



National Intergovernmental Audit Forum

441 G Street NW
Room 7814
Washington DC 20548

May 2004

This draft Strategic Plan for the National Intergovernmental Audit Forum is designed to provide a foundation for the Forum's operations over the next several years, 2005 through 2010. It specifies the Forum's mission and core values and discusses the main themes that are likely to be the focus of much of the Forum's activities in the coming years. The plan also contains specific action items, presented in the form of strategies for addressing three key goals:

- Fostering networking, dialogue, and collaboration on current and emerging issues of common interest within the audit community
- Raising the capability and professionalism of audit organizations by advancing audit standards, sharing best practices, and promoting the importance of accountability within government and the audit profession
- Improving the Forum's outreach, management, and impact to assist members in transforming government operations

The National Forum has existed for 30 years as a means for federal, state, and local audit executives to discuss issues of common interest and concern and share best practices. The draft Strategic Plan is designed to make the National Forum as effective as possible. The demands on government generally—and on the audit community in particular—heighten the need to make federal, state, and local audit organizations effective agents for improving government while continually improving the quality of their work.

This Strategic Plan is specific to one component of the Intergovernmental Audit Forum network—the National Forum. The network also includes ten regional forums, each covering several states, allowing collaboration and discussion on a more localized level. While regional audit forums are welcome to use this Strategic Plan as a tool, the plan is not intended to direct or infringe on their operations. At the same time, we recognize the importance of strengthening and enhancing the relationships of the National and Regional Forums to achieve the stated goals.

We look forward to hearing from the entire audit community on this draft Strategic Plan. To make it easier to send your comments to us, we have provided an electronic comment feature that links readers to a comment box on the audit forum website at www.auditforum.org. You should also feel free to contact members of the planning task force.

National Intergovernmental Audit Forum
Strategic Planning Task Force

Gene Dodaro, Co-Chair
Chief Operating Officer
U.S. General Accounting Office
202-512-5600
dodarog@gao.gov

Beryl Davis, Co-Chair
Audit and Evaluation Director
City of Orlando
(407) 246-2678
beryl.davis@cityoforlando.net

Suzanne Flynn
Multnomah County Auditor
Portland, Oregon
503-988-3320
suzanne.flynn@co.multnomah.or.us

Joanne Griggs
City Auditor
Virginia Beach, VA
757-426-5870
jgriggs@vbgov.com

Jerome Heer
Milwaukee County Auditor
414-278-5185
jheer@execpc.com

Scot Loyd
Partner
Swindoll, Janzen, Hawk & Loyd, LLC
620-241-1826
scotloyd@sjhl.com

John Higgins
Inspector General
Department of Education
202-205-5439
john.higgins@ed.gov

John Morgan
Comptroller of the Treasury
State of Tennessee
(615) 741-2501
john.morgan@state.tn.us

George Rippey
Deputy Assistant Inspector General for
Audit
Department of Education
202-205-9741
george.rippy@ed.gov

Richard Norment
Assistant to the Comptroller
State of Tennessee
(615) 401-7882
Richard.Norment@state.tn.us

Kenneth Mead
Inspector General
Department of Transportation
(202) 366-1959
kenneth.m.mead@oig.dot.gov

Cathy Pollino
Director
Oregon State Audits Division
(503) 986-2255
catherine.e.pollino@state.or.us

Barry Snyder
Inspector General
Federal Reserve Board
(202) 973-5003
barry.synder@frb.gov

David Sundstrom
Auditor-Controller
Orange County, California
(714) 834-2456
david.sundstrom@ocgov.com

Bernice Steinhardt
Director
Strategic Planning and External Liaison
U.S. General Accounting Office
202-512-6543
steinhardt@gaio.gov

Edith Pyles
Executive Director
National Intergovernmental Audit Forum
U.S. General Accounting Office
202-512-9582
pylese@gao.gov

Brian Estes
Executive Director
Pacific Northwest Intergovernmental
Audit Forum
Western Intergovernmental Audit
Forum
U.S. General Accounting Office
206-287-4799
estesb@gao.gov

National Intergovernmental Audit Forum Draft Plan

Strategic Plan 2005–2010

Mission: The National Intergovernmental Audit Forum, an association of audit executives from federal, state, and local governments, exists to improve coordination, communication, and cooperation among its members and other accountability organizations in order to address common challenges; enhance government performance, accountability, and transparency; and increase public trust.

