



Large Concept Audits

Ben Thompson

Learning Objectives

- Avoiding large concept audits
- Balancing impact with effort



Kanin

“Hey, Sisyphus, when you’ve got a minute I’d like to discuss this progress report with you.”

What is a large concept audit?

- Know it when you see it
- Covers multiple programs/departments
- Expansive and unclear scope



June 2010

MILITARY
READINESS

Navy Needs to
Reassess Its Metrics
and Assumptions for
Ship Crewing
Requirements and
Training

- Crew size on surface ships
- Off and on-board training
- Individual augmentees





KING COUNTY AUDITOR'S OFFICE

Homeless Crisis Demands Unified, Accountable, Dynamic Regional Response



King County

JUSTIN ANDERSON
MEGAN KO
KAYVON ZADEH
BEN THOMPSON

MAY 02, 2018

EXECUTIVE SUMMARY:

King County, the City of Seattle, and All Home have taken steps to align the regional homeless response system. However, diffuse authority for homeless response, and the low vacancy and high cost of private market housing, have reduced the efficiency and flexibility of the system to house the growing number of people experiencing homelessness. We make recommendations focused on further aligning regional funding decisions, reducing unsuccessful housing referrals, addressing racial disparities, and enhancing measurement of rapid rehousing performance.

- Governance of homeless response system
- Coordinated entry process
- Rapid rehousing program

Quiz – Do you have a large audit?

Think of a specific audit that you are either currently working on or recently finished

Keep track of how many of the following questions you answer “yes”

Quiz – Do you have a large audit?

- 1) Does your team frequently have to discuss whether something is within the scope?
- 2) Are you struggling to figure out recommendations?
- 3) Have you extended the length of the audit? More than once?
- 4) Do you frequently forget about entire objectives?
- 5) Can you sleep?

Quiz Results – Do you have a large audit?

Total up your responses

- 0 – Are you actually an auditor?
- 1 or 2 – Sounds like a pretty good audit you have
- 3 – On the edge
- 4 or 5 – What are you doing here instead of back at your desk?

One trick to avoid huge audits

- Don't start one

➤ How do you build your work program?

Where do large audits come from?

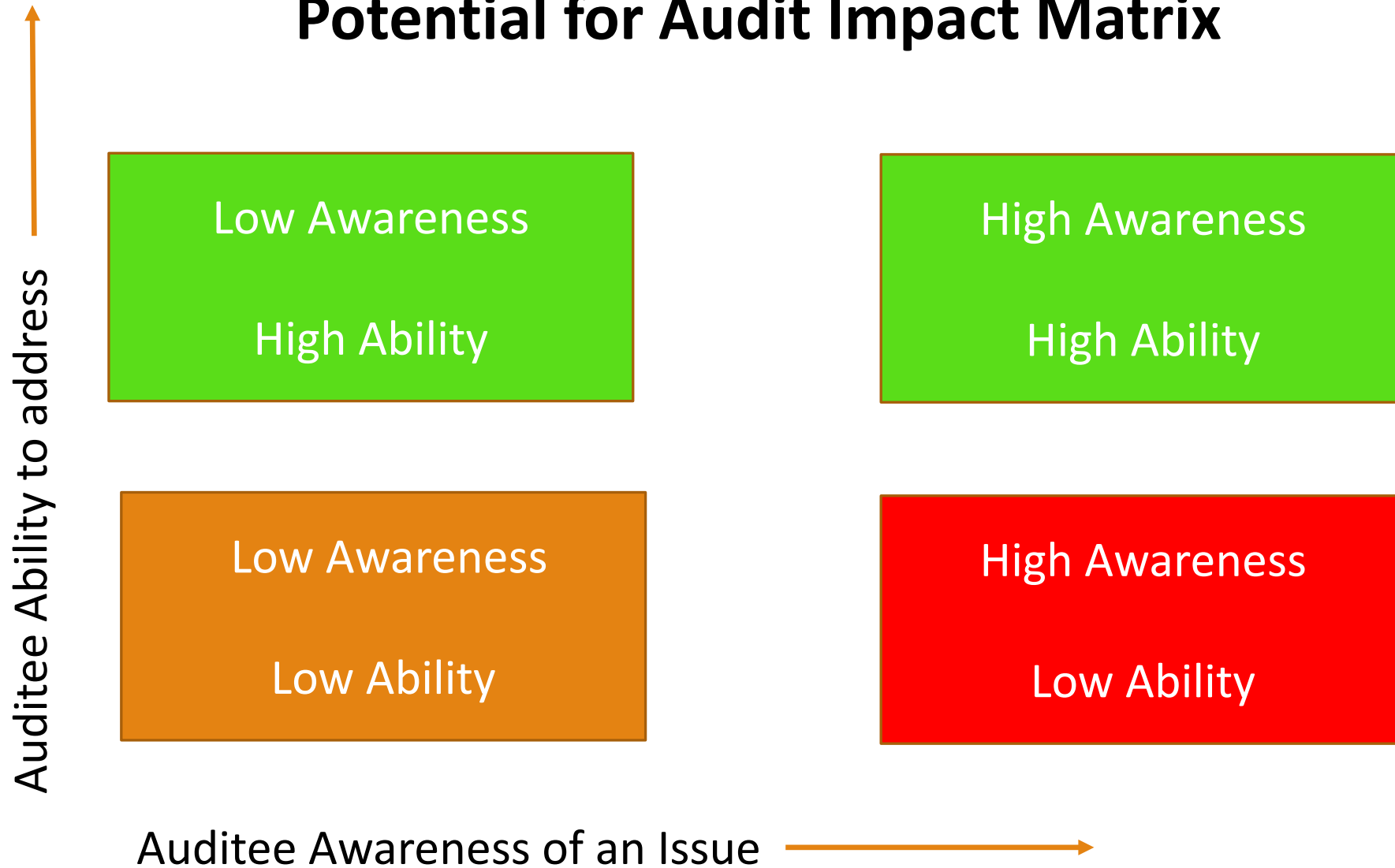
External Sources:

- Unclear problems
- Desire to do something
- Vague misgivings
- Lack of understanding about auditing

Everyone knows there is a problem

- Lack of action is due to:
 - Lack of ability (don't know solution or don't have tools or resources to implement solution)
 - Lack of political will (know the solution, but refuse to act)

Potential for Audit Impact Matrix

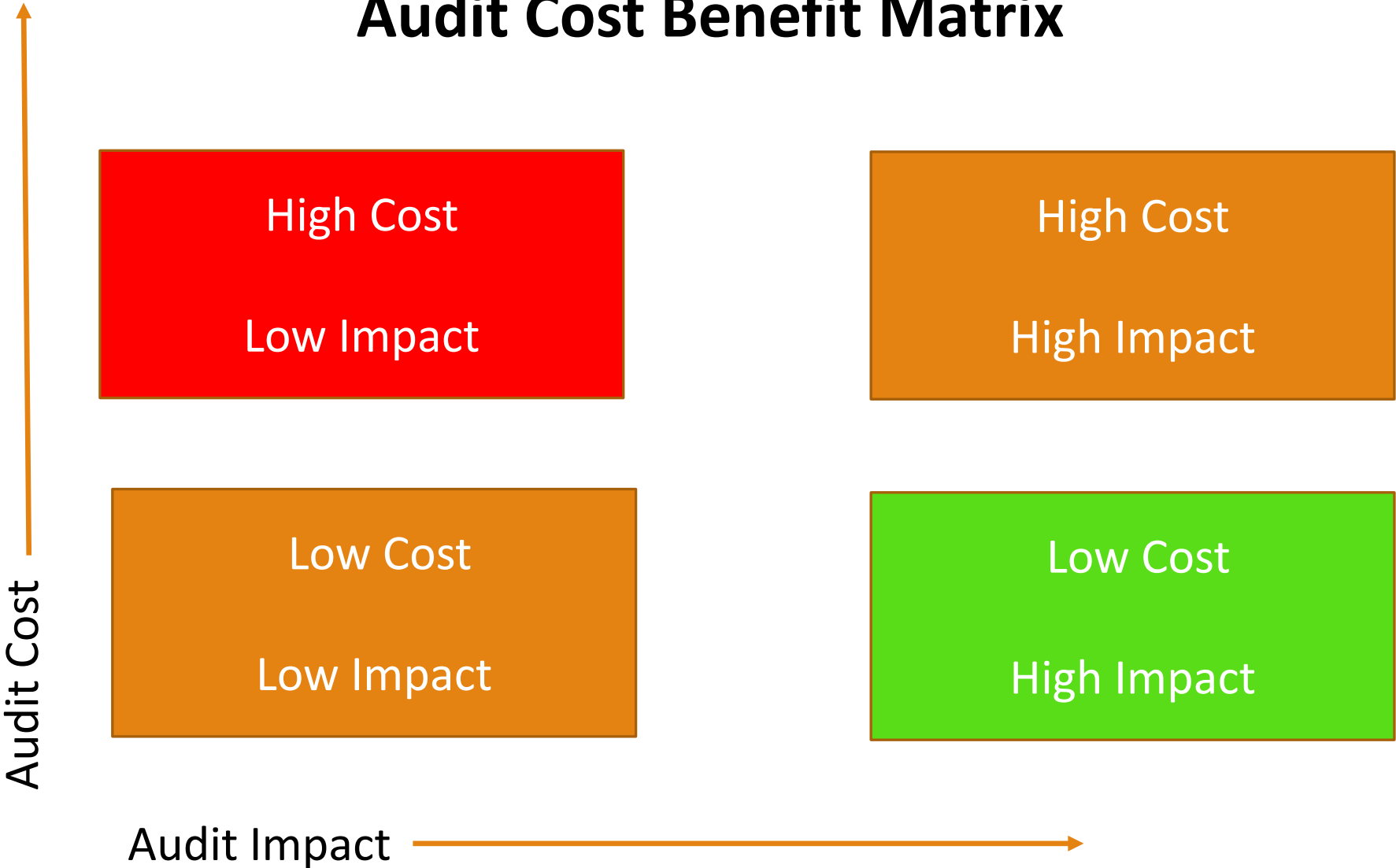


Where do large audits come from?

Internal Sources:

- Desire to solve difficult problems
- Justify our existence (sunk cost fallacy)

Audit Cost Benefit Matrix



Avoiding large audits

- Try to get to the problem
- Ask - Is this an auditable issue?
- Brainstorm potential recommendations
- Talk about opportunity cost

Balancing effort and impact

Thinking about cost of audits

➤ How does your shop think about costs of an individual audit?

- Time
- Cost

