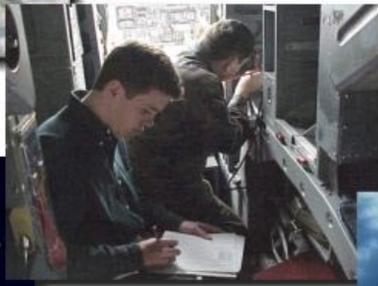


AIR FORCE AUDIT AGENCY STRATEGIC PLAN



*Fiscal Years 2003-2007
Vision for the Future*





DEPARTMENT OF THE AIR FORCE
WASHINGTON DC 20330-1000

OFFICE OF THE SECRETARY

29 October 2002

MEMORANDUM FOR ALL AFAA PERSONNEL

FROM: SAF/AG

SUBJECT: Air Force Audit Agency Strategic Plan

I am pleased to present the Air Force Audit Agency Strategic Plan. In developing the plan, we considered major trends and future assumptions as they pertain to the Air Force and the internal audit profession. The plan is focused on the next five years, and the challenge the future presents.

As you are aware, the internal auditing profession is evolving. We are seeing a renewed interest on independent, objective audit as a key management control. Yet, at the same time we need to provide management with other services to help manage risk.

The strategic objectives in this plan focus on our customer, the United States Air Force. We must continue to provide our customer high quality audit service and, within the parameters of generally accepted government auditing standards, offer new and innovative services. In pursuing this goal, we will rely on the considerable talents and creativity of our members. With this support, I know we will provide our clients world-class audit services for this planning period and into the future. I solicit your full participation as we implement this strategic plan.

A handwritten signature in black ink, appearing to read "James R. Speer".

JAMES R. SPEER
The Auditor General

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Air Force Audit Agency Strategic Plan

MISSION

VISION

VALUES

MISSION



AIR FORCE

Defend the United States and protect its interests through air and space power.

AUDIT AGENCY

Provide all levels of Air Force management with independent, objective, and quality audit services that include:

Reviewing and promoting economy, effectiveness, and efficiency of operations

Evaluating programs and activities and assisting management in achieving intended results

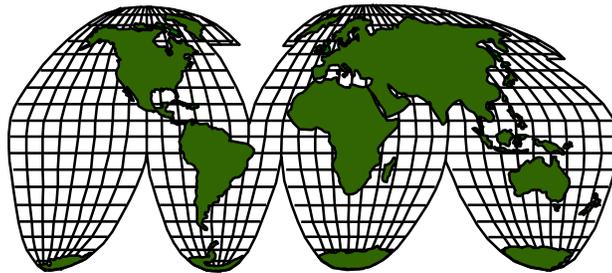
Assessing and improving fiduciary stewardship and the accuracy of financial reporting

VISION



AIR FORCE

**Global Vigilance,
Reach, and Power**



AUDIT AGENCY

**World-class audit services
supporting the
Air Force mission.**

VALUES



Integrity

Service

Excellence

The AFAA is committed to the Air Force core values – Integrity, Service before self, and Excellence in all we do.

Integrity is the inner voice, the source of self-control, and the basis for the trust that is imperative in today's total Air Force team. It's doing the right thing when nobody is looking. AFAA actions, without exception, will be open, fair, balanced, and credible.

Service before self is when every member of the Air Force team realizes that his or her individual needs will be subordinated to the needs of the nation. AFAA personnel will be fully dedicated and flexible to meeting Air Force needs anywhere, anytime.

Excellence is a moral obligation to excel in all we do. The AFAA will be professional, innovative, and responsive.



Air Force Audit Agency Strategic Plan

THEMES

THEME 1: CUSTOMER SUPPORT



We exist to serve our primary customer, the United States Air Force. We will sustain and improve support to our primary customer through independent, objective, timely audit services that result in quality products.

Strategic Objective 1.1. Within the parameters of generally accepted government auditing standards, provide a variety of services and products based on the Agency's responsibilities as an internal audit organization and Air Force needs/desires.

