

Office of the Assistant Inspector General for Auditing

Department of Defense

**Audit and Evaluation Plan
FY 2002**

As of October 31, 2001



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September 24, 2001

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Audit and Evaluation Plan for Fiscal Year 2002

The attached plan indicates this office's planned new starts in FY 2002. The plan was formulated prior to the horrific events of September 11, 2001. The plan will be subject to many changes in the coming months as we react to requests from the Congress and the Department to perform quick reaction reviews to address sensitive issues related to the military readiness and security of the Department. Where the audit topics are not mandated by law, regulation, or congressional direction, they have been developed as much as possible in consultation with DoD managers. These projects also have been coordinated in the joint audit and inspection planning groups that address coverage in each major functional area. The plan also includes audit policy and oversight projects planned to start in FY 2002; however, intelligence coverage will be addressed separately.

We regularly receive high priority management requests, congressional requests, hotline allegations, and other out-of-cycle requirements that necessitate changes to the initial plan. To discuss currently planned or ongoing coverage at any point during the year, it is advisable to check directly with the cognizant OIG, DoD issue area planning group, as listed in Appendix A. See Appendix B for the plan distribution. Updates to this plan, as well as information concerning ongoing projects, are available on our website at www.dodig.osd.mil/audit.

David K. Steensma
Acting Assistant Inspector General
for Auditing

Attachment

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ACQUISITION PROGRAM

Acquisition Management of Automated Information Systems (D2002AL-0002) The audit will evaluate the acquisition management of selected automated information system acquisition programs. Specifically, the selected information systems will be evaluated to determine if they are being cost effectively acquired, monitored, tested, and prepared for deployment and system life-cycle support in accordance with system acquisition and information assurance guidance. (C. Santoni/(703) 604-9501)

Program Management Audits of Acquisition Programs (Multiple) The primary objective of the audits will be to determine whether program managers for selected acquisition programs are adequately readying the programs for their next milestone decision points in the acquisition process. The audits will also determine whether the programs are implementing smart business practices and are making full use of the flexibilities available through acquisition reform initiatives.

Number	Title	Point of Contact	Announced
2AE-0003	Advanced Deployable System	J. Meling (703) 604-9091	9/19/2001
2AE-0014	Navy Area Theater Ballistic Missile Defense Program	J. Meling (703) 604-9091	10/3/2001

Acquisition Management of Space Based Infrared System (D2002AL-0006) The audit will determine whether the Space Based Infrared System is being cost-effectively acquired, monitored, tested and prepared for deployment and system life-cycle support in accordance with system acquisition and information assurance guidance. (C. Santoni/(703) 604-9051)

Metal Matrix Composite Track Shoe for the Bradley Fighting Vehicle (D2002AB-0008) The audit will determine whether the objectives of the research and development effort for the Metal Matrix Composite Track Shoe have met program goals. It will also review the use of the prototype other transaction authority to determine whether the authority was properly used and adequate safeguards established. (T. Bartoszek/(703) 604-9014)

Acquisition Management Structure of ACAT II and III Special Access Programs (D2002AD-0039) The audit will evaluate the management structure of selected ACAT II and III special access programs. It will also evaluate the requirement for the programs, the acquisition strategy for the programs, the security controls within the programs, and the need for special access program status. We will also evaluate

whether the programs are implementing smart business practices and making full use of the flexibilities available through acquisition reform initiatives.

(K. West/(703) 604-8983)

Joint Nonlethal Weapons Program (D2002AB-0025) The objective is to evaluate the overall management of the Joint Nonlethal Weapons Program. Specifically, the audit will determine whether the Joint Nonlethal Weapons Program is effective by examining the criteria used to select candidates for development, by evaluating their effectiveness, and by examining their transition into the DoD acquisition cycle. This project was announced October 24, 2001. (T. Bartoszek/(703) 604-9014)

Acquisition of the Wide Area Munition (D2001AE-0011) The objective is to evaluate the overall management of the Wide Area Munition. Because the program is in the engineering and manufacturing development acquisition phase, the audit will determine whether management is cost-effectively developing and readying the program for the full-rate production phase of the acquisition process. The final report, D2002-011, was issued October 24, 2001. (J. Meling/(703) 604-9091)

Acquisition of the Firefinder II (AN/TPQ-47) Radar (D2001AE-0047) The objective is to evaluate the overall management of the Firefinder II Radar. Because the program is in the engineering and manufacturing development acquisition phase, our audit will determine whether management is cost-effectively readying the program for the production phase of the acquisition process. The final report, D2002-012, was issued October 31, 2001. (J. Meling/(703) 604-9091)

Acquisition of the MK 54 Lightweight Hybrid Torpedo (D2001AL-0062) The objective of the audit is to evaluate the overall management of the MK 54 Lightweight Hybrid Torpedo. This project was announced December 18, 2000. (C. Santoni/(703) 604-9051)

Government Performance and Results Act Goals: Major Defense Acquisition Programs Cycle Time (D2001AB-0066) Our overall objective will be to evaluate the Major Defense Acquisition Programs Cycle Time goal of Government Performance and Results Act, shown in the "2000 Secretary of Defense Annual Report" to the President and the Congress. Specifically, we will assess the validity of the process, data, and factors used to establish the goals related to Major Defense Acquisition Programs Cycle Time. Further, we will evaluate the methods used to accumulate and report the actual data collected by DoD against those goals. This project was announced January 5, 2001. (T. Bartoszek/(703) 604-9014)

Acquisition of the Naval Fires Control System (D2001AE-0069) The objective is to evaluate the overall management of the Naval Fires Control System. Because the program is in the engineering and manufacturing development acquisition phase, the audit will determine whether management is cost-effectively readying the program for

the production phase of the acquisition process. This project was announced January 10, 2001 (J. Meling/(703) 604-9091)

Acquisition of the Vertical Take-off and Landing Tactical Unmanned Aerial Vehicle (D2001AE-0080) The objective is to evaluate the overall management of the Vertical Take-off and Landing Tactical Unmanned Aerial Vehicle Program. Because the program is in the engineering and manufacturing development phase, the audit will determine whether management is cost-effectively developing and readying the program for the full-rate production phase of the acquisition process. This project was announced February 20, 2001. (J. Meling/(703) 604-9091)

Acquisition of the Joint Service Lightweight Standoff Chemical Agent Detector (D2001AE-0088) The objective is to evaluate the overall management of the Joint Service Lightweight Standoff Chemical Agent Detector. Because the program is in the engineering and manufacturing development acquisition phase, the audit will determine whether management is cost-effectively readying the system for the production phase of the acquisition process. This project was announced March 7, 2001. (J. Meling/(703) 604-9091)

Audit of a Launch Contract (D2001AD-0095) The audit was requested by the Senate Select Committee on Intelligence and the House Permanent Select Committee on Intelligence in the Intelligence Authorization Bill for FY 2001 and its attached report. The objective will be to review a specified launch contract to determine whether the contract and any changes are in the best interest of the Government. The final report, D2002-001 was issued October 2, 2001. (K. West/(703) 604-8983)

Management of Developmental and Operational Test Waivers for Defense Systems (D2001AE-0123) The objective of the audit is to evaluate the overall management of waivers of developmental and operational test requirements for Defense systems. Specifically, it will evaluate the process for justifying, reviewing, and approving the waiver of developmental and operational testing requirements for Defense systems. This project was announced May 11, 2001. (J. Meling/(703) 604-9091)

Acquisition of the Land Warrior System (D2001AE-0145) The objective is to evaluate the overall management of the Land Warrior System. Because the program is in the engineering and manufacturing development acquisition phase, our audit will determine whether management is cost-effectively readying the system for the production phase of the acquisition process. This project was announced June 27, 2001. (J. Meling/(703) 604-9091)

Acquisition of the Evolved Sea Sparrow Missile (D2001AE-0153) The objective is to evaluate the overall management of the Evolved Sea Sparrow Missile Program. Because the program is in the engineering and manufacturing development phase, the audit will determine whether management is cost-effectively developing and readying the program for the full-rate production phase of the acquisition process. This project was announced July 12, 2001. (J. Meling/(703) 604-9091)

CONSTRUCTION AND INSTALLATION SUPPORT

Base Real Property Maintenance and Repair (D2002CG-0014) The audit will review the administration of maintenance and repair to DoD facilities. It will determine whether facilities maintenance and repair is being accomplished in an economical manner and if internal controls are adequate to safeguard the maintenance and repair program objectives. (W. Million/(703) 604-9312)

CONTRACTING OVERSIGHT

Profit Policy for Management Support Services Contracts (D2002CF-0013) The objective of the audit will be to evaluate the effectiveness of the DoD profit policy for professional and management support services contracts. (T. McKinney/(703) 604-9288)

Undefinitized Contractual Actions (D2002CH-0037) The audit will determine whether DoD complied with the restrictions imposed by 10 U.S.C. 2326 on undefinitized contractual actions (UCA). Specifically, the audit will evaluate the justifications for awarding UCAs, obligation amounts, definitization efforts, and negotiated profits. (H. Kleinknecht/(703) 604-9324)

