

094689

ADDRESS BY  
ELMER B. STAATS  
COMPTROLLER GENERAL OF THE UNITED STATES  
BEFORE THE  
CENTENNIAL CONFERENCE  
OFFICE OF THE AUDITOR GENERAL OF CANADA  
"COMPREHENSIVE AUDITING—PLANNING THE  
NEW APPROACH FOR CENTURY II"  
GOVERNMENT CONFERENCE CENTRE, OTTAWA  
DECEMBER 7, 1978



GOVERNMENT AUDITING: AN INTERNATIONAL REVIEW

I was delighted to have been invited here today by the distinguished Auditor General of Canada to deliver this keynote address and to participate in this Centennial Celebration of the establishment of the Office of Auditor General of Canada. I am particularly pleased with the theme of this two-day conference, "Comprehensive Auditing—Planning the New Approach for Century II". One of the great values of celebrating anniversaries is that it prompts us to assess our progress and to set forth new challenges for the future.

It is fitting, therefore, that my remarks today be placed in an international perspective. While governmental institutions north and south of our border differ in some respects, we share a common heritage and, most importantly, we share a common interest in improving the accountability of governmental institutions to the people they serve. As two of the leading democratic nations of the world we have an interest—indeed an obligation—to foster and strengthen the capability of auditing institutions

709696

throughout the world. Both Canada and the United States have given abundant evidence that they take this obligation seriously.

Both nations have played an active role in the development of the International Organization of Supreme Audit Institutions, established under the general auspices of the Economic and Social Council of the United Nations. This organization, made up of the central auditing organizations of more than 100 nations, has its headquarters in Vienna, Austria, and has among its major objectives improvements in the communication among auditing institutions and strengthening the capability of the developing nations to establish accountability systems within their governments. Dr. Jorg Kandutsch, General Secretary of INTOSAI, has asked me to convey the sincere congratulations and best wishes of INTOSAI to the Government of Canada on this occasion and to express his regret that he is not able to be present today.

In other ways, Canada has evidenced its interest in strengthening auditing institutions beyond its own borders. Along with the United States and Venezuela, it has joined in sponsoring the International Journal of Government Auditing, a publication in three languages which serves as a valuable instrument in improving communication among governmental auditing institutions throughout the world. But even more important, Canada has provided the Chairman of the United Nations Board of Auditors for many years and played a vital

role in strengthening the Board. As Chairman of this Board, your Auditor General, Jim Macdonell, has raised the sights of the United Nations and has found many practical ways to make the Board of Auditors play a strong but sensitive role in pointing out problems—and solutions—in areas where the auditor's skills can do much to strengthen the effectiveness of the United Nations.

It would be tempting to concentrate my remarks on the glorious accomplishments of the Office of the Auditor General of Canada. A centennial observance is, after all, a celebration of the past, and we all recall that "the past is prologue." It has been the good fortune of your office to see the publication of a new book this year, chronicling the development of the Auditor General and his Office. In the United States General Accounting Office we are also awaiting the early publication of a history of our office.

#### KEY COMPONENTS OF CHANGE IN THE AUDIT ENVIRONMENT

Since we all are becoming quite familiar this year with our histories, I will omit detail of the past and offer you my assessment of the current situation. Based on trends established in Canada and the United States, I believe the practice of government auditing is about to enter a new era of growth. While some growth in size is possible, the growth that I foresee is an expansion of the scope of auditing and of the influence of auditors in public decisionmaking. Today I would like to address what I consider to be the four key

components of recent change in government auditing, and three challenges which must be met by the auditing profession in the future.

The first change involves the realization by auditors that all levels of government are accountable to the people for the efficient and effective delivery of services. Related to this is a striking change in auditing—the recognition by auditors of the interdependence of government programs across traditional lines of demarcation. As auditors, we have had to forge alliances and create an atmosphere of trust and cooperation among auditors at all levels of government.

For six years, the legislative auditors from each of your provinces have met together annually to discuss common problems and areas of concern. The Office of the Auditor General has provided a federal presence to their meetings and worked actively to develop programs of mutual benefit for all Canadian government auditors. Similarly in my country, intergovernmental audit forums now meet regularly in ten different regions of the U.S. These forums provide an organized way of arranging audit collaboration and a means of examining the audit coverage of government programs by Federal, State, and local audit officials. Based on these pioneering developments in intergovernmental auditing in our two countries, I foresee that auditors in other countries will one day cooperate with each other, rely on each other's work, and stress the accountability

of government at all levels in the fulfillment of their national, Federal, or supreme charter.

