

WHAT TO EXPECT FROM AN AUDIT?

The Audit and Program Review (APR) section supports OIG's [mission](#) by conducting independent, objective analysis and evaluation of City programs and operations, issuing public reports, and making recommendations to strengthen and improve the delivery of City services. All City department activities, contractors, vendors, and [others](#) are subject to audit. APR staff primarily conduct performance audits as defined by generally accepted Government Auditing Standards (GAS or "Yellow Book," 2018 revision) established by the Comptroller General of the United States, paragraph 1.21: "Performance audits provide objective analysis, findings, and conclusions to assist management and those charged with governance and oversight, with, among other things, improving program performance and operations, reducing costs, facilitating decision making by parties responsible for overseeing or initiating corrective action, and contributing to public accountability."

APR may also conduct other work such as OIG advisories, notifications, or other reports that may be audit-based but do not fit the GAS definition of performance audit. APR's role is separate from but complementary to OIG's Investigations section. While Investigations primarily examines allegations of individual misconduct or wrongdoing, APR focuses on the effectiveness and efficiency of programs and processes—not individuals. However, if staff discover evidence of fraud, illegal acts, or serious violations of provisions of contracts or grant agreements they must report these to OIG management, and the matter may be referred to other parties with jurisdiction over it, including the Investigations section.

HOW DOES OIG CONDUCT AUDITS?

Performance audits have four major phases: planning, fieldwork, reporting, and follow-up.

AUDIT PLANNING PHASE

Exploratory Research: APR publishes an Annual Plan (available on the OIG website) that expresses priorities and potential projects for the fiscal year. Before launching an audit, our staff conducts exploratory research. APR staff may contact you during this research phase to ask for information about a program or process so we can better assess what value an OIG performance audit could bring to the topic.

Engagement Letter: Once the exploratory research is complete and the Inspector General approves the launch of a performance audit, APR sends a formal engagement letter to the department head announcing the start of the audit and describing the topic area. Typically the letter will request a meeting (or "entrance conference") with the department head or any designees knowledgeable about the topic, at the department's offices.

Entrance Conference: At the entrance conference, APR staff will describe the broad goals of the performance audit, request a contact person at your department, and answer any initial questions you may have. APR may also ask you some general questions about the topic area and request basic documents such as relevant policy manuals, organizational charts, or prior audits.

Refining Objectives, Scope, and Methodology: APR staff will continue to gather information from you about the topic area in order to understand how the relevant processes work. We are the auditors and you are the experts so we will ask you to share your expertise with us and we will seek information from knowledgeable front-line staff as well as management. During this phase, APR staff will refine and focus the audit objectives, scope, and methodology.

- “Objectives” are the specific questions that a performance audit is intended to answer (or statements of what the audit is intended to accomplish).
- “Scope” expresses the boundaries of the audit and is determined by the audit objectives. Scope also identifies the subject matter, entity, problem, documents, time period, and/or locations that the audit will evaluate.
- “Methodology” is the procedures used to gather and analyze evidence needed to address the objectives within the scope selected. APR staff will keep department management informed about any significant changes to objectives during the course of the audit. Any time you have questions about the audit, do not hesitate to ask.

FIELDWORK

During fieldwork, APR staff will collect and analyze information to address the audit objectives. Depending on the audit’s objectives, scope, and methodology, fieldwork could involve data analysis, interviewing staff, observing processes, or other activities. Some fieldwork may be done at your location, while data analysis typically occurs in OIG offices.

Audit Interviews: Audit interviews are not investigative interviews. APR staff conduct interviews in order to learn about your department’s operations or confirm our understanding of information.

Analysis and Findings: The results of fieldwork contribute to audit findings, which are structured messages that support the overall answers to the audit objectives. Findings are based on the results, both positive and negative, of fieldwork and are supported by sufficient, appropriate evidence. Findings may include four elements: condition (“what is”), criteria (“what should be”), effect or potential effect (“what is the impact?”), and cause (“why did it happen?”). Negative findings are typically followed by OIG recommendations for general corrective actions.

Continuous Communication: APR staff will keep department management informed of the results of their fieldwork, both positive and negative. We encourage you to initiate immediate corrective action on any negative findings, and we will include any such action in the audit report. If during the course of the audit APR staff discover something that is not significant enough to be a finding but would be useful for department management to know, we will communicate the issue to management orally or in writing. The department is not required to respond to such issues.

REPORTING

Exit Conference and Report Completion: After an extensive internal review process, APR staff will send the draft audit report to department management and typically request a final meeting (or “exit conference”) to discuss the findings and recommendations and resolve any disagreements on the facts reported. We will then invite management to submit a written response to be included in the final report published on the OIG website. We encourage you to clearly state in the written response whether the department agrees with the audit finding and what corrective actions it will take. If an audit is terminated prior to completion, staff will inform the department’s management and prepare a memorandum summarizing the results of work performed and the reason the audit was terminated.

Publication: The findings and conclusions of APR performance audits are published in reports directed to the Mayor and the City Council and published on the OIG website.

Goal of Audit Reports: Audit reports are meant to communicate results to auditee management and City officials, communicate results to the public, make the results clear and understandable, and facilitate future follow-up to determine whether corrective action has been taken.

FOLLOW-UP

Approximately six months after report publication, APR staff and the Inspector General will determine how to follow up with you on corrective actions taken pursuant to the audit report. Depending on the nature of the original findings and corrective actions needed, we may decide to postpone follow-up for an additional six months. If there were no negative findings or corrective actions resulting from the original audit, APR will not issue a follow-up report.