
EVALUATOR 101: UNDERSTANDING GOVERNMENT ACCOUNTABILITY AND THE TYPES OF EVALUATIONS

WEDNESDAY, APRIL 14, 2021

1:30 ET/12:30 CT/11:30 MT/10:30 PT



TODAY'S MODERATOR

- Jennifer Sebren, Mississippi Joint Legislative Performance Evaluation and Expenditure Review Committee



TODAY'S WEBINAR IS BEING RECORDED

- The recording of today's webinar will be available within the week.
- All archived Evaluator 101 webinars will be available in the "Management" section of the NLPES Professional Development webpage.



CHAT BOX AND RESOURCES?

- Questions will be taken once the presentation has concluded, but feel free to enter them into the chat box at any time.
- The chat box is located in the lower left corner of the screen.
- Also, check out the tabs for resources and speaker bios located above the presentation.



PRESENTERS

- Patricia Berger is the Executive Director of the Pennsylvania Legislative Budget and Finance Committee. She has worked for the Committee for over 30 years as Counsel, Senior Counsel, and Project Manager before being appointed Executive Director in 2018.
- Eric Thomas is an Audit Coordinator with the Washington State Joint Legislative Audit and Review Committee. He has worked for JLARC twice, most recently since 2010.





WHY DO WE AUDIT?

UNDERSTANDING GOVERNMENT ACCOUNTABILITY AND THE TYPES OF EVALUATIONS

BY PATRICIA BERGER AND ERIC THOMAS



OUR THANKS TO THE “FOUNDING FATHERS” OF LEGISLATIVE AUDITING AND EVALUATION:

- Max Arinder: the retired Director of the Mississippi PEER Committee

- John Turcotte: the retired Director of the North Carolina Program Evaluation Division of the North Carolina General Assembly



OVERVIEW

- ACCOUNTABILITY
- WHO WE ARE
- WHAT WE DO
- WHAT IS THE FINAL PRODUCT

ACCOUNTABILITY

ACCOUNTABILITY

- What is Accountability? In ethics and governance, accountability is answerability, blameworthiness, liability, and the expectation of account-giving.
- Accountability is a noun that describes accepting responsibility, and it can be personal or very public. A government has accountability for decisions and laws affecting its citizens; an individual has accountability for acts and behaviors.

WHAT IS THE PURPOSE OF AUDITS AND EVALUATIONS?

- To hold the agency or program under review **accountable** to the legislature and the public by determining whether:
 - ❖ Management and officials manage government resources and use their authority properly and in compliance with laws and regulations
 - ❖ Government programs are achieving their objectives and desired outcomes
 - ❖ Government services are provided effectively, efficiently, economically and ethically
- To determine whether the services provided by the program continue to be necessary



What questions can be answered through a performance audit?

Internal control

- Does an agency have policies or methods to help ensure their performance?

Program effectiveness and results

- How well is a program achieving its goals and objectives?

Compliance

- Is an agency meeting the letter of the law or regulation?

Prospective analysis

- What conclusions can be made about things that may happen based on evidence about existing practices or policies?

HOW ARE FINANCIAL AND PERFORMANCE AUDITS DIFFERENT?

Financial audit

- Evaluate financial statements
- Provide third-party opinions on the truthfulness of these statements.
- Test various claims against relevant accounting standards
- Verify financial information

Performance audit

- Evaluation on the performance of an activity:
- “what is” vs.
- “what should be”

WHAT ISN'T A PERFORMANCE AUDIT?

- Advocate for a policy perspective
- Assert *personal opinions* about what agencies or programs should do or achieve
- Base conclusions on information that is biased, unverified, or conjecture (no matter how well informed or respected the source is)



ULTIMATE GOAL ACCORDING TO THE YELLOW BOOK:

- “government auditing provides the objective analysis to make the decisions necessary to help create a better future.”





A REPORT CAN:

- Be solely informational
- Identify what is causing an identified issue or problem
- Assess the functioning of the agency or program where no issue or problem had been previously identified