A second component of change has been the recognition that government auditors work most effectively when they work in conjunction with internal auditors and other top government financial management officials. Since World War II, the occupant of my office has met regularly with his two main counterparts in the executive branch of government—the budget director and the treasury secretary. The meetings of this group are called the Joint Financial Management Improvement Program, and their mission, as the name implies, is to assist and encourage government agencies in their efforts to improve governmental financial management. The support and endorsement of your Auditor General for the creation and the appointment of a Comptroller General in the Federal Government of Canada reflects the same trend. As we move from audits of financial transactions to audits of systems, processes, and results, we will be forced to look at the bigger picture, and to concentrate on areas which can yield dividends by proposing changes.

As important to government auditors as the changes in relations with other audit bodies is the new relationship between auditor and legislator, the third dimension in our changing audit environment. Whether it be the Public Accounts Committee of your Parliament, or the Government Operations

Committee in our Congress, the legislature has developed an increased capacity to utilize auditors' work in the legislative process and to see that appropriate action is taken on auditors' findings. Although our work is of an "oversight" or post-facto nature in its consideration by the legislature, the challenge to auditors today is tremendous. It requires that they somehow foresee the needs of the legislature in its decisionmaking process, and act to meet those needs in time to be useful and responsible. By analyzing past and current performance of government programs, auditing organizations can contribute in a meaningful way in helping the legislature grapple with the many complex issues before them.

The fourth component with probably the most impact on auditing in North America, has come from a realization that strictly financial information is not sufficient to inform a government manager and decisionmaker—as well as the general public—about the achievements and failures in carrying out government programs. The various financial ratios which guide managers in the private sector in making financial decisions have far less relevance to government managers who must also make decisions about social welfare and human resources. In the United States, we examine government programs for efficiency, economy, and effectiveness on a concurrent basis. Here, in Canada, the Wilson committee called for a form of "value for money" auditing. Examination of the two types of

audits indicates they are much the same. Regardless of the terminology employed, this type of auditing represents a comprehensive approach, considering program outputs, that is, housing units built, educational credits subsidized, or workers employed, as the determinants of success. It allows auditors to speak knowledgeably about the management of government programs, and it makes their audit reports more useful. As soon as auditors elsewhere realize the significance of this trend, we will see even greater strides in improving governmental performance due to audit work.

Just last week, an article in the New York Times reported that financial accounting is changing because it will concentrate on the future, rather than the past. In discussing the changes proposed by the U.S. Financial Accounting Standards Board, the Times quoted one business school professor as saying: "Historically, financial statements were viewed as statements of management's stewardship over the assets that had been given them to work with. Now the standards board has said that the principal purpose is to present useful information to those whose interest is future-oriented—what will happen, not just what has happened. This is a fairly significant development."

Unfortunately, many countries have not yet seen the urgent need for professional external and internal auditing in the public sector. This is indeed unfortunate because the public

sector in many countries is as large or larger than the private sector. Thus, its decisions may be even more critical in affecting the standard of living and welfare of its citizenry. Recently, Dr. Luis Hidalgo, Comptroller General of Ecuador and President of the Latin-American Institute of Auditing Sciences, in an address to the Asian Organization of Supreme Audit Institutions, expressed regret at this fact and emphasized the need for governmental organizations in these countries to take advantage of auditing and management techniques developed in the private sector. But let me place this in his own words when he says:

"---, if we look at the leading developed countries where modern management techniques are being applied in government (for example the United States or Sweden) we find that the SAI [Supreme Audit Institution] has first borrowed heavily from the experience of the private sector in utilizing professional auditors and second expanded the scope of professionally based government audit to include aspects of evaluation of efficiency and economy and program results as well as aspects of legal compliance and financial accountability."

#### CHALLENGES FOR AUDITING IN THE FUTURE

The recent trends in government auditing on the North American continent which I described are reliable indicators for what the future holds for our profession elsewhere. When others look at our audit groups, they can see the beginnings of what the next century holds for auditors, public and private. The changes of recent years have set in motion the currents of future auditing, which I believe will culminate in auditors providing their own governments with information on how well programs are

operating, and how economically and efficiently they are being carried out.

