

President's Council on Integrity and Efficiency
AUDIT COMMITTEE

STRATEGIC
PLAN



Fiscal Year 2001

October 2000

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 PCIE Audit Committee's Strategic Plan, revised for Fiscal Year 2001. 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. Of particular note, this year's update discusses specific steps the Committee will take to foster and refine constructive working relationships between agency Chief Financial Officers and Inspectors General. In today's environment, the Executive Branch, Congress, and agency stakeholders all share a common commitment to sound agency financial accountability. As such, one very important goal is assuring good working relationships between CFOs and IGs.

Thanks to the commitment of each member and dedicated staff, Fiscal Year 2000 was a productive one for the Committee. During the year, the Committee

- ✓ Collected, consolidated, and published a compendium of audit "best practices" from Federal Offices of Inspector General. The best practices guide can be accessed at <http://www.ignet.gov/ignet/internal/pcie/pciebp.pdf>.
- ✓ Sponsored a Government-wide audit of non-tax delinquent debt. Sixteen OIGs participated in the review. The resulting report, which is available at <http://www.ignet.gov/ignet/internal/pcie/ndd.pdf>, included a number of recommendations to enhance Federal debt collection.
- ✓ Established a working group to examine the security of the nation's critical infrastructures. Critical infrastructures, as described in a recent Presidential Decision

Directive, are the physical and cyber-based systems essential to the minimum operations of the economy and Government and include telecommunications, banking and finance, energy, transportation, and essential Government services. The working group initiated a multi-phase Government-wide audit of critical infrastructure protection programs. The audit plan and schedule can be accessed at <http://www.ignet.gov/ignet/faec/pciecipi.htm>.

- ✓ Provided oversight to the Inspector General Auditor Training Institute (IGATI). During Fiscal Year 2000, IGATI trained 1400 auditors. More information on IGATI is available at <http://www.igati.org/>.
- ✓ Worked with the General Accounting Office to revise the Financial Audit Manual. A joint GAO/PCIE working group was established to update the manual chapter-by-chapter. Upon completion of this project, scheduled for April 2001, the PCIE community and GAO will have, for the first time, a single reference for auditing agency financial statements.

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 the Treasury

The Honorable Luise Jordan
Inspector General
Corporation for National and
Community Service

The Honorable Lorraine Lewis
Inspector General
Department of Education

Everett L. Mosley
Acting Inspector General
Agency for International Development

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

Hubert Sparks
Inspector General
Appalachian Regional Commission

Fred Zirkel
Inspector General
Federal Trade Commission

Russel A. Rau, Chair, Federal Audit
Executive Council
Assistant Inspector General for Auditing
National Aeronautics and Space Administration

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.
- Work with the General Accounting Office to finalize the Financial Audit Manual (FAM).

Performance Measures

- ◆ Issuance of guides where there is an identified need.
- ◆ Adoption of FAM.
- ◆ 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.

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 Organization 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 Congress or multiple agencies.

Objectives

- Complete reviews of Critical Infrastructure Protection Programs begun in FY 2000.
- Begin work on a follow-up to the FY 2000 consolidated report on non-tax delinquent debt.
- Address Congressional concerns on PCIE Audit Areas.

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: Improve communication between the PCIE and Chief Financial Officer communities regarding agency financial statement audits.

Objectives

- Establish financial statement activities working group.
- Establish “best practices.”

Performance Measures

- ◆ Approval of "best practices" guide, by full PCIE.
- ◆ Establishment of working group charter.
- ◆ Publication of “best practices” guide.