Office of the D.C. Auditor Policies and Procedures Manual

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Office of the District of Columbia Auditor

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Introduction

The audit policies and procedures of the Office of the District of Columbia Auditor (ODCA) promote objectivity, consistency, professionalism, and the proper implementation of the United States Government Accountability Office's (GAO) Generally Accepted Government Auditing Standards (GAGAS), effective July 1, 2019.

These policies and procedures 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. Furthermore, they provide a framework for producing high-quality work products including, but not limited to, audit (GAGAS and non-GAGAS) and nonaudit reviews consistent with professional and statutory standards.

Adherence to these prescribed audit policies and procedures and all associated appendices is mandatory for all ODCA staff.

I. Guiding Principles

A. Mission

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

To fulfill our mission, we conduct performance audits and nonaudit reviews including revenue certifications. The residents of the District of Columbia are among our primary customers, and we strive to keep the residents of the District of Columbia informed on how their government is operating and how their tax money is being spent.

B. Statutory Authority

ODCA was authorized by Section 455 of the District of Columbia Home Rule Act, D.C. Code § 1-204.55(b), which states: "The District of Columbia Auditor shall each year conduct a thorough audit of the accounts and operations of the government of the District in accordance with such principles and procedures and under such rules and regulations as he [or she] may prescribe." The D.C. Auditor is appointed by the Chairman of the D.C. Council, subject to the approval of a majority of the D.C. Council, to a six-year term.

In determining the auditing practices and procedures to be followed, the Home Rule Act states that the D.C. Auditor "shall give due regard to generally accepted auditing principles, including the overall 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 D.C. 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

- Support the D.C. Council 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 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. ODCA's Ethical Principles: Public Interest, Integrity, Objectivity, Proper Use of Government Information, Resources, Positions, and Professional Behavior

ODCA's ethical principles are based on GAGAS and the District's Code of Conduct. ODCA employees must:

- Exercise honesty, objectivity, and diligence in the performance of their duties and responsibilities.
- Exhibit loyalty in all matters pertaining to the affairs of the District of Columbia government.
- Not knowingly be part of any illegal or improper activity.
- Refrain from entering into any activity that may conflict with the interests of the D.C. government or that would prejudice their ability to carry out objectively their duties and responsibilities.
- Not accept a gift or payment from a prohibited source, such as a vendor who does business with the D.C. government.
- Report all unethical issues or questions to the ODCA Ethics Counselor.
- Regularly attend ethics training.

Additionally, ODCA auditors[1] must abide by the **GAGAS ethical principles** of:

- Serving the public interest and honoring the public trust.[2]
- Performing their professional responsibilities with integrity.[3]
- Maintaining objectivity.[4] ODCA auditors must always be independent[5] in all matters related to their audit work. ODCA auditors must exhibit independence of mind and independence in appearance.
- Properly using government information, resources, and positions.[6]
- Exhibiting professional behavior.[7]

Annually ODCA auditors[8] must affirm compliance with ODCA's policies and procedures on independence and ethical principles for the previous calendar year by completing the Independence and Ethical Conduct Statement.[9]

In addition to the GAGAS ethical principles, ODCA auditors must follow:

- The Code of Ethics of the Institute of Internal Auditors (IIA), adopted by the IIA Board of Directors on

1 The term "auditor" refers to any ODCA staff member who performs audit-related functions, regardless of title or level.
2 GAGAS 3.07—3.08.
3 GAGAS 3.09—3.10.
4 GAGAS 3.11.
5 GAGAS 3.17—3.25.
6 GAGAS 3.12—3.15.
7 GAGAS 3.16.
8 The term "auditor" refers to any ODCA staff member who performs audit-related functions, regardless of title or level.
9 GAGAS 5.48(b).

June 17, 2000, revised as recently as January 9, 2024. 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 (BEGA) Establishment and Comprehensive Ethics Reform Amendment Act of 2011.[10] In particular, ODCA auditors shall file Financial Disclosure Statements each year.[11]
- The Code of Official Conduct of the D.C. Council and relevant sections of the D.C. Code, including §§ 1-618.01 and 618.02 pertaining to standards of conduct.

To adhere to these principles, the following controls have been established:

- All audit team members and the D.C. Auditor, Deputy Auditor, General Counsel, and Agency Fiscal Officer complete Independence Statements for each audit.
- All employees are rigorously supervised.
- All auditors complete annual Financial Disclosure Statements.
- Audit staff can seek ethics guidance from the agency Ethics Counselor or BEGA.
- Audit staff have access to on- and off-site EEO Counselors and Sexual Harassment. For discrimination investigations, an individual may report to their agency's designated EEO Counselor, an EEO Counselor from another agency, or directly to the federal Equal Employment Opportunity Commission (EEOC).
- For sexual harassment claims, an individual may report incidents to their agency's Sexual Harassment Officer (SHO), General Counsel, or EEO Counselor, or request assistance from DCHR and/or the Office of Human Rights (OHR) for assignment of a SHO from an external agency. Individuals also may file an administrative complaint of sexual harassment directly with OHR and/or file a civil action with the D.C. Superior Court.
- ODCA staff receive periodic training related to these topics.

Failure of an ODCA auditor to abide by any of these principles, including the failure to report any personal impairment to independence, may result in disciplinary action, including termination.

E. ODCA's commitment to competence and Continuing Professional Education (CPE)

In accordance with GAGAS,[12] ODCA auditors must maintain their professional competence through continuing professional education (CPE). Specifically, each auditor shall complete **every two 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 (e.g. how the D.C. government budget process works, or the requirements for a particular government program, such as unemployment insurance).

10 D.C. Code § 1-1161 et seq.
11 6B DCMR Chapter 18 (District Personnel Manual).
12 GAGAS 4.16—4.17.

- **At least an additional 56 hours of CPE** (for a total of 80 hours of CPE in every two-year period) that directly enhances an auditor's professional expertise to conduct engagements (e.g. message development, using analytical tools/technical applications such as Excel and ACL, training in leading an audit).
- **At least 20 hours of the total 80 hours of CPEs should be completed in each year of the 2-year periods.**

It is each auditor's responsibility to fulfill this requirement and failure to do so may reflect negatively on their performance assessment. In addition, the auditor will not be permitted to continue to work on GAGAS audits, including any current GAGAS audits, if they do not meet the training requirements. ODCA created a training guide to assist auditors in selecting the appropriate training based on their experience. When auditors take training separate form agency-sponsored training they must email training certificates to the CPE mailbox ODCA.CPE@dc.gov. ODCA's Training Requirements are described in greater detail in the **ODCA Employee Handbook, Appendix X**.

F. Quality Control and Assurance

ODCA has an eight-tier system of quality control for audits.

1. These **ODCA Policies and Procedures**, which detail the policies and procedures that govern every audit performed by ODCA.
2. **ODCA's System of Quality Management** provides the audit organization with assurance that staff fulfill their responsibilities and perform and report on engagements in accordance with professional standards and applicable laws and regulations detailed in Appendix A.
3. **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, as well as mandatory weekly audit team meetings.
4. **Audit debriefs** are required for audit teams to update the management team during the planning phase and at the end of survey and fieldwork. Audit Supervisors must review and approve all workpapers and procedure steps prior to the Planning and Scoping Meeting and the Survey and Fieldwork Debriefs.
5. **Independent Reference and Review (IRR)** for every audit report in which an independent reviewer ensures that the audit report is factually accurate and adequately supported by audit documentation. During the IRR, the audit team and the independent reviewer must complete the IRR sheet to acknowledge issues, how they are addressed, and consensus that they have been resolved.
6. **Management review** of every audit report by the D.C. Auditor, Deputy Auditor, and General Counsel.
7. ODCA must obtain an external **peer review** at least once every three years.[13] The D.C. Auditor must work with an organization experienced with local or state government peer reviews, such as the Association of Local Government Auditors, to obtain a qualified and independent peer review

13 GAGAS 5.84.

team.[14] The D.C. Auditor must make ODCA's most recent peer review report available on the ODCA website.[15] If ODCA receives a report with a peer review rating of pass with deficiencies or fail, ODCA must respond in writing to the deficiencies or significant deficiencies and related recommendations identified in the report. With respect to each deficiency or significant deficiency in the report, ODCA should describe in its letter of response the corrective actions already taken and target dates for any additional planned corrective actions.

8. **Internal quality control reviews** during which auditors test whether ODCA is maintaining consistent quality from audit to audit and throughout the office. ODCA's Internal Quality Control Review Procedures are described in greater detail in **Appendix B**.

G. Communicating with the D.C. Council

D.C. councilmembers who request an audit generally are copied on the Engagement Letter, and the audit team also may discuss with the D.C. Auditor if an introductory meeting with Committee staff or members who have expressed a strong interest in the audit topic is warranted. Because we maintain our independence while engaging in such conversations, Council colleagues can help identify risk, researchable questions, and valuable contacts, as well as maintain Council interest in the audit and possibly lead to a briefing or hearing when the audit report is issued.

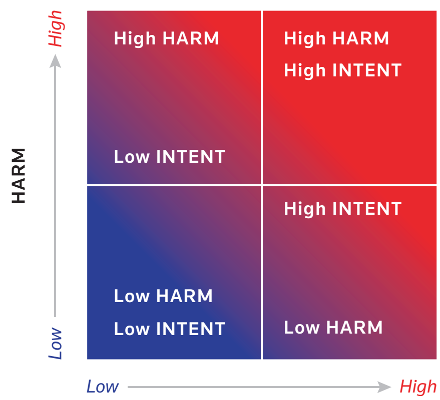
14 GAGAS 5.60—5.61.
15 GAGAS 5.77—5.78.

II. Overview of the Audit Process

A. Work Plan

The ODCA work plan includes audits mandated by the D.C. Code, requests from D.C. Councilmembers and others—including members of the public—and audits recommended by staff and initiated at the discretion of the D.C. Auditor. Priorities include programs that involve a high risk of fraud, large dollar value, and known or suspected misuse of resources. Strategic priorities may change as new issues emerge. ODCA staff are encouraged to suggest audits either at the annual work plan meeting initiated by the D.C. Auditor or throughout the year.

Below is a matrix developed by ODCA to help identify potential audits to ensure that the topics we select have a high dollar cost or a high risk of harm, and are caused by accident, negligence, or intentionality.[16]



Source: ODCA

B. Types of ODCA Projects

1. Performance Audits—GAGAS and non-GAGAS

Performance audits provide objective analysis, findings, and conclusions to assist management and those charged with governance and oversight with, among other things, improving program performance and operations, reducing costs, facilitating decision making by parties responsible for overseeing or initiating corrective action, and contributing to public accountability.[17] When we refer to audits, we encompass both GAGAS and non-GAGAS audits. The ODCA management team[18] determines whether an audit will be a GAGAS or non-GAGAS audit based on a combination of factors. Non-GAGAS audits follow ODCA's audit

16 This is adapted from a matrix shared by ODCA's first journalist-in-residence, Charles A. Babcock.
17 See GAGAS 1.21.
18 The ODCA management team includes the D.C. Auditor, Deputy Auditor, General Counsel, Communications Director, and Audit Supervisors.

policies and procedures, which are detailed in this document; optional procedure steps are indicated with an asterisk (*).

While each audit is unique, most audits follow four basic phases: Planning, Survey, Fieldwork, and Reporting. The purpose of each phase is described below and the procedures for each phase are detailed in Part IV.

Planning

During this phase the topic or program to be audited is selected and the responsible agency is identified. It is also when the audit team is selected based on their independence and competence. The audit team conducts research to create preliminary audit objective(s), scope, and researchable questions. The agency is formally engaged with an Engagement Letter and an Entrance Conference is held.

Survey

During this phase the audit team conducts a risk assessment by reviewing information provided by the auditee (e.g. data reports and program policies) and conducts interviews to understand how the program operates and its relevant risks and controls. Audit objectives are finalized at the end of this process, and if changed, communicated to the auditee.

Fieldwork

During this phase the audit team gathers sufficient and reliable evidence and engages in testing based on the audit objectives. This will result in determining findings and identifying all five elements of each finding, which requires discussions with the auditee to help identify root causes and potential recommendations. In addition, the audit team and management may begin identifying the report's overall message.

Reporting

During this phase the findings, answers to researchable questions, and background are crafted into a succinct, engaging, and informative written report. This entails focusing on visuals, developing a report message, and writing for the reader. It is also when the draft report is fact-checked and shared internally for feedback and with the auditee for comment, resulting in a final published report.

2. Nonaudits

ODCA's work plan includes nonaudit projects that are neither GAGAS nor non-GAGAS audits. Some nonaudits ODCA conducts are statutorily required, these include **Events DC Sufficiency Certification and Certification of OCFO Bond Issuances**. ODCA also conducts an annual **Recommendation Compliance Report** and other special projects. Each of the routine nonaudits has a unique eCASE template to help guide and document the work conducted with Fieldwork steps and workpapers prepopulated. While nonaudit engagements are not subject to the requirements of GAGAS, we nevertheless endeavor to follow the procedure steps deemed appropriate in ODCA audit policies and procedures to guide the work of our nonaudit engagements and ensure that the nonaudits will not compromise ODCA's independence with respect to future GAGAS and non-GAGAS audits.

Audit teams must complete the nonaudit section of the *Determine Project Type Workpaper* for all nonaudits.

Nonaudits generally but not always include the following procedure steps; Audit Supervisors should consider if additional procedures steps are necessary:

Planning Phase

- Assess independence.
- Assess competence.
- Gather information on the program (not required for Recommendation Follow-up Reports).
- Determine project type (complete Nonaudit section of workpaper).
- Develop Preliminary Audit Plan.
- Develop and issue Engagement Letter (if applicable).
- Conduct Entrance Conference (if applicable).

Survey Phase

- Identify previous audits related to the program.
- Identify criteria.
- Identify sources of evidence.
- Survey Debrief (not required for routine nonaudits).

Fieldwork

- Develop unique procedure steps and supporting workpapers (prepopulated for routine nonaudits).

Additional Fieldwork Steps

- Reassess independence.
- Fieldwork Debrief (not required for routine nonaudits).
- Closeout with agency (not required for routine nonaudits).

Reporting Phase

- Develop and cross-reference Draft Report.
- Submit Draft Report to Audit Supervisor for Review.
- Submit Draft Report to Deputy Auditor for Review.
- Submit Draft Report to D.C. Auditor for Preliminary/Discretionary Review.
- Complete Independent Reference and Review (IRR).
- Submit Draft Report to the General Counsel for Legal Review.
- Submit Draft Report to D.C. Auditor for Review.
- Submit Draft Report and Draft Report Checklist to the Communications Director for Review.

- Communications Director provides the D.C. Auditor, Deputy Auditor, and all Audit Team Members with the final Draft Report for final rounds of review and final approval.
- Audit Supervisor ensures that the D.C. Auditor, Deputy Auditor, and Auditor-in-Charge (AIC) signs-off on the Final Report.
- Communications Director issues the Final Report.
- Conduct Post Audit Meeting (not required for routine nonaudits).

Note: nonaudit reports are generally issued final without a comment period.
To ensure that nonaudits do not threaten ODCA independence, and to follow GAGAS guidance related to nonaudits, the Nonaudit section of the ***Determine Project Type Workpaper*** must be completed for each of these engagements.[19]

3. Contract Audits

ODCA may also enlist the services of contractors or subject matter experts to conduct audits. Generally, the contract between ODCA and the contractor requires the contractor to retain all workpapers related to the project for a period of time. For the purposes of ODCA files and records, a project should be opened in eCASE that includes the following procedure steps and associated workpapers.

Planning Phase

- Assess independence for ODCA management team, Contract Administrator and Audit Supervisor.
- Assess competence of Contractor.
- Develop and issue Engagement Letter.
- Conduct Entrance Conference (if applicable).

Supporting Documentation (to be used by the team as necessary)

Reporting Phase

- Draft Report for Agency Comment.
- Final Report.

Contract Administrators should determine with ODCA management whether any supporting documentation related to the contract audit should be included in eCASE. These documents should be added to the *Supporting Documentation* step in eCASE.

19 See GAGAS 3.64—3.72 for more detail on specific nonaudit services.

4. Management Alert Report (MAR)

A Management Alert Report (MAR) is issued when auditors detect significant deficiencies, including noncompliance with requirements or a significant internal control weakness (e.g. unprotected sensitive data, potentially fraudulent activity, noncompliance with Code requirements). A MAR can be issued as part of an ongoing audit (during) or independently of an audit. Pending the approval of the ODCA management team, the audit team will draft a MAR to the agency director or other responsible party. All Reporting Phase procedure steps are required to be completed prior to MAR issuance.

MAR issued during an audit

The audit team must add a procedure step to the audit phase in which the significant deficiency was detected. The procedure step should include evidence of the significant deficiency and all required reviews of the report (D.C. Auditor, Deputy Auditor, General Counsel, IRR, and Communications Director). The MAR sent to the agency and the agency response also should be linked to the newly created procedure step. Depending on the circumstances, the management team may decide to publish the MAR on its own, or await publication of the final audit to publish the MAR. The MAR and the Agency's response should be combined into one pdf document, added to the reporting phase, and included as an appendix to the final report.

MAR issued independently of an audit

A MAR may be issued independently of an audit. In this event, an eCASE project should be opened for document management purposes, supervisory review of workpapers, and documentation of the report review process.

III. Auditors Roles and Responsibilities and Document Management

A. Audit Team Roles and Responsibilities

ODCA uses the following terminology to describe the roles and associated responsibilities of the audit team. Audit roles are broken down into three levels:

- **Audit Supervisor**: As the overall supervisor for the audit, the Audit Supervisor approves all workpapers and directs the work of the AIC.
- **Auditor-in-Charge (AIC)**: As the day-to-day manager of the audit, the Auditor-in-Charge oversees the work of team members.
- **Audit Team Members**: All report to the AIC for day-to-day matters related to the audit, under the supervision of the Audit Supervisor, and to their supervisor for all other matters.

ODCA auditors should follow this chain of command, unless otherwise authorized by the D.C. Auditor or Deputy Auditor. In addition, auditors should remember that the team has the same goal—to create a strong work product that complies with ODCA procedures. Ideally, within the team, all members are both sharing their knowledge and improving their own skills.

Auditors are encouraged to identify ways to innovate and improve upon ODCA processes, to seek new experience and knowledge that can be used to move up the chain of command in future audits, and to continuously improve upon ODCA work products.