The challenge for all of us is to bring about this evolution within the framework of international cooperation and interdependence. The enormous impact of international interdependence on government auditing around the world provides natural incentives for the development of an international audit community. It also poses serious questions which must be resolved before the profession of government auditing can grow in the ways I have described. Problems plaguing national governments today—pollution, population growth, and disease, for example—often bear international ramifications and require a concerted effort from national governments. Programs which are developed by any one country quite often contain a foreign component. Just as intergovernmental audit cooperation is essential among audit groups within a country, so auditors from each nation must work together to upgrade our profession.

There are three areas where we must concentrate our efforts if we are to succeed in meeting the challenge of interdependence.

These are:

- Development of international accounting and auditing standards;
- Better accountability by international organizations;  
and
- Improved training and professional development opportunities for government auditors.

## INTERNATIONAL ACCOUNTING AND AUDITING STANDARDS

The first challenge is to develop uniform accounting and auditing standards. Before an international audit community can become a reality, standards must be promulgated and adopted by all nations. The benefits in terms of better cooperation and understanding among all nations will make the effort worthwhile. Already there are indications of the kind of cooperative benefits that can be achieved when government auditors work together across geographic lines. For example, last month I approved an agreement between the U.S. Department of Defense and the French Ministry of Defense providing for reciprocal audits of United States and French government contracts. The agreement provides that the French government will audit U.S. government contracts placed in France, and our government audit agencies—primarily the Defense Contract Audit Agency—will audit French government contracts with U.S. manufacturers. This agreement is similar to other international audit agreements which have been entered into by a number of nations. The two which most readily come to mind are the agreement between our two nations on contract audits, and the agreement between members of the North Atlantic Treaty Organization (NATO) on auditing the multi-billion dollar F-16 fighter aircraft program.

But, for such cooperation to be extended to more countries, it will be necessary to develop accounting and auditing standards which are accepted by those countries. Speaking from my own

experience in developing our Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, a publication which I hope is familiar to most of you, I can predict with some certainty that this will not be an easy task.

By the early 1970s, the American Institute of Certified Public Accountants, like the Canadian Institute of Chartered Accountants, had published audit standards related solely to audits designed for expressing opinions on financial statements. Standards were not then available for the broader governmental concerns of compliance with the law and regulations, efficiency and economy of operations, and effectiveness of programs in achieving established goals. It was logical for my office, the General Accounting Office, to step into this void, because it is one of our primary missions to keep the United States Congress advised of how well Federal departments and agencies are carrying out the policies and objectives of legislation.

To accomplish this, we undertook the development of audit standards specifically applicable to governmental organizations. Our standards were developed through the efforts of a working group composed of representatives from my office and from the Federal executive departments and agencies having the predominance of grant programs. These standards include the American Institute's standards and procedures applicable to audits performed to express an opinion on the fairness with which an organization's financial statements present its financial

position and results of operations. However, our standards go beyond the attest function and provide that a government audit will include three elements: financial and compliance; economy and efficiency; and program results.

Several efforts are underway to test the waters for international promulgation of accounting and auditing standards. Many of you may be familiar with the International Federation of Accountants. It has convened an international auditing standards committee, working on the problem in association with the national accounting organizations of its member nations. The Federation includes ten developed and two dozen developing nations in its membership, and each is represented by its chartered accountants institute. The mere existence of the Federation and of their committee on standards has encouraged important strides by others toward at least some common world-wide standards.

The United Nations has also initiated steps toward international accounting and financial reporting standards for multinational (or transnational) corporations. In 1976, a "Group of Experts" was appointed to consider this problem; to identify gaps in reporting; and, to recommend matters which should be included in financial reports. The Group's report was published last December and its findings were endorsed by the United Nations' Secretary General.

The Group recommended financial reporting standards which would apply not only to international corporations but to

national companies as well. This information would be disaggregated by geographical area and line-of-business. Non-financial data with respect to such matters as employees, labor relations practices, output, ownership, new products, and environmental measures, would also be required.

The Group's recommendations, which have now been referred to the United Nations' Economic and Social Council, contemplate the creation of a permanent body to encourage member nations to comply with these standards. This, in turn, is intended to stimulate the enactment of enforcement of legislation in each country. The U.N. Secretary General has stated that he does not believe such standards will be adopted voluntarily. He considers that such a step requires an international agreement among governments. Under such agreement, government would commit itself to taking legislative and other action which would make the application of the standards mandatory.