Public/Private Sector Competition of Commercial Activities (D2002CH-0038) The audit will evaluate implementation of public/private sector competition procedures by Defense Agencies and Field activities. Specific objectives are to assess the planning and performance of OMB Circular A-76 cost comparison studies, strategic sourcing reviews, and the reporting of commercial activities in accordance with the Federal Activities Inventory Reform Act. We will also evaluate justifications and supporting analyses for direct conversions of commercial activities and conduct independent reviews of in-house most efficient organizations (MEOs) and cost estimates to include post-implementation reviews of MEOs where DoD employees won A-76 competitions. (H. Kleinknecht/(703) 604-9324)

Purchase Cards and Their Use in DoD The objective of the audit will be to evaluate the DoD and its various components' issuance and use of purchase cards. Specifically, it will evaluate whether systems and controls are adequate to prevent the fraudulent and/or improper use of the cards. (J. Doyle/(703) 604-9349)

Contract Administration Services Function at Edwards Air Force Base (D2002CK-0008) This evaluation is being performed in response to allegations to the Defense Hotline. The objective will be to determine whether the contract administration services function at the Air Force Flight Test Center (AFFTC), Edwards Air Force Base (AFB) should be transferred to the Defense Contract Management Agency (DCMA). Specifically, it will assess whether AFFTC, Edwards AFB should continue to operate their own separate contracting function, or whether responsibility for performance of the function should be transferred to DCMA. This project was announced September 21, 2001. (J. Doyle/(703) 604-9349)

Defense Supply Service – Washington Contracting Functions (D2002CK-0012) The Director of Defense Procurement requested the audit. The overall objective is to determine whether the Defense Supply Service – Washington (DSS-W) operates its contracting functions efficiently and effectively. The audit will evaluate the DSS-W reorganization plans and its management improvement initiatives to assess their potential impact on organizational efficiency and effectiveness. This project was announced October 2, 2001. (J. Doyle/(703) 604-9349)

Defense Reutilization and Marketing Services Commercial Venture Contracts for Privatization of the DoD Surplus Sales Program (D2002CH-0030) This audit is being performed as a follow-on to a previous audit requested by Representative John McHugh. The overall objective is to determine whether the Defense Reutilization and Marketing Services Commercial Venture Contracts for Privatization of the DoD Surplus Sales Program is providing the best value for DoD. The audit will also determine whether privatization of the program has adversely affected small businesses that purchase, sell, and operate military surplus aircraft parts businesses. This project was announced October 23, 2001. (H. Kleinknecht/(703) 604-9324)

Award and Administration of Contract SPO100-00-D-EE72 (D2002CH-0033) The audit was requested by the Director, Defense Logistics Agency. The overall audit objective is to determine whether contract award and administration policies and procedures were properly followed for Contract SPO100-00-D-EE72. This project was announced October 24, 2001. (H. Kleinknecht/(703) 604-9324)

Maintenance and Repair Type Contracts Awarded by the U.S. Army Corps of Engineers, Wiesbaden, Germany (D2000CK-0081) The objective is to review the award and administration of maintenance and repair type contracts awarded by the U.S. Army Corps of Engineer, Wiesbaden, Germany. This project was announced December 17, 1999. (J. Doyle/(703) 604-9348)

Service Contracts at the National Security Agency (D2000AD-0213) The objective is to determine whether the National Security Agency followed appropriate contracting policies and procedures in awarding and administering service contracts. (K. West/(703) 604-8983)

Defense Supply Centers' Quality Assurance Program (D2001PT-0023) The objective is to evaluate the Defense Supply Centers' Quality Assurance Program. Specifically, we will evaluate the effectiveness of the Qualified Products List and Qualified Manufacturers List Programs at the Richmond and Columbus Defense Supply Centers in expediting the purchase of quality commodities and reducing Government oversight. This project was announced October 4, 2000. (K. Stavenjord/(703) 604-8952)

Use and Control of Military Interdepartmental Purchase Requests

(D2001CH-0032) The objective is to determine whether military interdepartmental purchase request policies and procedures are adequate and economical. This project was announced October 12, 2000. (H. Kleinknecht/(703) 604-9324)

Procurements of Military Clothing and Related Items by Military Installations in the United States (D2001CH-0046)

The audit is in response to a tasking from the House Committee on Armed Services Report on the National Defense Authorization Act for FY 2001. The committee expressed concern over the number of violations of the Buy American Act identified in Inspector General, DoD, Report No. 99-023, "Procurement of Military Clothing and Related Items by Military Organizations," October 29, 1998, and tasked the Inspector General to conduct a followup audit of procurements of military clothing and related items by military installations during fiscal years 1998 and 1999. This project was announced October 26, 2000. (E. Kissner/(703) 604-9323)

Defense Information Systems Agency's FY 2000 Data for Right Sizing

(D2001CG-0050) The objective is to validate the accuracy and completeness of the FY 2000 data used to support the Defense Information Systems Agency right-sizing plans and to determine if the data was fairly and equitably applied. This project was announced November 1, 2000. (W. Million/(703) 604-9312)

DoD Use of Performance Based Payments Made to Defense Contractors

(D2001CK-0061) The overall objective is to determine whether DoD procedures are adequate for administering performance based payments to Defense contractors. Specifically, we will review how performance based payments are negotiated, verified, and paid. This project was announced December 15, 2000. (J. Doyle/(703) 604-9349)

Industrial Prime Vendor Program at Air Force Air Logistics Centers

(D2001CF-0091) The audit is being performed as a follow-on to previous audits of commercial buying practices used by the Defense Logistics Agency. The overall objective is to determine whether the Defense Logistics Agency's Industrial Prime Vendor program is being effectively implemented and providing the best value for the Air Force Air Logistics Centers. This project was announced March 16, 2001. (T. McKinney/(703) 604-9288)

Contracting Officers Compliance With Competition Requirements for Contract Actions Awarded Under the Federal Acquisition Regulation, Part 19, "Small Business Programs"

(D2001CF-0133) The audit will determine whether contracting officers awarded small business contract actions in accordance with Federal Acquisition Regulation, Part 19, when these actions exceeded the threshold for competition. This project was announced June 11, 2001. (T. McKinney/(703) 604-9288)

Army Contract Audit Followup Process (D2001CG-0139) This audit will be conducted in accordance with our oversight responsibilities under DoD Directive 7640.2, "Policy for Followup on Contract Audit Reports." The overall audit objective will be to evaluate the accuracy of the Army contract audit followup (CAFU) process. Specifically, we will evaluate the accuracy of the Army CAFU data and actions taken by contracting officials to ensure proper and timely settlement of contract audit issues. This project was announced June 15, 2001. (W. Million/(703) 604-9312)

Material Distribution Services Contract at the Defense Distribution Depot, Warner Robins, Georgia (D2001CK-0144) The audit was requested by Senators Cleland and Miller, and Representative Chambliss. The audit objective will be to evaluate the contract administration of the warehousing and material distribution services contract at the Defense Distribution Depot, Warner Robins, GA. This project was announced June 19, 2001. (J. Doyle/(703) 604-9349)

Pilot Program to Treat Procurements of Commercial Services as Commercial Items (D2001CH-0137) The audit will review progress on implementation of the pilot program established by section 814, "Pilot Program for Commercial Services," of the National Defense Authorization Act for Fiscal Year 2000, P.L. 106-65. The Under Secretary of Defense for Acquisition, Technology, and Logistics issued implementing guidance to the Service acquisition executives and the directors of Defense agencies on May 25, 2000. This project was announced June 25, 2001. (H. Kleinknecht/(703) 604-9324)

Naval Facilities Engineering Command Environmental Services Contracting (D2001CB-0181) The audit resulted from a complaint to the Defense Hotline concerning environmental services contracts of the Naval Facilities Engineering Command. The overall objective is to evaluate the procurement, performance, and oversight of the contracts. The audit will also determine whether the contracts comply with applicable laws and regulations on the use of contracted support services. This project was announced August 3, 2001. (W. Gallagher/(703) 604-9270)

Service Contracts at the National Imagery and Mapping Agency (D2001AD-0159) The objective is to determine whether the National Imagery and Mapping Agency followed appropriate contracting policies and procedures in awarding professional and technical service contracts. This project was announced August 7, 2001. (K. West/(703) 604-8983)

DoD Contractor Compliance with Subcontracting Requirements for Historically Underutilized Business Zones (HUBZones) (D2001CK-0193) The audit was requested by Senator Christopher Bond. The objective will be to assess whether DoD contractors are providing subcontracting opportunities to small business concerns located in HUBZones. The audit will also determine whether DoD is adequately monitoring Defense contractors' subcontracting efforts to HUBZone contractors. This project was announced September 6, 2001. (J. Doyle/(703) 604-9349)

ENVIRONMENT

Implementation of Energy Efficiency and Conservation Measures (D2002CG-0044)

The National Energy Conservation Policy Act of 1978 (as amended) required Federal agencies to establish in-house programs to reduce energy consumption by 10 percent by 1995; various Executive Orders require further reductions. The Energy Policy Act of 1992 required Inspectors General to survey the implementation of the energy conservation measures. This audit will identify and summarize audits and reviews performed to date within the Department and assess the Department's progress in meeting the Federal energy goals. (W. Million/(703) 604-9312)

