putting forth an honest effort in performance of their duties and professional services in accordance with the relevant technical and professional standards.	ODCA auditors must abide by the GAGAS ethical principle of exhibiting professional behavior.

III. STANDARDS FOR USE AND APPLICATION OF GAGAS

Chapter 2 of GAGAS "establishes requirements and provides guidance for audits performed in accordance with generally accepted government auditing standards."

A. Types of GAGAS Audits and Attestation Engagements

GAGAS apply to financial audits, attestation engagements, and performance audits. GAGAS do not apply to program evaluations or other nonaudit services.

GAGAS Standard	ODCA Policy
2.03 All audits begin with objectives, and those objectives determine the type of audit to be performed and the applicable standards to be followed. The types of audits that are covered by GAGAS, as defined by their objectives, are classified in this document as financial audits, attestation engagements, and performance audits. **2.04** In some audits, the standards applicable to the specific objective will be apparent. For example, if the objective is to express an opinion on financial statements, the standards for financial audits apply. However, some audits may have multiple or overlapping objectives. For example, if the objectives are to determine the reliability of performance measures, this work can be done in accordance with either the standards for attestation engagements or performance audits. In cases in which there is a choice between applicable standards, auditors should evaluate users' needs and the auditors' knowledge, skills, and experience in deciding which standards to follow. See **GAGAS 2.02-2.06** for more detail on types of GAGAS audits and attestation engagements.	ODCA auditors must discuss the preliminary objectives of the audit and specify the type of audit with the D.C. Auditor at the outset of the project in a planning and scoping meeting. (The Planning and Scoping Meeting Workpaper can be found in Appendix B-2.) When an audit has multiple or overlapping objectives that make the type of audit unclear, the D.C. Auditor will determine the type of audit. This discussion with the D.C. Auditor must be documented in a workpaper. ODCA auditors must communicate changes to objectives to those charged with governance and/or management of the audited entity within 15 business days of the change. This communication may take the form of a letter or e-mail.

Financial Audits

GAGAS Standard	ODCA Policy
2.07 Financial audits provide an independent assessment of whether an entity's reported financial information (e.g., financial condition, results, and use of resources) are presented fairly in accordance with recognized criteria. Financial audits performed in accordance with GAGAS include financial statement audits and other related financial audits. See **GAGAS 2.07-2.08** for more detail on financial audits.	As of the effective date of this manual, ODCA auditors do not conduct financial audits. If ODCA auditors are asked to perform a financial audit, they must follow all sections of GAGAS that relate to financial audits.

Attestation Engagements

GAGAS Standard	ODCA Policy
2.09 Attestation engagements can cover a broad range of financial or nonfinancial objectives about the subject matter or assertion depending on the users' needs. GAGAS incorporates by reference the AICPA's Statements on Standards for Attestation Engagements (SSAE). Additional requirements for performing attestation engagements in accordance with GAGAS are contained in chapter 5. The AICPA's standards recognize attestation engagements that result in an examination, a review, or an agreed-upon procedures report on a subject matter or on an assertion about a subject matter that is the responsibility of another party. See **GAGAS 2.09** for more detail on attestation engagements.	As of the effective date of this manual, ODCA auditors do not conduct attestation engagements. If ODCA auditors are asked to perform attestation engagements, they must follow all sections of GAGAS that relate to attestation engagements.

Performance Audits

GAGAS Standard	ODCA Policy
2.10 Performance audits are defined as audits that provide findings or conclusions based on an evaluation of sufficient, appropriate evidence against criteria. **2.11** Performance audit objectives vary widely and include assessments of program effectiveness, economy, and efficiency; internal control; compliance; and prospective analyses. These overall objectives are not mutually exclusive. Thus, a performance audit may have more than one overall objective. **a.** Audit objectives that focus on program effectiveness and results typically measure the extent to which a program is achieving its goals and objectives. Audit objectives that focus on economy and efficiency address the costs and resources used to achieve program results. **b.** Internal control audit objectives relate to an assessment of one or more components of an organization's system of internal control that is designed to provide reasonable assurance of achieving effective and efficient operations, reliable financial and performance reporting, or compliance with applicable laws and regulations. **c.** Compliance audit objectives relate to an assessment of compliance with criteria established by provisions of laws, regulations, contracts, or grant agreements. **d.** Prospective analysis audit objectives provide analysis or conclusions about	As of the effective date of this manual, all of ODCA's audits are performance audits. ODCA's performance audits are those that (1) provide findings or conclusions based on an evaluation of sufficient, appropriate evidence against criteria and (2) have objectives that include assessments of program effectiveness, economy, and efficiency; internal control; compliance; and prospective analyses.

GAGAS Standard	ODCA Policy
information that is based on assumptions about events that may occur in the future, along with possible actions that the entity may take in response to the future events. See **GAGAS 2.10-2.11** for more detail on performance audits.	

Nonaudit Services Provided by Audit Organizations

GAGAS Standard	ODCA Policy
2.12 GAGAS does not cover nonaudit services, which are defined as professional services other than audits or attestation engagements. Therefore, auditors do not report that the nonaudit services were conducted in accordance with GAGAS. When performing nonaudit services for an entity for which the audit organization performs a GAGAS audit, audit organizations should communicate with requestors and those charged with governance to clarify that the work performed does not constitute an audit conducted in accordance with GAGAS. **2.13** When audit organizations provide nonaudit services to entities for which they also provide GAGAS audits, they should assess the impact that providing those nonaudit services may have on auditor and audit organization independence and respond to any identified threats to independence in accordance with the GAGAS independence standard.	ODCA reports encompass a comprehensive range of analysis which includes: • Non-GAGAS audits • Program evaluations • Reports on compliance with applicable Certified Business Enterprise laws, regulations, and contracts; and • Annual reports on the financial activity of Advisory Neighborhood Commissions. • Certification of Revenue and Excess Reserve for Events DC; • Certification of Revenue in Support of General Obligation (GO) Bonds; and • Any other type of certification of revenue or reserve. Because GAGAS does not cover nonaudit services, ODCA auditors must not report that nonaudit services were conducted in accordance with GAGAS. If ODCA auditors perform nonaudit services for an agency for which ODCA performs GAGAS audits, they must: • Communicate with agency management to clarify that the work performed does not constitute an audit conducted in

	accordance with GAGAS; and • Assess the impact that providing those nonaudit services may have on auditor and audit organization independence in the Nonaudit Workpaper and respond to any identified threats to independence in accordance with the GAGAS independence standard. (The Nonaudit Workpaper can be found in Appendix B-3.)

B. Use of Terminology to Define GAGAS Requirements

GAGAS Standard	ODCA Policy
2.15 GAGAS uses two categories of requirements, identified by specific terms, to describe the degree of responsibility they impose on auditors and audit organizations, as follows: **a.** Unconditional requirements: Auditors and audit organizations must comply with an unconditional requirement in all cases where such requirement is relevant. GAGAS uses the word must to indicate an unconditional requirement. **b.** Presumptively mandatory requirements: Auditors and audit organizations must comply with a presumptively mandatory requirement in all cases where such a requirement is relevant except in rare circumstances discussed in paragraph 2.16. GAGAS uses the word should to indicate a presumptively mandatory requirement.	When performing audits, ODCA auditors must comply with all unconditional requirements <u>and</u> presumptively mandatory requirements in GAGAS. By requiring compliance with presumptively mandatory requirements, ODCA auditors hold themselves to even higher standards than those contained in GAGAS.
2.16 In rare circumstances, auditors and audit organizations may determine it necessary to depart from a relevant presumptively mandatory requirement. In such rare circumstances, auditors should perform alternative procedures to achieve the intent of	ODCA auditors should rarely, if ever, depart from a presumptively mandatory requirement. However, if ODCA auditors find it necessary to depart from a presumptively mandatory requirement, they must:

that requirement. The need for the auditors to depart from a relevant presumptively mandatory requirement is expected to arise only when the requirement is for a specific procedure to be performed and, in the specific circumstances of the audit, that procedure would be ineffective in achieving the intent of the requirement. If, in rare circumstances, auditors judge it necessary to depart from a relevant presumptively mandatory requirement, they must document their justification for the departure and how the alternative procedures performed in the circumstances were sufficient to achieve the intent of that requirement.	• Obtain direct written approval from the D.C. Auditor; • Perform alternative procedures to achieve the intent of that requirement; • Document the justification for the departure and how the alternative procedures performed in the circumstances were sufficient to achieve the intent of that requirement in the Noncompliance with GAGAS workpaper. (The Noncompliance with GAGAS workpaper is found in Appendix B-4); and • Notify the audited entity of the departure.

C. Relationship between GAGAS and Other Professional Standards

Section 455 of the Home Rule Act P.L. 198 (D.C. Official Code § 1-204.55) permits the Auditor to conduct audits under such rules and regulations that the Auditor may prescribe. In addition to GAGAS, the Auditor adheres to the standards described below.

GAGAS Standard	ODCA Policy
2.19 Auditors may use GAGAS in conjunction with professional standards issued by other authoritative bodies. **2.22** When auditors cite compliance with both GAGAS and another set of standards, such as those listed in paragraphs 2.20 and 2.21, auditors should refer to paragraph 2.24 for the requirements for citing compliance with GAGAS. In addition to citing GAGAS, auditors may also cite the use of other standards in their reports when they have also met the requirements for citing compliance with the other standards. Auditors should refer to the other set of standards for the basis for citing compliance with those standards.	ODCA auditors may use the Institute of Internal Auditors' (IIA) International Professional Practices Framework (IPPF) in conjunction with GAGAS. It is not necessary to state compliance with the IIA IPPF in ODCA reports because compliance is suggested, not required. If inconsistencies exist between GAGAS and other standards, ODCA auditors must use GAGAS as the prevailing standard for conducting the audit and reporting the results.

See **GAGAS 2.20** for more detail on other professional standards for financial audits and attestation engagements. See **GAGAS 2.21** for more detail on other professional standards for performance audits.	

D. Stating Compliance with GAGAS in Reports

The following table summarizes the GAGAS requirements and ODCA policies on stating compliance with GAGAS in ODCA reports.

GAGAS Standard	ODCA Policy
2.24 Auditors should include one of the following types of GAGAS compliance statements in reports on GAGAS audits, as appropriate. **a.** Unmodified GAGAS compliance statement: Stating that the auditor performed the audit in accordance with GAGAS. Auditors should include an unmodified GAGAS compliance statement in the auditors' report when they have (1) followed unconditional and applicable presumptively mandatory GAGAS requirements, or (2) have followed unconditional requirements, and documented justification for any departures from applicable presumptively mandatory requirements and have achieved the objectives of those requirements through other means. **b.** Modified GAGAS compliance statement: Stating either that (1) the auditor performed the audit in accordance with GAGAS, except for specific applicable requirements that were not followed, or (2) because of the significance of the departure(s) from the requirements,	When conducting performance audits in compliance with GAGAS, ODCA auditors must include the following unmodified compliance statement in the audit report: We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. ODCA auditors should rarely, if ever, use a modified compliance statement in an audit report. However, if ODCA auditors find it necessary to use a modified compliance statement in an audit report, they must: • State either that (1) the auditor performed the audit in accordance with GAGAS, except for specific applicable requirements

the auditor was unable to and did not perform the audit in accordance with GAGAS. Situations when auditors use modified compliance statements also include scope limitations, such as restrictions on access to records, government officials, or other individuals needed to conduct the audit. When auditors use a modified GAGAS statement, they should disclose in the report the applicable requirement(s) not followed, the reasons for not following the requirement(s), and how not following the requirement(s) affected, or could have affected, the audit and the assurance provided.	that were not followed, or (2) because of the significance of the departure(s) from the requirements, the auditor was unable to and did not perform the audit in accordance with GAGAS; and • Disclose in the report the applicable requirement(s) not followed, the reasons for not following the requirement(s), and how not following the requirement(s) affected, or could have affected, the audit and the assurance provided.
2.25 When auditors do not comply with applicable requirement(s), they should (1) assess the significance of the noncompliance to the audit objectives, (2) document the assessment, along with their reasons for not following the requirement(s), and (3) determine the type of GAGAS compliance statement. The auditors' determination is a matter of professional judgment, which is affected by the significance of the requirement(s) not followed in relation to the audit objectives.	Any noncompliance with GAGAS requires ODCA auditors to: • Obtain direct written approval from the D.C. Auditor • Assess the significance of the noncompliance to the audit objectives • Document the assessment, along with the reasons for not following the requirement(s), in the Noncompliance with GAGAS workpaper. (The Noncompliance with GAGAS workpaper is found in Appendix B-4) • Determine the type of GAGAS compliance statement

IV. GENERAL STANDARDS

A. Independence

GAGAS Standard	ODCA Policy
3.02 In all matters relating to the audit work, the audit organization and the individual auditor, whether government or public, must be independent. **3.03** Independence comprises: **a.** Independence of Mind: The state of mind that permits the performance of an audit without being affected by influences that compromise professional judgment, thereby allowing an individual to act with integrity and exercise objectivity and professional skepticism. **b.** Independence in Appearance: The absence of circumstances that would cause a reasonable and informed third party, having knowledge of the relevant information, to reasonably conclude that the integrity, objectivity, or professional skepticism of an audit organization or member of the audit team had been compromised. **3.04** Auditors and audit organizations maintain independence so that their opinions, findings, conclusions, judgments, and recommendations will be impartial and viewed as impartial by reasonable and informed third parties. Auditors should avoid situations that could lead reasonable and informed third parties to conclude that the auditors are not independent and thus are not capable of exercising objective and impartial judgment on all issues associated with	ODCA auditors must always be independent in all matters related to their audit work. ODCA auditors must exhibit independence of mind and independence in appearance. For example, ODCA auditors cannot conduct an independent audit if they or a family member was/is employed at the audited entity or if they have a financial interest in work conducted by the entity. ODCA auditors must complete an Independence Statement upon assignment to a GAGAS audit. The Independence Statement requires ODCA auditors to attest that they are free from any impairment to independence. In addition to the Audit Supervisor, Auditor-in-Charge, and audit team members, the D.C. Auditor, Deputy Auditor, Assistant Deputy Auditor, Director of Program Evaluation, and/or General Counsel must complete an Independence Statement for every ODCA audit, unless he or she is recused from the audit. (The Independence Statement can be found in Appendix B-1 of this document. More detail on how and when to complete the Independence Statement is found in Appendix A-1.) If an ODCA auditor discovers an impairment to independence at any point in an audit, the auditor must notify his or her Audit Supervisor, the ODCA General Counsel, and the D.C. Auditor of the impairment to independence. The Audit Supervisor, General Counsel, and D.C. Auditor must assess the

conducting the audit and reporting on the work.	significance of the threat to independence using the GAGAS conceptual framework. If the threat is deemed to be significant, all auditors impacted by the impairment to independence must immediately cease all work on the audit. The ODCA General Counsel will document the impairment to independence and the steps taken to preserve independence, possibly including removal of one or more audit team members. Additionally, the Audit Supervisor must notify the audit team, anyone else who is involved in the engagement, and the audited entity of the independence impairment and the steps taken to preserve independence. The Audit Supervisor must note the impairment in the audit report.

Failure of an ODCA auditor to report any personal impairment to independence may result in disciplinary action, including termination. |
| **3.05** Except under the limited circumstances discussed in paragraphs 3.47 and 3.48, auditors should be independent from an audited entity during:

a. any period of time that falls within the period covered by the financial statements or subject matter of the audit, and

b. the period of the professional engagement, which begins when the auditors either sign an initial engagement letter or other agreement to perform an audit or begin to perform an audit, whichever is earlier. The period lasts for the entire duration of the professional relationship (which, for recurring audits, could cover many periods) and ends with the formal or informal notification, either by the auditors or the audited entity, of the termination of the | ODCA auditors must be independent from an audited entity during any period of time that falls within the period covered by the financial statements or subject matter of the audit and the period of the professional engagement. |

professional relationship or by the issuance of a report, whichever is later. Accordingly, the period of professional engagement does not necessarily end with the issuance of a report and recommence with the beginning of the following year's audit or a subsequent audit with a similar objective.	

GAGAS Conceptual Framework Approach to Independence and Application of the Conceptual Framework

Paragraph 3.07 of GAGAS states, "Many different circumstances, or combinations of circumstances, are relevant in evaluating threats to independence. Therefore, GAGAS establishes a conceptual framework that auditors use to identify, evaluate, and apply safeguards to address threats to independence." Paragraph 3.09 goes on to state, "If no safeguards are available to eliminate an unacceptable threat or reduce it to an acceptable level, independence would be considered impaired."

Threats

GAGAS Standard	ODCA Policy
3.13 Threats to independence are circumstances that could impair independence. **3.14** Threats to independence may be created by a wide range of relationships and circumstances. Auditors should evaluate the following broad categories of threats to independence when threats are being identified and evaluated: **a.** Self-interest threat - the threat that a financial or other interest will inappropriately influence an auditor's judgment or behavior; **b.** Self-review threat - the threat that an auditor or audit organization that has provided nonaudit services will not appropriately evaluate the results of previous	When completing the Independence Statement and throughout the audit assignment, ODCA auditors must consider all relevant threats that could impair independence. If ODCA auditors identify a significant threat to independence after the report is issued, they must evaluate the threat's impact on the audit and on GAGAS compliance. If the newly identified threat had an impact on the audit that would have resulted in the report being different from the report issued, ODCA auditors should communicate that readers should not continue to rely on findings or conclusions that were impacted by the threat to independence. This communication should be distributed in the same manner as the original report was distributed. The D.C.

judgments made or services performed as part of the nonaudit services when forming a judgment significant to an audit; **c.** Bias threat - the threat that an auditor will, as a result of political, ideological, social, or other convictions, take a position that is not objective; **d.** Familiarity threat - the threat that aspects of a relationship with management or personnel of an audited entity, such as a close or long relationship, or that of an immediate or close family member, will lead an auditor to take a position that is not objective; **e.** Undue influence threat - the threat that external influences or pressures will impact an auditor's ability to make independent and objective judgments; **f.** Management participation threat - the threat that results from an auditor's taking on the role of management or otherwise performing management functions on behalf of the entity undergoing an audit; and **g.** Structural threat - the threat that an audit organization's placement within a government entity, in combination with the structure of the government entity being audited, will impact the audit organization's ability to perform work and report results objectively. See **GAGAS 3.13-3.15, 3.20-3.22, and 3.26** for more detail on threats to independence.	Auditor must remove the report from the ODCA website and post a public notification that the report was removed. The D.C. Auditor must then determine whether to conduct additional audit work necessary to reissue the report or repost the original report if the additional audit work does not result in a change in findings or conclusions.

Safeguards

GAGAS Standard	ODCA Policy
3.16 Safeguards are controls designed to eliminate or reduce to an acceptable level threats to independence.	When significant threats to independence are identified, ODCA auditors must implement safeguards to eliminate them or reduce them to an acceptable level.
3.17 Examples of safeguards include:	
a. consulting an independent third party, such as a professional organization, a professional regulatory body, or another auditor;	ODCA auditors must work with their Audit Supervisor to develop appropriate safeguards for identified significant threats to independence. ODCA auditors must document all threats and their resulting safeguards in an audit workpaper.
b. involving another audit organization to perform or reperform part of the audit;	
c. having a professional staff member who was not a member of the audit team review the work performed; and	If ODCA auditors identify threats to independence that are so significant that they cannot be eliminated or reduced to an acceptable level through the application of safeguards, they must decline to perform the prospective audit or terminate the audit in progress.
d. removing an individual from an audit team when that individual's financial or other interests or relationships pose a threat to independence.	
See **GAGAS 3.16-3.19, 3.23-3.25, and 3.59** for more detail on safeguards.	If the threat is applicable to an individual auditor or a specialist on a particular audit, the D.C. Auditor must remove that auditor or specialist from any work on that audit.
	If the threat is applicable to the ODCA organization as a whole, the D.C. Auditor must terminate the audit, except in situations where ODCA is legally obligated to perform the audit. In such situations, ODCA auditors must include a statement in the report disclosing the threat to independence. Additionally, the GAGAS compliance statement must be modified accordingly.

Government Auditors and Audit Organization Structure

Paragraph 3.27 of GAGAS states, "The ability of audit organizations in government entities to perform work and report the results objectively can be affected by placement within government and the structure of the government entity being audited. The independence standard applies to auditors in government entities whether they report to third parties externally (external auditors), to senior management within the audited entity (internal auditors), or to both."

External Auditor Independence

GAGAS Standard	ODCA Policy
3.28 Audit organizations that are structurally located within government entities are often subject to constitutional or statutory safeguards that mitigate the effects of structural threats to independence. For external audit organizations, such safeguards may include governmental structures under which a government audit organization is: **a.** at a level of government other than the one of which the audited entity is part (federal, state, or local); for example, federal auditors auditing a state government program; or **b.** placed within a different branch of government from that of the audited entity; for example, legislative auditors auditing an executive branch program. **3.29** Safeguards other than those described above may mitigate threats resulting from governmental structures. For external auditors or auditors who report both externally and internally, structural threats may be mitigated if the head of an audit organization meets any of the following criteria in accordance with constitutional or statutory requirements:	As defined by GAGAS, ODCA is an external auditor of the District of Columbia government. As legislative auditors primarily auditing the executive branch, our organizational structure serves as a safeguard that mitigates the effects of structural threats to independence. The following specific aspects of the ODCA structure provide added safeguards to independence: • Section 455 of the Home Rule Act and P.L.198 (D.C. Official Code § 1-204.55) establishes the Office of the District of Columbia Auditor and states that the D.C. Auditor is appointed by the Council Chairman, subject to the approval of a majority of the Council, to a six-year term. • The D.C. Auditor has independent personnel authority which gives the D.C. Auditor sole authority over the selection, retention, advancement, and dismissal of ODCA staff. • ODCA has statutory access to records and documents related to the agency, program, or function being audited and access to government officials or other individuals as needed to conduct the audit. The D.C. Auditor also has the authority to

a. directly elected by voters of the jurisdiction being audited; **b.** elected or appointed by a legislative body, subject to removal by a legislative body, and reports the results of audits to and is accountable to a legislative body; **c.** appointed by someone other than a legislative body, so long as the appointment is confirmed by a legislative body and removal from the position is subject to oversight or approval by a legislative body, and reports the results of audits to and is accountable to a legislative body; or **d.** appointed by, accountable to, reports to, and can only be removed by a statutorily created governing body, the majority of whose members are independently elected or appointed and are outside the organization being audited.	issue subpoenas. In rare cases where ODCA is mandated to audit activities or programs within the legislative branch of the District of Columbia government, ODCA auditors must identify all threats to independence, implement necessary safeguards, and document all threats and their resulting safeguards in an audit workpaper. If ODCA auditors identify threats to independence that are so significant that they cannot be eliminated or reduced to an acceptable level through the application of safeguards, they must include a statement in the report disclosing the threat to independence. Additionally, the GAGAS compliance statement must be modified accordingly.

Internal Auditor Independence

GAGAS Standard	ODCA Policy
3.31 Certain entities employ auditors to work for entity management. These auditors may be subject to administrative direction from persons involved in the entity management process. Such audit organizations are internal audit functions… See **GAGAS 3.31-3.32** for more detail on internal auditor independence.	As defined by GAGAS, ODCA auditors are not internal auditors.

Provision of Nonaudit Services to Audited Entities

Paragraph 3.33 of GAGAS states, "Auditors have traditionally provided a range of nonaudit services that are consistent with their skills and expertise to entities at which they perform audits. Providing such nonaudit services may create threats to an auditor's independence."

Requirements for Performing Nonaudit Services

GAGAS Standard	ODCA Policy
3.34 Before an auditor agrees to provide a nonaudit service to an audited entity, the auditor should determine whether providing such a service would create a threat to independence, either by itself or in aggregate with other nonaudit services provided, with respect to any GAGAS audit it performs. A critical component of this determination is consideration of management's ability to effectively oversee the nonaudit service to be performed. The auditor should determine that the audited entity has designated an individual who possesses suitable skill, knowledge, or experience, and that the individual understands the services to be performed sufficiently to oversee them. The individual is not required to possess the expertise to perform or reperform the services. The auditor should document consideration of management's ability to effectively oversee nonaudit services to be performed.	ODCA's interpretation is that GAGAS assumes nonaudit services are completed at the request of or in close partnership with audited entities. Based on this interpretation, most of ODCA's non-GAGAS engagements do not fit the GAGAS definition of nonaudit services for audited entities.

Similarly, ODCA is legislatively mandated to perform several nonaudit services for the District of Columbia Council, including the following:

- Annual reports on the financial activity of Advisory Neighborhood Commissions.
- Certification of Revenue and Excess Reserve for Events DC; and
- Certification of Revenue in Support of General Obligation (GO) Bonds. |
| **3.35** If an auditor were to assume management responsibilities for an audited entity, the management participation threats created would be so significant that no safeguards could reduce them to an acceptable level. Management responsibilities involve leading and directing an entity, including making decisions regarding the acquisition, deployment and control of | Although the engagements described above are not nonaudit services as defined by GAGAS, ODCA auditors working on these engagements must still (1) determine whether providing such a service would create a threat to independence with respect to any GAGAS audit it performs and (2) implement the following safeguards against threats to independence and complete the Nonaudit Workpaper: (The Nonaudit Workpaper can be |

human, financial, physical, and intangible resources.

3.37 Auditors performing nonaudit services for entities for which they perform audits should obtain assurance that audited entity management performs the following functions in connection with the nonaudit services:

a. assumes all management responsibilities;

b. oversees the services, by designating an individual, preferably within senior management, who possess suitable skill, knowledge, or experience;

c. evaluates the adequacy and results of the services performed; and

d. accepts responsibility for the results of the services.

3.39 In connection with nonaudit services, auditors should establish and document their understanding with the audited entity's management or those charged with governance, as appropriate, regarding the following:

a. objectives of the nonaudit service;

b. services to be performed;

c. audited entity's acceptance of its responsibilities;

d. the auditor's responsibilities; and

e. any limitations of the nonaudit service.

See **GAGAS 3.36, 3.38, and 3.42-3.44** for more

found in Appendix B-3.)

- Before performing the nonaudit service, document the objectives, scope, and work products.
- Evaluate and document whether the nonaudit service represents a threat to the independence of ODCA for each distinct review that will result in a report.
- Document any effect that the nonaudit service will have on any ongoing, planned and future audits and the auditor's independence.
- Disclose all nonaudit services and provide all related documentation to peer review teams.

In rare cases, ODCA may perform nonaudit services as defined by GAGAS, which are completed at the request of or in close partnership with government agencies. In addition to determining whether providing such a service would create a threat to independence by completing the steps described above, ODCA auditors must also consider management's ability to effectively oversee the nonaudit service to be performed. Specifically, ODCA auditors must obtain assurance, and document in a workpaper, that management performs the following functions in connection with the nonaudit services:

- assumes all management responsibilities;
- oversees the services, by designating an individual, preferably within senior management, who possess suitable skill, knowledge, or experience;
- evaluates the adequacy and results of the

detail on requirements for performing nonaudit services.	services performed; and • accepts responsibility for the results of the services. Furthermore, ODCA auditors must establish and document their understanding with the agency's management or those charged with governance, as appropriate, regarding the following: • objectives of the nonaudit service; • services to be performed; • audited entity's acceptance of its responsibilities; • the auditor's responsibilities; and • any limitations of the nonaudit service. The agreement with agency management must include management's written acceptance of the terms above. In no case may ODCA auditors assume management responsibilities for an audited entity, including leading and directing an entity or making decisions regarding the acquisition, deployment and control of human, financial, physical, and intangible resources.
3.40 Routine activities performed by auditors that relate directly to the performance of an audit, such as providing advice and responding to questions as part of an audit, are not considered nonaudit services under GAGAS. Such routine activities generally involve providing advice or assistance to the entity on an informal basis as part of an audit. Routine activities typically are insignificant in terms of time incurred or resources expended and generally do not result in a specific project or engagement or in the auditors producing a	ODCA auditors may provide routine assistance as defined by GAGAS 3.40-3.41 in the course of an audit.

| formal report or other formal work product.

See **GAGAS 3.40-3.41** for more detail on requirements for performing nonaudit services. | |

Consideration of Specific Nonaudit Services

GAGAS Standard	ODCA Policy
3.45 By their nature, certain nonaudit services directly support the entity's operations and impair auditors' ability to maintain independence in mind and appearance. **3.46** Auditors may be able to provide nonaudit services in the broad areas indicated in paragraphs 3.49 through 3.58 without impairing independence if (1) the nonaudit services are not expressly prohibited, (2) the auditor has determined that the requirements for performing nonaudit services in paragraphs 3.34 through 3.44 have been met, and (3) any significant threats to independence have been eliminated or reduced to an acceptable level through the application of safeguards. Auditors should use the conceptual framework to evaluate independence given the facts and circumstances of individual services not specifically prohibited in this section. See **GAGAS 3.45-3.58** for more detail on specific nonaudit services.	ODCA auditors must not perform any of the following nonaudit services for other District agencies or entities: • Management responsibilities • Preparing accounting records and financial statements • Assisting a District agency or entity in the performance of its own internal audit activities • Designing, implementing, or maintaining internal controls, including ongoing monitoring procedures performed on behalf of management • Designing or implementing hardware or software systems • Valuation services (A valuation comprises the making of assumptions with regard to future developments, the application of appropriate methodologies and techniques, and the combination of both to compute a certain value, or range of values, for an asset, a liability, or an entity as a whole.) • Disbursing funds • Administering benefit plans • Advisory or management investment activities • Consulting or advisory corporate finance services

	• Executive or employee personnel matters • Business risk consulting

B. Professional Judgment

GAGAS Standard	ODCA Policy
3.60 Auditors must use professional judgment in planning and performing audits and in reporting the results. **3.61** Professional judgment includes exercising reasonable care and professional skepticism. **3.62** Using the auditors' professional knowledge, skills, and experience to diligently perform, in good faith and with integrity, the gathering of information and the objective evaluation of the sufficiency and appropriateness of evidence is a critical component of audits. **3.63** Professional judgment represents the application of the collective knowledge, skills, and experiences of all the personnel involved with an audit, as well as the professional judgment of individual auditors. **3.64** Using professional judgment is important to auditors in carrying out all aspects of their professional responsibilities, including following the independence standards and related conceptual framework; maintaining objectivity and credibility; assigning competent staff to the audit; defining the scope of work; evaluating, documenting, and reporting the results of the work; and maintaining appropriate quality control over the audit process. **3.65** Using professional judgment is important	ODCA auditors must abide by the GAGAS principle of using professional judgment in planning and performing audits and in reporting results.

to auditors in applying the conceptual framework to determine independence in a given situation.

3.66 Using professional judgment is important to auditors in determining the required level of understanding of the audit subject matter and related circumstances.

3.67 An auditor's consideration of the risk level of each audit, including the risk of arriving at improper conclusions, is also important.

3.68 While this standard places responsibility on each auditor and audit organization to exercise professional judgment in planning and performing an audit, it does not imply unlimited responsibility, nor does it imply infallibility on the part of either the individual auditor or the audit organization.

See **GAGAS 3.60-3.68** for more detail on professional judgment.