Goal 1.1.1. We will spend the predominance of our direct audit time performing financial and performance audits at all Air Force management levels.

Metric 1.1.1.1. Apply between 85 and 95 percent of direct time to audit services.

Metric 1.1.1.2. Apply, AFAA-wide, at least 60 percent of direct audit time to centrally directed audits.

Metric 1.1.1.2a. Centrally directed audit divisions will apply 99 percent direct time to centrally directed audits and non-audit services.

Metric 1.1.1.2b. Area audit offices will apply 50 percent direct time to centrally directed audits.

Goal 1.1.2. We will provide our customer with a variety of other products and services such as training services, management advisory services, control self-assessments, and participation as advisors on management teams when requested.

Metric 1.1.2.1. Apply between 5 and 15 percent of direct time to non-audit services.

Strategic Objective 1.2. Focus audit resources on areas that are important to our customers and that contribute to the Air Force mission.

Goal 1.2.1. We will identify customer needs through interaction with Air Force management at all levels.

Metric 1.2.1.1. At least annually, Associate Directors will meet with their respective Headquarters Air Force (HAF) and functional OPRs, Major Command (MAJCOM) Representatives will meet with Command Directors, and Office/Team Chiefs will meet with Wing Commanders.

Metric 1.2.1.2. Include in audit plans at least 30 percent requested and 100 percent discussed/briefed audit subjects.

Metric 1.2.1.3. Respond to 100 percent of customers' audit requests by either including them in the audit plan or explaining why they are not included.

Strategic Objective 1.3. Provide value-added services and products to our customers.

Goal 1.3.1. We will provide well-written reports that address issues of high interest to Air Force officials.

Metric 1.3.1.1. Achieve a report quality assessment (internal) of at least 17 on Air Force-level audit reports and 16 on installation-level reports.

Goal 1.3.2. We will produce audit products that provide our customers a high degree of satisfaction.

Metric 1.3.2.1. Achieve an overall Process Effectiveness Survey (customer) average score of 4.2 or better on Air Force-level and installation-level products.

Goal 1.3.3. We will communicate with management continuously during the audit cycle to improve the timeliness and effectiveness of corrective actions.

Metric 1.3.3.1. Produce at least 50 percent of audit reports with a completed corrective action before report issuance.

Goal 1.3.4. We will provide timely services and products required by management to make informed decisions.

Metric 1.3.4.1. Achieve a Process Effectiveness Survey (customer) average score of 4.2 or better for timeliness of Air Force-level and installation-level products (Survey Question 3).

Metric 1.3.4.2. Provide audit results by the original planned draft report to management milestone at least 15 percent of the time in fiscal year 2003 and 55 percent of the time by fiscal year 2007.

Metric 1.3.4.3. Provide management advisory service results by the original planned completion date milestone at least 35 percent of the time in fiscal year 2003 and 75 percent of the time by fiscal year 2007.

THEME 2: PROFESSIONAL WORKFORCE



AFAA will maintain a workforce that views the AFAA as an employer of choice. We will recruit, develop, and retain a highly skilled and motivated workforce that will provide world-class audit service to our Air Force customers.

Strategic Objective 2.1. Recruit a high quality diverse workforce.

Goal 2.1.1. We will achieve a culturally represented workforce consistent with census data for the profession.

Metric 2.1.1.1. Meet or exceed the parity numbers for the profession.

Goal 2.1.2. We will maintain an effective recruitment program.

Metric 2.1.2.1. Maintain at least 50 Student Career Experience Program (SCEP) trainees in the AFAA workforce.

Metric 2.1.2.2. Convert 70 percent of SCEP trainees annually.

Metric 2.1.2.3. Recruit and fill all allocated Palace Acquire positions annually.

Metric 2.1.2.4. Recruit personnel from other sources to maintain a 100 percent work-year execution rate.

Strategic Objective 2.2. Provide training, work experience and other opportunities for continuing education and professional development within available resources.

