



# LESSONS LEARNED

DURING PERFORMANCE OF  
GAO AUDIT ASSIGNMENTS



C o n t e n t s

	<u>Page</u>
INTRODUCTORY NOTE	i
SUMMARY OF LESSONS LEARNED	1
External Factors	2
Internal Factors	4
Congress	13
Washington/Field Relationships	16
Agency	20

INTRODUCTORY NOTE

This booklet is being made available to all members of the GAO audit staff to provide a ready source of information on what GAO auditors have learned about job management problems based on actual experience.

These lessons are summarized from about 1,700 Job History Records received by the Organization and Management Planning Staff during the 2-year period July 1972 through June 1974.

Many of the points made are not new discoveries; they have been provided for in our audit manuals for many years. They are being disseminated in this form as a reminder to our auditors of audit management problems that should be avoided and as suggestions for improved operations based on past experience.

*E.H. Morse, Jr.*

Assistant Comptroller General

July 1974

### SUMMARY OF LESSONS LEARNED

This booklet summarizes lessons learned by the operating divisions during the performance of audit assignments for which Job History Records were received during the 2-year period July 1972 through June 1974. These lessons are those which appear to have general applicability to the diversified activities of the various operating divisions.

This summary was prepared by OMPS as a checklist or reminder of significant recurring problems which may have an effect on future accounting and auditing assignments.

The lessons learned are summarized under the following headings:

- External factors
- Internal factors
- Congress
- Washington/Field relationships
- Agency

In summary, the lessons learned which were mentioned most often relate to:

1. Self-initiated assignments delayed because of priority congressional requests,
2. Assignments delayed because of frequent staff turnover,
3. Need for audit groups to work more closely with the Office of Policy and the Office of the General Counsel during reviews,
4. Need for close coordination between the Washington and field staffs for timely completion of assignments,
5. Need for close, informal working relationship with congressional staff during congressional request assignments,

6. Importance of conducting surveys (planning phase) before initiating detailed reviews,
7. Assignments delayed because of untimely receipt of agency comments on draft reports, and
8. Usefulness of Job Management Agreement in facilitating a clear understanding of job responsibilities..

#### EXTERNAL FACTORS

- During reviews of highly complex areas, early consideration should be given to utilizing the services of outside consultants. This method is a valuable tool in identifying weaknesses in the program and providing additional support for technical aspects of the report.
- To ensure maximum benefits from contractors or consultants who assist in our audit work, their specific capabilities should be determined before entering into a contract with them.
- Securing the perspectives of special interest groups during a survey may be helpful.
- In utilizing questionnaires, care should be taken in making them as explicit as possible, leaving no basis for judgment to be exercised by respondents. This will avoid performing additional work to eliminate inconsistencies in the data received.
- To be an effective tool in problem identification, questionnaires must be used early in the assignment to allow adequate time for receipt and analysis of replies.
- The use of questionnaires to obtain information from agencies may require frequent follow-up to ensure that reply deadlines are met.

- When questionnaires are used, group discussions by various staff members concerning the clarity of the questionnaire will help assure that the questionnaire is self-explanatory and will be interpreted uniformly by all respondents.
- In transmitting draft reports to local government units or other organizations outside the Federal Government for review and comment, extra precautions, such as emphasizing confidentiality, should be taken to prevent premature disclosure of the matters discussed.

## INTERNAL FACTORS

- Need for more effective planning through the use of surveys, tentative digests, and Job Management Agreements.
- A tentative report digest should help keep assignments on schedule and on course.
- Improved initial planning through increased use of written audit guidelines is important in obtaining a well-coordinated job.
- Initial planning of assignments is important to avoid report processing problems and the untimely completion of the job.
- There is no substitute for clear assignment objectives and a definitive scope of review.
- Report preparation can be expedited by committing Washington directorate to reporting objectives and approaches at the time review guidelines are firmly established.
- A preliminary study performed at agency headquarters prior to initiating a survey can provide a better basis for assessing the survey data and selecting other review sites.
- Surveys should identify all job-related efforts currently underway by others before resources are committed to a review.
- Before initiating broad reviews in any area, a survey should be performed to determine if a review is justified and firm agreement should be made between Washington and the regions concerning the amount of staff to be assigned.
- A telephone survey may be an effective tool to broaden the scope of an assignment with a minimum of additional man-days and with no additional travel costs.

