EVALUATOR 101: PLANNING FOR AUDITS/EVALUATIONS AND DEVELOPING FINDINGS

WEDNESDAY, APRIL 14, 2021

3:30 ET/2:30 CT/1:30 MT/12:30 PT

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TODAY'S MODERATOR

- Sam Hearn, Mississippi Joint Legislative Performance Evaluation and Expenditure Review Committee

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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 from the "Management" section of the NLPES Professional Development webpage.

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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.

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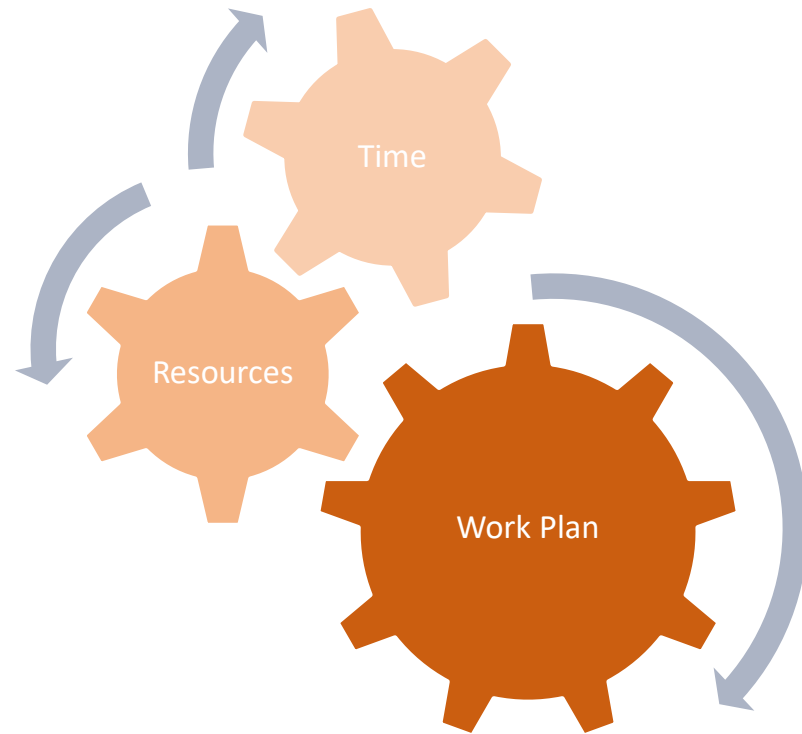NATIONAL CONFERENCE OF STATE LEGISLATURES

TODAY'S SPEAKERS

- Leslie McGuire from the Georgia Department of Audits and Accounts

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

PLANNING AN ENGAGEMENT

LEARNING OBJECTIVES

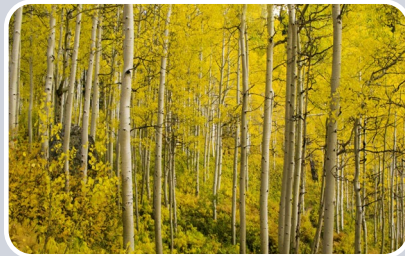| Why is a solid work plan important?	How to gain an understanding of the topic, program, or agency under review	Ways to identify the research objectives and develop a work plan	Suggestions for writing objectives

3 METHODS

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LIKELY COMPONENTS OF A WORK PLAN

Background	Objectives, sub-objectives	Scope	Method/Tasks	Budgeted hours and/or deadline

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THE IMPORTANCE OF A SOLID WORK PLAN

Ensures sufficient, appropriate evidence that provides a reasonable basis for findings, conclusions, and recommendations is gathered

Conversely, ensures that flawed or erroneous conclusions are not drawn from incomplete or poor evidence and methods

Encourages early buy-in and agreement on direction and approach

Drives both your fieldwork and reporting

METHOD 1: THE 6 QUESTIONS FRAMEWORK

Who/What?

How much?

Where?

2000 2008 2016

When?

How?

Why?