Environmental Services Contracting The overall objective will be to evaluate the procurement, performance, and oversight of the contracts. The audit will determine whether the contracts comply with applicable laws and regulations on the use of contracted support services with emphasis on competition requirements for purchases pursuant to multiple award contracts. (W. Gallagher/(703) 604-9270)

DoD Hazardous Waste Disposal Program for Overseas Military Operations (D2001CB-0129) The overall objective is to evaluate the DoD program for the disposal of hazardous waste and excess hazardous material generated by overseas military operations. Specifically, the audit will review program procedures, contracting, and oversight for the disposal of hazardous waste and excess hazardous material. This project was announced June 5, 2001. (W. Gallagher/(703) 604-9270)

Alternative Fuel Vehicles (D2001CK-0132) The overall objective is to determine whether DoD plans for alternative fuel vehicles were properly developed and implemented to fulfill the requirements established by the Energy Policy Act of 1992 and Executive Order 13031, "Federal Alternative Fueled Vehicle Leadership," December 13, 1996. In addition, the audit will determine if the Pentagon motor pool is reducing petroleum consumption through the use of alternative fuel vehicles and alternative fuels. This project was announced June 5, 2001. (J. Doyle/(703) 604-9349)

DoD Integrated Natural Resource Management Plans (D2001CK-0150) The audit objective will be to determine whether DoD is adequately budgeting for projects under the Integrated Natural Resource Management Plans (INRMPs) and is coordinating plans with the U.S. Fish and Wildlife Service and appropriate State fish and wildlife agencies. In addition, the audit will determine whether DoD will meet the deadline for completion and update of INRMPs. This project was announced July 6, 2001. (J. Doyle/(703) 604-9349)

DoD Environmental Community Outreach Programs at Test and Training Facilities (D2001CB-0186) The Secretary of Defense has identified environment and base encroachment issues as a serious military readiness concern. This evaluation was requested by the Director of Operational Test and Evaluation and the Office of the Deputy Under Secretary of Defense (Readiness) to evaluate the effectiveness of DoD environmental community outreach programs relative to encroachment challenges at DoD testing and training facilities. Specifically, the evaluation will assess best management practices that encourage successful environmental community relationships as a tool for achieving sustainable test and training facilities. This project was announced August 10, 2001. (W. Gallagher/(703) 604-9270)

FINANCE AND ACCOUNTING

Information Assurance for Financial Systems (D2002FG-0026) These audits will evaluate the adequacy and effectiveness of information assurance for selected DoD financial and accounting systems. (K. Truex/(703) 604-9139)

Enterprise Resource Planning The USD (C) is concerned about the potential impact on the Department's pending Financial Management Enterprise Architecture of any Enterprise Resource Planning (ERP) systems, specifically about the status of the planned Defense Logistics Agency (DLA) ERP and has requested the assistance in assessing that initiative. The objective of the audit will be to assess the current status of the DLA ERP. (K. Truex/(703) 604-9139)

Financial Statement Audits for FY 2002 (Multiple) (D2002FM-0027) These audits will determine whether the FY 2002 financial statements for the Department of Defense are presented fairly in accordance with generally accepted accounting principles described in the Office of Management and Budget (OMB) Bulletin No. 97-01, "Form and Content of Agency Financial Statements," October 16, 1996, as amended November 29, 1998. As part of this objective, we will review the reporting of performance measures in the Overview section of the DoD Agency-wide Financial Statements and in the preparation of the Statements of Net Costs by both the Department and its Components. We will assess internal controls, compliance with laws and regulations, and reporting of program and financial performance as described in the Bulletin. We also plan to follow up on corrective actions resulting from previous financial statement audits. (L. Peek/(703) 604-9587)

Compilation of Financial Data for Other Defense Organizations Into the FY 2001 DoD Agency-Wide Financial Statements (D2002FI-0002) The overall audit objective will be to determine whether the Defense Finance and Accounting Service Indianapolis (Sustaining Forces) consistently and accurately compiled financial data from supporting accounting offices and other sources for the FY 2001 financial statements for "Other Defense Organizations." It will also evaluate whether the compilation of the financial information for the FY 2001 financial statements for Other Defense organizations is complete, and whether the footnotes fully disclose material discrepancies and additional information relevant to the financial statements. This project was announced September 7, 2001. (L. Peek/(703) 604-9587)

Air Force Statement of Budgetary Resources This audit supports the audit of the FY 2001 DoD Agency-wide Financial Statements. The objective of the audit is to determine whether the FY 2001 Statement of Budgetary Resources for the Air Force

General Fund Financial Statements are presented fairly in accordance with generally accepted accounting principles. (B. Flynn/(703) 604-9489)

Effectiveness of the Standard Accounting, Budgeting, and Reporting System (SABRS) for Reporting Marine Corps Appropriations The objective of the audit will be to determine whether the latest enhancements to SABRS have corrected systemic problems in recording and reporting financial information for the Marine Corps. It will also determine whether SABRS accurately reports field level data and whether this information is converted into the correct format when transmitted to DFAS-Cleveland. (R. Kidd/(703) 604-9159)

Procedures for Prevalidating Payments The primary audit objective would be to evaluate procedures for prevalidating payments. The specific objective would be to review actions taken by the Defense Finance and Accounting Service (DFAS) to ensure that payments made for the Military Departments and Defense agencies are matched to corresponding detail obligations in the accounting records and funds reserved in the accounting systems before the disbursements are made. (L. Peek/(703) 604-9587)

Controls for the Defense Procurement Payment System (DPPS) at the Defense Finance and Accounting Service (DFAS) (D2002FH-0007) Data from the DPPS are relied upon for preparation of the DoD financial statements. Therefore, adequate security controls must be in place to ensure the reliability of the data in DPPS as well as the associated feeder systems. The overall objective of the audit is to determine whether the security of the DPPS is adequate. The audit will specifically include reviews of selected security controls and compliance with the CFO Act requirements. This project was announced September 20, 2001. (D. Vincent/(703) 604-9109)

Effects of Delayed Weapon Systems Upgrades on Amounts Reported for Deferred Maintenance The objective of the audit is to determine whether the Military Departments accurately and fully reported the effect of delayed upgrades of weapon systems on the cumulative amounts reported for deferred maintenance. Specifically, it will determine whether deferred maintenance amounts reported in the President's budget and the amounts reported in the DoD-Wide financial statements contain adequate information on weapons system upgrades that have been postponed. (J. Kornides/(614) 751-1400 x211)

Controls Over Disbursements and Collections Reported by Accounting Stations for Other Defense Organizations (D2002FD-0019) The primary objective is to determine the adequacy of controls for reconciling disbursements and collections reported by department-level accounting records and budget execution reports to the transaction details reported by the accounting stations for Other Defense Organizations – General Funds. Specifically, the audit will determine whether:

- the disbursements and collections reported for these organizations at the department-level are adequately reconciled to the transaction details reported by the

accounting stations, and

- whether an adequate audit trail exists from those department-level accounting records to the transaction details.

This project was announced October 24, 2001. (B. Flynn/(703) 604-9489)

Defense Finance and Accounting Service Continuity of Operations Program

(D2002FD-0026) The audit objective is to determine whether the Defense Finance and Accounting Service (DFAS) effectively implemented DoD Directive 3020.26, "Continuity of Operations Policy and Planning," May 26, 1995. In addition, the audit will followup on corrective actions taken in response to recommendations A.1. and A.2. in Inspector General, DoD, Report No. 99-049, "Year 2000 Contingency Planning and Cost Reporting at the Defense Finance and Accounting Service," December 10, 1998. It will also followup on corrective actions taken in response to recommendations 2 and 3 in General Accounting Office Report No. GAO/AIMD-97-117, "DFAS Faces Challenges in Solving the Year 2000 Problem," August 1997. This project was announced October 29, 2001. (B. Flynn/(703) 604-9489)

Controls Over the Computerized Accounts Payable System (D2000FI-0248) The primary objective of the audit will be to evaluate the controls associated with making vendor payments using the Computerized Accounts Payable System and its computation of vendor payments. We will also evaluate progress in transitioning to the Defense Procurement Payment System as the migratory system for making vendor payments. The final report, D2002-008 was issued October 19, 2001. (L. Peek/(703) 604-9587)

Advanced Sensor Applications Program Joint Project (D2000FD-0265) The audit was requested by the Inspector General, Department of Commerce. The objective of the audit will be to determine whether DoD funds provided to the Environmental Technology Laboratory were spent in accordance with program objectives and the memorandum of understanding between the DoD and the Environmental Technology Laboratory, dated June 8, 1993. This project was announced August 8, 2000. (B. Flynn/(703) 604-9489)

Controls Over the Transition from the Mechanization of Contract Administration Services (MOCAS) System to the Defense Procurement Payment System (DPPS) (D2000FJ-0268) This objective will be to evaluate actions to close out completed contracts and transition from the MOCAS to the DPPS. This project was announced August 23, 2000. (J. Kornides/(614) 751-1400)

