

U.S. Army Audit Agency



FYs 11-15 Strategic Plan



Providing
Solutions for
Army
Challenges



U.S. Army Audit Agency: Providing Solutions for Army Challenges

Our Mission: We serve the Army's evolving needs by helping senior leaders assess and mitigate risk, and by providing solutions through independent auditing services for the benefit of the American Soldier.

Key Issues

Strategic Audit Planning

Fraud Audit Capability

Service Delivery

Client Partnerships

Leadership Development

Recruiting and Retention

Process Efficiencies

Organizational Structure

Internal and External
Communications

Strategic Goals

Valued Service

Provide the right audit support at the right time

Professional Workforce

Cultivate an engaged and high-performing workforce

Organizational Effectiveness and Efficiency

Continuously evaluate internal processes

Strategic Communications

Maintain effective communications throughout the Agency and across the Army

Performance Measures

Strategic Audit Planning

Monetary Benefits

Client Satisfaction

Enterprise Integration

Human Capital Plan
Implementation

Cycle Time

Leadership

Organizational Climate

Support Functions

Professional Development

Quality of Life

Service ~ Ethics ~ Progress



Randall L. Exley
The Auditor General

“We are the Army’s internal auditors. We audit what matters most to Army senior leaders and quickly deliver results in support of Soldiers, civilians, and families.”

I am pleased to present the U.S. Army Audit Agency’s FYs 11–15 Strategic Plan, which is built upon one overarching principle—we are the Army’s internal auditors. We audit what matters most to Army senior leaders and quickly deliver results in support of Soldiers, civilians, and families. The plan outlines our mission, vision, and core values. The strategic goals and objectives included in the plan, and their subtasks, outline specific courses of action we will take to deliver the highest quality audit services to the Army.

This strategic plan replaces the FYs 07–12 plan. We made noteworthy progress in executing that plan and achieved most of its goals. We refined our strategic audit planning process for this plan, placing greater emphasis on collaboration with the Army’s most senior leaders and on use of detailed corporate risk assessment to ensure that our audits focus on significant risks and senior leader priorities. As a result, our plan is fully aligned with the objectives of the Army’s most senior leaders, and our services are more highly valued and sought after than ever before. We know we have achieved great success because we have trained and dedicated professionals doing the job. Accordingly, we will continue to focus on hiring, developing and retaining a well-prepared, intelligent, team-oriented, and engaged workforce. In FY 09, we published our first Human Capital Plan and established goals for inclusiveness, leader excellence, talent management, engagement, and accountability. Those goals are incorporated into this overall strategic plan and we are making great strides in achieving them.

In FY 10, we participated in the Partnership for Public Service’s 2010 survey of the Best Places to Work in the Federal Government, and placed second among 224 participating organizations in our class (Agency Subcomponents). To top it all off, the Secretary of the Army sent a personal e-mail to every member of our workforce congratulating them on this great achievement! I salute our workforce as well for their hard work and dedication and the value they are adding in support of the Army, and its Soldiers, civilians, and families.

As we look to the future, we want to build on past successes by delivering even more value-added service to our customers and further inspiring our already engaged workforce to continue to seek excellence. We will never accept “good enough” as a performance metric. Our leadership corps has established some specific priorities to help achieve our collective goals. We want to continue collaborating with Army leaders at all levels, and to build upon the intensive collaboration with the Army’s most senior political appointees, general officers, and senior executives that we started with this year’s FY 11 audit planning.

*“We will never accept
'good enough' as a
performance metric.”*

We are making significant progress in this area. For example, for the first time, the Secretary of the Army and the Chief of Staff, Army agreed to jointly sign our FY 11 annual plan. This will transform our plan from an Army Audit Agency Plan to the Army's Audit Plan. We are also focused on significantly reducing audit cycle time so that we can deliver recommended improvements to Army leaders much more timely. Additionally, we are emphasizing to Army leaders the importance of timely implementation of our audit recommendations so the Army can achieve greater program effectiveness, significant cost avoidances, process efficiencies, and stronger internal controls. We are putting controls in place to solicit help from the Army's most senior leaders to ensure these changes are sustained over time. We have initiated an internal reorganization to position ourselves to address the priorities of the future. We will begin that reorganization early in FY 11. These actions will improve the governance of both our own operations and the Department, and will be especially critical as the Nation begins to draw down the Army's budget in the aftermath of the Iraq and Afghanistan conflicts.

The FYs 11-15 strategic plan introduces a number of changes from previous plans. Most notably, we added a new goal to highlight the importance of strategic communications. We are also placing greater emphasis on proactive forensic auditing to help prevent and detect fraudulent and wasteful practices. Finally, we revised our key performance measures, consolidating several specific measures to create corporate goals that will provide a more holistic view of our performance.

The Army Audit Agency continues to strive to be a model audit organization and this strategic plan is our roadmap. As with any strategy, the plan's success relies on the support and commitment of every Agency employee. I ask each of you to adopt the plan as your own and take responsibility for doing all you can to help us achieve our goals. Our success is our collective responsibility. As you study the plan, please let me know your suggestions for making the plan even better. We have accomplished much, and we have much to accomplish. Let's get started!



RANDALL L. EXLEY
The Auditor General

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OUR MISSION

We serve the Army's evolving needs by helping senior leaders assess and mitigate risk, and by providing solutions through independent auditing services for the benefit of the American Soldier.