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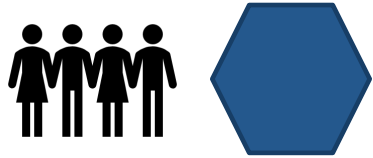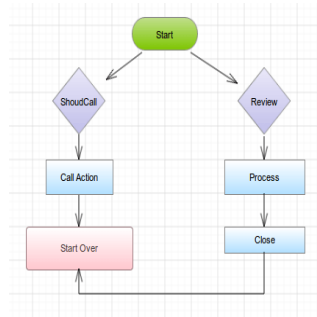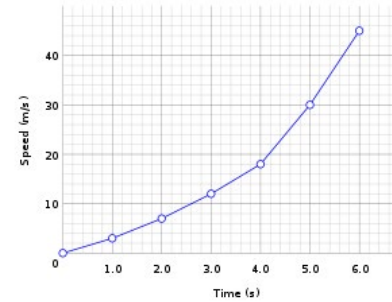
METHOD 2: WHAT IS INTERNAL CONTROL?

OR

The things that an entity does to help it achieve its objectives.

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STRONG INTERNAL CONTROLS HELPS AN ENTITY
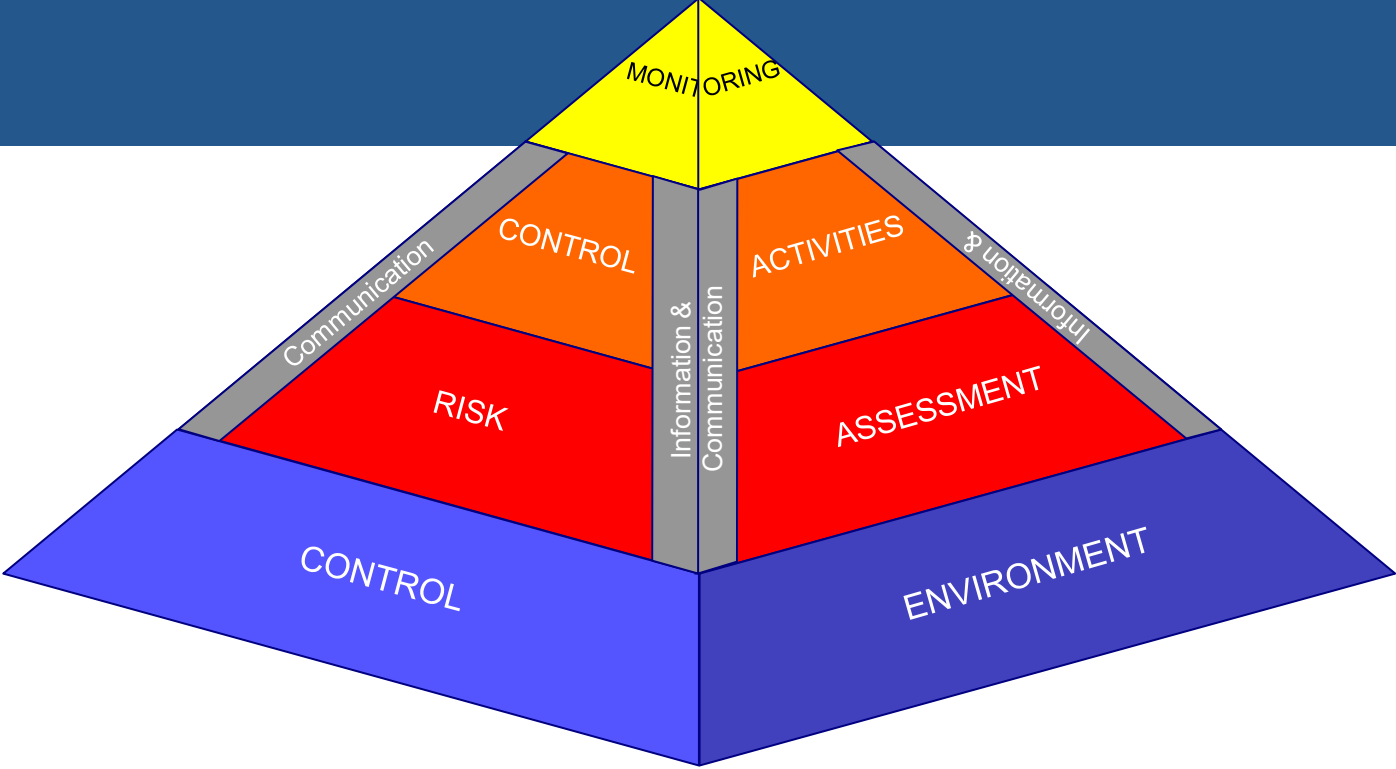
Run its operations efficiently and effectively