C. Competence

GAGAS Standard	ODCA Policy
3.69 The staff assigned to perform the audit must collectively possess adequate professional competence needed to address the audit objectives and perform the work in accordance with GAGAS. **3.70** The audit organization's management should assess skill needs to consider whether its workforce has the essential skills that match those necessary to perform the particular audit. Accordingly, audit organizations should have a process for	ODCA auditors must maintain adequate professional competence needed to address their audit objectives and perform their work. The D.C. Auditor must implement the following processes to ensure that audit staff have the essential skills that match those necessary to perform each audit: • Recruitment: When a vacancy occurs, the ODCA Human Resources Specialist advertises the audit position on our

recruitment, hiring, continuous development, assignment, and evaluation of staff to maintain a competent workforce. The nature, extent, and formality of the process will depend on various factors such as the size of the audit organization, its structure, and its work.	website. To supplement this effort, the Human Resources Specialist reaches out to other professional organizations to broaden the recruitment effort.
	• Hiring: ODCA has independent hiring authority. There are four main elements to the ODCA's selection process:
	    o Qualification: The D.C. Auditor or designee evaluates the employment applications that are received.
	    o Interviews: The Human Resource Specialist invites candidates selected as qualified for an office interview.
	    o References: The candidate must furnish references, preferably from prior employers. The Human Resource Specialist makes every effort to contact the references and validate the candidate's credentials.
	    o Evaluation and Decision: The D.C. Auditor or designee evaluates all information gathered on each candidate. After all information has been analyzed, the D.C. Auditor makes a hiring decision and the Human Resource Specialist communicates the results to all of the candidates.
	• Continuous development: ODCA auditors must comply with the GAGAS requirements for Continuing Professional Education.
	• Assignment: The Audit Supervisor must ensure that assigned audit staff collectively possess adequate professional competence by completing the Competence Statement at the outset of

	every audit.
	• Evaluation of staff: There are four main elements to the ODCA's evaluation process:
	○ Annual performance planning/goal setting: At the beginning of each calendar year, each employee meets with his or her direct supervisor to discuss roles, responsibilities, and goals for the year. A documented performance plan is finalized by the employee's supervisor and maintained by the D.C. Auditor or designee.
	○ Annual performance assessment: At the conclusion of each calendar year, each employee completes a self-evaluation and meets with his or her direct supervisor to review the employee's performance. A performance assessment is finalized by the employee's supervisor and maintained by the ODCA Chief of Staff.
	○ Project performance assessment: At the conclusion of each project (regardless of whether ODCA issued a report), the Audit Supervisor completes a project evaluation for the Auditor-in-Charge and each audit team member. The project performance assessments are considered during the annual assessment process. (The Project Performance Assessment can be found in the appendices to the ODCA Employee Handbook.)
	○ Performance improvement plans: When necessary, supervisors can

	create a performance improvement plan for any employee not meeting performance expectations.

Technical Knowledge

GAGAS Standard	ODCA Policy
3.72 The staff assigned to conduct an audit in accordance with GAGAS should collectively possess the technical knowledge, skills, and experience necessary to be competent for the type of work being performed before beginning work on that audit. The staff assigned to a GAGAS audit should collectively possess **a.** knowledge of GAGAS applicable to the type of work they are assigned and the education, skills, and experience to apply this knowledge to the work being performed; **b.** general knowledge of the environment in which the audited entity operates and the subject matter; **c.** skills to communicate clearly and effectively, both orally and in writing; and **d.** skills appropriate for the work being performed; for example, skills in **(1)** statistical or nonstatistical sampling if the work involves use of sampling; **(2)** information technology if the work involves review of information systems; **(3)** engineering if the work involves review of complex engineering data;	Audit Supervisors must complete a Competence Statement upon learning the team members assigned to a GAGAS audit. The competence statement requires Audit Supervisors to attest that assigned audit staff collectively possess the necessary knowledge and skills. (The Competence Statement can be found in Appendix B-5 of this document. More detail on how and when to complete the Competence Statement is found in Appendix A-1.)

(4) specialized audit methodologies or analytical techniques, such as the use of complex survey instruments, actuarial-based estimates, or statistical analysis tests, as applicable; or **(5)** specialized knowledge in subject matters, such as scientific, medical, environmental, educational, or any other specialized subject matter, if the work calls for such expertise. See **GAGAS 3.69-3.72** for more detail on competence.	

Continuing Professional Education

GAGAS Standard	ODCA Policy
3.76 Auditors performing work in accordance with GAGAS, including planning, directing, performing audit procedures, or reporting on an audit conducted in accordance with GAGAS, should maintain their professional competence through continuing professional education (CPE). Therefore, each auditor performing work in accordance with GAGAS should complete, every 2 years, at least 24 hours of CPE that directly relates to government auditing, the government environment, or the specific or unique environment in which the audited entity operates. Auditors who are involved in any amount of planning, directing, or reporting on GAGAS audits and auditors who are not involved in those activities but charge 20 percent or more of their time annually to GAGAS audits should also obtain at least an additional 56 hours of CPE (for a total of 80 hours of CPE in every 2-year period) that enhances the auditor's professional proficiency to perform audits. Auditors	ODCA auditors must meet the CPE goals outlined in GAGAS 3.76.

required to take the total 80 hours of CPE should complete at least 20 hours of CPE in each year of the 2-year periods. Auditors hired or initially assigned to GAGAS audits after the beginning of an audit organization's 2-year CPE period should complete a prorated number of CPE hours.	
3.77 CPE programs are structured educational activities with learning objectives designed to maintain or enhance participants' knowledge, skills, and abilities in areas applicable to performing audits. Determining what subjects are appropriate for individual auditors to satisfy both the 80-hour and the 24-hour requirements is a matter of professional judgment to be exercised by auditors in consultation with appropriate officials in their audit organizations. Among the considerations in exercising that judgment are the auditors' experience, the responsibilities they assume in performing GAGAS audits, and the operating environment of the audited entity.	ODCA auditors must obtain the required number of CPEs through structured educational activities with learning objectives designed to maintain or enhance participants' knowledge, skills, and abilities in areas applicable to performing audits. The ODCA Chief of Staff, in consultation with the D.C. Auditor, will work with auditors to identify appropriate educational activities.
3.78 Meeting CPE requirements is primarily the responsibility of individual auditors. The audit organization should have quality control procedures to help ensure that auditors meet the continuing education requirements, including documentation of the CPE completed. The Government Accountability Office (GAO) has developed guidance pertaining to CPE requirements to assist auditors and audit organizations in exercising professional judgment in complying with the CPE requirements.	ODCA auditors are responsible for ensuring that they meet the CPE requirements outlined in GAGAS 3.76. To complement those efforts, ODCA maintains a file of CPE certificates for each auditor and a comprehensive electronic database that includes the following information for every employee for every two year period, based on the District of Columbia fiscal year: • The name of the completed training course • The training provider • The date of the training • The cost of the training • The course code (if applicable) • The number of "proficiency" CPE credits

	earned
	• The number of "government-related" CPE credits earned
	• The number of non-CPE training hours earned
	The ODCA Chief of Staff maintains the CPE certificate files and updates the electronic database accordingly. The Chief of Staff also sends periodic CPE status emails to auditors and provides a summary report to the D.C. Auditor and Deputy Auditor.

CPE Requirements for Specialists

GAGAS Standard	ODCA Policy
3.79 The audit team should determine that external specialists assisting in performing a GAGAS audit are qualified and competent in their areas of specialization; however, external specialists are not required to meet the GAGAS CPE requirements.	ODCA auditors must complete a workpaper detailing the qualifications and competencies of any external specialists brought in to assist in performing GAGAS audits, including the review of relevant licenses, certifications, and past performance. External specialists could include contractors hired to assist with an audit.
3.80 The audit team should determine that internal specialists consulting on a GAGAS audit who are not involved in directing, performing audit procedures, or reporting on a GAGAS audit, are qualified and competent in their areas of specialization; however, these internal specialists are not required to meet the GAGAS CPE requirements.	ODCA auditors must complete a workpaper detailing the qualifications and competencies of any internal specialists brought in to assist in performing GAGAS audits. Internal specialists could include D.C. Council staff members or other legislative staff.
3.81 The audit team should determine that internal specialists, who are performing work in accordance with GAGAS as part of the audit team, including directing, performing audit procedures, or reporting on a GAGAS audit, comply with GAGAS, including the CPE requirements. The GAGAS CPE requirements become effective for internal specialists when	Internal specialists must never direct, perform audit procedures, or report on a GAGAS audit for ODCA.

an audit organization first assigns an internal specialist to an audit. Because internal specialists apply specialized knowledge in government audits, training in their areas of specialization qualify under the requirement for 24 hours of CPE that directly relates to government auditing, the government environment, or the specific or unique environment in which the audited entity operates.	

D. Quality Control and Assurance

System of Quality Control

GAGAS Standard	ODCA Policy
3.83 An audit organization's system of quality control encompasses the audit organization's leadership, emphasis on performing high quality work, and the organization's policies and procedures designed to provide reasonable assurance of complying with professional standards and applicable legal and regulatory requirements. The nature, extent, and formality of an audit organization's quality control system will vary based on the audit organization's circumstances, such as the audit organization's size, number of offices and geographic dispersion, knowledge and experience of its personnel, nature and complexity of its audit work, and cost-benefit considerations. **3.84** Each audit organization should document its quality control policies and procedures and communicate those policies and procedures to its personnel. The audit organization should document compliance with its quality control policies and procedures and maintain such	ODCA has a six tier system of quality control for audits. The six tiers are: • The ODCA Policy and Procedure Manual which describes, in great detail, the policies and procedures that govern every audit performed by ODCA auditors. • Supervisory review by Audit Supervisors throughout every audit, including documentation to support the independence and competence of the audit team. This also includes the supervisory review of ODCA auditors' workpapers to verify compliance, accuracy, and completeness. • Independent Reference and Review (IRR) for every audit in which an independent reviewer ensures that the audit report is factually accurate and adequately supported by audit documentation. (ODCA's IRR procedure is described in greater detail in Appendix A-3.) During the IRR, the audit team and the independent reviewer must complete the IRR sheet.

documentation for a period of time sufficient to enable those performing monitoring procedures and peer reviews to evaluate the extent of the audit organization's compliance with its quality control policies and procedures. The form and content of such documentation are a matter of professional judgment and will vary based on the audit organization's circumstances.	(The IRR sheet can be found in Appendix B-6.) • Three levels of senior management review of every audit report, with the first review completed by the ODCA General Counsel; the second review completed by either the Deputy Auditor, Assistant Deputy Auditor, or Director of Program Evaluation; and the third review completed by the D.C. Auditor. • Audit close-out for every audit in which the Audit Supervisor must close-out the audit in TeamMate (ODCA's electronic audit workpaper system) within 30 calendar days of the published date of the report or the post-audit meeting, whichever is later. Close-out involves complete supervisory review of all relevant workpapers and procedures and the finalization of the audit in TeamMate. The Assistant Deputy Auditor oversees this process. • Internal quality control reviews during which Audit Supervisors test whether ODCA is maintaining consistent quality from audit to audit and throughout the office. (ODCA's Internal Quality Control Review procedure is described in greater detail in Appendix A-4.) This manual serves to document ODCA's quality control policies and procedures and is one means through which ODCA communicates quality control policies and procedures to ODCA auditors. ODCA auditors must maintain evidence of supervisory review and IRR for every audit in electronic workpapers stored in TeamMate for at least 7 years. Audit Supervisors must

	maintain evidence of the internal quality control reviews for at least 7 years. The evidence must be maintained in the electronic files of the Audit Supervisors.

Leadership Responsibilities for Quality within the Audit Organization

GAGAS Standard	ODCA Policy
3.86 Audit organizations should establish policies and procedures on leadership responsibilities for quality within the audit organization that include the designation of responsibility for quality of audits performed in accordance with GAGAS and communication of policies and procedures relating to quality. Appropriate policies and communications encourage a culture that recognizes that quality is essential in performing GAGAS audits and that leadership of the audit organization is ultimately responsible for the system of quality control.	For the audits that they oversee, ODCA Audit Supervisors must: • ensure that audit workpapers and reports are of the highest quality • ensure compliance with GAGAS • regularly communicate with staff on ODCA's policies and procedures relating to quality
3.87 The audit organization should establish policies and procedures designed to provide it with reasonable assurance that those assigned operational responsibility for the audit organization's system of quality control have sufficient and appropriate experience and ability, and the necessary authority, to assume that responsibility.	The D.C. Auditor must assign the roles of Audit Supervisor to employees with appropriate levels of experience and knowledge in government auditing and quality control. The D.C. Auditor must ensure that the Audit Supervisors have the authority to assume responsibility for their respective duties as related to quality control. ODCA has established the quality control policies described in this section. Additionally, ODCA's IRR procedure is described in greater detail in Appendix A-3 and ODCA's Internal Quality Control Review procedure is described in greater detail in Appendix A-4.

Independence, Legal, and Ethical Requirements

GAGAS Standard	ODCA Policy
3.88 Audit organizations should establish policies and procedures on independence, legal, and ethical requirements that are designed to provide reasonable assurance that the audit organization and its personnel maintain independence and comply with applicable legal and ethical requirements.	See ODCA policies on independence on pages 23-33. See ODCA policies on complying with legal and ethical requirements on pages 9-14.

Initiation, Acceptance, and Continuance of Audits

GAGAS Standard	ODCA Policy
3.89 Audit organizations should establish policies and procedures for the initiation, acceptance, and continuance of audits that are designed to provide reasonable assurance that the audit organization will undertake audits only if it can comply with professional standards, legal requirements, and ethical principles and is acting within the legal mandate or authority of the audit organization.	See ODCA policies on complying with legal and ethical requirements on pages 9-14.

Human Resources

GAGAS Standard	ODCA Policy
3.90 Audit organizations should establish policies and procedures for human resources that are designed to provide the audit organization with reasonable assurance that it has personnel with the capabilities and competence to perform its audits in accordance with professional standards and legal and regulatory requirements.	See ODCA policies on competence on pages 35-41. See ODCA human resource policies in the ODCA Employee Handbook.

Audit Performance, Documentation, and Reporting

GAGAS Standard	ODCA Policy
3.91 Audit organizations should establish policies and procedures for audit performance, documentation, and reporting that are designed to provide the audit organization with reasonable assurance that audits are performed and reports are issued in accordance with professional standards and legal and regulatory requirements.	See ODCA policies on audit performance and documentation throughout this document. See ODCA policies on audit reporting on pages 80-94.
3.92 When performing GAGAS audits, audit organizations should have policies and procedures for the safe custody and retention of audit documentation for a time sufficient to satisfy legal, regulatory, and administrative requirements for records retention. For audit documentation that is retained electronically, the audit organization should establish effective information systems controls concerning accessing and updating the audit documentation.	The D.C. Auditor must maintain workpapers for every audit for at least 7 years. The D.C. Auditor, Deputy Auditor, Assistant Deputy Auditor, and Chief of Staff must work with the ODCA Information Technology staff to ensure that all systems providing access to electronic audit files: • Restrict access to audits so that only users authorized by the Audit Supervisor may update audit workpapers. • Disallow changes to an audit after it has been closed out. (Close out must take place within 30 days of the issuance of the audit report or the post-audit meeting, whichever is later.) • Are backed-up daily to protect the documentation.

Monitoring of Quality

GAGAS Standard	ODCA Policy
3.93 Audit organizations should establish policies and procedures for monitoring of quality in the audit organization. Monitoring of quality is an ongoing, periodic assessment of work completed on audits designed to	See ODCA policies on quality control on pages 42-48. See ODCA procedures for Internal Quality Control Reviews in Appendix A-4.

provide management of the audit organization with reasonable assurance that the policies and procedures related to the system of quality control are suitably designed and operating effectively in practice. The purpose of monitoring compliance with quality control policies and procedures is to provide an evaluation of whether the:

a. professional standards and legal and regulatory requirements have been followed,

b. quality control system has been appropriately designed, and

c. quality control policies and procedures are operating effectively and complied with in practice.

3.94 Monitoring procedures will vary based on the audit organization's facts and circumstances. The audit organization should perform monitoring procedures that enable it to assess compliance with applicable professional standards and quality control policies and procedures for GAGAS audits. Individuals performing monitoring should collectively have sufficient expertise and authority for this role.

3.95 The audit organization should analyze and summarize the results of its monitoring process at least annually, with identification of any systemic or repetitive issues needing improvement, along with recommendations for corrective action. The audit organization should communicate to appropriate personnel any deficiencies noted during the monitoring process and make recommendations for appropriate remedial action.

External Peer Review

GAGAS Standard	ODCA Policy
3.96 The audit organization should obtain an external peer review at least once every 3 years that is sufficient in scope to provide a reasonable basis for determining whether, for the period under review, the reviewed audit organization's system of quality control was suitably designed and whether the audit organization is complying with its quality control system in order to provide the audit organization with reasonable assurance of conforming with applicable professional standards. **3.104** The peer review team should meet the following criteria: **a.** The review team collectively has current knowledge of GAGAS and government auditing. **b.** The organization conducting the peer review and individual review team members are independent (as defined in GAGAS) of the audit organization being reviewed, its staff, and the audits selected for the peer review. **c.** The review team collectively has sufficient knowledge of how to perform a peer review. Such knowledge may be obtained from on-the-job training, training courses, or a combination of both. Having personnel on the peer review team with prior experience on a peer review or internal inspection team is desirable. **3.105** An external audit organization should make its most recent peer review report	ODCA must obtain an external peer review at least once every 3 years. The D.C. Auditor must work with an organization experienced with local government peer reviews, such as the Association of Local Government Auditors, to obtain a qualified and independent peer review team. The D.C. Auditor must make ODCA's most recent peer review report available on the ODCA website. When using another audit organization's work, ODCA auditors must request a copy of the other audit organization's most recent peer review report.

| publicly available.

3.107 Auditors who are using another audit organization's work should request a copy of the audit organization's latest peer review report and any other written communication issued, and the audit organization should provide these documents when requested.

See **GAGAS 3.96-3.107** for more detail on external peer review. | |

V. STANDARDS FOR FINANCIAL AUDITS

GAGAS Standard	ODCA Policy
4.01 This chapter contains requirements, guidance, and considerations for performing and reporting on financial audits conducted in accordance with generally accepted government auditing standards (GAGAS). See **GAGAS 4.01-4.48** for more detail on standards for financial audits.	As of the effective date of this manual, ODCA auditors do not conduct financial audits. If ODCA auditors are asked to perform a financial audit, they must follow all sections of GAGAS that relate to financial audits.

VI. STANDARDS FOR ATTESTATION ENGAGEMENTS

GAGAS Standard	ODCA Policy
5.01 This chapter contains requirements, guidance, and considerations for performing and reporting on attestation engagements conducted in accordance with generally accepted government auditing standards (GAGAS). Auditors performing attestation engagements in accordance with GAGAS should comply with the American Institute of Certified Public Accountants (AICPA) general attestation standard on criteria, the field work and reporting attestation standards, and the corresponding statements on standards for attestation engagements (SSAEs), which are incorporated in this chapter by reference. Auditors performing attestation engagements in accordance with GAGAS should also comply with the additional requirements in this chapter. The requirements and guidance contained in chapters 1 through 3 also apply to attestation engagements performed in accordance with GAGAS. **5.02** An attestation engagement can provide one of three levels of service as defined by the AICPA, namely an examination engagement, a review engagement, or an agreed-upon procedures engagement. Auditors performing an attestation engagement should determine which of the three levels of service apply to that engagement and refer to the appropriate AICPA standards and GAGAS section below for applicable requirements and considerations.	As of the effective date of this manual, ODCA auditors do not conduct attestation engagements. If ODCA auditors are asked to perform attestation engagements, they must follow all sections of GAGAS that relate to attestation engagements.

VII. FIELD WORK STANDARDS FOR PERFORMANCE AUDITS

Chapter 6 of GAGAS contains field work requirements and guidance for performance audits. According to GAGAS, "The purpose of field work requirements is to establish an overall approach for auditors to apply in obtaining reasonable assurance that the evidence is sufficient and appropriate to support the auditors' findings and conclusions. The field work requirements for performance audits relate to planning the audit; supervising staff; obtaining sufficient, appropriate evidence; and preparing audit documentation. The concepts of reasonable assurance, significance, and audit risk form a framework for applying these requirements and are included throughout the discussion of performance audits."

A detailed description of the procedures for performance audits can be found in Appendix A-1.

A flowchart for performance audits can be found in Appendix A-2.

A. Reasonable Assurance

GAGAS Standard	ODCA Policy
6.03 In performance audits that comply with GAGAS, auditors obtain reasonable assurance that evidence is sufficient and appropriate to support the auditors' findings and conclusions in relation to the audit objectives. Thus, the sufficiency and appropriateness of evidence needed and tests of evidence will vary based on the audit objectives, findings, and conclusions. Objectives for performance audits range from narrow to broad and involve varying types and quality of evidence. In some engagements, sufficient, appropriate evidence is available, but in others, information may have limitations. Professional judgment assists auditors in determining the audit scope and methodology needed to address the audit objectives, and in evaluating whether sufficient, appropriate evidence has been obtained to address the audit objectives.	ODCA auditors must obtain reasonable assurance that evidence is sufficient and appropriate to support the findings presented in ODCA audit reports. ODCA's procedures for performance audits provide the framework for meeting this requirement. Some of the more significant steps in this framework include: • Comprehensive audit planning • Development of an audit plan • Supervisory review of procedures and workpapers in TeamMate, ODCA's electronic workpaper system • Cross-referencing of reports • IRR • Supervisory review of reports

B. Significance in a Performance Audit

GAGAS Standard	ODCA Policy
6.04 The concept of significance assists auditors throughout a performance audit, including when deciding the type and extent of audit work to perform, when evaluating results of audit work, and when developing the report and related findings and conclusions. Significance is defined as the relative importance of a matter within the context in which it is being considered, including quantitative and qualitative factors. Such factors include the magnitude of the matter in relation to the subject matter of the audit, the nature and effect of the matter, the relevance of the matter, the needs and interests of an objective third party with knowledge of the relevant information, and the impact of the matter to the audited program or activity. Professional judgment assists auditors when evaluating the significance of matters within the context of the audit objectives. In the performance audit requirements, the term "significant" is comparable to the term "material" as used in the context of financial statement engagements.	In consultation with audit supervisors and the D.C. Auditor, ODCA auditors must continuously assess the significance of the audit work to be performed, the results of audit work, and the audit findings and conclusions contained in audit reports. Only those findings and conclusions deemed "significant" by the Audit Supervisor and the D.C. Auditor may be included in ODCA audit reports. ODCA's procedures for performance audits provide the framework for assessing significance. Some of the steps in the framework that support the assessment of significance include: • Comprehensive audit planning • Development of an audit plan • Supervisory review of procedures and workpapers in TeamMate, ODCA's electronic workpaper system • Cross-referencing of reports • IRR • Supervisory review of reports

C. Audit Risk

GAGAS Standard	ODCA Policy
6.05 Audit risk is the possibility that the auditors' findings, conclusions, recommendations, or assurance may be improper or incomplete, as a result of factors such as evidence that is not sufficient and/or appropriate, an inadequate audit process, or intentional omissions or misleading	ODCA auditors must continuously assess audit risk during performance audits. In addition, ODCA auditors must complete Audit Risk Assessments at the beginning and end of each performance audit. The Audit Risk Assessment workpaper is found in Appendix B-7.

information due to misrepresentation or fraud. The assessment of audit risk involves both qualitative and quantitative considerations. Factors impacting audit risk include the time frames, complexity, or sensitivity of the work; size of the program in terms of dollar amounts and number of citizens served; adequacy of the audited entity's systems and processes to detect inconsistencies, significant errors, or fraud; and auditors' access to records. Audit risk includes the risk that auditors will not detect a mistake, inconsistency, significant error, or fraud in the evidence supporting the audit. Audit risk can be reduced by taking actions such as increasing the scope of work; adding specialists, additional reviewers, and other resources to perform the audit; changing the methodology to obtain additional evidence, higher quality evidence, or alternative forms of corroborating evidence; or aligning the findings and conclusions to reflect the evidence obtained.	If ODCA auditors identify audit risks, they must consult with the D.C. Auditor and take tangible steps to reduce the audit risk. ODCA auditors must record the audit risks and resolutions in a workpaper.

D. Planning

Planning is perhaps the most critical step in conducting successful performance audits. At ODCA, we use the terms "planning phase" and "survey phase" to represent the period of time during which we prepare for audit field work. For more detailed information on the ODCA planning phase and survey phase, see the detailed description of the procedures for performance audits in Appendix A-1 and the flowchart for performance audits in Appendix A-2.

GAGAS Standard	ODCA Policy
6.06 Auditors must adequately plan and document the planning of the work necessary to address the audit objectives.	ODCA auditors must complete every required procedure step in the planning phase and survey phase when conducting performance audits. Appendix A-1 contains a detailed description of the procedures for performance audits.
6.07 Auditors must plan the audit to reduce	ODCA auditors must complete the Audit Risk

| audit risk to an appropriate level for the auditors to obtain reasonable assurance that the evidence is sufficient and appropriate to support the auditors' findings and conclusions. This determination is a matter of professional judgment. In planning the audit, auditors should assess significance and audit risk and apply these assessments in defining the audit objectives and the scope and methodology to address those objectives. Planning is a continuous process throughout the audit. Therefore, auditors may need to adjust the audit objectives, scope, and methodology as work is being completed. In situations where the audit objectives are established by statute or legislative oversight, auditors may not have latitude to define or adjust the audit objectives or scope.

See **GAGAS 6.08-6.12** for more detail on planning. | Assessment form during the survey and reporting phases of the audit. ODCA auditors must consider the results of the audit risk assessment when developing the audit plan. The Audit Risk Assessment workpaper is found in Appendix B-7. The Audit Plan workpaper is found in Appendix B-8. |

Nature and Profile of the Program and User Needs

GAGAS Standard	ODCA Policy
6.13 Auditors should obtain an understanding of the nature of the program or program component under audit and the potential use that will be made of the audit results or report as they plan a performance audit. The nature and profile of a program include **a.** visibility, sensitivity, and relevant risks associated with the program under audit; **b.** age of the program or changes in its conditions; **c.** the size of the program in terms of total dollars, number of citizens affected, or other	During the survey phase, ODCA auditors must obtain an understanding of the nature of the program or program component under audit and the potential use that will be made of the audit results or report. Specifically, ODCA auditors must consider: • the program's purpose, strategic plan, and objectives/goals • the age of the program and changes in program leadership and program conditions • the size of the program in terms of total dollars, number of individuals affected, or other measures

measures;

d. level and extent of review or other forms of independent oversight;

e. program's strategic plan and objectives; and

f. external factors or conditions that could directly affect the program.

6.15 Obtaining an understanding of the program under audit helps auditors to assess the relevant risks associated with the program and the impact of the risks on the audit objectives, scope, and methodology. The extent and breadth of those inquiries and observations will vary among audits based on the audit objectives, as will the need to understand individual aspects of the program, such as the following.

a. Provisions of laws, regulations, contracts and grant agreements

b. Purpose and goals

c. Internal control

d. Inputs

e. Program operations

f. Outputs

g. Outcomes

See **GAGAS 6.13-6.15** for more detail on the nature and profile of the program and user needs.

- the visibility, sensitivity, and general risks associated with the program
- the level and extent of review or other forms of independent oversight of the program
- external factors or conditions that could directly affect the program
- program inputs, outputs, and outcomes
- provisions of laws, regulations, contracts, and grant agreements that impact the program
- who may have an interest in the audit results, what influence those people have over the program, and what actions those people may take as a result of the audit report

The Gather Information on the Nature and Profile of the Program workpaper is found in Appendix B-9.

Internal Control

GAGAS Standard	ODCA Policy
6.16 Auditors should obtain an understanding of internal control that is significant within the context of the audit objectives. For internal control that is significant within the context of the audit objectives, auditors should assess whether internal control has been properly designed and implemented and should perform procedures designed to obtain sufficient, appropriate evidence to support their assessment about the effectiveness of those controls. Information systems controls are often an integral part of an entity's internal control. The effectiveness of significant internal controls is frequently dependent on the effectiveness of information systems controls. Thus, when obtaining an understanding of internal control significant to the audit objectives, auditors should also determine whether it is necessary to evaluate information systems controls.	ODCA auditors must obtain an understanding of program operations and internal control that is significant within the context of the audit objectives. For internal control that is significant within the context of the audit objectives, ODCA auditors must assess whether internal control has been properly designed and implemented and must perform procedures designed to obtain sufficient, appropriate evidence to support their assessment about the effectiveness of those controls, including information systems controls.

ODCA auditors must assess each of the principal types of internal control objectives: |
| | • Effectiveness and efficiency of program operations |
| **6.17** The effectiveness of internal control that is significant within the context of the audit objectives can affect audit risk. Consequently, auditors may determine that it is necessary to modify the nature, timing, or extent of the audit procedures based on the auditors' assessment of internal control and the results of internal control testing. | • Relevance and reliability of information
• Compliance with applicable laws, regulations, contracts, and grant agreements
• Safeguarding of assets and resources

ODCA auditors may obtain an understanding of program operations and internal control through inquiries, observations, inspection of documents and records, review of other auditors' reports, or direct tests. |
| **6.18** Auditors may obtain an understanding of internal control through inquiries, observations, inspection of documents and records, review of other auditors' reports, or direct tests. The nature and extent of procedures auditors perform to obtain an understanding of internal control may vary | The Internal Control Evaluation Tool is found in Appendix B-10. |

among audits based on audit objectives, audit risk, known or potential internal control deficiencies, and the auditors' knowledge about internal control gained in prior audits.
6.19 The following discussion of the principal types of internal control objectives is intended to help auditors better understand internal controls and determine whether or to what extent they are significant to the audit objectives.
a. Effectiveness and efficiency of program operations
b. Relevance and reliability of information
c. Compliance with applicable laws, regulations, contracts, and grant agreements
6.20 A subset of these categories of internal control objectives is the safeguarding of assets and resources.
See **GAGAS 6.16-6.22** for more detail on internal control.

Information Systems Controls

According to GAGAS, "Understanding information systems controls is important when information systems are used extensively throughout the program under audit and the fundamental business processes related to the audit objectives rely on information systems. Information systems controls consist of those internal controls that are dependent on information systems processing and include general controls, application controls, and user controls."

GAGAS Standard	ODCA Policy
6.24 Information systems controls are significant to the audit objectives if auditors determine that it is necessary to evaluate the	When information systems controls are determined to be significant to the audit objectives or when the effectiveness of

effectiveness of information systems controls in order to obtain sufficient, appropriate evidence. When information systems controls are determined to be significant to the audit objectives or when the effectiveness of significant controls is dependent on the effectiveness of information systems controls, auditors should then evaluate the design and operating effectiveness of such controls. This evaluation would include other information systems controls that impact the effectiveness of the significant controls or the reliability of information used in performing the significant controls. Auditors should obtain a sufficient understanding of information systems controls necessary to assess audit risk and plan the audit within the context of the audit objectives.

6.25 Audit procedures to evaluate the effectiveness of significant information systems controls include (1) gaining an understanding of the system as it relates to the information and (2) identifying and evaluating the general, application, and user controls that are critical to providing assurance over the reliability of the information required for the audit.

6.27 Auditors should determine which audit procedures related to information systems controls are needed to obtain sufficient, appropriate evidence to support the audit findings and conclusions. The following factors may assist auditors in making this determination:

a. The extent to which internal controls that are significant to the audit depend on the reliability of information processed or

significant controls is dependent on the effectiveness of information systems controls, ODCA auditors must evaluate the design and operating effectiveness of such controls. ODCA auditors must obtain a sufficient understanding of information systems controls necessary to assess audit risk and plan the audit within the context of the audit objectives.

ODCA auditors must determine which audit procedures related to information systems controls are needed to obtain sufficient, appropriate evidence to support the audit findings and conclusions. The following factors may assist ODCA auditors in making this determination:

- The extent to which internal controls that are significant to the audit depend on the reliability of information processed or generated by information systems
- The availability of evidence outside the information system to support the findings and conclusions
- The relationship of information systems controls to data reliability
- Evaluating the effectiveness of information systems controls as an audit objective

The Information System Internal Control Evaluation Tool is found in Appendix B-11.

generated by information systems	
b. The availability of evidence outside the information system to support the findings and conclusions	
c. The relationship of information systems controls to data reliability	
d. Evaluating the effectiveness of information systems controls as an audit objective	
See **GAGAS 6.23-6.27** for more detail on information systems controls.	

Provisions of Laws, Regulations, Contracts, and Grant Agreements, Fraud, and Abuse

Provisions of Laws, Regulations, Contracts, and Grant Agreements

GAGAS Standard	ODCA Policy
6.28 Auditors should identify any provisions of laws, regulations, contracts or grant agreements that are significant within the context of the audit objectives and assess the risk that noncompliance with provisions of laws, regulations, contracts or grant agreements could occur. Based on that risk assessment, the auditors should design and perform procedures to obtain reasonable assurance of detecting instances of noncompliance with provisions of laws, regulations, contracts, or grant agreements that are significant within the context of the audit objectives.	ODCA auditors must identify any provisions of laws, regulations, contracts or grant agreements that are significant within the context of the audit objectives and assess the risk that noncompliance with provisions of laws, regulations, contracts or grant agreements could occur. Based on that risk assessment, the auditors should design and perform procedures to obtain reasonable assurance of detecting instances of noncompliance with provisions of laws, regulations, contracts, or grant agreements that are significant within the context of the audit objectives.
See **GAGAS 6.28-6.29** for more detail on provisions of laws, regulations, contracts, and grant agreements.	The Risk Assessment workpaper is found in Appendix B-12.