OUR VISION

To be recognized as a model audit organization composed of an engaged workforce of respected professionals, guided by innovation and integrity, helping the Army overcome challenges in high-risk areas.

OUR CORE VALUES

Service

We provide high-quality, client-focused service that is timely and relevant. We accomplish this with a highly diverse workforce that communicates openly while working as a team and commits to professional development through education and experience.

Ethics

We demonstrate integrity, credibility, and commitment to accountability and maintain the independence to perform our mission in keeping with professional standards. In all aspects of our internal operations, we hold ourselves to the same standards that we apply to those we audit.

Progress

We anticipate and adapt quickly to change and institute innovative approaches and techniques. We facilitate this by focusing our efforts on meaningful work and maintaining a culture that supports empowerment and promotes quality-of-life issues.



STATUTORY RESPONSIBILITIES

At the request of the Under Secretary of War, Army Audit Agency was established on 12 November 1946 with the issuance of General Order No. 135. The Agency was placed under the jurisdiction of the Chief of Finance and tasked with maintaining appropriation and fund accounting, maintaining military property accountability, and auditing the accounts of the American Red Cross. With implementation of the DOD Reorganization Act of 1986, the Agency was placed under the sole jurisdiction of The Secretary of the Army. Subsequent General Orders made The Auditor General responsible for internal audit services throughout the Department of the Army, including audit policy, training, followup, and liaison with external audit organizations.

Today, we examine the full spectrum of Army operations and programs to help the Army account for and manage the public resources entrusted to it. Our goal is to maximize our value through timely audit services that focus on the evolving needs of Army leadership.

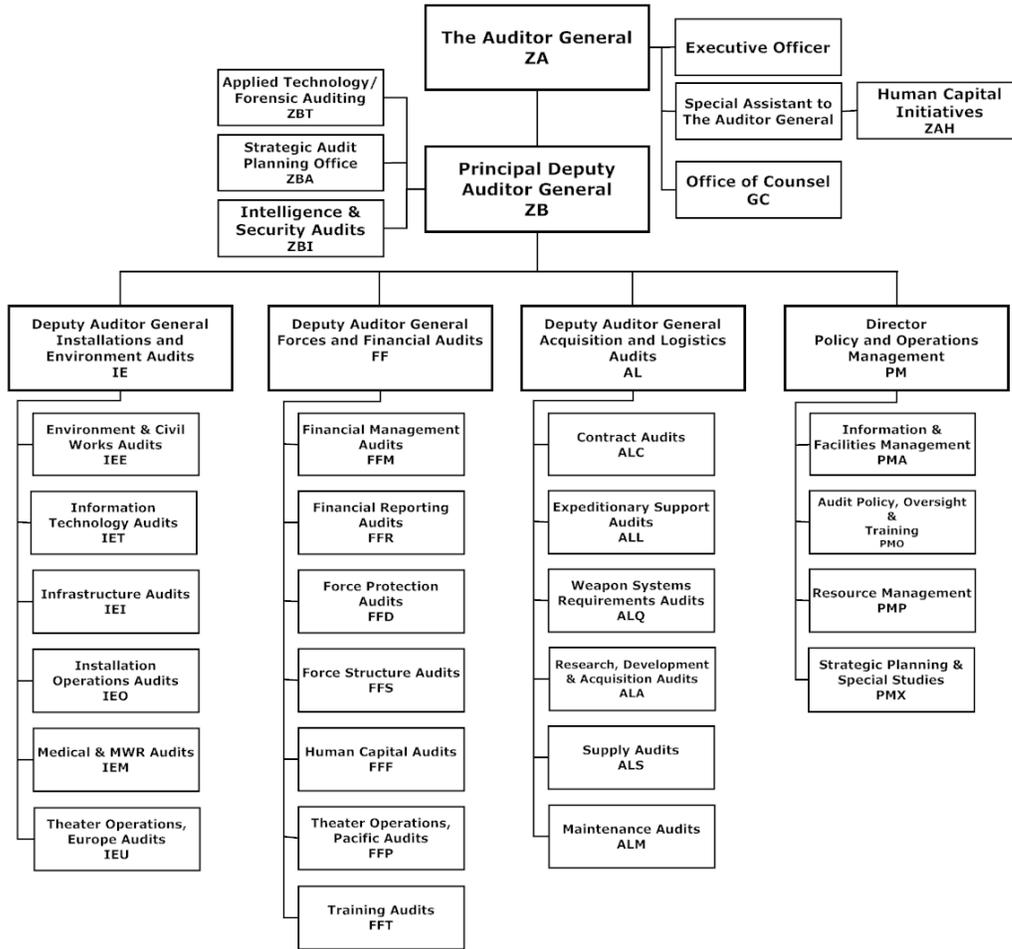
ORGANIZATIONAL STRUCTURE

The Auditor General of the Army, the Principal Deputy Auditor General, and three Deputy Auditors General lead our Agency. The Principal Deputy Auditor General oversees the Agency's strategic planning efforts and all internal support functions. The three Deputy Auditors General oversee audits of various Army functions.

To achieve our strategic goals and objectives, we maintain a workforce of highly trained professionals, many with advanced degrees and certifications. Our staff of more than 600 is organized into 20 functional audit teams and 6 smaller divisions. About 80 employees are based at our operations center in Alexandria, Virginia. The rest are located at 23 field offices – 19 in the continental United States and 4 outside the continental United States (Alaska, Germany, Hawaii, and the Republic of Korea). We also maintain temporary offices in Afghanistan, Iraq, and Kuwait to support overseas contingency operations.



