



Dialog on Auditing in Times of Fiscal & Governmental Challenges

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Our Changing Landscape

- GAO's mission has remained constant: support the Congress in meeting its constitutional responsibilities and helping to improve the performance and ensure the accountability of the federal government for the benefit of the American people
- Quality and timeliness are critical to our success
- Like many of you, we have a new normal:
 - We are at our lowest FTE level since 1935
 - 2,800 employees in HQ and 11 field offices
- Demand for immediate and accurate information is increasing
 - Over past several years, average cycle time for letter reports was 12 months, trending down
- Workload expectation remains the same
 - Currently issue around 900 audit products each year

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Recognizing the Need for Change

- In our 2011 Performance and Accountability Report, we identified a new challenge – improving our engagement efficiency - and 3 areas of opportunity for improvement:
 1. Managing and conducting engagements
 2. Staff utilization
 3. Communicating our message
- GAO's Executive Committee formed the Continuous Process Improvement Office (CPIO) in 2012 to facilitate efficiency-driven change.

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Engagement Efficiency Initiative

- Goals: Identify opportunities to:
 1. Reduce engagement cycle time, from acceptance to report issuance
 2. Improve staff utilization
- Methodology:
 - Used Lean Six Sigma approach to map and analyze current workflow
 - Obtained input from more than 300 employees at all levels
 - Identified approximately 260 steps in engagement process
 - Problem/pain point areas noted as well as perceived value-added and non-value added steps
- Results: 31 recommendations to elevate efficiency to a close 2nd with quality

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Engagement Efficiency Initiative (cont'd)

- Of the 31 recommendations / projects:
 - 7 were strategic for the agency
 - 14 related to the support processes for engagements
 - 10 related specifically to the engagement process
- To date:
 - Completed projects: 11
 - Ongoing projects: 21
 - Parking Lot / to be completed: 34
 - Incorporated into an existing project: 2

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Project Management

Purpose:

- Develop more reliable staff day estimates
- Arm staff with skills and techniques to manage cost, schedule and risk

Expected Outcomes:

- Improved ability to plan and manage projects, predict timeframes and manage milestones
- Help management strategically plan use of resources

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Project Management (cont'd)

Project will help analysts focus on the “**4 Rights**” of an engagement :

1. Objectives ask the right questions
2. Design has the right scope and methodology
3. Team has the right mix of people and level of resources
4. Engagement is conducted at the right time

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Project Management (cont'd)

Deliverables fall mainly into two categories:

1. Staff Day Estimator Tool
 - Tool is in use as an in-house prototype
 - Evaluation of pilot project underway
 - Will refine tool and consider agency-wide implementation
2. Project Management Principles / Tools
 - Incorporate Project Management Institute's (PMI) project management principles into engagement process
 - Modify engagement process guidance where needed
 - Continue development of tip sheets and job aids

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Project Management (cont'd)

Short Demo of Proposed Staff Day Estimator Tool



Project Management Tool

Copy of GAOHQ-9803085-08-90255_STAFF_DAY_ESTIMATOR_06_PROJECT_PLAN_PROJECT20120305-08-compatibility (MOS) - Microsoft Excel

JOB Code	TEAM	Staff Day Range	Staff Day Estimate

Engagement Staffing: Programming Team				
Name	Team	Position	Anticipated Utilization Level	Estimated Staff Days
Totals				0

Engagement Staffing: Stakeholders				
Name	Team	Position	Anticipated Utilization Level	Estimated Staff Days
Consult with OIG to complete calls E26 and F26	OIG	Attorney		
Totals				0
Estimated Engagement Utilization Rate				0.00

Phases and Major Gates	Projected Start Date	User Start Date	Actual Business Days to Next Gate	Estimated Staff Days to Reach Milestone	Cumulative Estimated Staff Days
Job Initiation					
Design Commitment			0	0	0
Message agreement	#N/A		#N/A	#N/A	#N/A
First partner approval	#N/A		#N/A	#N/A	#N/A
Second partner approval	#N/A		#N/A	#N/A	#N/A
To agency/third party for comment	#N/A		#N/A	#N/A	#N/A
Agency comments received	#N/A		#N/A	#N/A	#N/A
Product issuance	#N/A		#N/A	#N/A	#N/A

Quick Reference (Cycle Time)	
Time	Number
Cycle time calendar days	#N/A
Cycle time months	#N/A
Cycle time in business days	#N/A

Quick Reference (Staff Days)	
Time	Staff Days
One week	0.00
Two weeks	0.00
Three weeks	0.00
One month	0.00

- 1. Select staff day range
- 2. Select staff day estimate
- 3. Enter staffing information
- 4. Select initiation date



Lessons Learned – One Year In

- It is important to **constantly communicate** with your audience and provide status updates
 - Especially important to establish the reason for change and emphasize the benefits and impact on individuals (WIIFM)
- Important to **identify the “cultural barriers” / risks of implementation** that are unique to your organization
 - Take the time to understand barriers and how to work “through” the barriers to achieve change
- Understand that committing to change is a long-term process; **it is a learning journey**



Benefits of CPI to GAO

Organization	Staff
Promotes standardization when it makes sense to do so, reduces variability and potential for errors	Reduces pain points and improves back-end processes
Uses process diagnostic indicators to drive objective decision-making and hone in on the “real” issues	Clarifies roles, responsibilities, processes and required steps to complete action without fear
Automates steps in the decision-making process through use of technology when practical and appropriate	Ultimately, allows staff to work smarter not harder and without rushing their work



Cultural Barriers / Implementation Risks

For professional organizations, including audit agencies:

Barrier / Risk	Impact
Need for 100% concurrence	Requires a lot of effort to reach <u>any</u> decision, slows progress
“We are different, we are unique”	Solutions not developed in-house are viewed as inferior, not accepted
Highly risk averse, not wanting to try new things	Slows progress, proposed solutions arbitrarily shut down
Culture of perfection	Solution has to be perfect before it can be implemented as opposed to fine tuning along the way
Some stakeholders feel undervalued or left out of the process	Threatens success of solution because upfront buy-in was not achieved

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CPI is a Learning Journey

- Change takes time, progress is not always straightforward
- Expect bumps along the way
- Initially, metric data / performance measures may show “backwards progress” as employees learn new ways
- Leadership and staff should be patient, persistent, disciplined, and maintain a clear purpose
- Fostering open, two-way communication is critical to success

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Questions?

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