Each audit team is created to ensure there is sufficient **Professional Judgment**, which "represents the application of the collective knowledge, skills, and abilities of all the personnel involved with an engagement, as well as the professional judgment of individual auditors."[20] "Professional judgment includes exercisi**ng reasonable care and professional skepticism**"[21] and is supported through regular team meetings and debriefs with ODCA management.[22]

In addition to the audit team, the following roles are filled by other ODCA staff on each audit, specifically:

- The D.C. Auditor may attend audit team meetings; often provides background information and context to the audit team; may connect audit team to Council staff.
- The Deputy Auditor provides guidance on audit procedures, specific audit tasks, and the exercise of professional judgment.
- The General Counsel, in addition to providing the legal review of the draft report, assists the audit teams in developing sound criteria, reaches out to the auditee for ongoing investigations and legal proceedings.

20 GAGAS 3.112.
21 GAGAS 3.110.
22 GAGAS 3.112 and 8.35.

- The Director of Communications helps develop communication goals, edits audit reports, sends engagement letter, sends the report in draft to the auditee for comment, oversees the production of and disseminates the final report, and manages media relations.

Supervision

ODCA Audit Supervisors and Auditors-in-Charge (AICs) must provide rigorous and consistent supervision to audit team members.[23] Such supervision is demonstrated through mandatory weekly audit team meetings and timely review/approval of workpapers in ODCA's audit workpaper management system. Specifically, workpapers must be initially reviewed within 30 days of being sent for review. Audit Supervisors should use comments when rejecting workpapers or email correspondence to show documentation of feedback and review of workpapers. **Audit Supervisors must review and approve all workpapers and procedure steps prior to Survey and Fieldwork Debriefs.**

In addition, experienced AICs should seek opportunities to build the skills of audit team members so that they will be better equipped to serve as AICs. The AIC may delegate portions of the audit (e.g. workpapers, populating procedure steps, preparing agendas, etc.) to other audit team members and/or may consult with/seek assistance from other team members, including the Audit Supervisor, but retains ultimate responsibility for its appropriate and timely completion.

Because the goal is work of high quality, teams should seek ways to ensure accuracy and clarity, such as validating each other's work and taking on different roles, regardless of title or tenure.

Additional supervision from management is provided during the Survey Debrief and the Fieldwork Debrief.

B. Audit Workpaper Management and Audit Documentation

ODCA uses eCASE to maintain all audit documentation in electronic form. eCASE allows for the creation of standard audit processes to ensure consistent application of ODCA policies and GAGAS and provides a common platform for documenting, reviewing, and sharing work during and after an audit, as well as enhancing communication and productivity. All ODCA projects, GAGAS audits, non-GAGAS audits, contract audits, and nonaudits, are documented and maintained in eCASE.

Templates of all ODCA Workpapers are prepopulated when a project is created in eCASE and available on the share drive. For samples of completed workpapers, Audit Supervisors can guide staff to a recent, well-done, audit workpaper of the type sought.

ODCA auditors must maintain evidence of supervisory review and sufficient and appropriate evidence to support the findings and recommendations for every audit in electronic workpapers stored in eCASE **for at least seven (7) years**.

23 GAGAS 8.87—8.89.

Audit Procedure Step Management

When an audit is opened in eCASE, ODCA's required procedure steps are automatically populated for the type of audit. For non-GAGAS audits, some procedures may be eliminated with approval of the Audit Supervisor; these are indicated with an asterisk (*) below. For the Fieldwork Phase, the Audit team is required to add additional procedure steps for each audit objective from the approved Audit Plan.

The audit team is responsible for ensuring that each Fieldwork Phase procedure step is:

- Correctly numbered (if steps are deleted or reordered).
- Descriptively titled (e.g., To determine if DCPS complied with its standard operating procedures related to overtime).
- Filled out completely to include:
  - **Purpose:** States **why this step is being conducted,** e.g., To determine why most repealed funds continued to collect revenue and how this can be corrected.
  - **Details:** Describes in simple terms **what the team will do to complete this step**, e.g., Of 16 repealed funds, 14 appeared to collect revenue more than one year after the repeal date. We will obtain explanations from the Agency Fiscal Officers and identify a solution to address this problem.
  - **Record of Work Completed:** Describes **the specific work of the audit team.**
  - **Conclusion:** Describes **the results of the work done, including any findings** that emerged, e.g. Our review of the 16 funds that the OCFO identified as repealed or partially repealed found that 14 funds continued to show revenue deposits long after the date given for their repeal.

Audit Documentation: Source, Purpose, and Conclusion (SPC), and Methodology.
ODCA auditors must prepare audit documentation related to all audit phases (Planning, Survey, Fieldwork, and Reporting). The audit documentation must be prepared 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 sources; and the conclusions reached, including evidence that supports the auditors' significant judgments and conclusions.

SPCs are required for most workpapers that contribute information to the audit, such as data, analysis, interview notes, preliminary research (D.C. Code criteria, news articles, etc.).[24] Some of the documents are standard and self-explanatory, and, therefore, do not need SPCs (e.g., ODCA's Workpaper templates: Planning and Scoping Memo, Engagement Letter, Overall Assessment of Evidence, IRR sheet). In addition, some workpapers in the Survey and Fieldwork Phases need a Methodology, as described below.

24 For more unusual types of documentation, such as a legal analysis memo, consult with the Audit Supervisor about what information should be contained in the SPC.

The **Source** states the source(s) of the information contained in the workpaper, including **what** the document is, **who** provided the information, and **when.**

> ***Example:*** *Overtime Policy provided to AIC Donald Duck by the OCFO's Deputy Administrator Mickey Mouse on July 31, 2019, during an interview.*
>
> ***Example:*** *February 28, 2019, Quarterly Revenue Estimates obtained by Audit Team Member Paddington Bear from OCFO's website on June 1, 2019.*

The **Purpose** states the objective of the workpaper, i.e., why is the workpaper necessary to the audit?

> ***Example:*** *To determine if the OCFO had policies related to overtime during the audit scope.*
> ***Example:*** *To obtain the estimated amount of dedicated taxes to be transferred to Events DC in 2020.*

The **Conclusion** should answer the purpose and briefly summarize the relevant information contained in the workpaper, including page numbers where the information can be found.

> ***Example:*** *The Overtime Policy is very detailed as it relates to supervision of staff overtime, but the policy has not been signed or dated and has a "Draft" watermark. Page 18 shows a detailed flowchart of payroll processing. Page 65 outlines the supervisory duties of the program manager.*
>
> ***Example:*** *The FY 2020 estimated dedicated taxes to be transferred to Events DC is $155 million.*

The **Methodology** (for workpapers involving analysis and testing) describes the process used to conduct the analysis so that another auditor could follow the methodology and recreate the results obtained.

> ***Example:*** *AIC Donald Duck compiled all of DPW's FY 2023 staff in the sheet below. Excel's VLOOKUP was used to populate Column B with data from PeopleSoft of how many hours each staff member logged for overtime in FY 2023. ODCA calculated the percentage of hours that were overtime in Column C. ODCA sorted the data to show the highest overtime earners at DPW in FY 2023.*

Documentation Required for Noncompliance with GAGAS:

When supervisors and the D.C. Auditor or Deputy Auditor determine that there is an instance in which ODCA auditors **cannot comply with applicable GAGAS** requirements (for a GAGAS audit) 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 (see Appendix C).

IV. Audit Phases and Procedure Steps

I. Planning Phase

The Planning Phase has eight procedure steps, and all steps are mandatory for GAGAS and non-GAGAS audits.

1. Assess Independence

The **first assessment of independence** occurs during the Planning Phase and involves the completion of Independence Statements by the audit team and management as detailed below. If threats have been identified, the auditor and the Audit Supervisor must complete the application of the **GAGAS Conceptual Framework for Independence.**[25] If applicable, document the development and implementation of safeguards in response to identified threats to independence.[26]

The following steps must be completed for every audit:

- The Deputy Auditor, Audit Supervisor, AIC and all audit team members, including external and/or internal specialists must complete Independence Statements prior to conducting preliminary research on the audit.
- The Audit Supervisor must review and approve the Independence Statements of the Deputy Auditor, Auditor-in-Charge (AIC), and all audit team members before the team begins research. If through the research process, the audit team identifies a threat to independence this must be discussed, and the GAGAS Conceptual Framework for Independence can be used.
- The D.C. Auditor, General Counsel, and Agency Fiscal Officer must complete Independence Statements **within 5 business days** of the Planning and Scoping Meeting. If **an additional team member** is added after this meeting, this step must be completed within 5 business days of that decision and prior to starting work on the audit.
- The Deputy Auditor must review and approve the Independence Statements of the D.C. Auditor, General Counsel, Agency Fiscal Officer, and Audit Supervisor within **10 business days** of the Planning and Scoping Meeting. If the Deputy Auditor is not available another Audit Supervisor may full this role with the approval of the D.C. Auditor.
- After the above steps have been completed, the Audit Supervisor will assign the procedure step to the D.C. Auditor or Deputy Auditor for review. The D.C. Auditor or Deputy Auditor must review and approve the Assess Independence procedure step. Completion of this task indicates that the D.C. Auditor or Deputy Auditor has evaluated the independence of the management team and audit team, and all threats to independence.
- **NOTE**: When the Deputy Auditor is serving as the Audit Supervisor, another Audit Supervisor must review and approve the Deputy Auditor's Independence Statement and review and approve the procedure step.

25 GAGAS 3.18—3.51.
26 GAGAS 3.18—3.20, 3.27—3.33.

Required Workpapers:

- Independence Statements for the D.C. Auditor, Deputy Auditor, General Counsel, Agency Fiscal Officer, Audit Supervisor, AIC, and all audit team members.

Possible Workpapers:

- Documentation of the application of the GAGAS Conceptual Framework for Independence. Documentation of the development and implementation of safeguards in response to identified threats to independence deemed to be significant.

2. Assess Competence

The Audit Supervisor must assess the competence of all audit team members, including external and/or internal specialists, and does this by preparing a **Competence Statement**.[27] This assessment reflects the competence of the team as a whole not on an individual team member basis.

The following steps must be completed for every audit:

- The Audit Supervisor must prepare the Competence Statement prior to conducting preliminary research.
- The Deputy Auditor must review and approve the Competence Statement before the team begins research.
- After the above steps are complete, the Audit Supervisor will assign the procedure step to the D.C. Auditor or Deputy Auditor for review. The D.C. Auditor or Deputy Auditor must review and approve the Assess Competence procedure step. Completion of this task indicates that the D.C. Auditor or Deputy Auditor has evaluated the competence of the audit team.

NOTE: When the Deputy Auditor is serving as the Audit Supervisor, another Audit Supervisor must review and approve the Competence Statement and the procedure step.

If a **team member is later added to or removed from** the audit, the Audit Supervisor must complete an additional Competence Statement which reflects the addition or removal of a team member. The second Competence Statement should include the date in the title of the document to reflect the date the team member was added to or removed from the project.

If there are **external and/or internal specialists** working on the audit, the Audit Supervisor must document their qualifications and competencies.

27 GAGAS 4.02—4.03.

Required Workpaper:
- Competence Statement for the Audit Supervisor, AIC and Audit team members.

Possible Workpaper:
- Additional Competence Statement for added or removed team members.
- Documentation of qualifications and competencies of external and/or internal specialists who are working on the audit.

3. Determine Project Type (GAGAS, Non-GAGAS, Nonaudit)

ODCA auditors must determine the type of project the team will conduct: GAGAS, Non-GAGAS, or Nonaudit. Most ODCA projects are GAGAS or non-GAGAS audits. Nonaudits include some statutorily required projects (e.g., Events DC Sufficiency Review, Certification of OCFO Revenue Estimates), and special projects.

The AIC must complete the ***Determine Project Type Workpaper*** at the beginning of the project to document the project type. If the audit team determines that the project will be a non-GAGAS audit, the rationale for the decision should be documented. If the audit team determines that the project is a nonaudit, the workpaper needs to be completed in its entirety. The nonaudit section of the workpaper ensures that the project does not represent a threat to ODCA independence and documents what effects the projects will have on the auditor's independence in any planned, ongoing, and future audits.

Required Workpaper:
- Determine Project Type Workpaper

4. Gather Information on the Program to Develop Preliminary Objectives and Researchable Questions

The audit team should begin conducting research on the audit topic assigned[28] and complete the ***Gather Information on the Program Workpaper***. The audit team must obtain an understanding of the nature of the program or program component under audit and the potential use of the audit results and report. Specifically, ODCA auditors must consider:

- How the audit originated. Gather any information ODCA already has on the subject (the D.C. Auditor notes from Council meeting, request email from Council member, whistleblower submission, etc.).
- The program's purpose, strategic plan, and objectives/goals.
- The age of the program and changes in program leadership and program conditions. Are there any big changes underway with the program or agency? (e.g. proposed reorganization of the agency, potential loss of federal funding due to budget cuts, new laws).

28 GAGAS 8.36.

- The size of the program in terms of total dollars, number of residents 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. What are the intended outcomes?
- What agency or entity has responsibility for it?
- 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? Why would the Council, public, other stakeholders care about this audit? What would they like to know? (agency website, internet research, legislative committee oversight reports, performance reporting).
- Why is the audit necessary (What are the existing problems/risks with the program? How are they not currently being addressed? What is the preliminary scope of the audit?
- What performance aspect(s) are we most concerned about for the program (e.g. timeliness, accuracy, efficiency)? (research D.C. Municipal Regulations and D.C. Code to determine relevant criteria).
- How does this issue relate to a national context, e.g. lead in the water in Flint, Michigan (audits on the topic from the Government Accountability Office, other jurisdictions, other District agencies, or past ODCA audits; research on best practices).
- Other details that the team and ODCA management deem relevant.

Following are some additional sources to consider:

- Agency budget.
- Council oversight (performance and budget hearing questions and responses, other submitted testimony, hearings, committee reports).
- Agency website.
- Performance metrics, mission (Office of City Administrator's Office of Budget and Performance Management).
- Previous audits (ODCA website).
- Previous audits by other agencies.
- Web information: news, general background.
- Criteria (e.g. LIMS, D.C.M.R., D.C. Code, federal regulations, the Green Book, best practices).
- Contacts, especially for a topic that has an advocacy community; who routinely testifies on the subject before the Council; what contacts do ODCA colleagues have? The question to ask in these interviews is: what are the ongoing concerns we should consider? Contacts may also point you to criteria.
- Experts in academia, think tanks, within D.C. government, etc.
- District Integrated Financial System (DIFS) reports on expenditures and revenue.
- Data analysis.

Based on this research, the audit team should develop **preliminary audit objectives**, as well as **researchable questions** that will be answered as part of the audit.[29]

The **objectives** should be succinct, clear, measurable, and based on criteria.

> *"A well written audit objective helps the auditor remain focused." – Management Concepts*

> *"Good objectives ask a question about performance. That is, how does whatever-is being-examined compare to some specific criteria." – Management Concept*

Example of a focused objective:

To determine what percentage of the estimated Tuition Assistance Program (TAP) target population, as defined in the program's legislation, is participating in the program.

The **researchable questions** should be specific, answerable, and of public interest. They should also be based on criteria, such as laws, regulations, action plan goals, etc. During the Survey Phase the Identify Criteria workpaper will link each researchable question to specific criteria.

Examples of researchable questions, and their accompanying criteria, that can be answered with the sample objective above include:

- What is the targeted population? **D.C. Code notes "K-12 students."**
- What outreach is done to inform the targeted population of the program? **DCMR specifies that the agency develop "an annual outreach plan."**
- Is the TAP process user-friendly and/or is help/guidance easily available and free? **The agency's 2024 Annual Performance Plan strategic goal: "To launch a new TAP online portal."**

> *"Researchable questions drive the data to be gathered. The data to be gathered drive what the team can say." – GAO's Center for Audit Excellence*

The information gathered from the research, the preliminary objective(s), and proposed researchable questions should be summarized in the **Planning and Scoping Workpaper** to be presented to ODCA management at the **Planning and Scoping Meeting**. When putting this document together, staff should focus on the larger themes and note that not all of the detailed research needs to be presented.

29 GAGAS 1.22 and 8.08.

Staff should keep in mind the following basic facts the reader and ODCA staff want to know, such as:

- Where did this audit come from?
- Audit subject: agency and program. Define what they do if necessary.
- Current criteria.
- Indicators of significance: program size, cost, problems, harm that has resulted or risk of harm that could result from program failure.
- What you know so far about sources for condition and criteria.

What questions need to be addressed by ODCA management in order to send out the engagement letter? Include all info needed to address those, for example:

- Information needed to decide what the objectives should be.
- Ask if management has additional researchable questions that they want answered.

Required Workpaper:

- **Gather Information on the Program** and **User Needs of the Audit Results Workpaper**

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 Association of Local Government Auditors); etc.

5. Conduct Planning and Scoping Meeting

When the audit team has finalized the Planning and Scoping Meeting Workpaper which contains the preliminary objective(s), researchable questions, proposed scope, and key information about the audit topic, the audit team should schedule a Planning and Scoping Meeting with the ODCA management team. The D.C. Auditor and the Deputy Auditor should review the Planning and Scoping Workpaper prior to the meeting. Please provide adequate time for the Deputy Auditor to first review and the team to incorporate feedback prior to the D.C. Auditor's review.

The purpose of this meeting is **to obtain management input and consensus** of the preliminary objectives, proposed scope, and researchable questions based on the audit team's analysis of preliminary research of the topic/program and available criteria. In addition, the meeting will seek to obtain management consensus and feedback on the following:

- Preliminary audit timeline.
- Agencies that will be engaged.
- Approval of project type (GAGAS, Non-GAGAS, Nonaudit).
- Whether there is an opportunity and/or need for best practices review.

- Goals and potential impact of the audit (financial, operational, human, etc.).
- Target audience for report (parents, industry, agency, Council, program recipients, etc.).
- Current events/sensitivities surrounding the audit.
- If there is a need to deviate from GAGAS.
- Plans for presentations to the Council or testimony at Council hearings.
- Other resources needed, such as if the project requires external specialists. Management agreement must be documented in meeting notes.[30]

ODCA staff should be invited to the meeting via Outlook to make use of any expertise or prior experience staff may have with the topic. If possible, the team should email the Planning and Scoping Meeting Workpaper to all staff prior to the meeting.