Goal 2.2.1. We will provide quality training for developing and enhancing core competency skills.

Metric 2.2.1.1. All auditors achieving journeyman status will have completed the Standardized New Auditor Plan.

Metric 2.2.1.2. Auditors will accomplish audit work in at least four functional areas before achieving journeyman auditor status.

Metric 2.2.1.3. Achieve an internal feedback (students) overall average of 4.2 or better for each course evaluation.

Metric 2.2.1.4. Achieve an external feedback (trainee supervisors) overall average of 4.3 or better for each course.

Metric 2.2.1.5. Curriculum committee members will meet every 24 months to review and improve course materials based on student course evaluations and changes in work environment.

Goal 2.2.2. We will provide timely training for developing and enhancing core competency skills.

Metric 2.2.2.1. On average, new auditors hired under the traditional hiring method will attend Professional Auditor Training School – Entry Level (PATSEL) within 6 months of assignment.

Metric 2.2.2.2. New SCEPs will, on average, attend PATSEL within 9 months of assignment.

Metric 2.2.2.3. Auditors will, on average, attend Communication school within 6 months of attending PATSEL.

Metric 2.2.2.4. Auditors will, on average, attend Intermediate school within 24 months of attending Communication school.

Metric 2.2.2.5. Audit managers will, on average, attend Audit Manager School within 6 months of assignment.

Metric 2.2.2.6. Supervisors will, on average, attend Supervisor’s School within 6 months of assignment.

Goal 2.2.3. We will identify and schedule opportunities for timely training related to specific audits.

Metric 2.2.3.1. Achieve an average score of 3.5 or better on Performance Plan Measurement Survey (PPMS) Question 11.

Goal 2.2.4. We will encourage and provide, to the maximum extent possible, opportunities for AFAA members to pursue off-duty education and professional development.

Metric 2.2.4.1. Achieve at least 50 percent of audit staff with advanced academic degree(s).

Metric 2.2.4.2. Achieve at least 50 percent of audit staff with one or more professional certifications recognized by FMCP.

Metric 2.2.4.3. At least 50 percent of auditors will have completed one or more professional education courses.

Metric 2.2.4.4. At least 40 percent of auditors will have completed one or more Professional Military Education courses.

Metric 2.2.4.5. Achieve at least 70 percent of audit staff with memberships in one or more professional organizations.

Strategic Objective 2.3. Maintain a work environment conducive to employee retention.

Goal 2.3.1. We will maintain an environment of inclusion that values diversity and fosters mutual respect.

Metric 2.3.1.1. Achieve an average score of 3.75 or better on PPMS Question 20.

Goal 2.3.2. We will promote and encourage participation in the Mentoring Program.

Metric 2.3.2.1. Achieve at least 80 percent participation of targeted new employees in the Mentoring Program.

Goal 2.3.3. We will be an employee-friendly Agency by offering such quality-of-life options as flexible work schedules, telework, and business casual dress, when appropriate.

Metric 2.3.3.1. Achieve an average score of 3.75 or better on PPMS Question 21.

Goal 2.3.4. We will reward and publicize outstanding performance and professional accomplishments of Agency members through AFAA awards and recognition programs.

Metric 2.3.4.1. Achieve an average score of 3.5 or better on PPMS Questions 5 - 8.

THEME 3: ORGANIZATIONAL ENVIRONMENT



We will be a highly productive, cost-effective organization maximizing our resources through efficient work processes, technology, and communication.

Strategic Objective 3.1. Use available resources to provide effective audit services to all levels of Air Force management. Recognizing both traditional and new audit products/services, track productivity through a product equivalent measure.

Goal 3.1.1. We will provide a substantial number of audit products/services to all levels of Air Force management.

Metric 3.1.1.1. Annually, provide at least one product equivalent per audit manager and four product equivalents per installation-level auditor (3.7 per QLR auditor, and 4.1 per FSR and SPR auditor) to Air Force management.

