

GUIDELINES FOR PREPARING THE WRITTEN RESPONSE

Governor Gregoire supports performance audits and expects agencies to embrace them as a tool for improving government. She has made it clear that agency staff need to build a constructive relationship with the auditor, and be professional, courteous and factual. More information can be found at <http://www.accountability.wa.gov/audits/resources.asp>.

Reviewing the Audit Report

Body of Audit Document

Important note: It is not the agency's job to audit the auditors' work or point out where they might not have followed Yellow Book standards. The following questions are for your use in developing a positive, constructive audit response.

1. Are the criteria clearly stated, as well as the rationale for their use?

- The criteria are typically outlined in the body of the audit document. (Although the Auditor's Office has been placing criteria in appendices.) The text includes where the criteria is from, why it is being used, and how it applies to the audit area.

2. Are the programs, audit areas, or agency's current practices sufficiently explained?

- The findings stem from this information, and it must be correct for the findings to be accurate and complete.

Findings

3. Are the findings accurate and complete (do they tell the whole story)?

- Per the audit protocols, erroneous or incomplete findings/conclusions should be discussed during the audit analysis phase. However, it is still appropriate to point out the inaccuracy of a finding at this stage, if applicable.

4. Are the findings based on criteria that are applicable to the agency's business?

- Criteria often include requirements such as RCW, federal regulations, and agency policies. Criteria can also include best practices from other organizations. Note: Just because the criteria may be new (e.g., best practices) does not mean they are not applicable.
- If not applicable, include that reasoning in the response. Keep in mind that criteria should have been shared at the beginning of the audit. If the criteria were inapplicable, that should have been raised as an issue during the audit. If it was, and the criteria are still being used, consider including that information in the response – but in a constructive manner.

5. Are the findings worded as findings as opposed to recommendations?

- The finding is a statement of fact. It states the condition as related to the criteria. Criteria can include best practices as well as laws, policies, and regulations. If the finding contains a "should" statement (e.g., The agency should...), it is actually a recommendation – not a finding – and should be re-worded.

6. Does the agency agree with the finding or conclusion?

- Agree with everything you can. If the agency agrees or partially agrees, say that in the response.
- If the agency does not agree with the finding or conclusion, state why. **BE SPECIFIC.**
 - Example: In the report, the agency's business is misunderstood or the appropriate criteria were not used. Factually explain the agency's position. Do not be negative. Negativity can very easily be seen as agency non-cooperation that resulted in inaccurate findings or conclusions.
 - Ensure the explanation would make sense to a "cold reader" (e.g., member of the public who is unassociated with your agency's business).

Recommendations

7. Are the recommendations practical and achievable?

- If the recommendation is not practical or achievable, be prepared to state why in your response. Again, **BE SPECIFIC.**
- Note that lack of resources is not an automatic pass on the recommendation. Diversion of agency resources to implement a recommendation may be viewed as practical to others outside the agency. The key is the cost differential.

8. Will the cost of implementing the recommendations outweigh the expected benefits?

- Audit reports frequently leave the cost of a recommendation for the auditee response. The agency most likely will not have time to do a full-scale analysis of the implications of the recommendation, but if it is going to cost additional resources, the agency needs to articulate that as best as possible in the response.
- Example: The agency determines that implementing a new best practice would cost \$1,000,000 and result in only about \$500,000 in savings. Place the recommendation into context for a cold reader. \$500,000 may not seem like a significant amount to the state, but it sounds like a lot to someone making \$30,000 a year. Try stating as: "The cost of the recommendation would exceed the savings: implementing the recommendation would cost approximately \$1,000,000, but only result in an estimated \$500,000 in savings."

9. Has the agency already taken steps to address findings or recommendations?

- Give yourselves credit where credit is due. Highlight areas that the agency is working on that the agency already knows should be improved. Include any areas mentioned in the report, where possible, and anything else the agency is working on that is related that might not be mentioned in the report.

Additional Tips

1. Assemble feedback from audit response team (as needed). Make sure the agency experts help inform the response.
2. Do not be negative – or repeat a "negative" from the audit - in your response. Remember, any sentence (or part of sentence) can be taken out of context and quoted in the paper. Responses will reflect not only on the agency, but on the administration and state as a whole.
3. Educate the auditor about the agency's perspective on findings or recommendations the agency disagrees with. If the SAO keeps a finding or recommendation you disagree with, be factual and constructive in the response.