

The OAG's audit process is independent, objective, and transparent. We develop an audit plan using an approach based on assessments of risk and opportunities for improvement. Auditing identifies where and how improvements can be made; therefore, reports are written on an exception basis. We conduct audits in three main phases: planning, audit fieldwork, and report preparation.

Planning



Sets the foundation for the audit. Among other activities, auditors conduct a preliminary survey, develop the audit scope and objectives, and set the audit's time frame.

Audit Fieldwork



Begins the strategic audit activities. Auditors interview agency personnel, sample and analyze data, validate evidence, determine the materiality of potential findings, communicate with the agency, and issue draft audit findings.

Report Preparation



Report drafting is ongoing throughout the audit. Once the fieldwork is completed, the team will compile a preliminary report, ensure compliance with standards, provide draft report to agency, obtain its preliminary response, meet with agency if there are concerns, and finalize the report.

OAG Reports

Financial audits are designed to provide reasonable assurance about whether the basic financial statements and/or financial schedules of an audited entity are presented fairly, in all material respects, in accordance with the applicable financial reporting framework.

Performance audits provide findings, recommendations, and conclusions based on an evaluation of sufficient, appropriate evidence against criteria.

Follow-Ups describe the results of our limited testing to determine if previous performance audit report recommendations were addressed by an agency.

Investigative audits take place as a result of a reported allegation of fraud, waste, or abuse involving State government officials, State employees, or entities receiving State money or other support. These audits are designed to detect and deter the misappropriation of public assets.

Findings



In OAG performance audit reports, findings are classified depending on their severity.

Material conditions are more severe matters that could impair the ability of management to operate a program in an effective and efficient manner and/or could adversely affect the judgment of an interested person concerning the program's effectiveness and efficiency. **Reportable conditions** are less severe deficiencies or opportunities for improvement.

In financial audits, the terms are **material weakness and significant deficiency**.

Corrective Action



After each recommendation, OAG reports include a **preliminary agency response** (the agency's initial response) in which the agency indicates if it agrees or disagrees with the recommendation. By State law, upon completion of the audit, the agency is required to submit its **plan to comply** with OAG recommendations to the State Budget Office.