Goal 3.1.2. We will expend the majority of available audit hours on efforts in direct support of audit projects.

Metric 3.1.2.1. Expend at least 60 percent of available time in direct support of audit projects.

Goal 3.1.3. Our audits will concentrate on identifying areas of improvement for Air Force management.

Metric 3.1.3.1. Produce at least 87 percent audit reports with findings.

Strategic Objective 3.2. Maintain an organization that is cost-effective, providing substantial savings and return on investment for the Air Force.

Goal 3.2.1. We will identify significant issues that result in cost savings allowing the Air Force to better use available funds.

Metric 3.2.1.1. Identify potential monetary benefits of at least \$1 billion per year.

Metric 3.2.1.2. Identify potential monetary benefits in at least 20 percent of audits.

Goal 3.2.2. We will provide savings to the Air Force that far exceed our cost of operations, thereby resulting in a substantial return on investment for the Air Force.

Metric 3.2.2.1. Achieve an Agency return on investment of at least 15:1.

Strategic Objective 3.3. Perform detailed analysis of our work processes, allowing us to provide more timely results to our customers. Continually explore technology initiatives and reengineer audit processes to reduce cycle time and increase productivity.

Goal 3.3.1. Through process improvements and technology initiatives, we will reduce cycle time.

Metric 3.3.1.1. Reduce cycle time by 10 percent over the next 5 years (2 percent per year). By FY 2007, complete projects within average cycle times of 285 days for CDAs and 122 days for installation audits (135 days for QLR audits, and 118 days for SPR and FSR audits).

Goal 3.3.2. We will use computer assisted auditing tools and techniques (CAATTs) to perform audit reviews of large amounts of data.

Metric 3.3.2.1. By FY 2007, use CAATTs in 25 percent of audits.

Goal 3.3.3. We will use statistical sampling to efficiently evaluate data and project results over the entire universe.

Metric 3.3.3.1. Use statistical sampling in 20 percent of our CDAs and 10 percent of our local audit projects.

Strategic Objective 3.4. Maintain an organization that promotes open communication at all levels.

Goal 3.4.1. We will maintain an organization in which employees at all levels have open communications and are kept well informed of ongoing changes and events within the AFAA and the audit profession.

Metric 3.4.1.1. Achieve an average score of 4.0 or better on PPMS Questions 1 - 4.



Air Force Audit Agency Strategic Plan

TRENDS AND ASSUMPTIONS

TRENDS AND ASSUMPTIONS



This strategic plan attempts to look over the horizon and identify where we, as an Agency, want to be by FY 2007. Looking into the future, we recognize some things are largely beyond our control. However, to the extent possible, we have identified trends that we believe will continue. Further, we have made assumptions about the future that we believe will directly affect our strategic plan and our methods of doing business.

Downsizing could occur. Base realignment and closure exercises or mission realignments within the Air Force may require downsizing or other adjustments within AFAA.

Modified residency concept will continue. We believe our clients receive better audit service with locally assigned auditors. Accordingly, we will continue to place auditors as close to the client as possible.

Funding constraints may occur. Future budgets for travel and operations may be constrained, thus requiring innovation and work arounds.

Technology advances will continue. Technology advances will provide opportunities for more efficient audits, produced faster and communicated to our customers more efficiently.

Audit services will remain important. As the Air Force changes, audit services will continue to be important for providing management with information for making decisions; identifying risk; and preventing/detecting fraud, waste, and abuse.

Chief Financial Officers (CFO) Act workload will change. Our commitment to CFO audits will transition to resolving underlying problems that preclude rendering an audit opinion.

Potential Monetary Benefits will remain important. Air Force management and Congress will look to audits for savings and funds put to better use.

Emphasis on competitive sourcing will grow. Pressure will continue for contracting out government activities, including audit. Our ability to satisfy key clients plus the efficiency and cost of our operations could affect the ultimate outcome.

Emphasis on joint operations will continue. Within DoD as a whole and in the audit community, emphasis on joint operations will continue. AFAA will continue joint planning with DoDIG and be involved in joint audits.