- Surveys should be conducted by regional offices which are expected to perform the review.
- Broad program surveys are extremely helpful in identifying areas for further review and may be more fruitful than a survey of a single subject.
- Concentrated survey work plus past lessons learned helped uncover a potential area for review.
- Being alert to positions taken by GAO in prior reports can be beneficial.
- Survey results should be evaluated frequently to determine if anticipated results justify additional work.
- It is sometimes possible to obtain adequate information during a survey to issue a report. However, extreme care should be exercised if the report is to be based on limited survey work.
- Survey work should be separately identified as such, rather than performing both survey and review under a review code, to facilitate an in-depth evaluation of reporting potential prior to initiating review.
- In multi-agency reviews, surveys should be performed simultaneously in all agencies considered.
- Supervisory visit to review site in initial stage of review enabled a timely change in scope to be made before many man-days were expended.
- To facilitate the review and provide staff guidance, early consideration should be given to the development of findings and possible recommendations.
- Informal communication with all concerned parties should be made early in the assignment.



- Determination of the regions to be involved in an assignment should be made as early as possible to assure that the Form 100 is made available to them in the required timeframe.
- Assignments should not be programmed until there is assurance that sufficient staff will be available to prepare guidelines and supervise field work.
- Use of one or two staff people from various offices within GAO provides better variation of viewpoints than a large staff from one office.
- General guidelines must be continuously revised and adapted to particular situations of the assignment.
- As a review progresses, consideration should be given as to whether problems identified are symptoms of broader problems outside the scope of the review.
- Timely decisions regarding level of reporting are necessary if assignments are to be completed in a reasonable period of time.
- Additional man-days to issue a congressional report are not justified if lower level reporting with fewer man-days will still accomplish review objectives.
- The failure to perform audit assignments on a broad basis--for example, by not extending audit coverage to an adequate number of locations--has frequently resulted in the downgrading of proposed reports to the Congress to reports to heads of agencies.
- In reviewing extremely large agency programs, rather than examining several major areas of the program at one time, a more practical approach

would be to review one area at a time issuing individual reports--and then to issue a summary report at a later date.

- If more than one report will result from an assignment, separate review codes should be established for each report so that performance time-frames and man-day accountability are more clearly identified.
- In reviewing the operations of several contractors, rather than preparing a consolidated report for the combined operation, separate reports could be issued to responsible agency officials and the contractors. The more important findings and accomplishments can then be highlighted in a brief summary report to the Congress.
- Initiating review immediately after survey (1) expedites completion, (2) provides continuity, and (3) avoids disruption of field staffing.
- When implementing a review with the objective of reporting on program effectiveness, care should be exercised to ensure that program effectiveness can be measured.
- The review of a system undergoing development and prototype testing can uncover deficiencies before they cause costly problems in a fully operational system.
- Assignment execution is enhanced by performing audit steps concurrently, such as report writing and review while the detailed examination is being performed.
- Problems, such as access to records, should be discussed early in the review so they can be resolved prior to completion of audit work.

- Illustrative examples intensify reports that primarily involve a discussion of concepts.
- Color photographs may sometimes be necessary to illustrate desired effect.
- While waiting for additional information to become available, reports that are otherwise completed can be referenced and reviewed. Supplemental information can then be referenced and reviewed as it is obtained, thereby reducing the overall time-frame.
- In some instances, it may be advantageous to consider a comparison with other similar programs to allow better assessment of accomplishments and shortcomings of the program under review.
- Prompt completion of self-initiated jobs cannot be assured because of continual delays due to priority congressional assignments.
- Lower priority jobs have a tendency to extend past target dates due to work necessary on higher priority jobs.
- Self-initiated assignments may be disrupted by a lack of continuity of regional staff assigned, even when "key region" responsibilities exist, because other higher priority work demands are placed on the region.
- Regional offices have been delayed in starting assignments because of staffing limitations and higher priority work.
- Extensive staff turnover prevents effective and timely completion of assignments.
- Continuity of key staff members results in reduced man-day expenditures, minimal costs, and expeditious reviews.