Fraud

GAGAS Standard	ODCA Policy
6.30 In planning the audit, auditors should assess risks of fraud occurring that is significant within the context of the audit objectives. Fraud involves obtaining something of value through willful misrepresentation. Whether an act is, in fact, fraud is a determination to be made through the judicial or other adjudicative system and is beyond auditors' professional responsibility. Audit team members should discuss among the team fraud risks, including factors such as individuals' incentives or pressures to commit fraud, the opportunity for fraud to occur, and rationalizations or attitudes that could allow individuals to commit fraud. Auditors should gather and assess information to identify risks of fraud that are significant within the scope of the audit objectives or that could affect the findings and conclusions. **6.31** When auditors identify factors or risks related to fraud that has occurred or is likely to have occurred that they believe are significant within the context of the audit objectives, they should design procedures to obtain reasonable assurance of detecting any such fraud. Assessing the risk of fraud is an ongoing process throughout the audit and relates not only to planning the audit but also to evaluating evidence obtained during the audit. **6.32** When information comes to the auditors' attention indicating that fraud, significant within the context of the audit objectives, may have occurred, auditors should extend the audit steps and procedures, as necessary, to	ODCA auditors must assess risks of fraud occurring that are significant within the context of the audit objectives. ODCA auditors must discuss among the team fraud risks, including factors such as individuals' incentives or pressures to commit fraud, the opportunity for fraud to occur, and rationalizations or attitudes that could allow individuals to commit fraud. ODCA auditors must gather and assess information to identify risks of fraud that are significant within the scope of the audit objectives or that could affect the findings and conclusions. When ODCA auditors identify factors or risks related to fraud that has occurred or is likely to have occurred that they believe are significant within the context of the audit objectives, they must design procedures to obtain reasonable assurance of detecting any such fraud. When information comes to ODCA auditors' attention indicating that fraud, significant within the context of the audit objectives, may have occurred, ODCA auditors must extend the audit steps and procedures, as necessary, to (1) determine whether fraud has likely occurred and (2) if so, determine its effect on the audit findings. If the fraud that may have occurred is not significant within the context of the audit objectives, the auditors may conduct additional audit work as a separate engagement, or refer the matter to other parties with oversight responsibility or jurisdiction.

(1) determine whether fraud has likely occurred and (2) if so, determine its effect on the audit findings. If the fraud that may have occurred is not significant within the context of the audit objectives, the auditors may conduct additional audit work as a separate engagement, or refer the matter to other parties with oversight responsibility or jurisdiction.	The Risk Assessment workpaper is found in Appendix B-12.

Abuse

GAGAS Standard	ODCA Policy
6.33 Abuse involves behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary business practice given the facts and circumstances. Abuse also includes misuse of authority or position for personal financial interests or those of an immediate or close family member or business associate. Abuse does not necessarily involve fraud, noncompliance with provisions of laws, regulations, contracts, or grant agreements. **6.34** Because the determination of abuse is subjective, auditors are not required to detect abuse in performance audits. However, as part of a GAGAS audit, if auditors become aware of abuse that could be quantitatively or qualitatively significant to the program under audit, auditors should apply audit procedures specifically directed to ascertain the potential effect on the program under audit within the context of the audit objectives. After performing additional work, auditors may discover that the abuse represents potential fraud or noncompliance with provisions of laws, regulations, contracts, or grant agreements.	If ODCA auditors become aware of abuse, including misuse of authority, that could be quantitatively or qualitatively significant to the program under audit, ODCA auditors must apply audit procedures specifically directed to ascertain the potential effect on the program under audit within the context of the audit objectives. The Risk Assessment workpaper is found in Appendix B-12.

Ongoing Investigations and Legal Proceedings

GAGAS Standard	ODCA Policy
6.35 Avoiding interference with investigations or legal proceedings is important in pursuing indications of fraud, noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse. Laws, regulations, and policies may require auditors to report indications of certain types of fraud, noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse to law enforcement or investigatory authorities before performing additional audit procedures. When investigations or legal proceedings are initiated or in process, auditors should evaluate the impact on the current audit. In some cases, it may be appropriate for the auditors to work with investigators or legal authorities, or withdraw from or defer further work on the audit or a portion of the audit to avoid interfering with an ongoing investigation or legal proceeding.	ODCA auditors must determine whether there are ongoing investigations or legal proceedings relevant to each audit. In addition to the audit team's informal inquiries of the audited entity, the ODCA General Counsel must prepare a formal letter requesting information on ongoing investigations and legal proceedings. This letter must be documented as a workpaper in TeamMate. When investigations or legal proceedings are found to be initiated or in process, ODCA auditors must evaluate the impact on the current audit. In some cases, it may be appropriate for ODCA auditors to work with investigators or legal authorities, or withdraw from or defer further work on the audit or a portion of the audit to avoid interfering with an ongoing investigation or legal proceeding. When investigations or legal proceedings are initiated or in process, ODCA auditors must meet with the D.C. Auditor or designee to discuss the ongoing investigations and/or legal proceedings and plan a course of action. This meeting must be documented in a workpaper.

Previous Audits and Attestation Engagements

GAGAS Standard	ODCA Policy
6.36 Auditors should evaluate whether the audited entity has taken appropriate corrective action to address findings and recommendations from previous engagements that are significant within the context of the audit objectives. When planning the audit, auditors should ask management of the audited entity to identify previous audits,	ODCA auditors must evaluate whether the audited entity has taken appropriate corrective action to address findings and recommendations from previous engagements that are significant within the context of the audit objectives. During the survey phase, ODCA auditors must research and ask management of the audited entity to

attestation engagements, performance audits, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented. Auditors should use this information in assessing risk and determining the nature, timing, and extent of current audit work, including determining the extent to which testing the implementation of the corrective actions is applicable to the current audit objectives.	identify previous audits, attestation engagements, performance audits, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented. ODCA auditors must use this information in assessing risk and determining the nature, timing, and extent of current audit work, including determining the extent to which testing the implementation of the corrective actions is applicable to the current audit objectives. The Identify Previous Audits and Attestation Engagements workpaper is found in Appendix B-13.

Identifying Audit Criteria

GAGAS Standard	ODCA Policy
6.37 Auditors should identify criteria. Criteria represent the laws, regulations, contracts, grant agreements, standards, specific requirements, measures, expected performance, defined business practices, and benchmarks against which performance is compared or evaluated. Criteria identify the required or desired state or expectation with respect to the program or operation. Criteria provide a context for evaluating evidence and understanding the findings, conclusions, and recommendations included in the report. Auditors should use criteria that are relevant to the audit objectives and permit consistent assessment of the subject matter.	ODCA auditors must identify criteria that are relevant to the audit objectives and permit consistent assessment of the subject matter. The Identify Criteria workpaper is found in Appendix B-14.

Identifying Sources of Evidence and the Amount and Type of Evidence Required

GAGAS Standard	ODCA Policy
6.38 Auditors should identify potential sources of information that could be used as evidence. Auditors should determine the amount and type of evidence needed to obtain sufficient, appropriate evidence to address the audit objectives and adequately plan audit work. **6.39** If auditors believe that it is likely that sufficient, appropriate evidence will not be available, they may revise the audit objectives or modify the scope and methodology and determine alternative procedures to obtain additional evidence or other forms of evidence to address the current audit objectives. Auditors should also evaluate whether the lack of sufficient, appropriate evidence is due to internal control deficiencies or other program weaknesses, and whether the lack of sufficient, appropriate evidence could be the basis for audit findings.	ODCA auditors must identify potential sources of information that could be used as evidence. ODCA auditors must determine the amount and type of evidence needed to obtain sufficient, appropriate evidence to address the audit objectives and adequately plan audit work. The Identify Sources of Evidence workpaper is found in Appendix B-15.

Using the Work of Others

GAGAS Standard	ODCA Policy
6.40 Auditors should determine whether other auditors have conducted, or are conducting, audits of the program that could be relevant to the current audit objectives. The results of other auditors' work may be useful sources of information for planning and performing the audit. If other auditors have identified areas that warrant further audit work or follow-up, their work may influence the auditors' selection of objectives, scope, and methodology. **6.41** If other auditors have completed audit	ODCA auditors must determine whether other auditors have conducted, or are conducting, audits of the program that could be relevant to the current audit objectives. If ODCA auditors use the work of other auditors, they must perform procedures that provide a sufficient basis for using that work. ODCA auditors must obtain evidence concerning the other auditors' qualifications and independence and should determine whether the scope, quality, and timing of the audit work performed by the other auditors is

work related to the objectives of the current audit, the current auditors may be able to use the work of the other auditors to support findings or conclusions for the current audit and, thereby, avoid duplication of efforts. If auditors use the work of other auditors, they should perform procedures that provide a sufficient basis for using that work. Auditors should obtain evidence concerning the other auditors' qualifications and independence and should determine whether the scope, quality, and timing of the audit work performed by the other auditors is adequate for reliance in the context of the current audit objectives. Procedures that auditors may perform in making this determination include reviewing the other auditors' report, audit plan, or audit documentation, and/or performing tests of the other auditors' work. The nature and extent of evidence needed will depend on the significance of the other auditors' work to the current audit objectives and the extent to which the auditors will use that work.	adequate for reliance in the context of the current audit objectives.
6.42 Some audits may necessitate the use of specialized techniques or methods that require the skills of a specialist. If auditors intend to use the work of specialists, they should assess the professional qualifications and independence of the specialists. **6.43** Auditors' assessment of professional qualifications of the specialist involves the following: **a.** the professional certification, license, or other recognition of the competence of the specialist in his or her field, as appropriate; **b.** the reputation and standing of the specialist in the views of peers and others familiar with	If ODCA auditors intend to use the work of specialists, they must assess the professional qualifications and independence of the specialists, including: • the professional certification, license, or other recognition of the competence of the specialist in his or her field, as appropriate; • the reputation and standing of the specialist in the views of peers and others familiar with the specialist's capability or performance; • the specialist's experience and previous work in the subject matter; and • the auditors' prior experience in using the

the specialist's capability or performance;	specialist's work.
c. the specialist's experience and previous work in the subject matter; and **d.** the auditors' prior experience in using the specialist's work. **6.44** Auditors' assessment of the independence of specialists who perform audit work includes identifying threats and applying any necessary safeguards in the same manner as they would for auditors performing work on those audits.	ODCA specialists must complete an Independence Statement immediately upon assignment to a GAGAS audit. The Independence Statement requires ODCA specialists to attest that they are free from any impairment to independence. (The Independence Statement can be found in Appendix B-1 of this document.) If a specialist is used on an audit, ODCA Audit Supervisors must complete a workpaper which details the assessment of the specialist's professional qualifications and competencies.

Assigning Staff and Other Resources

GAGAS Standard	ODCA Policy
6.45 Audit management should assign sufficient staff and specialists with adequate collective professional competence to perform the audit. Staffing an audit includes, among other things: **a.** assigning staff and specialists with the collective knowledge, skills, and experience appropriate for the job, **b.** assigning a sufficient number of staff and supervisors to the audit, **c.** providing for on-the-job training of staff, and **d.** engaging specialists when necessary.	Audit Supervisors must complete a Competence Statement immediately upon the team's assignment to a GAGAS audit. The Competence Statement requires Audit Supervisors to attest that assigned audit staff possess the required knowledge and skills. (The Competence Statement can be found in Appendix B-5 of this document.)
6.46 If planning to use the work of a specialist, auditors should document the nature and scope of the work to be performed by the	If a specialist is used on an audit, ODCA Audit Supervisors must complete a workpaper which details:

specialist, including	• the objectives and scope of the specialist's work,
a. the objectives and scope of the specialist's work,	• the intended use of the specialist's work to support the audit objectives,
b. the intended use of the specialist's work to support the audit objectives,	• the specialist's procedures and findings so they can be evaluated and related to other planned audit procedures, and
c. the specialist's procedures and findings so they can be evaluated and related to other planned audit procedures, and	• the assumptions and methods used by the specialist.
d. the assumptions and methods used by the specialist.	

Communicating with Management, Those Charged with Governance, and Others

GAGAS Standard	ODCA Policy
6.47 Auditors should communicate an overview of the objectives, scope, and methodology and the timing of the performance audit and planned reporting (including any potential restrictions on the report), unless doing so could significantly impair the auditors' ability to obtain sufficient, appropriate evidence to address the audit objectives, such as when the auditors plan to conduct unannounced cash counts or perform procedures related to indications of fraud. Auditors should communicate with the following parties, as applicable: **a.** management of the audited entity, including those with sufficient authority and responsibility to implement corrective action in the program or activity being audited; **b.** those charged with governance; **c.** the individuals contracting for or requesting	ODCA auditors must communicate an overview of the objectives, scope, and methodology and the timing of the performance audit and planned reporting (including any potential restrictions on the report) with the following parties in the following ways: • Those charged with governance and/or management of the audited entity must be notified in the engagement letter. The Performance Audit Engagement Letter template can be found in Appendix B-16. ODCA auditors must supplement this communication with an entrance conference with the audited entity. The Entrance Conference Agenda Template can be found in Appendix B-17. • Individuals contracting for or requesting audit services must be notified in a letter. • The Council of the District of Columbia must receive regular status reports from

audit services, such as contracting officials or grantees; and	the D.C. Auditor.
d. the cognizant legislative committee, when auditors perform the audit pursuant to a law or regulation or they conduct the work for the legislative committee that has oversight of the audited entity.	This communication is required unless doing so could significantly impair ODCA auditors' ability to obtain sufficient, appropriate evidence to address the audit objectives.
6.48 In those situations where there is not a single individual or group that both oversees the strategic direction of the audited entity and the fulfillment of its accountability obligations or in other situations where the identity of those charged with governance is not clearly evident, auditors should document the process followed and conclusions reached for identifying the appropriate individuals to receive the required auditor communications.	ODCA auditors must communicate changes to objectives and scope to those charged with governance and/or management of the audited entity within 15 business days of the survey debrief. This communication may take the form of a letter or e-mail. When requesting information from those charged with governance and/or management of the audited entity, ODCA auditors should refer to the Information Request procedure detailed in Appendix A-5
6.49 Determining the form, content, and frequency of the communication is a matter of professional judgment, although written communication is preferred. Auditors may use an engagement letter to communicate the information. Auditors should document this communication.	
6.50 If an audit is terminated before it is completed and an audit report is not issued, auditors should document the results of the work to the date of termination and why the audit was terminated. Determining whether and how to communicate the reason for terminating the audit to those charged with governance, appropriate officials of the audited entity, the entity contracting for or requesting the audit, and other appropriate officials will depend on the facts and circumstances and, therefore, is a matter of professional judgment.	If an audit is terminated before it is completed and an audit report is not issued, ODCA auditors must document the results of the work to the date of termination and why the audit was terminated in a workpaper. ODCA auditors must meet with the D.C. Auditor to determine whether and how to communicate the reason for terminating the audit to those charged with governance, appropriate officials of the audited entity, the entity contracting for or requesting the audit, and other appropriate officials.

Preparing a Written Audit Plan

GAGAS Standard	ODCA Policy
6.51 Auditors must prepare a written audit plan for each audit. The form and content of the written audit plan may vary among audits and may include an audit strategy, audit program, project plan, audit planning paper, or other appropriate documentation of key decisions about the audit objectives, scope, and methodology and the auditors' basis for those decisions. Auditors should update the plan, as necessary, to reflect any significant changes to the plan made during the audit. **6.52** A written audit plan provides an opportunity for audit organization management to supervise audit planning and to determine whether **a.** the proposed audit objectives are likely to result in a useful report; **b.** the audit plan adequately addresses relevant risks; **c.** the proposed audit scope and methodology are adequate to address the audit objectives; **d.** available evidence is likely to be sufficient and appropriate for purposes of the audit; and **e.** sufficient staff, supervisors, and specialists with adequate collective professional competence and other resources are available to perform the audit and to meet expected time frames for completing the work.	During the planning phase of each audit, ODCA auditors must prepare a written audit plan for the survey phase. During the survey phase of each audit, ODCA auditors must prepare a written audit plan for the field work and reporting phases. ODCA auditors must update the plans, as necessary, to reflect any significant changes to the plans made during the audit. The Audit Plan workpaper can be found in Appendix B-8. ODCA Audit Supervisors must review the Performance Audit Plan to determine whether • the proposed audit objectives are likely to result in a useful report; • the audit plan adequately addresses relevant risks; • the proposed audit scope and methodology are adequate to address the audit objectives; • available evidence is likely to be sufficient and appropriate for purposes of the audit; and • sufficient staff, supervisors, and specialists with adequate collective professional competence and other resources are available to perform the audit and to meet expected time frames for completing the work.

E. Supervision

GAGAS Standard	ODCA Policy
6.53 Audit supervisors or those designated to supervise auditors must properly supervise audit staff. **6.54** Audit supervision involves providing sufficient guidance and direction to staff assigned to the audit to address the audit objectives and follow applicable requirements, while staying informed about significant problems encountered, reviewing the work performed, and providing effective on-the-job training.	ODCA Audit Supervisors and Auditors-in-Charge must provide regular supervision to audit team members. Regular supervision is demonstrated through periodic meetings and review/approval of workpapers in TeamMate, ODCA's electronic workpaper system. Additional supervision is provided during the survey debrief at the end of the survey phase and the field work debrief at the end of the field work phase. The Survey Debrief Template can be found in Appendix B-18 and the Overall Assessment of Evidence workpaper, which is used for the field work debrief presentation, can be found in Appendix B-19. ODCA auditors must also participate in a post-audit meeting to discuss what went well with the audit and what could be improved. The Post-Audit Meeting Agenda Template can be found in Appendix B-20.

F. Obtaining Sufficient, Appropriate Evidence

GAGAS requires auditors to obtain sufficient, appropriate evidence to provide a reasonable basis for their findings and conclusions.

GAGAS Standard	ODCA Policy
6.57 The concept of sufficient, appropriate evidence is integral to an audit. Appropriateness is the measure of the quality of evidence that encompasses its relevance, validity, and reliability in providing support for findings and conclusions related to the audit objectives. In assessing the overall appropriateness of evidence, auditors should	ODCA auditors must assess whether the evidence is relevant, valid, and reliable throughout the audit. • Relevance refers to the extent to which evidence has a logical relationship with, and importance to, the issue being addressed.

assess whether the evidence is relevant, valid, and reliable. Sufficiency is a measure of the quantity of evidence used to support the findings and conclusions related to the audit objectives. In assessing the sufficiency of evidence, auditors should determine whether enough evidence has been obtained to persuade a knowledgeable person that the findings are reasonable.

6.58 In assessing evidence, auditors should evaluate whether the evidence taken as a whole is sufficient and appropriate for addressing the audit objectives and supporting findings and conclusions. Audit objectives may vary widely, as may the level of work necessary to assess the sufficiency and appropriateness of evidence to address the objectives.

6.59 Professional judgment assists auditors in determining the sufficiency an appropriateness of evidence taken as a whole. Interpreting, summarizing, or analyzing evidence is typically used in the process of determining the sufficiency and appropriateness of evidence and in reporting the results of the audit work. When appropriate, auditors may use statistical methods to analyze and interpret evidence to assess its sufficiency.

See **GAGAS 6.56-6.59** for more detail on obtaining sufficient, appropriate evidence.

- Validity refers to the extent to which evidence is a meaningful or reasonable basis for measuring what is being evaluated. In other words, validity refers to the extent to which evidence represents what it is purported to represent.
- Reliability refers to the consistency of results when information is measured or tested and includes the concepts of being verifiable or supported.

ODCA auditors must also determine whether enough evidence has been obtained to persuade a knowledgeable person that the findings are reasonable.

In assessing evidence, ODCA auditors must evaluate whether the evidence taken as a whole is sufficient and appropriate for addressing the audit objectives and supporting findings and conclusions.

Appropriateness

GAGAS Standard	ODCA Policy
6.62 Auditors should evaluate the objectivity, credibility, and reliability of the testimonial evidence. Documentary evidence may be used to help verify, support, or challenge testimonial evidence.	ODCA auditors must evaluate the objectivity, credibility, and reliability of testimonial evidence. Documentary evidence may be used to help verify, support, or challenge testimonial evidence.
6.65 When auditors use information provided by officials of the audited entity as part of their evidence, they should determine what the officials of the audited entity or other auditors did to obtain assurance over the reliability of the information. The auditor may find it necessary to perform testing of management's procedures to obtain assurance or perform direct testing of the information. The nature and extent of the auditors' procedures will depend on the significance of the information to the audit objectives and the nature of the information being used.	When ODCA auditors use information provided by officials of the audited entity as part of their evidence, they must determine what the officials of the audited entity or other auditors did to obtain assurance over the reliability of the information. ODCA auditors may find it necessary to perform testing of management's procedures to obtain assurance or perform direct testing of the information. The nature and extent of ODCA auditors' procedures will depend on the significance of the information to the audit objectives and the nature of the information being used.
6.66 Auditors should assess the sufficiency and appropriateness of computer-processed information regardless of whether this information is provided to auditors or auditors independently extract it. See **GAGAS 6.60-6.66** for more detail on appropriateness.	ODCA auditors must assess the sufficiency and appropriateness of computer-processed information regardless of whether this information is provided to auditors or auditors independently extract it. ODCA auditors must use the Data Reliability Assessment workpaper to document their assessment. (The Data Reliability Assessment workpaper can be found in Appendix B-21.)

Sufficiency

GAGAS Standard	ODCA Policy
6.67 Sufficiency is a measure of the quantity of evidence used for addressing the audit objectives and supporting findings and	ODCA auditors must determine whether enough appropriate evidence exists to address the audit objectives and support the findings

| conclusions. Sufficiency also depends on the appropriateness of the evidence. In determining the sufficiency of evidence, auditors should determine whether enough appropriate evidence exists to address the audit objectives and support the findings and conclusions.

See **GAGAS 6.67-6.68** for more detail on sufficiency. | and conclusions. |

Overall Assessment of Evidence

GAGAS Standard	ODCA Policy
6.69 Auditors should determine the overall sufficiency and appropriateness of evidence to provide a reasonable basis for the findings and conclusions, within the context of the audit objectives. Auditors should perform and document an overall assessment of the collective evidence used to support findings and conclusions, including the results of any specific assessments conducted to conclude on the validity and reliability of specific evidence. **6.71** When assessing the sufficiency and appropriateness of evidence, auditors should evaluate the expected significance of evidence to the audit objectives, findings, and conclusions, available corroborating evidence, and the level of audit risk. The steps to assess evidence may depend on the nature of the evidence, how the evidence is used in the audit or report, and the audit objectives. **a.** Evidence is sufficient and appropriate when it provides a reasonable basis for supporting the findings or conclusions within the context	ODCA auditors must determine the overall sufficiency and appropriateness of evidence to provide a reasonable basis for the findings and conclusions, within the context of the audit objectives. ODCA auditors must perform and document an overall assessment of the collective evidence used to support findings and conclusions, including the results of any specific assessments conducted to conclude on the validity and reliability of specific evidence. ODCA auditors must use the Overall Assessment of Evidence workpaper to document their assessment of each audit finding. The Overall Assessment of Evidence workpaper can be found in Appendix B-19. ODCA auditors must present the results of the assessment to senior staff at the field work debrief at the conclusion of the field work phase of the audit. The Overall Assessment of Evidence workpaper, which is used for the field work debrief presentation, can be found in Appendix B-19. When assessing the sufficiency and appropriateness of evidence, ODCA auditors

of the audit objectives.

b. Evidence is not sufficient or not appropriate when (1) using the evidence carries an unacceptably high risk that it could lead the auditor to reach an incorrect or improper conclusion, (2) the evidence has significant limitations, given the audit objectives and intended use of the evidence, or (3) the evidence does not provide an adequate basis for addressing the audit objectives or supporting the findings and conclusions. Auditors should not use such evidence as support for findings and conclusions.

6.72 Evidence has limitations or uncertainties when the validity or reliability of the evidence has not been assessed or cannot be assessed, given the audit objectives and the intended use of the evidence. Limitations also include errors identified by the auditors in their testing. When the auditors identify limitations or uncertainties in evidence that is significant to the audit findings and conclusions, they should apply additional procedures, as appropriate.

See **GAGAS 6.69-6.72** for more detail on overall assessment of evidence.

must evaluate the expected significance of evidence to the audit objectives, findings, and conclusions, available corroborating evidence, and the level of audit risk.

When ODCA auditors identify limitations or uncertainties in evidence that is significant to the audit findings and conclusions, they must apply additional procedures, as appropriate.

Developing Elements of a Finding

GAGAS Standard	ODCA Policy
6.73 Auditors should plan and perform procedures to develop the elements of a finding necessary to address the audit objectives. In addition, if auditors are able to sufficiently develop the elements of a finding, they should develop recommendations for corrective action if they are significant within	ODCA auditors must plan and perform procedures to develop the elements of a finding necessary to address the audit objectives. Each finding must include the following elements: • Criteria, which represents the laws,

the context of the audit objectives. The elements needed for a finding are related to the objectives of the audit. Thus, a finding or set of findings is complete to the extent that the audit objectives are addressed and the report clearly relates those objectives to the elements of a finding.

6.75 Condition is a situation that exists. The condition is determined and documented during the audit.

6.76 The cause identifies the reason or explanation for the condition or the factor or factors responsible for the difference between the situation that exists (condition) and the required or desired state (criteria), which may also serve as a basis for recommendations for corrective actions.

6.77 The effect is a clear, logical link to establish the impact or potential impact of the difference between the situation that exists (condition) and the required or desired state (criteria).

See **GAGAS 6.73-6.77** for more detail on developing elements of a finding.

regulations, contracts, grant agreements, standards, specific requirements, measures, expected performance, defined business practices, and/or benchmarks against which performance is compared or evaluated.
- Condition
- Cause, except in instances where the cause cannot be determined.
- Effect or potential effect

In addition, if ODCA auditors are able to sufficiently determine the cause of a finding, they must develop recommendations for corrective action if they are significant within the context of the audit objectives.

At the conclusion of the field work phase, ODCA auditors must conduct a closeout meeting with the audited entity, presenting preliminary findings. This is also an opportunity for the audit team to obtain buy-in from the audited entity on proposed recommendations and establish a preliminary timeline for implementation. The Closeout Meeting Agenda Template can be found in Appendix B-22.

Early Communication of Deficiencies

GAGAS Standard	ODCA Policy
6.78 For some matters, early communication to those charged with governance or management may be important because of their relative significance and the urgency for corrective follow-up action. Further, when a control deficiency results in noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse, early	When ODCA auditors feel that early communication of deficiencies is warranted, they must schedule a meeting with the D.C. Auditor, Deputy Auditor and/or Assistant Deputy Auditor to discuss the deficiencies. The D.C. Auditor must decide when and how such deficiencies will be communicated to auditees. For example, the D.C. Auditor may issue a

communication is important to allow management to take prompt corrective action to prevent further noncompliance.	management letter to advise audited entities of matters that should be addressed prior to the issuance of the audit report.

G. Audit Documentation

GAGAS Standard	ODCA Policy
6.79 Auditors must prepare audit documentation related to planning, conducting, and reporting for each audit. Auditors should prepare audit documentation in sufficient detail to enable an experienced auditor, having no previous connection to the audit, to understand from the audit documentation the nature, timing, extent, and results of audit procedures performed, the audit evidence obtained and its source and the conclusions reached, including evidence that supports the auditors' significant judgments and conclusions.	ODCA auditors must prepare audit documentation related to planning, conducting, and reporting for each audit. ODCA auditors must prepare audit documentation in sufficient detail to enable an experienced auditor, having no previous connection to the audit, to understand from the audit documentation the nature, timing, extent, and results of audit procedures performed, the audit evidence obtained and its source and the conclusions reached, including evidence that supports the auditors' significant judgments and conclusions.
6.80 Auditors should prepare audit documentation that contains evidence that supports the findings, conclusions, and recommendations before they issue their report.	ODCA auditors must include the following elements in every survey and field work phase workpaper:
6.81 Auditors should design the form and content of audit documentation to meet the circumstances of the particular audit.	• Source: states the source of the information contained in the workpaper • Purpose: states the objective of the workpaper, which should either meet a GAGAS requirement or an audit objective
6.83 Auditors should document the following: **a.** the objectives, scope, and methodology of the audit;	• Conclusion: briefly summarizes the information contained in the workpaper and addresses how the information serves the purpose of the workpaper • Methodology (for workpapers involving testing only): describes the process used to conduct the analysis
b. the work performed and evidence obtained to support significant judgments and conclusions, including descriptions of	ODCA auditors must prepare audit documentation that contains evidence that

transactions and records examined; and

c. supervisory review, before the audit report is issued, of the evidence that supports the findings, conclusions, and recommendations contained in the audit report.

6.84 When auditors do not comply with applicable GAGAS requirements due to law, regulation, scope limitations, restrictions on access to records, or other issues impacting the audit, the auditors should document the departure from the GAGAS requirements and the impact on the audit and on the auditors' conclusions. This applies to departures from unconditional requirements and from presumptively mandatory requirements when alternative procedures performed in the circumstances were not sufficient to achieve the objectives of the standard.

6.85 Underlying GAGAS audits is the premise that audit organizations in federal, state, and local governments and public accounting firms engaged to perform audits in accordance with GAGAS cooperate in auditing programs of common interest so that auditors may use others' work and avoid duplication of efforts. Subject to applicable laws and regulations, auditors should make appropriate individuals, as well as audit documentation, available upon request and in a timely manner to other auditors or reviewers to satisfy these objectives. The use of auditors' work by other auditors may be facilitated by contractual arrangements for GAGAS audits that provide for full and timely access to appropriate individuals, as well as audit documentation.

supports the findings, conclusions, and recommendations before they issue their report.

ODCA auditors must design the form and content of audit documentation to meet the circumstances of the particular audit.

ODCA auditors must document the following:

- the objectives, scope, and methodology of the audit;
- the work performed and evidence obtained to support significant judgments and conclusions, including descriptions of transactions and records examined; and
- supervisory review, before the audit report is issued, of the evidence that supports the findings, conclusions, and recommendations contained in the audit report.

When ODCA auditors do not comply with applicable GAGAS requirements due to law, regulation, scope limitations, restrictions on access to records, or other issues impacting the audit, ODCA auditors must document the departure from the GAGAS requirements and the impact on the audit and on the auditors' conclusions in the Noncompliance with GAGAS workpaper. The Noncompliance with GAGAS workpaper is found in Appendix B-4.

Subject to applicable laws and regulations, ODCA auditors must make appropriate individuals, as well as audit documentation, available upon request and in a timely manner to other auditors or reviewers.

VIII. REPORTING STANDARDS FOR PERFORMANCE AUDITS

Chapter 7 of GAGAS contains reporting requirements and guidance for performance audits. According to GAGAS, "The purpose of reporting requirements is to establish the overall approach for auditors to apply in communicating the results of the performance audit. The reporting requirements for performance audits relate to the form of the report, the report contents, and report issuance and distribution."

A detailed description of the procedures for performance audits can be found in Appendix A-1.

A flowchart for performance audits can be found in Appendix A-2.

A. Reporting

GAGAS Standard	ODCA Policy
7.03 Auditors must issue audit reports communicating the results of each completed performance audit.	ODCA auditors must issue audit reports communicating the results of each completed performance audit.
7.04 Auditors should use a form of the audit report that is appropriate for its intended use and is in writing or in some other retrievable form.	ODCA auditors must use a form of the audit report that is appropriate for its intended use and is in writing or in some other retrievable form.
7.07 If, after the report is issued, the auditors discover that they did not have sufficient, appropriate evidence to support the reported findings or conclusions, they should communicate in the same manner as that used to originally distribute the report to those charged with governance, the appropriate officials of the audited entity, the appropriate officials of the organizations requiring or arranging for the audits, and other known users, so that they do not continue to rely on the findings or conclusions that were not supported. If the report was previously posted to the auditors' publicly accessible website, the auditors should remove the report and post a public notification that the report was	If, after the report is issued, ODCA auditors discover that they did not have sufficient, appropriate evidence to support the reported findings or conclusions, they must communicate in the same manner as that used to originally distribute the report to those charged with governance, the appropriate officials of the audited entity, the appropriate officials of the organizations requiring or arranging for the audits, and other known users, so that they do not continue to rely on the findings or conclusions that were not supported. If the report was previously posted to the ODCA website, ODCA auditors must remove the report and post a public notification that the report was removed. ODCA auditors must then determine

auditors should then determine whether to conduct additional audit work necessary to reissue the report, including any revised findings or conclusions or repost the original report if the additional audit work does not result in a change in findings or conclusions.	whether to conduct additional audit work necessary to reissue the report, including any revised findings or conclusions or repost the original report if the additional audit work does not result in a change in findings or conclusions.
See **GAGAS 7.03-7.07** for more detail on reporting.	