Summary of Financial Audits on General and Application/Security Controls

(D2001FG-0042) We will assess the adequacy of general and application control/security policies and implementation for selected automated financial information systems. Our focus will be on evaluating the adequacy of system security,

access, continuity, and software development and changes, as well as testing applications controls. This audit is a summarization of prior audits with the objective being to point out that security weaknesses continue to exist.
(K. Truex/(703) 604-9139)

DoD Wide Area Workflow Development, Implementation, and Security (D2001FG-0039) This audit objective is to evaluate the adequacy of the Wide Area Workflow application development and implementation. Also, we will determine whether the Wide Area Workflow application is compliant with national and DoD security requirements. This project was announced October 16, 2000.
(K. Truex/(703) 604-9139)

DoD Fund Balance With Treasury Account (D2001FD-0048) This audit supports our annual audits of the Fund Balance With Treasury account and the FY 2000 DoD Agency-Wide financial statements, as required by the Chief Financial Officers Act of 1990, the Federal Financial Management Act of 1994, and the Federal Financial Management Improvement Act of 1996. The overall objective of the audit is to assess controls over the collections and disbursements reported to the Defense Finance and Accounting Service Centers and the U.S. Treasury. This project was announced November 14, 2000. (B. Flynn/(703) 604-9489)

Effect of the Raytheon Defense Business Acquisitions on Pension Plans and DoD Funded Pension Assets (D2001PT-0060) We plan to evaluate the effect of the Raytheon acquisition of Hughes, Texas Instruments, E-Systems, and Chrysler Defense on the respective pension plans, DoD pension costs and DoD funded pension assets. We will review each of the pension programs with different benefits and plan provisions, different funding ratios between assets and liabilities, different percentages of Government and commercial funding participation, and different plan participant characteristics. This project was announced December 7, 2000.
(K. Stavenjord/(703) 604-8952)

Controls Over the DoD Purchase Card Program (D2001FG-0068) The audit will evaluate the appropriateness of the issuance and use of purchase cards and the controls over the processing of purchase card payments. This project was announced January 10, 2001. (K. Truex/(703) 604-9139)

DoD's Implementation of the Statement of Federal Financial Accounting Standards No. 10 "Accounting for Internal Use Software" (D2001FH-0079) The overall objective will determine whether DoD is in compliance with Statement of Federal Financial Accounting Standards No. 10, which requires all Federal agencies to report internal use software in a specified and consistent manner starting in October 2000. Specifically, the audit will review procedures for collecting information on internal use software and reporting this information on the financial statements. This project was announced February 22, 2001. (D. Vincent/(703) 604-9109)

Financial Reporting at Accounting Offices Supporting the Other Defense Organizations-General Funds and Working Capital Funds (D2001FA-0086) The audit objective is to determine the accuracy and completeness of the financial data submitted by the accounting offices to DFAS-Indianapolis (Sustaining Forces) for inclusion in the Other Defense Organizations and Defense Agency-Wide financial statements. This project was announced March 5, 2001. (L. Peek/(703) 604-9587)

DoD Financial and Feeder Systems Compliance Process (D2001FG-0085) The overall audit objective is to determine the effectiveness of the DoD Financial and Feeder Systems Compliance Process to address compliance with applicable federal financial management systems requirements. Specifically, we will determine whether the DoD Financial and Feeder Systems Compliance Process will achieve compliance of both individual and integrated systems. This project was announced March 2, 2001. (K. Truex/(703) 604-9139)

Controls Over FY 2001 Air Force Disbursements Reported by U.S. Transportation Command, Transportation Component Commands (D2001FD-0083) The primary objective is to determine whether FY 2001 Air Force disbursements recorded in the U.S. Transportation Command, Transportation Component Commands are adequately supported at the Air Force base level. This project was announced March 5, 2001. (B. Flynn/(703) 604-9489)

DoD Accounts Payable in the Navy General Fund (D2001FD-0093) This audit will support our audit of the FY 2001 DoD Agency-Wide Financial Statements. The objective is to determine whether the accounts payable line of the FY 2001 DoD Agency-Wide Financial Statements was prepared in accordance with OMB Bulletin No. 97-01, "Form and Content of Agency Financial Statements" October 16, 1998, as amended November 20, 1998. This project was announced March 27, 2001. (B. Flynn/(703) 604-9489)

Defense Intelligence Systems Support Office's Management of Travel, Other Funds, and Contract Policies (D2001AL-0096) The audit is being initiated in response to a referral from the General Accounting Office (GAO). The objective is to evaluate the Defense Intelligence Systems Support Office's management of travel, other funds, and contract policies and to specifically to determine the validity of allegations contained in the GAO referral. This project was announced March 27, 2001. (C. Santoni (703) 604-9051)

Reporting the Cost of Military Personnel Assigned to Defense Agencies Required to Prepare Financial Statements (D2001FC-0110) The audit objective is to determine whether Defense agencies required to prepare financial statements in support of the Chief Financial Officers Act accurately reported the cost of Military personnel assigned. It will also evaluate any applicable guidance for reporting those costs to ensure the costs are properly and consistently reported. The final report, D2002-002 was issued October 2, 2001. (R. Kidd/(703) 604-9159)

FY 2001 Air Force General Fund Financial Statements (D2001FD-0112) This audit supports the audit of the FY 2001 DoD Agency-wide Financial Statements required by the CFO act of 1990, as amended by the Federal Financial Management Act of 1994. The objective of the audit is to determine whether the FY 2001 Air Force General Fund Financial Statements are presented fairly in accordance with generally accepted accounting principles. This project was announced April 19, 2001.
(B. Flynn/(703) 604-9489)

FY 2001 DoD Payroll Withholding Data (D2001FH-0118) This audit is required by the Chief Financial Officers Act of 1990, as amended by the Federal Financial Management Act of 1994. The overall audit objective is to determine whether the retirement, health, and life insurance withholdings and employee headcount data submitted by DoD are reasonable. This project was announced May 22, 2001.
(D. Vincent/(703) 604-9109)

FY 2001 DoD Agency-Wide Financial Statement's Accounts Receivable (D2001FI-0115) This audit is required by the Chief Financial Officers Act of 1990, as amended by the Federal Financial Management Act of 1994. The overall objective of the audit is to evaluate management assertions pertaining to valuation, completeness, and existence of DoD accounts receivable, and to determine whether these accounts are presented fairly on the financial statements in accordance with generally accepted accounting principles. This project was announced May 22, 2001.
(L. Peek/(703) 604-9587)

Procedures for Paying and Resolving Delinquent General Services Administration Bills for DoD Customers (D2001FI-0126) The General Services Administration (GSA) requested this audit. The primary audit objective is to evaluate Defense Finance and Accounting Service (DFAS) procedures for resolving delinquent GSA bills for DoD customers. It will also evaluate procedures for paying rent bills. This project was announced May 22, 2001. (L. Peek/(703) 604-9587)

Military Retirement Fund Financial Statements for FY 2001 (D2001FH-0117) The objective is to oversee audit work performed by Deloitte and Touche on the FY 2001 Military Retirement Fund Financial Statements to determine if the statements are fairly presented in accordance with OMB Bulletin No. 97-01, "Form and Content of Agency Financial Statements," and related amendments. This project was started June 1, 2001.
(D. Vincent/(703) 604-9109)

Use and Control of Military Interdepartmental Purchase Requests in Classified Programs (D2001AD-0131) The audit objective is to determine whether military interdepartmental purchase request policies and procedures are adequately applied in classified programs. This project was announced June 5, 2001.
(K. West/(703) 604-8983)

FY 2001 Department of the Navy General Fund Financial Statements

(D2001FC-0138) This audit is required by the Chief Financial Officers Act of 1990, as amended by the Federal Financial Management Act of 1994, and will support our audit of the FY 2001 DoD Agency-Wide Financial Statements. We have delegated authority to the Naval Audit Service (NAS) to audit the Navy General Fund financial statements, but we will oversee the NAS audit to verify that we can rely on their audit work. We will also determine the reliability and effectiveness of processes and procedures used by the Defense Finance and Accounting Service Cleveland and Kansas City sites to compile and prepare Navy General Fund financial data and financial statements. As part of that compilation process, we will review the reliability and controls over financial data processed and submitted by the DFAS Charleston field site for financial reporting. This project was announced June 15, 2001. (R. Kidd/(703) 604-9159)

FY 2001 Navy Working Capital Fund Financial Statements (D2001FC-0140) This audit is required by the Chief Financial Officers Act of 1990, as amended by the Federal Financial Management Act of 1994, and will support our audit of the FY 2001 DoD Agency-Wide Financial Statements. We have delegated authority to the Naval Audit Service (NAS) to audit the Navy Working Capital Fund financial statements, but we will oversee the NAS audit to verify that we can rely on their audit work. We will also determine the reliability and effectiveness of processes and procedures used by the Defense Finance and Accounting Service Cleveland and Kansas City sites to prepare Navy Working Capital Fund financial data and financial statements. As part of the FY 2001 audit we will also assess the Naval Inventory Control Point's valuation of inventory held for repair and review reconciliation procedures for logistics and financial records for inventory. This project was announced June 15, 2001. (R. Kidd/(703) 604-9159)

