The Tennessee Comptroller’s Office fulfills its mission and demonstrates that government audit work matters.
The Tennessee Comptroller’s Office, division of State Audit, aids the legislature in ensuring that state government is accountable to the citizens of Tennessee. The division conducts financial and compliance audits, performance audits, information systems audits, and attestation engagements. The division also performs special studies to provide the General Assembly, Governor, and citizens of Tennessee with objective information about the state’s financial condition and the performance of the state’s agencies and programs. TeamMate had the opportunity to speak with Aaron Kistler, Legislative Audit Manager with the Tennessee Comptroller of the Treasury, to learn more about his history as an auditor, as well as his experiences using TeamMate.

TeamMate: Tell us about the organization that you represent and your background within the industry.

Aaron Kistler: I work for the state of Tennessee, the Office of the Comptroller of the Treasury. We audit every department and agency that falls under the state level. We have a group that performs Medicaid examinations; a group that handles all our information systems (IS) work; a financial and compliance group that handles our university audits, ACFR, and Single Audits; and a performance and compliance group which completes single audits and performance audits that identify opportunities for the government to operate more efficiently overall.

I’ve been with the Comptroller’s office for a little more than 11 years. I began right out of college and worked my way up to my current position as Legislative Audit Manager. To be honest, before starting here I never thought about entering the public sector. I had a teacher in college that suggested the government was always seeking qualified candidates. After looking into it a bit more, I was shocked at how much the public sector auditing process directly affects and benefits the individual citizens of the state.

We can say that every dollar that we look at has some type of effect on Tennessee citizens. Whether that’s through receiving services from the Department of Intellectual and Developmental Disabilities, or the number of children being served at the Department of Children’s Services. When we do our work, we are helping and protecting the citizens of Tennessee. It’s a real-life situation that hits home for everybody and one that can become very emotional.

TeamMate: That’s an important part of the overall mission. It goes beyond fraud, abuse, and waste. Can you also address how you’re able to help optimize the services that a state, or an agency within the state, provides to your citizens?

Aaron Kistler: What I do is different than the traditional audit work of cash flow statements, balance sheets, or income statements. I’m looking at it from an overall process standpoint. An important part of this process is identifying the mission of each department. We ask ourselves if they are meeting that mission, and how are they meeting it? What that looks like? And then we look more closely at what processes they have. How can we benefit them? How can we identify opportunities where they could be more efficient or where they could save some of those taxpayer dollars?
Applying TeamMate into the equation

**TeamMate:** Let’s discuss your day-to-day workflow and how TeamMate fits into that process.

**Aaron Kistler:** We interview people. We talk to people more than I think anybody realizes. Because of that, we needed a way to be able to document that information. We do that within our working papers and using TeamMate.

Our federal audits are slightly easier because the federal government provides us with additional direction. However, for our performance audits, we develop those specific procedures ourselves. We created a shell of what that looks like, what the structure should be within our working paper system. Our staff rely on traditional Microsoft Word, Excel, and Adobe software to build our working papers.

Prior to 2020, we utilized TeamMate AM, but early in 2021 we converted to TeamMate+ as our audit software. Around this same time, our division started our own data analytics program. Initially, we were looking to see how we could get everybody in the office involved in data analytics, from the most skilled Excel user to the novice-level Excel user. In 2020, during TeamMate Live, I was introduced to TeamMate Analytics. I shared with our Leadership that TeamMate Analytics might be a good product to investigate further, and that it might also be easier for some of our more novice users. Eventually, we bought a license to TeamMate Analytics for everyone in our division, a decision that allowed us to be on the cutting edge, experience greater efficiencies, and continue to lead with the overall push toward more inclusive data analytics auditing.

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A return-on-investment worth noting

**TeamMate:** From an efficiency and return-on-investment perspective, what would you say has been the biggest benefit using TeamMate?

**Aaron Kistler:** From the standpoint of it being able to document when you pull relevant data, TeamMate has absolutely increased our efficiency. It’s documenting processes that our staff would traditionally lean on Excel for. They would often write it down on paper and then convert it into a note in the Excel document. Our staff have told us that TeamMate Analytics has made things much easier for them.

