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Abstract
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.

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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-0121	Suite of Integrated Radio Frequency Countermeasures	J. Meling (703) 604-9091	4/10/2002

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. (B. Burton/(703) 604-9071)

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.
(H. James/(703) 604-9093)

Allegation Concerning the V-22 Osprey Joint Advanced Vertical Aircraft (D2002AE 0065) The audit was initiated based on an allegation concerning the crashworthiness of the fuel cells installed on the V-22. The allegation was referred by the Commandant of the Marine Corps. The objective of the audit will be to review documentation associated with developing, contracting, testing, and installing the fuel cells on the V-22 and future funding for fuel cell improvements. This project was announced January 7, 2002. (J. Meling/(703) 604-9091)

Army Chemical Demilitarization Program (D2002AE-0081) The audit objective is to evaluate the overall management of the Army Chemical Demilitarization Program. The audit will determine whether management is cost-effectively using the acquisition process to develop the program's chemical destruction facilities for operation. This project was announced January 31, 2002. (J. Meling/(703) 604-9091)

Transition of Advanced Technology Programs to Military Applications (D2002AB-0128) The objective will be to determine whether the Air Force is successful in transitioning advanced technology programs to military applications. This project was announced April 11, 2002. (B. Burton/(703) 604-9071)

Acquisition of the Wide Area Munition (D2001AE-0011) The objective was to evaluate the overall management of the Wide Area Munition. Because the program is in the engineering and manufacturing development acquisition phase, the audit determined whether management was cost-effectively developing and readying the program for the full-rate production phase of the acquisition process. 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 was to evaluate the overall management of the Firefinder II Radar. Because the program is in the engineering and manufacturing development acquisition phase, the audit determined whether management was cost-effectively readying the program for the production phase of the acquisition process. Final report D2002-012 was issued October 31, 2001. (J. Meling/(703) 604-9091)

Government Performance and Results Act Goals: Major Defense Acquisition Programs Cycle Time (D2001AB-0066) The overall objective was 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 assessed the validity of the process, data, and factors used to establish the goals related to Major Defense Acquisition Programs Cycle Time. We also evaluated the methods used to accumulate and report the actual data collected by DoD against those goals. Report D2002-032 was issued December 28, 2001. (J. Meling/(703) 604-9091)

Acquisition of the Naval Fires Control System (D2001AE-0069) The objective was to evaluate the overall management of the Naval Fires Control System. Because the program was in the engineering and manufacturing development acquisition phase, the audit focused on whether management was cost-effectively readying the program for the production phase of the acquisition process. Final report D2002-036 was issued January 8, 2002. (J. Meling/(703) 604-9091)

Acquisition of the Vertical Take-off and Landing Tactical Unmanned Aerial Vehicle (D2001AE-0080) The objective was to evaluate the overall management of the Vertical Take-off and Landing Tactical Unmanned Aerial Vehicle Program. Because the program was in the engineering and manufacturing development phase, the audit determined whether management was cost-effectively developing and readying the program for the full-rate production phase of the acquisition process. Final report D2002-026 was issued December 14, 2001. (J. Meling/(703) 604-9091)

Acquisition of the Joint Service Lightweight Standoff Chemical Agent Detector (D2001AE-0088) The objective was 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 focused on determining whether management is cost-effectively readying the system for the production phase of the acquisition process. Final report D2002-058 was issued March 11, 2002. (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 was to review a specified launch contract to determine whether the contract and any changes were in the best interest of the Government. Final report D2002-001 was issued October 2, 2001. (K. West/(703) 604-8983)

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)

DoD Policies and Procedures to Implement the Rural Development Act of 1972 (D2002CG-0042) The audit was required by Section 647 of Public Law 107-67, the Treasury and General Government Appropriations Act. The objective will be to determine whether DoD has established policies and procedures that implement the requirements of the Rural Development Act of 1972. Specifically, it will determine whether DoD components and military departments have policies and procedures in place to give first priority to the location of new offices and other facilities in rural areas. This project was announced November 19, 2001. (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)

Office of Management and Budget A-76 Public/Private Competition for the Military Retired and Annuitant Pay Function (D2002CH-0074) This audit results from inquiries from Representative Dennis Kucinich regarding the A-76 competition for the military retired and annuitant pay function. The overall objectives in answering the inquiries are to review selected portions of the A-76 process and decision to award the function to a private contractor and to assess related performance risks. This project was announced January 17, 2002. (H. Kleinknecht/(703) 604-9324)

Document Automation and Production Service Public/Private Competition (D2002CB-0088) The audit is being done in response to a request from the Chairman, Subcommittee on Military Readiness, Committee on Armed Services, U.S. House of Representatives. The objective will be to determine whether the Defense Logistics Agency fairly and impartially conducted the Office of Management and Budget Circular A-76 process for the Document Automation and Production Service public/private competition. Specifically, the audit will determine the reasons for the private sector non-responsiveness to the public/private competition solicitation. This project was announced February 15, 2002. (W. Gallagher/(703) 604-9270)

