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Use of Metrics in an Audit Organization

Federal Audit Executive Council
Training Conference
9 September 2011



GENERAL GUIDLINES



- Need to tie to strategic plan
- Need to incorporate in performance plans
- Factors to consider include:
 - Reliability of data sources
 - Ability to manipulate
 - Stakeholders priorities



COMMON METRICS



- Cost savings
- Cycle Time
- Client Satisfaction
- Workforce Climate Survey
- Recommendations Fixed the Problem
- Audit Quality?



Cost Savings



- Most commonly used
- Easiest to demonstrate value
- Often small portion of audit plan
- Over focus can cause organization to ignore non-monetary high risk areas.



CYCLE TIME



- Every audit organizations Achilles Heel
- Hard to determine correct goal
- If over emphasized can affect quality
- Actions you can take to reduce it:
 - Better planning
 - More and early interaction with auditee
 - Writing early



CLIENT SATISFACTION



- Useful for obtaining information to improve service to the client.
- Emphasizes need to engage client
- Hard to get honest feedback
- If over-emphasized can cause auditors to lose objectivity.



WORKFORCE SURVEY



- Helpful to assessing health of organization.
- Can provide actionable information.
- Gives you quantifiable way to assess managers leadership skills.
- Need to take actions as a result of feedback received.



RECOMMENDATIONS FIX THE PROBLEM



- Important to assessing impact of audits.
- Verifiable way to determine if recommendations corrected condition and if savings were achieved.
- It is a lag indicator.
- Takes an investment of resources.



AUDIT QUALITY



- Toughest area to define criteria.
- Sen Grassley's office developed a set of criteria that included:
 - Relevance
 - Connecting the Dots on the Money trail
 - Strength & accuracy of recommendations
 - Fraud & Waste meter
 - Timeliness



CONCLUSION

“What you measure is what gets done so make sure you are measuring the right things and understand the second and third order affects of those measures”.