B. Report Contents

Objectives, Scope, and Methodology

GAGAS Standard	ODCA Policy
7.09 Auditors should include in the report a description of the audit objectives and the scope and methodology used for addressing the audit objectives.

7.10 Audit objectives for performance audits may vary widely. Auditors should communicate audit objectives in the audit report in a clear, specific, neutral, and unbiased manner that includes relevant assumptions. When audit objectives are limited but broader objectives could be inferred by users, auditors should state in the audit report that certain issues were outside the scope of the audit in order to avoid potential misunderstanding.

7.11 Auditors should describe the scope of the work performed and any limitations, including issues that would be relevant to likely users, so that they could reasonably interpret the findings, conclusions, and recommendations in the report without being misled. Auditors should also report any significant constraints imposed on the audit approach by information | ODCA auditors must include in the report a description of the audit objectives and must communicate audit objectives in a clear, specific, neutral, and unbiased manner that includes relevant assumptions. When audit objectives are limited but broader objectives could be inferred by users, ODCA auditors must state in the audit report that certain issues were outside the scope of the audit in order to avoid potential misunderstanding.

ODCA auditors must include in the report a description of the scope and any limitations, including issues that would be relevant to likely users, so that they could reasonably interpret the findings, conclusions, and recommendations in the report without being misled. ODCA auditors must also report any significant constraints imposed on the audit approach by information limitations or scope impairments, including denials or excessive delays of access to certain records or individuals.

ODCA auditors must include in the report a |

limitations or scope impairments, including denials or excessive delays of access to certain records or individuals.

7.12 In describing the work conducted to address the audit objectives and support the reported findings and conclusions, auditors should, as applicable, explain the relationship between the population and the items tested; identify organizations, geographic locations, and the period covered; report the kinds and sources of evidence; and explain any significant limitations or uncertainties based on the auditors' overall assessment of the sufficiency and appropriateness of the evidence in the aggregate.

7.13 In reporting audit methodology, auditors should explain how the completed audit work supports the audit objectives, including the evidence gathering and analysis techniques, in sufficient detail to allow knowledgeable users of their reports to understand how the auditors addressed the audit objectives. Auditors may include a description of the procedures performed as part of their assessment of the sufficiency and appropriateness of information used as audit evidence. Auditors should identify significant assumptions made in conducting the audit; describe comparative techniques applied; describe the criteria used; and, when sampling significantly supports the auditors' findings, conclusions, or recommendations, describe the sample design and state why the design was chosen, including whether the results can be projected to the intended population.

description of methodology used for addressing the audit objectives. In describing the work conducted to address the audit objectives and support the reported findings and conclusions, ODCA auditors must, as applicable, explain the relationship between the population and the items tested; identify organizations, geographic locations, and the period covered; report the kinds and sources of evidence; and explain any significant limitations or uncertainties based on the auditors' overall assessment of the sufficiency and appropriateness of the evidence in the aggregate.

In reporting audit methodology, ODCA auditors must explain how the completed audit work supports the audit objectives, including the evidence gathering and analysis techniques, in sufficient detail to allow knowledgeable users of their reports to understand how the auditors addressed the audit objectives. ODCA auditors may include a description of the procedures performed as part of their assessment of the sufficiency and appropriateness of information used as audit evidence. ODCA auditors must identify significant assumptions made in conducting the audit; describe comparative techniques applied; describe the criteria used; and, when sampling significantly supports the auditors' findings, conclusions, or recommendations, describe the sample design and state why the design was chosen, including whether the results can be projected to the intended population.

Reporting Findings

GAGAS Standard	ODCA Policy
7.14 In the audit report, auditors should present sufficient, appropriate evidence to support the findings and conclusions in relation to the audit objectives. If auditors are able to sufficiently develop the elements of a finding, they should provide recommendations for corrective action if they are significant within the context of the audit objectives. However, the extent to which the elements for a finding are developed depends on the audit objectives. Thus, a finding or set of findings is complete to the extent that the auditors address the audit objectives. **7.15** Auditors should describe in their report limitations or uncertainties with the reliability or validity of evidence if (1) the evidence is significant to the findings and conclusions within the context of the audit objectives and (2) such disclosure is necessary to avoid misleading the report users about the findings and conclusions. Auditors should describe the limitations or uncertainties regarding evidence in conjunction with the findings and conclusions, in addition to describing those limitations or uncertainties as part of the objectives, scope, and methodology. Additionally, this description provides report users with a clear understanding regarding how much responsibility the auditors are taking for the information. **7.16** Auditors should place their findings in perspective by describing the nature and extent of the issues being reported and the extent of the work performed that resulted in the finding. To give the reader a basis for	In the audit report, ODCA auditors must present sufficient, appropriate evidence to support the findings and conclusions in relation to the audit objectives. If ODCA auditors are able to sufficiently develop the elements of a finding, they must provide recommendations for corrective action if they are significant within the context of the audit objectives. ODCA auditors must describe in their report limitations or uncertainties with the reliability or validity of evidence if (1) the evidence is significant to the findings and conclusions within the context of the audit objectives and (2) such disclosure is necessary to avoid misleading the report users about the findings and conclusions. ODCA auditors must describe the limitations or uncertainties regarding evidence in conjunction with the findings and conclusions, in addition to describing those limitations or uncertainties as part of the objectives, scope, and methodology. ODCA auditors must place their findings in perspective by describing the nature and extent of the issues being reported and the extent of the work performed that resulted in the finding. To give the reader a basis for judging the prevalence and consequences of these findings, ODCA auditors must, as appropriate, relate the instances identified to the population or the number of cases examined and quantify the results in terms of dollar value, or other measures. If the results cannot be projected, ODCA auditors must limit

judging the prevalence and consequences of these findings, auditors should, as appropriate, relate the instances identified to the population or the number of cases examined and quantify the results in terms of dollar value, or other measures. If the results cannot be projected, auditors should limit their conclusions appropriately. **7.17** Auditors may provide background information to establish the context for the overall message and to help the reader understand the findings and significance of the issues discussed. Appropriate background information may include information on how programs and operations work; the significance of programs and operations (e.g., dollars, impact, purposes, and past audit work, if relevant); a description of the audited entity's responsibilities; and explanation of terms, organizational structure, and the statutory basis for the program and operations. When reporting on the results of their work, auditors should disclose significant facts relevant to the objectives of their work and known to them which, if not disclosed, could mislead knowledgeable users, misrepresent the results, or conceal significant improper or illegal practices. **7.18** Auditors should also report deficiencies in internal control, instances of fraud, noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse that have occurred or are likely to have occurred and are significant within the context of the audit objectives.	their conclusions appropriately. ODCA auditors must provide background information to establish the context for the overall message and to help the reader understand the findings and significance of the issues discussed. When reporting on the results of their work, ODCA auditors must disclose significant facts relevant to the objectives of their work and known to them which, if not disclosed, could mislead knowledgeable users, misrepresent the results, or conceal significant improper or illegal practices. ODCA auditors must also report deficiencies in internal control, instances of fraud, noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse that have occurred or are likely to have occurred and are significant within the context of the audit objectives.

Deficiencies in Internal Control

GAGAS Standard	ODCA Policy
7.19 Auditors should include in the audit report (1) the scope of their work on internal control and (2) any deficiencies in internal control that are significant within the context of the audit objectives and based upon the audit work performed. When auditors detect deficiencies in internal control that are not significant to the objectives of the audit, they may include those deficiencies in the report or communicate those deficiencies in writing to officials of the audited entity unless the deficiencies are inconsequential considering both qualitative and quantitative factors. Auditors should refer to that written communication in the audit report, if the written communication is separate from the audit report. Auditors should document such communications.	ODCA auditors must include in the audit report (1) the scope of their work on internal control and (2) any deficiencies in internal control that are significant within the context of the audit objectives and based upon the audit work performed. When ODCA auditors detect deficiencies in internal control that are not significant to the objectives of the audit, the D.C. Auditor must decide whether to include those deficiencies in the report or communicate those deficiencies in writing to officials of the audited entity. ODCA auditors must refer to that written communication in the audit report, if the written communication is separate from the audit report. ODCA auditors must document such communications.

Fraud, Noncompliance with Provisions of Laws, Regulations, Contracts, and Grant Agreements, and Abuse

GAGAS Standard	ODCA Policy
7.21 When auditors conclude, based on sufficient, appropriate evidence, that fraud, noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse either has occurred or is likely to have occurred which is significant within the context of the audit objectives, they should report the matter as a finding. Whether a particular act is, in fact, fraud or noncompliance with provisions of laws, regulations, contracts or grant agreements may have to await final determination by a court of law or other adjudicative body.	When ODCA auditors conclude, based on sufficient, appropriate evidence, that fraud, noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse either has occurred or is likely to have occurred which is significant within the context of the audit objectives, they must report the matter as a finding. When ODCA auditors detect instances of fraud, noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse that are not significant within the context of the audit objectives but warrant the

| **7.22** When auditors detect instances of fraud, noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse that are not significant within the context of the audit objectives but warrant the attention of those charged with governance, they should communicate those findings in writing to audited entity officials. When auditors detect any instances of fraud, noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse that do not warrant the attention of those charged with governance, the auditors' determination of whether and how to communicate to audited entity officials is a matter of professional judgment. Auditors should document such communications.

7.23 When fraud, noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse either have occurred or are likely to have occurred, auditors may consult with authorities or legal counsel about whether publicly reporting such information would compromise investigative or legal proceedings. Auditors may limit their public reporting to matters that would not compromise those proceedings and, for example, report only on information that is already a part of the public record. | attention of those charged with governance, they must communicate those findings in writing to audited entity officials. When ODCA auditors detect any instances of fraud, noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse that do not warrant the attention of those charged with governance, the D.C. Auditor must decide whether and how to communicate to audited entity officials. ODCA auditors must document such communications.

When fraud, noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse either have occurred or are likely to have occurred, ODCA auditors may consult with authorities or legal counsel about whether publicly reporting such information would compromise investigative or legal proceedings. ODCA auditors may limit their public reporting to matters that would not compromise those proceedings and, for example, report only on information that is already a part of the public record. |

Reporting Findings Directly to Parties Outside the Audited Entity

GAGAS Standard	**ODCA Policy**
7.24 Auditors should report known or likely fraud, noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse directly to parties outside the audited entity in the following two circumstances.	ODCA auditors must report known or likely fraud, noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse directly to parties outside the audited entity in the following two circumstances.

a. When entity management fails to satisfy legal or regulatory requirements to report such information to external parties specified in law or regulation, auditors should first communicate the failure to report such information to those charged with governance. If the audited entity still does not report this information to the specified external parties as soon as practicable after the auditors' communication with those charged with governance, then the auditors should report the information directly to the specified external parties. **b.** When entity management fails to take timely and appropriate steps to respond to known or likely fraud, noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse that (1) is significant to the findings and conclusions and (2) involves funding received directly or indirectly from a government agency, auditors should first report management's failure to take timely and appropriate steps to those charged with governance. If the audited entity still does not take timely and appropriate steps as soon as practicable after the auditors' communication with those charged with governance, then the auditors should report the entity's failure to take timely and appropriate steps directly to the funding agency. **7.25** The reporting in paragraph 7.24 is in addition to any legal requirements for the auditor to report such information directly to parties outside the audited entity. Auditors should comply with these requirements even if they have resigned or been dismissed from the audit prior to its completion. Internal audit	• When entity management fails to satisfy legal or regulatory requirements to report such information to external parties specified in law or regulation, ODCA auditors must first communicate the failure to report such information to those charged with governance. If the audited entity still does not report this information to the specified external parties as soon as practicable after the ODCA auditors' communication with those charged with governance, then ODCA auditors must report the information directly to the specified external parties. • When entity management fails to take timely and appropriate steps to respond to known or likely fraud, noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse that (1) is significant to the findings and conclusions and (2) involves funding received directly or indirectly from a government agency, ODCA auditors must first report management's failure to take timely and appropriate steps to those charged with governance. If the audited entity still does not take timely and appropriate steps as soon as practicable after the ODCA auditors' communication with those charged with governance, then ODCA auditors must report the entity's failure to take timely and appropriate steps directly to the funding agency. ODCA auditors must comply with these requirements even if they have resigned or been dismissed from the audit prior to its completion. ODCA auditors must obtain sufficient,

GAGAS Standard	ODCA Policy
organizations do not have a duty to report outside the audited entity unless required by law, rule, regulation, or policy. **7.26** Auditors should obtain sufficient, appropriate evidence, such as confirmation from outside parties, to corroborate assertions by management of the audited entity that it has reported such findings in accordance with laws, regulations, or funding agreements. When auditors are unable to do so, they should report such information directly as discussed in paragraph 7.24 and 7.25.	appropriate evidence, such as confirmation from outside parties, to corroborate assertions by management of the audited entity that it has reported such findings in accordance with laws, regulations, or funding agreements. When ODCA auditors are unable to do so, they must report such information directly as discussed in paragraph 7.24 and 7.25.

Conclusions

GAGAS Standard	ODCA Policy
7.27 Auditors should report conclusions based on the audit objectives and the audit findings. Report conclusions are logical inferences about the program based on the auditors' findings, not merely a summary of the findings. The strength of the auditors' conclusions depends on the sufficiency and appropriateness of the evidence supporting the findings and the soundness of the logic used to formulate the conclusions. Conclusions are more compelling if they lead to the auditors' recommendations and convince the knowledgeable user of the report that action is necessary.	ODCA auditors must report conclusions based on the audit objectives and the audit findings.

Recommendations

GAGAS Standard	ODCA Policy
7.28 Auditors should recommend actions to correct deficiencies and other findings identified during the audit and to improve programs and operations when the potential	ODCA auditors must recommend actions to correct deficiencies and other findings identified during the audit and to improve programs and operations when the potential

for improvement in programs, operations, and performance is substantiated by the reported findings and conclusions. Auditors should make recommendations that flow logically from the findings and conclusions, are directed at resolving the cause of identified deficiencies and findings, and clearly state the actions recommended. **7.29** Effective recommendations encourage improvements in the conduct of government programs and operations. Recommendations are effective when they are addressed to parties that have the authority to act and when the recommended actions are specific, practical, cost effective, and measurable.	for improvement in programs, operations, and performance is substantiated by the reported findings and conclusions. ODCA auditors must make recommendations that flow logically from the findings and conclusions, are directed at resolving the cause of identified deficiencies and findings, and clearly state the actions recommended. ODCA auditors must make recommendations that are addressed to parties that have the authority to act and that are specific, practical, cost effective, and measurable. When formulating recommendations in TeamMate, ODCA auditors should refer to the Recommendation Preparation procedure found in Appendix A-6. Additionally, ODCA auditors must follow up on recommendations to determine if they have been implemented by audited entities. The Recommendation Follow Up procedure details ODCA's process for monitoring the status of recommendations and is found in Appendix A-7.

Reporting Auditors' Compliance with GAGAS

GAGAS Standard	ODCA Policy
7.30 When auditors comply with all applicable GAGAS requirements, they should use the following language, which represents an unmodified GAGAS compliance statement, in the audit report to indicate that they performed the audit in accordance with GAGAS. We conducted this performance audit in accordance with generally accepted	When conducting performance audits in compliance with GAGAS, ODCA auditors must include the following unmodified compliance statement in the audit report: We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate

government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. **7.31** When auditors do not comply with all applicable GAGAS requirements, they should include a modified GAGAS compliance statement in the audit report. For performance audits, auditors should use a statement that includes either (1) the language in 7.30, modified to indicate the requirements that were not followed or (2) language that the auditor did not follow GAGAS.	evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. ODCA auditors should rarely, if ever, use a modified compliance statement in an audit report. However, if ODCA auditors find it necessary to use a modified compliance statement in an audit report, they must: • State either that (1) the auditor performed the audit in accordance with GAGAS, except for specific applicable requirements that were not followed, or (2) because of the significance of the departure(s) from the requirements, the auditor was unable to and did not perform the audit in accordance with GAGAS; and • Disclose in the report the applicable requirement(s) not followed, the reasons for not following the requirement(s), and how not following the requirement(s) affected, or could have affected, the audit and the assurance provided.

Reporting Views of Responsible Officials

GAGAS Standard	ODCA Policy
7.32 Auditors should obtain and report the views of responsible officials of the audited entity concerning the findings, conclusions, and recommendations included in the audit report, as well as any planned corrective actions. **7.34** When auditors receive written comments from the responsible officials, they should	ODCA auditors must obtain and report the views of responsible officials of the audited entity concerning the findings, conclusions, and recommendations included in the audit report, as well as any planned corrective actions. When ODCA auditors receive written comments from the responsible officials, they

include in their report a copy of the officials' written comments, or a summary of the comments received. When the responsible officials provide oral comments only, auditors should prepare a summary of the oral comments and provide a copy of the summary to the responsible officials to verify that the comments are accurately stated.

7.35 Auditors should also include in the report an evaluation of the comments, as appropriate. In cases in which the audited entity provides technical comments in addition to its written or oral comments on the report, auditors may disclose in the report that such comments were received.

7.37 When the audited entity's comments are inconsistent or in conflict with the findings, conclusions, or recommendations in the draft report, or when planned corrective actions do not adequately address the auditors' recommendations, the auditors should evaluate the validity of the audited entity's comments. If the auditors disagree with the comments, they should explain in the report their reasons for disagreement. Conversely, the auditors should modify their report as necessary if they find the comments valid and supported with sufficient, appropriate evidence.

7.38 If the audited entity refuses to provide comments or is unable to provide comments within a reasonable period of time, the auditors may issue the report without receiving comments from the audited entity. In such cases, the auditors should indicate in the report that the audited entity did not provide comments.

must include in their report a copy of the officials' written comments.

ODCA auditors must not accept oral comments from responsible officials.

ODCA auditors must also include in the report an evaluation of the comments, as appropriate. In cases in which the audited entity provides technical comments in addition to its written comments on the report, ODCA auditors may disclose in the report that such comments were received.

When the audited entity's comments are inconsistent or in conflict with the findings, conclusions, or recommendations in the draft report, or when planned corrective actions do not adequately address the ODCA auditors' recommendations, ODCA auditors must evaluate the validity of the audited entity's comments. If ODCA auditors disagree with the comments, they must explain in the report their reasons for disagreement. Conversely, ODCA auditors must modify their report as necessary if they find the comments valid and supported with sufficient, appropriate evidence.

If the audited entity refuses to provide comments or is unable to provide comments within a reasonable period of time, ODCA auditors may issue the report without receiving comments from the audited entity. In such cases, ODCA auditors must indicate in the report that the audited entity did not provide comments.

Reporting Confidential and Sensitive Information

GAGAS Standard	ODCA Policy
7.39 If certain pertinent information is prohibited from public disclosure or is excluded from a report due to the confidential or sensitive nature of the information, auditors should disclose in the report that certain information has been omitted and the reason or other circumstances that make the omission necessary.	If certain pertinent information is prohibited from public disclosure or is excluded from a report due to the confidential or sensitive nature of the information, ODCA auditors must disclose in the report that certain information has been omitted and the reason or other circumstances that make the omission necessary.
7.40 Certain information may be classified or may be otherwise prohibited from general disclosure by federal, state, or local laws or regulations. In such circumstances, auditors may issue a separate, classified or limited use report containing such information and distribute the report only to persons authorized by law or regulation to receive it.	Certain information may be classified or may be otherwise prohibited from general disclosure by federal, state, or local laws or regulations. In such circumstances, the D.C. Auditor must decide whether it is appropriate to issue a separate, classified or limited use report containing such information and distribute the report only to persons authorized by law or regulation to receive it.
7.41 Additional circumstances associated with public safety, privacy, or security concerns could also justify the exclusion of certain information from a publicly available or widely distributed report. In such circumstances, auditors may issue a limited use report containing such information and distribute the report only to those parties responsible for acting on the auditors' recommendations. In some instances, it may be appropriate to issue both a publicly available report with the sensitive information excluded and a limited use report. The auditors may consult with legal counsel regarding any requirements or other circumstances that may necessitate the omission of certain information.	Additional circumstances associated with public safety, privacy, or security concerns could also justify the exclusion of certain information from a publicly available or widely distributed report. In such circumstances, the D.C. Auditor must decide whether it is appropriate to issue a limited use report containing such information and distribute the report only to those parties responsible for acting on the ODCA auditors' recommendations. In some instances, it may be appropriate to issue both a publicly available report with the sensitive information excluded and a limited use report. The D.C. Auditor may consult with the ODCA General Counsel or outside legal counsel regarding any requirements or other circumstances that may necessitate the omission of certain
7.42 When circumstances call for omission of certain information, auditors should evaluate	

whether this omission could distort the audit results or conceal improper or illegal practices.	information.
7.43 When audit organizations are subject to public records laws, auditors should determine whether public records laws could impact the availability of classified or limited use reports and determine whether other means of communicating with management and those charged with governance would be more appropriate. For example, the auditors may communicate general information in a written report and communicate detailed information orally. The auditor may consult with legal counsel regarding applicable public records laws.	When circumstances call for omission of certain information, ODCA auditors must evaluate whether this omission could distort the audit results or conceal improper or illegal practices. ODCA auditors must determine whether public records laws could impact the availability of classified or limited use reports and determine whether other means of communicating with management and those charged with governance would be more appropriate. The D.C. Auditor may consult with the ODCA General Counsel or outside legal counsel regarding applicable public records laws.

C. Distributing Reports

GAGAS Standard	ODCA Policy
7.44 Auditors should document any limitation on report distribution. **a.** Audit organizations in government entities should distribute audit reports to those charged with governance, to the appropriate audited entity officials, and to the appropriate oversight bodies or organizations requiring or arranging for the audits. As appropriate, auditors should also distribute copies of the reports to other officials who have legal oversight authority or who may be responsible for acting on audit findings and recommendations, and to others authorized to receive such reports.	ODCA auditors must document any limitation on report distribution. ODCA auditors must distribute audit reports to those charged with governance, to the appropriate audited entity officials, and to the appropriate oversight bodies or organizations requiring or arranging for the audits. As appropriate, ODCA auditors must also distribute copies of the reports to other officials who have legal oversight authority or who may be responsible for acting on audit findings and recommendations, and to others authorized to receive such reports. This includes, but is not limited to: • Leadership of the audited entity • Each D.C. Councilmember

	- Officers of the D.C. Council (Secretary, General Counsel, Budget Director) - The D.C. Council Committee of the Whole Staff Director - The D.C. Mayor - The D.C. City Administrator - The D.C. Inspector General - The D.C. Attorney General - The D.C. Chief Financial Officer - The D.C. Director of the Office of Risk Management - The D.C. Archivist - The D.C. Collections Librarian - The Comptroller General of the United States - Members of the U.S. Congress as may be appropriate given the subject of the audit

APPENDIX A

Appendix A-1: Performance Audit Procedures

Every ODCA performance audit consists of 4 phases: planning, survey, field work, and reporting. This appendix outlines the specific procedures for each of those phases. The structure of this appendix corresponds to the structure of the ODCA performance audit template in TeamMate.

Every survey and field work phase workpaper in a performance audit must contain the following elements:
- **Source:** states the source of the information contained in the workpaper
- **Purpose:** states the objective of the workpaper, which should either relate to a GAGAS requirement or an audit objective
- **Conclusion:** briefly summarizes the information contained in the workpaper and addresses how the information serves the purpose of the workpaper
- **Methodology**: in testing workpapers only, describes the process used to conduct the analysis

Program evaluations and data compilation projects use the performance audit procedures as a starting point; for these projects, ODCA auditors may choose to eliminate procedures or add additional procedures as appropriate, with the approval of the Audit Supervisor.

Planning

	Procedure	Details	Resulting Workpapers
1	Conduct Preliminary Research on the Program	ODCA auditors must conduct preliminary research to get a basic understanding of the program planned for audit and the current environment facing the program and the agency. This research will likely take the form of internet searches including publicly available government documents and preliminary discussions with knowledgeable stakeholders.	Possible workpapers: • Workpapers containing information obtained from: the program website; newspaper articles; legislation, regulations, and/or Mayor's orders; D.C. Council testimony and performance oversight responses, committee reports, and/or studies; similar programs in other jurisdictions; audit reports on similar programs in other jurisdictions (obtained through internet research and searches on audit websites such as ALGA); etc.
2	Conduct Planning and Scoping Meeting	During the Planning and Scoping Meeting, the audit team meets with senior staff[1] and determines: • The origin of the audit • The audit team, including internal and/or external specialists • The type of audit • Background information on the audit • The preliminary audit objectives • The preliminary audit scope • The preliminary audit timeline • Goals and potential impact of the audit • The date that all independence statements and the competence statements will be completed • The target audience for the report • Current events/sensitivities surrounding the audit • If there is a need to deviate from GAGAS presumptively mandatory requirements	Required workpapers: • Planning and Scoping Meeting Workpaper that details the reason for the audit, audit team, type of audit, preliminary audit objectives, preliminary audit scope, and preliminary audit timeline Possible workpapers: • Planning and Scoping Meeting notes • Memo or email initiating and/or assigning the audit • Description of any departures from GAGAS presumptively mandated requirements, including approval from the D.C. Auditor, alternate procedures, justification, etc. • Letter from Councilmember requesting the audit

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[1] Senior staff includes the D.C. Auditor, Deputy Auditor, Assistant Deputy Auditor, Director of Program Evaluation, General Counsel, Chief of Staff, and Communications Director.

Planning

	Procedure	Details	Resulting Workpapers
3	If Necessary, Complete Nonaudit Workpaper	If the project is not a GAGAS audit, the AIC must complete the Nonaudit Workpaper. The start date indicated in the Nonaudit Workpaper will serve as the formal start date of the project for purposes of the ODCA KPI related to project duration.	Required workpaper (for nonaudits only): • Nonaudit Workpaper

Planning

	Procedure	Details	Resulting Workpapers
4	Assess Independence (Required for all projects)	The first assessment of independence occurs during the planning phase and involves the completion of Independence Statements and, if applicable, the documentation of the development and implementation of safeguards in response to identified threats to independence. The following three procedures must be completed for every performance audit: • The D.C. Auditor, Deputy Auditor, Assistant Deputy Auditor, Director of Program Evaluation, General Counsel, Audit Supervisor, Auditor-in-Charge, and/or all audit team members must prepare (🟢) Independence Statements within **5 business days** of the Planning and Scoping Meeting. • The Audit Supervisor must review (🔲) the Independence Statements of the D.C. Auditor, Auditor-in-Charge, and all audit team members in TeamMate within **10 business days** of the Planning and Scoping Meeting. The D.C. Auditor or designee must review (🔲) the Independence Statements of the Deputy Auditor, Assistant Deputy Auditor, Director of Program Evaluation, General Counsel, and/or Audit Supervisor within **10 business days** of the Planning and Scoping Meeting. • The D.C. Auditor or designee must review (🔲) the Assess Independence procedure step in TeamMate. Completion of this task indicates that the D.C. Auditor has evaluated threats to independence both individually and in the aggregate.	Required workpapers: • Fully reviewed Independence Statements for the D.C. Auditor, Deputy Auditor, Assistant Deputy Auditor, Director of Program Evaluation, General Counsel, Audit Supervisor, Auditor-in-Charge, and/or audit team members Possible workpapers: • Documentation of the application of the GAGAS Conceptual Framework for Independence (See Appendix II of GAGAS) • Documentation of the development and implementation of safeguards in response to identified threats to independence deemed to be significant

Planning

	Procedure	Details	Resulting Workpapers
5	Assess Competence (Required for all projects)	The Audit Supervisor must assess the competence of all audit team members, including external and/or internal specialists. The following two procedures must be completed for every performance audit: • The Audit Supervisor must prepare ( ) the Competence Statement in TeamMate within **5 business days** of the Planning and Scoping Meeting. • The D.C. Auditor or designee must review ( ) the form in TeamMate within **10 business days** of the Planning and Scoping Meeting. If a team member is later added to the audit, the Audit Supervisor must update the original Competence Statement or complete an additional Competence Statement for the added team member.	Required workpapers: • Fully reviewed Competence Statement for the Auditor-in-Charge and audit team members Possible workpapers: • Documentation of qualifications and competencies of external and/or internal specialists who are working on the audit
6	Develop Preliminary Audit Plan	The audit team must meet to discuss the expected timeline for the planning and survey phases of the audit. All team members are expected to discuss the expectations for each procedure and participate in the establishment of project milestones. The Auditor-in-Charge must prepare ( ) the planning and survey sections of the audit plan in TeamMate at the outset of the audit and the Audit Supervisor must review ( ) the planning and survey sections of the audit plan in TeamMate prior to the start of the survey phase.	Required workpapers: • Fully reviewed Audit Plan with finalized planning and survey sections

Planning

	Procedure	Details	Resulting Workpapers
7	Develop and Issue Engagement Letter	The D.C. Auditor must communicate an overview of the objectives, scope, and methodology, and the timing of the performance audit and planned reporting (including any potential restrictions on the report) with management of the audited entity in the Engagement Letter. The date on the engagement letter will serve as the formal start date of the project for purposes of the ODCA KPI related to project duration.	Required workpapers: • Fully reviewed Engagement Letter
8	Conduct Entrance Conference	The Entrance Conference sets the tone for the audit to follow. The tone should be one of openness, candor, cooperation, and professionalism. It also provides an opportunity for key management personnel to meet the audit team.	Required workpapers: • Fully reviewed Entrance Conference Agenda • Fully Reviewed Entrance Conference Meeting Notes • Entrance Conference Sign In Sheet

Survey

	Procedure	Details	Resulting Workpapers
1	Gather Information on the Nature and Profile of the Program and the Needs of Potential Users of the Audit Report	During the survey phase, ODCA auditors must obtain an understanding of the nature of the program or program component under audit and the potential use that will be made of the audit results or report. Specifically, ODCA auditors must consider: • the program's purpose, strategic plan, and objectives/goals • the age of the program and changes in program leadership and program conditions • the size of the program in terms of total dollars, number of citizens affected, or other measures • the visibility, sensitivity, and general risks associated with the program • the level and extent of review or other forms of independent oversight of the program • external factors or conditions that could directly affect the program • program inputs, outputs, and outcomes • provisions of laws, regulations, contracts, and grant agreements that impact the program • who may have an interest in the audit results, what influence those people have over the program, and what actions those people may take as a result of the audit report	Required workpaper: • Standard workpaper(s) detailing the information gathered that addresses each consideration

Survey

	Procedure	Details	Resulting Workpapers
2	Identify Ongoing Investigations and Legal Proceedings Related to the Program	ODCA auditors must identify any ongoing investigations and legal proceedings that impact the current audit. The General Counsel must draft a formal letter to the agency under audit requesting information on ongoing investigations and legal proceedings. The audit team should also inquire about ongoing investigations and legal proceedings during interviews. If any ongoing investigations and legal proceedings are identified, ODCA auditors must evaluate the impact that they have on the current audit and ensure that the work of ODCA does not interfere.	Required workpapers: • Letter to agency under audit requesting information on ongoing investigations and legal proceedings • Response from agency (if available) Possible workpapers: • Workpaper(s) detailing the impact that ongoing investigations and legal proceedings have on the current audit and procedures for avoiding interference
3	Identify Previous Audits and Attestation Engagements Related to the Program	ODCA auditors must identify previous audits and attestations engagements related to the current engagement. If audits or attestation engagements are identified, ODCA auditors must evaluate whether the audited entity has taken appropriate corrective action to address previous findings and recommendations.	Required workpapers: • Standard workpaper detailing previous audits and attestations engagements related to the current engagement
4	Document the Program's Processes	ODCA auditors must obtain an understanding of the operations of the program under audit by documenting the processes that program personnel use to perform their work.	Required workpaper: • Workpaper(s) detailing the operations of the audited program, ideally in the form of flowcharts or process diagrams
5	Assess Risks Facing the Program, Including Risk of Fraud, Abuse, and Noncompliance with Laws, Regulations, Contracts, and Grant Agreements	ODCA auditors must assess the risks facing the program under audit. In addition to assessing general risks, ODCA auditors must assess the risk that fraud, abuse, and noncompliance with provisions of laws, regulations, contracts, and grant agreements could occur. ODCA auditors must evaluate risks in terms of their impact and likelihood, and identify those that have the greatest significance to the program.	Required workpapers: • Standard workpaper detailing the risk assessment