Report reliable information about its operations

Comply with applicable laws and regulations

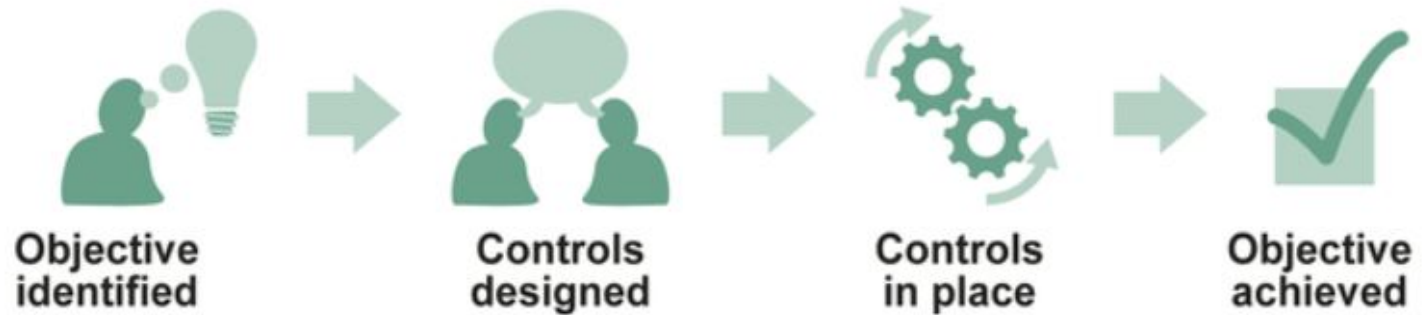# Internal Control Components

Resources: COSO Framework, GAO Greenbook

AN INTERNAL CONTROL FRAMEWORK

An entity uses the Green Book to help achieve its objectives related to operations, reporting, and compliance.

Objective identified → Controls designed → Controls in place → Objective achieved

Source: GAO. | GAO-14-704G

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METHOD 3: BENCHMARKING/CRITERIA

How will you determine if an entity or process is effective, efficient or is functioning as it should?

- Internal controls
- Laws, rules and regulations
- Policies and procedures
- Relevant industry or professional standards
- Academic research and literature
- Evidence-based research
- Comparisons other states or feds
- Best practices
- Trends over time

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SELECTING OBJECTIVES

- Red flags
  - Control weaknesses
  - Poor performance metrics or concerning trends
  - Criteria – Condition = a GAP between what is vs. what should be
- Core functions/mission
- What do decision makers need or want to know?

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TIPS FOR WRITING OBJECTIVES

Word objectives as questions.

Avoid writing questions that derive only yes or no answers.

For each objective or collection of like-objectives, ensure all elements of a finding are covered by your tasks/methods.

EXAMPLE: To what extent are the Farmers Markets meeting the needs of Georgia's agricultural industry?

EXAMPLE: **To what extent are each of the farmers markets utilized by farmers, dealers, wholesalers, and consumers? If utilization is low, why?**

FINDING DEVELOPMENT

- Jennifer Sebren, Mississippi PEER Committee Principal Analyst

- Special thanks to Dr. Max Arinder, former Mississippi PEER Committee Executive Director (1995-2015)

FINDING DEVELOPMENT – THE FIVE ELEMENTS

CONDITION

- What is the problem?
- Determined and documented during fieldwork

- Examples
  - Non-compliance with law or policy
  - Process not efficient
  - Program not meeting a goal

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FINDING DEVELOPMENT – THE FIVE ELEMENTS

CRITERIA

- What should be? Says who?

- Examples
  - State law
  - Program goals
  - Agency policy
  - Best practices
  - Generally accepted accounting principles
  - Performance of similar entities
  - Professional judgment

FINDING DEVELOPMENT – THE FIVE ELEMENTS

CAUSE

- Why is the condition happening? What is the *underlying* reason?
- Can result from a number of plausible factors
- Ask questions!