Core Values:

- Collaboration
- Professionalism
- Integrity

Themes:

- Governance
- Fiscal constraints
- Human capital
- Homeland security
- Technology
- Global interdependence
- Quality of life issues

Strategic Goals:

- Foster networking, dialogue, and collaboration on current and emerging issues of common interest within the audit community
- Raise the capability and professionalism of audit organizations by advancing audit standards, sharing best practices, and promoting the importance of accountability within government and the audit profession
- Improve the Forum's outreach, management, and impact to assist members in transforming government operations

Intergovernmental Audit Forums: Three Decades of Service

The Intergovernmental Audit Forums, both national and regional, grew out of a need to create better planning and cooperation among federal, state and local government audit organizations. Part of the impetus was a need to address new requirements brought on by passage of such laws as the Intergovernmental Cooperation Act of 1968 and the State and Local Fiscal Assistance Act of 1972. These statutes sought, among other things, to improve the administration of federal grants and share federal revenues with state and local governments. During this period, the Congress specifically charged the U.S. General Accounting Office (GAO) with conducting "a continuous program for the improvement of accounting and financial reporting" in order to arrive at "simplified and more effective accounting, financial reporting, budgeting and auditing requirements."

At the same time, the governmental audit community was about to take a major step in defining how governmental auditing should be done. GAO had been active in developing a set of auditing standards for government agencies, and in 1972 the result was published as the Standards for Audit of Governmental Organizations, Programs, Activities & Functions (Yellow Book). GAO's plan for implementing these standards recognized the need for an organization that could help resolve problems that were anticipated as the audit standards were put to work in the federal, state, and local governments.

The National Intergovernmental Audit Forum, created in 1973, was the result. Created by GAO with the assistance of the Council of State Governments, the Municipal Finance Officers Association (now the Government Finance Officers Association), and other agencies and organizations, the Forum invited the participation of representatives from federal, state, and local agencies. Audit forums were also intended to operate at a regional level, and a pilot test for a regional forum was carried out in Atlanta, where a council of federal regional audit managers had been organized and was holding periodic meetings to exchange information and ideas on their audit operations. Because this council was willing to co-sponsor and serve as a nucleus for an intergovernmental audit group, it was chosen to be the regional prototype.

Today, the Intergovernmental Audit Forums consist of the National Forum and ten regional forums located throughout the United States. GAO provides management and other support to both the National Forum and nine of the regional forums, although they operate independently and separately from GAO. (GAO does not provide management support for the New York/New Jersey regional forum.) The forums represent the only professional organization comprised of federal, state, and local audit executives. Each forum holds one or more meetings during the year, allowing members to network and address common issues facing the audit community. The National Forum currently meets twice a year and operates through an Executive Committee consisting of federal, state, local, and regional representatives with the assistance of an Executive Director.

The Intergovernmental Audit Forums have grown and changed over the years, reflecting developments in the audit profession. The forums serve as a focal point for the audit community as it continues to evolve into a major part of the accountability community—that is, a community responsible not only for enhancing the quality of financial operations, but also for fostering greater responsibility for ensuring that programs are carried out efficiently and achieve results.

Core Values

Collaboration

The National Forum recognizes the interdependency of the audit community and believes in working together in a collaborative and cooperative manner to help leverage resources and provide the most comprehensive and effective services to its members to benefit the American people.

Professionalism

The National Forum exemplifies the highest degree of competence, character, and standards in what we do and how we do it. We value people and believe in creating a learning environment so that members are able to adapt to a constantly changing knowledge environment.

Integrity

The National Forum values honesty and doing what is legally and ethically right at all times. We believe in taking a professional, independent, objective, fact-based, nonpartisan, fair, and balanced approach to all activities.