On the basis of my own experience with our standards, I also favor legislative action that would require compliance with the standards. The U.S. Congress recently enacted legislation establishing offices of inspectors general in twelve major Federal departments and agencies, and that law requires each one to comply with our audit standards. Each inspector general also is required to take appropriate steps to assure that work performed by non-Federal auditors complies with these standards. While standards must earn a certain degree of acceptance on their own, the fact that these standards are

now legislatively mandated makes it unmistakably clear that the Congress favors the promulgation and adoption of the standards.

I am aware that some countries have expressed considerable opposition to the development of international standards. For these countries, there must be an educational process to show them the value of the standards. Perhaps, over a period of time, they will see that the international cooperation among the nations is of great mutual benefit and will change their perceptions on the need for standards. I was heartened to learn that, three weeks ago in Quito, Ecuador, at the congress of supreme audit institutions from Latin America, government auditors discussed the possibility of cooperative audits for transnational entities and the need to "harmonize government auditing methods, procedures and techniques which make it possible to obtain uniform results."

Until the idea of international auditing standards enjoys greater popularity and receptivity, we must respect each nation's sovereignty on this matter. At the same time, we must develop some mechanism for dialogue that will enable us to make other countries aware of the potential benefits of international standards. We must move gradually toward some commonality in this area.

#### ACCOUNTABILITY OF INTERNATIONAL ORGANIZATIONS

The second challenge is to improve the accountability of international organizations. When we consider that the total

assessments and voluntary contributions to the United Nations amounted to \$2.4 billion in 1977, and that the major international financial institutions approved loans of almost \$10 billion in the same year, I believe that we will all agree that good financial management of these funds is called for. The member governments of international organizations do not have the authority to audit the activities or review the internal operations of the organizations. Because of this limitation, it is in the interest of all member countries who finance the activities of international organizations to work toward improving and strengthening the financial management capabilities within the U.N. family of organizations.

There has been considerable interest in the concept of accountability of international organizations. The U.S. Congress urged the establishment of an independent review group in the Inter-American Development Bank in 1968. It was not until 1973, however, that the U.S. Congress—further concerned at the lack of information available to the member countries—directed the President and the U.S. delegations to seek establishment of independent review and evaluation systems for the World Bank, the Asian Development Bank, and the United Nations. My office was given the responsibility by Congress to assist the U.S. delegations in suggesting auditing and reporting standards for consideration by the governing authorities of these organizations; for reviewing audit reports prepared by them; and for

reporting back to the Congress. Subsequently, the international financial institutions endorsed and adopted our standards, and have established evaluation groups. However, I do not wish to leave an impression that all that has been done has been at the urging of the U.S. Congress or the Comptroller General. To the contrary, the international organizations themselves have seen the need and taken action.

At the recommendation of World Bank President Robert McNamara, the Bank established an evaluation unit in 1970. The Asian Development Bank began evaluations of projects assisted by its loans in 1973. The present joint system of external audit in the United Nations was established under a 1949 General Assembly resolution and that interest continues to the present. A recent report of the Board of Auditors highlights several current concerns with the U.N. financial management system. Included is the identification of numerous instances where

- allotments were exceeded,
- total appropriations to individual programs were exceeded,
- total appropriations for individual sections of the regular budget were exceeded.

Certainly, the present financial system that would allow these things to occur is a cause for serious concern.

A U.S. Delegate to the United Nations has emphasized recently that the United Nations must improve its financial systems and the quality of its financial management pointing

out that it cannot afford the risk or the costs of mismanagement. I know that other delegations share a similar view.

This view is supported by a report of the United Nations Joint Inspection Unit, dated March 1977, which notes in part that each organization in the United Nations system

"\* \* \* devotes a significant part of its resources to planning and programming and to reporting, but relatively little effort is given to determining the impact of work accomplished. Information and reporting systems produce voluminous documents at high cost, but these documents do not permit a judgment in comparison with approved plans, of the quantity of work accomplished, nor of its quality."

To help achieve the needed improvements, the General Accounting Office is planning a review to assist the U.S. delegation in identifying what can be done to improve financial management in the United Nations by way of strengthening audit and evaluation functions. A quote from the Auditor General of Canada in his Office's 100th Annual Report to the House of Commons is equally applicable to the United Nations when he states that:

"I became more and more concerned - and troubled - by the mounting evidence of a widespread lack of due regard to economy and efficiency and of insufficient attention to systematic, well-founded evaluations of program effectiveness."