<u>Purchase Cards and Their Use in DoD</u> 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. A report (D2002-029) summarizing prior audit coverage of DoD purchase card programs was issued December 27, 2001.
(J. Doyle/(703) 604-9349)

<u>Purchase Card Use at the Naval Space and Warfare Systems Command, Information Technology Center, New Orleans, Louisiana (D2002CK-0099)</u> The objectives are to evaluate the use of purchase cards and the controls over property accountability. This project was announced March 15, 2002.
(J. Doyle/(703)/604-9349)

<u>Contract Administration Services Function at Edwards Air Force Base (D2002CK-0008)</u> 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)

<u>Defense Supply Service – Washington Contracting Functions (D2002CK-0012)</u> 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)

<u>Defense Reutilization and Marketing Services Commercial Venture Contracts for Privatization of the DoD Surplus Sales Program (D2002CH-0030)</u> 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)

<u>Award and Administration of Contract SPO100-00-D-EE72 (D2002CH-0033)</u> 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)

Sole–Source Commercial and Noncommercial Spare Parts Procured from AAR Corporation (D2002CH-0029) The overall audit objective is to determine whether DoD is paying fair and reasonable prices for sole-source commercial and noncommercial spare parts procured from AAR Corporation. This project was announced November 8, 2001. (H. Kleinknecht/(703) 604-9324)

Air National Guard Decision on the Asynchronous Transfer Mode Installation Contract (D2002AL-0050) The audit is being initiated in response to a congressional request. The audit objective is to evaluate the adequacy of the Air National Guard decision to not exercise the final two option years on a contract to install the Asynchronous Transfer Mode Network. This project was announced November 30, 2001. (C. Santoni/(703) 604-9051)

Defense Logistics Agency Contract Action Reporting System Contract (D2002CF-0052) The audit will be performed as a result of a DoD Hotline complaint alleging contractor non-performance issues with an information technology contract for upgrading the Defense Logistics Agency (DLA) Contract Action Reporting System. The audit will assess whether the DLA executed effective contract planning and administration procedures and whether the contractor fulfilled its performance obligations in accordance with the contract requirements. This project was announced December 11, 2001. (T. McKinney/(703) 604-9288)

Allegations Concerning Improprieties in Awarding National Guard Contracts (D2002AL-0059) The audit is being initiated in response to a referral from the General Accounting Office. The audit objective is to determine the validity of allegations of improprieties in awarding certain National Guard contracts. This project was announced December 17, 2001. (C. Santoni/(703) 604-9051)

Industrial Prime Vendor Program at the Marine Corps Maintenance Centers (D2002CH-0039) The overall objective is to determine whether the Industrial Prime Vendor Program is being effectively implemented and providing the best value for the Marine Corps Maintenance Centers. This project was announced February 15, 2002. (H. Kleinknecht/(703) 604-9324)

Allegation Concerning Government Acceptance Procedures for CADPRO, Inc. Parts (D2002PT-0089) The evaluation was initiated at the request of Congressman Robert Andrews. The overall objective will be to review an allegation concerning the Government acceptance procedures for parts supplied by CADPRO, Inc. Specifically, the evaluation will review the timeliness of inspections and quality assurance procedures. This project was announced February 22, 2002. (K. Stavenjord/(703) 604-8952)

Procedures for Selecting Contractor Personnel to Perform Maintenance on Army Aircraft in Bosnia (D2002CF-0091) This audit will be performed in response to a Congressional request from the Chairman, Subcommittee on National Security, Veterans Affairs and International Relations, Committee on Government Reforms, U.S. House of Representatives. The objective will be to examine procedures used by DoD acquisition officials to determine the contractor's suitability and capability to perform requirements. The audit will also examine procedures followed by the contractor to screen and select personnel to perform aircraft maintenance in Bosnia. This project was announced February 25, 2002. (T. McKinney/(703) 604-9288)

DoD Source Approval Process for Service and Sales Incorporated (D2002CH-0095) This audit will be conducted in response to allegations to the Defense Hotline. The overall objective is to determine whether the DoD source approval process effectively approved Service and Sales, Inc., as a potential source of supply for spare parts included on a licensing agreement with Honeywell International, Inc. This project was announced March 4, 2002. (H. Kleinknecht/(703) 604-9324)

Independent Review of the Washington Headquarters Services Sourcing Study for the Pentagon Heating and Cooling Plant (D2002CG-0097) The audit was initiated at the request of the Director, Washington Headquarters Service. The overall objective is to evaluate the reasonableness of in-house cost estimates for competitive sourcing for the Pentagon Heating and Cooling Plant. Specific objectives of the independent review are to determine whether: data in the management plan reasonably establish the Government's ability to perform work requirements in the performance work statement with resources provided by the most efficient organization, and the Government cost estimates are fully justified and calculated in accordance with procedures described in part II of the OMB Circular A-76 Revised Supplemental Handbook. This project was announced March 18, 2002. (W. Million/(703) 604-9312)