Themes for the Plan

The seven themes highlighted below are critical issues on which many of the National Forum's efforts will likely be focused during the years covered by this Strategic Plan. Resolving such daunting fiscal and policy challenges requires that the government accountability community provide independent, unbiased, accurate and timely analysis of key issues at hand and, where feasible, develop recommendations to improve government operations and promote positive change. The National Intergovernmental Audit Forum can play a key role in facilitating the dialogue, collaboration, and partnerships necessary to address these challenges.

Governance

Delivery of government programs and services as well as homeland security concerns continue to cut increasingly across traditional boundaries. Many programs, for example, may receive substantial federal funding, but state and local governments have considerable authority for implementing and operating them. Similarly, state and local governments bent on addressing specific problems and responsibilities like transportation mobility, public health, and environmental concerns must often work across a complex network of geographic and jurisdictional boundaries. Concomitantly, fiscal and management challenges faced by each level of government have become increasingly intertwined. This growing interdependence has important ramifications for governance, and it places responsibility on the auditing community not only to provide greater oversight, insight, and foresight, but also to conduct operations in ways that promote greater coordination and transparency. Among other things, this interdependent environment requires the National Forum to work diligently in ensuring common acceptance of, and adherence to, professional auditing standards. It also underscores the need for coordination and in some instances, for collaboration among members who are auditing the same programs at different levels at which they are administered.

Fiscal Constraints

After several years of budget surpluses, the federal government again is facing large and growing budget deficits. The near-term deficit forecasts are daunting—approaching nearly one-half trillion dollars annually. These short-term deficits may be only a prelude to worsening conditions in the longer term, where the overall aging of the population and rising health care costs present significant challenges to meeting the current commitments, let alone new demands. Analysis by many different organizations suggests that without changes to the major retirement and health care programs, the nation will ultimately have to choose between escalating federal deficits and debt, significant tax increases, or dramatic budget cuts in other areas. State and local governments also face structural budget pressures and financial shortfalls. Addressing such issues will require members of the auditing community to articulate the effects of the long-term fiscal imbalance on government at all levels—federal, state, and local. These same pressures will require organizations within the audit community to ensure that their own operations are as efficient as possible, and in this regard, the National Forum can continue to help in providing a focal point for communicating best practices.

Human Capital

The people working for the government are the most important asset in addressing the emerging challenges facing the nation. The aging of the government workforce as well as the growing competition for bright new entrants makes it imperative that government at all levels equip itself with new tools necessary to recruit, retain, and reward talented workers. Analyzing and articulating

these issues will be important for audit agencies. Beyond their significance as the focus of audit organizations' work, human capital issues are also key in the day-to-day operations of Forum participants. Recruiting, training, and retaining talented staffs will be a continuing challenge. The National Forum can serve as an effective conduit for sharing human capital best practices and fostering collaboration among audit agencies on this important issue.

Homeland Security

A few years ago, homeland security was scarcely a blip in the national consciousness; today, it holds a key place. Homeland security is a key theme for the auditing and accountability community for several reasons. First, it is a new—and often major—source of new programs and expenditures, and these new efforts need careful assessment. Second, it can only be accomplished through effective coordination among federal, state, local, and private sector partners and the careful planning and integration of the roles and responsibilities of federal and nonfederal partners. This coordination involves not just military and law enforcement organizations, but also hospitals, laboratories, airports, seaports, and transportation networks. The challenge for the audit community is to leverage scarce resources in promoting effective analysis and oversight of such efforts. Through a sustained intergovernmental dialogue, the National Forum can foster improved oversight by all audit agencies on this difficult issue.

Technology

Information technology is a major force that has altered the way citizens interact with government. The audit community is a key participant in this developing story. One aspect of this participation involves assessing the degree to which the use of technology at all levels of government makes it easier for citizens to obtain information and assistance, identify and obtain services, file applications and taxes, and conduct other transactions with government. A second aspect is security: as organizations become more interconnected, the ability to share data among systems can lead to inappropriate access to medical records, credit histories, and other personal and confidential data. Keeping abreast of ways to assess these dangers is an important function for audit agencies. Information systems are also major investments for government, and audit organizations have an important role to play in assuring that these investments are made wisely. Finally, under governmental auditing standards, the audit community is also charged with ascertaining the validity of information generated through these systems, so that decision-makers and the public can rely confidently on the results. All of these information technology issues will continue to be of concern. Through continuous collaboration and communication, the National Forum can ensure that this complicated issue continues to receive adequate oversight by the auditing community.