AGENCY ORGANIZATIONAL CHART



AGENCY FIELD OFFICE LOCATIONS



SITUATIONAL ASSESSMENT

In charting the Agency's work over the next 5 years, we analyzed internal and external environmental factors to identify the challenges we face in meeting our strategic goals and objectives. This plan considers many issues affecting the Army and the Federal Government.

Valued Service

One of the most critical challenges the Army currently faces is to restore balance to an Army that has experienced nearly 10 years of persistent conflict. The Army continues to work at restoring that balance through its four imperatives—sustain, prepare, reset, and transform. At the same time, the Army is entering an era of zero budget growth as the U.S. Government deals with increasing deficits. The Secretary of Defense directed the Army to identify \$28.3 billion in efficiencies during FYs 12–16 to help fund equipment modernization initiatives. As fiscal pressures mount, Army leadership will look to our Agency to identify opportunities for savings and efficiencies.

As the Army transforms, the Agency must conduct audits to ensure that programmed changes are effective. Congress has directed the Army to pursue and report on a business transformation initiative to fully implement an integrated management system for the effective and efficient conduct of Army operations. The Army is implementing the following business process changes that will significantly impact the audits we perform.

- ◆ **Army Force Generation (ARFORGEN).** The Army's adoption of the ARFORGEN model and process represents a profound change for the Army. ARFORGEN requires changes to organizations, policies, procedures, processes, and systems that affect how the Army staffs, equips, trains, and funds its operating forces. During this period of change, audit services can provide value to the Army leadership by identifying gaps, conflict, or overlap in policies, procedures, processes, and resources.
- ◆ **Cost Culture.** The Army is adopting a performance-based and outcome-focused paradigm leading to a cost culture able to make tradeoffs based on demonstrated value and cost-benefit analyses. It also requires performance metrics and targets to monitor attainment of goals and objectives. We can expect more requested audits to validate cost-benefit analyses and verify the accuracy of reported metric data.
- ◆ **Capability Portfolio Reviews.** The Army is grouping its core enterprises, such as workforce, installations, and training into as many as 18 capability portfolios that will address all aspects of business operations. The portfolio reviews are chaired by the Vice Chief of Staff, Army, and are currently focused on evaluating processes for requirements determination. The Vice Chief of Staff has expressed a need for significant audit support to the portfolio review process. Results of the portfolio reviews will influence how we plan future audits and communicate our audit results to the portfolio group leaders.
- ◆ **Business Systems Architecture.** The Army is moving toward a single integrated Army management system and has developed a business systems architecture and transition plan to get there. Key objectives of the plan are to ensure that the technology platform supports ARFORGEN and enables Army leaders to make accurate, innovative and effective decisions.

We anticipate a greater need for audits to assess if system developers are complying with the business system architecture. We also have an opportunity to leverage our audit skills to provide added value to Army in support of its data management strategy by assessing data reliability and identifying opportunities for data standardization.

Fraud, waste, and mismanagement have consistently been areas of concern for the Army and the auditors. More recently, the onset of the Information Age and the associated vulnerability to predatory practices, coupled with less oversight and controls (especially in overseas contingency operations), has increased the opportunity and incidence of fraudulent activity. To help the Army counter this threat, we must expand our forensic audit capabilities and partner with other Army investigative organizations to minimize losses and prevent future occurrences.

Discussions with senior Army leaders also identified numerous areas where audit support can provide both immediate and long-term support to accomplishing the Army mission. The Secretary of the Army and the Chief of Staff, Army, along with other senior Army officials have requested support on several high-risk and sensitive issues such as contracting, property accountability, funding for ground combat vehicles, and much more. We must address these issues and maintain continuous communications with the senior leaders to help the Army accomplish its most challenging and complicated missions.

Professional Workforce

To support our Army at war and develop viable solutions to increasingly complex issues, we need an innovative workforce with the necessary competencies to deliver on our mission. The Army's competency-based human capital strategy requires us to identify mission-critical competencies, assess workforce proficiency levels, identify gaps, and develop closure strategies. As the Army develops automated tools to support its strategy, we must reexamine our internal processes and automation capabilities. Our recruitment, development, and retention strategies will be revised to center on competencies required to perform essential duties of each position as the Army's strategy unfolds and Office of Personnel Management, DOD, and Army policies are updated.

The U.S. workforce is more diverse than ever before and will continue to grow in all facets of diversity – race, nationality, gender, parental status, education, generation. This diverse environment will present challenges, such as differing generational values and expectations, that will require our leaders to acknowledge and value differences and foster an inclusive environment. The Army issued its diversity vision and policy in April 2009, which further emphasize the importance of diversity awareness and formal training and outreach efforts.

We're also facing increasing retirement eligibility among our workforce, particularly in our leadership and supervisory positions. More than half of our program directors and nearly one-fourth of our audit managers are eligible to retire or will be eligible in the next 5 years. Whether these employees actually retire impacts our succession planning efforts. The Army Enterprise Program, which includes centralized selection and promotes cross-functional leadership experiences, will also impact how we fill our leadership positions in the future.

The Agency may experience increased competition and potential losses due to base realignment and closure (BRAC). As activities relocate and facilities close in FY 11, we may have employees retire early or seek employment elsewhere. Due to the limited flexibility in pay setting under the General Schedule for new employees, we'll also be challenged to compete with other employers to recruit highly talented employees. A turn in the economy may also impact our ability to retain a highly skilled workforce.