Required Workpapers:

- Planning and Scoping Meeting Workpaper
- Planning and Scoping Meeting Notes

Possible Workpaper:

- Letter from Councilmember requesting the audit

6. Develop and Issue Engagement Letter

In the Engagement Letter, the D.C. Auditor communicates to the management of the audited agency an overview of the objectives, scope, and methodology, and the timing of the audit.[31] The date on the engagement letter will serve as the **formal start date of the audit** for purposes of ODCA's Key Performance Indicator (KPI) related to project duration. This letter also includes an Audit Information Request, which is the team's first request for documentation/information. The team should provide a detailed list of the documents needed. See **Appendix D** for details on **ODCA's Information Request Procedure**.

The audit team is responsible for drafting the Engagement Letter for each agency engaged based on the standard template and filling in the following:

- Date
- Recipient, including name, title, agency name, address, city, state, ZIP.
- Scope.
- Preliminary objectives.
- Audit start date and estimated audit duration.
- AIC contact information.
- A proposed entrance conference date.

30 GAGAS 8.03, 8.05—8.07, and 8.32.
31 GAGAS 8.20.

- A request for current or previous audits conducted.
- A request for information on ongoing investigations or legal proceedings.
- A deadline for submitting requested information.
- If applicable, information about the engagement of an additional agency.
- At the bottom of the letter, the AIC also should add the names of parties who should be copied on the letter, including:
  - The Councilmember who requested the audit (if applicable).
  - The agency Chief of Staff or General Counsel.
  - The point-of-contact for agencies under the Mayor (but not for audits of independent agencies).
  - If engagement of DCPS, the DCPS compliance officer.
  - If engagement of the OCFO, the OCFO Director of the Office of Integrity and Oversight.

The D.C. Auditor and Deputy Auditor should review the engagement letter before it is sent to the Communications Director. The Communications Director will send the engagement letter to the agency.

Required Workpaper:
- Engagement Letter sent to the agency

7. Develop Audit Plan

The audit team must meet to discuss the expected timeline for each phase of the audit, including major audit milestones.[32] **All team members are expected to discuss** the expectations for each procedure and participate in the update of project milestones that were established at the Planning and Scoping Meeting. The audit team is expected to have realistic estimated completion dates for the major audit milestones; dates for all other procedures steps are optional. The procedure steps that require estimated completion dates are shaded gray on the Audit Plan.

The AIC must prepare the Audit Plan, and the Audit Supervisor must review the Audit Plan prior to the start of the Survey Phase.

Required Workpaper:
- Audit Plan with estimated completion dates for the major milestones.

8. Conduct Entrance Conference

The Entrance Conference is a meeting between the ODCA Audit Team, including the D.C. Auditor or Deputy Auditor, and the agency/agencies to be audited and **sets the tone of openness, candor, cooperation, and professionalism** for the audit to follow. It also provides an opportunity for key management personnel to meet the audit team.[33]

32 GAGAS 8.03 and 8.33.
33 GAGAS 8.20, 8.23—8.25.

The meeting should include:

- Auditee agency management and the agency liaison, as well as anyone else the auditee agency would like to have present.
- An agenda, provided to the auditee in advance (ideally 24 hours).
- An Entrance Conference sign-in sheet for in-person meetings, and a Teams' Attendance Record for virtual meetings, to document who was in attendance.

Items to be discussed at the meeting include:

- A description of the audit process, as well as the topic, scope, and timeline for the audit.
- The Audit Information Request Form and information/documentation requested, as needed.
- Any questions or concerns the auditee may have.

To prepare for the Entrance Conference, the audit team should:

- Manage communication with the agency liaison on meeting location and agency invitees.
- Secure a meeting time that ensures that the D.C. Auditor or Deputy Auditor, all audit team members, and all agency invitees can attend.
- Send an Outlook invite to attending personnel and the D.C. Auditor and Deputy Auditor (even if not attending). (virtual entrance conferences may be scheduled based on prior approval from the D.C. Auditor).
- Prepare the Entrance Conference Agenda. The D.C. Auditor and the Deputy Auditor should review the agenda prior to the meeting.
- Assign note-taking responsibilities to specific audit team members. These notes will be necessary for Entrance Conference Meeting Notes workpapers.
- As it is common for the auditee to ask why their program is being audited, the team should be prepared to answer that question.

Required Workpapers:

- Entrance Conference Sign-in Sheet for in-person meetings or Teams' Attendance Record for virtual meetings.
- Entrance Conference Agenda.
- Entrance Conference Meeting Notes.

II. Survey Phase

The Survey Phase has 13 procedure steps. Those steps marked with an asterisk (*) are optional for non-GAGAS audits with a Supervisor's approval.

1. 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. This process is initiated when the engagement letter is sent to the auditee. The Audit Information Request template includes a request for information on any investigations or legal proceedings that have been initiated or are in process with respect to the period under audit. The AIC will also inquire at the entrance conference about any investigations or legal proceedings under way. The audit team should document the Agency's response to the inquiry in the Entrance Conference Notes. 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 ODCA's work does not interfere.[34]

Possible Workpaper:

- Workpaper detailing the impact that ongoing investigations and legal proceedings have on the current audit.

2. Identify Previous Audits Related to the Program*

ODCA auditors must identify previous audits related to the current engagement. If previous audits are identified, ODCA auditors must evaluate whether the audited entity has taken appropriate corrective action to address previous findings and recommendations that are significant within the context of the audit objectives.[35]

This step is accomplished in at least three ways:

1. During preliminary research the audit team may have identified other audit reports.
2. Previous internal and external audits or reviews are requested with the Engagement Letter.
3. The question can be repeated during interviews with program management or other relevant staff such as an internal auditor.

Required Workpaper:

- Identify Previous Audits and/or Engagements Workpaper

3. 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. Obtaining an understanding of the program under audit helps auditors to assess the relevant risks associated with the program and the effect of the risks on the audit objectives, scope, and methodology. The auditors' understanding may come from knowledge they already have about the program or knowledge they gain from inquiries, observations, and reviewing documents while planning the audit. 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.[36]

34 GAGAS 8.27.
35 GAGAS 8.30.
36 GAGAS 8.38.

This is accomplished by combining multiple techniques, including:

- Reviewing program SOPs.
- Interviewing program-level staff, including staff members suggested by auditee management and those identified independently by ODCA.
- Interviewing beneficiaries/participants.
- Observations of the program.

The audit team should detail in a list format or flowchart the program processes. This can be shared with the program staff to determine if it is complete.[37]

Required Workpapers:

- Interview/Meeting Notes.
- Workpaper(s) detailing the operations of the audited program, possibly in the form of flowcharts or process diagrams.

4. Assess the Program's Internal Controls, Including Information Systems Controls*

ODCA auditors must assess whether internal controls are relevant to the audit objectives. If so, ODCA auditors must obtain an understanding of the internal controls that the agency has or does not have to address the significant risks related to the audit objectives. This step must be conducted by the entire audit team after the team has gained an understanding of the program and processes, and identified previous audits related to the program. If the program under audit relies heavily on information systems, ODCA auditors also must obtain an understanding of the information systems controls that are in place or missing to mitigate risks. Information systems controls include general controls, application controls, and user controls.[38]

Required Workpapers:

- Internal Control Evaluation Workpaper.

Possible Workpapers:

- Information System Internal Control Evaluation.

37 GAGAS 8.36 and 8.38.
38 GAGAS 8.49, 8.54, 8.59—8.62.

5. Assess Noncompliance with Laws, Regulations, Contracts, and Grant Agreements and Fraud*

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. Based on the risk assessment, the auditors should design and perform procedures to obtain reasonable assurance of detecting instances of noncompliance with provisions of laws, regulations, contracts, and grant agreements that are significant within the context of the audit objectives. A key purpose of this is to give the audit team a reasonable assurance that fieldwork steps can be designed to detect instances of noncompliance, fraud, or abuse that are significant to the objectives.[39]

This step must be conducted by the entire audit team after the team has gained an understanding of the program and processes, identified previous audits related to the program and assessed internal controls.

Required Workpaper:

- Assessment of Noncompliance and Fraud Workpaper.

6. Conduct Team Meeting to Discuss Preliminary Objectives, Scope, Researchable Questions, and Fieldwork Procedures

The Audit Supervisor, AIC 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. They also should address scope and researchable questions. The team should review the results of the previous steps in the Survey Phase and agree on the objectives before proceeding to the next survey steps. This meeting also should include discussion of preliminary fieldwork procedures designed to detect the impact of risks and associated breakdowns in internal control, such as fraud, abuse, and noncompliance.[40]

Required Workpapers:

- Meeting notes that reflect discussion of the preliminary objectives, scope, and researchable questions, and any proposed revisions. Notes should reflect preliminary discussion of fieldwork procedures to detect the impact of breakdowns in internal control and risk of noncompliance and fraud.

Note: If the audit objective(s) changes significantly, revisions must be made to previously completed workpapers, such as the Assessment of Noncompliance and Fraud Workpaper.

39 GAGAS 8.36, 8.38, 8.68, 8.71—8.75.
40 GAGAS 8.03.

7. Identify Criteria and Develop Fieldwork Procedures Steps

ODCA auditors, with assistance from the ODCA General Counsel, as needed, 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 audit team may ask the General Counsel to review the criteria for completeness and accuracy.[41]

Criteria identify the required or desired state or expectation with respect to the program or operation. Criteria may include laws, regulations, contracts, grant agreements, standards, measures, expected performance, defined business practices, and benchmarks against which performance is compared or evaluated. Criteria provide a context for evaluating evidence and understanding the findings, conclusions, and recommendations in the report.[42]

The audit team must develop the detailed fieldwork steps necessary to answer the audit objective(s) and researchable questions once the criteria has been identified. Fieldwork steps should be very detailed and should describe precisely what fieldwork activities are planned and how they will be executed. The audit team is required to answer the question "What will the fieldwork step allow us to say," for each fieldwork step developed.[43]

Required Workpaper:

- Identify Criteria and Fieldwork Steps Workpaper.

8. 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 fieldwork.[44] The audit team must evaluate whether any lack of sufficient, appropriate evidence is caused by internal control deficiencies or other program weaknesses, and whether the lack of sufficient, appropriate evidence could be the basis for audit findings.[45]

Sufficiency is a measure of the quantity of evidence used to support the findings and conclusions related to the audit objectives.[46] Sufficiency applies to the body of evidence.

Appropriateness is the 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.[47] Appropriateness applies to each piece of evidence.

41 GAGAS 8.07.
42 GAGAS 6.25.
43 GAGAS 8.03.
44 GAGAS 8.77—8.79.
45 GAGAS 8.78.
46 GAGAS 8.99.
47 GAGAS 8.102.

- Relevant – logical relationship with and importance to the issue.
- Valid – based on sound reasoning, accurate information.
- Reliable – results consistent when measured or tested.

Evidence may be obtained by observation, inquiry, or inspection. Each type of evidence has its own strengths and weaknesses.

Evidence may be categorized as physical, documentary, or testimonial.

- **Physical evidence** is obtained by auditors' direct inspection or observation of people, property, or events. Such evidence may be documented in summary memos, photographs, videos, drawings, charts, maps, or physical samples.
- **Documentary evidence** is already existing information, such as letters, contracts, accounting records, invoices, spreadsheets, database extracts, electronically stored information, and management information on performance.
- **Testimonial evidence** is obtained through inquiries, interviews, focus groups, public forums, or questionnaires. Auditors frequently use analytical processes, including computations, comparisons, separation of information into components, and rational arguments, to analyze any evidence gathered to determine whether it is sufficient and appropriate.

The nature and types of evidence used to support auditors' findings and conclusions are matters of the auditors' professional judgment based on the audit objectives and audit risk.[48]

Required Workpaper:

- Identify Sources of Evidence Workpaper

9. Assess the Reliability of Data*

ODCA auditors must assess the appropriateness (Relevance, Validity, and Reliability) of data available, 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. ODCA auditors must complete a Data Reliability Assessment for evidence documented in the Identify Sources of Evidence Workpaper.

The purpose of assessing data reliability is best summed up in the phrase *garbage in, garbage out.* Essentially, you cannot get good audit results if you do not use good data or find ways to mitigate the data limitation. For example, if an expenditure report contains duplicates, the total expenditures is inaccurate, and you cannot determine how significant your testing results are compared to the total.

The reason we **test data reliability in the Survey Phase** is so that we can design our fieldwork steps and adjust for data limitations (i.e. find other data sources, conduct reconciliations). Through early data

48 GAGAS 8.104.

testing, we learn what data attributes are available (vendor name, invoice number, etc.) and which are not (blank field, or rarely completed field). For example, if we learn in the Survey Phase that the auditee's data does not contain a field for "Date of supervisor approval," we cannot rely on that data system for our testing of the timely supervisory review and we will need to identify another data source prior to beginning fieldwork. While it takes a more up-front investment of time, this step will enhance efficiency for the rest of the audit.[49]

This step may not be necessary in the rare case that an audit does not rely on data. Also, this step is not necessary if the primary data system is DIFS because it is regularly audited as part of the Annual Comprehensive Financial Report (ACFR). However, if the auditee runs a DIFS report for us, we ask the ODCA Agency Fiscal Officer to verify the information.

Required Workpaper:

- Data Reliability Assessment Workpaper

10. Complete Audit Risk Assessment*

ODCA auditors must assess audit risk and determine whether identified risks represent a risk to the findings, conclusions, or recommendations of the audit. Audit risk is the possibility that the auditors' findings, conclusions, recommendations, and/or methodologies may be improper or incomplete, as a result of factors such as evidence that is not sufficient or appropriate, an inadequate audit process, or intentional omissions or misleading information due to misrepresentation or fraud. Audit risk also includes the risk that auditors will not detect a mistake, inconsistency, significant error, or fraud in the evidence supporting the audit's conclusion.[50]

Audit risk can be reduced by taking actions such as increasing or modifying the scope of work, adding specialists or additional reviewers, and other resources to perform the audit. In addition, actions such as altering the methodology to obtain additional evidence or more appropriate or alternative forms of corroborating evidence, or proportionally aligning the findings and/or conclusions to reflect the evidence obtained can reduce audit risk.

Required Workpaper:

- Audit Risk Assessment Workpaper

11. Update Project Milestones in the Audit Plan and Incorporate Fieldwork Procedure Steps

The audit team must determine if the expected timelines for the Fieldwork and Reporting Phases of the audit need to be revised and if necessary, communicate those revisions to the management team.

49 GAGAS 8.90, 8.91, 8.93 and 8.102(c).
50 GAGAS 8.06, 8.16.

All team members are expected to discuss the expectations for each procedure and participate in the establishment of project milestones in the Audit Plan as follows.

- The AIC must make a copy of the Audit Plan from the Planning Phase and add it to the Survey Phase.
- The AIC must prepare the fieldwork and reporting sections of the Survey Phase Audit Plan. The fieldwork steps should be copied from the Identify Criteria and Fieldwork Steps Workpaper. The audit team should make any necessary revisions to the previously developed fieldwork steps based on the results of the Audit Risk Assessment.
- The Audit Supervisor must review and approve the Audit Plan prior to the start of the Fieldwork Phase.[51]

A written Audit Plan provides an opportunity for audit organization management to supervise audit planning and 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 the purposes of the audit.
- Sufficient staff, supervisors, and specialists with adequate collective professional competence and other resources are available to conduct the audit and to meet expected time frames for completing the work.[52]

Required Workpaper:
- Audit Plan completed for all phases of the audit

12. Conduct Survey Debrief

Once all the workpapers and procedures steps have been reviewed, the team will hold a Survey Debrief.

The audit team must present the following to the ODCA management team:[53]

- An overview of the information gathered, and analyses performed during the Survey Phase.
- Any proposed updates to audit objectives, scope, and researchable questions.
- Any updates to the audit timeline.
- Planned fieldwork procedure steps.

The D.C. Auditor and the Deputy Auditor should review the Survey Debrief Workpaper prior to the meeting. Please provide adequate time for the Deputy Auditor to review the document first and then the team should incorporate that feedback prior to the D.C. Auditor's review.

51 GAGAS 8.03, 8.05, and 8.88.
52 GAGAS 8.35(e).
53 GAGAS 8.87, 8.88.

The entire ODCA staff should be invited to the Survey Debrief via Outlook. The Survey Debrief workpaper should be shared with the staff prior to the meeting.

Required Workpaper:

- Survey Debrief
- Survey Debrief Meeting Notes

13. Notify Audited Entity of Audit Objective and Scope Changes (if necessary)

ODCA auditors must communicate **any material changes to the preliminary audit objectives or scope** as announced in the Engagement Letter to those charged with governance and/or management of the audited entity **within 15 business days following the Survey Debrief.** This communication must be in the form of a letter from the D.C. Auditor to the Agency Director with the audit liaison copied.[54] The audit team drafts the letter then provides it to the Deputy Auditor and D.C. Auditor for review and approval. Once approved, the audit team should provide the Communications Director with the letter and the email addresses of the recipients.

Possible Workpaper:

- Letter sent to the Agency Director regarding changes to the audit objectives and/or scope.

Before moving on to the Fieldwork Phase, the Audit Supervisor must ensure that all the workpapers and procedures steps are reviewed.

III. Fieldwork Phase

The procedure steps in the Fieldwork Phase are unique for each audit.

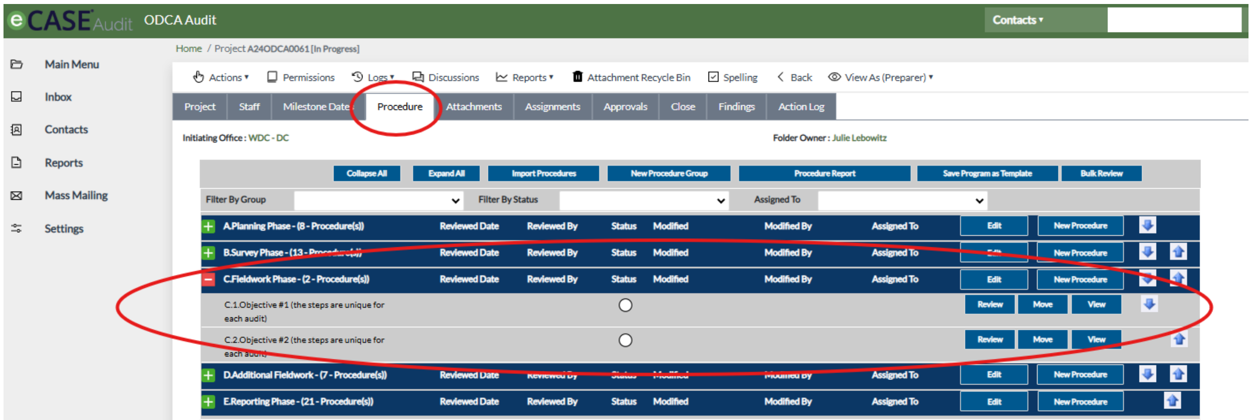
1. Incorporate Audit Plan Fieldwork Steps in eCASE

The audit team should use the Audit Plan that was finalized during the Survey Phase to organize the objectives and procedures steps in eCASE. Specifically:

- The finalized objectives should be copied into the Fieldwork Phase of eCASE.
- For each objective, procedures should be created for the specific fieldwork steps planned for reaching the objective.
- To add fieldwork steps, click on the Procedure tab, and find the Fieldwork Phase. Each project template includes two objectives in the fieldwork phase.