- Most established deadlines can be met with proper staffing.
- Self-initiated jobs can be performed within an acceptable timeframe if sufficient staff is assigned and the Washington directorate places high priority on completing the job.
- Transfer of assignments from one audit group to another has resulted in significant delays in completing them because of re-evaluation and refinement of audit objectives.
- Assignments may suffer from having responsibility and authority split between more than one audit manager.
- Need to consider number of assignments delegated to individual audit managers. Significant delays resulted when the audit manager had eight assignments, two of which were congressional requests.
- Short assignments provide effective, realistic training for new staff members.
- In reviews involving legal issues, audit groups need to work closely with Office of the General Counsel so that legal problems can be resolved as they emerge.
- The obtaining of formal opinions from General Counsel--as opposed to informal discussions--is worth the additional time since it will clearly delineate positions taken.
- Office of Policy concurrence on report conclusions and recommendations should be obtained at the earliest possible date.
- Agreement on basic policy issue should be reached with the Office of Policy, in writing, before the draft report goes to the agency to avoid major changes in GAO's position after comments have been obtained.

- In reviews which may involve non-government organizations, GAO's policy of identifying non-government organizations in its reports should be discussed with the Office of Policy prior to the review.
- There is a need for the Office of Policy to establish guidelines for audit groups concerning cost comparisons and present value.
- Revised policy instructions which were made retroactive to cover all reports in process caused delays in issuing final report.
- Report can be expedited significantly by obtaining concurrent review from agency, referencers, divisional reviewer, Information Officer, and editors.
- Assistance by the Systems Analysis group has frequently been provided at the Washington level. More assistance of this type is needed at the regional office level.
- Difficulties encountered in uniformly presenting a large volume of factual information in proper form indicates a need for audit staff to become better acquainted with GAO editing policies.
- Time to process reports from editing to issuance has frequently been quite long due to priority of other reports in process at the same time.
- The requesting of priority treatment in final processing of congressional requests does not seem to expedite issuance of final report.
- Work quality should not be sacrificed in order to meet target dates.
- In assignments involving statistical sampling or computer models and programs, the Statistical Sampling group or Systems Analysis group should be consulted early for technical advice.

- In highly technical subject areas, surveys conducted by small knowledgeable staffs may be the most effective method of utilizing minimum manpower.
- In complex, technical areas, there is a need for the regional office staff involved to have a high level of technical competence.
- Use of experienced staff provides necessary expertise for assignment in technical areas.
- Correspondence courses are extremely valuable tools for learning the general background and technical functions of a specialized area in a short period of time.
- In technical areas, job planning should consider any indication that time will be needed for work involving agencies other than those under audit.
- The designation of a key-region with a lead auditor gave more control to the region and helped the staff meet target dates.
- By starting a job earlier than other regions involved in a review, the prime region may, after testing different approaches, be able to develop a review approach which will obtain the exact information needed thereby saving time and resources.
- Where a program is being surveyed by a region and the work needed in other regions or at headquarters is minimal, work may be done more expeditiously if the prime region has its staff, who have expertise in the area, do all of the survey work.
- The task force approach made it possible to complete a comprehensive survey of a complex new area in a short period of time by eliminating certain

administrative and review functions and allowing the entire staff to apply their total effort to a single objective.

--Project manager concept is effective on complex jobs which cover several audit sites.

--Future reviews dealing with emerging technology may best be managed on a project manager approach.

--The "MACRO" approach for looking at large organizational entities is very useful in identifying specific items and installations which require further review.

--There is a need for greater acceptance within GAO of reports--particularly those dealing with agency planning operations--in which bad effects can only be postulated, not demonstrated.

--Greater precautions are needed to prevent the premature disclosure of sensitive information contained in reports on congressional request assignments.

## CONGRESS

- Arrangements need to be made with congressional committees whereby GAO is formally notified of all requests for GAO to perform work, including those reflected only in committee reports.
- We should selectively identify and more thoroughly research proposed legislation that would impact on GAO.
- Obtain approval from the Comptroller General to assign priority 1 to planned work in which there is strong congressional interest when it is clear that, without such a priority, we may not be responsive to the Congress.
- Strong consideration should be given to current congressional interests before performing a review in a country where U.S. programs and activities are declining.
- A congressman or his staff should be contacted shortly after receipt of a request to ascertain the exact nature of the request and the scope of the work to be performed.
- Periodic briefings with congressmen and good coordination with the staff avoided misunderstandings of the areas of responsibility and the scope of work to be performed.
- Periodic contacts with congressional staff avoided possible misunderstanding and enhanced GAO's ability to supply the congressman with timely information.
- Negotiation with congressmen before initiation of work has resulted in narrowing the scope of work and reducing man-days required.
- Efforts must be made to discourage congressional staff from periodically altering the scope of work during the course of the review.