Our human capital programs, policies, and practices must appeal to today's workers who seek to balance work-life issues while still finding personal satisfaction and meaning in their work. To equip them with the skills necessary to keep up with rapid changes and increasing complexity, we must provide opportunities for lifelong learning.

Organizational Effectiveness and Efficiency

The Agency must continuously seek to improve the effectiveness and efficiency of our operations to ensure that we have enough resources to perform our mission and meet the needs of our Army clients. As overseas contingency operations in Iraq and Afghanistan continue, coupled with the Federal Government's focus on decreased spending, the Agency must do its part to conserve resources. To make the most of the limited available resources, we will continue our longstanding focus on continuous process improvement. We must refine our processes to ensure maximum efficiency, thereby reducing non-value-added activities while increasing the value, quality, and timeliness of our services. We also need to emphasize efforts to conduct audits more efficiently by decreasing our cycle time so that our recommendations are timely and relevant.

Although faced with increasing budgetary constraints such as BRAC (which includes closing, downsizing, opening, and enlarging certain field offices), we're determined to operate efficiently and be logistically located to aid Army leaders effectively. To ensure that we are providing value-added support, we must periodically review our organizational structure to stay aligned with Army priorities. We plan to increase the number of senior leaders in our operating audit directorates to reduce their span of control and increase our ability to be more efficient. This will also enable us to have a closer working relationship with our clients, thereby better understanding Army leadership and Soldiers' challenges to help them solve critical mission issues.

Additionally, as the Army continues to fight terrorism on a global scale, we must remain diligent at keeping our vital information secure. With the advancement of the digital age, information security and automation are essential to maintaining effective and efficient operations. During the FYs 11-15 period, the Agency will focus on automating audit support processes to increase the efficiency and productivity of our support teams.

Strategic Communications

The Agency views strategic communications as one of its top priorities. Indeed, we have added this as a fourth strategic goal to highlight this mission-critical capability. As we continue to increase our presence within the Army community, our primary goal is to develop a wide-ranging strategic communications plan. The plan must provide a directional framework for communicating targeted messages to key internal and external audiences. It must focus on the importance of two-way communication in understanding the needs of our key

customers and of our workforce. The Office of the Chief of Public Affairs has pledged its support in developing this plan.



We also want to develop marketing and branding strategies to expand our presence and visibility. These strategies should utilize professional concepts and techniques as needed and will be incorporated into the overall strategic communications plan. This combination of multilayered communications, marketing, and branding will ensure that we deliver clear, meaningful information to our clients and to our workforce.

GOAL I: VALUED SERVICE

*Provide the right audit at the right time
to improve Army operations and continue to be
a highly sought-after resource that's an integral part of the Army.*

The intent of this strategic goal is to maintain our status as a highly sought-after and integral part of the Army and to ensure that our services are aligned with the Army's highest priority focus areas to maximize our return on investment to the Army. We want to maximize our partnerships by providing timely, actionable information to our clients. This will enhance our capability to deter and detect fraud, expand our range of audit products and services, and leverage Army expertise to enhance our audit capabilities to help Army leaders make informed decisions.

Our strategic objectives and performance goals in this area focus on maximizing our resources to conduct the highest priority audits, providing timely and valued services that improve the Army by doing the right audits at the right time and achieving desired results.



Strategic Objectives and Performance Goals

Strategic Objective 1.1 *Strategic Audit Plan*

Performance Goal 1.1.1

Continuously perform risk assessments across the Army enterprise to identify high-risk areas and senior leader concerns and incorporate them into the Strategic Audit Plan.

Performance Goal 1.1.2

Provide the highest priority audit coverage as determined by Army clients and internal risk assessments.

Performance Goal 1.1.3

Ensure that recommendations are implemented effectively and Agency resources are used efficiently.

Strategic Objective 1.2 *Fraud Audit Capability*

Performance Goal 1.2.1

Expand the Agency's emphasis and capability to perform proactive fraud audits and provide fraud-oriented and forensic audit support.

Performance Goal 1.2.2

Improve partnering with investigative and legal agencies to facilitate knowledge sharing about fraud within the Army.

Performance Goal 1.2.3

Develop an Armywide fraud prevention strategy and implementation plan for deterring fraud.

Strategic Objective 1.3 *Service Delivery*

Performance Goal 1.3.1

Expand the range of audit products to more effectively deliver information to clients.

Performance Goal 1.3.2

Develop a broad-based client satisfaction measurement program that captures and incorporates feedback from all activities involving client relationships.

Strategic Objective 1.4
***Enterprise Integration
and Partnerships***

Performance Goal 1.4.1

Strengthen our partnership with leaders and decision-makers through membership and participation in key Army integration activities.

Performance Goal 1.4.2

Develop a process to leverage the use of external functional experts, when appropriate, to enhance audit capabilities.

Performance Goal 1.4.3

Develop a strategy to partner with functional oversight activities for continuous monitoring and auditing of high-risk processes and controls.



Staff from the Government Accountability Office, the DOD Inspector General's Office, and Army Audit Agency worked together in support of Operation Iraqi Freedom.