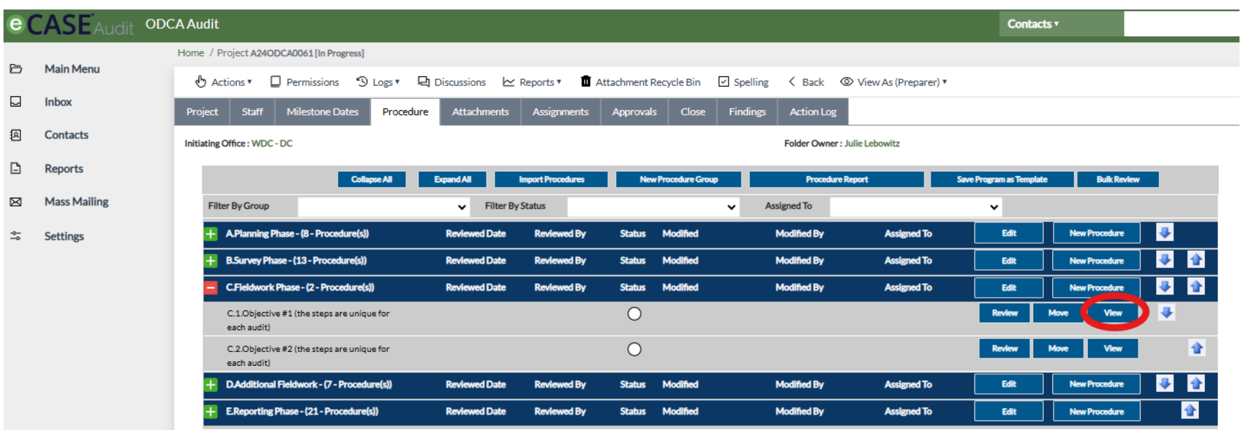
54 GAGAS 8.20 and 8.23.

Figure 1. Procedure tab, Fieldwork Phase



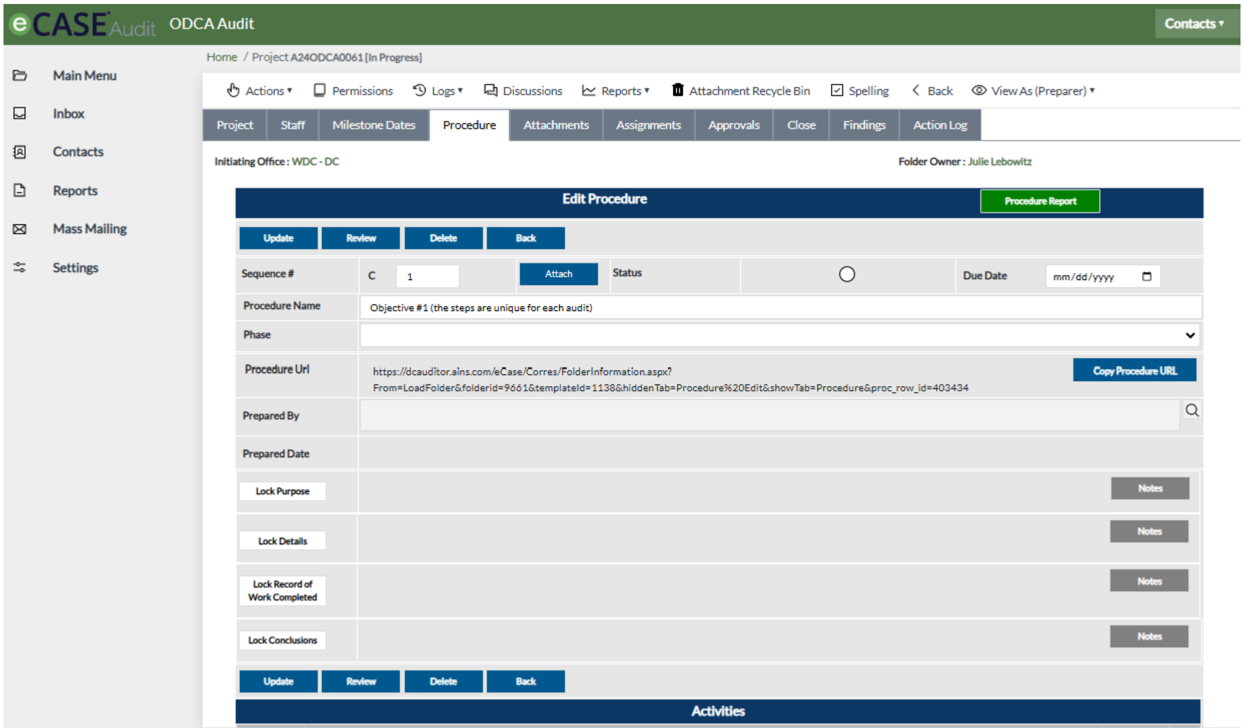
These two steps should be changed by clicking View.

Figure 2. Procedure tab view button



In View you can change the objective title, add the purpose, details, record of work completed and conclusions.

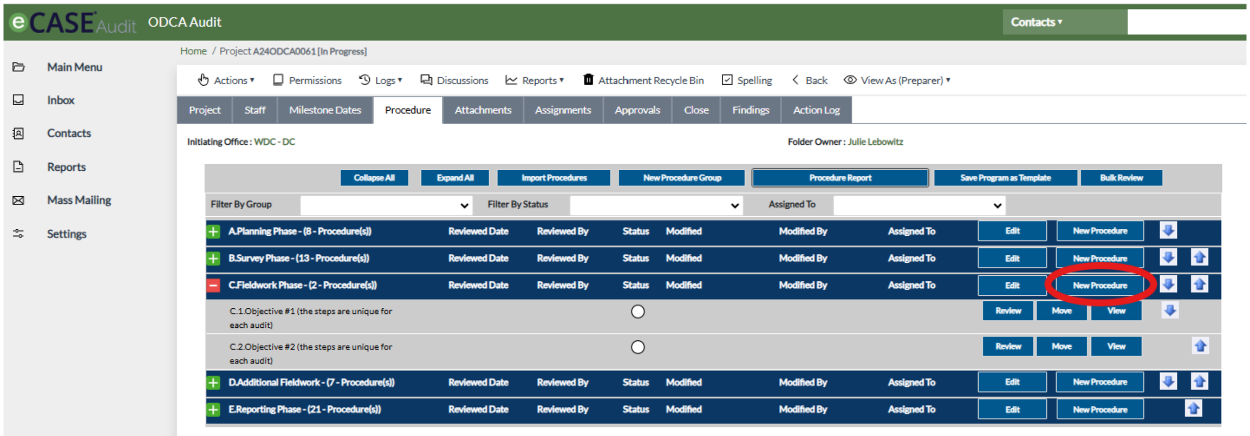
Figure 3. Procedure Step



Note: All fieldwork step titles should include the objective it answers and the name of the fieldwork step.

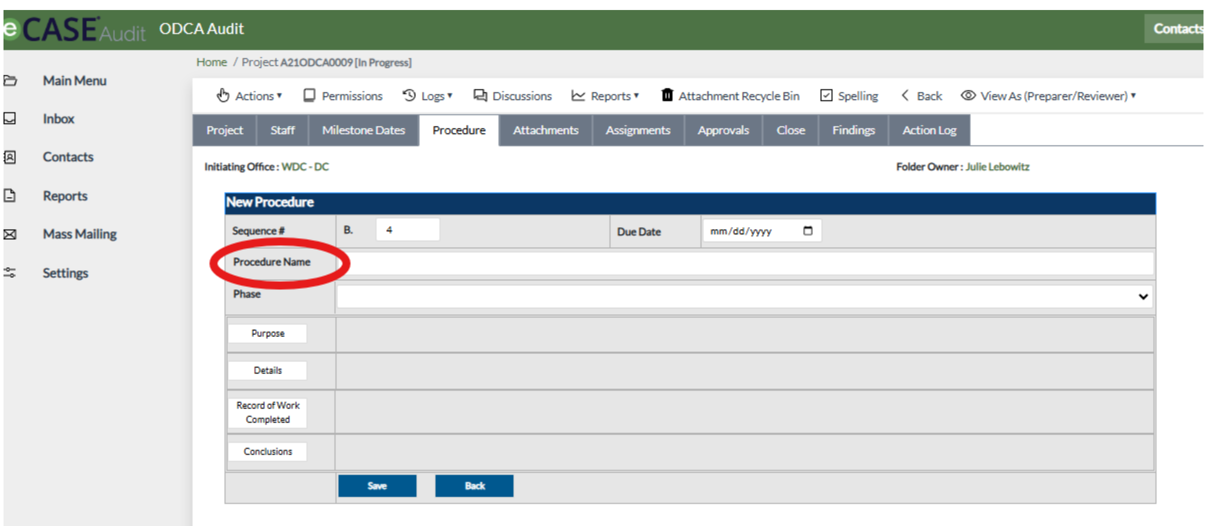
- The audit team is required to put all fieldwork steps within the Fieldwork Phase section. To add fieldwork steps, select Fieldwork Phase New Procedure button.

Figure 4. Procedure tab New Procedure button



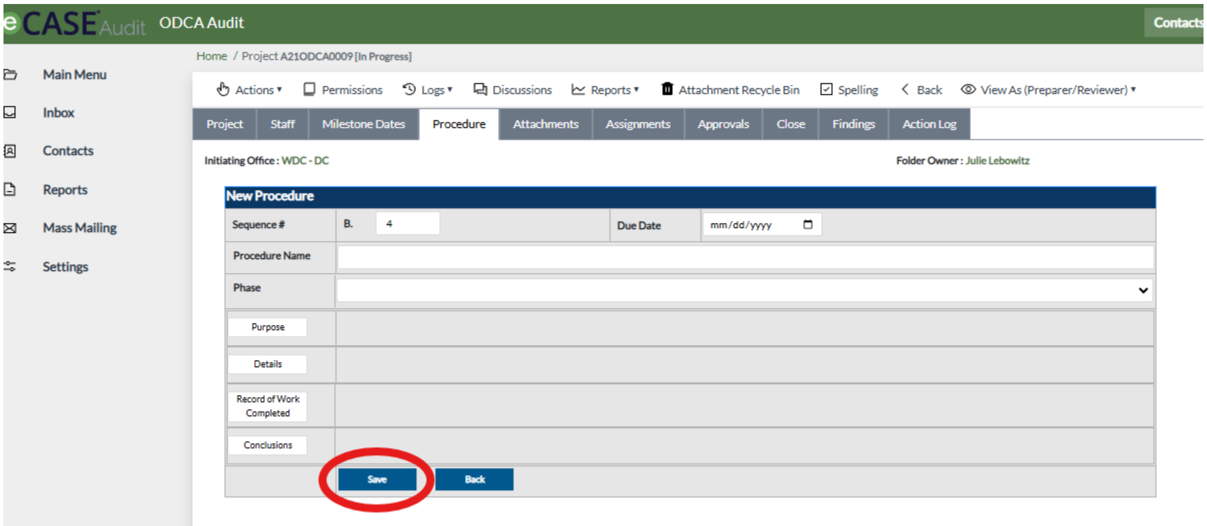
- The New Procedure page will prompt the team to enter the procedure name. Reminder: The procedure name should include the objective number and the name of the step (e.g., Objective #1-Medium Projects). The New Procedure page also includes a Phase option but does not provide drop-down options. This section can be left blank.

Figure 5. Procedure Step procedure title



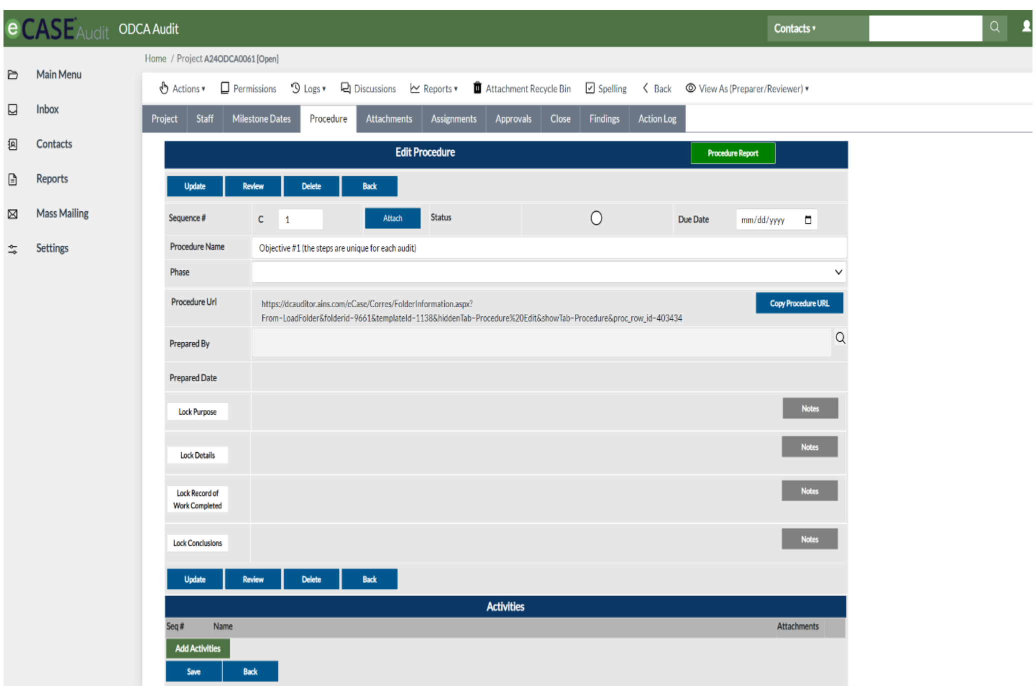
- End by clicking save.

Figure 6. Procedure step Save button



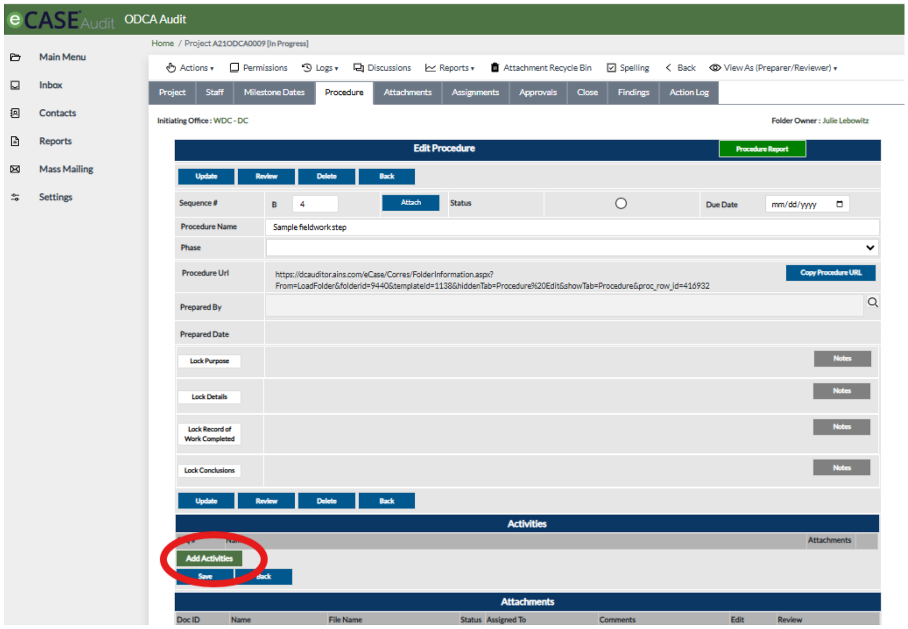
- Follow the steps above to add all needed fieldwork steps for each objective in the audit plan.
- Some fieldwork steps require the audit team to perform several analyses or workpapers to accomplish the step. Those steps are sub-steps and should be added as activities (see Figure 7. Activities).

Figure 7. Activities



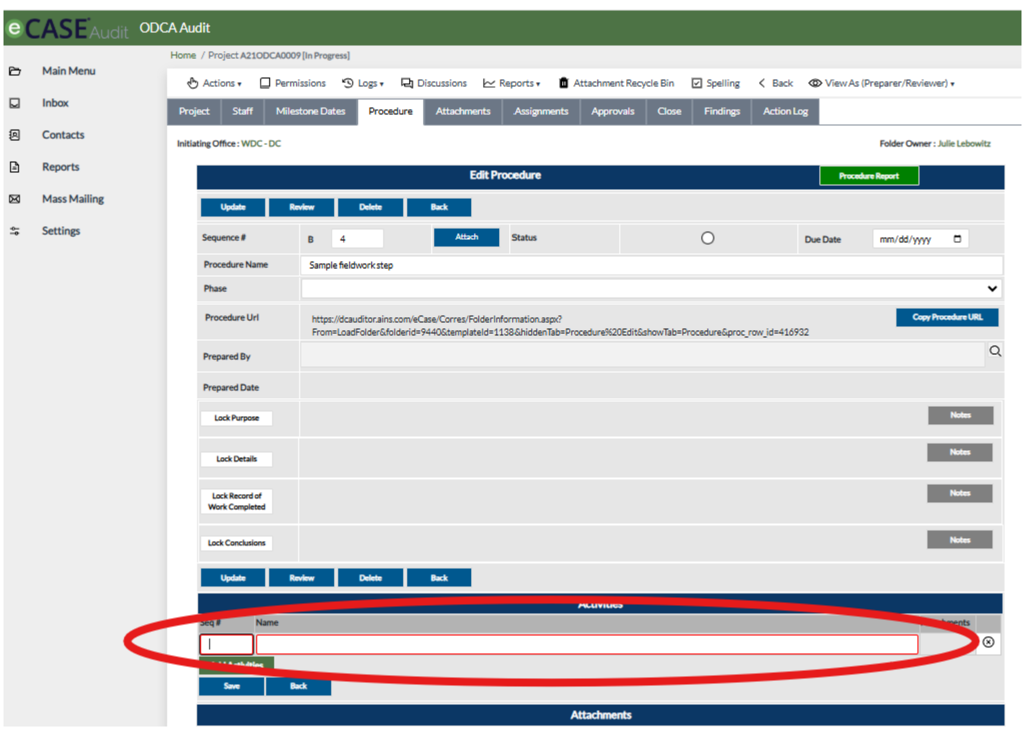
- Identify the fieldwork steps that require sub-steps and click view. Scroll down to the activities section to add sub-steps. Click add activities.