Promptness of DoD FY 2002 Payments to the United States Treasury for Water and Sewer Services (D2001FA-0154) This audit is required by Public Law 106-554, the Consolidated Appropriations Act 2001, (Section 401 of H.R. 5666, Miscellaneous Appropriations Act of 2001.) The audit objective will be to determine the promptness of DoD FY 2002 payments to the U.S. Treasury for water and sewer services provided by the Government of the District of Columbia. It will also evaluate the accuracy of meter readings. The final report, D2002-007, was issued October 15, 2001. (L. Peek/(703) 604-9587)

FY 2001 Corps of Engineers, Civil Works, Financial Statements (D2001FI-0162) This audit is required by the Chief Financial Officers Act of 1990, as amended by the Federal Financial Management Act of 1994. We have delegated authority to the Army Audit Agency (AAA) to perform an independent audit of the FY 2001 Corps of Engineers, Civil Works Financial Statements. Our audit includes two overall objectives. The first is to oversee the AAA audit to verify that we can rely on the work performed. Specifically, we will review the AAA approach and planning for the audit, monitor progress of the audit, perform other procedures necessary to satisfy us as to the adequacy of the audit approach and conclusions, and review audit reports prior to being

issued. The second objective is to determine whether the Corps of Engineers Finance Center consistently and accurately compiled financial data from field activities and other sources for the FY 2001 Corps of Engineers, Civil Works, financial statements. This project was announced July 24, 2001. (L. Peek/(703) 604-9587)

Financial Reporting of Deferred Maintenance Information on Weapons Systems (D2001FJ-0156) The objective of the audit is to determine whether the Military Departments consistently and accurately compile deferred maintenance information on weapons systems for Financial Statement Reporting. This project was announced July 27, 2001. (J. Kornides/(614) 751-1400)

Compilation of FY 2001 Air Force General Funds Financial Statements (D2001FD-0166) The audit will support the audits of the FY 2001 financial statements prepared for DoD and the Air Force General Funds. These audits are required by the Chief Financial Officers Act of 1990, as amended by the Federal Financial Management Act of 1994. The audit objective is to determine whether the Defense Finance and Accounting Service (DFAS) and DFAS Denver consistently and accurately compiled financial data from field activities and other sources in preparing the FY 2001 Air Force General Funds financial statements. This project was announced July 27, 2001. (B. Flynn/(703) 604-9489)

Compilation of FY 2001 Financial Statements for Working Capital Funds of the Department of the Air Force and Other Defense Organizations (D2001FD-0170) The audit will support the audits of the FY 2001 financial statements prepared for DoD, the Air Force, and certain Defense organizations. These audits are required by the Chief Financial Officers Act of 1990, as amended by the Federal Financial Management Act of 1994. The audit objective is to determine whether the Defense Finance and Accounting Service (DFAS) and DFAS Denver consistently and accurately compiled financial data from field activities and other sources in preparing the FY 2001 financial statements for the Air Force Working Capital Funds, the U.S. Transportation Command, the Defense Security Service, and the former Joint Logistics Systems Center. This project was announced July 27, 2001. (B. Flynn/(703) 604-9489)

Quality of Purchased Care Data Used for the DoD Military Retirement Health Benefits Liability (D2001FA-0171) This audit supports the annual audits of the DoD Military Retirement Health Benefits Liability as well as the DoD-wide financial statements required by the Chief Financial Officers Act of 1990, as amended by the Federal Financial Management Act of 1994. The overall objective is to determine whether the purchased care data used to estimate the DoD Military Retirement Health Benefits Liability for FY 2001 and beyond is reliable. The audit will include an analysis of data collected from systems that support estimates for the purchased care portion of the Military Retirement Health Benefits Liability. This project was announced August 1, 2001. (L. Peek/(703) 604-9587)

FY 2001 Army Working Capital Fund Financial Statements (D2001FI-0174) This audit is required by the Chief Financial Officers Act of 1990, as amended by the Federal Financial Management Act of 1994. We have delegated authority to the Army Audit Agency (AAA) to perform an independent audit of the FY 2001 Army Working Capital Fund financial statements. Our audit includes two overall objectives. The first is to oversee the AAA audit to verify that we can rely on the work performed. Specifically, we will review the AAA approach and planning for the audit, monitor progress of the audit, perform other procedures necessary to satisfy us as to the adequacy of the audit approach and conclusions, and review audit reports prior to being issued. The second objective is to determine whether the DFAS-Indianapolis consistently and accurately compiled financial data from field organizations and other sources for the FY 2001 Army Working Capital Fund financial statements. This project was announced August 1, 2001. (L. Peek/(703) 604-9587)

Defense Finance and Accounting Service Plans for Improving Financial and Related Nonfinancial Business Systems (D2001FJ-0175) The overall objective of the audit is to review the DoD plans to oversee the design, development, improvement, and acquisition of logistical systems feeding data to financial management systems. This project was announced August 1, 2001. (J. Kornides/(614) 751-1400)

Oversight of the Air Force Audit Agency Audit of the FY 2001 Air Force Working Capital Fund Financial Statements (D2001FD-0176) This audit is required by the Chief Financial Officers Act of 1990, as amended by the Federal Financial Management Act of 1994. We have delegated authority to the Air Force Audit Agency to audit the FY 2001 Air Force Working Capital Fund Financial Statements. The objective is to oversee the AFAA audit to determine whether we can rely on the audit conducted by AFAA, as required by Government auditing standards. Specifically, we will review the AFAA approach and planning for the audit, monitor the progress of the audit at key points, review audit reports prior to being issued, and perform other procedures necessary to satisfy ourselves regarding the audit approach and conclusions. This project was announced August 1, 2001. (B. Flynn/(703) 604-9489).

FY 2001 Army General Fund Financial Statements (D2001FI-0178) This audit is required by the Chief Financial Officers Act of 1990, as amended by the Federal Financial Management Act of 1994. We have delegated authority to the Army Audit Agency (AAA) to perform an independent audit of the FY 2001 Army General Fund financial statements. The audit includes two overall objectives. The first is to oversee the AAA audit to verify that we can rely on the work performed. Specifically, we will review the AAA approach and planning for the audit, monitor progress of the audit, perform other procedures necessary to satisfy us as to the adequacy of the audit approach and conclusions, and review audit reports prior to being issued. The second objective is to determine whether the DFAS-Indianapolis (Sustaining Forces), consistently and accurately compiled financial data from field activities and other sources for the FY 2001 Army General Fund financial statements. This project was announced August 1, 2001. (L. Peek/(703) 604-9587)

FY 2001 Department of Defense Agency-Wide Financial Statements

(D2001FI-0172) This audit is required by the Chief Financial Officers Act of 1990, as amended by the Federal Financial Management Act of 1994. The objective is to determine whether the FY 2001 DoD Agency-Wide financial statements were prepared in accordance with generally accepted accounting principles. We have delegated authority to the Military Department audit organizations to audit the FY 2001 annual financial statements of the Military Departments, as defined in OMB Bulletin No. 01-02, "Audit Requirements for Federal Financial Statements," October 16, 2000, or subsequent guidance. We will monitor and coordinate the work of the Military Department audit organizations and use it, in conjunction with our audit, as a basis for our report on the FY 2001 DoD Agency-Wide financial statements. This project was announced August 2, 2001. (L. Peek/(703) 604-9587)

DoD Financial Reporting of Operating Materials and Supplies (D2001FJ-0179)

This audit is required by the Chief Financial Officers Act of 1990 as implemented by the Office of Management and Budget (OMB) and DoD. The overall objective of the audit is to evaluate management assertions pertaining to valuation, completeness and existence of DoD operating materials and supplies accounts and to determine whether these accounts are presented fairly on the financial statements in accordance with OMB requirements. This project was announced August 3, 2001. (J. Kornides/(614) 751-1400)

Allegations of Possible Misuse of Funds Within the Navy Region Southeast

(D2001FC-0190) This audit is being performed in response to allegations reported to the Defense Hotline. The objective of the audit is to evaluate the possible misuse of Navy funds and questionable accounting adjustments by the Navy. This project was announced August 27, 2001. (R. Kidd/(703) 604-9159)

DoD Fund Balance With Treasury Account (D2001FD-0192) This audit supports the annual audits of the Fund Balance With Treasury account and the FY 2001 DoD Agency-Wide Financial Statements. The overall objective of the audit is to assess controls over the collections and disbursements reported to the Defense Finance and Accounting Service centers and the Department of the Treasury. This project was announced August 31, 2001. (B. Flynn/(703) 604-9489)

Cost Data Used to Value Inventory in DoD (D2001FJ-0195) The overall objective is to evaluate whether the cost data used to value DoD inventory are accurate and reliable. It will also be to determine whether the costs assigned to inventories that DoD managed were accurately computed in accordance with generally accepted accounting principles and supported by contract data. This project was announced September 14, 2001. (J. Kornides/(614) 751-1400, ext. 211)

