

Auditing Section Strategic Planning Roadmap

Auditing Thought Leaders Influencing the Profession



Auditing Section Midyear Conference January 2011, Albuquerque, NM

Strategic Planning Committee and Strategic Initiative Leads

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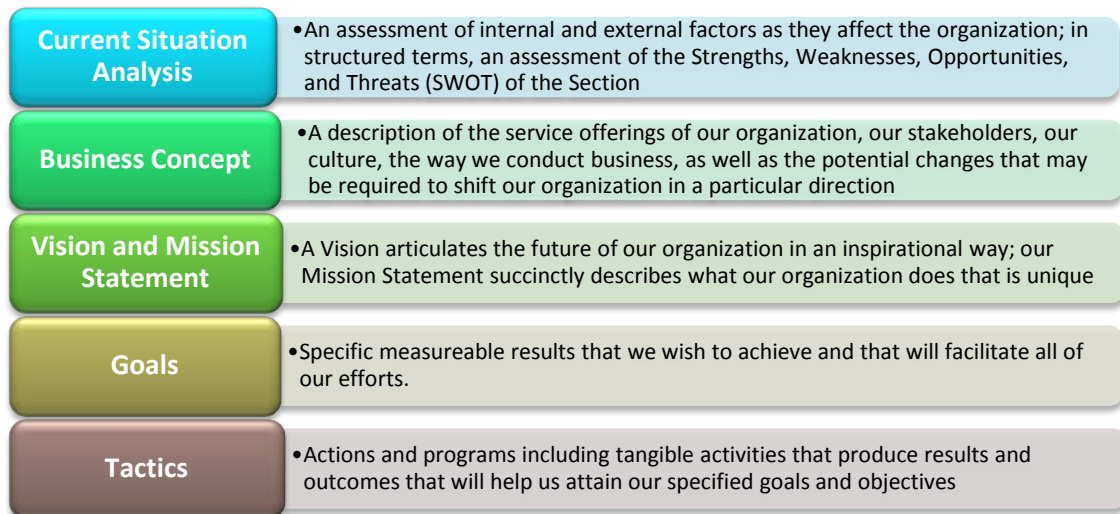
Ray Whittington, DePaul University

Dear Auditing Section Member:

This brief roadmap of the American Accounting Association Auditing Section’s Strategic Plan captures key aspects of our planning process to date. We would like to thank the members of the Strategic Planning Committee for many hours of analysis, insightful input, and discussion over the past year. The purpose of the strategic planning process is to build upon our solid foundation, rich history, and success of the Auditing Section to formulate a strategy looking out 5 years that establishes a clear path for our continued success, and makes the highest and best use of rotating, volunteer leadership. By having a vision, mission, and set of initiatives in place, we believe section leadership will be more effective at serving our broadening membership and sustaining multi-year efforts.

The Section’s Strategic Planning Committee has made significant progress, in part, because we have been able to leverage the American Accounting Association’s overall strategic planning process. While our section’s strategic plan is certainly consistent with the overall AAA plan, we have developed tailored vision and mission statements, as well as, strategic initiatives specific to the needs of the Auditing Section.

What is strategic planning? Fundamentally, strategic planning is an organization’s ongoing process of defining its direction and aligning decisions that will ensure achievement of its desire outcomes. To determine where an organization can go, it needs to know where it stands today, envision its potential future and how it intends to get there. Most strategic plans usually include the following elements (A further description of each element is provided below):