- Briefing the congressman during the review resulted in an expansion of the scope of work, but eliminated further requests for additional work after report was issued.
- Field staff attendance at meetings with congressional staff facilitated regional office planning on congressional request assignments.
- Attendance by field staff at meetings for briefing congressmen have been helpful in providing detailed progress reports to the congressmen.
- Key congressional committees should be contacted concerning survey results, particularly when major legislation is pending, in order to ascertain congressional interest.
- Reviews of dynamic programs must be completed more quickly than usual or findings will be negated and of little value after enactment of major legislative changes.
- GAO testimony before congressional committees is an excellent tool to convey timely information to the Congress.
- Breaking the congressional request into two separate issues enabled initial and most important response to be made to congressman in a more timely manner.
- Significant time and manpower savings have resulted by informally providing subsequent requesters with information and a copy of a prior congressional request report on the same subject.
- Charts and graphs, which can be used in subsequent press conferences and television releases, may be beneficial to the congressman.
- Obtaining data from agencies in a format that could be furnished to congressmen without revision served to minimize use of GAO manpower and to expedite assignment completion.

- In gathering data for use by committees during hearings, information can be provided through various methods such as (1) a formal report developed through usual GAO procedures, (2) informal reporting on specific matters, and (3) providing audit staff to assist committees in their investigations.
- Significant savings in time and effort can be achieved on congressional request assignments by utilizing more informal procedures such as giving the congressman a detailed briefing and issuing only a close-out letter to him.
- Informal reporting on congressional requests, even on very small jobs, will not be satisfactory to a congressman if all he desires is a report which can be given to a constituent.
- On high priority congressional requests which will obviously disrupt other on-going jobs, consideration should be given to assigning a staff member directly to the committee to work with and assist the committee.
- Oral briefings of congressmen have often been effective in satisfying congressional informational needs without formal reports.
- Documents, showing preliminary results of a GAO review, furnished to a congressional committee by GAO staff may be published as official documents despite prior understanding to the contrary.
- Short congressional request assignments offer a mechanism for making effective use of new staff members and for providing more realistic training.
- During congressional request assignments, we should be alert to related agency practices which need corrective action.

## WASHINGTON/FIELD RELATIONSHIPS

- Regional offices who are to perform audit assignments should participate with the Washington operating divisions in establishing man-day and time-frame estimates.
- Estimates of man-day requirements should recognize that assignments involving several regional offices will require more than usual time for (1) developing comparable data on which to evaluate agency performance, and (2) Washington analysis of field input and preparation of consolidated report.
- To avoid delays and unwarranted man-day expenditures, Washington and field staff should agree on clearly stated audit objectives before field work begins.
- Meetings between Washington and field staff are effective in preparing comprehensive audit guidelines in a minimum timeframe.
- Job Management Agreements and guidelines for work should be prepared and agreed upon before field initiates work and should be closely monitored by Washington.
- Washington staff should participate more directly with field staff during surveys to obtain a more thorough understanding of agency programs.
- When several regional offices are involved in a survey, a joint meeting between regional office and Washington staffs is beneficial at the beginning and end in (1) insuring that survey reports are compatible and (2) expediting the preparation and acceptance of guidelines for detailed review.
- Delegating to a regional office the responsibility for performing survey work at the Washington level enables region to play a major role in planning and management of the review. However, expertise gained by region is less valuable to GAO in future reviews

than it would be if expertise had been developed within the Washington group.

- On survey assignments, rigid guidelines are not essential when Washington and regional office staffs frequently exchange views and make joint determinations of areas to be pursued or dropped.
- In survey assignments, agreement should be reached between Washington and field staff that if a review is warranted, the regional office will participate in it.
- Previous experience of regional office staff should be considered in selecting regions for specialized reviews.
- With good communication and coordination, comprehensive reviews encompassing several regions can be accomplished within reasonable timeframes.
- Frequent telephone communications between Washington and field staffs to coordinate various aspects of the job--especially assignments of short duration--are helpful in achieving timely reporting.
- To achieve newly established division timeframe goals for completing assignments, more firm and definitive commitments will have to be obtained from the field.
- Major problems and misunderstandings which normally surface during a review were avoided through the use of Job Management Agreement and close coordination between the Washington and field staffs.
- To assist field staff in resolving review problems and obtaining agency reactions, Washington or lead region staff should participate in all entrance and exit conferences.
- Midway through assignments involving regional offices, Washington and field staff should meet to assess and evaluate job progress.