Air Force operations tempo will remain high and the mission will evolve. The Air Force will continue to evolve into new missions and concepts of operations such as homeland security, the expeditionary Air Force, information protection, space, chemical and biological warfare, laser weapons, unmanned aerial vehicles, and the national missile defense. The AFAA must remain flexible to ensure we continue providing tailored audit coverage focused on the most important Air Force missions.

Work force management will be a challenge. The AFAA will need to closely monitor work force issues such as personnel turnover, recruitment, retention, and base closures. A maturing work force, strong economy, and changing Air Force mission will directly affect our ability to staff our audit workload. The AFAA must focus on personnel staffing and allocation issues to ensure we can continue supporting the Air Force with world-class internal audit services.

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Air Force Audit Agency Strategic Plan

ANNEXES

ANNEX 1: METRIC METHODOLOGY



Note: Unless otherwise specified, metrics will be measured at and reported from lowest to highest possible level and are applicable beginning in FY 2003.

THEME 1: CUSTOMER SUPPORT

Strategic Objective 1.1.

Goal 1.1.1.

Metric 1.1.1.1. Measures the percentage of direct time spent on audits. AFAA Operations Directorate (AFAA/DO) will compute using data from the Defense Audit Management Information System (DAMIS).

Metric 1.1.1.2. Measures the time spent on centrally directed audits (CDAs) as a percentage of total direct time. AFAA/DO will compute using data from DAMIS.

Metric 1.1.1.2a. Measures the time spent on CDAs as a percentage of total direct time by CDA Divisions only. AFAA/DO will compute using data from DAMIS.

Metric 1.1.1.2b. Measures the time spent on CDAs as a percentage of total direct time by Area Audit Offices only. AFAA/DO will compute using data from DAMIS.

Goal 1.1.2.

Metric 1.1.2.1. Measures the percentage of direct time spent on non-audit services. AFAA/DO will compute using data from DAMIS.

Strategic Objective 1.2.

Goal 1.2.1.

Metric 1.2.1.1. Measures interaction with audit clients. Associate Directors, Major Command (MAJCOM) Representatives, and Office/Team Chiefs will document discussions during the reporting period fiscal year and report to the

appropriate Assistant Auditor General (AAG) who will provide the information to AFAA/DO upon request.

Metric 1.2.1.2. Measures the percentage of annual plan topics requested and discussed with management. Associate Directors and Office/Team Chiefs will report to the AAGs the total number of planned audits, number of requested audits and number of planned audits discussed with management. AAGs will report information to AFAA/DO upon request.

Metric 1.2.1.3. Measures the percentage of audit requests to which we responded. Associate Directors and Office/Team Chiefs will report to the AAGs the total number of requested audits, the number included in the plan, and the number we declined and provided management an explanation. AAGs will report information to AFAA/DO upon request.

Strategic Objective 1.3.

Goal 1.3.1.

Metric 1.3.1.1. Compute the average by dividing the total number of points by the number of reports. AFAA/DO will compute for CDAs and appropriate AAGs will report installation-level data to AFAA/DO upon request.

Goal 1.3.2.

Metric 1.3.2.1. Compute the overall survey average by dividing total number of points by the total number of responses. AFAA/DO will compute for CDAs and appropriate AAGs will report installation-level data to AFAA/DO upon request.

Goal 1.3.3.

Metric 1.3.3.1. Compute the average by dividing the number of reports with at least one corrective action completed during the audit by the total number of audit reports issued. AFAA/DO will compute using data from DAMIS.

Goal 1.3.4.

Metric 1.3.4.1. Compute the average by dividing the total number of points for the applicable question by the total number of responses. AFAA/DO will compute for CDAs and appropriate AAGs will report installation-level data to AFAA/DO upon request.