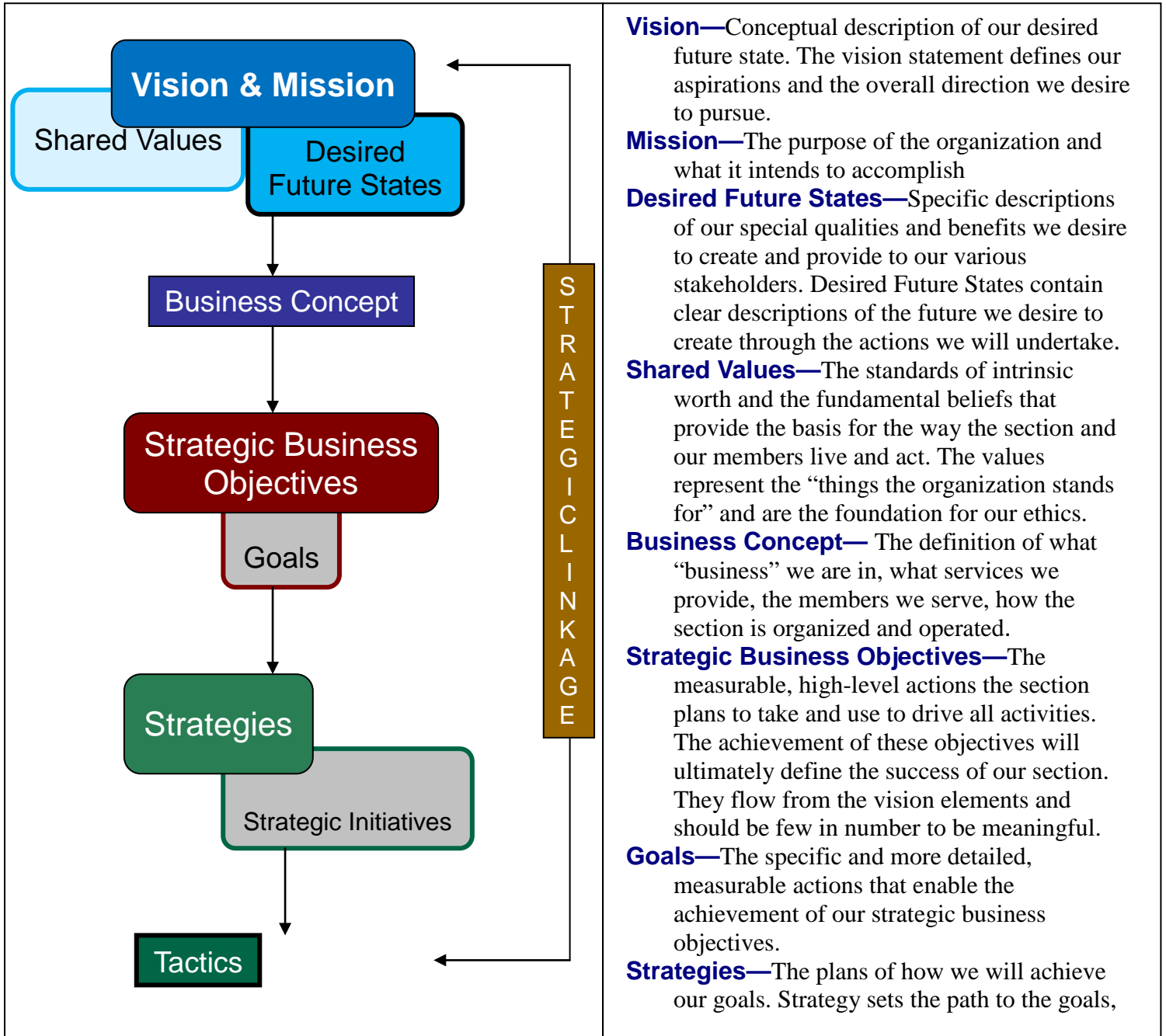


This document is intended to facilitate an open discussion of the components of the strategic planning process we followed, as well as the resulting proposed Vision, Mission, and Strategic Initiatives. Drafts of Vision, Mission, and Strategic Initiatives were distributed to the membership during the fall of 2010 as we sought broad-based input. At the 2011 Auditing Section’s Midyear Conference our intent is to motivate further thought and discussion regarding the components of the roadmap as we continue to chart our course forward. We encourage your active participation in the process to ensure the resulting strategic plan reflects the needs and thoughts of our diverse membership.

Steve Glover, Brigham Young University
President, Auditing Section

Strategy Elements

Our strategy consists of the following elements:



Vision—Conceptual description of our desired future state. The vision statement defines our aspirations and the overall direction we desire to pursue.

