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**AGA RESEARCH STUDY DISCUSSES THE CHALLENGES IN PERFORMANCE AUDITING**

***Inaugural Report on How a Washington State Auditor with Intriguing New Performance Auditing Authority is Meeting Them***

**Alexandria, VA** – A unique, citizen-enacted effort, titled, Initiative 900, to implement a successful performance audit program in the state of Washington is the subject of a comprehensive study, released today by the Association of Government Accountants (AGA).

The study entitled, *Challenges in Performance Auditing: How a State Auditor with Intriguing New Performance Auditing Authority is Meeting Them*, is the fifth in a planned series of studies covering areas of interest to government financial management community.

In November 2005 the citizens of Washington state voted to give their state auditor the most extensive authority in the country to conduct comprehensive, independent performance audits of state and local governments. This study documents the initial actions taken by State Auditor Brian Sonntag to implement the provisions of the initiative and prepare to conduct performance audits.

A performance audit is a valuable management tool carefully structured around tough, nationally recognized auditing principles that evaluate whether tax dollars are spent in an effective, efficient and economic manner. "Washington State's I-900 clearly indicates that citizens want accountability and transparency," says Relmond P. Van Daniker, DBA, CPA, Executive Director, AGA. "The voters of Washington state gave their state auditor a level of independence that is virtually unprecedented in the auditing community and we want to learn and to pass along what they discover."

To carry out this authority, the citizen-sponsored initiative dedicated a portion of the state sales and use tax revenue solely for the conduct of performance audits. Among its provisions, the initiative requires the state auditor to follow Government Auditing Standards, and states that no legislative body, office holder or employee may impede or restrict the authority of the state auditor to conduct performance audits.

The initiative, with its monthly revenue stream of \$800,000 to \$900,000, brings with it extraordinary expectations. As stated by Sonntag, "To meet public expectations, we must get audits under way almost immediately, and produce results. We also must balance that with exercising care in deciding what we audit, how we hire and train, and how we involve citizens, public employees and others in our decisions. And our audit work must be fair and objective, it must be sound and of high quality, and it must be credible and constructive."

This report was commissioned by AGA's Corporate Partner Advisory Group. It was sponsored by Accenture. Ronell B. Raaum, CGAP, CGFM, Curriculum Development Consultant, Government Audit Training Institute, Graduate School, USDA, and Ralph Campbell Jr., CFE, State Auditor, North Carolina led the research effort.

“This is one of our research initiatives that will benefit state and local governments across the country,” noted Van Daniker. “Washington state provides a unique laboratory for further study of performance auditing and performance management issues, the development of meaningful performance measures and the adjustments needed to manage enterprises for more than just ‘number’ outcomes.”

To view the report, visit: [www.agacqfm.org/research/downloads/CPResearchNo5perf.pdf](http://www.agacqfm.org/research/downloads/CPResearchNo5perf.pdf). It will be the focus of a session at AGA’s upcoming Performance Management Conference in Schaumburg, IL, on October 30. Speakers include Ralph Campbell Jr., Retired, Former Auditor, State of North Carolina; Jan Jutte, CGFM, CPA, Deputy Director of Audit, State of Washington; and Ronell Raaum, CGFM, CGAP, Curriculum Development Consultant, Government Auditing Training Institute. For more information about this conference, visit: [www.agacqfm.org/pmc](http://www.agacqfm.org/pmc).

The Association of Government Accountants is a 14,000-member professional Association devoted to meeting the continuing professional education needs of financial managers at all levels of government, the private sector and academia. For more information about the Corporate Partners Advisory Group (CPAG) Research Program, please contact Anna Miller, AGA Director of Research, 800.AGA.7211, ext. 313, [amiller@agacqfm.org](mailto:amiller@agacqfm.org) or visit AGA’s website at [www.agacqfm.org](http://www.agacqfm.org).

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