Cooperative Agreements Under the Mentor Protégé Program (D2002CF-0116) This audit will address two cooperative agreements to perform services under the Mentor Protégé Program. The agreements were made between the DoD, Office of Small and Disadvantaged Business Utilization (SADBU) and the United Negro College Fund, Fairfax, VA and Sciencewise, Inc., Gaithersburg, MD. The audit will determine whether the work as specified in the agreements was performed, and whether the Government received adequate value from the work. This project was announced April 1, 2002. (T. McKinney/(703) 604-9288)

American Forces Information Service Sourcing Study for the Joint Visual Information Distribution Agency and the Defense Visual Information Center (D2002CG-0127) The audit will evaluate the reasonableness of in-house cost estimates for competitive sourcing for the subject sourcing study. Specific objectives of the independent review are to determine whether: data in the management plan reasonably establish the Government's ability to perform work requirements in the performance work statement with resources provided by the most efficient organization, and

Government cost estimates are fully justified and calculated in accordance with procedures described in part II of the OBM Circular No. A-76, Revised Supplemental Handbook. This project was announced April 11, 2002. (W. Million/(703) 604-9312)

Maintenance and Repair Type Contracts Awarded by the U.S. Army Corps of Engineers, Wiesbaden, Germany (D2000CK-0081) The objective was to review the award and administration of maintenance and repair type contracts awarded by the U.S. Army Corps of Engineer, Wiesbaden, Germany. Final report D2002-021 was issued December 5, 2001. (J. Doyle/(703) 604-9348)

Service Contracts at the National Security Agency (D2000AD-0213) The objective was to determine whether the National Security Agency followed appropriate contracting policies and procedures in awarding and administering service contracts. Report D2002-022 was issued December 6, 2001 and report D2002-053 was issued February 19, 2002. (K. West/(703) 604-8983)

Defense Supply Centers' Quality Assurance Program (D2001PT-0023) The objective was to evaluate the Defense Supply Centers' Quality Assurance Program. Specifically, we evaluated 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. Final report D2002-013 was issued November 2, 2001.
(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 was 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. Final report D2002-066 was issued March 20, 2002.
(E. Kissner/(703) 604-9323)

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)

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. It was reannounced on November 16, 2001 to reflect changes in the audit scope. The audit will also determine whether contracting officials used General Services Administration schedules to award contract actions in accordance with Federal Acquisition Regulation, Part 8.
(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 reviewed 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. Final report D2002-061 was issued March 13,2002.
(H. Kleinknecht/(703) 604-9324)

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)

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)

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)

Munitions and Explosives Safety Management (D2002CB-0079) The review was requested by the Deputy Director, Strategic and Tactical Systems, Munitions, Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics. The overall objective will be to determine whether the DoD munitions and explosives safety management program is adequate and effective. Specifically, we will evaluate DoD and Military Department policies, procedures, regulations, organizational structures, and command relations for munitions and explosives safety. This project was announced January 28, 2002. (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

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

<u>Enterprise Resource Planning</u> 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)

<u>FY 2002 DoD Agency-Wide Financial Statements (D2002FI-0104)</u> Our audit objective is to determine whether the FY 2002 DoD Agency-Wide Financial Statements were prepared in accordance with generally accepted accounting principles. As part of this objective, we will review internal controls related to the reliability of financial reporting and compliance with laws and regulations that relate to the financial statements. This project was announced March 12, 2002. (L. Peek/(703) 604-9587)

<u>Compilation of Financial Data for Other Defense Organizations Into the FY 2001 DoD Agency-Wide Financial Statements (D2002FI-0002)</u> 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)

<u>FY 2002 Air Force General Funds Financial Statements (D2002FD-0084)</u> The objective of the audit is to determine whether the FY 2002 Air Force General Funds Financial Statements, excluding the Statement of Budgetary Resources, are presented fairly in all material respects in conformity with generally accepted accounting principles. This project was announced February 22, 2002. (B. Flynn/(703) 604-9489)

<u>FY 2002 Air Force Working Capital Fund Financial Statements (D2002FD-0085)</u> The objective of the audit is to determine whether the FY 2002 Air Force Working Capital Fund Financial Statements are presented fairly in all material respects in conformity with generally accepted accounting principles. This project was announced February 22, 2002. (B. Flynn/(703) 604-9489)

FY 2002 Air Force General Funds Statement of Budgetary Resources (D2002FD-0086) The objective of the audit is to determine whether the FY 2002 Air Force General Funds Statement of Budgetary Resources is presented fairly in all material respects in conformity with generally accepted accounting principles. This project was announced February 22, 2002. (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 (D2002FI-0054) The primary audit objective is to evaluate procedures for prevalidating payments The audit will evaluate the actions taken by the Defense Finance and Accounting Service (DFAS), the Military Departments, and selected other Defense agencies to ensure that payments are matched to corresponding detail obligations and funds are reserved in the accounting systems before disbursements are made. This project was announced December 11, 2001. (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)