- Examples
  - Poorly designed or missing policies
  - Inconsistent, incomplete or incorrect implementation
  - Management issues
  - Factors beyond the agency's control

FINDING DEVELOPMENT – THE FIVE ELEMENTS

EFFECT

- So what?
- What was the result?

- Examples
  - Increased cost
  - Low performance
  - Harm to the public

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FINDING DEVELOPMENT – THE FIVE ELEMENTS

RECOMMENDATION

- How can the condition be fixed?

- Should be developed with the same level of analytical rigor and precision as the other elements

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FINDING ELEMENTS: WHICH IS WHICH? (CONDITION, CRITERIA, CAUSE, AND EFFECT)

Example:

- Grant guidelines define eligibility requirements
- Agency staff not properly trained to screen applicants for eligibility
- $5 million in grant funds spent on services for ineligible applicants, rather than services for additional eligible applicants
- Agency staff approved ineligible applicants, who subsequently received services

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LOGIC MODEL
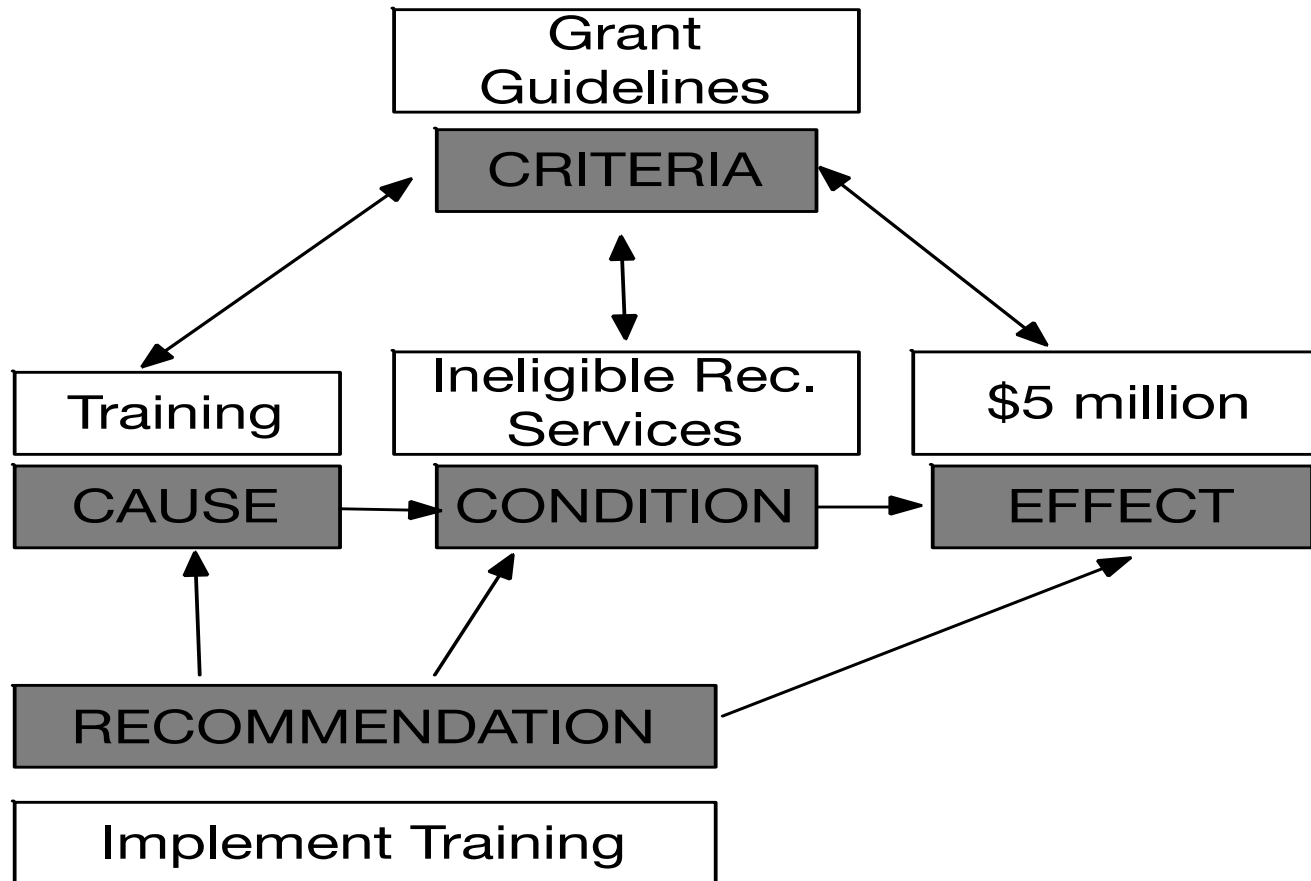
CONDITION, CAUSE, OR EFFECT?