Global Interdependence

Just as government entities within the United States have become more interdependent, they also increasingly need to coordinate across national boundaries. The safe flow of goods and capital in the new reality of international terrorism, for example, requires governments both here and abroad to plan, coordinate, and cooperate in new ways. This global interdependence has implications not only for what audit and accountability organizations need to study and report on, but also for how they operate. Diverse and perhaps conflicting national accounting and auditing standards, for example, can make it difficult to assess the effects of various program approaches or the operations of

international and multilateral organizations. The auditing community, both nationally and internationally, can help address such global challenges by continuing to promulgate and promote the use of shared governmental auditing standards. The National Forum can be an effective mechanism for raising concerns about potential conflicts among various auditing or accounting standards that may require resolution.

Quality of Life Issues

Quality of life questions are of concern to the nation—and thus to the audit community—for several reasons. One is the unevenness of the nation’s progress: while large segments of the population enjoy greater economic prosperity and longer life spans, not all Americans and regions of the country have benefited equally. Moreover, prosperity itself has placed greater stresses on the quality of life as increased economic activity is producing more air and highway traffic and heightening concerns about safety and environmental quality. The audit community will need to provide accurate, objective information on these issues and highlight the need for key indicators to assess our national and local position and progress on key economic and social issues. In particular, audit and accountability agencies can play a role in testing and evaluating the data that can help measure progress and direction in these trends. Sharing information through such avenues as the National Forum offers an opportunity to communicate best practices in measurement and evaluation.

Goals, Objectives, and Strategies

This section of the Strategic Plan describes the major goals and objectives of the National Forum over the next 6 years: what the National Forum hopes to accomplish that will fulfill its mission to improve government performance and accountability. The three goals—and underneath them, the specific objectives and strategies—provide a way to translate aspirations into specific steps that can be taken.

Strategic Goal 1

Foster networking, dialogue, and collaboration on current and emerging issues of common interest within the audit community.

The National Forum can help foresee the key issues that need to be addressed by the accountability community and serve as an effective forum and resource for audit organizations in providing access to the vast wealth of members' expertise. The National Forum can also promote the exchange of ideas on common government issues that arise and require response in our very fluid, complex and changing environment. By identifying issues as they emerge, forum members can help bring to policy makers' attention areas that need to be addressed before problems occur. Members can also suggest actions that can be taken to minimize or avert unwanted consequences.

Objective 1.1

Create opportunities for dialogue to identify current and emerging issues affecting government.

The National Forum can bring members together more often and in a way that more directly supports each organization's own strategic planning efforts. Through greater opportunities for discussion, members can also discern areas of common concern and learn from each other.

Strategies

1.1.1 Establish National Forum working groups to focus on key current and emerging issues and identify opportunities for action by the National Forum. Examples could include:

- Short- and long-term fiscal challenges facing all levels of government.
- Homeland security coordination, critical infrastructure protection and computer security.
- Human services, public safety and health care issues.

1.1.2 Periodically host forums of experts to discuss current and emerging issues and, if possible, identify options for resolving the issues and publish meeting summaries.

1.1.3 Establish a mechanism to facilitate the sharing of strategic and tactical audit plans.

1.1.4 Identify emerging issues by monitoring key national trends and initiatives.

Objective 1.2

Maximize opportunities for collaboration among members to address common issues.

Members of the National Forum face many common issues, both in what they audit and issues affecting the members' audit organizations. At the same time, because they come from various levels of government, they bring differing perspectives to these issues that can enlarge each other's understanding. Forum members would benefit from a systematic mechanism to identify opportunities for members to collaborate on common issues. The National Forum is uniquely positioned to act as a catalyst to facilitate collaboration among members from all levels of government.