Strategies for Goal I

Strategic Audit Plan

To ensure that we're providing the right audit support at the right time to improve Army operations, we link our Strategic Audit Plan to the Army's four imperatives—sustain, prepare, reset, and transform. Our Strategic Audit Plan is a living document that guides our audit selection process. We're making concerted efforts to brief senior Army leaders on our audit program and to solicit input before publishing and implementing the plan. This will help ensure that we're using our resources effectively to help the Army accomplish its mission. As we receive requests for audits and as Army priorities change, we'll revise our plan and shift resources to remain responsive.

Our Strategic Audit Planning Office will continuously gather, analyze, and translate Army strategic information into usable data for all Agency personnel. The office will do enterprisewide risk assessments to identify the highest risk areas and key issues the Agency should address in its audits. Program directors will use this information to develop and refine audit issue areas and assign resources for specific audit coverage. We'll document this process in a formal regulation.

The Agency will assess various methods for selecting and executing our followup mission. We'll do an overall review to determine the most efficient means of conducting followup work while continuing to meet requirements. Our focus will be on the implementation of our recommendations by command and on the success of those recommendations in achieving desired results.

Fraud Audit Capability

We're taking a more proactive approach to address deterring and reducing fraud in the Army. We'll expand and improve how we detect and deter fraud by establishing a forensics audit team.

We plan to expand our partnerships with other Army organizations that address fraud issues to act as a force multiplier in this area. We'll continue to partner with U.S. Army Criminal Investigation Command for fraud risk assessments and we'll identify additional organizations to work with on this increasingly important area.

We seek to play a pivotal role in shaping an Armywide fraud awareness program to educate personnel and institute fraud prevention controls at all levels.

Service Delivery

A process action team will be chartered to study the options for expanding our range of audit products to more effectively deliver information to our clients. The team will identify our customer needs, define criteria for using other audit products, and develop guidelines for using products other than standard audit reports.

To further ensure that we're meeting client needs, we'll expand on our current client satisfaction surveys and develop a broad-based client satisfaction program. The current program solicits feedback when an audit is finished. We'll develop additional methods for gathering client and stakeholder feedback throughout the audit cycle and in other interactions with them. We're also meeting with senior Army leaders routinely to solicit their feedback on audit plans and audits conducted.

Enterprise Integration and Partnerships

We'll continually look for opportunities to strengthen our partnerships with clients and to deliver timely, pertinent information to Army leaders. We'll increase our participation in key activities, such as Army and Joint task forces, working groups, and committees. We'll also seek opportunities to share our message and to support Army initiatives through various means, such as instructing at Army schools, accepting speaking engagements, writing articles for Army publications, attending special events, and making command courtesy visits.

When appropriate, the Agency will increase its use of functional experts from the Army and other organizations to augment our audits. This will help increase our understanding of various audit subjects and help us focus our audit objectives and scope on the most relevant audit areas.

We'll also develop a strategy to partner with functional oversight offices to help us monitor and audit high-risk processes and controls. Developing this strategy will include defining parameters of continuous oversight and establishing guidelines and other expectations of how this monitoring will be implemented. We also plan to develop a process to continuously monitor key recommendations with Internal Review or other oversight offices for high-risk or high-priority audits.



Agency employees Eric Tichay and Monique Ferrell forging working relationships with General David Petraeus and Rear Admiral Kathleen Dussault in Afghanistan.

GOAL 2: PROFESSIONAL WORKFORCE

Cultivate an engaged and high-performing workforce that maximizes our ability to deliver on our mission.

The intent of this strategic goal is to ensure that the Agency maintains a talented, professional, and engaged workforce that can meet our mission today and into the future. The Agency has long recognized the value of its most important resource – its people. In 2010, the Agency was rated as one of the Best Places to Work in the Federal Government, placing second among 224 organizations participating in the program. While such recognition is laudable, we also understand that, like many Federal organizations, we face significant human capital challenges and increasingly complex work. To support our Army at war, we need a workforce equipped with the knowledge, skills, abilities, and behaviors that will let us develop viable solutions to increasingly complex issues.

The Agency developed its first comprehensive Human Capital Plan in 2009 to address these workforce challenges. The plan's guiding principle is to professionally develop everyone to his or her fullest potential in an inclusive environment that inspires innovation and peak performance. The plan depicts a life-cycle, competency-based human capital strategy addressing four main areas – acquire, develop, lead, and retain. We're also participating as a pilot organization in the Army's Competency-Based Management Program and expect this will have a significant impact on our human capital planning efforts.

The strategic objectives and performance goals that follow are representative of our Human Capital Plan strategies and initiatives. Each strategy within the plan includes identified metrics to measure our success in achieving our human capital goals. Timely execution of the Human Capital Plan will allow us to achieve our human capital goals, keep our workforce engaged, and maximize our ability to deliver on our mission through our people.



Strategic Objectives and Performance Goals

Strategic Objective 2.1 **Leadership and Professional Development**

Performance Goal 2.1.1

Implement a competency-based management program that identifies mission-critical competencies, tracks individual progress, identifies gaps, and links to the Agency's training and development programs.

Performance Goal 2.1.2

Create a leadership development strategy that includes an effective succession management program.

Performance Goal 2.1.3

Promote an environment of continuous learning by encouraging and supporting professional development.

Strategic Objective 2.2 **Recruiting and Retention**

Performance Goal 2.2.1

Develop expanded recruitment strategies aimed at closing current and future competency gaps.

Performance Goal 2.2.2

Implement an effective onboarding program designed to fully engage new employees, accelerate their path to productivity, and increase overall job satisfaction.