Survey

	Procedure	Details	Resulting Workpapers
6	Assess the Program's Internal Controls, Including Information Systems Controls	ODCA auditors must obtain an understanding of the internal controls that the agency has or does not have to address the significant risks of the program under audit. If the program under audit relies heavily on information systems, ODCA auditors must also obtain an understanding of the information systems controls that are or are not in place to mitigate risks. Information systems controls include general controls, application controls, and user controls.	Required workpapers: • Internal Control Evaluation Tool Possible workpaper: • Information System Internal Control Evaluation Tool
7	Conduct Team Meeting to Discuss Preliminary Objectives and Field Work Procedures	The Audit Supervisor, Auditor-in-Charge, and audit team members must meet to determine what changes, if any, are needed to the preliminary objectives of the audit as announced in the engagement letter. The team should review the results of the previous steps in the survey phase and come to agreement on the preliminary objectives before proceeding to the next survey steps. This meeting should also include discussion of preliminary field work procedures designed to detect the impact of risks and associated breakdowns in internal control, such as fraud, abuse, and noncompliance.	Required workpapers: • Meeting notes that identify preliminary objectives and field work procedures to detect the impact of breakdowns in internal control
8	Identify Criteria	ODCA auditors, with assistance from the ODCA General Counsel, must identify criteria that are relevant to the audit objectives and permit consistent assessment of the subject matter. If the audit team identifies legal or regulatory criteria, the General Counsel must review the criteria for completeness and accuracy.	Required workpapers: • Standard workpaper detailing the criteria for each audit objective
9	Identify Sources of Evidence	ODCA auditors must identify all potential sources of information relevant to the preliminary objectives that could be used as evidence. ODCA auditors must determine the amount and type of evidence needed to obtain sufficient, appropriate evidence to address the audit objectives and adequately plan audit field work.	Required workpapers: • Standard workpaper detailing the source of evidence and the amount and type of evidence needed for each audit objective

Survey

	Procedure	Details	Resulting Workpapers
10	Assess the Reliability of Data Systems (if appropriate)	ODCA auditors must assess the sufficiency and appropriateness of data systems, both electronic and manual, that will be used to meet the objectives of the audit, regardless of whether this information is provided to auditors or auditors independently extract it.	Required workpapers: • Fully reviewed Data Reliability Assessment Workpaper for each audit objective
11	Develop Audit Plan	The audit team must meet to discuss the expected timeline for the field work and reporting phases of the audit. All team members are expected to discuss the expectations for each procedure and participate in the establishment of project milestones. The Auditor-in-Charge must prepare (●) the field work and reporting sections in TeamMate during the survey phase and the Audit Supervisor must review (▢) the field work and reporting sections in TeamMate prior to the start of the field work phase.	Required workpapers: • Fully reviewed Audit Plan
12	Complete Audit Risk Assessment Workpaper	ODCA auditors must assess audit risk and determine whether identified risks represent a risk to the findings, conclusions, or recommendations of the audit.	Required workpapers: • Fully reviewed Audit Risk Assessment Workpaper Possible workpapers: • Documentation of identified audit risks
13	Conduct Survey Debrief	The Audit Supervisor and/or Auditor-in-Charge must present to senior staff: • an overview of the information gathered and analyses performed during the survey phase • any proposed updates to audit objectives • any updates to the audit timeline • planned field work procedure steps The survey debrief is open to all staff.	Required workpapers: • Survey Debrief • Survey Debrief Meeting Notes

Survey

	Procedure	Details	Resulting Workpapers
14	Notify Audited Entity of Audit Objective and Scope Changes, if Necessary	ODCA auditors must communicate any changes to the preliminary objectives of the audit as announced in the engagement letter to those charged with governance and/or management of the audited entity within **15 business days** of the survey debrief. This communication may take the form of a letter or e-mail.	Possible workpapers: • Evidence of communication about changes to audit objectives and/or scope

Field Work

	Procedure	Details	Resulting Workpapers
1	Conduct Field Work	Complete the steps detailed in the Audit Plan to meet the objectives of the audit and detect the impact of breakdowns in internal control.	Required workpapers: • Workpapers that detail the field work undertaken to meet the objectives of the audit and detect the impact of breakdowns in internal control
2	Reassess Independence	The second assessment of independence occurs at the end of the field work phase and, if necessary, involves documentation of the development and implementation of safeguards in response to identified threats to independence.	Possible workpapers: • Documentation of the development and implementation of safeguards in response to identified threats to independence
3	Conduct Overall Assessment of Evidence	ODCA auditors must perform and document an overall assessment of evidence used to support findings and conclusions, including the use of any specific assessments conducted to conclude on the validity and reliability of specific evidence.	Required workpapers: • Fully reviewed Overall Assessment of Evidence workpaper
4	Conduct Field Work Debrief	The Audit Supervisor and/or Auditor-in-Charge must present preliminary findings and recommendations to senior staff. The field work debrief is open to all staff.	Required workpapers: • Fully reviewed Overall Assessment of Evidence workpaper • Field Work Debrief Meeting Notes
5	Conduct Closeout Meeting with Agency Officials	The Audit Supervisor and/or Auditor-in-Charge must present preliminary findings and recommendations to the audited entity. This is also an opportunity for the audit team to obtain buy-in from the audited entity on proposed recommendations and establish a preliminary timeline for implementation.	Required workpapers: • Closeout Meeting Agenda • Closeout Meeting Notes • Closeout Meeting Sign In Sheet

Reporting

	Procedure	Details	Resulting Workpapers
1	Complete Audit Risk Assessment Workpaper	The Auditor-in-Charge must assess audit risk and determine whether identified risks represent a risk to the findings, conclusions, or recommendations of the audit. The Auditor-in-Charge may hyperlink to the previous Audit Risk Assessment Workpaper if there are no changes since the first audit risk assessment during the survey phase.	Required workpapers: • Fully reviewed Audit Risk Assessment Workpaper Possible workpapers: • Documentation of identified audit risks
2	Develop and Cross-Reference Draft Report	The draft report must incorporate all required sections as detailed in the audit policies. The Auditor-in-Charge must fully cross-reference the report prior to review by the Audit Supervisor.	Required workpapers: • 1st draft of cross-referenced report using the standard ODCA draft report template
3	Submit Draft Report to the Audit Supervisor for Review	The Audit Supervisor must review the draft report. The Auditor-in-Charge must address the comments of the Audit Supervisor in the draft report.	Possible workpapers: • Audit Supervisor comments • 2nd draft of cross-referenced report addressing Audit Supervisor comments
4	Complete Independent Reference and Review (IRR)	The independent reviewer ensures that the audit report is factually accurate and adequately supported by audit documentation.	Required workpapers: • IRR Sheet Possible workpapers: • 3rd draft of cross-referenced report addressing IRR comments
5	Submit Draft Report to the General Counsel for Review	The General Counsel must review the draft o report. The Auditor-in-Charge must address the comments of the General Counsel in the draft report.	Possible workpapers: • General Counsel comments • 4th draft of cross-referenced report addressing General Counsel comments

Reporting

	Procedure	Details	Resulting Workpapers
6	Submit Draft Report to the Deputy Auditor, Assistant Deputy Auditor, or Director of Program Evaluation for Review	The Deputy Auditor, Assistant Deputy Auditor, or Director of Program Evaluation must review the draft report. The Auditor-in-Charge must address the comments of the Deputy Auditor, Assistant Deputy Auditor, or Director of Program Evaluation in the draft report.	Possible workpapers: • Deputy Auditor, Assistant Deputy Auditor, or Director of Program Evaluation comments • 5th draft of cross-referenced report addressing Deputy Auditor, Assistant Deputy Auditor, and/or Director of Program Evaluation comments
7	Submit Draft Report to the D.C. Auditor for Review	The D.C. Auditor must review the draft report. The Auditor-in-Charge must address the comments of the D.C. Auditor in the draft report.	Possible workpapers: • D.C. Auditor comments • 6th draft of the report addressing D.C. Auditor comments
8	Submit Draft Report to the Communications Director for Review	The Communications Director must review the draft report, format the report, and add the cover letter to the report. The Audit Supervisor and Auditor-in-Charge must review the changes made by the Communications Director prior to issuance to the audited entity.	Required workpapers: • 7th draft of the report that incorporates the Communications Director's edits
9	Issue Draft Report for Agency Comment	The draft report must be issued to the audited entity for comment. The Communications Director distributes the draft report via email. The Communications Director may also forward the report to the Receptionist, who is responsible for binding and packaging the report for hand delivery and/or mail distribution, if necessary. Agency management generally has **3 weeks** to comment on the draft.	Required workpapers: • Draft report that was issued to the audited entity
10	Conduct Exit Conference (if requested)	If requested by agency management, the Auditor-in-Charge, Audit Supervisor, and/or D.C. Auditor must meet with agency management to discuss their comments on the draft.	Possible workpapers: • Exit Conference Presentation/Agenda (prepared by audited entity) • Exit Conference Meeting Notes • Exit Conference Sign In Sheet

Reporting

	Procedure	Details	Resulting Workpapers
11	Incorporate Additional Sections into Final Report and Cross-Reference Workpapers to Changes to the Existing Sections	If agency management provides comments on the draft, ODCA auditors must revise the report to reflect any necessary changes. The final report must incorporate all required sections as detailed in the audit policies, which can include the Introductory Letter, One-Page Summary, Table of Contents, Audit Results or Recommendation Summary, Conclusion, Agency Comments, and Auditor's Response to Agency Comments. The Auditor-in-Charge must cross-reference workpapers to any sections that have undergone change since the draft report was issued.	Required workpapers: • 1st draft of final report with cross-references in all updated sections Possible workpapers: • Agency comments
12	Submit Final Report to the Audit Supervisor for Review	The Audit Supervisor must review the final report. The Auditor-in-Charge must address the comments of the Audit Supervisor in the final report.	Possible workpapers: • Audit Supervisor comments • 2nd draft of cross-referenced final report addressing Audit Supervisor comments
13	Submit Final Report for IRR if there are any Significant Changes since the Last IRR	If there are significant changes to the report since it was first Independently Referenced and Reviewed, the updated sections of the report must undergo a second review.	Possible workpapers: • 2nd IRR Sheet
14	Submit Final Report to the General Counsel for Review	The General Counsel must review the final report if there are changes that impact legal references or other legal information. The Auditor-in-Charge must address the comments of the General Counsel in the final report.	Possible workpapers: • General Counsel comments • 3rd draft of cross-referenced final report addressing General Counsel comments
15	Submit Final Report to the Deputy Auditor, Assistant Deputy Auditor, or Director of Program Evaluation for Review	The Deputy Auditor, Assistant Deputy Auditor, or Director of Program Evaluation must review the final report. The Auditor-in-Charge must address the comments of the Deputy Auditor, Assistant Deputy Auditor, or Director of Program Evaluation in the final report.	Possible workpapers: • Deputy Auditor, Assistant Deputy Auditor, or Director of Program Evaluation comments • 4th draft of cross-referenced final report addressing Deputy Auditor, Assistant Deputy Auditor, or Director of Program Evaluation comments

Reporting

	Procedure	Details	Resulting Workpapers
16	Submit Final Report to the D.C. Auditor for Review	The D.C. Auditor must review the final report. The Auditor-in-Charge must address the comments of the D.C. Auditor in the final report.	Possible workpapers: • D.C. Auditor comments • 5th draft of final report addressing D.C. Auditor comments
17	Submit Final Report to the Communications Director for Review	The Communications Director must review the final report, format the report, add the recommendation response form, and add any other relevant sections, if necessary. The Audit Supervisor and Auditor-in-Charge must review the changes made by the Communications Director prior to publication.	Possible workpapers: • 6th draft of the report that incorporates the Communications Director's edits
18	Provide the Final Report to Every Audit Team Member for Sign-Off	Each audit team member must read the final report to ensure that it accurately represents the work that they performed and conclusions that they drew during the audit. Generally, this process should not include an editorial review. The D.C. Auditor, Audit Supervisor, and Auditor-in-Charge must approve any suggested changes to the report made by an audit team member.	Possible workpapers: • Audit team comments • 7th draft of final report addressing audit team comments
19	Issue Final Report	The final report must be issued to the audited entities, Council members, members of Congress, executive branch officials, and any other recipients as the D.C. Auditor may require. The Communications Director distributes the report via email. The Communications Director may also forward the report to the Receptionist, who is responsible for binding and packaging the report for hand delivery and/or mail distribution, if necessary.	Required workpapers: • Final published report

Reporting

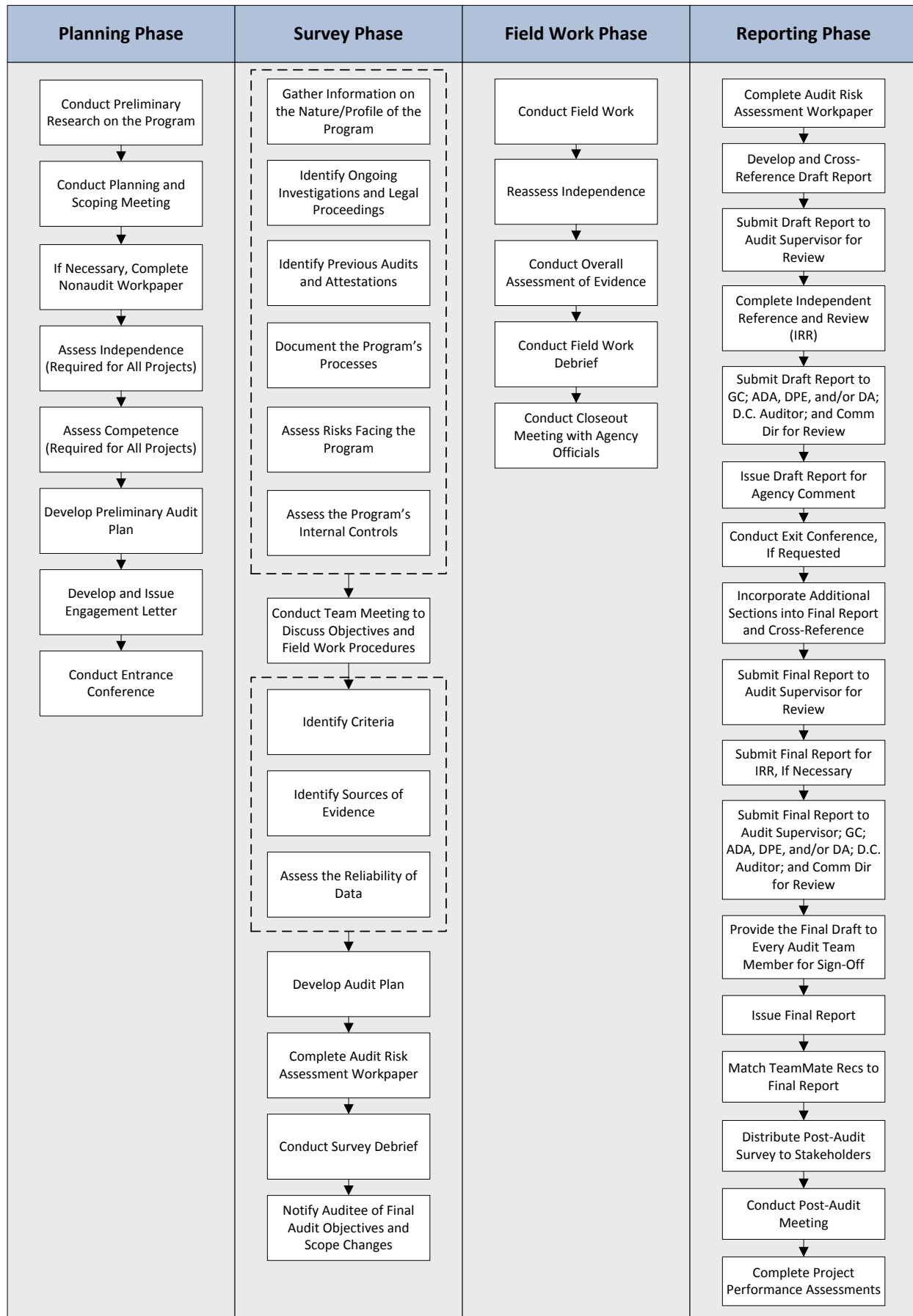|	Procedure	Details	Resulting Workpapers
20	Match TeamMate Recommendations to Final Report	In order to track recommendation implementation in TeamCentral, every recommendation in TeamMate must match every recommendation in the final audit report word-for-word. Additionally, for each recommendation, ODCA auditors must follow the steps outlined in Appendix A-7: Recommendation Preparation Procedure.	

Reporting

	Procedure	Details	Resulting Workpapers
21	Distribute Post-Audit Survey to Stakeholders	The audit team must coordinate with the Communications Director to distribute a survey to relevant stakeholders to solicit their feedback regarding what we did well during the audit and what we could improve. The audit team must provide the names and email addresses of the targeted survey recipients to the Communications Director no later than five business days after the release of the audit report. Survey recipients should include auditees, stakeholders (parties who had interest or involvement in the audit, such as other agencies who provided information, contractors, NGOs, Council staff, ANCs, and citizen groups, etc.) and other relevant parties. The Communications Director must email the post-audit survey no later than two weeks after issuing the audit report. Email communication that accompanies the survey shall clearly indicate the survey period (start and end dates). The survey period should be 10 business days. The Communications Director must send a reminder email to all survey recipients approximately one week after sending the original email. The Communications Director must extract survey response data in Excel format and send it to the Audit Supervisor within five business days of the closing of the survey period. The audit team must add the survey response data to the corresponding TeamMate file as an attached work paper. The Audit Supervisor must provide the other audit team members with the survey results for review and identification of comments for discussion at the post-audit meeting.	Required workpaper: • Workpaper(s) detailing the stakeholders surveyed, the survey questions, and the results of the survey

Reporting

	Procedure	Details	Resulting Workpapers
22	Conduct Post-Audit Meeting	Within 2 weeks of the end of the post-audit survey period, senior staff and the audit team must meet to discuss the audit to identify what we did well and what we could improve. The audit team must present the results of the post-audit survey to help identify lessons learned and best practices. The post-audit meeting is open to all staff.	Required workpapers: • Post-audit meeting agenda • Post-audit meeting notes
23	Complete Project Performance Assessments	The Audit Supervisor must complete a Project Performance Assessment for the Auditor-in-Charge and the Auditor-in-Charge must complete Project Performance Assessments for every member of the audit team.	Required documents: • Signed Project Performance Assessments for every member of the audit team (Do NOT upload assessments to TeamMate)

Appendix A-2: Performance Audit Flowchart

Planning Phase	Survey Phase	Field Work Phase	Reporting Phase
Conduct Preliminary Research on the Program	Gather Information on the Nature/Profile of the Program	Conduct Field Work	Complete Audit Risk Assessment Workpaper
Conduct Planning and Scoping Meeting	Identify Ongoing Investigations and Legal Proceedings	Reassess Independence	Develop and Cross-Reference Draft Report
If Necessary, Complete Nonaudit Workpaper	Identify Previous Audits and Attestations	Conduct Overall Assessment of Evidence	Submit Draft Report to Audit Supervisor for Review
Assess Independence (Required for All Projects)	Document the Program's Processes	Conduct Field Work Debrief	Complete Independent Reference and Review (IRR)
Assess Competence (Required for All Projects)	Assess Risks Facing the Program	Conduct Closeout Meeting with Agency Officials	Submit Draft Report to GC; ADA, DPE, and/or DA; D.C. Auditor; and Comm Dir for Review
Develop Preliminary Audit Plan	Assess the Program's Internal Controls		Issue Draft Report for Agency Comment
Develop and Issue Engagement Letter	Conduct Team Meeting to Discuss Objectives and Field Work Procedures		Conduct Exit Conference, If Requested
Conduct Entrance Conference	Identify Criteria		Incorporate Additional Sections into Final Report and Cross-Reference
	Identify Sources of Evidence		Submit Final Report to Audit Supervisor for Review
	Assess the Reliability of Data		Submit Final Report for IRR, If Necessary
	Develop Audit Plan		Submit Final Report to Audit Supervisor; GC; ADA, DPE, and/or DA; D.C. Auditor; and Comm Dir for Review
	Complete Audit Risk Assessment Workpaper		Provide the Final Draft to Every Audit Team Member for Sign-Off
	Conduct Survey Debrief		Issue Final Report
	Notify Auditee of Final Audit Objectives and Scope Changes		Match TeamMate Recs to Final Report
			Distribute Post-Audit Survey to Stakeholders
			Conduct Post-Audit Meeting
			Complete Project Performance Assessments

Appendix A-3: Independent Reference and Review Procedure

An Independent Reference and Review (IRR) must be completed for every ODCA audit. An IRR is an independent assessment of whether all facts, opinions, and conclusions contained in the audit report have been adequately supported by sufficient, competent, and relevant evidential material. An IRR is a component of the quality control system that is designed to provide audit management with some level of assurance that the facts, opinions, and conclusions contained in the audit report are adequately supported by audit documentation. **An IRR is not a replacement for proper audit supervision**.

Unless waived by the D.C. Auditor, audit reports must undergo an IRR prior to the issuance of the draft report. An additional IRR must be conducted on the final report if: (1) the final report has undergone substantive changes, (2) the draft report underwent substantive changes after the referencing and IRR of the draft report, or (3) on rare occasions, the draft report has not been subjected to an IRR. Waivers to the IRR policy must be requested in writing by the Audit Supervisor and maintained with the audit documentation. If a waiver is granted for the draft report, the Audit Supervisor must ensure that an IRR is completed before the final report is released. No GAGAS audit report may be issued without an IRR at some point.

Procedure Steps:

1. **Audit Supervisor Prepares for an IRR** - Prior to requesting an IRR, the Audit Supervisor must ensure that:
   a. the draft report is **COMPLETELY** cross-referenced and adequately supported by audit documentation;
   b. the report has logical flow;
   c. the report is free from grammatical and spelling errors;
   d. all reported objectives were achieved or there is explanation regarding objectives that were not achieved;
   e. all findings (TeamMate Issues) have ALL finding elements (condition, criteria, cause, and effect);
   f. all findings and conclusions are fully supported with sufficient, appropriate, and relevant evidence;
   g. supporting workpapers are complete and include source, purpose, conclusion, and methodology, where appropriate;
   h. recommendations and conclusions were derived from evidential support and are logical;
   i. periodic and routine supervision is evident in the audit documentation (critical audit documentation is fully signed off in TeamMate); and
   j. all coaching notes have been cleared.

2. **Assistant Deputy Auditor Initiates an IRR -**
   a. The Assistant Deputy Auditor should arrange the IRR after the Audit Supervisor has ensured that working papers are complete and when the draft report is ready for review.
   b. The Assistant Deputy Auditor must select a reviewer who is independent, proficient, and experienced. Specifically, the reviewer must: (1) not be directly involved with the audit work; (2) have thorough knowledge of audit methods and standards; (3) have at least 2-years of audit experience; (4) have completed ODCA training on conducting IRRs; (5) hold a position that is grade 12 or higher (MSS or CS); and (6) not report directly to the Audit Supervisor for the audit. The D.C. Auditor may grant exceptions and waivers to this IRR policy. Waivers and exceptions shall be requested in writing and maintained with the audit documentation.

3. **Reviewer Completes Pre-IRR Evaluation**
   a. The reviewer shall perform a preliminary review of the cross-referenced report to determine whether (1) the cross-referencing is complete; (2) the facts and conclusions from the report are easily identifiable in the cross-referenced audit documentation; and (3) the audit documentation demonstrates routine and periodic supervisory review. The reviewer should be able to easily identify where the facts contained in the report appear on the cross-referenced audit documentation. If the draft report <u>has not been completely cross-referenced,</u> <u>TeamMate coaching notes have not been resolved</u>, <u>the audit documentation does not provide evidence of supervisory review</u>, or <u>the source documentation does not highlight or indicate the referenced item</u>, **the reviewer will return the cross-referenced report back to the Audit Supervisor for completion of the required elements**.

4. **Reviewer Conducts the IRR** - After accepting the cross-referenced report for IRR, the reviewer must:
   a. Read the entire report to determine whether it is clearly and logically presented.
   b. Determine whether the report and workpapers account for all the announced audit objectives.
   c. Determine whether audit report findings contain all necessary elements (elements generally include condition, criteria, cause, and effect), and whether conclusions and recommendations are logical.
   d. Determine whether facts, figures, references, audit conclusions, and any opinions in the audit report are adequately supported by the referenced audit documentation and that referenced audit documentation is sufficient and an appropriate evidential type (physical, documentary, or testimonial). For example, evidence gathered based on an interview (testimonial) may not be sufficient or the appropriate type of evidence to support a conclusion that a program is ineffective. In this case, observations and documented testing of program attributes might be more appropriate. The audit report should clearly indicate

testimonial evidence and whether it was corroborated or verified during the audit.

e. Ensure that summary audit documentation is cross-referenced to the original audit documentation. Referencing to either a summary that is not supported by original audit documentation or to a group of audit documents is not an acceptable referencing procedure unless the summary data is used in less critical areas such as the background section.

f. Assess whether the audit team has determined that data systems used to support audit conclusions are reliable. The reviewer should verify that reasonable and appropriate tests were conducted to test the reliability of data by reviewing the data reliability workpaper, especially if the data is of high significance to the objectives, methodology, findings, conclusions, and opinions contained in the audit report.

g. Denote all deficiencies on the IRR Sheet and the rationale for the deficiency.

h. Provide the IRR Sheet to the Auditor-in-Charge for resolution.

With regard to report format, flow, spelling, and grammar, there is no expectation that reviewers will catch all errors; however reviewers may:

a. Comment on incorrect, confusing, or misleading sentences, phrasing, and structure when it is apparent.

b. Comment on incorrect grammar and spelling when it is apparent.

5. **Auditor-in-Charge and Reviewer Resolve IRR Comments -** It is the responsibility of the Auditor-in-Charge to ensure all identified IRR comments are resolved to the satisfaction of the reviewer. If additional source material is provided in response to the reviewer's comments, the Auditor-in-Charge will ensure that appropriate cross-references are added to the draft or final report. The reviewer shall recheck as necessary to ensure the Auditor-in-Charge took satisfactory action to resolve the IRR deficiency. Disagreements will be raised to the Audit Supervisor, then to the Assistant Deputy Auditor, then to the Deputy Auditor, and ultimately to the D.C. Auditor for final resolution. The completed IRR Sheet will be maintained with the audit documentation in TeamMate.

Sample IRR:

Point #	Page or WP Cite	Reviewer Points	Auditor's Comments / Corrective Action Taken	Auditor's Initials and Date Corrected	IRR Comment Resolved? (Yes/No)
1	2	Include a page number in the reference. Pg. 8.	Added reference to page 8 for A.1.69.	AAA 9/4/2017	Yes
2	2	No reference to a license or lease.	Added references to the DC Code and DCMR which require a CBE to be licensed and require tax returns and leases.	AAA 9/3/2017	Yes
3	3	No reference here, I would cite A.1.12, section 809.1.	Added reference to A.1.12, section 809.1. Also added reference to an interview with the certification manager where she discusses the 2 year certification for JVs specifically.	AAA 9/3/2017	Yes
4	3	Reference section 65 here.	Added further clarification that reader should refer to § 2-218.65 in A.1.14.	AAA 9/3/2017	Yes
6	7	Add a specific regulation number or referencing a finding.	Added reference to DCMR 812 which details the JV reporting requirement.	AAA 9/4/2017	Yes
7	10	Needs a citation. Perhaps B.1.7 should be used?	Removed existing references and added reference to B.1.7.	AAA 9/4/2017	Yes
8	12	"staff shortages" needs a reference.	Changed language in report to better match the reference.	AAA 9/4/2017	Yes

Appendix A-4: Internal Quality Control Review Procedure

ODCA's Internal Quality Control Reviews evaluate adherence to the Government Accountability Office's Government Auditing Standards (GAGAS) as well as relevant legal and regulatory requirements. The reviews also allow for an evaluation of whether office quality control policies and procedures were appropriately designed and whether ODCA auditors are complying with all office quality control policies and procedures.

ODCA conducts an Internal Quality Control Review for two out of every three fiscal years. The triennial external peer review overrides the Quality Control Review for the last fiscal year in the scope of the peer review.

The D.C. Auditor identifies the staff member(s) to perform each Internal Quality Control Review.

Procedure Steps:

1. **Choose audits for review –** The reviewer conducts the following steps to identify reports to review:
    a. Identify the GAGAS audit reports that have been published by ODCA since the last Annual Quality Control Review.
    b. For the audits identified for review, assign a risk score of 1-5 for each of the following criteria:
        i. Visibility – a measure of the media attention surrounding either the audit itself or the subject matter of the audit and/or interest in the audit expressed by members of the Council.
        ii. Dollar impact – a measurement of either a) the estimated cost savings associated with the recommendations made in the audit or b) if the subject of the audit was a grant or contract, the size of the grant/contract. The scale is as follows: $0 – 0, $1-50,000 – 1, $50,001-100,000 – 2, $100,001-500,000 – 3, $500,001-1 million – 4, over $1 million – 5.
        iii. Complexity of the audit – a measurement of the effort needed to gain a complete understanding of the issues / programs that were the focus of the audit. Judgment was made after reviewing the project in Teammate, interviewing audit team members, and / or personal knowledge.
        iv. Problems identified during the audit – a measurement of issues such as scope limitations, reluctance to cooperate on the part of the auditee, etc.
        v. New subject area for the office – a measurement of the office's overall familiarity with the subject, objectives, methodology, and/or scope of the audit.
    c. Choose the 4 audits with the highest total risk scores.

2. **Conduct the Quality Control Review –** The reviewer examines the Teammate file for the audit and interviews audit team members as necessary to determine compliance with relevant auditing standards. To guide this review, the reviewer uses "Form H: Review of Audit Organization's Quality Control System" from the ALGA Peer Review Guide. The reviewer notes any areas of deficiency. This process should be repeated for all audits selected for review.

3. **Report the findings of the Quality Control Review –** At the end of the review, the reviewer prepares a report summarizing findings and including recommendations for action to correct any shortcomings. The reviewer provides a draft report to the Assistant Deputy Auditor and Deputy Auditor for review. After incorporating any necessary edits, the reviewer provides this report to the D.C. Auditor by June 15 of each year. The D.C. Auditor works with the Deputy Auditor, Assistant Deputy Auditor, and Audit Supervisors to inform ODCA staff members of quality control findings and steps that will be taken to address quality control deficiencies.

Appendix A-5: Information Request Procedure

During audits, ODCA auditors frequently request information from District government agencies or other stakeholders. ODCA auditors should use the follow procedures as a guideline when requesting information.

Procedure Steps:

1. The audit team should describe this guideline to all auditees during the entrance conference. (See page 3 for a sample handout to provide to auditees)

2. Whenever possible, the audit team should obtain information independently and/or go on-site to gather information directly from the auditee, rather than issue requests and wait for the auditee to send it. In the event of conflicting laws, such as when privacy issues are relevant, the audit team should be proactive in offering solutions, including offering to encrypt files or sign non-disclosure agreements.

3. When feasible, the same ODCA staff member should request all information for a project. Requests should either be directed to or include the appointed Point of Contact at each relevant agency.

4. The audit team should send as few information requests as possible, bundling requests as appropriate.

5. The audit team should present all information requests to the agency in a spreadsheet that details the information requested, the date requested, the due date, the date received, and all relevant notes about the request (see example on page 4). Either the Auditor-in-Charge or Audit Supervisor maintains this spreadsheet throughout the project.

