



OFFICE OF
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

December 15, 2005

The Honorable John P. Higgins, Jr.
Chairman, PCIE Audit Committee
Department of Education
400 Maryland Avenue, SW
Washington, DC 20024

Dear Chairman Higgins:

I am pleased to inform the PCIE Audit Committee that the IGATI Curriculum Review Board (ICRB) has completed a review of the IGATI course titled Auditing the Federal Contracting Process. We noted a number of weaknesses in the course. For example, while the course covered federal contracting, it did not provide training in auditing the contracting process. The IGATI Director generally agreed with our recommendations to address these matters.

Enclosed is a copy of our final report prepared by the Principle Deputy Assistant Inspector General for Audit, GSA OIG.

If you have any questions, please call me on (202) 927-6516.

Sincerely,

/s/
Marla A. Freedman
Chair, ICRB

Enclosure

cc: Helen Lew, Chair
Federal Audit Executive Committee

Danny L. Athanasaw, Director
Inspectors General Auditor Training Institute



U.S. GENERAL SERVICES ADMINISTRATION
Office of Inspector General

DEC 8 2005

Dr. Danny L. Athanasaw
Director
Inspectors General Audit Training Institute
1735 North Lynn Street, 9th Floor
Arlington, VA 22209

Dear Dr. Athanasaw:

The Performance Audit Group of the IGATI Curriculum Review Board (ICRB) performed a review of the course "Auditing the Federal Contracting Process." A draft report, dated October 18, 2005, was submitted to you. Your letter, dated October 26, 2005, is included in its entirety in Attachment B. This is a final report of the review findings.

The course is for auditors and evaluators with little or no experience in auditing the Federal contracting process, as it is a basic level course. According to the FY 2005 course catalog, students can expect the 2-day course to enhance their ability to review different phases of the Federal contracting process. Students can also expect the course to cover fraud awareness. Since FY 2003, six (6) classes were held and a total of 89 students attended the course. Except for the field of study in accounting and auditing, there is no prerequisite for this course. Each participant earns 16 CPE credits and the tuition is \$510.00. Our review was completed in August 2005.

The review objective was to determine whether the IGATI course "Auditing the Federal Contracting Process" provides training that is useful to Federal auditors.

Specifically, we performed the following:

- Reviewed the course material for students and instructors to determine whether it was:
 - Current.
 - Relevant to the course objective(s).
 - Substantive.
 - Complete to address the course objective(s).
 - Useful as a reference resource.
- Reviewed student evaluations for courses held in February and October 2004, and June 2005.

- Interviewed three former students from the Office of Inspectors General at Veterans Administration, Department of Defense, and Office of Personnel Management.
- Interviewed two supervisors of the former students from the Office of Inspectors General at the Department of Defense and Office of Personnel Management.
- Attended the June 27-28, 2005 course and observed the course delivery.

ICRB ASSESSMENT:

Federal auditors and evaluators benefit from the course “Auditing the Federal Contracting Process,” however, the course is not meeting student expectations. Generally, the course content, material and delivery entail basic level training in Federal contracting. Since there are no prerequisites to attending the course, the majority of students in the June 2005 course did not have prior work experience or knowledge of the Federal contracting process even though the majority had many years of audit experience. The 2-day training therefore primarily focused on training students to understand Federal contracting.

Notwithstanding the above, students who attended the October 2004 and June 2005 course expected to be trained in auditing the contracting process because of the course title, “Auditing the Federal Contracting Process.” One student in the June 2005 course commented after returning from lunch on Day 2 that he was still waiting to hear how to audit the process. In addition, some of the course evaluation comments are:

- “...it should be more of a practical class with examples of actually auditing contracts.” (October 2004)
- “I thought there would be more coverage of audit techniques and procedures.” (October 2004)
- “A lot on the contract process and too little on the auditing aspects.” (June 2005)

IGATI, therefore, needs to either make substantial revisions to the course catalog description, objectives, contents and delivery to train primarily the auditing aspects of the Federal contracting process, or consider renaming the course to correspond with the current course catalog description, objectives, contents and delivery. Renaming the course, however, may necessitate increasing the number of training days because the current 2-day training does not allow enough time for the instructor to present and for students to obtain the basic level knowledge of the entire Federal contracting process.

Course Content and Material

The catalog description indicates, “the course reviews the entire Federal contracting process...” Some of the catalog objectives are to:

- Describe the various contract types.

- Understand the various changes to the procurement process as a result of reinvention.
- Describe the role of the Contracting Officer.

The course content objectives also focus on basic level training of the Federal contracting process. Some of the course module's objectives are to:

- Understand the different methods of awarding contracts in the Federal Government.
- Recognize the factors that procurement personnel should consider in determining how to make solicitations.
- Understand the procedures followed in making contract modifications, claims, and terminations.