Through the years, your present Auditor General, in his role as a member of the Board of Auditors of the United Nations, and I, working through the U.S. mission to the U.N., have worked together closely, looking for ways to improve financial management in the U.N. system. We hope to continue this close

working relationship in this area. During our review of financial management in the U.N., we will be meeting with United States representatives and officers of the United Nations and professionals in the fields of audit and evaluation.

We can all readily see how the evaluation reports of international organizations will be useful to the management of the organizations themselves and how improved financial management and evaluation will help render accountability to the developed nations who provide the bulk of the funds for the international organizations. In addition, the feedback from these audit and evaluation activities should produce better managed projects in the future, benefiting both developed and developing nations.

But I do want to relate the experience of developing nations in a World Bank evaluation project, to illustrate the point about audit and accountability being a two-way street, with benefits flowing in both directions. An executive director of the World Bank—a representative of 18 developing nations—told us that the evaluation reports of the Bank have been instrumental in creating audit and evaluation organizations in those developing nations. Furthermore, he said that the Bank's audit and evaluation reports are used as guides in managing projects and in conducting reviews by the member nations, and that these nations have developed a new sense of respect for their own and the Bank's activities.

(Much of the material which I brought with me today concerns this second area, the current status of audit and evaluation in international organizations. Knowing of our mutual interest in the subject, I was certain that it would be properly represented on your agenda. We have reviewed the reports issued by the evaluation groups in the three international financial institutions, and while we found that considerable progress has been made, we also found opportunities for improvement. Our reports were furnished to Mr. Macdonell and are available to any of you who request them.)

#### TRAINING AND PROFESSIONAL DEVELOPMENT

The third challenge involves increasing the training and professional development opportunities for government auditors and financial managers. Once again, I would like to direct my initial remarks to the state-of-the-art in a global context, with particular attention to the developing nations. And, once again, I proceed from the premise that adequate financial management systems—including a review and evaluation capability—are essential for sound government. Anything less dissipates available resources and thwarts the developing countries' efforts to maximize development. There is a growing recognition that most developing countries do not have the government infrastructure to absorb and effectively utilize the resources being made available to them in their development process. Since almost everyone agrees on the need to assist developing countries improve their government

financial management, our office recently decided to compile an inventory of the training being provided to nationals of countries receiving development assistance. We chose to perform our initial work in Latin America, because we were somewhat familiar with the widespread interest there in improving governmental accounting and control over available resources, and efforts being made by the Latin American Institute of Auditing Sciences and others in the region to help themselves.

We visited five countries, some more developed, some developing. We wanted to get a comprehensive view of actions taken to improve governmental use and acceptance of the sometimes forgotten skills of accounting for public funds and use of historical financial data in the decisionmaking process. We received excellent cooperation and were able to complete the fieldwork in about 2 months.

Our findings should not surprise you, but I would like to relate some of them, so that you can appreciate the work that needs to be done in this area. First, there is a great shortage of trained accountants, auditors, and financial managers in the governments. While this is caused primarily by the lack of adequate training, other factors such as the low stature given to the accounting profession, low pay and other personnel problems in the civil service systems, and the low priority given to upgrading the financial infrastructure, are major problems. Second, the so-called "brain drain," causes

an incredibly high turnover of trainees in most projects. Third, there is a reluctance of major donors—international organizations and the developed nations—to mount a full-scale effort to provide the resources necessary to improve financial management in the absence of evidence that the governments themselves are prepared and willing to make the necessary reforms.

As in many other areas of the world, training in accounting, auditing, and program evaluation has been a neglected area of education in Latin America. For years, the accounting and auditing positions in many Latin American governments have been staffed primarily by high school or technical school graduates. Curricula and textbooks are woefully out of date; and what is being taught in the field is often not applicable to the public sector. In most cases, career or job-oriented training generally appeared to be more effective than the courses offered by universities.

