



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

November 8, 2006

OFFICE OF  
INSPECTOR GENERAL

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 *Oversight of Federal Financial Audits*. Students have consistently given this course high marks and our review generally affirmed these ratings. The IGATI Director agreed with our three recommendations to further improve the course.

Enclosed is a copy of our final report prepared by the Principal Assistant Inspector General for Audits, Department of the Interior 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  
Inspector General Auditor Training Institute



# United States Department of the Interior

OFFICE OF INSPECTOR GENERAL  
Washington, DC 20240

October 30, 2006

Ms. Marla A. Freedman  
Assistant Inspector General for Audit  
Department of Treasury  
1500 Pennsylvania Avenue, N.W.  
Washington, DC 20220

Subject: Report on Inspectors General Auditors Training Institute (IGATI) Review  
of IGATI Course: Oversight of Federal Financial Audits

Dear Ms. Freedman:

This letter transmits the Financial Audit Group of the IGATI Curriculum Review Board's final report on this subject.

The report contains three recommendations. IGATI agrees with all three recommendations. We have included IGATI's response in the report.

We appreciate the courtesies extended to our staff. If there are any questions, please contact Mr. Jeff Carlson at (703) 487-5422 or me at (202) 208-5512.

Sincerely,

Kimberly Elmore  
Principal Assistant Inspector General  
for Audits

**Inspectors General Auditor Training Institute**  
**Review of IGATI Course: Oversight of Federal Financial Audits**  
March 15-16, 2006

**Course Title**

Oversight of Federal Financial Audits

**IGATI Curriculum Review Board (ICRB) Review Completed**

In September 2006, the Department of the Interior's Office of Inspector General completed the review of the Inspectors General Auditor Training Institute's (IGATI) class titled "Oversight of Federal Financial Audits".

**Background**

The objective of our review was to determine whether the IGATI course, "Oversight of Federal Financial Audits," provides training that is useful to federal financial auditors.

Course Objective:

The 2-day course on Oversight of Federal Financial Audits is designed to provide federal auditors who have or may become involved in contractor oversight responsibilities for federal financial audits. The course introduced the process of contracting out for audit services and then monitoring the performance of the audits. After completing the training, participants were expected to be able to do the following:

- plan for oversight of a contracted financial statement audit
- participate effectively in the contracting process, and
- evaluate the independent public accountant's (IPA) work in process and finished products.

The FY 2006 Course Catalogue recommended 2 years of financial auditing experience as a prerequisite.

Cost and CPE Credits: \$510 and 16 CPE Credits

Course History:

During the last 2 years, this course has been held four times with a total of 36 students for an average of 9 students per class. The same instructor conducted all four classes.

## **ICRB Assessment**

### Methodology:

The methodology used to assess the course included a review of the course material, review and analysis of the student feedback forms completed by class participants, class observation, and post-course student and supervisor survey.

### Course Materials:

To gain an understanding of the course content, we reviewed the course material. Our focus was to determine whether the course materials were:

- current,
- relevant to the course objectives,
- substantive,
- complete enough to address the course objectives, and
- useful as a reference resource “back at the office.”

We determined that the course materials and the class exercises adequately addressed the above-stated criteria. The instructor lectured from a PowerPoint slide presentation and also included additional details in the Participant’s Manual. The Manual was broken down into tabbed modules containing both the lecture material and copies of the slides. The Manual also included very useful and applicable reference material related to the course objectives.

One disruption to the class we attended on March 15, 2006, resulted from the Manual missing the even numbered pages in four of the five tabbed sections containing the course material. The instructor provided copies of the Instructors Manual for two sections and the IGATI staff provided corrected copies of the other two sections.

### Student Evaluations:

To gain an understanding of the students’ reactions to the course right after taking the class, we obtained and analyzed student feedback forms for the four classes held between May 2004 and March 2006, which includes the class we attended.

We analyzed the student evaluations by:

- computing composite scores for each class based on the 12 standard ranking questions,
- determining for each class the highest-scored question, the lowest-scored question, and the average,
- reading narrative comments on the evaluations and noting any reoccurring themes, and

- identifying significant trends.