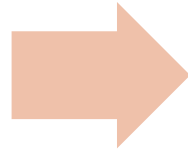
Audit cost

- Most costs are variable based on length and scope of audit
- Some costs are fixed
 - Quality assurance/referencing
 - Agency comment
 - Some audit documentation

Fixed

+

Variable



Total
Audit
Cost

Audit cost

- Most costs are variable based on length and scope of audit
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Why?



Large audit scope



Small audit scope



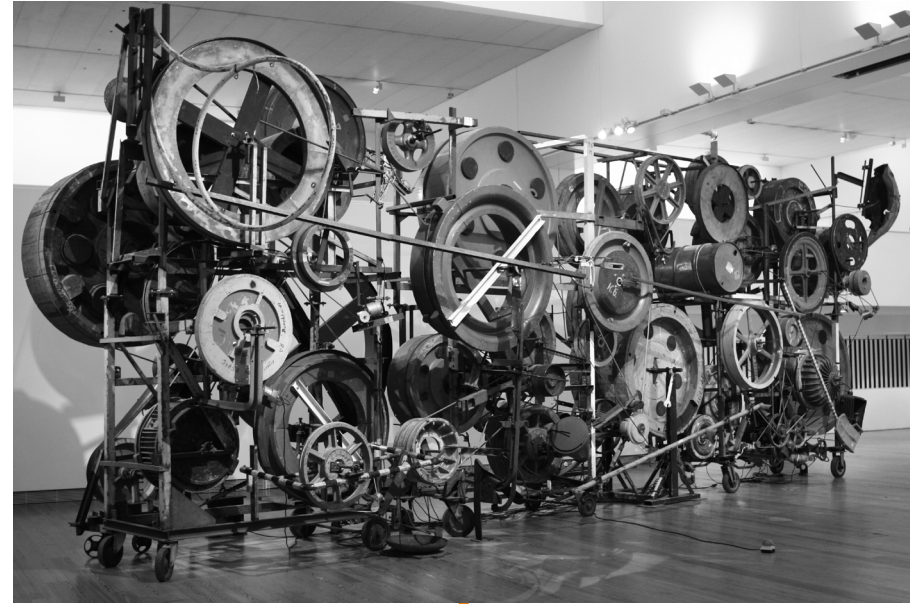
Auditor



In
Scope?



Audit Machine



GAO

United States Government Accountability Office
Report to Congressional Committees

June 2010

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Scoping the large audit

- Don't try to solve the problem
- Identify a manageable scope
- Establish criteria early

Questions?

Ben Thompson, King County Auditor's Office

Ben.Thompson@kingcounty.gov