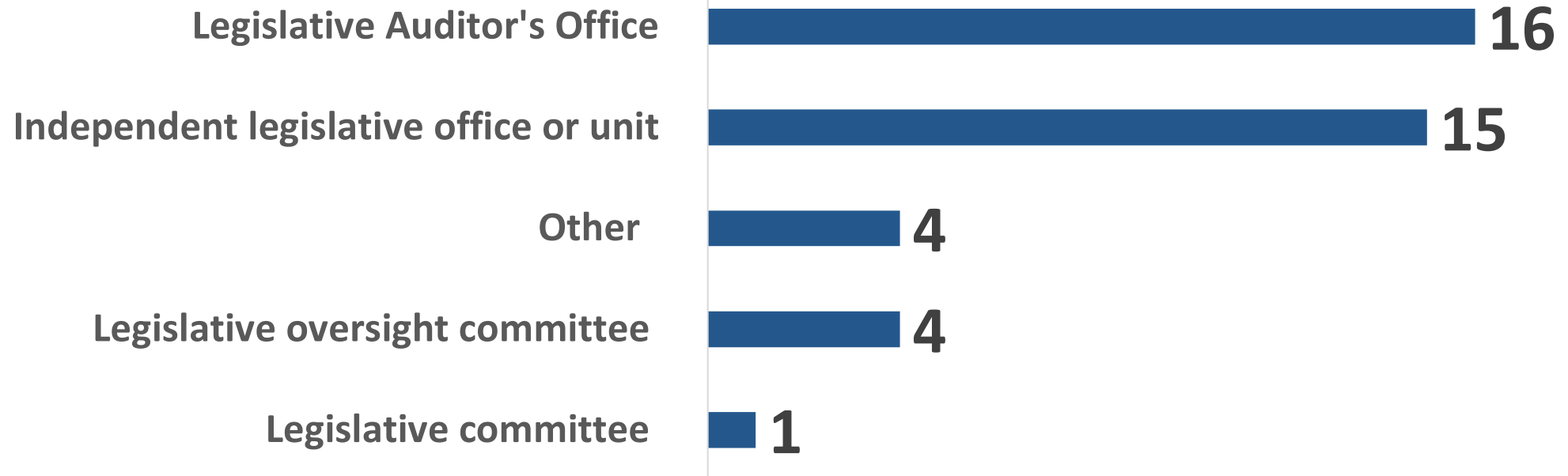
WHO WE ARE

Performance auditing is part of a **key legislative function** – **oversight** of the executive branch

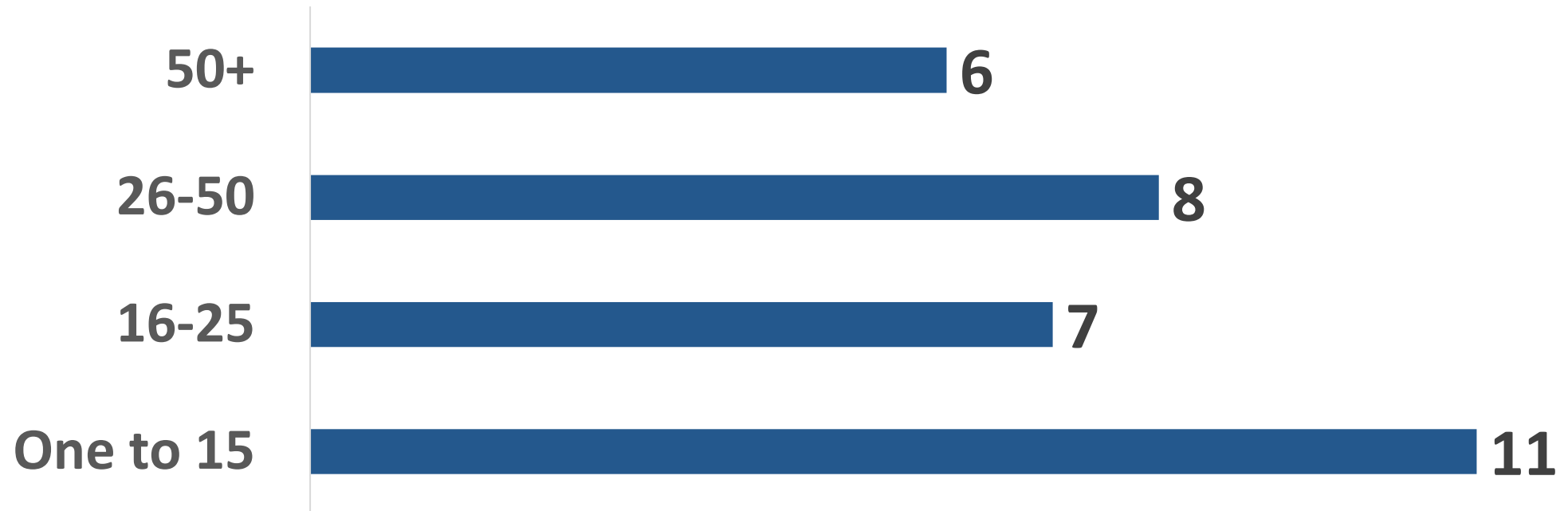
- Federal level, performed by the General Accountability Office
- Although the same function is performed in most states, how it is conducted varies by state
- Detailed in “Who We Are and What We Do: A National Survey of State Legislative Program Evaluation/ Performance Audit Programs”



