

Fielding Audit Requests

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We Set the Standard for Good Government

About the OSA

- The State Auditor is a constitutional position appointed for a 5-year term by a majority vote of the Colorado General Assembly.
- The Office of the State Auditor is a legislative service agency overseen by the State Auditor.
 - Conduct financial audits, performance audits, and IT audits.
 - Review local government audits.
 - Approximately 55 full-time audit staff.

About the OSA

- The OSA follows *Government Auditing Standards* issued by the U.S. Comptroller General.
- Legislative Audit Committee receives all audit reports completed by the OSA and releases such reports during a public hearing.
 - 8 members
 - Equal representation from House and Senate
 - Equal representation from both major political parties

Performance Audit Plan

- The OSA's performance audit plan is driven by three factors:
 - Statutory requirements
 - Audit requests submitted by legislators
 - Discretionary audits selected by the State Auditor
- We complete about 14 performance audits per year on average.
 - More and more of our performance audits are being driven by audit requests submitted by legislators.

Audit Requests

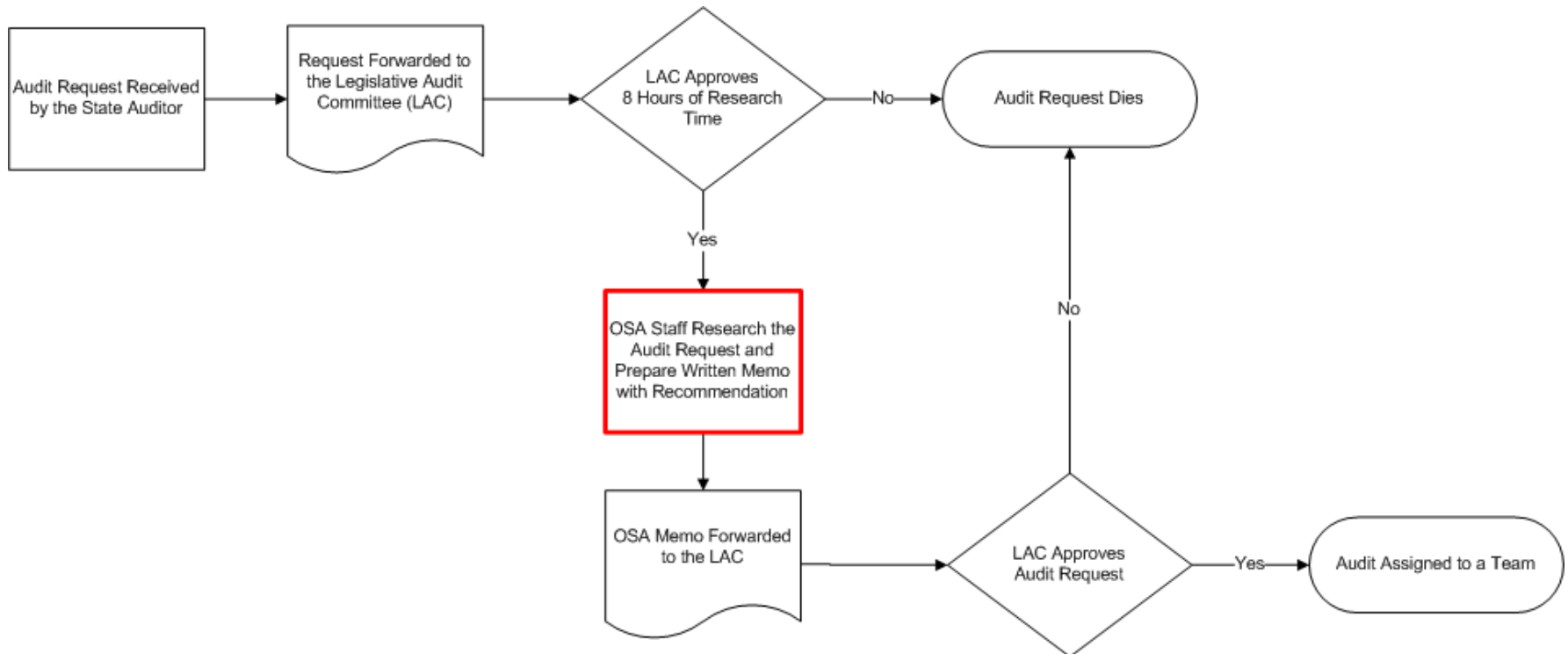
Goal #1: Remain relevant and responsive to the needs of the legislature and the public.

Goal #2: Continue to use tax dollars cost-effectively by focusing limited resources where they will be most value added.

- The typical performance audit takes about 9 months to complete at a cost to the taxpayers of about \$175,000.

Solution: More actively manage the audit request process and work with legislators to frame the request.

Audit Request Process



Tips for Legislators

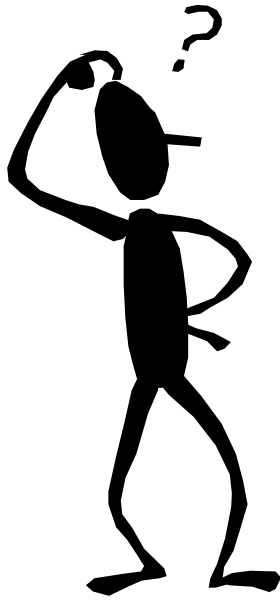
- Narrow the audit request as much as possible.
 - Don't try to audit everything.
 - What are the key questions that you believe the audit should answer?
 - What are the critical concerns that you believe the audit should evaluate?
- Don't try to micromanage the audit through the request.
 - Requests should establish the general parameters and boundaries of the audit.
 - Allow the audit process to work.
- Understand what professional standards the auditors/evaluators follow.
 - Government Auditing Standards (Yellow Book)
 - Program Evaluation Standards (Red Book)
 - Others

Tips for Auditors

- Work to understand the requester’s concerns.
 - What questions can/will the audit address?
 - Can the request be broken up into pieces?
 - Agree on them.
- Determine whether the issues raised in the request are “auditable.”
 - What are the criteria that will be used?
 - Do you have the authority to audit the area?
 - What data are available?
 - Is specialized expertise required?
- Manage expectations.
 - Be clear with the requester about any potential scope limitations or barriers.
 - Be clear about time frames and available resources.
 - Be clear about what you as an audit organization do and don’t do.
- Assess whether an audit is the appropriate way to address the requester’s concerns.

Key Lessons Learned

- Both parties must be proactive when writing and evaluating the audit request.
- Developing a successful audit request requires clear and direct communication about wants, needs, realities, and capabilities.



QUESTIONS?

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