<u>DoD Emergency Response Fund (D2002 FI-0051)</u> The overall audit objective is to evaluate the effectiveness and efficiency of controls over the DoD Emergency Response Fund, Appropriation 97X0833. Specifically, the audit will determine whether DoD procedures for initiating, recording, reporting, and managing obligations and disbursements during a wartime environment are effective efficient, and comply with applicable laws and regulations. This project was announced December 10, 2001. (L. Peek/(703) 604-9587)

<u>FY 2002 Military Payroll and Withholding Data (D2002FH-0056)</u> This audit fulfills the requirements of the Chief Financial Officers Act of 1990, as amended by the Federal Financial Management Act of 1994. The overall audit objective is to determine the accuracy and timeliness of military pay and withholdings. This project was announced December 13, 2001. (D. Vincent/(703) 604-9109)

<u>DoD National Drug Control Program Financial Report (D2002LH-0055)</u> The review is required by the Office of National Drug Control Policy Reauthorization Act of 1998 (Public Law 105-277, October 21, 1998). The purpose of the review is to provide an independent attestation of the FY 2001 DoD counterdrug obligation of funds report. The objective will be limited to determining whether DoD is using the same methodology that was used in prior years to collect and report FY 2001 counterdrug obligation data to the Office of National Drug Control Policy. This project was announced December 13, 2001. (R. Murrell/(703) 604-9210)

<u>FY 2002 Civilian Payroll Withholding Data (D2002FH-0061)</u> 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 and accurate. The audit will also involve completion of a survey of the payroll accounting cycle, from congressional appropriation to employees' receipt of pay and it will review data storage costs for processing payroll. Additionally, there will be a review of the general and application controls for the Modern Defense Civilian Personnel Data System and other systems used to support payroll. This project was announced January 7, 2002. (D. Vincent/(703) 604-9109)

<u>FY 2001 Financial Statements for the National Security Agency (D2002FI-0062)</u>
As directed in the Intelligence Authorization Act of FY 2002, the audit will review the form and content on the FY 2001 financial statements for the National Security Agency to determine if the statements are prepared in a manner consistent with Federal financial accounting standards and appropriate Office of Management and Budget guidance. It will also determine any improvements necessary to Agency financial management systems to ensure those systems are capable of supporting future comprehensive audits of the financial statements. This project was announced January 7, 2002. (L. Peek/(703) 604-9587)

FY 2001 Financial Statements for the Defense Intelligence Agency (D2002FI-0063) As directed in the Intelligence Authorization Act of FY 2002, the audit will review the form and content on the FY 2001 financial statements for the Defense Intelligence Agency to determine if the statements are prepared in a manner consistent with Federal financial accounting standards and appropriate Office of Management and Budget guidance. It will also determine any improvements necessary to Agency financial management systems to ensure those systems are capable of supporting future comprehensive audits of the financial statements. This project was announced January 7, 2002. (L. Peek/(703) 604-9587)

FY 2001 Financial Statements for the National Imagery and Mapping Agency (D2002FI-0064) As directed in the Intelligence Authorization Act of FY 2002, the audit will review the form and content on the FY 2001 financial statements for the National Imagery and Mapping Agency to determine if the statements are prepared in a manner consistent with Federal financial accounting standards and appropriate Office of Management and Budget guidance. It will also determine any improvements necessary to Agency financial management systems to ensure those systems are capable of supporting future comprehensive audits of the financial statements. This project was announced January 7, 2002. (L. Peek/(703) 604-9587)

Allegations Concerning Financial Management at the Civilian Personnel Management Service (D2002AS-0071) The audit is being performed in response to allegations made to the Department of Defense Hotline concerning financial management at the Defense Civilian Personnel Management Service. The objective is to determine whether funding of the Defense Civilian Personnel Data System was managed in accordance with statutory and defense regulatory requirements. This project was announced January 23, 2002. (W. Scott/(703) 604-9049

Defense Security Service Cost Accounting System (D2002FG-0075) The overall audit objective is to determine the current status of the Defense Security Service cost accounting system. Specifically, the audit will assess whether the cost accounting system being installed will be able to support the Defense Security Service as a fee-for-service agency. This project was announced January 17, 2002.
(K. Truex/(703) 604-9139)

Canceled Appropriations Reopened for Accounting Adjustments (D2002FI-0082) The objective is to determine whether the Defense Finance and Accounting Service (DFAS) adequately accounts for and has effective controls over the use of canceled appropriations that have been reopened for accounting adjustments. This project was announced February 6, 2002. (L. Peek/(703) 604-9587)

U. S. Army Corps of Engineers, Civil Works Accounts Payable (D2002FC-0090) The objective of the audit is to complete the review of accounts payable that was begun during the audit of Corps of Engineers, Civil Works, FY 2001 Financial Statements. Specifically, the audit will determine whether accounts payable are properly supported, recorded in financial records and accurately accrued, and disbursements are made in accordance with contract terms and clauses. This project was announced February 27, 2002. (R. Kidd/(703) 604-9159)

