

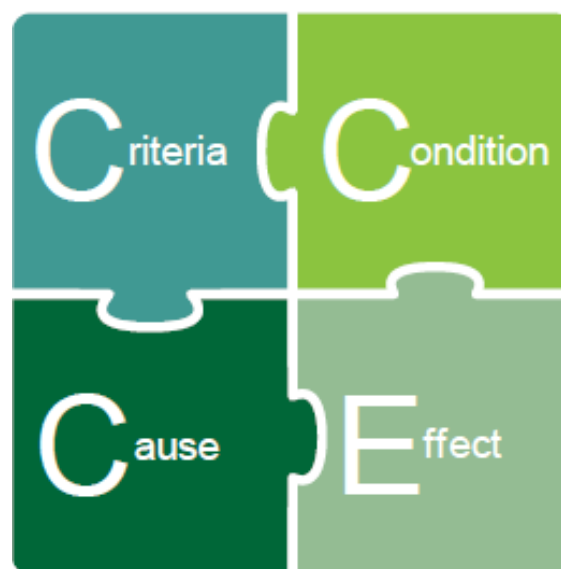
## What is a finding?

A finding summarizes the evidence gathered and developed during an engagement in response to the researchable questions. The type of researchable question determines the nature of the finding. A finding may be negative (pointing out situations requiring correction) or positive (highlighting programs, policies, and procedures that work well, such as best practices). In addition, a finding is the factual basis for conclusions and any recommendations.

In reporting a finding, an engagement team should include sufficient and appropriate evidence to (1) ensure adequate understanding of the matters reported and (2) provide a convincing and fair case. According to the “Yellow Book,” a finding or set of findings is complete to the extent that the audit objectives are satisfied, i.e. the researchable questions are answered, and the report clearly relates the audit objectives to the elements of a finding.

## Elements of a Finding

There are four elements of a finding—condition, criteria, cause, and effect. Although not all researchable questions require all the elements of a finding, an engagement team must include the appropriate elements to produce accurate and defensible findings. The elements required for a finding depend on the engagement and the types of researchable question being answered.





**Criteria** are the standard used to determine whether a program meets or does not meet expectations. Criteria provide a context for understanding the results of an engagement and to determine “what should be.” It is advisable to discuss criteria with the relevant agency officials to ascertain their views on the reasonableness of the criteria.

Criteria may be found in such sources as

- laws,
- regulations,
- policies,
- written procedures, or
- accepted standards or practices.

Criteria should be

- reasonable,
- attainable, and
- relevant to the matters being evaluated.

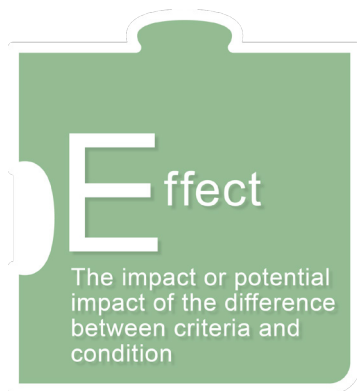
Sometimes, criteria are not well established. In these cases, you may need to develop acceptable criteria that will be convincing to a reasonable person. To develop acceptable criteria, you should ensure it is appropriate and feasible.



**Condition** describes the situation that exists—“what is”—or circumstances that have been observed and documented during the engagement. At a minimum, all reports should include a description of condition. For a descriptive finding, only this element is needed.



**Cause** is the reason something happened or did not happen—the “why.” It is the underlying reason or reasons why things are not working as expected—that is, why the condition varies from the criteria.



**Effect** is the consequence—the “so what.” Effect describes the actual or potential consequences of a condition that varies from the criteria. Determining effect is frequently necessary to stimulate agency action on recommendations. Thus, the determination of effect must be sufficiently convincing.

### How to Develop a Finding

In developing a finding, engagement teams should ensure the finding (1) is consistent with the evidence on which it is based and (2) answers the researchable question. As engagement teams begin to develop a finding, they consider how the evidence collected can enable them to answer a researchable question. The nature and significance of a finding will often determine the type of evidence needed. The more significant a finding is, the stronger the evidence that is needed to support it.