Performance Goal 2.2.3

Develop a retention strategy that addresses key factors affecting employee turnover and is aimed at closing current and future competency gaps.

Performance Goal 2.2.4

Achieve a mission-focused workforce that is engaged and satisfied.

Performance Goal 2.2.5

Establish a diversity management program to encourage a culture of inclusiveness.

Strategies for Goal 2

As FY 09 witnessed the development of the Agency's first comprehensive Human Capital Plan, the process by which this plan was developed will be added to Agency regulations to maintain its effectiveness and accuracy. The Human Capital Plan will be continuously revisited and revised as needed. Formal updates will occur biennially in conjunction with the programmed review of, and updates to, the Agency Strategic Plan.

Leadership and Professional Development

To reach our ultimate goal of enhancing our ability to deliver on our mission, we must professionally develop everyone in our Agency to his or her fullest potential. Five of our Human Capital Plan initiatives support the professional development of our workforce; an additional four are focused specifically on leadership development.

To develop a competency-based management program, we began using the Army's Competency Management System in April 2010 to identify mission-critical competencies for all positions and to identify gaps. We'll continue to participate in an Army Competency Management System pilot program to ensure that our leaders have the tools to identify workforce competency gaps and develop closure strategies that link to our Agency's individual development program process as well as to training and development programs.

To complement formal training, we rely on our leaders to develop the workforce through on-the-job training and mentoring. Due to retirements and other turnover in these positions over the past 5 years, the average years of experience for our leaders has declined dramatically. In addition, more than half of our program directors and nearly one-fourth of our audit managers will be eligible to retire in the next 5 years. To make sure we have a pipeline of future leaders capable of developing the workforce, we'll create a leadership development strategy that includes an effective succession management program.

To foster an environment of continuous learning, we'll continue to improve our in-house training courses and to support advanced degree programs. We'll also promote professional certifications and employee membership in professional organizations and networks.

Recruiting and Retention

As part of an ongoing effort to attract quality candidates, we'll execute recruiting initiatives to develop a strong employer brand, expand our recruitment to include mid-career hiring, assess the effectiveness of our internal recruiting program, determine our return on investment for recruiting activities, automate our onboarding process, and develop criteria for assigning work to new employees.

To retain the high-quality workforce that we've recruited and developed, we'll continue to track and analyze retention trends, identify potential reasons for turnover, and utilize available retention tools as necessary. We'll continue to support our Mentor Program to improve recruitment and retention and to increase communication across the different layers of the Agency. We'll ensure that our workforce programs and policies are easy to comprehend and effective at addressing issues through a complete review of Agency human capital policy.

To foster an environment in which everyone can perform at peak effectiveness and individual differences are valued, we'll also establish a diversity management program.

We'll continue to support programs and policies that allow employees to balance work-life issues, such as telework, alternative work schedules, family and medical leave, and employee assistance programs. Furthermore, in support of Army's wellness vision, our Agency's Employee Council will develop a health promotion strategy. We'll monitor satisfaction with these work-life balance programs at least annually and make necessary improvements based on workforce feedback and mission needs.



The Auditor General Randy Exley (center) and Deputy Auditor General Joe Bentz (far left) with participants in the Agency's Mentor Program at a workshop in Annapolis. The program provides additional growth opportunities for newer employees to be mentored by more experienced staff.

GOAL 3: ORGANIZATIONAL EFFECTIVENESS AND EFFICIENCY

Operate a highly effective and efficient organization that continuously evaluates internal processes and embraces change to increase our value to the Army.

The intent of this strategic goal is to ensure that internal Agency operations are as effective and efficient as possible. Our goal is to maximize our value to the Army. To fully support an Army at war, we must provide timely, accurate, and valuable information to Army leadership to help them make informed decisions. Therefore, this area increases our focus on continuous process improvement by streamlining our audit and audit support processes to increase the value, quality, and timeliness of our services and products.

Our strategic objectives and performance goals in this area are holistically focused on reducing cycle time so we can get information to the warfighter expeditiously. The Agency is putting processes in place to provide information to Army leadership as quickly and as efficiently as possible.



Strategic Objectives and Performance Goals

Strategic Objective 3.1 *Audit Process*

Performance Goal 3.1.1

Improve the audit process to maximize efficiency and significantly reduce cycle time.

Performance Goal 3.1.2

Enhance audit planning and research processes to assist in defining audit objectives and scope.

Performance Goal 3.1.3

Assess the availability of, and the need to develop, internal expertise to support the audit process.

Performance Goal 3.1.4

Identify and assess additional tools to enhance project management processes.

Performance Goal 3.1.5

Test and deploy a new automated working paper system.

Performance Goal 3.1.6

Improve client and stakeholder support and participation throughout the audit process.

Performance Goal 3.1.7

Develop and implement a measurement process to assess the quality of audit products.

Strategic Objective 3.2 *Support Processes*

Performance Goal 3.2.1

Develop a comprehensive knowledge management plan to maximize knowledge sharing throughout the Agency.

Performance Goal 3.2.2

Provide innovative, streamlined professional support services to facilitate executing the audit mission.

Performance Goal 3.2.3

Provide all staff with appropriate tools, technology, and a professional working environment to facilitate mission accomplishment.

Strategic Objective 3.3
Organizational Structure

Performance Goal 3.3.1

Assess the Agency's organizational structure to ensure that it is properly positioned to deliver timely, valued services and to optimize client relationships.