Recoveries of Prior Year Obligations (D2002FC-0098) The audit objective is to evaluate the adequacy of processes and procedures used by the Defense Finance and Accounting Service to capture, record, and report recoveries of prior year obligations. Specifically, we will review the accounting events that are reported on the SF 133, "Report on Budget Execution and Budgetary Resources". This project was announced March 11, 2002. (R. Kidd/(703) 604-9159)

Allegations to the Defense Hotline Concerning Contract Payments for Advanced Distributed Learning Initiatives (D2002FH-0107) This audit is being performed in response to allegations to the Defense Hotline of potential duplicate or erroneous payments on contracts in support of the Advanced Distributed Learning initiative. The objective is to determine whether payments for travel, lodging, equipment, and consulting services were appropriate. This project was announced March 18, 2002. (D. Vincent/(703) 604-9109)

Hotline Allegations of Improper Accounting for Direct Billable Hours by the Defense Finance and Accounting Service (D2002FI-0108) The objective will be to determine the validity of Hotline allegations concerning adjustments to direct billable hours for accounting services provided by the Defense Finance and Accounting Service. This project was announced March 18, 2002. (L. Peek/(703) 604-9587)

U.S. Army Corps of Engineers, Civil Works, FY 2002 Financial Statements (D2002FC-0113) The objectives of this audit are to determine the reliability of the Corps of Engineers, Civil Works, FY 2002 financial statements and whether they were prepared in accordance with generally accepted accounting principles. This project was announced April 2, 2002. (R. Kidd/(703) 604-9159)

FY 2002 Navy Working Capital Fund Financial Statements (D2002FC-0123) The objective is to determine whether the FY 2002 Navy Working Capital Fund Financial Statements were prepared in accordance with generally accepted accounting principles. This project was announced April 17, 2002. (R. Kidd/(703) 604-9159)

FY 2002 Department of the Navy General Fund Financial Statements (D2002FC-0130) The objective is to determine whether the FY 2002 Department of the Navy General Fund Financial Statements were prepared in accordance with generally accepted accounting principles. This project was announced April 25, 2002. (R. Kidd/(703) 604-9159)

FY 2002 Army General Fund Financial Statements (D2002FI-0115) The objective is to determine whether the Army General Fund Financial Statements were prepared in accordance with generally accepted accounting principles. This project was announced April 2, 2002. (L. Peek/(703) 604-9587)

FY 2002 Army Working Capital Fund Financial Statements (D2002FI-0120) The audit objective is to determine whether the FY 2002 Navy Working Capital Fund Financial Statements were prepared in accordance with generally accepted accounting principles. This project was announced April 5, 2002. (L. Peek/(703) 604-9587)

Controls Over the Computerized Accounts Payable System (D2000FI-0248) The primary objective of the audit was to evaluate the controls associated with making vendor payments using the Computerized Accounts Payable System and its computation of vendor payments. We also evaluated progress in transitioning to the Defense Procurement Payment System as the migratory system for making vendor payments. 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 was 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. Final report D2002-017, was issued November 23, 2001. (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) The objective was to evaluate actions to close out completed contracts and transition from the MOCAS to the DPPS. Report D2002-027 was issued December 19, 2001, and final report D2002-076 was issued March 29, 2002. (J. Kornides/(614) 751-1400)

Inventory and Control of Department of Defense Military Equipment, Public Law 106-65, Section 363 (D2001FH-0004) The overall audit objective was to review and comment on the inventory and control report of the DoD military equipment submitted by the Secretary of Defense. In addition, the audit addressed beginning and ending military equipment balances as well as additions and deletions of military equipment. Report D2001-119 was issued May 10, 2001; report D2002-031 was issued December 28, 2001, report D2002-042 was issued January 22, 2002; report D2002-050 was issued February 15, 2002, and report D2002-078 was issued April 3, 2002. (D. Vincent/(703) 604-9109)

Summary of Financial Audits on General and Application/Security Controls (D2001FG-0042) The audit assessed the adequacy of general and application control/security policies and implementation for selected automated financial information systems. The focus was on evaluating the adequacy of system security, access, continuity, and software development and changes, as well as testing applications controls. This audit was a summarization of prior audits with the objective being to point out that security weaknesses continue to exist. Final report D2002-015, was issued November 7, 2001. (K. Truex/(703) 604-9139)

DoD Wide Area Workflow Development, Implementation, and Security (D2001FG-0039) The audit objective was evaluate the adequacy of the Wide Area Workflow application development and implementation. Also, the audit determined whether the Wide Area Workflow application was compliant with national and DoD security requirements. Final report D2002-018 was issued November 28, 2001. (K. Truex/(703) 604-9139)

DoD Fund Balance With Treasury Account (D2001FD-0048) This audit supported 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 was to assess controls over the collections and disbursements reported to the Defense Finance and Accounting Service Centers and the U.S. Treasury. Final report No. D2002-019 was issued November 28, 2001. (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 evaluated the appropriateness of the issuance and use of purchase cards and the controls over the processing of purchase card payments. Final report D2002-075 was issued March 29, 2002. (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 was 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. Final report D2002-038 was issued January 14, 2002, and final report D2002-041 was issued January 18, 2002. (L. Peek/(703) 604-9587)