It’s also more than just being about audit trail preservation. It’s about the overall succession planning of the audit. If I document what I did while I’m in the system, and then next year — especially right now with the general job market turnover — I’m not here, the next person that comes in will be able to look at my test work and immediately understand the documentation and the population that was used. It’s something that can be easily recreated so that we’re able to keep the audit process moving forward.

**TeamMate:** Staffing is an issue, and not just in the public sector. It’s not any one function that’s being affected, it’s affecting everybody right now. Because many of your audits are on a cycle, TeamMate is helping you conduct this audit again next year, or the year after. Whatever that cycle may be.

**Aaron Kistler:** Our federal audits — which is our July through January audit cycle — focus on a single audit. We’re in the same agencies every year, so that audit process often stays consistent.

Our performance audits, on the other hand, are a little bit different. Those are on a cycle that’s based upon the General Assembly. We present to the General Assembly our audit results, and then they advise on the timeframe an agency should be extended. Those audits are more challenging and we’re not always doing the same work each time. It often comes down to what’s important to the department right now. What’s the new risk? What’s the next big need for those they serve? Those audits are more difficult and dynamic because they change more frequently. We have been able to ensure that all audits are starting on the same foundation by building out our audit program within TeamMate. This ensures we are all taking the same approach to gathering the information that drives the audit.

Identifying and acknowledging risk

**TeamMate:** Public sector auditing is dynamic and constantly changing. How do you approach this process and still be able to manage what’s important in the context of today’s world?

**Aaron Kistler:** We’ve adapted TeamMate to align with our work practices that better suit the types of audits we perform and the entities we audit. For example, throughout the year our team will capture news articles or other information relevant to agencies within the state. We store those within TeamMate (within the Risk Assessment area) for our auditors to reference when it comes time to plan an audit.

If there’s a news article relating to the Department of Children’s Services, for example, we’ll put those news articles in the risk assessment and attach them to the entity. We can then take that into consideration whenever the next audit is scheduled. We gather that information at the beginning of the audit to better identify the mission-critical areas we want to focus on.

Because we are part of the legislative branch, we also go to our General Assembly and ask what’s important to them. What do they want to know about a particular agency? What are their concerns? For example, there may be concerns regarding the security, staffing, and processes of a specific correctional facility. By looking more closely at one facility, we can then take and apply those findings to all the correctional facilities and examine things from more of a global standpoint, while still addressing the legislature’s original concerns.
Working as a team and getting results with TeamMate

“In those instances, we have started using the TeamMate Expert Analyzer. It gives us the information that we need to better identify potential problem areas that may require closer examination.”

TeamMate: You’ve captured the relevant articles and received input from the legislature. Now it’s time to begin performing an audit. How does your team coalesce?

Aaron Kistler: As auditors, we just want the facts, and we want the audit to turn out however the evidence supports it. I often advise new auditors that we’re not actually looking for problems. We’re not going in with the mindset of finding a problem. Instead, we’re looking at the evidence and whatever the evidence tells us, that’s what our result will be.

In those instances, we have started using the TeamMate Expert Analyzer. It gives us the information that we need to better identify potential problem areas that may require closer examination. We input all the expenditures, run the Expert Analyzer, and it assigns each transaction a grade or a score. This helps us to better identify hidden risks and what we should be taking a closer look at.

Typically, we meet as a group. But the one group that I really haven’t talked about is our data analytics team. We have a team of about 6 people that are primarily focused on data analytics. And what we do is bring them in on the front end, discuss the things we’re looking at, and ask how they can best support the audit process. This team uses TeamMate Analytics or other data analytic programs. The team is also developing automated, data-driven risk assessments that will supplement what the audit teams are already doing in the Expert Analyzer and help the teams better scope their audits.