Metric 1.3.4.2. Compute the average by dividing the number of audit products completed as of the original planned draft report to management milestone by the

total number of audit products completed. AFAA/DO will compute the results. The targets for each fiscal year are as follows:

FY03	FY04	FY05	FY06	FY07
15%	25%	35%	45%	55%

Metric 1.3.4.3. Compute the average by dividing the number of management advisory service products completed as of the original planned completion date milestone by the total number of management advisory service products completed. AFAA/DO will compute the results. The targets for each fiscal year are as follows:

FY03	FY04	FY05	FY06	FY07
35%	45%	55%	65%	75%

THEME 2: PROFESSIONAL WORKFORCE

Strategic Objective 2.1.

Goal 2.1.1.

Metric 2.1.1.1. Compare the number of AFAA personnel in each represented group to current representation depicted by appropriate census data. AFAA Resource Management Directorate (AFAA/RM) will compute and report the results to AFAA/DO upon request.

Goal 2.1.2.

Metric 2.1.2.1. AFAA/RM will report the results to AFAA/DO upon request.

Metric 2.1.2.2. AFAA/RM will report the results to AFAA/DO upon request.

Metric 2.1.2.3. AFAA/RM will report the results to AFAA/DO upon request.

Metric 2.1.2.4. AFAA/RM will compare the number of personnel recruited by all sources to the work-year execution rate and will report the results to AFAA/DO upon request.

Strategic Objective 2.2.

Goal 2.2.1.

Metric 2.2.1.1. Compare the number of final AFAA Forms 43, *Training Progress Reports*, awarding journeyman status to the number of associated completed Standardized New Auditor Plans (SNAPs). AFAA/RM will report results to AFAA/DO upon request.

Metric 2.2.1.2. AFAA/RM will retrieve information from completed SNAPs and report results to AFAA/DO upon request.

Metric 2.2.1.3. AFAA/RM will compute the average course evaluation score per class and report results to AFAA/DO upon request.

Metric 2.2.1.4. AFAA/RM will send questionnaires to trainee supervisors, receive completed questionnaires, and compute the average score per class and report results to AFAA/DO upon request.

Metric 2.2.1.5. AFAA/RM will report committee meeting dates to AFAA/DO upon request.

Goal 2.2.2.

Metric 2.2.2.1. Upon request, AFAA/RM will report to AFAA/DO the number of new auditors hired and their assignment and PATSEL attendance dates. Compute the average by summing the number of months between the assignment dates and course attendance dates and dividing by the total number of new auditors.

Metric 2.2.2.2. Upon request, AFAA/RM will report to AFAA/DO the number of SCEPs hired and their assignment and PATSEL attendance dates. Compute the average by summing the months between the assignment dates and course attendance dates and dividing by the total number of new SCEPs.

Metric 2.2.2.3. Upon request, AFAA/RM will report to AFAA/DO the number of auditors and SCEPs attending Communication school during the year and their PATSEL and Communications school attendance dates. Compute the average by summing the months between PATSEL and Communications school attendance dates and dividing by the total number of new auditors and SCEPs.

Metric 2.2.2.4. Upon request, AFAA/RM will report to AFAA/DO the number of auditors attending Intermediate school during the year and their Communications school and Intermediate school attendance dates. Compute the average by summing the months between Communications and Intermediate school attendance dates and dividing by the total number of new auditors.

Metric 2.2.2.5. Upon request, AFAA/RM will report to AFAA/DO the number of new audit managers and their assignment and Audit Manager school attendance dates. Compute the average by summing the months between the audit manager assignment date and Audit Manager school attendance dates and dividing by the number of new audit managers.

Metric 2.2.2.6. Upon request, AFAA/RM will report to AFAA/DO the number of new supervisors and their assignment and Supervisor school attendance dates. Compute the average by summing the months between the assignment dates and Supervisor school attendance dates and dividing by the number of new supervisors.

Goal 2.2.3.

Metric 2.2.3.1. AFAA/DO will compute the Performance Plan Measurement Survey (PPMS) Question 11 average by dividing the total number of points by the total number of responses.

Goal 2.2.4.