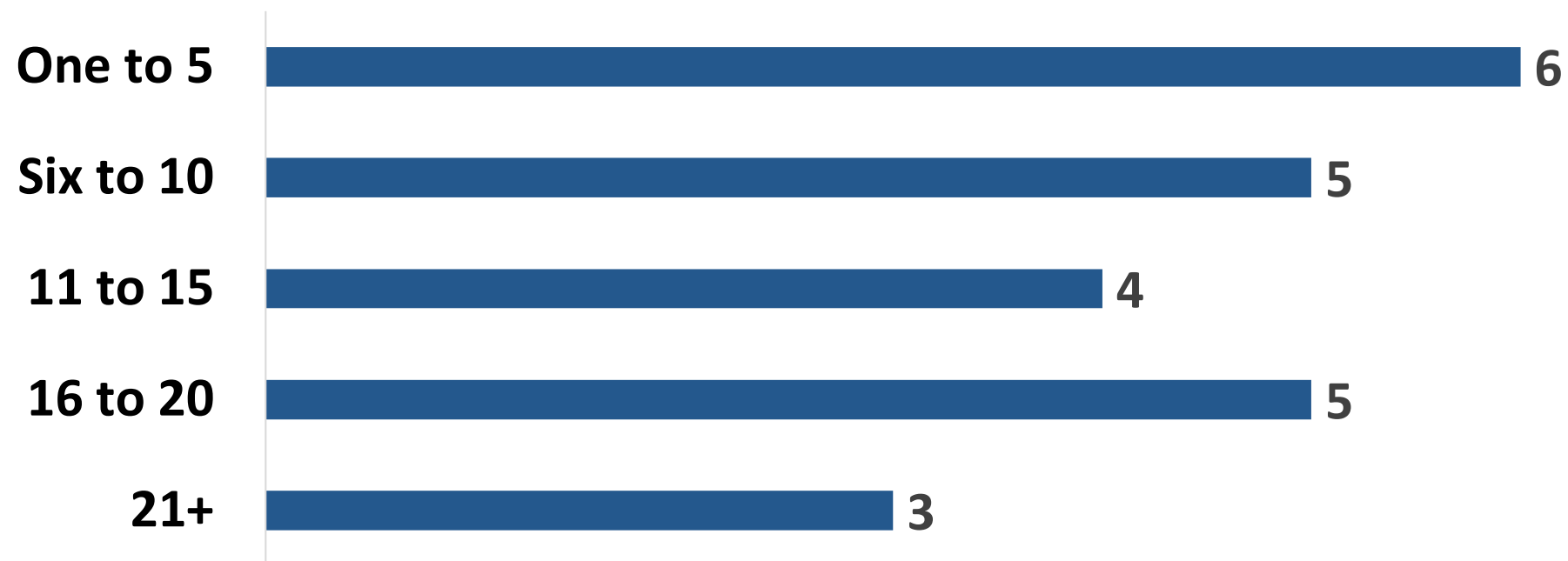
WHO WE ARE



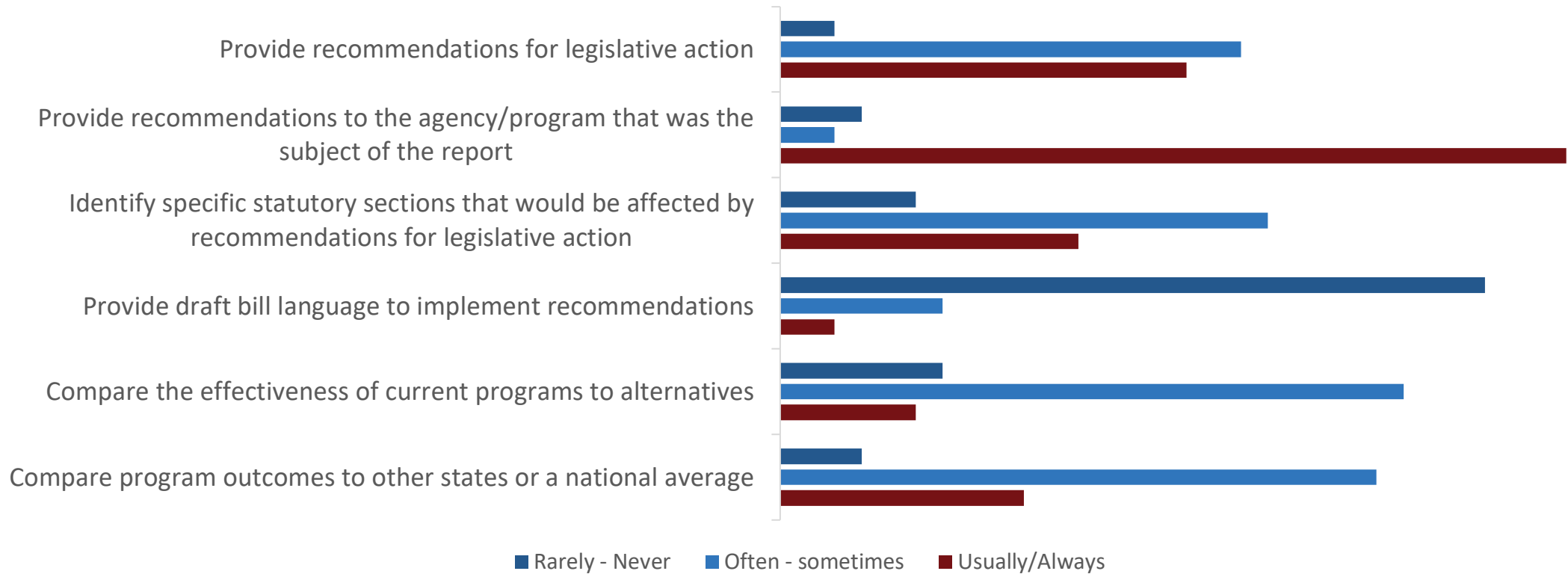
OFFICE SIZE



NUMBER OF REPORTS ISSUED PER YEAR



WHAT DO REPORTS CONTAIN?



WHAT DO WE DO?

WHAT DO WE – AS AUDITORS – DO?

THE GREATEST JOB IN THE WORLD: WE TELL PEOPLE WHO ARE DOING A JOB – A JOB THAT WE HAVE NEVER DONE – THAT THEY ARE DOING IT WRONG OR HOW TO DO IT BETTER!

HOW DO WE DO THIS? TO START WITH, WE ARE PROFESSIONAL SKEPTICS.

- Observe
- Describe
- Summarize
- Audit/Evaluate
- Verify goals
- Monitor Performance
- Send surveys
- Conduct file reviews
- Conduct a literature search
- Meet with agency staff
- Meet with stakeholder groups



HOW DO EVALUATIONS ORIGINATE?

- Statute
- Resolution
- Individual member
- Agency staff
- Stakeholder groups



THESE REQUESTS
NEED TO BE
TRANSLATED TO
OBJECTIVES

- Requests for audits may be imprecise
- Our job is to develop precise audit objectives to provide clear direction for planning, fieldwork, and reporting
- Without precisely stated objectives, the risk is that the audit work will not produce the desired results
- Therefore, it's important to define the issue, problem, or concern that the audit is to examine

“

Evaluation is the art of systematically investigating the worth or merit of an object, an operation or an idea from a variety of critical perspectives”

”

Max Arinder

Why an art?

- No rigid rules for data collection and methods decisions
- It involves the creative design of a data gathering system that is appropriate to a specific situation of policy-making context
 - There is no single, ideal standard for work product or content
- Its value is derived from its defensibility and its ultimate utility in decision-making



EXPECTATION: THAT WE WILL IDENTIFY PROBLEMS (IF ANY), IDENTIFY THE ISSUES THAT CAUSED THE PROBLEMS, OFFER RECOMMENDATIONS TO ADDRESS THE PROBLEMS AND OUR FINAL PRODUCT WILL BE:

- Understandable
- Fair
- Publicly available
- Supported by substantial evidence
- Nonpartisan
- Include reasonable recommendations



HOW ARE WE ACCOUNTABLE?

Through:

- Ethics: integrity, objectivity, public interest, professional behavior
- Independence: actual and perceived
- Professional Judgment: exercising reasonable care and professional skepticism
- Competence: knowledge, skills, and abilities obtained from education and experience
- Continuing Education: Maintain professional competence through CPEs
- GAO Government Auditing Standards



WHAT IS THE FINAL PRODUCT?

WHAT IS REQUIRED IN A FINAL PRODUCT?

- Easily understandable description of the functions reviewed- remember who our audience is!
- Take complicated subjects and explain them to an audience that may have no familiarity with them



BUT, NOT AS EASY AS IT SOUNDS

- Must provide detail to support findings and recommendations to convince someone who may be an expert in the area that our findings and recommendations are valid
- It is often agencies that are responsible for implementing recommendations – need detail so they can implement

RECOMMENDATIONS THAT ARE VETTED TO AVOID UNINTENDED CONSEQUENCES

- How do we know the proposed recommendation doesn't "break" something else?
- Are you aware of other requirements that could exist in areas outside of the audit scope?
- Could unexpected consequences result from pursuing the recommendation?

WHAT DOES A FINAL PRODUCT LOOK LIKE?

- Varies by the request and the office.
- Can range from solely an online publication, to a letter, to a large, multi-volume formal report.
- More on this in Session 4

QUESTIONS AND ANSWERS

- Questions will be taken now.
- Enter your questions in the chat box.
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Questions?

Contact Brenda Erickson
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