6. The audit team should give agencies an initial deadline of 5 business days for each information request. This deadline can be extended or decreased if warranted.

7. If the auditee does not provide the information requested within 10 business days, the Audit Supervisor or the D.C. Auditor should re-submit the request with a deadline of 5 additional business days, copy the agency director, and notify the agency that ODCA will follow up with the Mayor's Office if not received by the deadline.

8. If the agency does not provide the information within 20 total business days, the Audit Supervisor or the D.C. Auditor should notify the Mayor's Office of the noncompliant agency and copy the agency director.

9. The Audit Supervisor should work with the Communications Director to include any information requests that are overdue by more than 30 business days in ODCA's quarterly report to the DC Council. Also, the Audit Supervisor should begin discussing the need for a subpoena with the D.C. Auditor.

10. If information requests are exceptionally large or unusual, or if the agency presents a legitimate case for not being able to meet the deadline, the Audit Supervisor should discuss the request as soon as possible at an ODCA management meeting to determine next steps.

Information Request Procedure for Audited Agencies

During audits, ODCA auditors frequently request information from District government agencies or other stakeholders. We use the following guidelines when requesting information.

1. ODCA will send information requests to the identified point of contact at the agency.

2. We present all information requests in a spreadsheet that details the information requested, the date requested, the due date, the date received, and all relevant notes about the request.

3. We generally give agencies 5 business days for each information request.

4. If the agency does not provide the information requested within 10 business days, we give the agency an additional 5 business days and copy the agency director on the request.

5. If the agency does not provide the information within 20 total business days, we notify the Mayor's Office of the noncompliant agency.

6. If the agency does not provide the information within 30 total business days, we include information about the delinquent information request in our quarterly report to the DC Council.

7. Adjustments to the guidelines above can be made if information requests are exceptionally large or unusual, or if the agency presents a legitimate case for not being able to meet the deadline.

Appendix A-5: Information Request Procedure

ID #	Description	Made by	Assigned To	Request Date	Due Date	Received Date	Comments
1	How were schools selected for modernization?	John at ODCA	Jane Smith at DGS	12/1/2014	12/8/2014	1/28/2015	Requested via email on 12/1/14
2	If you have any contacts that can provide information on where schools have been resequenced by the Council of the District of Columbia, please provide or answer "no."	John at ODCA	John Doe at DGS	1/5/2015	1/12/2015	1/28/2015	
3	For the schools listed above in item #3, please provide evidence of LEED Certifications for each school.	John at ODCA	Jane Smith at DGS	1/5/2015	1/12/2015	1/28/2015	
4	For the schools listed in #3, please provide SOAR printout showing total amount of school modernization project including amounts that were expended before 2010.	John at ODCA	John Doe at DGS	1/5/2015	1/12/2015	1/15/2015	

Appendix A-6: Recommendation Preparation Procedure

Audit teams are responsible for preparing recommendations in TeamEWP during audit wrap-up. This appendix provides step-by-step guidance on how to complete this requirement. The Auditor-in-Charge is responsible for completing the following steps for every project in TeamMate.

Procedure Steps Part 1 - Input relevant information in the Project Profile:

1. In the Planning menu, open the Project Profile. (This can be done at any time during the project.)

2. On the "General" tab:
    a. Click on the organizational chart symbol next to "Entities"
    b. Check the box next to the agency or agencies that you are auditing
    c. Click "OK"

3. On the "Team" tab:
    a. Click on "Security Groups"
    b. Do "Recommendation Implementation Coordinators" already appear? If so, click "Cancel" and you are done.
    c. If nothing appears, click on "Get"
    d. Click "Search"
    e. Select "Recommendation Implementation Coordinators" and click "OK" twice

4. On the "Contacts" tab:
    a. Is the agency POC already listed? If so, you are done.
    b. If the agency POC is not listed, click on "Get"
    c. Select "Get from current Centralized Database" and click "OK"
    d. Type the last name of your POC and click "Search"
    e. If your POC appears, ensure that the information (title, email, etc) is correct. If so, select their name and click "OK"
    f. If your POC does not appear OR if their contact information is incorrect, click "Add User" at the bottom of the window
    g. Click "Next"
    h. Enter their First Name, Last Name, E-mail, Login name (in the form of first initial and last name, ie JSmith), and password (use "password")
    i. Click "Next"
    j. Click "Save"

Procedure Steps Part 2 - Develop Recommendations:

1. In the Issue window in TeamMate, give each recommendation a descriptive title that will make the recommendation easily identifiable. It is critical to give the recommendation a title that includes the same recommendation number that appears in the final report and the text of the recommendation (abridged if necessary). For example: "#1 DPW should develop and implement standard operating procedures."

2. Choose the responsible entity for each recommendation. (You may only choose one agency -- if you have a recommendation that is addressed to more than one entity, you can replicate the recommendation for each relevant agency.) If the appropriate entity does not appear in the drop down, add them in the Project Profile. (See step 1 on the previous page)

3. On the "Recommendation" tab, make sure that the text of the recommendation matches the final report, word-for-word.

4. On the "Response" tab, note any relevant details that the agency provided on their response to the recommendation, such as information on when they plan to implement it, if they don't plan to implement it, challenges they expect to face during implementation, etc.

5. On the "Implementation" tab:
   a. Choose an implementation date that is 90 days after the publication date of the report. This field is for internal use only and does not need to match the actual expected implementation date that may have been provided by the agency.
   b. Make sure that the box is checked for "Track in TeamCentral"
   c. Select "Recommendation Implementation Coordinators" in dropdown. If they don't appear in the drop down, add them in the Project Profile. (See step 2 on the previous page)

6. On the "Contacts" tab:
   a. Click "Get"
   b. Select "Get from Project Contact List" and click "OK"
   c. Click "Search"
   d. Select your agency POC and click "OK." Choose the "Owner" role for your agency POC in the dropdown. If the agency POC doesn't appear, add them in the Project Profile. (See step 3 on the previous page)

Appendix A-7: Recommendation Follow Up Procedure

ODCA follows up on all recommendations issued in audit reports to determine what action has been taken by auditees to implement these recommendations. The process for following up on recommendations is detailed in the following procedures.

Procedure Steps:

1. The recommendation compliance coordinator (Coordinator) tracks the status of all recommendations contained in ODCA reports and letters.
   a. All recommendations from fiscal year 2016 forward are tracked in TeamCentral, a component of TeamMate.
   b. Recommendations from fiscal year 2015 and earlier are tracked in a spreadsheet located here: S:\ODCA Performance Metrics. Supporting documentation is found in the same location.

2. The Communications Director creates and includes a recommendation response form with the final audit report that is sent to the auditee(s). (See example on page 3) The response form gives the auditee(s) 90 days from the date the report is published to indicate a status for each recommendation by choosing one of the following options:
   a. Implemented
   b. In progress (with expected completion date)
   c. No longer applicable
   d. No action intended; management accepts risk
   e. Not started

3. The Coordinator receives all agency responses and logs their response in TeamCentral and/or the tracking spreadsheet.

4. The Coordinator may require auditees to submit supporting information or documentation in the following cases:
   a. If the auditee deems a recommendation "implemented," the auditee must provide proof of implementation.
   b. If the auditee deems a recommendation "no longer applicable," the auditee must provide justification as to why it is no longer applicable.

5. When necessary, the Coordinator works with the relevant audit team to determine the completeness and appropriateness of the auditee's response. In some cases, the Coordinator may request assistance from the audit team or other ODCA employees, such as the General Counsel, to follow up with auditees if warranted.

6. The Coordinator follows up with the auditee(s) only on outstanding recommendations (those previously deemed In Progress, No Action Intended, or Not Started), using the same response form as noted in Step 2 above, at the following intervals:
   a. 3 months after report publication
   b. 6 months after report publication
   c. 11 months after report publication
   d. 1.5 years after report publication
   e. 2 years after report publication
   f. 2.5 years after report publication

7. The Coordinator follows up on recommendations until they are deemed implemented, no longer applicable, or for three years, whichever occurs first.

8. The Coordinator manages the compilation of an annual recommendation compliance report that summarizes the progress of auditees' implementation of ODCA recommendations. This report should be published in December of each year, to provide useful information to the District of Columbia Council in preparation for their agency performance and budget hearings.

Appendix A-7: Recommendation Follow Up Procedure

Finding	Recommendation	Agency Action (choose one)	Details	Describe Any Documentary Evidence Provided
The number of child fatalities analyzed in CFRC annual reports has dropped sharply, from 122 in 2010 to 35 in 2015.	1. OCME should seek to identify an additional staff position for the CFRC to conduct statistical reviews and help the CFRC fulfill its mission to review all child deaths in the District of Columbia.	☐ Implemented ☐ In progress (expected completion date _____) ☐ Recommendation no longer applicable ☐ No action intended; management accepts risk ☐ Not started		
The CFRC has published its annual reports on a more timely basis in recent years, but has fallen short of goals to publish the reports by September 30 of each year.	2. OCME should include in its annual performance plans the goal of publishing the CFRC's annual report by September 30 of the following year.	☐ Implemented ☐ In progress (expected completion date _____) ☐ Recommendation no longer applicable ☐ No action intended; management accepts risk ☐ Not started		

APPENDIX B

Independence Statement

The D.C. Auditor, Deputy Auditor, Assistant Deputy Auditor, Director of Program Evaluation, General Counsel, Audit Supervisor, Auditor-in-Charge (AIC), and/or all audit team members must complete an Independence Statement.

Name of Auditor	
Name of Project	

I, the auditor listed above, attest that I:

☐ Have independence of mind and independence in appearance

☐ Am independent from the audited entity during any period of time that falls within the period covered by the financial statements or subject matter of the audit and the period of the professional engagement

☐ Have evaluated the following broad categories of threats to independence:

- Self-interest threat - the threat that a financial or other interest will inappropriately influence an auditor's judgment or behavior;
- Self-review threat - the threat that an auditor or audit organization that has provided nonaudit services will not appropriately evaluate the results of previous judgments made or services performed as part of the nonaudit services when forming a judgment significant to an audit;
- Bias threat - the threat that an auditor will, as a result of political, ideological, social, or other convictions, take a position that is not objective;
- Familiarity threat - the threat that aspects of a relationship with management or personnel of an audited entity, such as a close or long relationship, or that of an immediate or close family member, will lead an auditor to take a position that is not objective;
- Undue influence threat - the threat that external influences or pressures will impact an auditor's ability to make independent and objective judgments;
- Management participation threat - the threat that results from an auditor's taking on the role of management or otherwise performing management functions on behalf of the entity undergoing an audit; and
- Structural threat - the threat that an audit organization's placement within a government entity, in combination with the structure of the government entity being audited, will impact the audit organization's ability to perform work and report results objectively.

☐ Am independent in all matters related to this audit

If threats to independence have been identified:

I, the auditor listed above, attest that I:

☐ Have implemented safeguards to eliminate any identified threats deemed to be significant or reduce them to an acceptable level.

The D.C. auditor and the Audit Supervisor must review any identified threats and approve any resulting safeguards. Threats and safeguards must be documented in a workpaper and recorded in TeamMate.

Planning and Scoping Meeting

Name of Audit	
Date	
Attendees	
Origin of the audit	
The audit team	
Does the project require external specialists? If yes, how will the audit team evaluate their competence and independence?	
Type of audit	
Background	
Preliminary audit objectives	
Preliminary audit scope	
Preliminary audit timeline	
Goals and potential impact of the audit (financial, operational, human, etc.)	
Date Independence Statements and Competence Statements will be completed	
Target Audience for Report (Industry groups, non-profits, parents, homeowners, etc.)	
Current Events/Sensitivities Surrounding Audit	
Is there a need to deviate from GAGAS presumptively mandatory requirements?	
Other topics for discussion	

Nonaudit Workpaper

ODCA auditors must complete a Nonaudit Workpaper for any project that is not considered an audit as defined by generally accepted government auditing standards. The Auditor-in-Charge must complete this workpaper prior to beginning the project.

Team Members	
Start Date of Project	
Title of Project	
Objectives, scope, and work products	
Does this project represent a threat to the independence of ODCA?	
What effect will this project have on any ongoing, planned and future audits and the auditor's independence?	

Noncompliance with GAGAS Workpaper

ODCA auditors should rarely, if ever, depart from the United States Government Accountability Office's generally accepted government auditing standards (GAGAS) in a GAGAS audit. ODCA auditors must complete a Noncompliance with GAGAS Workpaper for each instance of noncompliance with a GAGAS standard in a GAGAS audit.

Team Members	
Title of Audit	
GAGAS Standard	
Date of approval of GAGAS noncompliance by the D.C. Auditor (Approval must be documented in a separate workpaper)	
Reasons for not following the requirement(s)	
Impact on objectives (To be completed during planning/survey phase)	
Impact on conclusions (To be completed during field work phase)	
Text of the planned GAGAS statement in the audit report	

Competence Statement

The Audit Supervisor must complete a Competence Statement upon commencement of a GAGAS audit. If a team member is later added to the project, the Audit Supervisor must update the original Competence Statement or complete an additional Competence Statement for the added team member.

Title of Project	
Audit Supervisor	
Auditor-in-Charge	
Audit Team Members	

I, the Audit Supervisor, attest that the auditor(s) listed above have:

☐ Knowledge of GAGAS applicable to the type of work they are assigned and the education, skills, and experience to apply this knowledge to the work being performed

☐ General knowledge of the environment in which the audited entity operates and the subject matter

☐ Skills to communicate clearly and effectively, both orally and in writing

☐ Skills appropriate for the work being performed; for example, skills in:

- Statistical or nonstatistical sampling if the work involves use of sampling;
- Information technology if the work involves review of information systems;
- Specialized audit methodologies or analytical techniques, such as the use of complex survey instruments, actuarial-based estimates, or statistical analysis tests, as applicable; or
- Specialized knowledge in subject matters, such as scientific, medical, environmental, educational, or any other specialized subject matter, if the work calls for such expertise.

Independent Reference and Review (IRR) Sheet

Audit Title:	
Date:	
Reviewer:	
Audit Supervisor:	
Auditor-in-Charge:	
If this is a GAGAS Audit:	☐ The following GAGAS compliance statement appears in the Objectives, Scope, and Methodology section of the report: "We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives." ☐ The Objectives, Scope, and Methodology section includes a description of the scope of the work performed on internal control ☐ The Results section includes any identified deficiencies in internal control that are significant within the context of the audit objectives
If this is not a GAGAS Audit:	☐ The report includes the following statement: "This report was drafted, reviewed, and approved in accordance with the standards outlined in ODCA's Policy and Procedure Manual.

Point Number	Page or WP Cite[1]	Reviewer Points	Auditor's Comments / Corrective Action Taken	Auditor's Initials and Date Corrected	IRR Comment Resolved? (Yes/No)
1					
2					
3					
4					
5					

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[1] In addition to completing this form, reviewers should print or save a copy of the report and highlight the sentences or sections to which each comment refers.

Point Number	Page or WP Cite[1]	Reviewer Points	Auditor's Comments / Corrective Action Taken	Auditor's Initials and Date Corrected	IRR Comment Resolved? (Yes/No)
6					
7					
8					
9					
10					
11					
12					

Audit Risk Assessment Workpaper

The audit team must complete the Audit Risk Assessment Workpaper at the conclusion of the Survey Phase and at the beginning of the Reporting Phase for all performance audits.

Audit risk is the possibility that the auditors' findings, conclusions, recommendations, or assurance may be improper or incomplete, as a result of factors such as evidence that is not sufficient and/or appropriate, an inadequate audit process, or intentional omissions or misleading information due to misrepresentation or fraud. Audit risk includes the risk that auditors will not detect a mistake, inconsistency, significant error, or fraud in the evidence supporting the audit.

Audit risk can be reduced by taking actions such as increasing the scope of work; adding specialists, additional reviewers, and other resources to perform the audit; changing the methodology to obtain additional evidence, higher quality evidence, or alternative forms of corroborating evidence; or aligning the findings and conclusions to reflect the evidence obtained.

Type of audit risk	Result of the audit team's analysis of the significance of the audit risk (Link to supporting workpapers as necessary)	Does the audit risk represent a risk to the findings, conclusions, or recommendations of this audit?	If yes, can the audit team reduce the audit risk to an acceptable level?	If yes, what steps will the audit team take to reduce the audit risk to an acceptable level?
Time frame, complexity, or sensitivity of the work		☐ Yes ☐ No	☐ Yes ☐ No	
Size of the audited program in terms of dollar amounts and number of citizens served		☐ Yes ☐ No	☐ Yes ☐ No	
Adequacy of the audited entity's systems and processes to detect inconsistencies, significant errors, or fraud		☐ Yes ☐ No	☐ Yes ☐ No	
ODCA's access to records		☐ Yes ☐ No	☐ Yes ☐ No	

If audit risk cannot be reduced to an acceptable level, the audit team must notify the D.C. Auditor immediately and determine how/whether to proceed with the audit.

Audit Plan Workpaper

ODCA auditors must complete an audit plan for every audit. The Audit Plan is completed in two phases:

1. The Auditor-in-Charge must prepare (🟢) the planning and survey sections in TeamMate at the outset of the audit and the Audit Supervisor must review (🔲) the planning and survey sections in TeamMate prior to the start of the survey phase.
2. The Auditor-in-Charge must prepare (🟢) the field work and reporting sections in TeamMate during the survey phase and the Audit Supervisor must review (🔲) the field work and reporting sections in TeamMate prior to the start of the field work phase.

Objectives **(Update throughout audit as needed)**	
Scope **(Update throughout audit as needed)**	
Background	

Planning Phase

Step No.	Audit Step	Budgeted Hours	Estimated Date Completed	Actual Date Completed	Explanation for Delay
1	Conduct Preliminary Research on the Program				
2	Conduct Planning and Scoping Meeting				
3	If Necessary, Complete Nonaudit Workpaper				
4	Assess Independence (Required for All Projects)				
5	Assess Competence (Required for All Projects)				
6	Develop Preliminary Audit Plan				
7	Develop and Issue Engagement Letter				
8	Conduct Entrance Conference				

Survey Phase

Step No.	Audit Step	Budgeted Hours	Estimated Date Completed	Actual Date Completed	Explanation for Delay
1	Gather Information on the Nature and Profile of the Program and the Needs of Potential Users of the Audit Report				
2	Identify Ongoing Investigations and Legal Proceedings Related to the Program				
3	Identify Previous Audits and Attestation Engagements Related to the Program				
4	Document the Program's Processes				
5	Assess Risks Facing the Program, including Risk of Fraud, Abuse, and Noncompliance with Laws, Regulations, Contracts, and Grant Agreements				
6	Assess the Program's Internal Controls, Including Information Systems Controls				
7	Conduct Team Meeting to Discuss Preliminary Objectives and Field Work Procedures				
8	Identify Criteria				
9	Identify Sources of Evidence				
10	Assess the Reliability of Data Systems (if appropriate)				
11	Develop Audit Plan				
12	Complete Audit Risk Assessment Workpaper				
13	Conduct Survey Debrief				
14	Notify Audited Entity of Audit Objective and Scope Changes, if Necessary				

Field Work Phase

Step No.	Audit Step	Budgeted Hours	Estimated Date Completed	Actual Date Completed	Explanation for Delay
1	**Objective #1**				
	Note: Field work steps should be very detailed and should describe precisely what field work activities are planned and how they will be executed.				
2	**Objective #2**				
3	**Objective #3**				
4	Reassess Independence				
5	Conduct Overall Assessment of Evidence				
6	Conduct Field Work Debrief				
7	Conduct Closeout Meeting with Agency Officials				

Reporting Phase

Step No.	Audit Step	Budgeted Hours	Estimated Date Completed	Actual Date Completed	Explanation for Delay
1	Complete Audit Risk Assessment Workpaper				
2	Develop and Cross-Reference Draft Report				
3	Submit Draft Report to the Audit Supervisor for Review				
4	Complete Independent Reference and Review (IRR)				
5	Submit Draft Report to the General Counsel for Review				
6	Submit Draft Report to the Deputy Auditor, Assistant Deputy Auditor, or Director of Program Evaluation for Review				
7	Submit Draft Report to the D.C. Auditor for Review				
8	Submit Draft Report to the Communications Director for Review				
9	Issue Draft Report for Agency Comment				
10	Conduct Exit Conference (if requested)				
11	Incorporate Additional Sections into Final Report and Cross-Reference Workpapers to Changes to the Existing Sections				
12	Submit Final Report to the Audit Supervisor for Review				
13	Submit Final Report for IRR if there are any Significant Changes since the Last IRR				
14	Submit Final Report to the General Counsel for Review				
15	Submit Final Report to the Deputy Auditor, Assistant Deputy Auditor, or Director of Program Evaluation for Review				
16	Submit Final Report to the D.C. Auditor for Review				
17	Submit Final Report to the Communications Director for Review				
18	Provide the Final Report to Every Audit Team Member for Sign-Off				
19	Issue Final Report				
20	Match TeamMate Recommendations to Final Report				

Step No.	Audit Step	Budgeted Hours	Estimated Date Completed	Actual Date Completed	Explanation for Delay
21	Distribute Post-Audit Survey to Stakeholders				
22	Conduct Post-Audit Meeting				
23	Complete Project Performance Assessments				

Gather Information on the Nature and Profile of the Program and the Needs of Potential Users of the Audit Report

Use this workpaper to summarize the information gathered and hyperlink to supporting workpapers. Much of the information required for this workpaper is available publicly, particularly on the D.C. Council website; audit teams should avail themselves to publicly available information prior to requesting information from the audited entity. This workpaper can be broken down into multiple workpapers if the information is too voluminous.

Required research area	Possible Sources of Information	Results
The program's purpose, strategic plan, and objectives/goals	- Review website, performance plans and reports, strategic plans, all recent submissions to the Council, and other relevant sources - Review Mayoral press releases, budgets, and speeches - Review Council hearings for stakeholder testimony - Obtain information through interviews	
The age of the program and changes in program leadership and program conditions	- Review website, news media accounts, and other relevant sources - Obtain information through interviews	
The size of the program in terms of total dollars, number of citizens affected, or other measures	- Review website, performance plans and reports, strategic plans, and other relevant sources - Obtain information through interviews	

Required research area	Possible Sources of Information	Results
The visibility, sensitivity, and general risks associated with the program (Only gather basic information on program-wide risks; a detailed risk assessment takes place later in the survey phase)	• Review website, news media accounts, and other relevant sources • Obtain information through interviews	
The level and extent of review or other forms of independent oversight of the program	• Review policies and procedures, audit reports, monitoring reports, legal requirements, organizational charts, and other relevant sources • Obtain information through interviews	
External factors or conditions that could directly affect the program	• Review news media accounts, audit reports, monitoring reports, and other relevant sources • Obtain information through interviews	
Program inputs, outputs, and outcomes	• Review policies and procedures, flowcharts, performance plans and reports, strategic plans, and other relevant sources • Obtain information through interviews	
Provisions of laws, regulations, contracts, and grant agreements that impact the program	• Review laws, regulations, contracts, grant agreements, and other relevant sources • Obtain information through interviews	

Required research area	Possible Sources of Information	Results
Who may have an interest in the audit results, what influence those people have over the program, and what actions those people may take as a result of the audit report	- Review organizational charts and other relevant sources - Review any recent legislative records pertaining to the agency and program - Obtain information through interviews - Consider the stakeholders of the program and to whom the program is accountable	

Internal Control Evaluation Tool

This workpaper is based on the GAO's Internal Control Management and Evaluation Tool and presents many potential internal control factors for consideration. Auditors may need to modify this tool to meet the needs of each audit. The workpaper is organized into categories pertaining to:

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring

Control Environment

Integrity and Ethical Values:	Auditor Notes
1. The agency has established and uses a formal code or codes of conduct and other policies communicating appropriate ethical and moral behavioral standards and addressing acceptable operational practices and conflicts of interest. Consider the following: • The codes are comprehensive in nature and directly address issues such as improper payments, appropriate use of resources, conflicts of interest, political activities of employees, acceptance of gifts or donations or foreign decorations, and use of due professional care. • The codes are periodically acknowledged by signature from all employees. • Employees indicate that they know what kind of behavior is acceptable and unacceptable, what penalties unacceptable behavior may bring, and what to do if they become aware of unacceptable behavior.	
2. An ethical tone has been established at the top of the organization and has been communicated throughout the agency. Consider the following: • Management fosters and encourages an agency culture that emphasizes the importance of integrity and ethical values. This might be achieved through oral communications in meetings, via one-on-one discussions, and by example in day-to-day activities. • Employees indicate that peer pressure exists for appropriate moral and ethical behavior. • Management takes quick and appropriate action as soon as there are any signs that a problem may exist.	
3. Dealings with the public, Council, employees, suppliers, auditors, and others are conducted on a high ethical plane. Consider the following: • Financial, budgetary, and operational/programmatic reports to Council, OCFO, DCHR, and the public are proper and accurate (not intentionally misleading). • Management cooperates with auditors and other evaluators, discloses known problems to them, and values their comments and recommendations. • Underbillings by suppliers or overpayments by users or customers are quickly corrected. • The agency has a well-defined and understood process for dealing with employee claims and concerns in a timely and appropriate manner.	
4. Appropriate disciplinary action is taken in response to departures from approved policies and procedures or violations of the code of conduct. Consider the following: • Management takes action when there are violations of policies, procedures, or the code(s) of conduct. • The types of disciplinary actions that can be taken are widely communicated throughout the agency so that others know that if they behave improperly, they will face similar consequences.	

5. Management appropriately addresses intervention or overriding internal control. Consider the following: • Guidance exists concerning the circumstances and frequency with which intervention may be needed, and the management levels which may take such action. • Any intervention or overriding of internal control is fully documented as to reasons and specific actions taken. • Overriding of internal control by low-level management personnel is prohibited except in emergency situations, and upper-level management is immediately notified and the circumstances are documented.	
6. Management removes temptation for unethical behavior. Consider the following: • Management has a sound basis for setting realistic and achievable goals and does not pressure employees to meet unrealistic ones. • Management provides fair, nonextreme incentives (as opposed to unfair and unnecessary temptations) to help ensure integrity and adherence to ethical values. • Compensation and promotion are based on achievements and performance.	
Commitment to Competence:	**Auditor Notes**
1. Management has identified and defined the tasks required to accomplish particular jobs and fill the various positions. Consider the following: • Management has analyzed the tasks that need to be performed for particular jobs and given consideration to such things as the level of judgment required and the extent of supervision necessary. • Formal job descriptions or other means of identifying and defining specific tasks required for job positions have been established and are up-to-date.	
2. The agency has performed analyses of the knowledge, skills, and abilities needed to perform jobs appropriately. Consider the following: • The knowledge, skills, and abilities needed for various jobs have been identified and made known to employees. • Evidence exists that the agency attempts to assure that employees selected for various positions have the requisite knowledge, skills, and abilities.	
3. The agency provides training and counseling in order to help employees maintain and improve their competence for their jobs. Consider the following: • There is an appropriate training program to meet the needs of all employees. • The agency emphasizes the need for continuing training and has a control mechanism to help ensure that all employees actually received appropriate training. • Supervisors have the necessary management skills and have been trained to provide effective job performance counseling. • Performance appraisals are based on an assessment of critical job factors and clearly identify areas in which the employee is performing well and areas that need improvement. • Employees are provided candid and constructive job performance counseling.	
4. Key senior-level employees have a demonstrated ability in general	

management and extensive practical experience in operating governmental or business entities.	
Management's Philosophy and Operating Style:	**Auditor Notes**
1. Management has an appropriate attitude toward risk-taking, and proceeds with new ventures, missions, or operations only after carefully analyzing the risks involved and determining how they may be minimized or mitigated.	
2. Management enthusiastically endorses the use of performance-based management.	
3. There has not been excessive personnel turnover in key functions, such as operations and program management, accounting, or internal audit, that would indicate a problem with the agency's emphasis on internal control. Consider the following: • There has not been excessive turnover of supervisory personnel related to internal control problems, and there is a strategy for dealing with turnover related to constraints and limitations such as salary caps. • Key personnel have not quit unexpectedly. • Personnel turnover has not been so great as to impair internal control as a result of employing many people new to their jobs and unfamiliar with the control activities and responsibilities. • There is no pattern to personnel turnover that would indicate a problem with the emphasis that management places on internal control.	
4. Management has a positive and supportive attitude toward the functions of accounting, information management systems, personnel operations, monitoring, and internal and external audits and evaluations. Consider the following: • The financial accounting and budgeting operations are considered essential to the well-being of the organization and viewed as methods for exercising control over the entity's various activities. • Management regularly relies on accounting/financial and programmatic data from its systems for decision-making purposes and performance evaluation. • If the accounting operation is decentralized, unit accounting personnel also have reporting responsibility to the central financial officer(s). • The financial management, accounting operations, and budget execution operations are under the direction of the Chief Financial Officer (CFO) and strong synchronization and coordination exists between budgetary and proprietary financial accounting activities. • Management looks to the information management function for critical operating data and supports efforts to make improvements in the systems as technology advances. • Personnel operations have a high priority and senior executives emphasize the importance of good human capital management. • Management places a high degree of importance on the work of the Inspector General, external audits, and other evaluations and studies and is responsive to information developed through such products.	
5. Valuable assets and information are safeguarded from unauthorized access or use.	
6. There is frequent interaction between senior management and	

operating/program management, especially when operating from geographically dispersed locations.	
7. Management has an appropriate attitude toward financial, budgetary, and operational/programmatic reporting. Consider the following: • Management is informed and involved in critical financial reporting issues and supports a conservative approach toward the application of accounting principles and estimates. • Management discloses all financial, budgetary, and programmatic information needed to fully understand the operations and financial condition of the agency. • Management avoids focus on short-term reported results. • Personnel do not submit inappropriate or inaccurate reports in order to meet targets. • Facts are not exaggerated and budgetary estimates are not stretched to a point of unreasonableness.	
Organizational Structure:	**Auditor Notes**
1. The agency's organizational structure is appropriate for its size and the nature of its operations. Consider the following: • The organizational structure facilitates the flow of information throughout the agency. • The organizational structure is appropriately centralized or decentralized, given the nature of its operations, and management has clearly articulated the considerations and factors taken into account in balancing the degree of centralization versus decentralization.	
2. Key areas of authority and responsibility are defined and communicated throughout the organization. Consider the following: • Executives in charge of major activities or functions are fully aware of their duties and responsibilities. • An accurate and updated organizational chart showing key areas of responsibility is provided to all employees. • Executives and key managers understand their internal control responsibilities and ensure that their staff also understand their own responsibilities.	
3. Appropriate and clear internal reporting relationships have been established. Consider the following: • Reporting relationships have been established and effectively provide managers information they need to carry out their responsibilities and perform their jobs. • Employees are aware of the established reporting relationships. • Mid-level managers can easily communicate with senior operating executives.	
4. Management periodically evaluates the organizational structure and makes changes as necessary in response to changing conditions.	
5. The agency has the appropriate number of employees, particularly in managerial positions. Consider the following: • Managers and supervisors have time to carry out their duties and responsibilities. • Employees do not have to work excessive overtime or outside the ordinary workweek to complete assigned tasks. • Managers and supervisors are not fulfilling the roles of more than one employee.	
Assignment of Authority and Responsibility:	**Auditor Notes**

1. The agency appropriately assigns authority and delegates responsibility to the proper personnel to deal with organizational goals and objectives. Consider the following: • Authority and responsibility are clearly assigned throughout the organization and this is clearly communicated to all employees. • Responsibility for decision-making is clearly linked to the assignment of authority, and individuals are held accountable accordingly. • Along with increased delegation of authority and responsibility, management has effective procedures to monitor results.	
2. Each employee knows (1) how his or her actions interrelate to others considering the way in which authority and responsibilities are assigned, and (2) is aware of the related duties concerning internal control. Consider the following: • Job descriptions clearly indicate the degree of authority and accountability delegated to each position and the responsibilities assigned. • Job descriptions and performance evaluations contain specific references to internal control-related duties, responsibilities, and accountability.	
3. The delegation of authority is appropriate in relation to the assignment of responsibility. Consider the following: • Employees at the appropriate levels are empowered to correct problems or implement improvements. • There is an appropriate balance between the delegation of authority at lower levels to "get the job done" and the involvement of senior-level personnel.	
Human Resource Policies and Practices:	**Auditor Notes**
1. Policies and procedures are in place for hiring, orienting, training, evaluating, counseling, promoting, compensating, disciplining, and terminating employees. Consider the following: • Management communicates information to recruiters about the type of competencies needed for the work or participates in the hiring process. • The agency has standards or criteria for hiring qualified people, with emphasis on education, experience, accomplishment, and ethical behavior. • Position descriptions and qualifications are in accordance with DCHR guidance and standardized throughout the agency for similar jobs. • A training program has been established and includes orientation programs for new employees and ongoing training for all employees. • Promotion, compensation, and rotation of employees are based on periodic performance appraisals. • Performance appraisals are linked to the goals and objectives included in the agency's strategic plan. • The importance of integrity and ethical values is reflected in performance appraisal criteria. • Employees are provided with appropriate feedback and counseling on their job performance and suggestions for improvements. • Disciplinary or remedial action is taken in response to violations of policies or ethical standards. • Employment is terminated, following established policies, when	

performance is consistently below standards or there are significant and serious violations of policy. • Management has established criteria for employee retention and considers the effect upon operations if large numbers of employees are expected to leave or retire in a given period.	
2. Background checks are conducted on candidates for employment. Consider the following: • Candidates who change jobs often are given particularly close attention. • Hiring standards require investigations for criminal records for all potential employees. • References and previous employers are contacted. • Educational and professional certifications are confirmed.	
3. Employees are provided a proper amount of supervision. Consider the following: • Employees receive guidance, review, and on-the-job training from supervisors to help ensure proper work flow and processing of transactions and events, reduce misunderstandings, and discourage wrongful acts. • Supervisory personnel ensure that staff are aware of their duties and responsibilities and management's expectations.	
Oversight Groups:	**Auditor Notes**
1. Within the agency, there are mechanisms in place to monitor and review operations and programs. Consider the following: • An Inspector General, who is independent from management, audits and reviews agency activities. • The agency has an audit committee or senior management council consisting of high-level line and staff executives that review the internal audit work and coordinate closely with the Inspector General and external auditors. • If there is an internal audit operation it reports to the agency head. • The internal audit function reviews that agency's activities and systems and provides information, analyses, appraisals, recommendations, and counsel to management.	
2. The agency works closely with executive branch oversight organizations. Consider the following: • The agency has a good working relationship with OCFO, and major officials, including the CFO, meet regularly with OCFO personnel to discuss areas such as financial and budgetary reporting, internal control, and management's performance. • High-level agency personnel maintain good working relationships with other executive branch agencies that exercise multi-agency control responsibilities, such as OCFO, OCP, DGS, and DCHR.	
3. The agency maintains a close relationship with Council in general and oversight committees in particular. Consider the following: • The agency provides Council and oversight committees with timely and accurate information to allow monitoring of agency activities, including review of the agency's (1) mission and goals, (2) performance reporting, and (3) financial position and operating results. • High-level agency officials meet regularly with Council and ODCA staff to discuss major issues affecting operations, internal control, performance, and other major agency activities and	

programs.	

