

# QA

## QUALITY ASSURANCE & CONTROLS MONITORING

### REDUCING COMPLIANCE COSTS & IMPROVING FEDERAL OPERATIONS

#### BENEFITS OF QACM:

- Reduce compliance costs and level of effort for A-123 testing and related compliance efforts
- Proactively eliminate IT audit issues
- Increase effectiveness and efficiency of operations
- Enhance reliability of internal controls over financial reporting (ICOFR)
- Reduce errors in agency operations and financial reporting
- Facilitate timely process improvement
- Boost employee morale and productivity
- Improve mission delivery and customer service

Federal agencies are increasingly tasked to do more with less while also improving internal control structures, control consciousness, and risk management. An effectively designed and implemented quality assurance and controls monitoring (QACM) program can provide the transparency and visibility needed to identify, diagnose, and resolve control issues and mitigate risks faster. By implementing QACM programs, agencies can regularly assess the effectiveness and efficiency of operations, the reliability of internal controls over financial reporting (ICOFR), and compliance with laws and regulations.

QACM programs support continued efforts to facilitate timely process improvement and increase the overall quality of the internal control environment. By promoting effective operations, agencies are able to rely on controls and continuously improve organizations by proactively identifying and addressing issues before they become problematic or overly pervasive. This type of forward-looking approach directly reduces the need for costly rework downstream, allowing resources to focus instead on mission support.

In addition, QACM is a valuable tool for improving customer service, employee morale, and overall mission delivery. With transparency, accountability, and cost reduction dominating today's federal objectives, QACM may be the missing link for federal agencies seeking to improve internal quality assurance functions and reduce the risk of errors in agency operations and financial reporting.

#### **Q** *How can QACM translate into cost savings for federal agencies?*

By limiting the amount of rework that must be completed at the end of a business process, quality assurance and controls monitoring can drive cost savings and boost efficiency. For example, think of an auto assembly line. It is far easier to address a problem while a vehicle is still being assembled as opposed to after it leaves the dealership and enters the highway. Similarly, agencies can identify where issues exist earlier in the process and address them up front rather than face unnecessary rework at the end, which is often more time consuming and costly.

Regardless of level or agency, employees across the government are focusing on mission delivery and asking how they can deliver more effectively to the American public. Recent studies indicate that re-implementing or retrofitting controls after a process is already designed accounts for roughly 80% of the original investment. Through QACM, agencies can realize tremendous cost savings by limiting the need for downstream rework. Such a reduction in rework costs—in both time and dollars—allows agencies to concentrate instead on supporting efforts to deliver more efficient, effective products and services to the American people.

## **Q** *How does QACM differ from today's compliance efforts?*

Between the Dodd-Frank Wall Street Reform and Consumer Protection Act, Improper Payments Elimination and Recovery Act (IPERA), “Do Not Pay” solution, and A-123, the federal government is clearly focused on compliance. On the surface, QACM looks and feels in many ways like a compliance effort. However, it is anything but that.

Agencies can proactively and voluntarily apply QACM processes without an oversight body peeking over their shoulders. QACM provides an opportunity to examine issues internally before compliance efforts or outside regulatory or inspection bodies present themselves. This allows agencies to address issues in a timely manner and on a regular basis—not just to coincide with annual compliance efforts, oversight reviews, or audits. As a result, QACM supports continuous business improvement for individual agencies. It drives and strengthens compliance but, more important, improves the way agencies do business on a regular basis.

## **Q** *What tangible benefits can agencies realize as a result of the QACM process?*

There is no doubt that QACM reduces the cost of compliance and total number of audit issues. Agencies can apply quality assurance and controls monitoring throughout the year to get out in front of issues that may become more burdensome as the months unfold. But perhaps the greatest benefit is the one that is most often overlooked: QACM also produces an inherent boost to employee morale and collaborative spirit.

Each day, resources work together to improve quality and achieve a higher standard for the American public. That message resonates agency-wide. Many times, employees that function in administrative roles may not realize their direct impacts on the delivery of an agency's mission. QACM ties every effort to the mission and, in the end, makes it all about delivering a high-quality product to the taxpayer as efficiently as possible.

## **Q** *Is each QACM process agency-specific or can a successful application be utilized by others to improve operations, reduce costs, and increase efficiency?*

QACM is global by nature in that any agency can make it their own by tailoring processes to a unique mission and business. Whether an agency issues grants or loan payments or manages financial reporting processes, there is a place for it within quality assurance and controls monitoring. QACM is a means for making course redirections throughout the year and changing the way an agency does business—potentially on an interim basis. So, for example, employees will not reach year-end and realize that the agency issued all of its grants in an inconsistent fashion or in a manner that failed to meet customers' needs. Through QACM, agencies can quickly identify necessary changes and make course corrections on the fly.

## **Q** *QACM can redirect the course of an agency or operation while already underway, but is it a means to an end or an end?*

QACM is a means to an end because it is the monitoring aspect of continuous process improvement. Feedback is received in a more timely manner, so leadership is able to quickly identify issues, spot trends, and make corrections so agencies can achieve their end goals. Quality assurance and controls monitoring helps agencies set goals and objectives, periodically monitor progress, and identify and execute the necessary course corrections to stay on track to meet those goals. It provides the transparency that leadership needs to make critical business improvements in a timely manner.