They are also working on automating processes for us, as well as looking more closely at complete population testing; a task that allows us to better identify high risk and whether there may be indicators of fraud. It’s been a huge benefit for us. We used to do a random sample of the whole population. However, if you’re pulling a random sample of 3,000,000 records, for example, chances are you’re not going to see the problems. Whereas, if you’re pulling from the problems — or the potential problems — you’re able to identify things a lot easier. And that’s made our work more beneficial to the departments that we may be auditing — the General Assembly, the citizens, and the federal government.

Expert Analyzer

The Expert Analyzer is a visual, no-code solution that enables Auditors to put together a workflow of data analytics tests which can be run immediately and scheduled for future use.
“We’re using TeamMate and the issue tracking module to build an issue-finding database that can be easily referenced on future audits and that allows us to identify trends and look for potential common risk areas through event changes, agency changes, federal mandates, and the like. This is setting up future audits to be more targeted and impactful.”

**Multi-dimensional work**

**TeamMate: How is your team using TeamMate Dimensions?**

**Aaron Kistler:** If I’m doing an audit of the Child Care Development Fund (CCDF), for example, which is prescribed through Health and Human Services, we have a Health and Human Services CCDF Dimension and tag everything that’s within those CCDF procedures. That way, any time in the future, if I’m doing another audit of CCDF, I can run a report to better identify all those known issues. I can filter by Dimension and bring everything back for additional analysis.

To take it a step further, we also tag every compliance requirement with a Dimension. So, if I’m doing an audit and I know I have a subrecipient monitoring finding, I can now run a report and obtain all subrecipient monitoring findings that have been drafted in the last five years, regardless of which federal program we took the finding on.

Essentially, we’re using TeamMate and the issue tracking module to build an issue-finding database that can be easily referenced on future audits and that allows us to identify trends and look for potential common risk areas through event changes, agency changes, federal mandates, and the like. This is setting up future audits to be more targeted and impactful.
Looking to the future of public sector auditing

TeamMate: Projecting out the next few years, do you think there will be any dynamic shifts or new paradigms for public sector audit?

Aaron Kistler: Data analytics is what's coming. Our director likes to say, “Either we're going to catch the train, or we're going get run over by the train”. Either way, the train is coming. To some extent, we were lucky enough to grab hold of it as it was going by.

There is a demand for additional testing and to be able to identify more problems. It's one of those examples that either you get in now or you're going to be struggling three years from now when the federal government is mandating these things.

When it comes to government oversight, it's hard to know what people are going to want. I know that there are some states that use data analytics to drive most of their legislative decisions. Tennessee is not one of those states. But I think there's a healthy balance between what data analytics can show me, and what the human interpretation of those analytics may be. I think that's important, and we've got to find that balance between relying on the data's results and relying on our interpretation of the data. We need to make sure that we're finding the right balance based on the context.

Data can show you something, but it may not be what you really need to know. That's just the way it works. There will always be patterns in the data. I may find one, and you may find another one. Making sure we're all on the same page is what's important.

“\textit{I think there’s a healthy balance between what data analytics can show me, and what the human interpretation of those analytics may be.}”

More than just an audit

TeamMate: You've been with the agency for 11 years. What would you say has been your "Golden Audit"? The audit where either you found something that really made a difference, or maybe the one that stands out from all the rest?

Aaron Kistler: What gives me the biggest joy in my job are those audits where I know we're helping someone. Over my 11 years, I have had the opportunity to audit the Department of Intellectual and Developmental Disabilities on 3 occasions. The first audit was shortly after the General Assembly separated them out from the Department of Mental Health and made them a standalone department. In those early years, our audits identified concerns with how many participants were waiting for services. Being able to put that population out in the forefront and identify what the department is doing to help using the newest assistive technology has left a lasting impression on me. I recently completed another audit of the Department of Intellectual and Developmental Disabilities and the department has been able to use our prior audits to obtain additional funding, develop better processes, and utilize better methods to maximize states dollars.

I was also part of a fraud investigation a couple of years ago that is just getting ready to go through the court system. It was a situation where an individual was charging for multiple governmental and non-governmental grants for the same expenditure. In some cases, the individual was quadruple dipping for the same cost. Being a part of that investigation was interesting and really showed me how important our work really is.
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