Performance Goal 3.3.2

Assess the concept and structure of the standard audit supervisory unit to maximize personnel utilization and service delivery.

Performance Goal 3.3.3

Develop a staffing strategy for maintaining a robust expeditionary audit capability for the mid- and long-term.



Strategies for Goal 3

Audit Process

We plan to conduct an end-to-end review of the audit process and several related procedures to identify and eliminate functions or tasks that don't add value. Some examples of practices and procedures to be addressed include:

- ◆ Enhancing the audit planning and research process to develop concise audit objectives and scope.
- ◆ Strengthening the effectiveness of milestone decision gates used throughout the audit process.
- ◆ Reducing the likelihood of performing unnecessary and non-value-added audit steps.
- ◆ Training auditors on Army systems and processes and developing internal experts on systems to help complete audits more quickly.
- ◆ Adopting and implementing project management tools and techniques that will assist with time management, resource scheduling, and workload distribution.

Based on the findings of a recent Lean Six Sigma study, we plan to transition to the TeamMate® automated working papers system. We'll begin these efforts in FY 11.

Strong working relationships and access to people and information are critical to the success of any audit engagement. To minimize lost resources, we'll assess the impact of nonproductive time due to an inability to gain access to people and data. Additionally, we'll develop and implement mechanisms to educate clients and stakeholders on their roles in the audit process before starting an audit engagement.

To measure the quality of our products and to ensure that we're providing the right solutions in a timely way, we'll develop a tool to rate the overall quality of each audit report. This tool will provide the mechanism to measure some of the subjective elements involved in producing audit reports.

Support Processes

To enhance Agency knowledge sharing, we plan to fully develop and implement a knowledge management plan that supports Agency and Army needs. This will promote greater understanding and use of information sharing, both internally and externally.

The Agency's professional support personnel do a wide variety of functions ranging from human resource support to information technology support and facilities management. As many positions are one-deep with limited cross-training, vacancies create significant capability gaps and lost institutional knowledge. These issues are the focus of a Human Capital Plan initiative to assess current workflow processes. We'll identify and eliminate tasks that don't add value to mission accomplishment and identify and automate administrative processes to alleviate burden where possible.

In 2005, the Agency's organizational realignment along with BRAC resulted in office expansion, reduction, and closure plans that will continue to be executed through 2011. As a result, we've closed the Atlanta Field Office and opened new field offices at Fort Richardson, Alaska; and at Fort Benning, Georgia, in FY 09. In FY 11, we plan to close offices at Fort Monmouth, New Jersey; and Fort Monroe, Virginia. Staff at these offices will relocate to Aberdeen Proving Ground, Maryland; and to Fort Eustis, Virginia. Additionally, the operations center in Alexandria, Virginia, will be moving to Fort Belvoir, Virginia. Further, we'll continue to perform routine maintenance and upgrades to our technology to support the changing technological environment.

Organizational Structure

The Agency continuously reviews its organizational structure to ensure that we're capable of meeting the Army's needs. We also need to make sure that our structure is flexible enough to adjust as needed to meet requirements, optimize client relationships, and enhance information delivery. We plan to update our current strategies to defend our resource requirements and operate as efficiently as possible to accommodate growing requests for support from Army leaders. The Agency will also assess the number of its operating directorates and audit divisions in light of Army organizational changes, command relocations resulting from BRAC, and span of control for Agency leaders. Further, the Agency will study the configuration of supervisory units and their success in maximizing personnel utilization and service delivery.

To maintain mid-term and long-term robust audit capability for the Expeditionary Support Audits Division (which provides down-range audit support), we plan to develop a comprehensive staffing strategy. This strategy will identify staffing needs for the team and consider a full range of staffing factors, such as personal and professional rewards and tour length. We'll also evaluate the effects on other audit teams and their involvement in expeditionary audit efforts.



The Auditor General and Deputy Auditor General Joe Mizzoni met with Fort Bragg Field Office staff in North Carolina in 2010.

GOAL 4: STRATEGIC COMMUNICATIONS

Maintain open lines of communication and project a distinctive professional image that delivers our message throughout the Agency and across the Army enterprise.

The intent of this strategic goal is to increase the Agency's presence within the Army community and maintain two-way communications throughout the Agency. To do so, our primary goal is to develop a formal strategic communications plan. The plan will provide a framework for communicating targeted messages to key internal and external audiences. Effective communication plays a vital role in actions like building trust and credibility with our clients, establishing long-term relationships with our clients, and managing external and internal conflict.

We will also develop marketing and branding strategies to expand our presence and visibility throughout the Army. External and internal communications policies will also be detailed in the plan to ensure that the Agency delivers clear and meaningful information to our Army clients and our workforce.



Fort Carson Field Office staff, Colorado Springs, Colorado.

Strategic Objectives and Performance Goals

Strategic Objective 4.1 **Strategic Communications Plan**

Performance Goal 4.1.1

Assess methods and strategies to ensure that the Agency delivers clear, meaningful information to Army clients.

Performance Goal 4.1.2

Develop clear, consistent methods of communication across the organization to facilitate an engaged and informed workforce.

Strategic Objective 4.2 **Marketing and Branding**

Performance Goal 4.2.1

Expand Agency presence and visibility throughout the Army.

Performance Goal 4.2.2

Develop a strategy to establish a distinctive brand for Agency documents, publications, and other forms of communication.



