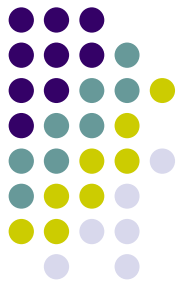


# Challenges Facing the Accountability Community



**Richard L. Fair CGFM, CPA**  
New Jersey State Auditor  
Western IGAF  
August 21, 2007

# *What I Hope to Accomplish*



Discuss Facts About the Audit Profession

Discuss Issues Regarding Our Work Environment

Describe Challenges We Face

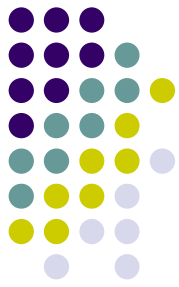
Discuss How We Might Overcome These Challenges

# *THE FACTS*



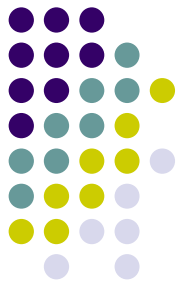
- Auditors are being pressured to do more
- We face a human capital shortfall
- The audit profession is facing a crisis of confidence

# *Accountability Environment*



- Ethical Breakdowns/Governance Failures
- Structural Deficits
- Complexity of Accounting Standards
- Technology Explosion
- The New Worker

# Challenges\*



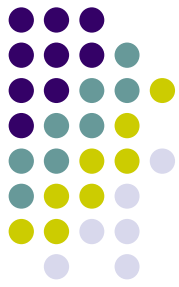
Meeting Expectations

Auditing Standards

Technology

Workforce

# Overcoming Challenges “Expectations”



Defining Users (Current and Future)

Reporting of Problems

Usefulness of the Information

Timeliness of the Information

# Overcoming Challenges “Auditing Standards”



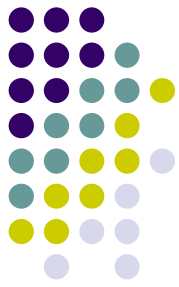
Rules-based vs. Principle-based Standards

Reconciling Standards

Independence/Objectivity

Continuing Education

# Overcoming Challenges “Technology”



Electronic Commerce

Private Networks

Effective Use of Technology

Continuous Auditing

# Overcoming Challenges “Workforce”



Aging Workforce

PhD's

Generational Differences

Creating the Integrated Auditor



## *What's Next?*

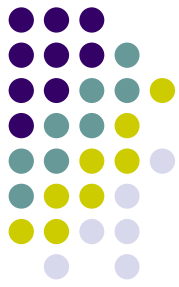
Overcome Fear of Change

Develop Proactive Standards

Improve Outreach

Foster networking and collaboration

***Three Key Ingredients Needed  
for These Challenging and  
Changing Times***



Courage

Integrity

Innovation

# WHAT YOU CAN DO!



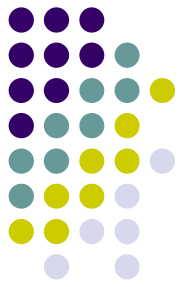
Build an Environment Where Change is Positive and Expected

Stay Mission Focused

Foster Intergovernmental Cooperation

Stay Current with the Profession

Embrace Technology



# QUESTIONS