Since students expect to be able to perform audit reviews of the contracting process, IGATI needs to determine whether to:

- Revise the catalog description, objectives, content and material to focus training primarily on the auditing aspects of the Federal contracting process. Consideration should also be given to including a prerequisite. The 2-day course training would be more effective if students are already trained or have a working knowledge of the Federal contracting process, or
- Rename the course title to correspond with the course description, objectives, content and material, which may necessitate increasing the number of training days. To proceed, however, IGATI needs to determine the practicality and feasibility of continuing the course offering because this option duplicates a 5-day course provided by the U.S. Department of Agriculture's Graduate School on the basics of the Federal contracting process, Introduction to Government Contracting, for \$935.00.

The basic course material (or student manual) needs to include more information and references. The basic course material includes material from the FAR, the Federal Acquisition Streamlining Act of 1994, and changes to the Truth In Negotiations Act. The instructor handed out his Power Point presentation during the course that made the course material clearer and included many contract policy and procedure references that are not in the basic course material, such as the Service Acquisition Reform Act of 2003, and the National Defense Authorization Act of 2004. The presentation slides addressed performance-based contracting, developing Statement of Objectives and measuring/managing contractor performance. It also made contracting clearer on topics such as debarment and suspension, contracting officer's files versus contract administration files, and termination notice. The course handout should therefore be a permanent part of the course material. A couple of students suggested providing the FAR on a CD or referencing a FAR website. The basic course material also needs minor edit changes, which are included in the attachment.

Course Delivery:

Instructors need to be up-to-date on Federal contracting policy, regulations, procedures, and issues before each course training. Instructors also need a working knowledge of the contracting process to answer any questions students may have regardless of how the question is posed. In the June 2005 course, students asked very few questions. The amount of course content and material that the instructor had to cover left little time to engage the class in discussing questions from students. There were two audit-related questions pertaining to the contracting process that, in my opinion, the instructor was unable to satisfactorily answer:

- How does the Service Acquisition Reform Act (SARA) affect our audit?
- How do you audit performance based contracting when contractors say there is no item number?

For the February and October 2004, and June 2005 course, the instructor was a retired audit management official from the OIG community. Retired instructors possess a wealth of audit knowledge and experience that they pass on to their students. However, especially for this course, in order to ensure instructors are up-to-date on Federal contracting policies and regulations and also possess a working knowledge of the contracting process, IGATI should consider developing a cadre of instructors from the OIG community who are currently involved in performing audits of the Federal contracting process.

IGATI should also determine the practicality of having someone other than the instructor collect the evaluation forms at the end of the course or do not require the name of the student evaluator. The end-of-class evaluation form can be intimidating for some students. One former student, who attended the February 2004 course, indicated in a telephone interview that she felt obligated to give the instructor a good rating since the evaluation form was turned in to the instructor. With the highest score as 5, this student gave the instructor an overall rating of 4.57 and did not have any weak point comments. A review of other evaluation forms disclosed, however, strong and weak points on the instructor, who presided in the February and October 2004, and June 2005 course.

- For the February 2004 course, the instructor's overall average score was 4.14 ranging from 2.8 to 4.8. There was only one negative comment out of a total of five comments.
- For the October 2004 course, the instructor's overall average score was 4.50 ranging from 2.8 to 5.0. There were no negative comments out of a total of two comments.
- For the June 2005 course, the instructor's overall average score was 4.46 ranging from 2.8 to 5.0. There was only one negative comment out of a total of five comments.

Conclusion:

Auditors and evaluators will benefit from attending the course “Auditing the Federal Contracting Process” but it is not meeting student expectations. In telephone interviews, student auditors have indicated a preference to attend an audit course at IGATI because of the audit experience and working knowledge of the instructors. Since fiscal year 2003, a total of 89 students have attended the course:

- February 2003 16 students
- April 2003 24
- July 2003 16
- February 2004 06
- October 2004 08
- June 2005 19

To ensure students are properly trained, the catalog description, objectives, content and material need substantial revisions to focus primarily on training the auditing of the contracting process. Or, IGATI needs to determine whether to rename the course title to correspond with the current catalog description, objectives, content and material. This course of action would require additional analysis of the practicality and feasibility of duplicating another course offering provided by the U.S. Department of Agriculture’s Graduate School on the basics of the Federal contracting process, Introduction to Government Contracting, for \$935.00.

The course material should include as much as the instructor’s course presentation which will provide the student with more contracting policy and regulation references, including a CD of the FAR or a FAR website. The instructor needs to be up-to-date on FAR contracting policies/regulations and possess a working knowledge of the contracting process. Consideration should also be given to have someone other than the instructor collect the evaluation sheets at the end of the course or do not require the name of the evaluator.