Strategies

- 1.2.1 Establish a system similar to USAuditNet to facilitate coordination and sharing of key audit contacts and information.
- 1.2.2 Use the National Forum meetings to discuss members' views on critical challenges and future plans.
- 1.2.3 Partner with the regional audit forums to address current and emerging issues.
- 1.2.4 Identify relevant sources of audit planning information.

Strategic Goal 2

Raise the capability and professionalism of audit organizations by advancing audit standards, sharing best practices, and promoting the importance of accountability within government and the audit profession.

Together, audit standards, best practices, and a strong emphasis on the importance of accountability offer opportunities for audit organizations to increase their effectiveness and efficiency. Many members are practicing or are aware of tools and techniques that may benefit others. The interdependency of organizations involved in the National Forum heightens the need for advancing professional standards and sharing innovations in management, methodologies, and tools.

Objective 2.1

Influence the agendas of the standard-setting bodies and advance the awareness of the audit standards to the audit community.

Numerous entities provide oversight for the auditing community and guide the conduct of the National Forum members' audits. Some set standards for the federal government, others for state and local government, and still others for the private sector. Roles for some of the oversight organizations are currently in transition due to the Sarbanes-Oxley Act of 2002. The challenge is to stay current and to adequately understand and implement the standards set by the various entities. The National Forum has played a role in promoting standards in general, but can now also play a role in keeping its members informed, which could in turn lead to influencing the agendas of the standard-setting bodies.

Strategies

- 2.1.1 Establish a liaison within the forum for each standard-setting body.
- 2.1.2 Assign members to monitor and report on the activities of standard-setting bodies to the forum.
- 2.1.3 Communicate the highlights of standard-setting body activities to the regional forums and on the forum websites.
- 2.1.4 Invite a member of the board or a representative of each standard-setting body to participate in forum meetings on a periodic basis.

Objective 2.2

Promote the importance of accountability to governments and to the profession.

The National Forum and the regional forums are represented by the leadership of the government audit community. As a result, this provides a unique opportunity for the National Forum to serve as a role model of professionalism and promote the importance of auditing to the accountability community.

Strategies

- 2.2.1 Develop relationships with other professional organizations and non-auditing professional groups such as the National Association of State Treasurers, the Government Finance Officers Association, etc., with similar interests of the forum.
- 2.2.2 Develop promotional materials for non-audit government officials that describe the nature and values of governmental auditing.
- 2.2.3 Organize a speaker's bureau that could address non-audit professional groups concerning the importance of auditing.
- 2.2.4 Provide information resources to forum members through the website and email of articles, position papers, reports, etc., which promote the value and importance of accountability.

Objective 2.3

Share best practices in government auditing.

Audit organizations can achieve the greatest impact by adopting the best practices of the profession. Best practices incorporate innovations in audit management, methodologies and tools as well as benchmarking audit organization performance. The National Intergovernmental Audit Forum is in a unique position to advance best practices for auditors at all levels of government by creating opportunities for systematic sharing of knowledge.

Strategies

- 2.3.1 Establish an internet resource center (forum website) for government audit best practices. The audit forum website will be expanded to include a collection of publications which highlight innovative audit tools and methodologies as well as research and surveys on government auditing issues.
- 2.3.2 Define and identify best practices employed by their audit organizations. Results will be shared through the audit forum website and distributed to forum members.
- 2.3.3 Incorporate topics related to best practices in future forum agendas.
- 2.3.4 Undertake a forum project to collect information to be used in benchmarking audit organizations.
- 2.3.5 Develop a means to readily identify and access an organization's reports by topic.

Strategic Goal 3

Improve the Forum's outreach, management, and impact to assist members in transforming government operations.

Since the National Forum was created 30 years ago, much has changed in the audit community. New organizations such as the federal Inspectors General were created, many organizations expanded their responsibilities to include performance auditing as well as financial auditing, and organizations increased their influence on government performance beyond financial management. In addition, private sector firms have taken on a greater role in auditing government entities. In light of these changes, the National Forum will need to review its structures and systems to ensure that it can support its mission in a cost-effective manner and is contributing to improved government performance and accountability.