Mission—The purpose of the organization and what it intends to accomplish

Desired Future States—Specific descriptions of our special qualities and benefits we desire to create and provide to our various stakeholders. Desired Future States contain clear descriptions of the future we desire to create through the actions we will undertake.

Shared Values—The standards of intrinsic worth and the fundamental beliefs that provide the basis for the way the section and our members live and act. The values represent the “things the organization stands for” and are the foundation for our ethics.

Business Concept— The definition of what “business” we are in, what services we provide, the members we serve, how the section is organized and operated.

Strategic Business Objectives—The measurable, high-level actions the section plans to take and use to drive all activities. The achievement of these objectives will ultimately define the success of our section. They flow from the vision elements and should be few in number to be meaningful.

Goals—The specific and more detailed, measurable actions that enable the achievement of our strategic business objectives.

Strategies—The plans of how we will achieve our goals. Strategy sets the path to the goals,

Current Situation Analysis

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Overview of the Auditing Section

The committee considered our current capabilities and condition. The Auditing Section has impressive capacity and a history and tradition of high-quality service to our members. The section is in excellent shape as a result of our rich history of strong volunteer leadership and a diverse and talented membership. Further we have a history of being a leader and innovator among sections in the AAA. We sponsor successful journals and meetings, and other leading activities. The section and its members also maintain strong relationships with standard setters, regulators, professional organizations, and professional service firms.

Critical Issues

Our planning efforts to date have considered our mission and vision, the nature of services we provide (and consideration of ways for improvement), definitions of leadership roles at the national and regional levels, and emerging research, teaching, learning, and curriculum issues affecting our members. A number of critical and important issues were identified that need to be addressed by strategic initiatives to ensure the ongoing success of Auditing Section.

SWOT Analysis

Within the context of strategic planning, “SWOT” is an acronym for Strengths, Weaknesses, Opportunities, and Threats to an organization. It should be noted that a SWOT analysis is not static in nature. Over time it is expected that an ongoing analysis based on current conditions and status of the section will be performed. Section leadership will benefit from your input as to the nature of these items.

Business Concept: Recommended Changes/Action Plans

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Establishing a future course for the Auditing Section requires a fundamental understanding of what services we provide today, where we would like it to be in the next 3-5 years, and the changes necessary to achieve this desired new direction.

To continue to thrive and excel as part of the AAA and to remain in the forefront, several essential shifts and enhancements to the way we conduct our section have been identified thus far by members of the strategic planning committee. These recommended changes have been considered and are a part of the strategic initiatives described later. The business concept will be shared with the membership as the strategy process continues.

The Future of the Auditing Section

Vision

Vision and Mission Statement

A clear vision of the future of the organization is a requisite element of any strategic plan. A vision outlines what an organization wants to be and should serve as a source of inspiration. Our vision for the Auditing Section can be stated succinctly as:

Thought Leader in Auditing and Assurance Services Influencing the Profession and Preparing the Next Generation of Professionals

Our vision is for the Auditing Section and its members to be recognized as *thought leaders in auditing and assurance services and to equip the next generation of qualified professionals with the highest levels of competence and ethical values to protect the public*. As such, the section will participate in critical activities and key decisions for auditing and assurance services related to:

- Education
- Scholarship
- The practice of auditing and assurance
- Regulation and standard setting

The Auditing Section's community will be recognized for our:

- Fostering of integrity and ethical behavior to protect the public interest
- Influence through individual and collective voices on challenging and emerging auditing and assurance issues
- Research impacting auditing and assurance services
- Education of competent professionals through development and delivery of leading edge auditing and assurance knowledge
- Relevance of initiatives it promotes
- Cohesive and supportive culture



Four Elements Essential to Achieving our Vision

Mission

It is vital that an organization has a deep understanding of its purpose, which is usually communicated via a *mission statement*. A mission describes the most meaningful aspect of what an organization does—its reason for being—and how it goes about doing what it does.