Figure 8. Procedure Step Add Activities button



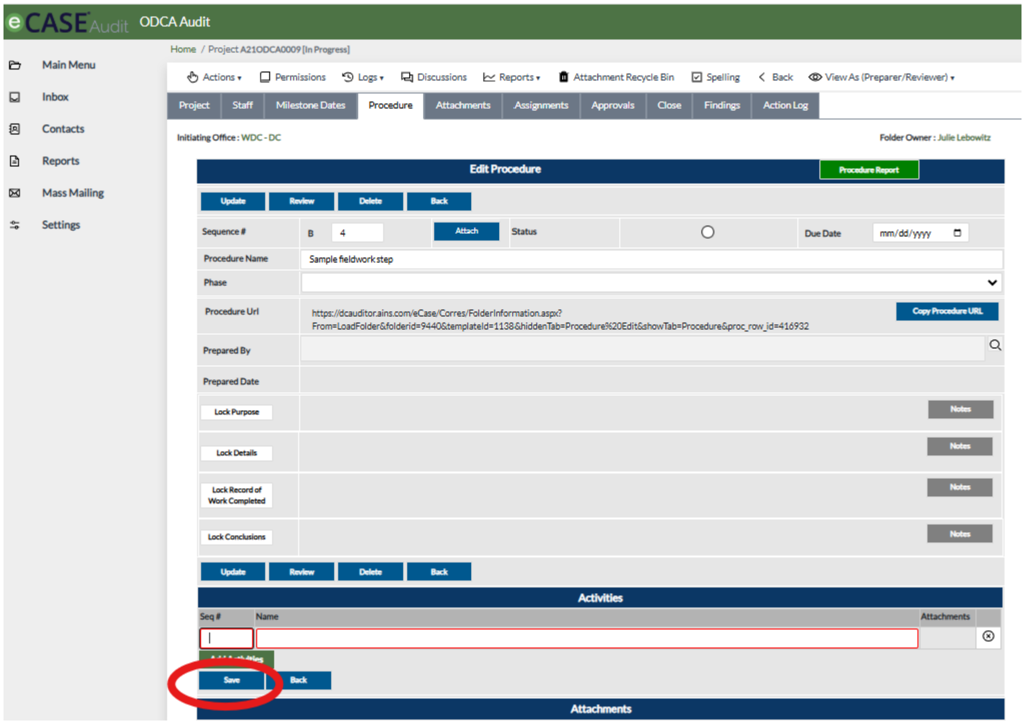
and input a sequence number (any number 1-99) and a name for the sub-step. The audit team can copy and paste the sub-steps from the Audit Plan.

Figure 9. Add activities and input a sequence number and name



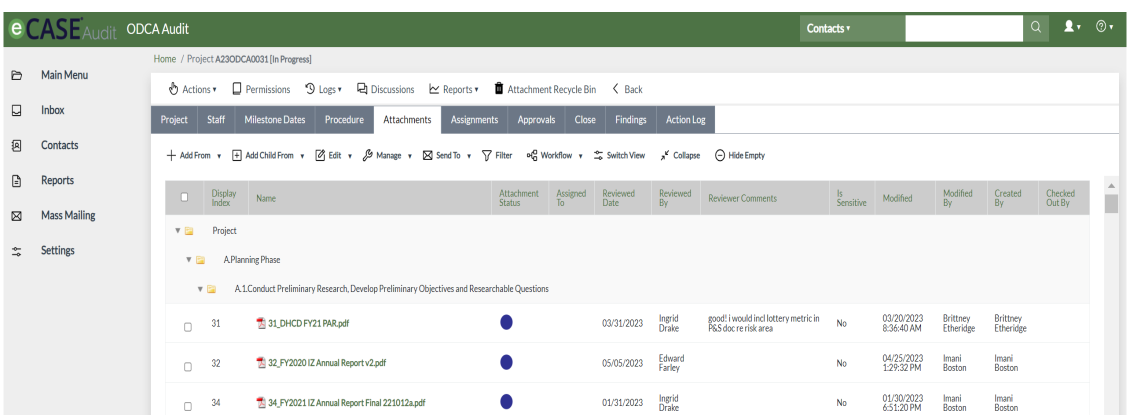
- Press Save twice.

Figure 10. Save



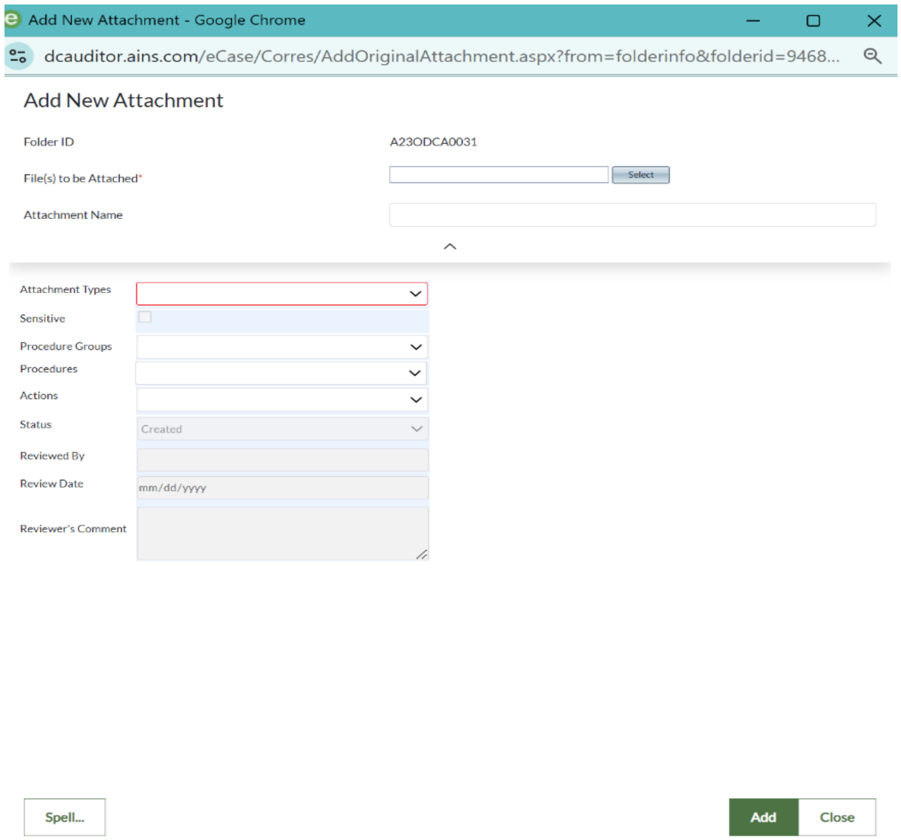
- Workpapers can now be added to the fieldwork step or sub-step section through the Attachment tab.
- After locating the Attachment tab, click on Add From in the upper left-hand corner.

Figure 11. Attachment tab, Add from



- Identify whether the document is on your computer, new document, new spreadsheet, etc. Once the attachment is selected, add the attachment type by selecting Project, and then select fieldwork phase under the Procedure Group. The new fieldwork steps will appear in the Procedures drop down. If the audit team added activities to a fieldwork step, the activity can be selected from the Actions drop-down menu. Press Add to see the fieldwork step or sub-step displayed in the attachment tab.

Figure 12. Add New Attachment screen



If fieldwork steps are changed during fieldwork, or if additional steps are added, the procedures steps **must be updated prior to the Fieldwork Debrief.**

2. Conduct Fieldwork

The Audit team must complete the steps detailed in the Audit Plan to meet the objectives of the audit and detect the impact of breakdowns in internal control. Fieldwork includes gathering evidence about the efficiency of operations, accomplishment of objectives, and effects of risks. Fieldwork establishes an overall approach for auditors to obtain sufficient, appropriate evidence that provides a reasonable basis for findings and conclusions based on the audit objectives. Evidence can be obtained through site visits, documentation review, walkthroughs and additional interviews.

During fieldwork, auditors are expected to conduct testing and analysis. Most analysis includes an attribute sheet to assess whether agencies adhere to criteria. **Professional Judgment** is important during the Fieldwork Phase as it requires the "auditor's consideration of the risk level of each engagement, including the risk of arriving at improper conclusions."[55]

In accordance with ODCA's remote work policy, the audit team is expected to be on-site during fieldwork, when necessary. Audit supervisors are expected to be onsite with the audit team while fieldwork is being conducted. The frequency will depend on the audit and will be determined by management.

In addition, auditors conducting fieldwork must exercise **professional skepticism**. This means that auditors must have a questioning mind, awareness of conditions that may indicate possible misstatement owing to error or fraud, and a critical assessment of evidence. GAGAS states: "Professional skepticism includes being alert to, for example, evidence that contradicts other evidence obtained or information that brings into question the reliability of documents or response to inquiries to be used as evidence."[56]

In each fieldwork procedure step, auditors must summarize work completed in the Record of Work Completed section and summarize the testing results in the Conclusion section in eCASE.

All fieldwork workpapers must be reviewed by the supervisor prior to scheduling a fieldwork debrief.

Additional Fieldwork Procedures - Eight Procedure Steps

Steps marked with an asterisk (*) are optional for non-GAGAS audits with Supervisor's approval

1. Reassess Independence

The second assessment of independence occurs at the end of the Fieldwork Phase. The Audit Supervisor, AIC, and all team members must reassess independence. If threats are identified, document the development and implementation of safeguards in response to identified threats to independence in the Reassess Independence procedure step.[57]

Possible Workpaper:

- Documentation of the development and implementation of safeguards in response to identified threats to independence.

2. Reassess Audit Risk*

The audit team must reassess audit risk at the conclusion of fieldwork and determine whether identified risks represent a risk to the findings, conclusions, or recommendations of the audit. The AIC, working with the audit team, must reassess audit risk by reviewing the Audit Risk Assessment Workpaper completed during the survey phase. If the audit team developed steps to reduce the audit risk, the audit team must determine if the mitigating strategies reduced audit risk to an acceptable level. The audit team should

55 GAGAS 3.116.
56 GAGAS 3.110.
57 GAGAS 3.18.

consider, in its collective professional judgment, the risk level of each audit, including the risk of arriving at improper conclusions. Any changes to audit risk at the conclusion of fieldwork should be reflected in ***the Reassess Audit Risk*** procedure step in the **Additional Fieldwork** section of eCASE.

Possible Workpaper:
- Documentation of identified audit risks and steps taken to mitigate them.

3. Develop Audit Findings and Report Messaging

The audit team must develop audit findings supported by the results of fieldwork. The team should be mindful of the overall report message when drafting findings. The team should write the findings in the way it expects to write them in the report, i.e. concise and impactful. ODCA findings need to address the five elements:

Criteria: What *should be?*

Condition: What *is*?

Cause: *Why* is it that way?

Effect: *So what?* What is the consequence of the difference between criteria and condition?

Recommendation(s): Should address root cause, be measurable and clearly state the action recommended.

How are the elements of a finding identified?

- Criteria are usually straightforward and determined in Survey Phase, though additional criteria can be identified during fieldwork.
- Condition is essentially the results of your testing and fieldwork.
- Cause is more complex. Interviews with key staff can be helpful. ODCA analysis of organizational documents (SOPs) can identify gaps, inconsistencies, etc. Team members should use the five Whys? This means they should keep questioning "why" something happened until the root cause has been identified. The root cause is not an excuse for why something happened but identified by the audit team through analysis and using professional skepticism to determine the underlying reason for the problem we found.
- The effect **may be actual or potential** consequences, to the government, residents or both. Some examples of effects are mission not being accomplished, ineffectiveness, dollar loss, bodily injury/death, theft, lack of safety and security, and inaccurate information.
- Recommendations are key to the audit having an impact. The Recommendations need to be effective, doable, and practical. Most importantly, they need to address the cause(s). Recommendations are specific and helpful, but not just instructing an agency to follow the law. They need to be feasible. They need to be directed to the officials who can take action. The benefits should outweigh the costs.

Best practices to keep in mind when presenting findings:

- What is the main point of the finding? Often it is the condition, but sometimes the effect is more powerful. How would you sum up the finding to a cold reader?
- What is the right level of detail? If a finding resulted in a small dollar value, consider not including the amount in the finding. Use a critical eye if a finding has a lot of numbers to determine what is the most important number to emphasize, or if the impact can be communicated without numbers.
- Order and flow of the findings: Which findings need to be discussed first to understand the others? Which are most significant? Which findings need to be presented consecutively? Generally, the most impactful findings should be first and related findings should follow.
- What graphics would enhance understanding?
- Think like a reader, not like an auditor. The audit team should try to avoid jargon and overly complex sentences.
- Write findings in the past tense, as audit scope is typically in the past and criteria, condition, etc., could have changed since our audit scope.

Required Workpaper:

- Findings Matrix

4. Complete Overall Assessment of Evidence

ODCA auditors must perform and document an Overall Assessment of Evidence workpaper used to support findings and conclusions.[58] The purpose is to ensure that the evidence is:

- **Sufficient**:[59] In an appropriate quantity for the finding and is enough to be persuasive.
- **Appropriate**:[60] Quality evidence is relevant, valid, and reliable.

Required Workpaper:

- Overall Assessment of Evidence Workpaper

5. Update Audit Plan

The audit team must update the timeline for the Fieldwork Phase and the Reporting Phase of the audit. All team members are expected to discuss the update of project milestones that were established.

- The AIC must make a copy of the Audit Plan from the Survey Phase and add it to the Additional Fieldwork Section.

58 GAGAS 8.108—8.110, 8.113—8.115 and 9.27—9.28.
59 GAGAS 8.99—8.101.
60 GAGAS 8.102—8.103.

- The AIC must update the Fieldwork and Reporting sections of the Audit Plan prior to the completion of the Fieldwork Debrief.
- The Audit Supervisor must review the updated Audit Plan prior to the Fieldwork Debrief.[61]

Required workpaper:
- Reviewed Audit Plan with finalized fieldwork section.

6. Conduct a Fieldwork Pre-Debrief with the D.C. Auditor or Deputy Auditor

As part of the preparation for the Fieldwork Debrief, the audit team must conduct a Fieldwork pre-debrief with the D.C. Auditor or Deputy Auditor. The meeting is designed to poke holes at findings and recommendation with the goal of having an efficient fieldwork debrief with the management team.[62] The audit team will present the Overall Assessment of Evidence Workpaper. The D.C. Auditor or Deputy Auditor will assess the significance of the findings and conclusions and the sufficiency and appropriateness of evidence.[63] The audit team should discuss Auditor Concerns/Observations the team plans to include in the report. Auditor Concerns are included when:

- Criteria is not available.
- Evidence is outside our objective or scope.
- Sufficient evidence is not available.

Possible Workpaper:
- Fieldwork pre-debrief notes

7. Conduct the Fieldwork Debrief

Only after all the fieldwork procedure steps and workpapers have been reviewed can the audit team present its preliminary findings and recommendations to the ODCA management team and staff. The Fieldwork Debrief should provide the answers to the researchable questions presented at the Planning and Scoping Meeting or address how these questions have changed.[64]

The D.C. Auditor and the Deputy Auditor should review the Fieldwork Debrief Workpaper prior to the meeting. Please provide adequate time for the Deputy Auditor to review the document first and then the team should incorporate that feedback prior to the D.C. Auditor's review.

The Fieldwork Debrief is open to all staff, who are encouraged to provide feedback on the clarity of

61 GAGAS 8.03 and 8.05.
62 GAGAS 8.87—8.89.
63 GAGAS 8.108 and 8.112.
64 GAGAS 3.110, 8.108 and 8.112.

the findings and the effect/impact. ODCA management and staff who attend the debrief should use professional skepticism when evaluating the audit findings presented. Professional skepticism is an attitude that includes "a questioning mind...and a critical assessment of evidence."[65] The Fieldwork Debrief workpaper should be shared with the staff prior to the meeting.

Required Workpaper:
- Fieldwork Debrief Workpaper
- Fieldwork Debrief Notes

8. Conduct Closeout Meeting with Agency Officials

The audit team must present preliminary findings and recommendations to the audited entity at a Closeout Meeting. These results should not be a surprise to the agency, as the audit team has been in communication with the auditee about possible causes and solutions during fieldwork. The Closeout Meeting is an opportunity to build consensus with the audited entity on proposed recommendations.[66]

To prepare for the Closeout Meeting, the audit team should:

- Prior to scheduling the meeting, ensure that the D.C. Auditor and/or Deputy Auditor, and all audit team members can attend.
- Send calendar invite to attending personnel including D.C. Auditor (even if not attending) that builds in time for travel. (virtual closeout meetings may be scheduled based on prior approval from the D.C. Auditor)
- Manage communication with the agency liaison on meeting location and agency invitees.
- Prepare the Entrance Conference Agenda. The D.C. Auditor and the Deputy Auditor should review the agenda prior to the meeting.
- Send the agenda to the attendees prior to the meeting to allow time to read and digest the material.
- Prepare copies of the agenda based on the number of attendees (in-person only).
- Assign note taking to audit team members.

Required Workpaper:
- Closeout Meeting Agenda
- Closeout Meeting Notes
- Closeout Meeting Sign-in Sheet for in-person meetings or Teams' Attendance Record for virtual

65 GAGAS 3.110.
66 GAGAS 8.20, 8.23, 8.25 and 8.116.

IV. Reporting Phase

The Reporting Phase has 22 procedure steps, all of which are mandatory for GAGAS and non-GAGAS audits.