Department of Defense Financial Reporting of Inventory (D2001FJ-0196) The overall objective is to evaluate management assertions pertaining to completeness and existence of DoD inventory accounts for financial statement reporting. Specifically, the audit will evaluate the DoD components inventory transaction process and physical inventory control programs. This project was announced September 14, 2001. (J. Kornides/(614) 751-1400, ext. 211)

HEALTH CARE AND MORALE

Medical Support Contracts Project (D2002LF-0032) This audit will determine whether contracting activities and program offices adequately managed the award and administration of medical service contracts. We will evaluate procurement procedures and performance measures used to judge the efficiency and the effectiveness of the contracted services over the process. (M. Joseph/(757) 766-9108)

Military Health System Optimization Initiative (D2001LF-0043) In December 1999, we began an audit (Project No. OLF-0115) of the distribution and sharing of DoD health care resources that was cancelled in order to satisfy an audit request from the Secretary of Defense. Since the cancellation of that audit, DoD has expended significant effort toward developing plans to reengineer health care delivery within the Military Health System. This audit will focus on the Military Treatment Facility Optimization Initiative outlined in the Health Care Reengineering Program. We will also review the distribution and sharing of health care resources in catchment areas, in medical regions, and among Military Departments. This project was announced October 31, 2000. (M. Joseph/(757) 766-9108)

Implementation of the Data Quality Management Control Program for the Military Health System (D2001FA-0097) This audit supports the annual auditing of the DoD Military Retirement Health Benefits Liability as well as the DoD-wide financial statements. The objective of the audit is to determine if Military Treatment Facilities have implemented the Data Quality Management Control Program for the Military Health System. Specifically, the audit will determine whether the policies and procedures described in the November 29, 2000 policy memorandum, "Data Quality Management Control Program," issued by the Assistant Secretary of Defense (Health Affairs) were implemented. This project was announced April 3, 2001. (D. Vincent/(703) 604-9109)

Delivery of Personnel Management Services Within DoD (D2001LF-0142) The overall objective of the audit is to evaluate the effects of regionalization on the delivery of civilian personnel management services within DoD organizations. It will assess whether the DoD regional civilian personnel service centers are effectively and efficiently providing personnel management services to the DoD civilian work force. This project was announced June 18, 2001. (M. Joseph/(757) 766-9108)

Compliance With Policies and Procedures Concerning DoD Child Care Nonappropriated Fund Employees (D2001LH-0169) The Under Secretary of Defense for Personnel and Readiness requested the Audit. The objective will be to assess compliance with policies and procedures concerning compensation for child care employees. This project was announced July 26, 2001. (R. Murrell/(703) 604-9180)

Use of Reprocessed Medical Single-Use Devices in DoD (D2001LF-0177) The overall objective will be to evaluate the use and handling of reprocessed medical single-use devices in DoD. Specifically, the audit will determine the extent of reuse that occurs in the military health system, whether reprocessing is in compliance with Food and Drug Administration guidance, and whether additional efficiencies can be achieved. This project was announced August 1, 2001. (M. Joseph/(757) 766-9108)

Preventive Health Care Application and Associated Upgrades (D2001LF-0184) The audit is in response to a DoD Hotline allegation related to the Preventive Health Care Application (PHCA) and associated upgrades. The objective is to determine whether the PHCA and associated upgrades adequately support the Put Prevention into Practice Program. This project was announced August 8, 2001. (M. Joseph/(757) 766-9108)

DoD Medical Support to the Federal Response Plan and National Disaster Medical System (D2001LF-0200) The evaluation was requested by the Assistant Secretary of Defense (Health Affairs). The objective is to review the process for supporting, and the cost of deploying medical assets in response to, the Federal Response Plan and National Medical Disaster System. This project was announced September 26, 2001. (M. Joseph/(757) 766-9108)

INFORMATION TECHNOLOGY RESOURCES

National Security Agency's Groundbreaker Project (D2002AD-0020) The overall objective will be to determine how Project Groundbreaker, the National Security Agency's multibillion-dollar information technology outsourcing contract, is progressing. The specific audit objectives will be to evaluate the quality of the information technology services being provided and contract cost performance. (K. West/(703) 604-8983)

Implementation of the Clinger-Cohen Act in the Department of Defense (D2002AS-0024) This project will summarize the results of the series of Section 8121(b) audits performed on selected information technology systems certified by the Chief Information Officer (CIO), DoD as compliant with the Clinger-Cohen Act of 1996. The overall objective will be to assess how widely and successfully the Department is implementing the statutory requirements of the Clinger-Cohen Act. It will also determine whether DoD oversight processes and procedures provide the CIO, DoD, sufficient basis to certify that DoD major automated information systems are managed in accordance with that Act. (W. Scott/(703) 604-9049)

Information Assurance for DoD Information Technology Infrastructure (D2002AS-0034) We will conduct audits to evaluate the life-cycle management and implementation of information assurance for DoD information technology systems, networks, and services. We will evaluate selected acquisitions, operational locations, and activities for compliance with information assurance laws, policies, practices, and procedures. (W. Scott/(703) 604-9049)

Registration of DoD Mission-Critical and Mission-Essential Systems (D2002AS-0035) The overall objective will be to evaluate the CINC/Service/Agency progress in implementing policy and complying with legislative requirements to register mission critical and mission essential IT systems, which would be subject to funding restrictions for non-compliance. The audit will determine whether adequate controls exist to identify and track registered and unregistered IT systems. (W. Scott/(703) 604-9049)

Implementation of Information Interoperability and Information Assurance Policies for Acquisition of Defense Systems (D2002AE-0009) The objective is to evaluate whether the Defense agencies and Military Departments are effectively implementing DoD information interoperability and information assurance policies. Specifically, the audit will determine whether management is effectively developing interoperability key performance parameters based upon information exchange and assurance requirements. Additionally, the audit will review the certification process for

interoperability in applicable Defense systems, including national security systems. This project was announced September 25, 2001. (J. Meling/(703) 604-9091)

Implementation of the Government Information Security Reform Act for FY 2002 (D2002AS-0020) The overall objective of the audit is to assess the DoD implementation of the Government Information Security Reform Act requirements of the Floyd D. Spence National Defense Authorization Act for FY 2001. This project was announced October 9, 2001. (W. Scott/(703) 604-9049)

Reserve Retirement Repository System (D2002AS-0024) The objective is to evaluate the DoD Human Resources Activity implementation of information security for the Reserve Retirement Repository System. The audit will also review the information security oversight and review processes. Specifically, it will review information security controls including, but not limited to, certification and accreditation; security awareness, training, and education; and management of Government and contractor access controls. This project was announced October 15, 2001. (W. Scott/(703) 604-9049)

Defense Hotline Allegations of Waste of Funds to Replace the Public Works Management Automation System (D2002FG-0031) This audit is being performed in response to a Defense Hotline complaint on the alleged waste of funds to replace the Public Works Management Automation system. The primary objective will be to determine whether the Navy is properly using funds on the proposed replacement of the Public Works Management Automation system with the MAXIMO system. This project was announced October 25, 2001. (K. Truex/(703) 604-9139)

Acquisition Management of Automated Information Systems (Multiple) This series of audits will evaluate the acquisition management of selected automated information system acquisition programs. Specifically, the selected information systems will be evaluated to determine if they are being cost-effectively acquired, monitored, tested, and prepared for deployment and system life cycle support. Guidance contained in DoD Directive 5000.1, "Defense Acquisition," and DoD 5000.2-R, "Mandatory Procedures for Major Defense Acquisition Programs and Major Automated Information Systems Acquisition Programs" will be used as criteria. These audits will also determine whether the information assurance processes required by DoD Directive 5200.28, "Security Requirements for Automated Information Systems," and other applicable guidance have been adequately implemented.