DoD Financial and Feeder Systems Compliance Process (D2001FG-0085) The overall audit objective was to determine the effectiveness of the DoD Financial and Feeder Systems Compliance Process to address compliance with applicable federal financial management systems requirements. Specifically, the audit determined whether the DoD Financial and Feeder Systems Compliance Process will achieve compliance of both individual and integrated systems. Final report D2002-044 was issued January 29, 2002. (K. Truex/(703) 604-9139)

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 was 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 also evaluated any applicable guidance for reporting those costs to ensure the costs are properly and consistently reported. Final report D2002-002 was issued October 2, 2001. (R. Kidd/(703) 604-9159)

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. (H. James/(703) 604-9093)

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 delegated authority to the Naval Audit Service (NAS) to audit the Navy Working Capital Fund financial statements, but we oversaw the NAS audit to verify that we could rely on their audit work. We also determined 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 also assessed the Naval Inventory Control Point's valuation of inventory held for repair and review reconciliation procedures for logistics and financial records for inventory. A report discussing abnormal inventory balances for the Fund, D2002-045, was issued January 30, 2002. (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 was 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 was 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 also evaluated the accuracy of meter readings. Report D2002-007 was issued October 15, 2001; report D2002-040 was issued January 15, 2002, and report D2002-082 was issued April 15, 2002. (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)

Quality of Purchased Care Data Used for the DoD Military Retirement Health Benefits Liability (D2001FA-0171) This audit supported 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 was 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 included an analysis of data collected from systems that support estimates for the purchased care portion of the Military Retirement Health Benefits Liability. Final report D2002-072 was issued March 26, 2002. (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)

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 was required by the Chief Financial Officers Act of 1990, as amended by the Federal Financial Management Act of 1994. The objective was to determine whether the FY 2001 DoD Agency-Wide financial statements were prepared in accordance with generally accepted accounting principles. We 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 monitored and coordinated the work of the Military Department audit organizations and used it, in conjunction with our audit, as a basis for our report on the FY 2001 DoD Agency-Wide financial statements. Final report D2002-055 was issued February 26, 2002. (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 Services Contracts (D2002LF-0110) The objective is to determine whether contracting and program offices adequately manage the award and administration of medical service contracts. This project was announced March 22, 2002. (M. Joseph/(757) 766-9108)

DoD Financial Management Workforce Issues (D2002FH-0122) The overall objective is to review the issues impacting the DoD financial management workforce. Specifically, the audit will review DoD plans and policies for recruiting, retaining, and training financial management personnel. This project was announced April 9, 2002. (D. Vincent/(703) 604-9109)

Resource Sharing Between DoD and the Department of Veterans Affairs (D2002LF-0129) The objective of the audit will be to review the process used by DoD and the Department of Veterans Affairs for sharing resources and the effectiveness of existing resource sharing initiatives. This project was announced April 24, 2002. (M. Joseph/(757) 766-9108)

Military Health System Optimization Initiative (D2001LF-0043) In December 1999, we began an audit (Project No. 0LF-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 focused on the Military Treatment Facility Optimization Initiative outlined in the Health Care Reengineering Program. It also reviewed the distribution and sharing of health care resources in catchment areas, in medical regions, and among Military Departments. Final report D2002-034 was issued December 31, 2001. (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 was in response to a DoD Hotline allegation related to the Preventive Health Care Application (PHCA) and associated upgrades. The objective was to determine whether the PHCA and associated upgrades adequately support the Put Prevention into Practice Program. Final report D2002-081 was issued April 12, 2002.
(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)

Implementation of the Government Information Security Reform Act by the Defense Finance and Accounting Service (D2002FG-0058) This audit is being initiated in support of Project D2002AS-0020. The objective will be to assess the Defense Finance and Accounting Service implementation of the Government Information Security Reform requirements of the Floyd D. Spence National Defense Authorization Act. This project was announced December 13, 2001. (K. Truex/(703) 604-9139)

Implementation of the Government Information Security Reform at the Defense Logistics Agency (D2002AS-0078) This audit is being initiated in support of Project D2002AS-0020. The objective will be to assess the Defense Logistics Agency implementation of the Government Information Security Reform requirements of the Floyd D. Spence National Defense Authorization Act. This project was announced February 6, 2002. (W. Scott/(703) 604-9049)

Implementation of the Government Information Security Reform for FY 2002 for the Defense Security Assistance Management System (D2002LD-0100) The overall objective of the audit is to assess the Defense Security Assistance Management System for implementation of the Government Information Security Reform requirements of the Floyd D. Spence National Defense Authorization Act for FY 2001. This project was announced March 20, 2002. (T. Schraden/(703) 604-9186)