ICRB RECOMMENDATIONS:

We recommend that IGATI:

1. a. Determine whether to revise the course catalog description, objectives, course content, material and delivery to focus on the auditing aspect of the Federal contracting process, as well as incorporating as much of the course delivery into the course material and including a prerequisite to attending the course, or
- b. Determine the practicality and feasibility of renaming the course title to correspond with the current course catalog description, objectives, course content, material and delivery. This will include increasing the number of training days and determining whether to continue the course offering.

2. Develop a cadre of instructors from the OIG community who are currently involved in audits of the Federal contracting process.
3. Determine whether it is practicable to have someone other than the instructor collect the evaluation forms at the end of the course.
4. Incorporate suggested changes in the attachment to the current course material.

IGATI DIRECTOR COMMENTS AND PLANNED ACTIONS:

In the Director's October 26, 2005 response to the draft of our review findings, he generally agreed with our recommendations. Specifically, the Director will revise the course to address the auditing aspects of the contracting process, which will be ready for the FY 2007 course offering. The Director agreed in concept with developing a cadre of instructors but will work with the Board of Governors to determine the best method of delivering this course in FY 2007. A drop-off box will be initiated immediately to collect evaluation forms from students.

We appreciate the cooperation and courtesy extended during the review. Should you have any questions, please contact Andrew Patchan, Jr., of General Services Administration on 202-501-0374.

Sincerely,



Andrew Patchan, Jr.
Principle Deputy Assistant Inspector General for Audit

Attachments

ATTACHMENT A

We suggest the following changes to the course material (student manual):

- Module 2, page 5, “III. THE FEDERAL PROCUREMENT PROCESS,” under “Organization and People.”
 - Part of the Federal contracting process is the identification of the requirement(s) and the procurement planning process, as noted in Module 4, page 29. We propose, as “Step 1,” the following:
 - “Step 1, Customer identifies a requirement and develops a procurement/acquisition plan.”
 - We suggest that each subsequent steps identify either the Contractor or Contracting Officer as the person responsible for the step. For example, “Contracting Officer Analyzes Contractor’s Proposal.”
- Very first page, “The purpose of the training program is to...”
 - Delete page. It may be considered as demeaning by some students.
- Module 2, page 1, bottom, line: “To provide further comprehend the level of...”
 - The introductory phrase needs to be clearer.
- Module 2, page 2, line “Interior 2.2”
 - Align “2.2” properly.
- Module 2, pages 3 and 4.
 - There are two “II. CONTRACT DEFINITIONS.”



The Inspectors General Auditor Training Institute

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Phone (703) 248-4592 • Fax (703) 248-4587

October 26, 2005

Memorandum For: Andrew Patchan, Jr.
Principal Deputy Assistant Inspector General
for Auditing

From: Danny L. Athanasaw 
Director
Inspectors General Auditor Training Institute (IGATI)

Subject: IGATI Response to Draft Report of ICRB Review of IGATI
Course: Auditing the Federal Contracting Process.

Thank you for the opportunity to review and respond to the draft report of IGATI's course titled Auditing the Federal Contracting Process.

IGATI is presently in a transition year and will consolidate in Fiscal year 2007 with the two other training centers (Criminal Investigative Academy and the Management Institute). Additionally, there will be a Board of Governors that will oversee the new training institute. In this regards final course offerings will be at their discretion. It is also anticipated that all courses starting in FY 2007 will be contracted. As a result there will be an opportunity to re-evaluate all course materials. Under this backdrop, IGATI's response to each recommendation follows:

Recommendation 1: IGATI agrees with the recommendation

IGATI will revise the course for FY 2007 to focus more specifically with the auditing aspect of the contracting process.

Recommendation 2: IGATI agrees with the concept of the recommendation.

IGATI agrees with the concept of developing a cadre of instructors from the OIG community. In the past IGATI has attempted to obtain volunteers, but this practice has not been successful. While this method is preferred, IGATI has contracted this course. However, IGATI will work with the Board of Governors to determine the best method of delivering this course for FY 2007.

Recommendation 3: IGATI agrees with the recommendation.

IGATI will initiate immediately the process of having a drop-off box for evaluations, thereby eliminating the involvement of the instructor in the collection process.

Recommendation 4: IGATI agrees with the recommendation.

IGATI will make the suggested changes as provided in the Appendix.

Again thank you and your team members for the opportunity to comment on this report. I appreciate your time and energy involved in this review. I also believe your review will improve the delivery of this course.

If you have any questions or further concerns, please contact me at (703) 248-4589.