Metric 2.2.4.1. Upon request, AFAA/RM will report to AFAA/DO the number of audit staff assigned and the number with advanced academic degrees. Compute by dividing the number of individuals with degrees by the total number of audit staff assigned.

Metric 2.2.4.2. Upon request, AFAA/RM will report to AFAA/DO the number of audit staff assigned and their professional certifications. Compute by dividing the number of individuals with certifications by the total number of audit staff assigned.

Metric 2.2.4.3. Upon request, AFAA/RM will report to AFAA/DO the number of audit staff assigned and the professional education courses attended during their career. Compute by dividing the number of professional education course graduates by the total number of audit staff assigned. Professional education courses consist of education courses/schools related to the Air Force, the audit environment, and management and executive development such as Professional Military Comptroller School, Aerospace Power Course, Aerospace Basic Course, Financial Management Staff Officer Course, Executive Leadership Development Program, Federal Executive Institute, Industrial College of the Armed Forces, and Harvard Senior Executive Fellows Program. AFAA/RMT will decide whether other courses meet criteria.

Metric 2.2.4.4. Upon request, AFAA/RM will report to AFAA/DO the number of audit staff assigned and their professional military education degrees. Compute by dividing the number of PME graduates by the total number of audit staff assigned. Professional Military Education courses consist of the four military schools preparing Air Force officers for leadership positions: Squadron Officer School, Air Command and Staff College, Air War College (or other Services' equivalent), and the National War College.

Metric 2.2.4.5. Upon request, AFAA/RM will report to AFAA/DO the number of audit staff assigned and their professional organization memberships. Compute by dividing the number of auditors belonging to professional organizations by the total number of audit staff assigned.

Strategic Objective 2.3.

Goal 2.3.1.

Metric 2.3.1.1. AFAA/DO will compute the average of responses to Question 20 on the PPMS.

Goal 2.3.2.

Metric 2.3.2.1. Targeted new employees include SCEPs and GS-05 - GS-11 auditors assigned to AFAA in the current Fiscal Year. (Excludes personnel hired within last 60 days to allow time for them to join the program.) AFAA/RM will report the data to AFAA/DO upon request.

Goal 2.3.3.

Metric 2.3.3.1. AFAA/DO will compute the average of responses to Question 21 on the PPMS.

Goal 2.3.4.

Metric 2.3.4.1. AFAA/DO will compute the average of responses to Questions 5 - 8 on the PPMS.

THEME 3: ORGANIZATIONAL ENVIRONMENT

Strategic Objective 3.1.

Goal 3.1.1.

Metric 3.1.1.1. Measures the number of product equivalents per assigned auditor. AFAA/DO will compute using data from DAMIS.

CDA Product Equivalents: Measures the number of CDA projects that result in a product to Headquarters Air Force (HAF) or major command (MAJCOM) officials. CDA Product Equivalents consist of audit reports issued, completed management advisory service (MAS) projects, completed other CDA products, and completed control self-assessment (CSA) projects in the current fiscal year (FY). Audit reports receive 1.0 point, MAS and other CDA products receive .25 to .75 points based on their length and complexity (see below), and CSA projects receive .125 points.

MAS and Other CDA Product Computation: A completed CDA MAS or other CDA product will receive the following product equivalents based on total project hours:

- Less than 800 hours = .25 product equivalent
- 800 - 1,199 hours = .50 product equivalent
- 1,200 hours or more = .75 product equivalent

NOTE: AAGs may, in coordination with AFAA/DO, award a higher product equivalent if they believe the project was especially significant or the effort required was not accurately reflected in the hours charged.

Installation-Level Product Equivalents: Measures the number of installation-level projects that result in a product to installation commanders or other installation officials in the current FY. The Area Audit Office receives 1.0 product equivalent for audit reports issued (regular, special, Commanders Audit Program, and interim), completed locally-initiated MAS projects greater than 40 hours, completed CDA MAS assists greater than 40 hours, and completed CDA data gathering/assist projects greater than 40 hours.