Control Environment Summary Section: Provide General Conclusions and Actions Needed Here:

Risk Assessment:

Establishment of Entitywide Objectives:	Auditor Notes
1. The agency has established entitywide objectives that provide sufficiently broad statements and guidance about what the agency is supposed to achieve, yet are specific enough to relate directly to the agency. Consider the following: • Management has established overall entitywide objectives in the form of mission, goals, and objectives, such as those defined in strategic and annual performance plans. • The entitywide objectives relate to and stem from program requirements established by legislation. • The entitywide objectives are specific enough to clearly apply to the agency instead of applying to all agencies.	
2. Entitywide objectives are clearly communicated to all employees, and management obtains feedback signifying that the communication has been effective.	
3. There is a relationship and consistency between the agency's operational strategies and the entitywide objectives. Consider the following: • Strategic plans support the entitywide objectives. • Strategic plans address resource allocations and priorities. • Strategic plans and budgets are designed with an appropriate level of detail for various management levels. • Assumptions made in strategic plans and budgets are consistent with the agency's historical experience and current circumstances.	
4. The agency has an integrated management strategy and risk assessment plan that considers the entitywide objectives and relevant sources of risk from internal management factors and external sources and establishes a control structure to address those risks.	
Establishment of Activity-Level Objectives:	Auditor Notes
1. Activity-level (program or mission-level) objectives flow from and are linked with the agency's entitywide objectives and strategic plans. Consider the following: • All significant activities are adequately linked to the entitywide objectives and strategic plans. • Activity-level objectives are reviewed periodically to assure that they have continued relevance.	
2. Activity-level objectives are complementary, reinforce each other, and are not contradictory.	
3. The activity-level objectives are relevant to all significant agency processes. Consider the following: • Objectives have been established for all the key operational activities and the support activities. • Activity-level objectives are consistent with effective past practices and performance, and are consistent with any industry or business norms that may be applicable to the agency's operations.	
4. Activity-level objectives include measurement criteria.	
5. Agency resources are adequate relative to the activity-level objectives. Consider the following: • The resources needed to meet the objectives have been identified.	

• If adequate resources are not available, management has plans to acquire them.	
6. Management has identified those activity-level objectives that are critical to the success of the overall entitywide objectives. Consider the following: • Management has identified the things that must occur or happen if the entitywide objectives are to be met. • The critical activity-level objectives receive particular attention and review from management and their performance is monitored regularly.	
7. All levels of management are involved in establishing the activity-level objectives and are committed to their achievement.	
Risk Identification:	**Auditor Notes**
1. Management comprehensively identifies risk using various methodologies as appropriate. Consider the following: • Qualitative and quantitative methods are used to identify risk and determine relative risk rankings on a scheduled and periodic basis. • How risk is to be identified, ranked, analyzed, and mitigated is communicated to appropriate staff. • Risk identification and discussion occur in senior-level management conferences. • Risk identification takes place as a part of short-term and long-term forecasting and strategic planning. • Risk identification occurs as a result of consideration of findings from audits, evaluations, and other assessments. • Risks that are identified at the employee and mid-management level are brought to the attention of senior-level managers.	
2. Adequate mechanisms exist to identify risks to the agency arising from external factors. Consider the following: • The agency considers the risks associated with technological advancements and developments. • Consideration is given to risks arising from the changing needs or expectations of Council, agency officials, and the public. • Risks posed by new legislation or regulations are identified. • Risks to the agency as a result of possible natural catastrophes or criminal or terrorist actions are taken into account. • Identification of risks resulting from business, political, and economic changes are determined. • Consideration is given to the risks associated with major suppliers and contractors. • The agency carefully considers any risks resulting from its interactions with various other entities and parties outside the government.	
3. Adequate mechanisms exist to identify risks to the agency arising from internal factors. Consider the following: • Risks resulting from downsizing of agency operations and personnel are considered. • The agency identifies risks associated with business process reengineering or redesign of operating processes. • Consideration is given to risks posed by disruption of information systems processing and the extent to which backup systems are available and can be implemented. • The agency identifies any potential risks due to highly	

decentralized program operations. • Consideration is given to possible risks resulting from the lack of qualifications of personnel hired or the extent to which they have been trained or not trained. • Risks resulting from heavy reliance on contractors or other related parties to perform critical agency operations are identified. • The agency identifies any risks that might be associated with major changes in managerial responsibilities. • Risks resulting from unusual employee access to vulnerable assets are considered. • Risk identification activities consider certain human capital-related risks, such as the inability to provide succession planning and retain key personnel who can affect the ability of the agency or program activity to function effectively, and the inadequacy of compensation and benefit programs to keep the agency competitive with the private sector for labor. • Risks related to the availability of future funding for new programs or the continuation of current programs are assessed.	
4. In identifying risk, management assesses other factors that may contribute to or increase the risk to which the agency is exposed. Consider the following: • Management considers any risks related to past failures to meet agency missions, goals, or objectives or failures to meet budget limitations. • Consideration is given to risks indicated by a history of improper program expenditures, violations of funds control, or other statutory noncompliance. • The agency identifies any risks inherent to the nature of its mission or to the significance and complexity of any specific programs or activities it undertakes.	
5. Management identifies risks both entitywide and for each significant activity-level of the agency.	
Risk Analysis:	**Auditor Notes**
1. After the risks to the agency have been identified, management undertakes a thorough and complete analysis of their possible effect. Consider the following: • Management has established a formal process to analyze risks, and that process may include informal analysis based on day-to-day management activities. • Criteria have been established for determining low, medium, and high risks. • Appropriate levels of management and employees are involved in the risk analysis. • The risks identified and analyzed are relevant to the corresponding activity objective. • Risk analysis includes estimating the risk's significance. • Risk analysis includes estimating the likelihood and frequency of occurrence of each risk and determining whether it falls into the low, medium, or high-risk category. • A determination is made on how best to manage or mitigate the risk and what specific actions should be taken.	
2. Management has developed an approach for risk management and control based on how much risk can be prudently accepted. Consider the	

following: • The approach can vary from one agency to another depending upon variances in risks and how much risk can be tolerated, but seems appropriate to the agency. • The approach is designed to keep risks within levels judged to be appropriate and management takes responsibility for setting the tolerable risk level. • Specific control activities are decided upon to manage or mitigate specific risks entitywide and at each activity level, and their implementation is monitored.	
Managing Risk During Change:	**Auditor Notes**
1. The agency has mechanisms in place to anticipate, identify, and react to risks presented by changes in governmental, economic, industry, regulatory, operating, or other conditions that can affect the achievement of entitywide or activity-level goals and objectives. Consider the following: • All activities within the agency that might be significantly affected by changes are considered in the process. • Routine changes are addressed through the established risk identification and analysis processes. • Risks resulting from conditions that are significantly changing are addressed at sufficiently high levels within the agency so that their full impact on the organization is considered and appropriate actions are taken.	
2. The agency gives special attention to risks presented by changes that can have a more dramatic and pervasive effect on the entity and may demand the attention of senior officials. Consider the following: • The agency is especially attentive to risks caused by the hiring of new personnel to occupy key positions or by high personnel turnover in any particular area. • Mechanisms exist to assess the risks posed by the introduction of new or changed information systems and risks involved in training employees to use the new systems and to accept the changes. • Management gives special consideration to the risks presented by rapid growth and expansion or rapid downsizing and the effects on systems capabilities and revised strategic plans, goals, and objectives. • Consideration is given to the risks involved when introducing major new technological developments and applications and incorporating them into the operating processes. • The risks are extensively analyzed whenever the agency begins the production or provision of new outputs or services. • Risks resulting from the establishment of operations in a new geographical area are assessed.	

Risk Assessment Summary Section: Provide General Conclusions and Actions Needed Here:

Control Activities:

General Application:	Auditor Notes
1. Appropriate policies, procedures, techniques, and mechanisms exist with respect to each of the agency's activities. Consider the following: • All relevant objectives and associated risks for each significant activity have been identified in conjunction with conducting the risk assessment and analysis function. • Management has identified the actions and control activities needed to address the risks and directed their implementation.	
2. The control activities identified as necessary are in place and being applied. Consider the following: • Control activities described in policy and procedures manuals are actually applied and applied properly. • Supervisors and employees understand the purpose of internal control activities. • Supervisory personnel review the functioning of established control activities and remain alert for instances in which excessive control activities should be streamlined. • Timely action is taken on exceptions, implementation problems, or information that requires follow-up.	
3. Control activities are regularly evaluated to ensure that they are still appropriate and working as intended.	
Common Categories of Control Activities:	**Auditor Notes**
1. Top-Level Reviews - Management tracks major agency achievements in relation to its plans. Consider the following: • Top-level management regularly reviews actual performance against budgets, forecasts, and prior period results. • Top management is involved in developing 5-year and annual performance plans and targets in accordance with GPRA and measuring and reporting results against those plans and targets. • Major agency initiatives are tracked for target achievement and follow-up actions are taken.	
2. Management Reviews at the Functional or Activity Level - Agency managers review actual performance against targets. Consider the following: • Managers at all activity levels review performance reports, analyze trends, and measure results against targets. • Both financial and program managers review and compare financial, budgetary, and operational performance to planned or expected results. • Appropriate control activities are employed, such as reconciliations of summary information to supporting detail and checking the accuracy of summarizations of operations.	

3. Management of Human Capital - The agency effectively manages the organization's workforce to achieve results. Consider the following: • A clear and coherent shared vision of agency mission, goals, values, and strategies is explicitly identified in the strategic plan, annual performance plan, and other guiding documents, and that view has been clearly and consistently communicated to all employees. • The agency has a coherent overall human capital strategy, as evidenced in its strategic plan, performance plan, or separate human capital planning document; and that strategy encompasses human capital policies, programs, and practices to guide the agency. • The agency has a specific and explicit workforce planning strategy, linked to the overall strategic plan, and that allows for identification of current and future human capital needs. • The agency has defined the type of leaders it wants through written descriptions of roles, responsibilities, attributes, and competencies and has established broad performance expectations for them. • Senior leaders and managers attempt to build teamwork, reinforce the shared vision of the agency, and encourage feedback from employees, as evidenced by actions taken to communicate this to all employees and the existence of opportunities for management to obtain feedback. • The agency's performance management system is given a high priority by top-level officials, and it is designed to guide the workforce to achieve the agency's shared vision/mission. • Procedures are in place to ensure that personnel with appropriate competencies are recruited and retained for the work of the agency, including a formal recruiting and hiring plan with explicit links to skill needs the agency has identified. • Employees are provided orientation, training, and tools to perform their duties and responsibilities, improve performance, enhance their capabilities, and meet the demands of changing organizational needs. • The compensation system is adequate to acquire, motivate, and retain personnel, and incentives and rewards are provided to encourage personnel to perform at maximum capability. • The agency provides workplace flexibilities, services, and facilities (e.g., career counseling, flextime, casual-dress days, and childcare) to help it compete for talent and enhance employee satisfaction and commitment. • Qualified and continuous supervision is provided to ensure that internal control objectives are being met. • Meaningful, honest, constructive performance evaluation and feedback are provided to help employees understand the connection between their performance and the achievement of the agency's goals. • Management conducts succession planning to ensure continuity of needed skills and abilities.	
4. Information Processing - The agency employs a variety of control activities suited to information processing systems to ensure accuracy and completeness. Consider the following: • Edit checks are used in controlling data entry. • Accounting for transactions is performed in numerical sequences.	

• File totals are compared with control accounts. • Exceptions or violations indicated by other control activities are examined and acted upon. • Access to data, files, and programs is appropriately controlled.	
5. Physical Control Over Vulnerable Assets - The agency employs physical control to secure and safeguard vulnerable assets. Consider the following: • Physical safeguarding policies and procedures have been developed, implemented, and communicated to all employees. • The agency has developed a disaster recovery plan, which is regularly updated and communicated to employees. • The agency has developed a plan for the identification of and protection of any critical infrastructure assets. • Assets that are particularly vulnerable to loss, theft, damage, or unauthorized use, such as cash, securities, supplies, inventories, and equipment, are physically secured and access to them controlled. • Assets such as cash, securities, supplies, inventories, and equipment are periodically counted and compared to control records and exceptions examined. • Cash and negotiable securities are maintained under lock and key and access to them strictly controlled. • Forms such as blank checks and purchase orders are sequentially pre-numbered and physically secured and access to them strictly controlled. • Mechanical check signers and signature plates are physically protected and access to them strictly controlled. • Equipment vulnerable to theft is securely fastened or protected in some other manner. • Identification plates and numbers are affixed to office furniture and fixtures, equipment, and other portable assets. • Inventories, supplies, and finished items/goods are stored in physically secured areas and protected from damage. • Facilities are protected from fire by fire alarms and sprinkler systems. • Access to premises and facilities is controlled by fences, guards, and/or other physical controls. • Access to facilities is restricted and controlled during nonworking hours.	
6. Performance Measures and Indicators - The agency has established and monitors performance measures and indicators. Consider the following: • Performance measures and indicators have been established throughout the organization at the entitywide, activity, and individual level. • The agency periodically reviews and validates the propriety and integrity of both organizational and individual performance measures and indicators. • Performance measurement assessment factors are evaluated to ensure they are linked to mission, goals, and objectives, and are balanced and set appropriate incentives for achieving goals while complying with law, regulations, and ethical standards. • Actual performance data are continually compared against expected/planned goals and differences are analyzed. • Comparisons are made relating different sets of data to one	

another so that analyses of the relationships can be made and corrective • actions can be taken if necessary. • Investigation of unexpected results or unusual trends leads to identification of circumstances in which the achievement of goals and objectives may be threatened and corrective action is taken. • Analysis and review of performance measures and indicators are used for both operational and financial reporting control purposes.	
7. Segregation of Duties - Key duties and responsibilities are divided or segregated among different people to reduce the risk of error, waste, or fraud. Consider the following: • No one individual is allowed to control all key aspects of a transaction or event. • Responsibilities and duties involving transactions and events are separated among different employees with respect to authorization, approval, processing and recording, making payments or receiving funds, review and auditing, and the custodial functions and handling of related assets. • Duties are assigned systematically to a number of individuals to ensure that effective checks and balances exist. • Where feasible, no one individual is allowed to work alone with cash, negotiable securities, or other highly venerable assets. • The responsibility for opening mail is assigned to individuals who have no responsibilities for or access to files or documents pertaining to accounts receivable or cash accounts. • Bank accounts are reconciled by employees who have no responsibilities for cash receipts, disbursements, or custody. • Management is aware that collusion can reduce or destroy the control effectiveness of segregation of duties and, therefore, is especially alert for it and attempts to reduce the opportunities for it to occur.	
8. Execution of Transactions and Events - Transactions and other significant events are authorized and performed by the appropriate personnel. Consider the following: • Controls ensure that only valid transactions and other events are initiated or entered into, in accordance with management's decisions and directives. • Controls are established to ensure that all transactions and other significant events that are entered into are authorized and executed only by employees acting within the scope of their authority. • Authorizations are clearly communicated to managers and employees and include the specific conditions and terms under which authorizations are to be made. • The terms of authorizations are in accordance with directives and within limitations established by law, regulation, and management.	
9. Recording of Transactions and Events - Transactions and other significant events are properly classified and promptly recorded. Consider the following: • Transactions and events are appropriately classified and promptly recorded so that they maintain their relevance, value, and usefulness to management in controlling operations and	

making decisions. • Proper classification and recording take place throughout the entire life cycle of each transaction or event, including authorization, initiation, processing, and final classification in summary records. • Proper classification of transactions and events includes appropriate organization and format of information on original documents (hardcopy paper or electronic) and summary records from which reports and statements are prepared. • Excessive adjustments to numbers or account classifications are not necessary prior to finalization of financial reports.	
10. Access Restrictions to and Accountability for Resources and Records - Access to resources and records is limited and accountability for their custody is assigned. Consider the following: • The risk of unauthorized use or loss is controlled by restricting access to resources and records only to authorized personnel. • Accountability for resources and records custody and use is assigned to specific individuals. • Access restrictions and accountability assignments for custody are periodically reviewed and maintained. • Periodic comparison of resources with the recorded accountability is made to determine if the two agree, and differences are examined. • How frequently actual resources are compared to records and the degree of access restrictions are functions of the vulnerability of the resource to the risk of errors, fraud, waste, misuse, theft, or unauthorized alteration. • Management considers such factors as asset value, portability, and exchangeability when determining the appropriate degree of access restrictions. • As a part of assigning and maintaining accountability for resources and records, management informs and communicates those responsibilities to specific individuals within the agency and assures that those people are aware of their duties for appropriate custody and use of those resources.	
11. Documentation - Internal Control and all transactions and other significant events are clearly documented. Consider the following: • Written documentation exists covering the agency's internal control structure and for all significant transactions and events. • The documentation is readily available for examination. • The documentation for internal control includes identification of the agency's activity-level functions and related objectives and control activities and appears in management directives, administrative policies, accounting manuals, and other such manuals. • Documentation for internal control includes documentation describing and covering automated information systems, data collection and handling, and the specifics of general and application control related to such systems. • Documentation of transactions and other significant events is complete and accurate and facilitates tracing the transaction or event and related information from authorization and initiation, through its processing, to after it is completed. • Documentation, whether in paper or electronic form, is useful to managers in controlling their operations and to any others	

involved in evaluating or analyzing operations. • All documentation and records are properly managed, maintained, and periodically updated.	

Control Activities Summary Section: Provide General Conclusions and Actions Needed Here:

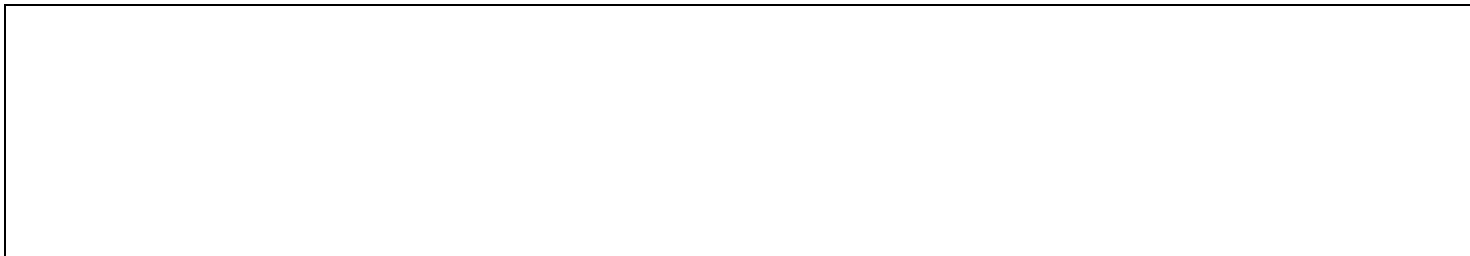
Information and Communications:

Information:	Auditor Notes
1. Information from internal and external sources is obtained and provided to management as a part of the agency's reporting on operational performance relative to established objectives. Consider the following: • Internally generated information critical to achieving the agency's objectives, including information relative to critical success factors, is identified and regularly reported to management. • The agency obtains and reports to managers any relevant external information that may affect the achievement of its missions, goals, and objectives, particularly that related to legislative or regulatory developments and political or economic changes. • Internal and external information needed by managers at all levels is reported to them.	
2. Pertinent information is identified, captured, and distributed to the right people in sufficient detail, in the right form, and at the appropriate time to enable them to carry out their duties and responsibilities efficiently and effectively. Consider the following: • Managers receive analytical information that helps them identify specific actions that need to be taken. • Information is provided at the right level of detail for different levels of management. • Information is summarized and presented appropriately and provides pertinent information while permitting a closer inspection of details as needed. • Information is available on a timely basis to allow effective monitoring of events, activities, and transactions and to allow prompt reaction. • Program managers receive both operational and financial information to help them determine whether they are meeting the strategic and annual performance plans and meeting the agency's goals for accountability of resources. • Operational information is provided to managers so that they may determine whether their programs comply with applicable laws and regulations. • The appropriate financial and budgetary information is provided for both internal and external financial reporting.	
Communications:	**Auditor Notes**

1. Management ensures that effective internal communications occur. Consider the following: • Top management provides a clear message throughout the agency that internal control responsibilities are important and must be taken seriously. • Employees' specific duties are clearly communicated to them and they understand the relevant aspects of internal control, how their role fits into it, and how their work relates to the work of others. • Employees are informed that when the unexpected occurs in performing their duties, attention must be given not only to the event, but also to the underlying cause, so that potential internal control weaknesses can be identified and corrected before they can do further harm to the agency. • Acceptable behavior versus unacceptable behavior and the consequences of improper conduct are clearly communicated to all employees. • Personnel have a means of communicating information upstream within the agency through someone other than a direct supervisor, and there is a genuine willingness to listen on the part of management. • Mechanisms exist to allow the easy flow of information down, across, and up the organization, and easy communications exist between functional activities, such as between procurement activities and production activities. • Employees indicate that informal or separate lines of communications exist, which serve as a "fail-safe" control for normal communications avenues. • Personnel understand that there will be no reprisals for reporting adverse information, improper conduct, or circumvention of internal control activities. • Mechanisms are in place for employees to recommend improvements in operations, and management acknowledges good employee suggestions with cash awards or other meaningful recognition. • Management communicates frequently with internal oversight groups, such as senior management councils, and keeps them informed of performance, risks, major initiatives, and any other significant events.	
2. Management ensures that effective external communications occur with groups that can have a serious impact on programs, projects, operations, and other activities, including budgeting and financing. Consider the following: • Open and effective communications channels have been established with customers, suppliers, contractors, consultants, and other groups that can provide significant input on quality and design of agency products and services. • All outside parties dealing with the agency are clearly informed of the agency's ethical standards and also understand that improper actions, such as improper billings, kickbacks, or other improper payments, will not be tolerated. • Communications from external parties, such as other agencies, state and local governments, and other related third parties, is encouraged since it can be a source of information on how well internal control is functioning. • The agency has methods to ensure compliance with the Federal	

Advisory Committee Act of 1972 since such committees may include individuals external to the agency with whom communications could occur. • Complaints or inquires, especially those concerning services, such as shipments, receipts, and billings, are welcomed since they can point out control problems. • Management makes certain that the advice and recommendations of Inspectors General and other auditors and evaluators are fully considered and that actions are implemented to correct any problems or weaknesses they identify. • Communications with Council, OCFO, other agencies, state and local governments, the media, the public, and others provide information relevant to the requesters' needs so that they can better understand the agency's mission, goals, and objectives, better understand the risks facing the agency, and thus better understand the agency.	
Forms and Means of Communications:	**Auditor Notes**
1. The agency employs many and various forms and means of communicating important information with employees and others. Consider the following: • Management uses effective communications methods, which may include policy and procedures manuals, management directives, memoranda, bulletin board notices, internet and intranet web pages, videotaped messages, e-mail, and speeches. • Two of the most powerful forms of communications used by management are the positive actions it takes in dealing with personnel throughout the organization and its demonstrated support of internal control.	
2. The agency manages, develops, and revises its information systems in an effort to continually improve the usefulness and reliability of its communication of information. Consider the following: • Information systems management is based on a strategic plan for information systems that is linked to the agency's overall strategic plan. • A mechanism exists for identifying emerging information needs. • As part of the agency's information management, improvements and advances in technology are monitored, analyzed, evaluated, and introduced to help the agency respond more rapidly and efficiently to those it serves. • Management continually monitors the quality of the information captured, maintained, and communicated as measured by such factors as appropriateness of content, timeliness, accuracy, and accessibility. • Management's support for the development of information technology is demonstrated by its commitment of appropriate human and financial resources to the effort.	

Information and Communications Summary Section: Provide General Conclusions and Actions Needed Here:

Monitoring:

Ongoing Monitoring:	Auditor Notes
1. Management has a strategy to ensure that ongoing monitoring is effective and will trigger separate evaluations where problems are identified or systems are critical and testing is periodically desirable. Consider the following: • Management's strategy provides for routine feedback and monitoring of performance and control objectives. • The monitoring strategy includes methods to emphasize to program and operational mangers that they have responsibility for internal control and that they should monitor the effectiveness of control activities as a part of their regular duties. • The monitoring strategy includes methods to emphasize to program mangers their responsibility for internal control and their duties to regularly monitor the effectiveness of control activities. • The monitoring strategy includes identification of critical operational and mission support systems that need special review and evaluation. • The strategy includes a plan for periodic evaluation of control activities for critical operational and mission support systems.	
2. In the process of carrying out their regular activities, agency personnel obtain information about whether internal control is functioning properly. Consider the following: • Operating reports are integrated or reconciled with financial and budgetary reporting system data and used to manage operations on an ongoing basis, and management is aware of inaccuracies or exceptions that could indicate internal control problems. • Operating management compares production, sales, or other operating information obtained in the course of its daily activities to system-generated information and follows up on any inaccuracies or other problems that might be found. • Operating personnel are required to "sign-off' on the accuracy of their unit's financial statements and are held accountable if errors are discovered.	
3. Communications from external parties should corroborate internally generated data or indicate problems with internal control. Consider the following: • Management recognizes that customers paying for invoices help to corroborate billing data, while customer complaints indicate that deficiencies may exist; and these deficiencies are then investigated to determine the underlying causes. • Communications from vendors and monthly statements of accounts payable are used as control monitoring techniques. • Supplier complaints about any unfair practices by agency purchasing agents are investigated. • Council and oversight groups communicate information to the agency about compliance or other matters that reflect on the functioning of internal control, and management follows up on any problems indicated. • Control activities that should have prevented or detected any problems that arose, but did not function properly, are	

reassessed.	
4. Appropriate organizational structure and supervision help provide oversight of internal control functions. Consider the following: • Automated edits and checks as well as clerical activities are used to help control accuracy and completeness of transaction processing. • Separation of duties and responsibilities is used to help deter fraud. • The Inspector General is independent and has authority to report directly to the agency head and does not conduct agency operations for management.	
5. Data recorded by information and financial systems are periodically compared with physical assets and discrepancies are examined. Consider the following: • Inventory levels of materials, supplies, and other assets are checked regularly; differences between recorded and actual amounts are corrected; and the reasons for the discrepancies resolved. • The frequency of the comparison is a function of the vulnerability of the asset. • Custodial accountability for assets and resources is assigned to responsible individuals.	
6. The Inspector General and other auditors and evaluators regularly provide recommendations for improvements in internal control with management taking appropriate follow-up action.	
7. Meetings with employees are used to provide management with feedback on whether internal control is effective. Consider the following: • Relevant issues, information, and feedback concerning internal control raised at training seminars, planning sessions, and other meetings are captured and used by management to address problems or strengthen the internal control structure. • Employee suggestions on internal control are considered and acted upon as appropriate. • Management encourages employees to identify internal control weaknesses and report them to the next supervisory level.	
8. Employees are regularly asked to state explicitly whether they comply with the agency's code of conduct or similar agency pronouncements of expected employee behavior. Consider the following: • Personnel periodically acknowledge compliance with the code of conduct. • Signatures are required to evidence performance of critical internal control functions, such as reconciliations.	
Separate Evaluations:	**Auditor Notes**

1. The scope and frequency of separate evaluations of internal control are appropriate for the agency. Consider the following: • Consideration is given to the risk assessment results and the effectiveness of ongoing monitoring when determining the scope and frequency of separate evaluations. • Separate evaluations are often prompted by events such as major changes in management plans or strategies, major expansion or downsizing of the agency, or significant changes in operations or processing of financial or budgetary information. • Appropriate portions or sections of internal control are evaluated regularly. • Separate evaluations are conducted by personnel with the required skills that may include the agency's Inspector General or an external auditor.	
2. The methodology for evaluating the agency's internal control is logical and appropriate. Consider the following: • The methodology used may include self-assessments using checklists, questionnaires, or other such tools, and it may include the use of this Management and Evaluation Tool or some similar device. • The separate evaluations may include a review of the control design and direct testing of the internal control activities. • In agencies where large amounts of data are processed by the information and/or financial systems, separate evaluation methodology employs computer assisted audit techniques to identify indicators of inefficiencies, waste, or abuse. • The evaluation team develops a plan for the evaluation process to ensure a coordinated effort. • If the evaluation process is conducted by agency employees, it is managed by an executive with the requisite authority, capability, and experience. • The evaluation team gains a sufficient understanding of the agency's missions, goals, and objectives and its operations and activities. • The evaluation team gains an understanding of how the agency's internal control is supposed to work and how it actually does work. • The evaluation team analyzes the results of the evaluation against established criteria. • The evaluation process is properly documented.	
3. If the separate evaluations are conducted by the agency's Inspector General, that office has sufficient resources, ability, and independence. Consider the following: • The Inspector General has sufficient levels of competent and experienced staff. • The Inspector General is organizationally independent and reports to the highest levels within the agency. • The responsibilities, scope of work, and audit plans of the Inspector General are appropriate to the agency's needs.	
4. Deficiencies found during separate evaluations are promptly resolved. Consider the following: • Deficiencies are promptly communicated to the individual responsible for the function and also to at least one level of management above that individual. • Serious deficiencies and internal control problems are promptly	

Audit Resolution:	Auditor Notes
reported to top management.	
1. The agency has a mechanism to ensure the prompt resolution of findings from audits and other reviews. Consider the following: • Managers promptly review and evaluate findings resulting from audits, FMFIA and FFMIA assessments, and other reviews, including those showing deficiencies and those identifying opportunities for improvements. • Management determines the proper actions to take in response to findings and recommendations. • Corrective action is taken or improvements made within established time frames to resolve the matters brought to management's attention. • In cases where there is disagreement with the findings or recommendations, management demonstrates that those findings or recommendations are either invalid or do not warrant action. • Management considers consultations with auditors (such as ODCA, the Inspector General, and other external auditors), and reviewers when they are believed to be helpful in the audit resolution process.	
2. Agency management is responsive to the findings and recommendations of audits and other reviews aimed at strengthening internal control. Consider the following: • Executives with the proper authority evaluate the findings and recommendations and decide upon the appropriate actions to take to correct or improve control. • Desired internal control actions are followed up on to verify implementation.	
3. The agency takes appropriate follow-up actions with regard to findings and recommendations of audits and other reviews. Consider the following: • Problems with particular transactions or events are corrected promptly. • The underlying causes giving rise to the findings or recommendations are investigated by management. • Actions are decided upon to correct the situation or take advantage of the opportunity for improvements. • Management and auditors follow up on audit and review findings, recommendations, and the actions decided upon to ensure that those actions are taken. • Top management is kept informed through periodic reports on the status of audit and review resolution so that it can ensure the quality and timeliness of individual resolution decisions.	