The training of government auditors may be the greatest challenge that we are facing today and will face tomorrow. Audit standards can be adopted; but if no audit capability exists, they are meaningless. Continued development of government auditors by members of the International Organization of Supreme Audit Institutions (INTOSAI) promises to bring a substantial improvement in the performances of governments. For many countries, the standards of training and professionalism which are adopted by supreme audit institutions

also become the yardstick for subnational audit institutions, internal government auditors, and private accounting firms. INTOSAI itself is a vehicle for the professional development of auditors on the basis of its presence. The actions of supreme audit institutions, banding together to form a professional society, allow them to stay abreast of current developments in their occupational specialty.

Initiating and increasing assistance for training programs is probably the best and most direct way to help governments improve their financial management and review capabilities. One method to do this is through the convening of seminars and training courses. The next interregional seminar sponsored by INTOSAI will be in Vienna, Austria, in May 1979. By including speakers from developed nations who will share audit techniques and experiences, these seminars assist in raising the level of competence of auditors around the world. A complementary activity is being carried out through the regional working groups of INTOSAI by the German Foundation for International Development. From April to June, for example, the German Foundation will offer a course on selected problems in auditing for members of the Asian Organization of Supreme Audit Institutions. As regions and hemispheres work jointly in training seminars, we may begin to see the type of audit cooperation and collaboration already in place here. In addition, these seminars have the advantage of reaching the auditors at a location near their normal working quarters.

For many years, your office—and the other Commonwealth nations—have participated in auditor exchange programs and other mutual training and development exercises. In like spirit and in an effort to help developing nations strengthen their audit institutions, I have sent letters to the heads of more than 100 supreme audit institutions around the world inviting them to nominate individuals for fellowships to work with the General Accounting Office for periods of 6 months to one year. I anticipate that we will be able to accommodate five or six fellows each year. We will give preference to those candidates who have the capacity to teach fellow workers on return home from the program. This on-the-job experience will be supplemented with training courses for the development of those skills which auditors will need in the future. By equipping the auditors with the necessary capabilities, we hope that the capacity for auditing will be improved in the developing nations.

#### THE CHALLENGE AHEAD

As I conclude these remarks, let me return to the theme of this Centennial Conference, "Comprehensive Auditing—Planning the New Approach for Century II". The question before us is not the direction which we seek to take but the roads which we must choose; the priorities which we must establish; and, the actions which we must take to reach the goals in the years ahead. Let me leave you with a few suggestions which may provide the signs which will lead in the directions which I believe we must go.

First, we should seek ways to strengthen the machinery of the International Organization of Supreme Audit Institutions. This organization, which is now 25 years old, has recently adopted a new charter and has established financial arrangements which should increase its capabilities as an international organization. We can build upon the seminars which it has initiated and we can continue and strengthen the publication of the International Journal of Government Auditing which, as a forum for reaching the audit decisionmakers of the world, is unexcelled.

Second, we need to provide for strengthened regional arrangements for cooperation among auditing institutions, building upon the initiatives taken in Latin America, Asia, and Africa. We need to work with these fledgling organizations to provide for training in budgeting, accounting, auditing and other aspects of financial management essential to provide the infrastructure needed for developing nations. Through such organizations as the World Bank, the Inter-American Bank, the German Foundation for International Development, and the United Nations, we need to provide strong centers for training and leadership without which we cannot supply the needed skills essential for strong auditing organizations.

Third, through closer cooperation between governmental auditing organizations, private industry, and the public accounting profession, we should seek further ways in which the public and the private sector can learn from each other and

foster the broader audit objectives inherent in the term "comprehensive auditing." There are signs that the need for this type of cooperation is being recognized and we should build upon that interest wherever it can be fruitfully developed.

Finally, we need to build a stronger sense of accountability in international organizations themselves. More and more of the world's efforts to cooperate and to assist the less developed countries will be channeled through multilateral bodies. Strong accountability systems within these bodies are essential if these results are to be effectively utilized and the objectives of these organizations are to be achieved.

Achievement of these goals will require hard work and dedication. These are the same two qualities which brought us here today to celebrate your 100th anniversary. The work that needs to be done to insure the future of government auditing is self-perpetuating: as we learn more about auditing, we learn more about ourselves; and as we learn more about ourselves, we find new opportunities to challenge and expand the body of knowledge about auditing.

I am optimistic about the transfer of the North American audit experience to a larger dominion. You have much to offer, based on your 100 years of experience. I agree that the "past is prologue." I know also that we have much to learn and a long road to travel. But because our goals are the right ones for governments everywhere, there will be much good news to report 100 years from now at your bicentennial.