1. Develop and Cross-Reference Draft Report

The audit team must develop and cross-reference the draft report. The findings approved at the Fieldwork Debrief should be the starting point for the draft report. To build the skills of audit team members and to help with workload, the AIC may assign sections of the report to audit team members to write and cross-reference.

Here are some key good writing principles to keep in mind.[67]

- Using a **deductive structure** to the report is the most effective for communicating technical information. Deductive structure places the main idea up front, then the support follows. Here is an example of a paragraph that uses a deductive style:

Fridays are wonderful. The work week ends. There are special deals for pizza on Fridays. New movies are released on Fridays. My spouse brings me flowers.

- Topic sentences at the start of each paragraph create focus for the details that follow.
- An effective paragraph has unity (one main point) and coherence (all sentences link logically to that point).
- Headers and sub-headers can help guide the reader by offering a summary/main point of the information that follows. This is especially necessary in long sections where there are multiple issues, which can blend together.
- Busy readers, such as legislators or Council staff, **may just read a report's findings, headings, and subheadings.** Therefore, these items should tell the story you want to tell.
- Avoid jargon and replace it with more common themes/concepts.

For example:

> *"The aquatic program's risk identification processes did not include supervisor review procedures." …is improved by replacing with…*
>
> *"The aquatic program did not have a process to let managers know when there were problems or potential problems at the pool."*

Footnotes

- Information accessible to the reader from a public source should be footnoted by the audit team.
- Any direct quotes in the report body should be footnoted to the source. If the source is public, the link should be provided, if it is not public, it should be cited or described (e.g., Internal MPD guidance, Interview, etc.)

67 Message Development and Report Writing, Center for Audit Excellence, GAO.

- The precise citation for D.C. Code and District of Columbia Municipal Regulations should always be footnoted because the report is easier to read without the citations in the body. Examples of such citations for the following sources are provided in the footnotes below:
D.C. Code,[68] DCMR,[69] budget documents,[70] agency website,[71] legislation,[72] and previous audits.[73]

Below are the standard sections of ODCA reports that need to be completed for this step of the drafting process:

Background (1–3 pages) This should include only information the reader needs to know to understand the audit results—the program's relevant history, purpose, size, targeted customers/clients, oversight, any recent or proposed changes, budget information, how the program fits into agency mission. There should be no mention of findings or testing results in this section.

Objectives, Scope, and Methodology (1–2 pages) The final objective(s) and scope should be from the Survey Debrief approved by management. Methodology is how the objective was met, such as procedure steps, and should be included with links to relevant workpapers. If the methodology is very detailed and lengthy, it may be included as an appendix and a brief summarized methodology paragraph should refer the reader to the appendix. The methodology should include a description of the scope of the work performed on internal control to include components and principles assessed.

For GAGAS audits, the methodology should conclude with the standard GAGAS compliance statement:

> *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.*[74]

For non-GAGAS audits, the methodology should conclude with the standard ODCA non-GAGAS compliance statement:

> *This report was drafted, reviewed, and approved in accordance with the standards outlined in ODCA's Policies and Procedures.*

For audits that involve **reporting confidential or sensitive information**, and if certain information is prohibited from public disclosure or is excluded from a report because of its confidential or sensitive nature, auditors should disclose in the report that certain information has been omitted and the

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68 D.C. Code § 1–309.13(a).
69 DCMR § 5-A3108.3.
70 B21-0697, the "Advisory Neighborhood Commissions Omnibus Amendment Act of 2016", Law 21-269, effective April 7, 2017, and B22-162, the "Advisory Neighborhood Commission Transfer Authorization Emergency Act of 2017", effective March 28, 2017.
71 Advisory Neighborhood Commissions, "About ANCs". See: https://anc.dc.gov/page/about-ancs.
72 B21-0697, the "Advisory Neighborhood Commissions Omnibus Amendment Act of 2016", Law 21-269, effective April 7, 2017, and B22-162, the "Advisory Neighborhood Commission Transfer Authorization Emergency Act of 2017", effective March 28, 2017.
73 Office of the DC Auditor, Budgeting and Staffing at Eight DCPS Elementary Schools, October 30, 2017, DCPS.Staffing.Report.Final_.10.30.17.pdf (dcauditor.wpenginepowered.com).
74 GAGAS 9.03.

circumstances that make the omission necessary.[75] This should be noted in the methodology section.

Audit Results. This is where the findings go and should be organized by significance or relationship to each other or a theme. They do not need to be organized by objective. If appropriate, the Audit Results section can begin with a summary paragraph that ties together the findings or some high-level theme, such as agency culture.

Each finding should include the five elements. Criteria, condition, cause, and effect should be arranged to communicate as early as possible why the finding deserves the reader's attention while preserving clarity, and should be followed by the fifth element, the recommendation (s). Include any concrete examples or vivid details obtained during fieldwork.

Conclusion. The purpose of the conclusion is to provide a high-level summary of the audit results. It also seeks to provide the audit results in context. Look to recent ODCA report conclusions for examples.

Appendices. The team should discuss if appendices should be included in the report. Appendices should be lettered, not numbered. Some examples include:

- Data that the team analyzed.
- Any significant correspondence with the agency can be included, such as a letter from the Director refusing to provide information.
- The Councilmember's written request if the audit was requested by a legislator.

For appendices that cannot be done in the body of the report in the Word document, such as Excel documents and Adobe pdfs, there should be two versions of the appendices in eCASE:

1. The original workpaper with Source, Purpose, and Conclusion (likely in Fieldwork or Survey Phases).
2. The publication-ready version of the workpaper in the Reporting Phase. For this version of the workpaper:
   - Remove the SPC, bookmarks/hyperlinks/notes, or any other information that should not be published.
   - In the case of appendices that must be in Excel, the workbook should contain only worksheets that are to be appendices to the final report. If the workbook contains multiple worksheets, the tab for each worksheet should be appropriately labeled with appendix letters. The top of each worksheet should contain the title.
   - The name of the workpaper should include:
     - the appendix letter.
     - the title of the appendix.
     - reference to the original workpaper in eCASE (e.g. Appendix B: ODCA Analysis of Expenditures, FY 2018 – SPC and links in C.1.25).

75 GAGAS 9.61—9.63.

Audit teams must cross-reference the draft report before sending it to the Audit Supervisor for review. The AIC must fully cross-reference the report prior to review by the Audit Supervisor. If the AIC delegated writing report sections to other team members, these members also are responsible for cross-referencing, though the AIC needs to review their sections to ensure that the cross-referencing is complete and accurate before the draft is sent to the supervisor. To adequately cross-reference the draft report, you should ensure it is sourced so that the IRR can be conducted as efficiently as possible, including but not limited to the following:

- Cross-reference all facts, figures, references, and audit conclusions.
- Link via bookmarks when possible. If you are linking to your analysis, you can link to a workpaper's conclusion where the analysis is summarized. If you are linking to a fact, you should link directly to where the fact is in a workpaper, not to the conclusion of the workpaper. In addition to linking to exactly where the fact is found in a workpaper, you also can make notes to the reviewer that help guide the reviewer.
- Footnotes also should be linked to sources if not supported in links within the body of the report.
- Link to the testing sheet showing the results, not to a procedure step conclusion tab.
- Cross-reference appendices.

Required workpapers:
- Cross Referenced Draft Report for Supervisor

2. Submit Draft Report to the Audit Supervisor for Review.[76]

When the AIC submits the draft report to the Audit Supervisor, the Audit Supervisor should check to ensure the following:

- The draft report is **COMPLETELY** cross-referenced and adequately supported by audit documentation. This means that every fact cited is supported.
- Links or bookmarks go directly to the fact/support, which is highlighted, if possible.
- The report has logical flow.
- The report is free from grammatical and spelling errors.
- All reported objectives were achieved or there is explanation regarding objectives that were not achieved.
- All findings have ALL finding elements (condition, criteria, cause, effect and recommendation).
- All findings and conclusions are fully supported with sufficient, appropriate, and relevant evidence.
- Supporting workpapers are complete, reviewed and include source, purpose, conclusion, and methodology, where appropriate.
- Recommendations and conclusions were derived from evidentiary support and are logical.

76 GAGAS 8.87, 8.88, 8.135(c) and 9.18.

Required Workpapers:

- Draft Report with Audit Supervisor Comments
- Draft Report Post-Audit Supervisor Review

3. Submit Draft Report to the Deputy Auditor for Review

The Deputy Auditor must review the linked version of the draft report. The draft should be reviewed by the Audit Supervisor before it is sent to the Deputy Auditor.[77] The Audit Supervisor or AIC should assign the Draft Report in eCASE to the Deputy Auditor.

The Audit team must address the comments of the Deputy Auditor in the draft report and/or meet with the Deputy Auditor to discuss any issues raised to resolve them.

Required Workpapers:

- Draft Report with Deputy Auditor Comments
- Draft Report Post-Deputy Auditor Review

4. Submit Draft Report to the D.C. Auditor for Preliminary/Discretionary Review

The Audit Supervisor should check with the D.C. Auditor to determine if a preliminary review of the draft report is necessary. This is a discretionary review for organization and direction and not an opportunity for the D.C. Auditor's edits, which occurs later and may take place for roughly half of audit reports. If a discretionary review of the draft report is necessary, the Audit Supervisor should send an email to the D.C. Auditor, copying the audit team, providing the D.C. Auditor with the draft report as an attachment.

The audit team must address the comments of the D.C. Auditor in the draft report and/or meet with the D.C. Auditor to discuss any issues raised to resolve them.[78]

Possible Workpapers:

- Draft Report with D.C. Auditor Comments
- Draft Report Post-D.C. Auditor Review

5. Complete Independent Reference and Review (IRR)

Audit reports must undergo an IRR prior to the issuance of the draft report. Prior to submitting a draft report to IRR, the Audit Supervisor must ensure that all workpapers have been reviewed.

77 GAGAS 8.87, 8.88, 8.135(c) and 9.18.
78 GAGAS 8.87, 8.88, 8.135(c), and 9.18.

The IRR is an independent assessment of whether all facts, opinions, and conclusions contained in the audit report have been adequately supported by sufficient and appropriate evidence.[79] The IRR is a component of the quality control system that is designed to provide audit management with an assurance that the facts and conclusions contained in the audit report are adequately supported by audit documentation. Prior to legal review edited workpapers in the IRR worksheet should be reviewed and signed off by the supervisor.

After the Audit Supervisor has ensured that the draft is ready for IRR, they should inform the Deputy Auditor, who will assign a reviewer who is independent, proficient, and experienced.

Specifically, the reviewer must:

- Not be directly involved with the audit work.
- Have thorough knowledge of audit methods and standards.
- Have at least two years of audit experience.
- Have completed ODCA training on conducting IRRs.
- Have conducted at least one practice IRR.

The Deputy Auditor should ensure the reviewer has access to the project in eCASE. The AIC should send the reviewer an IRR sheet that includes the name of the project, the Audit Supervisor, the AIC, and the date the report was sent for IRR. The email also should contain the name of the project in eCASE, the document number of the draft report for IRR in eCASE, and any other necessary project/team information. The Auditor Supervisor and Deputy Auditor should be copied on this email.

The Reviewer should make completing the IRR the priority, putting other projects on hold if possible and after consulting with their supervisor. The reviewer's first step is to conduct a Pre-IRR Evaluation to make sure:

- Cross-referencing is complete: Are there paragraphs or complete sections without references? Are there lots of placeholders?
- Source documentation was reviewed by a supervisor: Check eCASE to see if the workpapers have been marked reviewed.
- Facts contained in the report are easily identified in the cross-referenced audit documentation.

When necessary, return the report to the audit team for completion of the required elements.

It is recommended that the reviewer first read the report for flow, content, and to get a sense of the subject matter, report organization, etc. Then, the reviewer should do a second read for sourcing. During the second read, the reviewer should assess whether there is a GAGAS statement for GAGAS audits or Policies and Procedures statement for non-GAGAS audits.

79 GAGAS 8.132, 8.133, 9.17(a) and 9.18.

For all audit reports, determine whether:

- The Objectives, Scope, and Methodology section includes a description of the scope of the work performed on internal control (GAGAS reports only).
- Facts, figures, references, and audit conclusions in the audit report are adequately supported by the referenced audit documentation.
- Summary audit documentation is cross-referenced to the original audit documentation.

Other tips and things to watch out for:

- Check for rounding and whether the audit team approximated numbers (i.e. used "approximately").
- Does the information within the document match what is reported in the workpaper conclusion?
- Check proper names (agencies, organizations, publications, or documents) against an independent source such as an agency website. (e.g., report refers to the Department *on* Behavioral Health, but the agency's website shows that the agency's name is the Department *of* Behavioral Health).

Again, note any deficiencies on the IRR sheet and use page numbers and/or quotes to identify specifically which part of the report it is.

Optional: An IRR does not include editorial comments, substituting word choices (unless inaccurate in report), or correcting style, punctuation, etc. Reviewers may provide the audit team with optional comments on word choices, etc., that are editorial in nature, on a separate document rather than the IRR sheet. Accepting them is at the discretion of the audit team.

When the reviewer has completed the initial review, they should send the IRR sheet to the Audit Supervisor, AIC, as well as optional comments on the report.

It is the responsibility of the Audit Supervisor to ensure that 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 AIC must ensure that appropriate cross-references are added to the report. The Audit Supervisor must review and approve all edits prior to sending the report back to the reviewer. The reviewer shall recheck as necessary to ensure that the audit team took satisfactory action to resolve the IRR deficiency. The audit team can meet with the reviewer to discuss the comments in more detail to resolve them. If there are issues that cannot be resolved, they can be noted on the IRR sheet.

If the audit team disagrees with an edit or comment, the team should discuss with the reviewer why they disagree and come to an agreement on how to move forward with the report. If a point cannot be resolved, the reviewer indicates this in the IRR sheet, and it is raised to the Audit Supervisor, then to the Deputy Auditor, and ultimately to the D.C. Auditor for final resolution. The IRR sheet should be updated to reflect the ultimate resolution of each escalated point.

When the IRR Is completed, the Reviewer sends the audit team the completed IRR sheet that shows that all issues have been resolved with the reviewer's initials and the date of resolution for each IRR point. The AIC will add the date the IRR was completed at the top of the IRR sheet, upload the document in eCASE and send it to the Audit Supervisor for review. The Audit Supervisor must review the IRR Sheet, and the changes made to the draft report before the report is sent for legal review.

Required Workpapers:

- Draft Report for IRR.
- IRR Sheet.
- Draft Report post-IRR.

6. Submit Draft Report to the General Counsel for Legal Review

The General Counsel must review the draft report.[80] After revisions resulting from the IRR, a draft of the report should be saved as "Draft Report for Legal Review." **This draft should include the links/cross-referenced material**. The AIC should send an email to the General Counsel, copying the audit team and Deputy Auditor, with the project's name in eCASE and the workpaper number, as well as the draft report attached to the email.

The General Counsel will provide a tracked changed version of the report via email. The Audit team must address the comments of the General Counsel in the draft report and/or meet with the General Counsel to discuss any issues raised to resolve them. All edits and comments made by the General Counsel must be addressed. If the audit team disagrees with an edit or comment, the team should discuss with the General Counsel why they disagree and come to an agreement on how to move forward with the report. The Audit Supervisor must ensure that the General Counsel has completed the Legal Review, and all legal issues have been resolved.

The AIC must upload the report with the General Counsel's edits into eCASE and submit it to the Audit Supervisor for approval.

Required Workpapers:

- Draft Report with General Counsel Comments (either as emails, a pdf of the report with comments and track changes, etc.).
- Draft Report Post-General Counsel

Possible Workpapers:

- Email correspondence between the audit team and General Counsel

7. Prepare the Executive Summary and Summary of Report Recommendations and Submit to Audit Supervisor for Review

The AIC should compile an **Executive Summary and the Summary of Report Recommendations into the draft report.**

The **Executive Summary** is developed by copying and pasting content from the draft report. The one-page

80 GAGAS 8.68, 8.124 and 9.35.

summary has sections for What ODCA Found, Why ODCA Did This Audit, and What ODCA Recommends. As space is limited, not all recommendations and findings need to be highlighted, only those that are the most impactful. As this section is newly added and did not go through IRR or Legal Review, the Supervisor should conduct a thorough review of this section and only include information directly from the reviewed report.

The **Summary of Report Recommendations** is a chart that summarizes the report's recommendations with the associated findings. This chart should be compiled using the report draft that follows the D.C. Auditor review (to ensure there will be no additional edits to the wording of the findings and recommendations). As this section is newly added and did not go through IRR or Legal Review, the Supervisor should conduct a thorough review of this chart.

The procedure step in eCASE includes templates for the Executive Summary and the Summary of Report Recommendations chart.

Required Workpaper:
- Draft Report with Executive Summary and the Summary of Report Recommendations incorporated

8. Submit Draft Report to the D.C. Auditor for Review

The D.C. Auditor must review the draft report before it is sent to the agency for review.[81] After revisions resulting from the General Counsels review, a draft of the report should be saved "Draft Report for D.C. Auditor Review." **This draft should NOT include the links/cross-referenced material and should include the Executive Summary and Summary of Report Recommendations**. The AIC should send an email to the D.C. Auditor, copying the audit team and Deputy Auditor, with the project's name in eCASE and the workpaper number, as well as the draft report attached to the email.

The Audit team must address the comments of the D.C. Auditor in the draft report and/or meet with the D.C. Auditor to discuss any issues raised to resolve them. All edits and comments made by the D.C. Auditor must be addressed. If the audit team disagrees with an edit or comment, the team should discuss with the D.C. Auditor why they disagree and come to an agreement on how to move forward with the report. The Audit Supervisor must ensure that the D.C. Auditor has completed the review, and any comments/issues have been resolved.

The AIC must upload the report with the D.C. Auditor's edits into eCASE and submit it to the Audit Supervisor for approval.

Required Workpapers:
- Draft Report with D.C. Auditor Comments (either as emails, a pdf of the report with comments and track changes, etc.)