Monitoring Summary Section: Provide General Conclusions and Actions Needed Here:
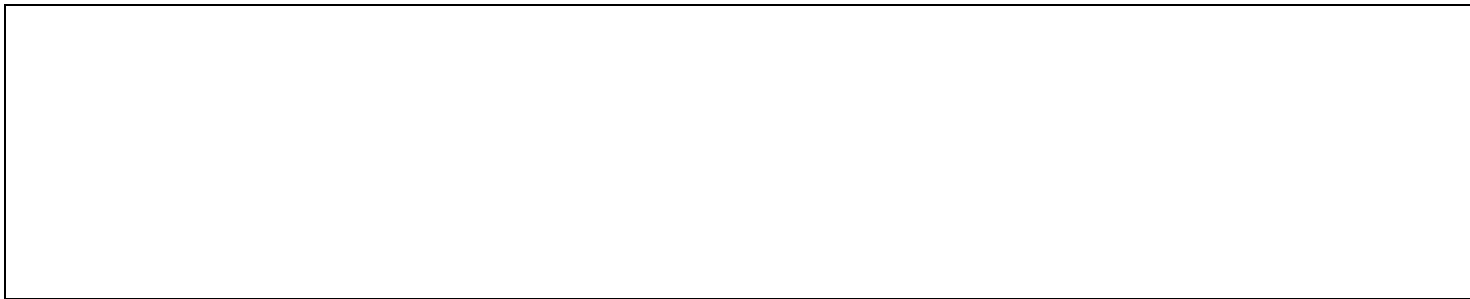
Information System Internal Control Evaluation Tool

This workpaper is based on the GAO's Internal Control Management and Evaluation Tool and presents potential internal control factors relevant to Information Systems. If the program under audit relies heavily on information systems, ODCA auditors must obtain an understanding of the information systems controls that are or are not in place to mitigate risks. Auditors may need to modify this tool to meet the needs of each audit.

The workpaper is organized into categories pertaining to:
- General Control
- Application Control

Control Activities Specific for Information Systems — General Control:

Entitywide Security Management Program:	Auditor Notes
1. The agency periodically performs a comprehensive, high-level assessment of risks to its information systems. Consider the following: • Risk assessments are performed and documented regularly and whenever systems, facilities, or other conditions change. • Risk assessments consider data sensitivity and integrity. • Final risk determinations and managerial approvals are documented and kept on file.	
2. The agency has developed a plan that clearly describes the entitywide security program and policies and procedures that support it.	
3. Senior management has established a structure to implement and manage the security program throughout the agency, and security responsibilities are clearly defined.	
4. The agency has implemented effective security-related personnel policies.	
5. The agency monitors the security program's effectiveness and makes changes as needed. Consider the following: • Management periodically assesses the appropriateness of security policies and compliance with them. • Corrective actions are promptly and effectively implemented and tested, and they are continually monitored.	
Access Control:	**Auditor Notes**
1. The agency classifies information resources according to their criticality and sensitivity. Consider the following: • Resource classifications and related criteria have been established and communicated to resource owners. • Resource owners have classified their information resources based on the approved criteria and with regard to risk determinations and assessments and have documented those classifications.	
2. Resource owners have identified authorized users, and their access to the information has been formally authorized.	
3. The agency has established physical and logical controls to prevent or detect unauthorized access.	
4. The agency monitors information systems access, investigates apparent violations, and takes appropriate remedial and disciplinary action.	
Application Software Development and Change Control:	**Auditor Notes**
1. Information system processing features and program modifications are properly authorized.	
2. All new or revised software is thoroughly tested and approved.	
3. The agency has established procedures to ensure control of its software libraries, including labeling, access restrictions, and use of inventories and separate libraries.	
System Software Control:	**Auditor Notes**
1. The agency limits access to system software based on job responsibilities, and access authorization is documented.	
2. Access to and use of system software are controlled and monitored.	
3. The agency controls changes made to the system software.	
Segregation of Duties:	**Auditor Notes**
1. Incompatible duties have been identified and policies implemented to	

segregate those duties.	
2. Access controls have been established to enforce segregation of duties.	
3. The agency exercises control over personnel activities through the use of formal operating procedures, supervision, and review.	
Service Continuity:	**Auditor Notes**
1. The criticality and sensitivity of computerized operations have been assessed and prioritized, and supporting resources have been identified.	
2. The agency has taken steps to prevent and minimize potential damage and interruption through the use of data and program backup procedures including off-site storage of backup data as well as environmental controls, staff training, and hardware maintenance and management.	
3. Management has developed and documented a comprehensive contingency plan.	
4. The agency periodically tests the contingency plan and adjusts it as appropriate.	

General Control Summary Section: Provide General Conclusions and Actions Needed Here:

Control Activities Specific for Information Systems — Application Control

Authorization Control:	Auditor Notes
1. Source documents are controlled and require authorization. Consider the following: • Access to blank source documents is restricted. • Source documents are pre-numbered sequentially. • Key source documents require authorizing signatures. • For batch application systems, batch control sheets are used providing information such as date, control number, number of documents, and control totals for key fields. • Supervisory or independent review of data occurs before it is entered into the application system.	
2. Data entry terminals have restricted access.	
3. Master files and exception reporting are used to ensure that all data processed are authorized.	
Completeness Control:	**Auditor Notes**
1. All authorized transactions are entered into and processed by the computer.	
2. Reconciliations are performed to verify data completeness.	
Accuracy Control:	**Auditor Notes**
1. The agency's data entry design features contribute to data accuracy.	
2. Data validation and editing are performed to identify erroneous data.	
3. Erroneous data are captured, reported, investigated, and promptly corrected.	
4. Output reports are reviewed to help maintain data accuracy and validity.	
Control Over Integrity of Processing and Data Files:	**Auditor Notes**
1. Procedures ensure that the current version of production programs and data files are used during processing.	
2. Programs include routines to verify that the proper version of the computer file is used during processing.	
3. Programs include routines for checking internal file header labels before processing.	
4. The application protects against concurrent file updates.	

Application Control Summary Section: Provide General Conclusions and Actions Needed Here:

Risk Assessment Workpaper

Use this workpaper to document the audit team's assessment of the program's risks related to the audit objectives, including the risk for fraud, abuse, and noncompliance with laws, regulations, contracts, and grant agreements.

Question	Answer
What are the program/agency's objectives?	
What is the program/agency's tone at the top? (Could include lack of monitoring, incentives, pressures, rationalizations/attitudes of individuals)	
What are the program's vulnerabilities to risks that could prevent the agency from meeting the program's objectives? Categories of risks could include: the risk of fraud, abuse, and/or noncompliance; strategic risks; program risks; operational risks; reporting risks; reputational risks; and technological risks.	
What is management's overall understanding of the risks facing the program? Has management analyzed risks program/agency-wide?	
What risks to the program did management identify, including fraud, abuse, or noncompliance within the audit scope?	
What additional risks has the audit team identified, including the risk of fraud, abuse, and/or noncompliance? Note: It is important to consider risks on an inherent basis, or without consideration of known controls. By taking this approach, auditors will be better able to consider all relevant risks and then assess whether the unit has designed adequate controls to mitigate the risks.	
What is management doing to monitor risks within the audit scope, including the risk of fraud, abuse, and/or noncompliance?	

Question	Answer
What controls are in place to effectively mitigate or prevent each risk identified above? Note: The audit team can use the Internal Control Evaluation Tool and the Information System Internal Control Evaluation Tool to help answer this question.	
Where effective controls were not identified, which risks remain unresolved? Note: The audit team can use the Internal Control Evaluation Tool and the Information System Internal Control Evaluation Tool to help answer this question.	
For each unresolved risk, consider the likelihood of the risk occurring. Explain the team's rationale for how likely the risks are and then conclude as: likely, possible, or unlikely. Note: To help determine likelihood, the audit team should consider instances of the risk occurring in the past relevant to the program, the prevalence of the risk in any relevant departments, the complexity of the risk, and the number of people involved in reviewing or approving the process, among other factors.	
For each unresolved risk, consider the impact of the risk if it occurred. Explain the team's rationale for each risk's impact and then conclude as: serious, moderate, or minor. Note: The audit team should consider quantitative and qualitative factors when assessing the impact of risks to a program. For example, certain fraud risks may not pose a material monetary impact on the program, but could greatly affect its reputation, and therefore, would be deemed a serious risk.	

Question	Answer
For all risks that remain unresolved that are considered likely and serious, identify appropriate field work procedures to test relevant internal controls and provide reasonable assurance of detecting fraud, abuse, and/or noncompliance within the audit scope.	

Identify Previous Audits and Attestation Engagements

Use this workpaper to identify previous audits and attestation engagements related to the program under audit and hyperlink to supporting documentation. Not all of the following sources will be applicable to every audit.

Source	Relevant Audits and/or Attestation Engagements
ODCA reports	
Council investigations	
Internal reports published by the audited entity	
DC OIG reports	
OCFO Office of Integrity and Oversight reports	
Findings regarding the program in the DC Comprehensive Annual Financial Report	
Reports published regarding similar programs by auditors in other jurisdictions	
GAO reports	
Reports published by federal oversight agencies	
A-133 audits for entities receiving federal funding	
Financial statement audits for independent agencies or non-governmental entities	
Other	

Identify Criteria

Use this workpaper to summarize the criteria relevant to the audit objectives and hyperlink to supporting workpapers. Criteria may take the form of:

- Documented objectives or performance goals of the program under review
- Best practices (for example, standards for internal control: GAO or COSO)
- Benchmarks
- D.C. Code
- D.C. Regulations
- Agency policies and procedures
- Contracts and/or grant agreements

	Audit Objective	Relevant Criteria
1		
2		
3		
4		
5		

Identify Sources of Evidence

ODCA auditors must identify all potential sources of information that could be used as evidence. ODCA auditors must determine the amount and type of evidence needed to obtain sufficient, appropriate evidence to address the audit objectives and adequately plan audit field work.

Definitions:
- Types of Evidence:
  - Physical: Evidence that is in the form of a tangible object
  - Documentary: Written or recorded forms of evidence, such as letters, reports, emails, images, and video or audio recordings
  - Testimonial: Spoken or written evidence given by an individual
- Sources of Evidence:
  - Observation: Looking at a process or procedure being performed by others
  - Inquiry: Seeking information from knowledgeable persons and may range from formal written inquiries to informal oral inquiries
  - Inspection: Examining records or documents in paper form, electronic form, or other media, or physically examining an asset

	Audit Objective	Type(s) of Evidence Needed to Meet the Objective	Source(s) of Evidence	Details on the Types and Sources of Evidence (For example, which databases, people, processes, documents, etc.)	Amount of Evidence Needed to Meet the Objective (Including Sample Size, If Applicable)	Sampling Methodology (If Applicable)	Details on the Reliability of Evidence (For example, results of data reliability assessment or other reliability testing)
1		☐ Physical ☐ Documentary ☐ Testimonial	☐ Observation ☐ Inquiry ☐ Inspection				
2		☐ Physical ☐ Documentary ☐ Testimonial	☐ Observation ☐ Inquiry ☐ Inspection				
3		☐ Physical ☐ Documentary ☐ Testimonial	☐ Observation ☐ Inquiry ☐ Inspection				

<Date>

[First Name, Last Name]
[Title]
[Agency]
[Address 1]
[Address 2]
Washington, DC [ZIP code]

Dear [Ms./Mr./Dr. Name]:

I write to let you know that the Office of the District of Columbia Auditor (ODCA) is initiating an audit of [Subject of Audit] as required by the [Name of Law], D.C. Code, [Section Number].

[OR]

I write to let you know that the Office of the District of Columbia Auditor (ODCA) is initiating an audit of [Subject of Audit] at the request of [Name of Councilmember X].

[OR]

I write to let you know that the Office of the District of Columbia Auditor is initiating an audit of [Subject of Audit]. This is a discretionary audit.

ODCA's mission is to support the Council of the District of Columbia by making sound recommendations that improve the effectiveness, efficiency, and accountability of the District government. Our audits and evaluations provide valuable insight regarding whether an agency's business practices are efficient, its policies and procedures are effective, its internal controls need to be improved, and its programs are delivering the intended results.

This audit will cover [Scope]. Our preliminary objectives are [Objectives].

We expect to begin the review on [Month, Date, Year], and conclude the review in approximately [Length of Time]. This timeline assumes that the scope of our audit remains consistent with the developed audit objectives, though we reserve the right to adjust the scope and/or timeline of our audit as we gather additional information, while promptly notifying you of any such changes.

The audit will include interviews with staff members and other stakeholders, and a review and analysis of applicable laws, rules, and regulations, policies and procedures, budget and expenditure reports, and program data and reports.

[Auditor's Title] [First and Last Name] will lead our team on this engagement. Please designate a representative from your agency to act as a liaison, and let [Mr./Ms. Last Name] know who that person will be by [Day, Date, and Year]. [Mr./Ms. Last Name] can be reached at (202) [phone number] or [email address].

We would also like to schedule an introductory meeting the week of [Date], at which you and your team will have an opportunity to meet the staff members conducting the audit. We will also discuss the purpose, process, and timeline. The audit team will address any concerns regarding the audit process and make arrangements for access to information systems and key personnel. [Mr./Ms. Last Name] will work with your liaison to schedule that meeting.

In preparation for the meeting, we would appreciate receiving the information requested in the attached Information Request Form by [Day, Date, Year]. Please contact [Mr./Ms. Last Name] with any questions about the information requested.

We look forward to working with you and your staff. Please do not hesitate to contact me if you have questions and I can be reached at kathy.patterson@dc.gov or (202) 727-8982.

Thank you.

Sincerely yours,

Kathleen Patterson
District of Columbia Auditor

cc: [Relevant Councilmember(s)]
        Betsy Cavendish, Executive Office of the Mayor

[Project Name]
Audit Information Request Form

To help with ODCA's audit of the [**Project Name],** please send the following information to [Name] at [Email] by the close of business on **[Date]**. Thank you.

1. X

2. Y

3. Z

OFFICE OF THE DISTRICT OF COLUMBIA AUDITOR
ENTRANCE CONFERENCE AGENDA

<Insert agency name>
<Insert date and time>

1.   Staff introductions and distribution of the Sign-In Sheet

2.   Origin of Audit: *<insert origin of audit>*

3.   Preliminary Audit Objectives:

   a)   *<Insert objective #1>*

   b)   *<Insert objective #2>*

   c)   *<Insert objective #3>*

4.   Preliminary Audit Scope: *<insert date range>*

5.   Role of the Agency Liaison: To facilitate the flow of information required during the audit. ODCA reserves the right to contact employees directly for information or documentation.

6.   Overview of ODCA's Information Request Guideline (see attached)

7.   Overview of the Audit Process:

   a)   Planning

   b)   Survey and Field Work

   During Survey and Field Work we will conduct observations, interviews, and document review. We conduct Interviews one-on-one with employee and audit staff, unless otherwise specified by the Audit Supervisor. We may require workspace to complete these activities and will work with the Agency Liaison to identify an appropriate area, if necessary.

   The Survey phase will begin on or about *<insert date>*. Although we plan to gather information for a total of approximately *<insert time frame>*, the process may take longer, due to unforeseen circumstances or issues found.

   The audit team will conduct a closeout meeting to discuss preliminary findings and recommendations at the conclusion of field work.

   c)   Reporting:

ODCA will issue a draft report and request written comments from *<insert name of agency>*. If requested by *<insert name of agency>*, we will conduct an exit conference to discuss the findings and conclusions in the report.

ODCA will publish the final report with agency comments appended.

Subsequent to the audit, ODCA will send a web-based survey that provides an opportunity to offer valuable feedback on our audit process and report.

8.   Status of data requested:

   a)   *<If necessary, list requested items that have not yet been submitted.>*

9.   Questions and Discussion

Information Request Procedure for Audited Agencies

During audits, ODCA auditors frequently request information from District government agencies or other stakeholders. We use the following guidelines when requesting information.

1. ODCA will send information requests to the identified point of contact at the agency.

2. We present all information requests in a spreadsheet that details the information requested, the date requested, the due date, the date received, and all relevant notes about the request.

3. We generally give agencies 5 business days for each information request.

4. If the agency does not provide the information requested within 10 business days, we give the agency an additional 5 business days and copy the agency director on the request.

5. If the agency does not provide the information within 20 total business days, we notify the Mayor's Office of the noncompliant agency.

6. If the agency does not provide the information within 30 total business days, we include information about the delinquent information request in our quarterly report to the DC Council.

7. Adjustments to the guidelines above can be made if information requests are exceptionally large or unusual, or if the agency presents a legitimate case for not being able to meet the deadline.

Survey Debrief

\<Insert Name of Audit Here\>
\<Insert Date Here\>

Origin

\<Insert a description of why the audit is being conducted – legislative mandate, Auditor's discretion, Council request, etc.\>

Background

\<Insert a brief background of the program under audit and what issues (if any) prompted the audit.\>

Survey Activities and Results

The most significant takeaways of each survey step were:
- Gather information on the nature and profile of the program
  - *\<Insert key takeaway.\>*
  - *\<Insert key takeaway.\>*
  - *\<Insert key takeaway.\>*
- Identify ongoing investigations and legal proceedings
  - *\<Insert key takeaway.\>*
  - *\<Insert key takeaway.\>*
  - *\<Insert key takeaway.\>*
- Identify previous audits and attestation engagements
  - *\<Insert key takeaway.\>*
  - *\<Insert key takeaway.\>*
  - *\<Insert key takeaway.\>*
- Document the program's processes
  - *\<Insert key takeaway.\>*
  - *\<Insert key takeaway.\>*
  - *\<Insert key takeaway.\>*
- Assess risks facing the program, including risk of fraud, abuse, and noncompliance
  - *\<Insert key takeaway.\>*
  - *\<Insert key takeaway.\>*
  - *\<Insert key takeaway.\>*
- Assess the program's internal controls, including information systems controls
  - *\<Insert key takeaway.\>*
  - *\<Insert key takeaway.\>*
  - *\<Insert key takeaway.\>*
- Identify criteria
  - *\<Insert key takeaway.\>*
  - *\<Insert key takeaway.\>*
  - *\<Insert key takeaway.\>*
- Identify sources of evidence

- o *<Insert key takeaway.>*
- o *<Insert key takeaway.>*
- o *<Insert key takeaway.>*
- Assess the reliability of data systems
  - o *<Insert key takeaway.>*
  - o *<Insert key takeaway.>*
  - o *<Insert key takeaway.>*
- Assess audit risk
  - o *<Insert key takeaway.>*
  - o *<Insert key takeaway.>*
  - o *<Insert key takeaway.>*

Proposed Objectives

The audit team recommends that field work should focus on the following audit objectives:
- *<Insert list of proposed audit objectives.>*

Proposed Scope and Methodology

The audit team proposes the following scope of work for the audit:
- *<Insert proposed audit scope.>*

The audit team proposes the following methodology to accomplish the audit objectives:
- *<Insert proposed methodology.>*

Communication Goals

Target Audience for Report: (Industry groups, non-profits, Parents, homeowners, etc.)	
Target Media for Report:	
Potential Communication Vehicle for Report Findings: (Event, hearing, press, conference, etc.)	
Current Events/Sensitivities Surrounding Audit:	
Potential Visuals to be Included in Report:	

Staffing and Milestones

The current audit team *<is/is not>* sufficient to complete the proposed audit work. *<Provide more detail as necessary.>*

Below is the estimated timeline for major field work milestones and the draft audit report:

Milestone	Date
Complete field work	*<Insert date>*
Conduct field work debrief	*<Insert date>*

Conduct closeout meeting	*<Insert date>*
Complete cross-referenced draft report to Audit Supervisor	*<Insert date>*

Overall Assessment of Evidence for Field Work Debrief

Name of Audit:

Date:

Purpose

The purpose of this workpaper is to document the audit team's overall assessment of evidence used to support findings and conclusions. It is also used as the outline for the Field Work Debrief. Evidence must be deemed both sufficient and appropriate:
- Sufficiency: A measure of the quantity of evidence used for addressing the audit objectives and supporting findings and conclusions
- Appropriateness: A measure of the quality of evidence that encompasses the relevance, validity, and reliability of evidence used for addressing the audit objectives and supporting findings and conclusions

Origin

<Insert a description of why the audit is being conducted – legislative mandate, Auditor's discretion, Council request, etc.>

Background

<Insert a brief background of the program under audit and what issues (if any) prompted the audit.>

Objectives

- *<Insert Objective #1>*
- *<Insert Objective #2>*
- *<Insert Objective #3>*

Brief Overview of Findings and Conclusions

- *<In bullet point form, briefly describe the findings at a very high level to provide context for the detailed information that follows.>*

Finding #1:

Objective addressed by this finding:	
Criteria:	
Condition:	
Cause:	
Effect:	
Recommendation(s):	
Does the recommendation:	☐ Clearly identify the responsible party? ☐ Clearly state the necessary action? ☐ Address specific risk(s) to the agency?
Types of evidence used to support the finding:[1]	☐ Physical ☐ Documentary ☐ Testimonial
Sources of evidence used to support the finding:[2]	☐ Observation ☐ Inquiry ☐ Inspection
What is the evidence and where did you get it? (for example: real-time observation of agency database, interview with agency director, agency policies obtained from agency website, etc.)	
What makes the testimonial evidence sufficient and appropriate? (This is particularly important when testimonial evidence is the only type of evidence cited.)	
Details on the amount of evidence: (for example: population, sample size, number of observations, number of interviews, etc.):	

---

[1] Physical evidence: Evidence that is in the form of a tangible object.
Documentary evidence: Written or recorded forms of evidence, such as letters, reports, emails, images, and video recordings.
Testimonial evidence: Spoken or written evidence given by an individual.
[2] Observation: Looking at a process or procedure being performed by others.
Inquiry: Seeking information from knowledgeable persons and may range from formal written inquiries to informal oral inquiries.
Inspection: Examining records or documents in paper form, electronic form, or other media, or physically examining an asset.

Steps taken to corroborate evidence used (including data reliability steps), if necessary:	
Team's overall assertion about why the evidence is sufficient and appropriate:	

Feedback from Debrief Attendees:

Does this issue rise to the level of a reportable finding, or should we present it verbally to the auditee?	☐ Reportable ☐ Verbal ☐ Not a finding
Is there any additional research or cross-checking that can add value/depth/color to this finding?	
Does this finding stand alone, or should it be combined with any other findings?	

Finding #2:

Objective addressed by this finding:	
Criteria:	
Condition:	
Cause:	
Effect:	
Recommendation(s):	
Does the recommendation:	☐ Clearly identify the responsible party? ☐ Clearly state the necessary action? ☐ Address specific risk(s) to the agency?
Types of evidence used to support the finding:	☐ Physical ☐ Documentary ☐ Testimonial
Sources of evidence used to support the finding:	☐ Observation ☐ Inquiry ☐ Inspection
What is the evidence and where did you get it? (for example: real-time observation of agency database, interview with agency director, agency policies obtained from agency website, etc.)	
What makes the testimonial evidence sufficient and appropriate? (This is particularly important when testimonial evidence is the only type of evidence cited.)	
Details on the amount of evidence: (for example: population, sample size, number of observations, number of interviews, etc.):	
Steps taken to corroborate evidence used (including data reliability steps), if necessary:	
Team's overall assertion about why the evidence is sufficient and appropriate:	

Feedback from Debrief Attendees:

Does this issue rise to the level of a reportable finding, or should we present it verbally to the auditee?	☐ Reportable ☐ Verbal ☐ Not a finding
Is there any additional research or cross-checking that can add value/depth/color to this finding?	
Does this finding stand alone, or should it be combined with any other findings?	

Finding #3:

Objective addressed by this finding:	
Criteria:	
Condition:	
Cause:	
Effect:	
Recommendation(s):	
Does the recommendation:	☐ Clearly identify the responsible party? ☐ Clearly state the necessary action? ☐ Address specific risk(s) to the agency?
Types of evidence used to support the finding:	☐ Physical ☐ Documentary ☐ Testimonial
Sources of evidence used to support the finding:	☐ Observation ☐ Inquiry ☐ Inspection
What is the evidence and where did you get it? (for example: real-time observation of agency database, interview with agency director, agency policies obtained from agency website, etc.)	
What makes the testimonial evidence sufficient and appropriate? (This is particularly important when testimonial evidence is the only type of evidence cited.)	
Details on the amount of evidence: (for example: population, sample size, number of observations, number of interviews, etc.):	
Steps taken to corroborate evidence used (including data reliability steps), if necessary:	
Team's overall assertion about why the evidence is sufficient and appropriate:	

Feedback from Debrief Attendees:

Does this issue rise to the level of a reportable finding, or should we present it verbally to the auditee?	☐ Reportable ☐ Verbal ☐ Not a finding
Is there any additional research or cross-checking that can add value/depth/color to this finding?	
Does this finding stand alone, or should it be combined with any other findings?	

<Insert additional findings as necessary>

General Conclusions or Concerns to be Included in Draft Report:

Conclusion or Concern:	
Types of evidence used to support the conclusion:	☐ Physical ☐ Documentary ☐ Testimonial
Details on the types of evidence: (for example: agency policy manual, interview notes, etc.)	
What makes the testimonial evidence sufficient and appropriate? (This is particularly important when testimonial evidence is the only evidence cited.)	
Sources of evidence used to support the conclusion:	☐ Observation ☐ Inquiry ☐ Inspection
Details on the sources of evidence: (for example: walk-through of database, interview with AFO, site visits, etc.)	
Details on the amount of evidence: (for example: population, sample size, number of observations, number of interviews, etc.):	
Steps taken to corroborate evidence used (including data reliability steps), if necessary:	
Team's overall assertion about why the evidence is sufficient and appropriate:	

Feedback from Debrief Attendees:

Does this issue rise to the level of a reportable conclusion/concern, or should we present it verbally to the auditee?	☐ Reportable ☐ Verbal ☐ Not a finding

Is there any additional research or cross-checking that can add value/depth/color to this conclusion/concern?	
Does this conclusion/concern stand alone, or should it be combined with any other findings?	

<Insert additional conclusions as necessary>

Communication Goals

Target Audience for Report: (Industry groups, non-profits, Parents, homeowners, etc.)	
Target Media for Report:	
Potential Communication Vehicle for Report Findings: (Event, hearing, press, conference, etc.)	
Current Events/Sensitivities Surrounding Audit:	

OFFICE OF THE DISTRICT OF COLUMBIA AUDITOR
POST-AUDIT MEETING AGENDA

\<Insert audit name\>
\<Insert date\>

1.   Objectives

2.   Scope

3.   Timeline

4.   Team

5.   Audit Phases

      a)   Planning
      b)   Survey
      c)   Field Work
      d)   Reporting

6.   TeamMate

7.   Findings and Recommendations

8.   Draft and Final Reports

9.   Post-Audit Survey Results

10.   Other Topics

Data Reliability Assessment Workpaper

ODCA auditors must complete an assessment of the reliability of data systems, both electronic and manual, during the survey phase of the audit. ODCA auditors must complete a Data Reliability Assessment Workpaper for each data system noted in the Identify Sources of Evidence workpaper.

Instructions:
1. Fill in the information in the table below for each data source.
2. The Auditor-in-Charge must prepare (🟢) the form in TeamMate.
3. The Audit Supervisor must review (🔲) the form in TeamMate.

1	**What data is available that is relevant to the audit objective(s)?**	
2	**Where does this data reside?**	
3	**What is its purpose?** **(i.e. what is the data used for?)**	
4	**Who uses it?**	
5	**What fields are available?**	
6	**What reports are routinely generated from the data?**	
7	**For what purpose will the data be used?**	☐ Background information ☐ Corroborative support for an audit finding ☐ Sole support for an audit finding
8	**Necessity of a data reliability assessment:**	
	Have internal controls been deemed sufficient for the system containing this data by an independent external auditor?	☐ Yes → Assessment not necessary. Go to step 14. ☐ No → Continue to next question.
	Does available data correspond to stated audit objective(s)?	☐ No → Assessment not necessary. Go to step 14. ☐ Yes → Continue to next question.
	Will data be used only as background information?	☐ Yes → Assessment not necessary. Go to step 14. ☐ No → Continue to next question.
9	**Preliminary assessment of data reliability:**	
	Review existing information gathered that is relevant to the data or system and link to relevant workpapers:	☐ Prior audit reports ☐ Previous evaluations of the system or data ☐ Auditee supplied reports / documentation ☐ Interviews with individuals who are knowledgeable about the system and data ☐ Electronic data files ☐ Hard copy reports

	Perform initial testing, such as by: • **Sorting and filtering data to identify problems** • **Scanning data for missing data, outliers, obvious errors** • **Tracing to/from source documents** **Document conclusions and link to relevant workpapers:**	
	Is there evidence that corroborates the data's reliability?	☐ Yes ☐ No
	What's the significance of the data to the audit objective(s)?	☐ Data will be used alone to answer audit objective ☐ Data will be summarized ☐ Detailed information will be required ☐ It is important to have precise data
	What's the risk?	☐ Data could be used to influence legislation, policy or a program ☐ Data could be used for significant decisions ☐ Data will be basis for numbers that are quoted ☐ Audit is of a sensitive or controversial subject ☐ Audit has unique factors that increase risk
10	**Document preliminary assessment conclusion:**	
11	**Determine action(s) warranted based on preliminary data reliability assessment:**	☐ Undetermined reliability → Continue to next question ☐ Data is sufficiently reliable → Use the data. Go to step 13. ☐ Data is not sufficiently reliable → Don't use the data. Go to step 14.
12	**Conduct further testing, such as by:** • **Tracing to/from source documents** • **Reviewing selected system controls** • **Using advanced electronic testing** **Document conclusions and link to relevant workpapers:**	
13	**Is the data reliable enough for the purposes of the audit?**	☐ Yes, if… → ☐ The corroborative evidence is strong → ☐ The degree of risk is low → ☐ The results of additional assessment work (1) answered issues raised in the preliminary assessment and (2) did not raise any new questions → ☐ The error rate, in tracing to or from source documents, did not compromise reliability ☐ No
14	**Conclusion:**	☐ Use the data ☐ Don't use the data
15	**Rationale for using or not using data:**	

OFFICE OF THE DISTRICT OF COLUMBIA AUDITOR
CLOSEOUT MEETING AGENDA

\<Insert agency name\>
\<Insert date and time\>

1. Distribution of the Sign-In Sheet

2. Audit Objectives

    a) *\<Insert objective #1\>*

    b) *\<Insert objective #2\>*

    c) *\<Insert objective #3\>*

3. Audit Findings, Causes, and Recommendations

    a) *\<Insert finding #1\>*
        \<Insert cause #1\>
        \<Insert recommendation #1\>

    b) *\<Insert finding #2\>*
        \<Insert cause #2\>
        \<Insert recommendation #2\>

    c) *\<Insert finding #3\>*
        \<Insert cause #3\>
        \<Insert recommendation #3\>

4. Draft Report

5. Exit Conference and Agenda

6. Post Audit Survey

7. Questions and Discussion