

President's Council on Integrity and Efficiency

AUDIT COMMITTEE

**STRATEGIC
PLAN**



**Fiscal Year 2003
October 2002**

President's Council on Integrity and Efficiency Audit Committee

Message from the Chair

On behalf of my colleagues on the PCIE Audit Committee, I am pleased to present the Committee's Strategic Plan, revised for Fiscal Year 2003. The Plan details the Committee's major goals and objectives, and includes key performance indicators against which we will measure our success in the coming year.

The Committee's agenda is aggressive and far-reaching. It is gauged to address head-on some of the most significant issues facing the Federal audit community. Thanks to the commitment of each member and dedicated staff, Fiscal Year 2002 was a productive one for the Committee. During the year, we:

- ✓ Led the federal audit community in key efforts to facilitate the President's Management Reform Agenda. For example, through the Federal Audit Executive Council, we formed a task force to work collaboratively with the Chief Financial Officers' Council to accelerate the financial statement audit and reporting process.
- ✓ Revised the "Guide for Conducting External Quality Control Reviews of the Audit Operations of Offices of Inspector General." The Guide can be accessed at <http://www.ignet.goc/pande/audit.html>
- ✓ Facilitated the PCIE review of Agency Controls Over Social Security Numbers. The results of this multi-OIG effort, expected shortly, has relevance for national concerns such as homeland security and identity fraud.
- ✓ Completed the follow up review of the status of the Department of Defense Office of Inspector General's corrective action plan.
- ✓ Revised the Proposed PCIE Peer Review Assignments, for the next review cycle (2003-2004).
- ✓ Provided oversight to the Inspector General Auditor Training Institute (IGATI). During Fiscal Year 2002, IGATI trained approximately 1,000 auditors. More information on IGATI is available at <http://www.igati.org/>.

We are proud of the Committee's work and look forward to another productive year ahead.

The Honorable Gregory H. Friedman
Inspector General
Department of Energy
Chair, PCIE Audit Committee

The Honorable Phyllis Fong
Inspector General
Small Business Administration

The Honorable Jeffrey Rush
Inspector General
Department of Treasury

The Honorable Gordon Heddell
Inspector General
Department of Labor

The Honorable Everett L. Mosley
Inspector General
Agency for International Development

The Honorable James G. Huse, Jr.
Inspector General
Social Security Administration

John P. Higgins
Acting Inspector General
Department of Education

Kenneth Konz
Inspector General
Corporation for Public Broadcasting

Jane Alenhofen
Inspector General
National Labor Relations Board

John Seeba, Chair Federal Audit
Executive Council

INTRODUCTION

President's Council on Integrity and Efficiency

Established by executive order, the President's Council on Integrity and Efficiency (PCIE) is comprised of all Presidentially-appointed Inspectors General (IG) and representatives from the Office of Government Ethics; the Office of Special Counsel; the Federal Bureau of Investigations; and the Office of Management and Budget (OMB). The Deputy Director for Management at OMB chairs the Council and an IG holds the position of Vice Chair.

The PCIE is charged with conducting interagency and inter-entity audit, inspection and investigation projects to effectively and efficiently deal with government-wide issues of fraud, waste and abuse. The Council accomplishes this through committee activity. Established committees of the PCIE include:

- Audit,
- Inspection & Evaluation,
- Integrity,
- Investigations,
- Legislation, and
- Professional Development

Inspector General members serve as Council representatives on each of the PCIE Committees. The Council continually identifies, reviews, and discusses areas of weakness and vulnerability in Federal programs and operations to fraud, waste, and abuse. It develops plans for coordinated, Government-wide activities that address these problems and promote economy and efficiency. These activities include interagency and inter-entity audit and investigation programs and projects to deal with those problems concerning fraud and waste that exceed the jurisdiction of an individual agency or entity.

AUDIT COMMITTEE GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

Goal: Identify and provide useful, relevant, and cost-effective training for auditors working in the various IG offices.

Objectives

- Oversee Inspector General Auditor Training Institute (IGATI) operations, marketing efforts and curriculum design.
- Provide advice and counsel as warranted.

Performance Measures

- ◆ Hold quarterly status meetings.
- ◆ Track number of auditors trained.
- ◆ Review student evaluation results.

Goal: Adopt standardized guides for auditing areas of interest to multiple government agencies.

Objectives

- Develop guides by establishing working groups to provide for standardized audits.

Performance Measures

- ◆ Issuance of guides where there is an identified need.
- ◆ Savings as a result of standardized audits.

Goal: Provide a continuing resource for the audit community.

Objectives

- Identify and keep abreast of all new and emerging audit issues.
- Develop and communicate PCIE positions on issues that affect the audit community.
- Facilitate establishment of government-wide financial management committees within the agencies
- Facilitate the acceleration of agency financial statement auditing and reporting.

Performance Measures

- ◆ Meet regularly to exchange ideas and information on audit concerns.
- ◆ Host audit forums to convey information to the largest number of interested parties.
- ◆ Post information on IG Net

Goal: Improve overall quality of Single Audit efforts.

Objectives

- Update the Federal Cognizant Agency Audit Organizations Guidelines.
- Ensure the quality of Single audit work.

Performance Measures

- ◆ Issue revised guidelines to facilitate uniformity among Federal audit organizations in discharging responsibilities associated with cognizant and oversight agency assignments.
- ◆ Implement and conduct training on revised guidelines.
- ◆ Coordinate exchange of advance information about scheduled statewide reviews between OIGs to facilitate increased participation on these reviews.
- ◆ Assess the level of single audit quality through a random sample of single audit reports and/or summary reporting by agencies conducting quality control reviews.
- ◆ Initiate a single audit website or linkage with an operation OIG website to provide updated information about single audit.

Goal: Conduct government-wide audits of areas of interest to the Administration, Congress or multiple agencies.

Objectives

- Complete review of Agency Controls Over Social Security Numbers
- Address Administration or Congressional concerns on PCIE Audit Matters.

Performance Measures

- ◆ Reports issued in areas of identified concern.
- ◆ Percent of participation
- ◆ Testimony given or information provided to congressional committees on the results of government-wide reviews.

Goal: Establish and maintain professional standards for OIG operations where needed

Objectives

- Periodically assess existing standards and update accordingly. In addition, periodically assess the audit community's activities and develop standards, as needed, to govern these efforts.
- Revise peer review audit schedules, as appropriate, to ensure proper coverage and oversight.

Performance Measures

- ◆ Reports that assess and update existing standards.