Overall, students gave the course high marks. Composite scores on the classes ranged from 4.40 to 4.58 on a response scale of 1 (strongly disagree (negative)) to 5 (strongly agree (positive)). We did not identify any meaningful trends in the student evaluations.

The following table presents our analyses of student evaluations for the four courses held from May 2004 to March 2006.

Scores (5 is strongly agree; 1 is strongly disagree)

| Class Date  | 5/17-18/04   | 6/28-29/04   | 1/6-7/05     | 3/15-16/06        |                              |
|---|--------------|--------------|--------------|-------------------|------------------------------|
| Instructor  | Dave DeHaven | Dave DeHaven | Dave DeHaven | Dave DeHaven      | Composite Key Question Score |
| No. of Evaluations                                    | 8            | 13           | 7            | 7*                |                              |
| <b>Key Questions</b>                                  |              |              |              |                   |                              |
| Organized and prepared                                | 4.75         | 4.62         | 4.43         | 4.29              | 4.52                         |
| Knowledgeable   | 4.25         | 4.77         | 4.29         | 4.57              | 4.47                         |
| Effectively communicated                              | 4.50         | 4.69         | 4.29         | 4.43              | 4.48                         |
| Aroused interest/enthusiasm                           | 4.38         | 4.38         | 4.57         | 4.57              | 4.48                         |
| Encouraged participation/interaction                  | 4.63         | 4.77         | 4.71         | 4.57              | 4.67                         |
| Considerate/Responsive                                | 4.63         | 4.92         | 4.71         | 4.71              | 4.74                         |
| Used class time effectively                           | 4.50         | 4.69         | 4.57         | 4.14              | 4.48                         |
| Achieved Objectives                                   | 4.50         | 4.54         | 4.43         | 4.29              | 4.44                         |
| Content Organized                                     | 4.38         | 4.62         | 4.29         | 4.33 <sup>†</sup> | 4.41                         |
| Course Material Relevant and Useful                   | 4.75         | 4.54         | 4.43         | 4.29              | 4.50                         |
| Course will improve current or future job performance | 4.63         | 4.23         | 4.29         | 4.29              | 4.36                         |
| Course was valuable experience                        | 4.50         | 4.23         | 4.43         | 4.29              | 4.36                         |
| <b>Total Composite Score</b>                          | <b>4.53</b>  | <b>4.58</b>  | <b>4.45</b>  | <b>4.40</b>       | <b>4.49</b>                  |

Student narrative comments were complimentary of the instructor's knowledge of the subject. The handouts and reference materials were noted as being useful. There were some positive comments about the course being very applicable and helping the students

\* One participant did not submit a course evaluation form.

<sup>†</sup> We considered one response non-responsive and eliminated it from the composite calculation.

to better understand the oversight of financial auditors. Additional student comments about the course included the following:

- was too long (one day would be enough),
- should have had more information on the contracting process,
- needed more coverage on the oversight process and workpapers.

In the March 2006 class, three of the seven respondents from the class suggested making sure the course material was complete, and in order, due to the printing error described in the Course Material section.

#### Usefulness at the Workplace (Student/Supervisor Focus Groups)

To gain an understanding of the usefulness of the course at the workplace, we selected six students who took this class in March 2006 to interview, as well as their supervisors. We used Appendix A Student Interview Questions and Appendix B Supervisor Interview Questions to conduct our interviews. We selected the students from the class participants list provided by IGATI for the class held in March 2006.