Implementation of the Government Information Security Reform for FY 2002 for the Defense Advanced Research Projects Agency Management Support System (D2002LD-0101) The overall objective of the audit is to assess the Defense Advanced Research Projects Agency Management Support System for implementation of the Government Information Security Reform requirements of the Floyd D. Spence National Defense Authorization Act for FY 2001. This project was announced March 20, 2002. (T. Schraden/(703) 604-9186)

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)

Controls Over the Use and Protection of Social Security Numbers Within DoD (D2002AB-0070) The Chairman of the House Ways and Means Subcommittee on Social Security requested the member Inspectors General of the President's Council on Integrity and Efficiency to conduct a review of the use of Social Security numbers (SSNs) within their agencies. The objective is to determine whether the DoD agencies have appropriate controls over the access, disclosure, and use of Social Security number information by third parties. Specifically, the audit will determine whether the selected DoD agencies made legal and informed disclosures of SSNs to third parties: have appropriate controls over the contractors' and other entities' access and use of SSNs; and have adequate controls over access to individuals' SSNs maintained in its databases. This project was announced January 23, 2002. (J. Meling/(703) 604-9091)

Hotline Allegations Related to the Procurement and Funding of Information Technology Projects at the Defense Finance and Accounting Service (D2002FD-0102) This audit is in response to a complaint made to the Defense Hotline. The objective is to determine the accuracy of allegations made related to the procurement and funding of information technology projects by DFAS Denver. Additionally, the audit will follow up on recommendations made in Report No. 98-132, "Procurement Practices and Procedures for Obtaining Contractor Support at DFAS Denver." This project was announced March 14, 2002. (B. Flynn/(703) 604-9489)

Transition From Automatic Digital Network to Defense Message System (D2002LA-0109) The overall objective of the audit is to determine whether the Defense Message System can replace critical Automatic Digital Network messaging capabilities. Specifically, the audit will review and evaluate the developments, fielding, and cost of the Defense Message System. This project was announced March 18, 2002. (D. Bloomer/(703) 604-8863)

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 was to review the development of the Defense Finance and Accounting Service Corporate Database and the impact on entitlement, disbursing, and accounting functions. The audit was in support of the Chief Financial Officer Act. Additionally, selected general and application controls were reviewed. Final report, D2002-014, was issued November 7, 2001; final report D2002-067 was issued March 20, 2002. (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 were 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. Final report D2001-137 was issued June 7, 2001. (W. Scott/(703) 604-9049)

Implementation of DoD Public Key Infrastructure Policy and Procedures (D2001AS-0008) The objective was to evaluate the implementation and management of Public Key Infrastructure (PKI) within DoD. Specifically, the audit evaluated DoD oversight of PKI, coordination of PKI missions and pilot programs among the Military Departments and DOD agencies, and compliance with the Clinger-Cohen Act. Final report D2002-030 was issued December 28, 2001. (W. Scott/(703) 604-9049)

U.S. Export Systems Automation Initiative (D2001LG-0087) This audit was 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 was to determine whether the U.S. Export Systems Program Management Office was establishing a common electronic interface to create an automated Federal export licensing system in accordance with Federal policies and regulations. Specifically, the audit determined whether the Program Management Office ensured that the planned development and acquisition of a Federal export licensing system translated operational requirements into a system solution that balanced system cost, implementation schedule, performance, and risk. Final report D2002-039 was issued January 15, 2002; final report D2002-074 was issued March 29, 2002. (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)

Evaluation of Development Testing of Mission-Critical Software (D2001PT-0104) The objective of the evaluation is to review issues concerning development testing of mission-critical software. Specifically, we will evaluate the completeness and adequacy of the development testing, to include planning, execution, and reporting. It will also evaluate the adequacy of responses to test results, as well as evaluate how testing deficiencies affect weapon system programs. This project was announced June 21, 2001. (K. Stavenjord/(703) 604-8952)

DoD Web Site Administration, Policies, and Practices (D2001AB-0116) The objective of the audit was to evaluate DoD policies and practices for web site administration and oversight. Specifically, it reviewed 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. Final report D2002-062 was issued March 13, 2002. (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. (H. James/(703) 604-9093)

LOGISTICS

<u>Followup on the Navy/Honeywell Contract for Total Logistics Support of Aircraft Auxiliary Power Units (D2002CF-0015)</u> 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)

<u>Management of Obsolete National Stock Numbers in the Air Force (D2002LD-0019)</u> 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)

<u>Accountability and Control of Materiel at Air Force Air Logistics Centers (D2002LH-0094)</u> The overall objective will be to evaluate the effectiveness of policies and procedures used to account for and control materiel used at Air Force Logistics Centers. This project was announced March 6, 2002. (D. Payne/(703) 604-8907)

<u>Joint and Multinational Training (D2002LA-0043)</u> 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. (D. Bloomer/(703) 604-8863)

<u>Government Performance and Results Act (GPRA) Audit Coverage</u> 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.