Goal 3.1.2.

Metric 3.1.2.1. Measures the number of direct hours expended on audit projects as a percentage of all hours (indirect and direct) charged. AFAA/DO will compute using data from DAMIS.

Goal 3.1.3.

Metric 3.1.3.1. Measures the number of audit reports with finding(s) as a percentage of all audit reports issued. AFAA/DO will compute using data from DAMIS.

Strategic Objective 3.2.

Goal 3.2.1.

Metric 3.2.1.1. Measures the total dollar amount of auditor-estimated PMB in audit reports issued. AFAA/DO will compute using data from DAMIS.

Metric 3.2.1.2. Measures the number of audit reports issued with auditor-estimated PMB as a percentage of all audit reports issued. AFAA/DO will compute using data from DAMIS.

Goal 3.2.2.

Metric 3.2.2.1. Compares the total auditor-estimated PMB in audit reports issued to the AFAA FY operating costs, expressed as a return on every dollar spent. AFAA/DO will calculate the metric using PMB data from DAMIS and operating cost data provided by AFAA/FM upon request.

Strategic Objective 3.3.

Goal 3.3.1.

Metric 3.3.1.1. Measures the reduction in audit cycle time by comparing the current FY cycle time to the targets established for each FY as follows:

	FY03	FY04	FY05	FY06	FY07
CDAs	308	302	297	291	285
QLR audits	146	143	140	138	135
SPR/FSR audits	128	125	123	120	118
Installation audits	132	127	127	124	122

The cycle time measures calendar days expended (less suspended days) for projects from project start (Milestone 1.0) to the date the draft report is released to management (Milestone 2.8) for audit reports issued. AFAA/DO will compute using data from DAMIS.

Goal 3.3.2.

Metric 3.3.2.1. Measures the number of audit reports using CAATTs as a percentage of the total number of audit reports issued. AFAA/DO will compute using data from DAMIS.

Goal 3.3.3.

Metric 3.3.3.1. Measures the number of audit reports using statistical sampling as a percentage of the total number of audit reports issued. AFAA/DO will compute using data from DAMIS.

Strategic Objective 3.4.

Goal 3.4.1.

Metric 3.4.1.1. Measures AFAA members' perceptions (using a 5-point scale) on the effectiveness of communications processes within the Agency. AFAA/DO will compute the average of responses to Questions 1 - 4 on the PPMS.

ANNEX 2: PLANNING ARCHITECTURE



1.	STRATEGIC PLAN	29 October 2002 – Published every 3 years
	<i>This overarching plan establishes AFAA strategic objectives, goals, and metrics that reinforce the Agency's mission, vision, and values. Further, it details major trends and assumptions as they pertain to the Air Force and the internal audit profession.</i>	
2.	ANNUAL PERFORMANCE REPORT	Published annually in November – with quarterly interim reports
	<i>This document reports how the Agency performed against goals established in the Strategic Plan.</i>	
3.	18-MONTH CDA AUDIT PLAN	Published every 6 months in April and October
	<i>This plan identifies audit resources and centrally-directed audits planned during the next 18 months.</i>	
4.	ANNUAL INSTALLATION-LEVEL AUDIT PLANS	Published annually in October
	<i>These plans identify audit resources and audits planned at each installation during the next 12 months.</i>	

ANNEX 3: STRATEGIC PLANNING TEAM



Team Leader	Mr. Ron Speer
DO Representative:	Mr. Jerry Kleeman
FD Representatives:	Ms. Carol Beldon Mr. Andy Giancola Ms. Judi Leavins Mr. Derrick Wong
FS Representatives:	Ms. Maria Young Ms. Donna Mandis
MS Representatives:	Mr. Gary Borovitcky Ms. Michele Brown Mr. Todd Camden Ms. Sharon Puschmann Mr. Jim Sommer
RM Representative:	Ms. Ava Jefferson
Coordinator:	Ms. Anna Heinsohn
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