Our mission defines the purpose of the Auditing Section and it drives our actions and serves as the basis for determining what we should and shouldn't do. We have a simple and focused mission:

To Further the Discipline and Profession of Auditing and Assurance Services Through Education, Research, and Service

In accomplishing our mission, we foster integrity and ethical behavior to protect the public interest. The Auditing Section community accomplishes our mission in advancing auditing and assurance services through:

- Expanding knowledge and idea development
- Promoting effective learning
- Interacting with and influencing the profession
- Advancing faculty careers

The strategic plan will focus on validating this resonating focus with our members. We have preliminarily identified the strategic initiatives that follow to deliver on this value proposition. We will validate and refine them as we move forward.

Strategy

Goals



The Auditing Section will succeed in executing its Strategic Plan by uniting our members around a common set of clear and measurable goals and Strategic Initiatives (SI).

Strategic Initiatives (SI): Overview and Action Plans



The Strategic Initiatives (SI) facilitates the Strategic Plan and brings it to life. Each SI will be developed and implemented through a team comprising a cross-section of Auditing Section members who will contribute to the planning effort by bringing their best ideas and thinking to their respective SI. A brief outline is provided below that describes each initiative and team leaders proposed to date. Please let us know the types of roles you would like to play in moving the section forward, either in terms of the SIs that appear below or in terms of other SIs worth pursuing.

Strategic Initiatives (SI)

- SI1 Data and Research Fulfillment** **Team Leaders: Thibodeau, Cohen, Conn, Joe**
The Auditing Section will facilitate the creation of processes to provide additional access to archival and practicing professional participants (i.e., subject based) data for academic research projects. We will also foster proactive exchanges with assurance services professionals regarding the current state of knowledge and practice, as well as ideas for future research.
- SI2 Respect, Voice, and Strategic Reliance** **Team Leaders: Hogan, Budnik, Gramling**
The Auditing Section will initiate regular interaction with professional organizations and/or policy makers each year. We will initiate efforts to increase perception of AJPT as a top research journal. We will increase the total number of Auditing Section members who are involved, in various capacities, with the auditing profession and policy setting. We will develop and disseminate research summaries and assess usage. We will create a searchable summary of research articles indexed by topic to be made available online and foster proactive exchanges with professionals of research ideas and current state of knowledge. The Auditing Standards Committee will effectively comment on significant proposed standards by designated standard setters and submit commentary and editorials to appropriate outlets.
- SI3 Membership, Growth, and Involvement** **Team Leaders: Anderson, Ballou**
The Auditing Section will increase membership in the following categories: Non PhD PQ members, internal audit & governmental auditors, academics, and the number of AAA members who have an Audit interest. We will also increase the non US member's participation in the mid year conference. We will also increase diversity experience, backgrounds, and culture. In tandem with the membership increases we will retain ADS and PhD project students with interest in auditing.
- SI4 Education Fulfillment** **Team Leaders: Beasley, Whittington, Rittenberg**
The Auditing Section will raise awareness of audit-related teaching materials and best practices for use in classroom instruction. Delivery methods will be through education sessions at Auditing Section and AAA regional meetings. An area of particular focus will be to increase inclusion of integrity and ethics in courses with a goal to foster integrity and ethical behavior in the next generation of professionals.
- SI5 Governance and Structure** **Team Leaders: Glover, Showalter**
The Auditing Section will have a strategic plan developed and presented to Auditing Section membership and the EC will lead execution of the plan. We will seek the services provided by the AAA staff to support our initiatives. We will consolidate to a single sourced integrated technology platform to support section activities.

Implementation Issues

Implementation Schedule/Timeline

The Auditing Section strategic plan and related initiatives will pay dividends to our members in the implementation phase. Identifying critical issues and defining our opportunities serves as the foundation of our strategy, but it is through dedicating ourselves to developing and implementing aligned action plans that we reap the rewards. Adopting the plan's principles and vision, and enthusiastically participating in implementing the tactical elements, will facilitate the change needed to achieve our vision and strategic goals.

How to Participate

We need your involvement! We will only be successful with your active participation. If you would like to help further develop any of the strategic initiatives proposed thus far, please do one of the following:

- Sign-up on the volunteer sheets available.
- Contact the Strategic Initiative team leader(s) directly.

We welcome the participation from all members desiring to participate in the future success of the Auditing Section. Join the journey!!!