Number	Title	Point of Contact	Announced
1AL-0073	Acquisition Management of the Defense Counterintelligence System	C. Santoni (703) 604-9051	1/18/2001
1AL-0149	Acquisition of the National Exploitation System	C. Santoni (703) 604-9051	06/29/2001

Development of the Defense Finance and Accounting Service Corporate Database (D2000FG-0051) The overall objective is to review the development of the Defense Finance and Accounting Service Corporate Database and the impact on entitlement, disbursing, and accounting functions. The audit is in support of the Chief Financial Officer Act. Additionally, selected general and application controls will be reviewed. This project was announced December 14, 1999. (K. Truex/(703) 604-9139)

Process Used to Certify that Major Automated Information Systems are Managed in Accordance with the Clinger-Cohen Act (D2000AS-0212) The objectives are to evaluate DoD progress in implementing the statutory requirements of the Clinger-Cohen Act and to determine whether DoD oversight processes and procedures provide the Chief Information Officer, DoD, sufficient basis to certify that DoD major automated information systems are managed in accordance with that Act. This audit was announced May 10, 2000. Project D2000AS-0212.001, "Certification of the Army's Reserve Component Automation System" and Project D2000AS-0212.002, "Certification of the Defense Integrated Military Human Resources System", were announced January 23, 2001. Final report no. D2001-137 was issued June 7, 2001. (W. Scott/(703) 604-9049)

U.S. Export Systems Automation Initiative (D2001LG-0087) This audit is one of several annual reports to be issued by the IG, DoD, in accordance with the National Defense Authorization Act for FY 2000, section 1402, which requires an annual report on the transfer of militarily sensitive technologies to countries and entities of concern. The overall objective of the audit will be to determine whether the U.S. Export Systems Program Management Office is establishing a common electronic interface to create an automated Federal export licensing system in accordance with Federal policies and regulations. Specifically, the audit will determine whether the Program Management Office ensured that the planned development and acquisition of a Federal export licensing system translates operational requirements into a system solution that balances system cost, implementation schedule, performance, and risk. This project was announced March 13, 2001. (E. Klemstine/(703) 604-9172)

Global Command and Control System (D2001LG-0101) The audit objective is to evaluate the joint functionality, system integration, and operations of the Global Command and Control System. Specifically, we will evaluate whether the Joint Staff and the Defense Information Systems Agency are providing a single command, control, communications, computers, and intelligence system that satisfies the needs of the warfighter. This project was announced April 3, 2001. (E. Klemstine/(703) 604-9172)

DoD Web Site Administration, Policies, and Practices (D2001AB-0116) The objective of the audit is to evaluate DoD policies and practices for web site administration and oversight. Specifically, it will review how Government or other servers host official DoD web sites, and how DoD Components register and monitor web sites for compliance with policy and safeguard sensitive information. This project was announced May 11, 2001. (T. Bartoszek/(703) 604-9014)

Defense Advanced Research Projects Agency's Information Technology Advanced Technology Programs (D2001-AB-0141) The objective is to determine whether the Defense Advanced Research Projects Agency is successful in transitioning their information technology advanced technology programs into military applications. This project was announced June 21, 2001. (T. Bartoszek/(703) 604-9014)

Allegations Regarding the Management of the Defense Travel System Project Management Office (D2001FG-0148) The overall objective is to review the allegations to the Defense Hotline on the management of the Defense Travel System. The audit will determine whether the program is managed within established schedule, cost, and performance baselines. This project was announced July 10, 2001. (K. Truex/(703) 604-9139)

Information Resource Management at the U.S. Army Aviation and Missile Command (D2001AL-0173) The audit will evaluate the management of information resources at the Army Aviation and Missile Command in response to allegations made to the Defense Hotline. Specifically, the audit will determine whether the Command is managing information resources in accordance with the Office of Management and Budget and DoD guidance. The audit will also determine whether the Command has reengineered its business processes in response to planned system deployments of the Army's Wholesale Logistics Modernization Plan. This project was announced July 26, 2001. (C. Santoni/(703) 604-9051)

Allegations Concerning Information Assurance Management at the Defense Logistics Agency (D2001AS-0158) The audit is being done in response to allegations made to the Defense Hotline concerning information assurance management at the Defense Logistics Agency (DLA). Specifically, it will determine whether the DLA implemented the certification and accreditation process required by DoD Instruction 5200.40, "DoD Information Technology Security Certification and Accreditation Process," December 30, 1997, and whether the agency complied with other applicable statutory and regulatory information assurance requirements. This project was announced August 1, 2001. (W. Scott/(703) 604-9049)

Defense Hotline Allegation Regarding the Military Airspace Management System (MAMS) (D2001AD-0187) This audit is being initiated in response to a DoD Hotline allegation dated July 10, 2001. The overall objective is to review and assess allegations concerning the efficiency and effectiveness of the Military Airspace Management System (MAMS). The specific objectives are to review the training requirements for the system, as well as the capability, limitations, and use of the system. This project was announced September 7, 2001. (K. West/(703) 604-8983)

INTELLIGENCE

Protection of the Infrastructure Against Radio Frequency Weapons

(D2000AL-0202) The objective is to determine the extent that DoD has planned to protect the DoD and supporting civilian infrastructure against attacks by radio frequency weapons. This project was announced April 26, 2000.

(C. Santoni/(703) 604-9051)

LOGISTICS

Followup on the Navy/Honeywell Contract for Total Logistics Support of Aircraft Auxiliary Power Units (D2002CF-0015) The primary audit objective will be to determine whether cost savings, and availability and reliability improvements used to support the decision to award a commercial contract to Honeywell for total logistics support of aircraft auxiliary power units were achieved. (T. McKinney/(703) 604-9288)

Management of Obsolete National Stock Numbers in the Air Force (D2002LD-0019) The audit will evaluate the processes that the Air Force uses in coordination with the Defense Logistics Agency to identify and delete items in the weapon systems files that have obsolete national stock numbers. (T. Schraden/(703) 604-9186)

Accountability and Control of Materiel at Air Force Air Logistics Centers (D2002LH-0022) This is one in a series of audits to address the accountability and control of materiel at DoD maintenance depots. The audit will evaluate the effectiveness of policies and procedures used to account for and control materiel used at Air Force maintenance depots. (R. Murrell/(703) 604-9180)

Stockage Objectives for Special Program Requirements (D2002LD-0025) The audit will evaluate the process used by DoD Components for determining and supporting special program requirements. Specifically, the audit will determine the validity of special program requirements and the adequacy of the methodology, procedures, and systems for communicating requirements and computing stockage objectives and for providing supply support. (T. Schraden/(703) 604-9186)

Joint and Multinational Training (D2002LA-0043) This audit will determine whether the combatant commands and their subordinate Service Component Commands and Joint Task Forces have demonstrated the capability to conduct coalition operations. The audit will analyze the results of significant joint and combined exercises, improvements in the interoperability of Service and allied components' forces and weapons systems, significant alterations of command relationships, and recent deployments. (H. Geyer /(703) 604-9174)

Government Performance and Results Act (GPRA) Audit Coverage The DoD Annual GPRA Performance Plan sets the key corporate level goals and performance measures of the Department. The DoD does not yet have an FY 2002 Performance Plan; it is expected that an FY 2002/2003 Performance Plan will be issued by February 2002. Once the plan is in place, we will be able to tailor audit coverage to assess to

what extent the data supporting achievement of the goals was accurate and comprehensive.

Uncataloged Material at Research, Development, Test, and Evaluation

Installations (D2002LD-0015) This audit will follow up on Audit Report No. 97-183, "Uncataloged Material at Research, Development, Test, and Evaluation Installations," June 30, 1997. The objective will be to evaluate the propriety of storing and stocking uncataloged material at Military Department research, development, test, and evaluation installations. This project was announced October 18, 2001. (T. Schraden/(703) 604-9186)

Controls Over the DoD Aviation Contract Fuel Program (D2002LG-0006) The objective of the audit will be to evaluate the use of the Aviation Into-Plane Reimbursement Card and the controls over the processing of reimbursement card payments. This project was announced October 2, 2001. (E. Klemstine/(703) 604-9172)

Aircraft Readiness (D2001LA-0001) The objective of the audit will be to determine whether currently fielded critical aircraft weapon systems are being supported and maintained at readiness levels commensurate with joint force requirements. Specifically, the audit will examine the readiness of those weapon systems across the full spectrum of anticipated contingencies, and with minimal warning time. This project was announced August 25, 2000. (H. Geyer/(703) 604-9174)

Management of the DoD Intermodal Container System (D2001LH-0059) The audit will determine whether DoD effectively and efficiently manages the intermodal container system. Specifically, it will determine how DoD Components attain and maintain a container-oriented distribution system of sufficient capability to meet DoD-established mobilization and deployment goals while ensuring commonality and interchangeability of intermodal containers, hardware, and equipment between the Services and commercial industry. The project was announced January 17, 2001. (R. Murrell/(703) 604-9180)

DoD Stockage of Aviation Repair Parts (D2001LD-0076) The audit objective will be to evaluate the effectiveness of the DoD initiative to improve supply support to aviation weapon systems by increasing the stockage levels of consumable repair parts. This project was announced on February 6, 2001. (T. Schraden/(703) 604-9186)

DoD Total Asset Visibility Program (D2001LD-0078) The overall audit objective will be to evaluate the effectiveness of the DoD Total Asset Visibility Program. Specifically, it will determine whether Integrated Materiel Managers in DoD are collecting, verifying, and reporting accurate, complete, and timely data on materiel asset visibility and accessibility that is fully integrated into Joint Total Asset Visibility. This project was announced on February 7, 2001. (T Schraden/(703) 604-9186)

Quality Deficiency Reporting Procedures for Naval Repair Parts (D2001CF-0090)

The overall audit objective will be to determine whether the Navy and Marine Corps are effectively reporting and tracking deficient repair parts within their commands. Specifically, it will determine whether logistics managers and quality assurance specialists use deficiency reports to purge nonconforming inventory from their depots, screen potentially defective inventory from reentering their depots, and contact contractors associated with the nonconforming parts. This project was announced March 16, 2001. (T. McKinney/(703) 604-9215)