Strategies for Goal 4

Strategic Communications Plan

The Agency is developing a strategic communications plan with support from the Army Office of the Chief of Public Affairs. The plan will help us deliver a consistent and meaningful message to our Army clients and employees. The plan will integrate internal and external communication processes at all levels to promote the cohesion and coherence of the Agency and to advance our interests and objectives.

We will focus on key external audiences and the products we'll use to get our message to Army leadership and key customers and stakeholders. We recognize the importance of two-way communication and of understanding our key customers' needs. Agency leaders will seek every opportunity to emphasize the Agency's important mission and service we offer to the Army and its Soldiers. Effective communication ensures clear, consistent messages.

Marketing and Branding

We plan to develop a marketing strategy to expand the Agency presence and visibility throughout the Army. We'll develop a common theme for leadership and the entire workforce to use when marketing the Agency's services. To do so, we'll review our operations to identify vehicles currently available and also identify additional tools and outlets to communicate common themes and messages.

Our branding will be accomplished in tandem with our professional workforce goal through a Human Capital Plan initiative. The corporate branding will be covered in the strategic communications plan. The Agency will develop a brand that will represent the organization's values, mission, and vision that form our identity. This brand will represent the public face of our business strategy to the Army and to the public.



Auditor Donald Kinsey (Fort Belvoir, Virginia, Field Office) was deployed to Iraq as a member of the Maryland National Guard before joining the Agency.



CORPORATE PERFORMANCE MEASURES

This plan incorporates a three-level scoring system to measure progress toward meeting organizational goals and objectives. Our strategic goal is to achieve level I (exceptional) for all performance measures.

Key:

Level I – Significantly exceeds expected performance.

Level II – Meets or slightly exceeds expected performance.

Level III – Performance is below minimum expectations and improvements are needed to get performance back on track.

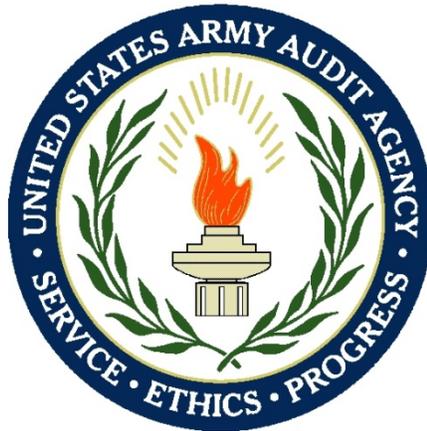
Measure	Performance Levels		
	Level I	Level II	Level III
Strategic Audit Plan <i>Percentage of engagements in Strategic Audit Plan requested or agreed to by senior leaders</i>	90%	80%	<80%
Monetary Benefits			
<ul style="list-style-type: none"> ◆ <i>Return on investment (ROI) (computed as a ratio of monetary benefits compared to Agency annual operating costs)</i> ◆ <i>Percentage of reports issued that identified formal and additional monetary benefits</i> ◆ <i>Percentage of monetary benefits realized</i> 	<ul style="list-style-type: none"> \$20:1 ROI 20% of reports 75% monetary benefits realized 	<ul style="list-style-type: none"> \$10:1 ROI 10% of reports 65% monetary benefits realized 	<ul style="list-style-type: none"> <\$10:1 ROI <10% of reports <65% monetary benefits realized
Recommendations Implemented <i>Percentage of past recommendations implemented within 2 years of the fiscal year in which the report was issued</i>	80%	70%	<70%
Client Satisfaction <i>Composite score of overall client satisfaction surveys and additional sources of client and stakeholder input</i>	80% overall	70% overall	<70% overall
Enterprise Integration <i>Cumulative time invested in actively participating in Army task forces, working groups, and committees as well as attending ceremonies and events</i>	1,500 hours	1,000 hours	<1,000 hours
Human Capital Plan Implementation <i>Progress toward achieving human capital goals measured as a percentage of plan initiatives completed within established timeframes</i>	TBD	TBD	TBD

Measure	Performance Levels		
	Level I	Level II	Level III
Audit Cycle Time			
◆ <i>Percentage of audits with draft report delivered within 300 elapsed days*</i>	70%	60%	<60%
◆ <i>Percentage reduction in average elapsed days to deliver final reports compared to prior year</i>	10% (FY 11) 5% (FYs 12-15)	5% (FY 11) 3% (FYs 12-15)	<5% (FY 11) <3% (FYs 12-15)
Direct Time <i>Percentage of total Agency time directly charged to audits</i>			
	80%	70%	<70%
Leader Excellence** <i>Satisfaction with qualities and performance of leaders and managers</i>			
	80%	70%	<70%
Workforce Engagement** <i>Satisfaction with the work environment and overall job satisfaction</i>			
	80%	70%	<70%
Support Functions** <i>Satisfaction with internal support functions and whether they help employees get the job done</i>			
	80%	70%	<70%
Talent Management**			
◆ <i>Satisfaction with training to meet career development and continuing professional education needs</i>	80%	70%	<70%
◆ <i>Percentage of workforce with advanced degrees/professional certifications/membership in professional organizations</i>	25%/35%/45%	20%/30%/40%	<20%/30%/40%
Quality of Life** <i>Assessment of how working conditions and schedules affect employees' quality of life</i>			
	80%	70%	<70%

* This is the FY 11 performance level. Performance level percentages shall increase each year by 5 percent through FY 15.

** Ratings reflect composite score from related workforce survey questions.

Providing Solutions for Army Challenges



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