<u>Uncataloged Material at Research, Development, Test, and Evaluation Installations (D2002LD-0015)</u> 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)

Cooperative Threat Reduction Program (D2002LG-0119) This audit was requested by the Deputy Secretary of Defense. It will be conducted in two phases. The initial phase will evaluate the viability of the liquid rocket propellant disposition facilities built for Russia and controls over liquid rocket propellant disposition. The second phase will assess other projects involving the construction of facilities to demilitarize the former Soviet Union. This project was announced April 5, 2002.
(E. Klemstine/(703) 604-9172)

Management of DoD Freight Shipment Deliveries and Payments (D2002LH-0126) The overall audit objective is to determine the effectiveness of procedures and controls over DoD freight shipments paid through PowerTrack. Specifically, we will evaluate the rate tender submission and approval process, the effectiveness of established payment procedures, and the controls over the delivery of freight shipments. This project was announced April 10, 2002. (D. Payne/(703) 604-8907)

Allegations to the Defense Hotline Concerning the Apache Helicopter Prime Vendor Support Program (D2000LH-0252) The audit is being conducted in response to allegations that the Army's assessment of an unsolicited proposal for the Apache Helicopter Prime Vendor Support Program was biased in favor of keeping Apache helicopter logistics support in-house. This audit was announced July 19, 2000, and reannounced September 18, 2000. The reannounced objective is to evaluate the adequacy of management controls to preclude potential conflicts of interest and ensure the integrity and inclusiveness of data used for management decisions.
(D. Payne/(703) 604-8907)

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. (D. Bloomer/(703) 604-8863)

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. (D. Payne/(703) 604-8907)

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 was to evaluate the effectiveness of the DoD Total Asset Visibility Program. Specifically, it determined 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. Final report D2002-016 was issued November 21, 2001; final report D2002-057 was issued March 11, 2002. (T. Schraden/(703) 604-9186)

Quality Deficiency Reporting Procedures for Naval Repair Parts (D2001CF-0090) The overall audit objective was to determine whether the Navy and Marine Corps are effectively reporting and tracking deficient repair parts within their commands. Specifically, it determined 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. Final report D2002-080 was issued April 5, 2002. (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)

Defense Logistics Agency Management of Terminal Items (D2001LD-0128) The audit objective was to evaluate the Defense Logistics Agency management of terminal items that are not authorized for procurement. Final report D2002-060 was issued March 13, 2002. (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)

<u>Maintenance of Chemical and Biological Defense Individual Protective Equipment (D2001LA-0147)</u> 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. (D. Bloomer/(703) 604-8863)

<u>DoD International Personal Property Shipment Rates (D2001LH-0163)</u> 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 was 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. Final report D2002-068 was issued March 22, 2002. (D. Payne/(703) 604-8907)

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)

Allegations Concerning the Management and Business Practices of the Defense Security Service (D2002AD-0041) The Director, Defense Security Service (DSS), requested the audit because of allegations to the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) that the agency is not functioning due to mismanagement. The audit objective is to determine whether allegations regarding management of the DSS have merit. Specifically, the audit will evaluate allegations regarding the DSS organizations and staffing, and its contracting practices. This project was announced November 8, 2001. (K. West/(703) 604-8983)

Security Controls Over Biological Agents (D2002LG-0048) The evaluation will be conducted in coordination with the Department of Veteran Affairs Inspector General and the Department of Health and Human Services Inspector General. The overall objective will be to evaluate the effectiveness of security controls over biological agents at DoD and contractor facilities. The specific objective will be to evaluate DoD policies, oversight, management, and accountability of biological agents. This project was announced November 27, 2001. (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)

DoD Management of the North Atlantic Treaty Organization Security Investment Program (D2001LG-0109) The objective of the audit was to evaluate DoD oversight and management of the NATO military construction process within the NATO Security Investment Program (NSIP). It determined how NSIP requirements are identified, contracted, revalidated, and closed out, and whether the DoD executive agent adequately accounts for the DoD portion of the NSIP funds. Final report D2002-071 was issued March 26, 2002. (E. Klemstine/(703) 604-9172)

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)

Analysis of Reliance on the Work of Other Auditors (D2002OA-0038) The objective of the evaluation will be to assess guidance and procedures used to provide reliance on audit work of other auditors including government auditors and Independent Public Accounting firms. The review will also include oversight of contracted audit services. The evaluation will assist the DoD audit community in the identification of useful guidance and procedures. This project was announced December 5, 2001. (W. Berry/(703) 604-8789)

Evaluation of U.S. Special Operations Command Internal Review Office Compliance With Government Auditing Standards (D2002OA-0073) The objective will be to evaluate the system of quality control for the audit function of the U. S. Special Operations Command Internal Review Office. Audits completed in FYs 1999, 2000, and 2001 will be reviewed to determine whether they were conducted in compliance with Government Auditing Standards. This project was announced January 25, 2002. (T. Heacock/(703) 604-8756)

Oversight Review of Defense Contract Audit Agency (DCAA) Quality Assurance Review of Incurred Cost Audits (D2002OA-0105) The overall 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 review will assess how DCAA selected, staffed, and performed quality assurance reviews of incurred cost audits. This project was announced March 13, 2002. (D. Stetler/(703) 604-8737)

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