- Assignment execution was enhanced by frequent meetings among regions and between regions and Washington.
- The unavailability of travel funds prevented the Washington staff from performing field visits necessary for successful and timely accomplishment of job objectives.
- Washington analysis of field input was minimized because (1) there was early agreement on format and message and (2) field draft was reviewed by Washington before it was finalized.
- Washington and field offices should reach early agreement on positions to be taken in report and information needed to support positions.
- Report processing time can be minimized if Washington and field staff jointly draft the report before formally submitting it to Washington.
- Washington and field staff agreement on final report format contributed significantly to the brief processing time required.
- During multi-region reviews, reporting deadline difficulties are encountered when Washington is responsible for processing and consolidating draft reports and also planning future audits. In such cases, it may be useful to assign selected regions supervisory responsibility over various review segments.
- Draft report preparation in the field was facilitated by delegating responsibility for initial formulation of individual report chapters to participating regions and Washington. The individual chapters were then furnished to the supervising region which consolidated, refined, and distributed the draft to participating regions for use as the report model.
- On high-priority, short-term congressional requests, the assignment of a Washington staff member to work

with the field staff at the audit site contributed to the timely issuance of reports.

- Flexibility given to regional offices has allowed changes in scope and direction resulting in a high level product at a moderate cost.
- Continuity of principal staff members at both Washington and field levels, during both surveys and reviews, should be insured.

## AGENCY

- Caution should be exercised before committing substantial resources to a review when the agency is in the process of a major reorganization.
- When a new agency procedure or concept is to be evaluated, the assignment should not be initiated until enough time has elapsed so that the effectiveness of the procedure can be measured.
- In setting milestones, consideration should be given to delays which may result from problems in obtaining data from agency officials.
- Comprehensive overview briefings by agency personnel of key GAO staff is effective in initiating survey work in broad, complex areas.
- Background and statistical data for a review can be obtained by use of a questionnaire to be completed by the agency.
- In reviews involving highly sensitive and controversial matters, the agency is reluctant to provide information and records. To expedite the review, a written request should be made to the agency for specific supporting documentation.
- During reviews of highly sensitive areas, both self-initiated and congressionals, discussions concerning correctness of facts should be held with top agency officials before finalizing the draft report and seeking formal agency comments.
- Maintaining a close, informal relationship with agency officials contributed to effectively achieving assignment objectives by allowing the development of recommendations acceptable to the agency thereby assuring timely comments on the draft report.

- Agency comments will be more responsive to report issues if the findings are adequately developed and presented in a clear, concise, and constructive manner.
- Informal briefings with agency officials during review contributed to prompt receipt of formal, written comments at end of review.
- Reports can be expedited significantly by obtaining agency comments while the draft is continuing through our internal review process.
- Obtaining official agency comments orally expedites report processing and is useful when time constraints prevent the normal process.
- Requesting oral comments from the agency is not always expedient. Oral comments sometimes result in receiving more comments from more agency officials, which must be considered whether valid or not.
- Consideration should be given to issuing reports without agency comments when such comments are not received in a timely manner.
- Discussion of findings with agency officials during an assignment can (1) preclude the need for a detailed review by substantiating GAO positions, (2) result in more timely and meaningful reporting and, (3) obtain positive corrective agency action.
- In some instances, where agency officials are aware that a problem exists, it may be better to present them with analytical data and the alternatives that should be considered rather than to seek definitive answers to the problems.
- When findings are of a policy nature which the agency can change at its discretion, they should be reported to the agency early, by letter, so corrective action can be taken immediately.



- Although proposed changes in agency operations may be conceptually sound, there is a need to consider more thoroughly the practical and administrative aspects of a proposed concept.
- Follow-up reviews should be made to determine what action has been taken on prior GAO recommendations and the effect of such action.
- Increased reliance on agency internal audit staffs should reduce GAO resource and time requirements.