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[AUDIT AND EVALUATION:  
IS THERE A DIFFERENCE?]

BY

HARRY S. HAVENS

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ASSOCIATION OF GOVERNMENT ACCOUNTANTS

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[The General Accounting Office is responsible for auditing government programs.] This responsibility is embodied in statutes going back to the Budget and Accounting Act, 1921.

The General Accounting Office is [also responsible for evaluating government programs.] This responsibility, too, is embodied in statutes, specifically in the Legislative Reorganization Act of 1970, as amended.

How do these responsibilities differ? Are they generically different? Are they two facets of the same thing? Or are they indistinguishable?

The answers to these questions are inevitably ambiguous. They depend a great deal on the context in which you are working. The questions are important, however, and while I have no conclusive answers, perhaps I can shed a little light on the subject.

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I would like to start by turning to a presumably objective source of enlightenment, the dictionary. My dictionary gives the following primary definition of the noun "audit":

"A formal or official examination and verification of books of account."

Other definitions are listed, but all are very much akin to this one. The definition of the noun, "evaluation" is as follows:

"The act or result of evaluating."

That is not very helpful, so we turn to the verb, "evaluate", which is defined as follows:

"To set down or express the mathematical value of."

If we take these definitions at face value, we conclude that auditors examine financial statements and evaluators put everything into numbers. Clearly these are two very different activities, having very little to do with each other.

Unfortunately, the definitions also have little to do with reality, as that reality has evolved in GAO. [Very few of our auditors spend any significant portion of their time examining financial statements.] Indeed, many would readily admit that they would have a hard time doing so, if asked. (Let me hasten to add that GAO continues to view financial statement work as important, and has a group of staff members who are very skilled at that work. But it represents a relatively small proportion of our total workload.)

Similarly, GAO's evaluators do not spend very much of their time setting down or expressing the mathematical value of things, either. If an evaluator were told that this is what he or she was supposed to be doing, the response would probably be one of puzzlement. A good evaluation report is likely to contain some numbers, but is also likely to contain a lot of words which have nothing very much to do with numbers.

It appears, therefore, that the dictionary is not much help in deciding whether or not auditing a program is different from evaluating it. Before leaving the dictionary definitions, however, I would like to offer one more observation. While auditors and evaluators would agree that the dictionary definitions of their own activities are seriously deficient, I suspect that a fair number in each group believe that the dictionary accurately describes the work of the other group. This leads to a modest amount of confusion as each group tries to relate to an inaccurate perception of what the other group does.

If a dictionary will not help much in resolving the confusion, where else can we turn? I suggest we start by looking at something the two activities have in common, the basic reason for performing the work. Both auditors and evaluators seek answers to some basic questions when examining a program.

- What happened?
- How does that compare to some standard?
- What can be done to improve performance in the future?

[The same questions are involved whether we are reviewing the management of an agency, the efficiency of program operations, or the outcome of a program. And the questions are the same whether we are auditing the activity or evaluating it.]

Incidentally, auditors and evaluators are not the only ones whose responsibilities center on answering that set of questions. Anyone whose job involves analyzing a situation and solving a problem must try to answer those questions, whether they be plumbers or policy analysts. (Plumbers and auto mechanics probably get paid more, but that is another matter.)

If we are trying to answer the same questions, then, are we really doing the same thing? I am afraid not. Auditors and evaluators have more in common than the fact that plumbers probably make more than either of them, but there are also some differences. [These differences stem, in large part, from the traditions of the intellectual disciplines from which they evolved. Auditing grew out of the accounting discipline. Evaluation grew out of the social sciences.] Each discipline has an intellectual framework which determines how it will comprehend the questions and attempt to answer them.

[An auditor, for example, tends to look for particular instances of things going wrong.] In a grant program, this may be represented by one or a dozen recipients mismanaging

the funds. That is enough to demonstrate the existence of a deficiency. Similarly, the auditor [places great weight on the need for accuracy in administrative records (today's equivalent of the books of account) and on using administrative records as a source of data. The auditor is likely to be suspicious of statistical inferences based on aggregated data if he cannot find actual cases confirming the general conclusion.]

[The social scientist evaluator,] on the other hand, interprets the question of "what happened?" from a very different perspective. For one thing, he [mistrusts administrative records, viewing them as someone else's interpretation of events,] with unknown biases influencing those interpretations. Thus, [he is predisposed to seeking his own (presumably unbiased) direct observations. He also seeks a much more generalized view of "what happened?" He prefers larger volumes of data (compared to the auditor) so that he can report the results of his work as being generally true. He mistrusts small numbers of specific events because he has little confidence that what was found in one case is typical.]

At the extreme ends of the spectrum, I can imagine an argument between an auditor and an evaluator. [The auditor might find an example of mismanagement and proclaim the need to fix the system on the grounds that one bad case is too many. The evaluator might respond that one case does not prove

anything, and it would be silly to rebuild the system to prevent an isolated incident. Each is right in his own intellectual framework.)

This difference in attitudes toward data is often reflected in the inability of one group to understand things which are fundamental to the intellectual framework of the other. [The social scientist, for example, may not grasp why access to records is a matter of principle to an auditor. The auditor, similarly, may be tempted to laugh at the evaluator's desire for statistical precision.]

If each group could operate in its ideal world, this failure to communicate would be merely another (perhaps amusing) example of the isolation of one discipline from another. Economists and political scientists face the same problem. (I suppose auto mechanics and plumbers do, too. If not, maybe they have something to teach us.)

Unfortunately, neither auditors nor evaluators are free to operate in their respective ideal worlds. Each must operate in the real world. [In this real world, the administrative records available to the auditor are never complete and never totally reliable. The evaluator, on the other hand, is never able to observe everything that needs to be observed in order to support unambiguous conclusions. To fill the gaps, the auditor must use direct observation and statistical inference, techniques which are (or should be) second nature to the

evaluator. Similarly, the evaluator must often resort to an examination and thus a verification of administrative records, an approach which is (or should be) second nature to the auditor. Each basic discipline can contribute to a shared solution of shared problems.

This is not to suggest that auditors know nothing about direct observation or that social scientists are ignorant of the use of administrative records. Auditors have been counting cash and checking inventory for a long time. And social scientists have been analyzing administrative data for a long time, too.

But counting cash is a little different from observing the behavior of the clients of social programs. I suspect social scientists know how to do that a little better than auditors. Similarly, using administrative data is a little different from establishing its reliability. I suspect that auditors know how to do that a little better than social scientists.

If this sort of sharing of technique is to occur, however, members of the two disciplines must learn a lot more about each other. Returning, finally, to the original questions, auditors and evaluators must recognize that auditing and evaluating are different facets of the same responsibility. They involve different ways of trying to answer the same questions. Neither approach is inherently right or wrong.

Circumstances will dictate which method is more appropriate to a particular review. But you cannot select the appropriate one or blend the two successfully unless you understand both. ] .