81 GAGAS 8.87, 8.88, 8.135(c) and 9.06.

- Draft Report Post-D.C. Auditor Review

Possible Workpapers:
- Email correspondence between the audit team and D.C. Auditor

9. Submit Draft Report Checklist and Draft Report to the Communications Director for Review and Preparation to be Sent to Auditee

The audit team must prepare the Draft Report Checklist for the Communications Director. The Draft Report Checklist provides all the necessary information the Communications Director needs to issue the draft report. The AIC must send the Communications Director a clean version of the draft report that includes all edits to the document to date—from the IRR, the General Council, and the D.C. Auditor—along with the completed Draft Report Checklist, and appendices all in one email.[82]

The Communications Director must edit and format the report. The Communications Director will send the audit team the edited report with track changes and comments. The audit team should **not accept or reject tracked changes**, and instead leave the tracked changes in place during the review. The audit team should respond to all comments in the comment boxes, including indicating approval of edits and/or adding additional comments for changes the team does not agree with. The AIC should compile all team members' comments into one version of the report and send that version that incorporates all team member feedback to the Communications Director.

The Communications Director will work with the team to complete the edits and then create a final version of the report. The Communications Director will add a cover (with the report title, date, and the names and titles of Audit Team members), a cover letter, and sometimes a table of contents to the draft report. The cover letter should be reviewed by the D.C. Auditor or Deputy Auditor prior to draft report issuance.

Required Workpapers:
- Draft Report with edits from Communications Director
- Draft Report Checklist for Communication Director

Possible Workpapers:
- Appendices that could not be included in the Word version of the draft report

10. Issue Draft Report for Agency Comment

The draft report must be issued to the audited entities for comment.[83] The Communications Director distributes the draft report via email to the agency Directors, copying the Audit Liaison and others stipulated in the Draft Report Checklist. In addition, the Communications Director should blind copy the

82 GAGAS 9.17 and 9.50.
83 GAGAS 9.50 and 9.54.

D.C. Auditor, Audit Supervisor, the AIC, and all the Audit Team members. The cover letter sent along with the draft to the audited entity includes when comments are due (generally two weeks), who to contact to schedule an exit conference (typically the AIC), and the date by which an exit conference must be held.

Required Workpapers:

- Draft Report that was issued to the audited entities (if issued to more than one agency, a copy of the draft report that was issued to each agency/audited entity)

11. Prepare Infographic for Final Report

The audit team must prepare a draft infographic that includes the title, a paragraph that explains the audit, a few of the most interesting recommendations, and five compelling numbers. The audit team should ensure the infographic is reviewed by the supervisor, Deputy Auditor, and D.C. Auditor and an IRR is conducted prior to the publication of the final report.

Required Workpapers:

- Infographic
- Documentation to show review of the infographic
- IRR Sheet

12. Conduct Exit Conference (if requested)

If requested by agency management, the audit team and the D.C. Auditor and/or the Deputy Auditor must meet with agency management to discuss their comments on the draft.[84] The agency may request an exit conference to be held no later than **one week prior to the deadline for comments. This information is included in the cover letter for the Draft Report. An agency request for extension must be approved by the D.C. Auditor.** In addition, 24 hours prior to the exit conference, the agency must provide ODCA with a detailed agenda. Exit conferences are held in-person at ODCA or virtually.

To prepare for the Exit Conference, the audit team should:

- Prior to scheduling the meeting, ensure that the D.C. Auditor or Deputy Auditor, all audit team members, and agency contacts can attend.
- Send an invite via Outlook to agency attendees, the Deputy Auditor, and D.C. Auditor (even if not attending).
- Discuss agenda provided by the agency with the audit team and share with the D.C. Auditor and/or Deputy Auditor.
- Assign notetaking to audit team members.
- Prepare Exit Conference Sign-In Sheet for in-person meetings or Teams' Attendance Record for virtual meetings.

84 GAGAS 9.50.

- Prepare copies of the Exit Conference Agenda based on the number of attendees (in-person only).

Possible Workpapers:
- Exit Conference Agenda prepared by audited entity
- Exit Conference Meeting Notes
- Exit Conference Sign-in Sheet/Teams' Attendance Record

13. AIC prepares ODCA's Response to Agency Comments, and any Resulting Edits to the Report.

Once the agency comments have been received, the audit team should determine if the report needs to be revised to reflect any necessary changes.[85] **Care must be taken** to identify how any revisions are reflected throughout the report. For example, if recommendation language is changed, it also needs to be changed in the Summary of Report Recommendations and the Executive Summary. The Conclusion also may need to be updated to address any comments raised by the agency. **These changes, along with any corrections (e.g. typographical error corrections) should be made by using sticking notes in the Adobe version of the draft report that was sent to the agency**. Each change should clearly identify the portion of the report to which it refers, which may require including a quote from the current version. The change to be made should be stated very specifically, perhaps by including the entire re-written portion.

The AIC must also complete the Agency Comments and Response to Agency Comments.

Required Workpaper:
- Agency Comments and ODCA Response to Agency Comments

Possible Workpapers:
- Adobe version of draft report with edits made using sticky notes

14. Supervisor Review of Agency Comments and ODCA Response to Agency Comments, and any Edits to the Report

The Supervisor must review the Agency Comments and ODCA Response to Agency Comments, as well as any proposed revisions to the report.[86] The Supervisor must also review the Executive Summary and Summary of Report Recommendations to ensure they reflect the report's recommendations and any other revisions from the draft report. The AIC must incorporate Supervisor edits using sticky notes in a draft to be sent to the Deputy Auditor.

Required Workpaper:
- Supervisor's review of Agency Comments and ODCA Response to Agency Comments

85 GAGAS 9.51—9.53.
86 GAGAS 8.87, 8.88, 8.135(c), and 9.51—9.53.

Possible Workpapers:

- Adobe version of draft report with edits made using sticky notes

15. Deputy Auditor Review of Agency Comments and ODCA Response to Agency Comments, and any Edits to the Report

The Deputy Auditor must review the Agency Comments and ODCA Response to Agency Comments, as well as any proposed revisions to the report.[87] The AIC must incorporate Deputy Auditor edits using sticky notes in a draft to be sent to the D.C. Auditor.

Required Workpaper:

- Deputy Auditor's Review of Agency Comments and ODCA Response to Agency Comments

Possible Workpapers:

- Adobe version of draft report with edits made using sticky notes

16. D.C. Auditor Review of Agency Comments and ODCA Response to Agency Comments, and any Edits to the Report

The D.C. Auditor must review the Agency Comments and ODCA Response to Agency Comments, as well as any proposed revisions to the report.[88] If an additional IRR is not needed, proceed to step 17, otherwise complete Step 16. The AIC must incorporate D.C. Auditor edits using sticky notes in a draft to be sent to the Communications Director.

Required Workpaper:

- D.C. Auditor's Review of Agency Comments and ODCA Response to Agency Comments

Possible Workpapers:

- Adobe version of draft report with edits made using sticky notes

17. Conduct an IRR and Legal Review of Significant Edits to Report (if applicable)

If there are significant changes to the report since it was IRRed, the revisions to the draft report must be submitted for a second IRR and Legal Review.[89] This decision of additional review should be made by the Audit Supervisor in consultation with the D.C. Auditor and Deputy Auditor. The Audit Supervisor must address comments from the IRR and General Counsel.

87 GAGAS 8.87, 8.88, 8.135(c), and 9.51—9.53.
88 GAGAS 8.87, 8.88, 8.135(c), and 9.51—9.53.
89 GAGAS 8.132—8.133, 9.17(a) and 9.18.

Possible Workpapers:

- Second IRR Sheet
- Adobe version of the draft report with IRR Comments Addressed in sticky notes
- Adobe version of the draft report with General Counsel Comments Addressed in sticky notes

18. Submit Final Report Checklist, Agency Comments and ODCA Response to Agency Comments, Infographic and any Edits to the Report to the Communications Director for Finalizing and Release

The audit team must prepare the Final Report Checklist for the Communications Director. The Final Report Checklist provides all the necessary information the Communications Director needs to issue the Final Report.

The Audit team must send the Communications Director the Agency Comments and ODCA Response to Agency Comments, revisions to the Draft Report (if applicable), and the completed Final Report Checklist. The Communications Director must incorporate these sections, as well as any proposed revisions to the report.[90]

Required Workpaper:

- Final Report Checklist
- Agency Comments and ODCA Response to Agency Comments
- Infographic

Possible Workpapers:

- Adobe version of draft report with edits made using sticky notes

19. Communications Director Provides the D.C. Auditor, Deputy Auditor, and all Audit Team Members with the Final Report for Review and Approval

The Communications Director will provide the D.C. Auditor, Deputy Auditor, and all audit team members listed on the Final Report Checklist a copy of the Final Report for final review prior to issuance.[91] Each audit team member must read the final report for accuracy. Generally, this process should not include an editorial review. The Audit Supervisor and AIC must approve the final report prior to release and should confirm this in an email to the Communications Director (and cc the audit team). Exceptions to this requirement must be approved by the D.C. Auditor. The Audit Supervisor will determine whether other team members should sign off on the report prior to publication.[92]

90 GAGAS 9.06, 9.07, 9.10 and 9.52.
91 GAGAS 8.132, 8.133, 9.10 and 9.18.
92 GAGAS 8.87, 8.132–8.133, 9.10 and 9.18.

Required Workpaper:

- Final Report provided by the Communications Director prior to issuance
- Email correspondence with Audit Supervisor and AIC approval.

20. Communication Director Issues the Final Report

The final report must be issued[93] to the audited entities, D.C. Councilmembers, members of Congress, executive branch officials, and any other recipients as the D.C. Auditor may require. If the D.C. Auditor determines that a press release is appropriate to accompany release of a report the D.C. Auditor and the Communications Director will jointly draft a press release, provide for review by the Audit team to ensure accuracy, and issue the release with the publication of the report.

The Communications Director distributes the report via email to:

- **Engaged agencies.** Each engaged agency receives its own cover letter and report/press release copy.
- **Audit Team.** The Communications Director will cc the AIC, Audit Supervisor, team members, D.C. Auditor, Deputy Auditor, Chief of Staff, and Program Support Specialist on the final version of the report/press release. The Audit Team then uploads the report/press release in eCASE.
- **Press**. ODCA sends report/press release to more than 200 members of the local print, online, and radio press, as well as any national outlets that are relevant.
- **Secretary of the D.C. Council.** The Secretary distributes the report/press release to D.C. Councilmembers and posts the report/press release on the Legislative Information Management System (LIMS).
- **ODCA's mailing list.** These are individuals who have signed up on the ODCA website to receive a copy of each report that is published. The D.C. Auditor and Deputy Auditor will be copied on the emails.
- **Executive branch agencies.** Members of the Executive Office of the Mayor (EOM) and City Administrator's office (OCA) are copied on the emails to the engaged agencies.

ODCA's Program Support Specialist will bind and package the report for hand delivery and/or mail distribution and manage the distribution to other recipients as required.

The Communications Director posts the report and press release to the ODCA website, and oversees posting on social media sites (such as X and Linked In).

Required Workpaper:

- Final Report sent to each agency with accompanying cover letter.
- Final Report sent to EOM liaison (only for executive branch agencies).
- Final Report sent to D.C. Council via the Secretary to the Council.
- Press Release issued with final report.

93 GAGAS 9.06, 9.56 and 9.58.

21. Finalize Audit Plan

The audit team must finalize the audit plan. The AIC must make a copy of the Audit Plan from the Additional Fieldwork Section and add it to the Reporting Phase.

Required workpaper:

- Finalized Audit Plan

22. Conduct Post-Audit Meeting

Within 30 days of the report release, the audit team should hold a post-audit meeting with the management team. The meeting is designed to provide insight into what went well during the audit and what could be improved.[94] The audit team should meet beforehand to brainstorm and complete the Post-Audit Meeting Agenda.

The D.C. Auditor and the Deputy Auditor should review the Post-Audit Meeting Agenda prior to the meeting. Please provide adequate time for the Deputy Auditor to review the document first and then the team should incorporate that feedback prior to the D.C. Auditor's review.

The Post-Audit Meeting is open to all staff and the agenda should be shared with the staff prior to the meeting.

Required Workpaper:

- Post-Audit Meeting Agenda.
- Post-Audit Meeting Notes.

94 GAGAS 4.04.

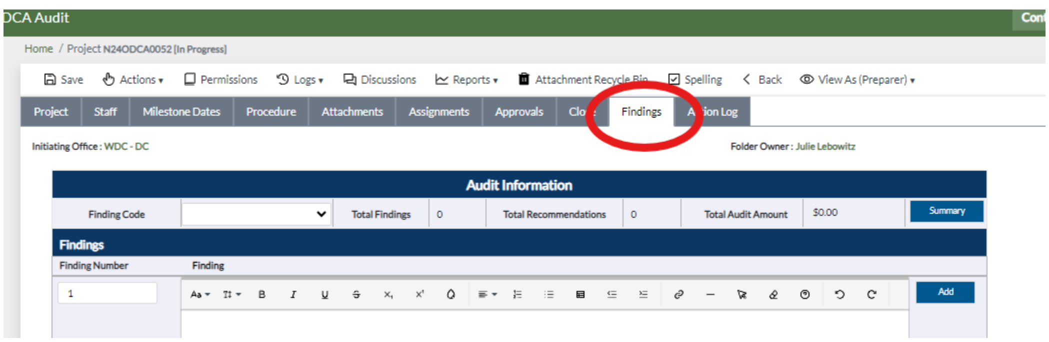
V. Findings and Close Tabs in eCASE, Terminating Audits, and Recommendation Follow-up

1. Complete the Finding Tab in eCASE

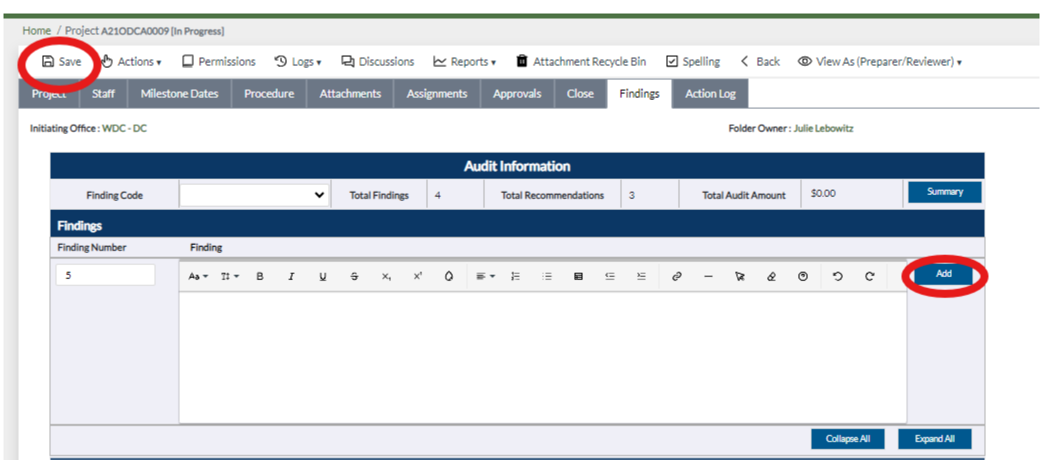
Each project in eCASE includes a Findings tab. Before the project can be closed, the findings (including all elements of the finding) and recommendations in the final report should be entered in eCASE. The AIC should send each finding and recommendation to the Audit Supervisor for approval. The Audit Supervisor must review the findings and recommendations to ensure they match what was published in the final report.

Steps for entering the findings and recommendations are as follows:

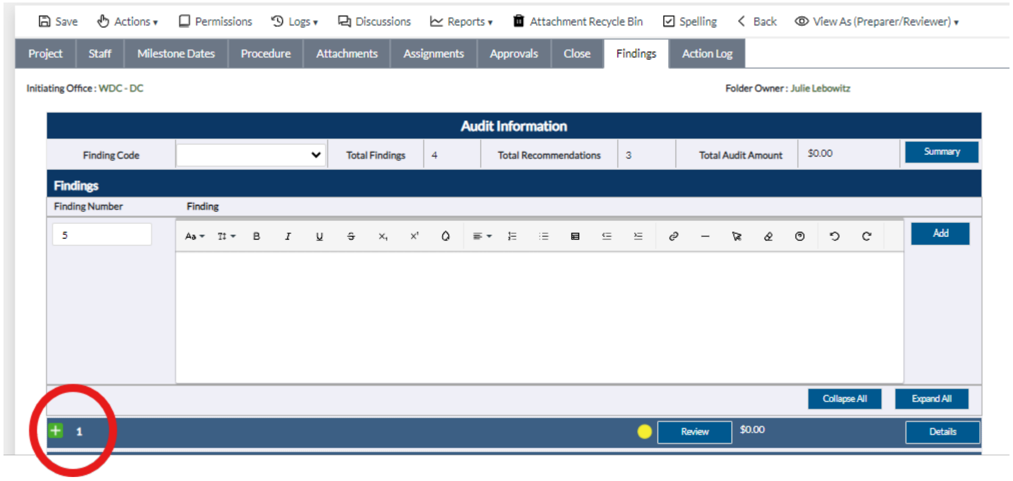
1. Click on **Findings** Tab.



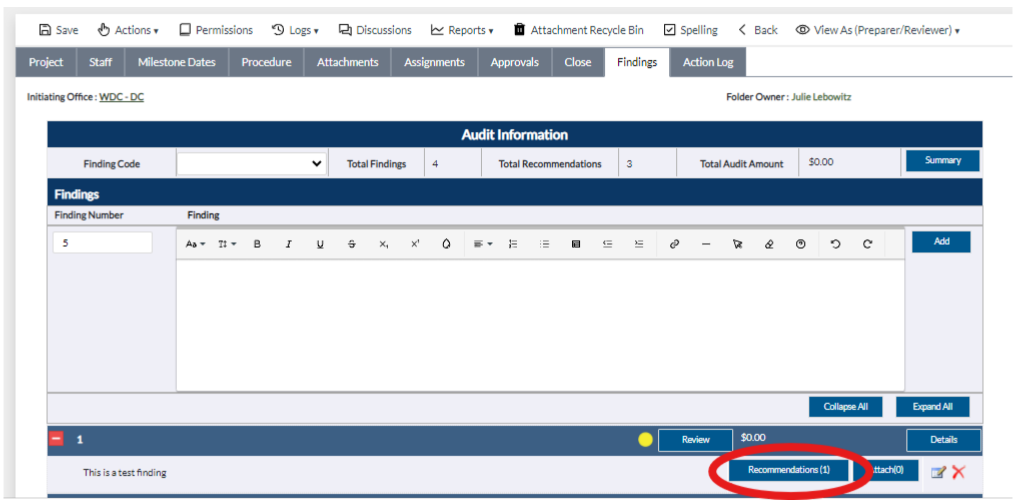
2. Enter the finding as written in the final report. This should include adding all the elements of the finding in eCASE. Text in the **Findings** field must be entered to access the recommendation(s) field. If the report does not contain findings, but does include recommendations, enter a descriptive note or text in the **Findings** field.
3. Click **Add.**



4. Click **Save.**
5. To enter recommendations for the finding, click the green + sign at the lower left to expand the recommendation in the **Finding** tab.