The "Cause(s)" cause the "Condition."

The "Condition" causes the "Effect."

Don't focus on one single cause.

Do focus on a single condition.

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THE GOOD FINDING

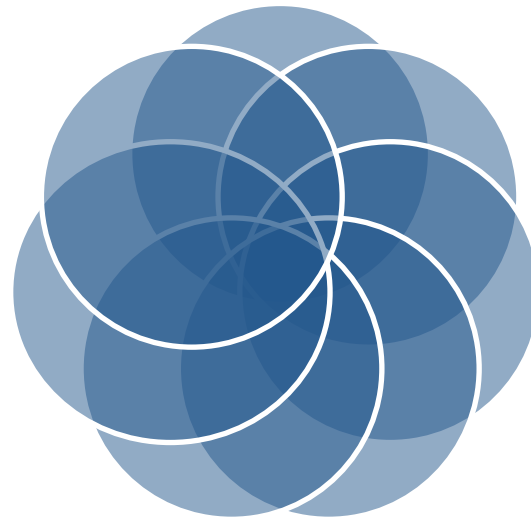Includes the 5 basic elements

Easy to understand why there is a problem

Easy to read and understand

Facts—not opinions or impressions

Problem serious enough to warrant action

Support is relevant and sufficient

Logic leads reader to conclusion

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THE BAD FINDING

Must be read several times to be understood	Can't tell who did what	Vague, general language	Lots of jargon	Lots of process and extraneous information
Problem seems insignificant	Criteria imprecise, shallow, or debatable	Superficial effect	Not enough information	Limp recommendation or recommendation not linked to cause

WHAT'S WRONG HERE?

The SBI Laboratory scored Code 35 in the ISO-90125 accreditation review conducted by HJI auditors from OSA.

An annual review was conducted and stated that sites were not being properly evaluated.

Our staff reviewed 10 files and found that they each contained different information.

The agency's new staff members have made multiple errors. Our office believes that all new staff members should undergo onboarding to ensure they are properly trained for their positions.

Management should consider corrective action subject to funding availability.

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GOOD OR BAD?

Because state law does not specifically authorize the Board of Licensed Counselors to perform background checks on applicants for licensure, the board accepts applicants' self-reporting of criminal history rather than utilizing background check resources available to it. As a result, the board may not be able to protect the public from applicants who do not disclose criminal histories and subsequently obtain counseling licenses.

The Board of Licensed Counselors uses a poor method for determining whether applicants have actually committed crimes.

GOOD OR BAD?

Students with disabilities participating in the ESA program have not been monitored. The schools they attended did not report any information to the state, nor were they approved by the state. Further, the students were not tested like other students who receive state funds.

The ESA program, as prescribed in state law, lacks the accountability structure needed to ensure that students with disabilities are receiving the services they need and progressing towards their special needs goals.

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TESTS OF A GOOD FINDING

Does it contain the five basic elements?

Have you really identified the problem?

Why is not meeting the criteria a problem?

Who cares?

Is it accurate, truthful, & the whole story?

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FINDING OUTLINE

PROJECT #XX – FINDING STATEMENT
[ENTER SUBJECT]

FINDING (Headline Statement):

BACKGROUND: Necessary background information

CONDITION: The problem [what is?]

CRITERIA: Standard of performance or acceptability [what should be?]

CAUSE: The underlying reason(s) why the condition occurred

EFFECT: Outcome or result of the condition [so what?]

RECOMMENDATION:

QUESTIONS AND ANSWERS

- Questions will be taken now.

- Enter your questions in the chat box.

- The chat box is located in the lower left corner of the screen.

Questions?

Contact Brenda Erickson
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