Objective 3.1:

Improve the National Forum's outreach efforts to broaden participation in Forum activities by all audit organizations at all levels of government and by those who work with government auditors.

Given changes to the government audit environment in the past several years, and the need to facilitate communication, coordination, and collaboration across the government audit community, it is appropriate that the National Forum look for ways to broaden participation in the forum to make it more effective and inclusive.

Strategies:

- 3.1.1 Review and update the charter to reflect the current make-up of the accountability community.
- 3.1.2 Communicate with organizations not currently active in the National Forum to solicit their participation in the forum and its activities.

Objective 3.2:

Improve the management and internal operations of the forum to improve its overall economy, efficiency, and effectiveness.

The current governance structure of the National Forum has remained largely unchanged since its inception. To carry out this plan, this governance structure should be reassessed in light of the goals, objectives, and resource requirements of this plan. An evaluation of the National Forum's management structure, resources, and internal operations could identify potential process enhancements and additional resources that could be used. This becomes even more critical as changes in membership and participation are implemented.

Strategies:

- 3.2.1 Analyze the current organizational structure and resources required for implementing and monitoring the strategic plan and for potentially improving the management and operations of the Forum.
- 3.2.2 Review and revamp (where warranted) or develop new management support systems designed to improve the overall efficiency and effectiveness of Forum operations and to make effective use of volunteer efforts of the Forum members.
- 3.2.3 Define the relationship of the National Forum to the regional forums and develop communication protocols to address government auditing issues and forum operations.

Objective 3.3:**Increase the impact of the National Forum in assisting members in transforming government operations to meet current and future challenges.**

The ultimate goal of government auditing is to improve government. Collectively, the impact of the auditing profession can be greater than that achieved through individual audits. The National Forum is in a unique position to affect government operations jointly at all levels of government. If the Forum can capture this strength of the auditing community and act in concert on initiatives, its impact on government and the level of change achieved can be greatly increased.

Strategies:

- 3.3.1 Identify areas where collaboration and a unified approach by the audit community can increase the effectiveness of efforts to transform government operations.
- 3.3.2 To improve accountability, transparency, and government performance at all levels, the National Forum should look for opportunities to discuss and participate, as appropriate, in the government audit community's efforts to achieve those ends through legislation, regulatory proposals, improved accounting and auditing principles and standards, and collaborative audits.
- 3.3.3 Serve as a major source of information and knowledge on government auditing and government accountability that can be used to transform government operations to meet current and future challenges.
- 3.3.4 Foster relationships between the National Forum and other public and private sector organizations and associations to increase the impact of audit organizations' work.
- 3.3.5 Serve as a source for research on effective government operations, government accountability and transparency issues, and government auditing tools and techniques.

Performance Measures

The performance measures for the National Intergovernmental Audit Forum shown below are closely tied to the goals and objectives in the plan¹. Information for many of the measures will be obtained from periodic surveys of the National Forum's membership. These surveys will ask about the members' perceptions, and in some cases, ask also for additional data and documentation. Review of the information gathered will also consider the extent to which the themes are captured in the Forum's activities such as the current and emerging issues discussed at meetings and other collaborative efforts, among other measures.

- Extent to which NIAF members have gained knowledge of current and emerging issues through Forum activities. (Objective 1.1)
- Extent to which collaborative efforts under NIAF auspices have resulted in improved government operations. (Objectives 1.2 and 3.3)
- Extent to which the NIAF has kept its members informed about new developments in audit standards. (Objective 2.1)
- Extent to which the NIAF has represented members' interests and concerns to standard-setting bodies. (Objective 2.1)
- Extent to which NIAF has increased communications to governments and the profession. (Objective 2.2)
- Extent to which members have gained knowledge of best practices through the NIAF and have applied them in their work. (Objective 2.3)
- Extent to which additional organizations become active in NIAF activities. (Objective 3.1)

¹ Performance measures for objective 3.2 have not been developed since this objective pertains to the internal operations of the Forum. It is expected they will be addressed in the implementation phase of the plan.