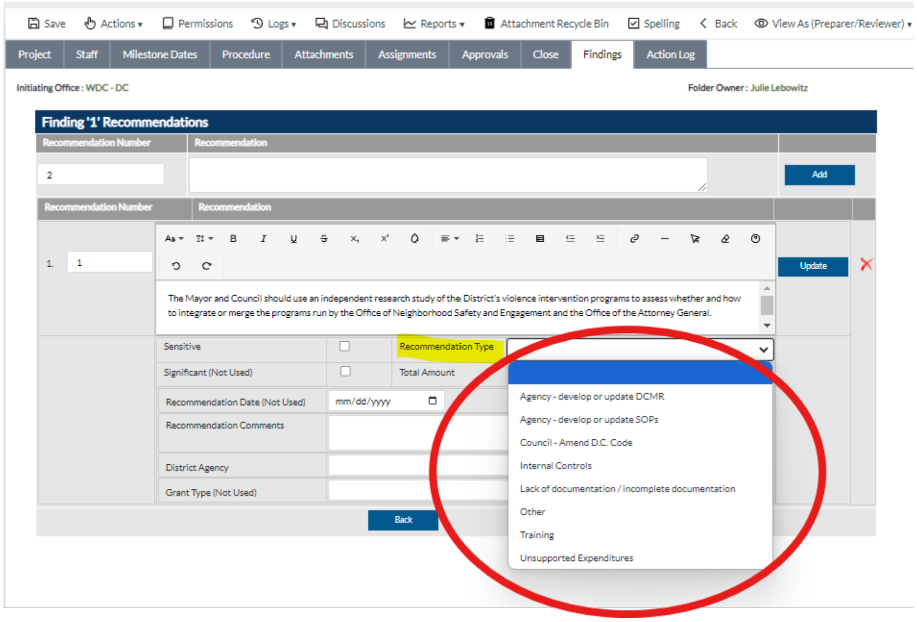


6. Click on **Recommendations**.



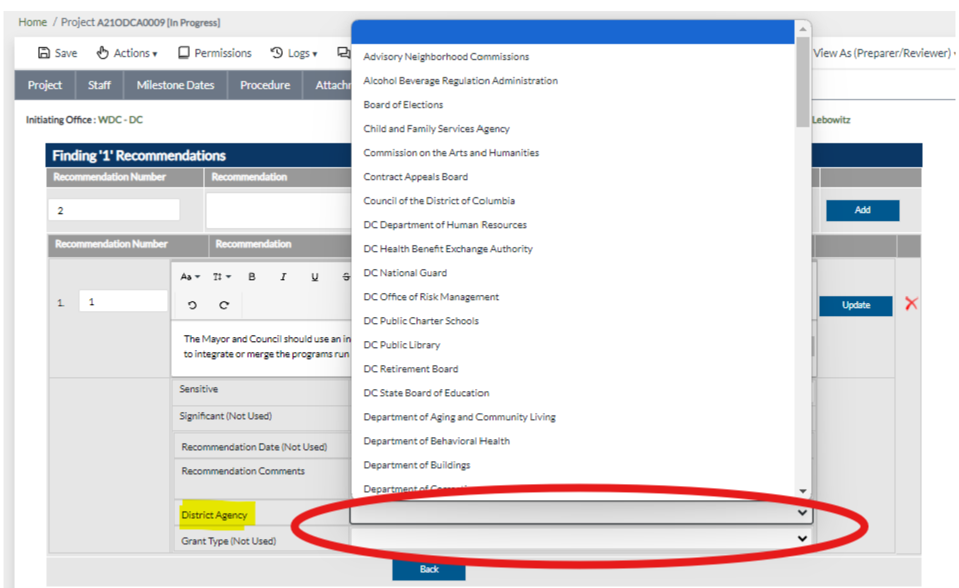
7. Type in the recommendation as it appears in the report.
   NOTE: eCASE uses a number system that ties each recommendation to the Finding. Do not worry about the numbering of recommendations in our reports, this can be identified and noted during the recommendation tracking process.

8. Select the **Recommendation Type** from the drop-down menu.



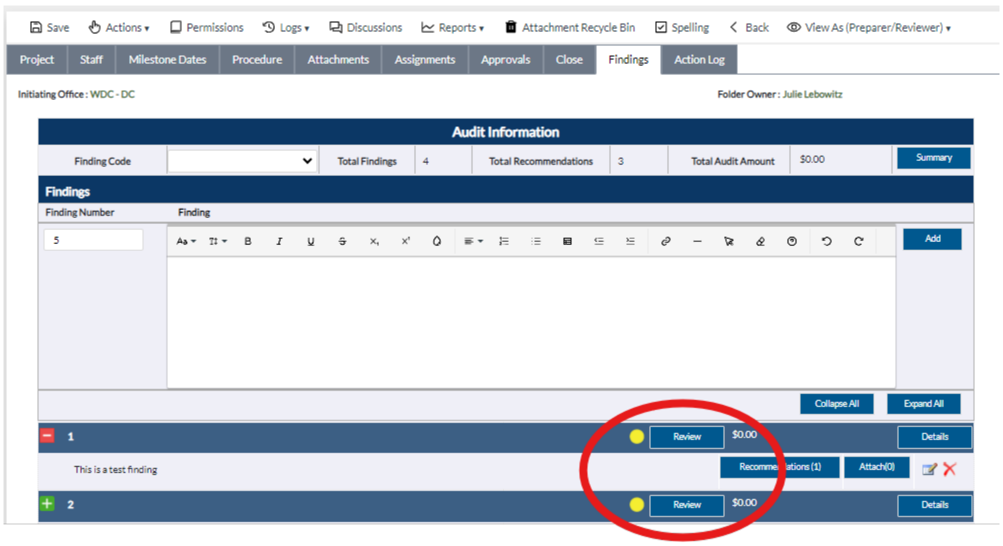
9. Click **Add**.

10. Select District Agency for the recommendation from the drop-down menu. Ensure the District Agency selected in the drop-down menu matches who the recommendation is directed to. (e.g. If "The Mayor" select the "Executive Office of the Mayor").



For recommendations directed to more than one entity (e.g. The Mayor and the Council should…) create two recommendations, one for each entity and identify the respective agency. In the above example, the recommendation would be entered into eCASE twice, once with the Executive Office of the Mayor as the District Agency and a second time with the Council of the District of Columbia as the District Agency.

11. Click **Update.**
12. Once all the findings and recommendations have been entered, click the **Review** button to send to the Audit Supervisor for review. Each finding—regardless of whether the finding has any recommendations—must be submitted for review individually because there is no group submit function here.



2. Complete the Close Tab in eCASE and prepare the project to be closed

The Audit Supervisor must close out the audit in eCASE within 30 calendar days of the published date of the report or the post-audit meeting. Closeout involves completing the Close tab and Milestone tab in eCASE, ensuring supervisory review of workpapers and procedures steps and deletion of documents in the recycling bin. The AIC should complete the Close Checklist and send it to the Auditor Supervisor for review. The Audit Supervisor should review the close tab and notify the Deputy Auditor when the audit is ready to be closed in eCASE. The Deputy Auditor will then close the project.

3. Terminating an audit

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 the appropriate officials of the audited entity, the entity requesting the audit (if applicable), and other appropriate officials.[95]

4. The role of recommendation follow-up

ODCA follows up on its audit recommendations annually for three years after the audit report has been issued or until the recommendation has been fully implemented, whichever comes first. In October of each year, ODCA sends a recommendation follow-up letter to each agency to which it made recommendations in the previous three years requesting information on the status of each recommendation that has not been implemented. Agencies are asked to respond by providing supporting documentation or other verification of implementation of each recommendation. ODCA then analyzes the information and documentation provided to determine whether each recommendation has been implemented. ODCA issues a report on recommendation compliance in February of each year.

95 GAGAS 5.69.

Appendices

Appendix A

System of Quality Management

ODCA conducts audits in accordance with GAGAS and must design, implement, and operate a system of quality management to provide reasonable assurance that the office and ODCA personnel fulfill their responsibilities in accordance with professional standards and applicable laws and regulations, and perform and report on engagements in accordance with such standards and requirements.[96]

In GAGAS, a system of quality management consists of the following components:

- Governance and leadership;
- Independence, legal, and ethical requirements;
- Acceptance, initiation, and continuance of engagements;
- Engagement performance;
- Resources;
- Information and communication.

In response to these requirements, ODCA designed and implemented a risk assessment process aligned with the quality objectives. Specifically, ODCA:

- Adopted the quality objectives as specified in Chapter 5 of the Yellow Book. Additional quality objectives were not necessary to achieve the objective of the system of quality management as outlined in the Yellow Book.
- For each quality objective we identified and assessed quality risks. This included:
  - Gaining an understanding of the conditions, events, circumstances, actions, or inactions that may adversely affect the achievement of the quality objectives.
  - considering how, and the degree to which, the conditions, events, circumstances, actions, or inactions may adversely affect the achievement of the quality objectives.
  - Identifying a response to each quality risk from our existing policies and procedures, making edits/additions to the ODCA Policies and Procedures Manual and workpaper templates.

Responsibility for the System of Quality Management

The D.C. Auditor or designee is responsible and accountable for the system of quality management.

The D.C. Auditor or designee should:

- Possess the appropriate experience, knowledge, influence, and authority within the audit organization;
- Have sufficient time and resources to fulfill the assigned responsibility;

96 GAGAS 5.02.

- Have a sufficient understanding of Chapter 5 of the Yellow Book and other applicable GAGAS requirements, as well as application guidance and other explanatory material, to understand the objectives of the system of quality management and to apply the related requirements properly; and
- Understand the assigned roles and be held accountable for fulfilling them.

Operational responsibility is the responsibility of the Deputy Auditor as delegated by the D.C. Auditor and Audit Supervisors as delegated by the Deputy Auditor. When the D.C. Auditor or Deputy Auditor are unavailable on a temporary or permanent basis, another senior staff member will be designated to fill the role.

Evaluating the System of Quality Management

The D.C. Auditor or designee will annually evaluate the system of quality management. ODCA will do this by performing an annual **Internal quality control review** during which auditors test whether ODCA is maintaining consistent quality from audit to audit and throughout the office. ODCA's Internal Quality Control Review Procedures are described in greater detail in **Appendix B**. Following the results of the internal quality control review ODCA will reassess the quality risks. Based on this evaluation, the D.C. Auditor or designee will conclude and document one of the following:

- The system of quality management provides the audit organization with reasonable assurance that the objective of the system of quality management is being achieved.
- Except for matters related to identified deficiencies that have a severe but not pervasive effect on its design, implementation, and operation, the system of quality management provides the audit organization with reasonable assurance that the objective of the system of quality management is being achieved.
- The system of quality management does not provide the audit organization with reasonable assurance that the objective of the system of quality management is being achieved.

Evaluating Quality Management Findings and Quality Management Deficiencies

ODCA will evaluate findings concerning the system of quality management to determine whether deficiencies exist, including in the monitoring and remediation process.

ODCA will evaluate the severity and pervasiveness of identified deficiencies in the system of quality management by investigating their underlying causes and evaluating their effect, both individually and in the aggregate, on the system of quality management.

Responding to Identified Quality Management Deficiencies

ODCA will design and implement remedial actions that respond to the results of the analysis of underlying causes to address identified deficiencies in the system of quality management.

ODCA will evaluate the remedial actions to determine whether they are effective in addressing the identified quality management deficiencies and their related underlying causes.

Ongoing Communication Related to Monitoring and Remediation

The D.C. Auditor will communicate to ODCA personnel the following:

- a description of the monitoring activities performed;
- any identified deficiencies, along with information about their severity and pervasiveness; and
- remedial actions to address identified deficiencies.

Documentation

ODCA's quality management risk assessment, including its quality objectives, quality risks, and a description of the responses and how the audit organization's responses address the quality risks are saved on the share drive.

The D.C. Auditor or designee will annually document:

- The monitoring and remediation process, including evidence of the monitoring activities performed.
- The evaluation of findings, identified deficiencies, and their related underlying causes.
- Remedial actions to address identified deficiencies and the evaluation of the design and implementation of such remedial actions.
- Communications about monitoring and remediation.
- The conclusion and the basis for the conclusion reached.

ODCA should retain documentation of the annual evaluation of the system of quality management for seven years.

Appendix B

ODCA Internal Quality Control Review Procedures

ODCA has an Internal Quality Control Review process to evaluate adherence to GAGAS as well as ODCA's Policies and Procedures. This is separate from the audit process. The purpose of the Internal Quality Control Review is to evaluate whether ODCA quality control policies and procedures were appropriately designed and whether ODCA auditors are complying with them.

ODCA conducts an Internal Quality Control Review annually.

This can be thought of as an internal audit, with its own audit team. Your audit may or may not be chosen for 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:

   - Identify the GAGAS and non-GAGAS audit reports that have been published by ODCA since the last Annual Quality Control Review.
   - For the audits identified, assign a risk score of 1-5 for measurement of the following criteria:
     - **Visibility** – 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 D.C. Council.
     - **Dollar impact** – 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
     - **Complexity of the audit** –The effort needed to gain a complete understanding of the issues/programs that were the focus of the audit. Judgment is made after reviewing the project in eCASE, interviewing audit team members, and/or personal knowledge.
     - **Problems identified during the audit** – The issues such as scope limitations, reluctance to cooperate on the part of the auditee, etc.
     - **New subject area for the office** – The office's overall familiarity with the subject, objectives, methodology, and/or scope of the audit.
     - Choose three audits with the highest total risk scores. If no GAGAS audits are among the top three, then the third audit should be the GAGAS audit with the highest risk score.

2. **Conduct the Quality Control Review**
   The reviewer examines the eCASE file for the audit and interviews audit team members as necessary to determine compliance with relevant auditing standards and ODCA's Policies and Procedures. To guide this review, the reviewer should obtain from the ALGA website the most up-to-date ALGA Peer Review Guide entitled, "Review of Audit Organization's Quality Control System." 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 includes recommendations for action to correct any shortcomings. The reviewer provides a draft report to the Deputy Auditor for review. After incorporating any necessary edits, the reviewer provides this report to the D.C. Auditor. The D.C. Auditor works with the 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, including any updates to policies and procedures and templates.

Appendix C

Noncompliance with GAGAS Workpaper

Noncompliance with GAGAS

ODCA auditors should rarely, if ever, depart from the United States Government Accountability Office's (GAO) generally accepted government auditing standards (GAGAS) in a GAGAS audit. GAGAS 2.21 states that the auditor's determination of noncompliance with applicable requirements is a matter of professional judgment, which is affected by the significance of the requirement(s) not followed in relation to the audit's objectives. Any determination, departure or deviation from GAGAS standards should be made by the Audit Team, with the approval of the D.C. Auditor or Deputy Auditor, and not by an individual Audit Team Member.

If a determination has been made that there will be a departure from GAGAS requirements in a GAGAS audit, the Auditor-in-Charge (AIC) is responsible for documenting the nature and justification of each instance of noncompliance with a GAGAS standard on this Noncompliance with the GAGAS workpaper.[97]

To make the departure determination, the audit team must assess the significance of the noncompliance to the engagement objectives,[98] determine which Modified GAGAS Compliance Statement to use,[99] and disclose in the report the applicable requirements not followed, the reason for not following the requirements, and how not following the requirements affected or could have affected the engagement and the assurance provided.[100] Modified GAGAS Compliance Statements should state either:

1. The auditors conducted the engagement in accordance with GAGAS, except for specific applicable requirements that were not followed.
2. Because of the significance of the departure(s) from the requirements, the auditors were unable to and did not conduct the engagement in accordance with GAGAS.[101]

Team Members	
Title of Audit	
GAGAS Standard	

97 GAGAS 2.19(2) When auditors do not comply with applicable requirement(s), they should…(2) document the assessment, along with their reasons for not following the requirement(s).
98 GAGAS 2.19(1).
99 GAGAS 2.19(3).
100 GAGAS 2.18.
101 GAGAS 2.17(b).

Date of approval of GAGAS noncompliance by the D.C. Auditor or Deputy Auditor (Approval must be documented in a separate Workpaper)	
Justification for not following the requirement(s)	
Impact on audit objectives (To be completed during Planning/Survey phase)	
Impact on conclusions (To be completed during Fieldwork phase)	
Which GAGAS Compliance Statement will be used in the audit report?[102]	

102 GAGAS 9.05 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 paragraph 9.03, modified to indicate the requirements that were not followed, or (2) language indicating that the auditors did not follow GAGAS.

Appendix D

ODCA Information Request Procedure

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

Procedure Steps

1. The Audit Team should describe information request procedures to all auditees during the entrance conference.
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. If a non-disclosure agreement is requested, the AIC and Audit Supervisor should discuss the request with the D.C. Auditor, Deputy Auditor, and General Counsel to determine if it is, in fact, necessary and, if so, what it should include.
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 create a spreadsheet that details the information requested, the date requested, the due date, the date received, and all relevant notes about the request. Either the Auditor-in-Charge (AIC) 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 five 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 (without receiving an extension upon good cause shown), the Audit Supervisor or the D.C. Auditor should consider further steps that can include outreach to the Mayor's Office if the auditee is a subordinate agency.
9. The Audit Supervisor should begin discussing the need for a subpoena with the D.C. Auditor. If necessary, the D.C. Auditor may decide that issuing a Subpoena Duces Tecum pursuant to ODCA's subpoena authority is appropriate in certain situations, such as when a District government agency refuses to provide requested records.
10. If information requests are exceptionally large or unusual, or if the agency presents a legitimate reason for not being able to meet the deadline, the Audit Supervisor should discuss the request as soon as possible with the D.C. Auditor and Deputy Auditor or at an ODCA management meeting to discuss granting an extension or other next steps.

About ODCA

The mission of the Office of the District of Columbia Auditor (ODCA) 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.

To fulfill our mission, we conduct performance audits, non-audit reviews, and revenue certifications. The residents of the District of Columbia are one of our primary customers and we strive to keep the residents of the District of Columbia informed on how their government is operating and how their tax money is being spent.

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