Five of the six class participants responded to our questions concerning the March 2006 class with the following comments:

- All five class participants liked the course because of the instructor, the course's simplicity, and relevance to their work.
- All five class participants expected to gain insight on how to perform oversight activities. Three of the five class participants' expectations were met, and two responded that their objectives were not met.
- Four of the five participants commented that the course's strong point was course material, and one class participant thought the course's strong point was the class participation.
- Three of the five class participants stated that the course's weak point was that the duration was one day too long. One individual found the course had too much emphasis on contracting. One class participant did not identify any weakness.
- Four of the five class participants have applied the skills from the course in report writing, revising audit programs, and increasing awareness and knowledge about financial statement oversight. One class participant has not applied the skills learned from the course.
- One class participant would not change anything; one stated that more emphasis on Contracting Officer's Technical Representative responsibilities and Financial Audit Manual audit program execution is needed. Another individual commented that the textbook should be updated to reflect other federal agencies oversight, and class time should be used more productively. Two individuals believed that

the course could be condensed or combined with “Essentials of Federal Financial Auditing,” an IGATI course, or tailored to participants’ needs.

Only two of the six class participants’ supervisors responded to our questionnaire concerning the class held in March 2006. One of the respondents stated that they would only ask the class participant to respond. Therefore, he deferred our questions to the class participant, who did not respond. The one supervisor responded as follows:

- The primary objective for sending their staff member to the course was to compare their oversight process to the process used by other agencies. The response stated that they wanted to determine if any key processes were missing in their financial statement oversight methodology.
- Overall, the supervisor believed the course was of no benefit to the staff member’s professional development because the staff auditor attending the course had a solid oversight skill set going into the training and did not acquire any additional skills. However, the course was a benefit concerning the agency’s needs because the staff member attending the course was able to conclude that their agency’s basic oversight approach was sound and reasonable.
- Based on the staff member’s comments on the course, the respondent believed that it would be better to offer an introductory class and an advanced class or just cut the class back to one day.
- He stated that he does not plan to send others to the course but would consider it based on staffing changes in the future.

### Course Delivery

We agreed with the student evaluations that the instructor was knowledgeable and kept the students engaged during the class. The instructor made good use of PowerPoint and kept the class participants focused on the discussion. Other than the printing error on the first day, the course material was well organized, relevant, and useful as a reference tool. The course exercises reinforced the training material and generated class participation.

### **ICRB Recommendations**

We recommend that the Director:

1. Ensure that the course material and participant manuals are accurate and complete prior to the start of the class.

### **IGATI Response**

IGATI agreed with the recommendation. IGATI will review all materials and make every effort to ensure that course materials, including the manuals, are accurate and complete.

2. Include additional coverage on the contracting process for obtaining and monitoring the IPA's work under the contract.

**IGATI Response**

IGATI agreed with the recommendation. IGATI agreed with the spirit of the recommendation and will add coverage on the contractual responsibilities of the Independent Public Accountant. However, IGATI cited the need to be careful that this course does not expand into a Contracting Officers Technical Representative course.

3. Include additional coverage on the IPA workpapers required to be submitted and reviewed under differing monitoring levels.

**IGATI Response**

IGATI agreed with the recommendation. IGATI agreed with the spirit of the recommendation and will add coverage on the contractual responsibilities of the Independent Public Accountant. However, IGATI cited the need to be careful that this course does not expand into a Contracting Officers Technical Representative course.

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*The Inspectors General Auditor Training Institute*

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October 19, 2006

**Memorandum For:** Kimberly Elmore  
Principal Deputy Assistant Inspector General  
For Audits  
U.S. Department of the Interior  
Office of Inspector General

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

**Subject:** Inspectors General Auditor Training Institute  
Response to Draft Report of ICRB Review of IGATI course:  
Oversight of Federal Financial Statements

Thank you for the opportunity to review and respond to the draft report of IGATI's course titled *Oversight of Federal Financial Statements*. IGATI's response to each of recommendations follows:

**Recommendation 1: IGATI agrees with the recommendation.**

IGATI will review all materials and make every effort to ensure that course materials, including the manuals be accurate and complete.

**Recommendation 2 and 3: IGATI agrees with the recommendations**

IGATI agree with the spirit of the second and third recommendations, and will add coverage on the contractual responsibilities of the Independent Public Accountant. However, we need to be careful that this course does not expand into a Contracting Officers Technical Representative course.

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 this curriculum review project is necessary to improve IGATI's courses for the betterment of the OIG community.

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