F/A-18E/F Integrated Readiness Support Teaming (FIRST) Program

(D2001-CF-0100) The audit is being performed as a follow-on to previous audits of commercial buying practices. The overall objective is to determine whether the cost savings, availability, and reliability data used in the business case analysis prepared by the Naval Air Systems Command supports the decision to award a commercial contract to The Boeing Company for life-cycle support of F/A-18E/F aircraft. This project was announced April 2, 2001. (T. McKinney/(703) 604-9288)

DoD Management of the North Atlantic Treaty Organization Security Investment Program (D2001LG-0109)

The objective of the audit is to evaluate DoD oversight and management of the NATO military construction process within the NATO Security Investment Program (NSIP). It will determine how NSIP requirements are identified, contracted, revalidated, and closed out, and determine whether the DoD executive agent adequately accounts for the DoD portion of the NSIP funds. This project was announced April 19, 2001. (E. Klemstine/(703) 604-9172)

Defense Logistics Agency Management of Terminal Items (D2001LD-0128)

The audit objective is to evaluate the Defense Logistics Agency management of terminal items that are not authorized for procurement. This project was announced June 11, 2001. (T. Schraden/(703) 604-9186)

Acquisition of Marine Corps Aircraft Simulators (D2001AL-0143)

The audit is being initiated in response to allegations on the acquisition and utilization of aircraft simulators by the Marine Corps. The overall objective is to review acquisition and utilization of Marine Corps aircraft simulators. This project was announced June 21, 2001. (C. Santoni/(703) 604-9051)

Maintenance of Chemical and Biological Defense Individual Protective Equipment

(D2001LA-0147) The objective of the audit is to review and evaluate the maintenance of chemical and biological defense individual protective equipment. This project was announced June 25, 2001. (H. Geyer/(703) 604-9174)

DoD International Personal Property Shipment Rates (D2001LH-0163)

The audit is the result of a Defense Hotline complaint that alleges the DoD was incurring excess costs on personal property shipments because certain transportation codes of service for international shipments were not allowed in some locations. The overall audit objective

is to determine the validity of the allegation, effectiveness of the codes of service and rates used, and whether the methods used are in compliance with applicable regulations. This project was announced July 27, 2001. (R. Murrell/(703) 604-9180)

OTHER

DoD Involvement in the Enforcement of Export Licenses (D2002LG-0011) The overall objective will be to evaluate the export licensing process regarding conditions placed on exporters to comply with export regulations and laws. Specifically, we will evaluate and verify pre-license checks, post shipment verifications, and information provided on export licenses as to the description, use, and final destination of exported items. Departments of Commerce, State, and Treasury will play lead roles in the review with Departments of Defense and Energy playing a supporting role.
(E. Klemstine/(703) 604-9172)

Transition of Advanced Technology Programs to Military Applications (D2001AB-0105) The objective will be to determine whether the Military Departments and Defense agencies are successful in transitioning advanced technology programs to military applications. The audit will be conducted in phases with the Army technology programs as the first phase of the audit. This project was announced April 19, 2001.
(T. Bartoszek/(703) 604-9014)

AUDIT POLICY AND OVERSIGHT

Identification of Fraud Indicators by Defense Contract Audit Agency Auditors

(D2002OA-0011) The overall evaluation objective is to determine how the Defense Contract Audit Agency (DCAA) implements the requirements of the Government Auditing Standards and other relevant auditing standards relating to the identification of potential illegal acts or fraud. Specifically, it will determine whether DCAA has effectively implemented the requirements to identify potential fraud or illegal acts and noncompliances into their standard audit programs. This project was announced September 28, 2001. (D. Stetler/(703) 604-8737)

Identification of Indicators of Irregularities, Illegal Acts and Other Noncompliance

(D2002OA-0016) The objective of the project will be to focus attention of the audit community on indicators of irregularities, illegal acts and other noncompliance, to include gathering fraud indicators and scenarios, and publishing them for use by auditors. This project was announced October 3, 2001. (T. Heacock/(703) 604-8756)

Internal Audit Policy and Oversight Implementation (D2002OA-0017)

The objective is to provide policy guidance to and oversight of the Department of Defense internal audit organizations. These include the Service Audit Agencies and internal audit and review offices of defense agencies and military facilities. (W. Berry/(703) 604-8789)

Single Audits (D2002OA-0018)

The objective will be to evaluate whether auditors of Federal funds given to state and local governments and non-profit organizations conducted their audits in accordance with applicable standards and the audit requirements of OMB Circular A-133, "Audits of State, Local Governments, and Non-Profit Organizations". (W. Berry/(703) 604-8789)

Evaluation of DoD Oversight of Contractor Purchasing Systems (D2001OA-0106)

The objective will be to evaluate the overall adequacy of Contractor Purchasing System Reviews performed jointly by the Defense Contract Audit Agency (DCAA) and the Defense Contract Management Agency (DCMA). The review will include an evaluation of the use of audit support services and the overall quality and extent of audit services the DCAA provides to the DCMA. This project was announced May 3, 2001. (M. Fusfield/(703) 604-8739)

Evaluation of Defense Contract Audit Agency (DCAA) Quality Assurance Review of Internal Control Systems Audits (D2001OA-0113)

The overall evaluation objective is to determine whether the DCAA Quality Assurance Program provides reasonable assurance that established policies, procedures, and applicable auditing standards are being followed. Specifically, the evaluation will assess how DCAA

selected, staffed, and performed quality assurance reviews of internal control system audits. This project was announced May 1, 2001. (D. Stetler/(703) 604-8737)

Evaluation of Risk Assessment Procedures for DoD Audits (D2001OA-0122) The objective of the review will be to identify effective procedures for assessing risk when conducting audits within the DoD. The evaluation will provide the DoD audit community a resource of useful procedures. The initial effort will focus on the risk assessment procedures used by DoD audit activities. However, other government agencies and private organization may be reviewed to identify effective risk assessing procedures outside of DoD. (W. Berry/(703) 604-8789)

Appendix A. DoD IG Issue Area Planning and Coordination
Groups

Group	Representative	Telephone
Acquisition Program	Mary Ugone	(703) 604-9002
Contracting Oversight	Richard Jolliffe	(703) 604-9202
Construction and Installation Support	Wayne Million	(703) 604-9312
Environment	Richard Jolliffe	(703) 604-9202
Finance and Accounting	Paul Granetto	(703) 604-9101
Health Care and Other Morale Issues	Mike Joseph	(757) 766-9108
Information Technology Resources	Wanda Scott	(703) 604-9049
Intelligence	Charles Santoni	(703) 604-9051
Logistics	Tilghman Schraden	(703) 604-9176
Special Coordinating Oversight Group	John Koch	(703) 604-8940

Appendix B. Plan Distribution

Office of the Secretary of Defense

Under Secretary of Defense for Acquisition and Technology
Under Secretary of Defense (Comptroller)/Chief Financial Officer
Under Secretary of Defense for Personnel and Readiness
Under Secretary of Defense for Policy
Assistant Secretary of Defense (Command, Control, Communications & Intelligence)/
Chief Information Officer
Assistant Secretary of Defense (Public Affairs)
Assistant Secretary of Defense (Reserve Affairs)
Deputy Under Secretary of Defense (Acquisition Reform)
Director, Defense Procurement
Director, Program Analysis and Evaluation
Deputy Comptroller (Program/Budget), Office of the Under Secretary of Defense
(Comptroller/CFO)
Deputy CFO, Office of the Under Secretary of Defense (Comptroller/CFO)

Department of the Army

Assistant Secretary of the Army (Financial Management and Comptroller)
Inspector General, Department of the Army
Auditor General of the Army
Inspector General, U.S. Army Materiel Command
Commander, U. S. Army Criminal Investigative Command

Department of the Navy

Assistant Secretary of the Navy (Financial Management and Comptroller)
Naval Inspector General
Marine Corps Inspector General
Auditor General of the Navy

Department of the Air Force

Assistant Secretary of the Air Force (Financial Management and Comptroller)
Inspector General of the Air Force

Appendix B. Plan Distribution (Continued)

Department of the Air Force (Continued)

Auditor General of the Air Force
Air Force Audit Agency/DO
Air Force Audit Agency/FD
Air Force Audit Agency/MS
Air Force Audit Agency/FS
Commander, Air Force Materiel Command
Commander, Air Force Office of Special Investigations
Inspector General, Air Combat Command
Inspector General, Air Education and Training Command
Inspector General, Air Force Materiel Command
Inspector General, Air Force Reserve Command
Inspector General, Air Force Special Operations Command
Inspector General, Air Force Space Command
Inspector General, Air Mobility Command
Inspector General, Air National Guard
Inspector General, Pacific Air Forces
Inspector General, U.S. Air Forces in Europe

Other Defense Organizations

Director, Defense Contract Audit Agency
Director, Defense Commissary Agency
Director, Defense Contract Management Agency
Director, Defense Finance and Accounting Service
Director, Defense Logistics Agency
Inspector General, Defense Information Systems Agency
Inspector General, Defense Intelligence Agency
Inspector General, Defense Threat Reduction Agency
Inspector General, Joint Staff
Inspector General, National Reconnaissance Office
Inspector General, National Security Agency
Inspector General, National Imagery and Mapping Agency

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