

**Office of the Deputy Inspector General for Auditing  
Office of the Inspector General  
Department of Defense**

**Audit Plan  
FY 2005**

as of May 27, 2005



| Report Documentation Page                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                    |                                     |                                            | Form Approved<br>OMB No. 0704-0188          |                                    |
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## INTRODUCTION

This plan indicates this office's planned new starts in FY 2005. The plan may 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 high priority and time-sensitive issues. 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 planning groups that address coverage in each major functional area.

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 joint planning group point of contact, as listed in Appendix A. Updates to this plan, as well as information concerning ongoing projects, are available on our website at [www.dodig.osd.mil/audit](http://www.dodig.osd.mil/audit).

//signed//  
Francis E. Reardon  
Deputy Inspector General  
for Auditing

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## ACQUISITION PROGRAM

**Program Management Audits of Acquisition Programs** The primary objective of these 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 follow the critical program management elements approach for the audits and focus on high-risk areas and areas of special interest to the programs' managers at all levels. They will also determine whether the programs are implementing best business practices and are making full use of the flexibilities available through acquisition initiatives. (J. Meling/(703) 604-9091)

| Number   | Title                                     | Point of Contact            | Announced |
|----------|-------------------------------------------|-----------------------------|-----------|
| 5AE-0020 | Precision Guided Mortar Munitions Program | J. Meling<br>(703) 604-9091 | 9/16/04   |
| 5AE-0021 | Objective Individual Combat Weapon        | J. Meling<br>(703) 604-9091 | 4/4/05    |
| 4AE-0163 | Extended Range Guided Munition            | J. Meling<br>(703) 604-9091 | 4/11/2004 |
| 4AE-0222 | Common Submarine Radio Room               | J. Meling<br>(703) 604-9091 | 4/18/2004 |

**Development, Test and Evaluation of Training Simulators and Devices** The objective will be to determine if training simulators and devices unique to a particular system acquisition are being planned, developed and tested with the same emphasis as the parent weapon system. The audit will determine if test and evaluation requirements for training simulators and devices are incorporated into the Test and Evaluation Master Plan for the parent system. It will also evaluate whether training simulators and devices are adequately supported and documented prior to development and determine if economic analysis are considered as part of the decision process for developing these simulators and devices. (B. Burton/(703) 604-9071)

**Systems Acquisition Practices and Procedures at the Missile Defense Agency** The overall objective will be to determine whether system acquisition practices at the Missile Defense Agency are in accordance with the Federal Acquisition Regulation (FAR). The audit will address the GAO high risk area of reducing contract risk. (B. Burton/(703) 604-9071)



**Acquisition of the Advanced Threat Infrared Countermeasure/Common Missile Warning System** The audit will evaluate the overall management of the Advanced Threat Infrared Countermeasure/Common Missile Warning System program. Because the program is in the low-rate initial production acquisition phase, the audit will determine whether management is cost-effectively developing and readying the program for the full-rate production phase of the acquisition process. (J. Meling/(703) 604-9091)

**Acquisition of the Aegis Ballistic Missile Defense Program** The audit will evaluate the overall management of the Aegis Ballistic Missile Defense Program. Because the program is in development and flight testing, the audit will determine whether management is cost-effectively developing and readying the program for the full-rate production phase of the acquisition process. (J. Meling/(703) 604-9091)

**Service Acquisition Executives' Management Oversight and Procurement Authority for Acquisition Programs (D2005AB-0078)** The audit objective will be to determine whether the management oversight of procurement authority of each Service Acquisition Executive over Acquisition Category I and II programs is adequate. Specifically, the audit will evaluate the program management and procurement decision process used by the Service Acquisition Executives and the Program Executive Officers. This project was announced November 5, 2004. (B. Burton/(703) 604-9071)

**Systems Engineering Planning for the Ballistic Missile Defense System (D2005AE-0134)** The objective is to evaluate the planning for systems engineering needed to support the Ballistic Missile Defense System at the Missile Defense Agency. Specifically, the audit will determine whether the Missile Defense Agency is adequately planning systems engineering to develop field elements, or key components, into an effective and suitable ballistic missile defense system. This project was announced March 8, 2005. (J. Meling/(703) 604-9091)

**National Polar-Orbiting Operational Environmental Satellite System – Conical Microwave Imager Sensor (D2005FE-0168)** The overall objective is to determine whether the National Polar-Orbiting Operational Environmental Satellite System – Conical Microwave Imager Sensor was procured in accordance with the Federal Acquisition Regulation. This project was announced April 21, 2005. (D. Vincent/(703) 428-1425)

**Contract Award Process for the Financial Information Resource System (D2005FB-0162)** The overall objective is to determine whether the Financial Information Resource System (FIRST) was procured in accordance with the Defense Federal Regulation Supplement (DFARS). Specifically, the audit will assess whether evaluation factors used for awarding the FIRST contract were properly determined. This project was announced April 20, 2005. (M. Beima/(703) 428-1054)

**Contract Award Process for the C-5 Avionics Modernization Program (D2005FP-0174)** The overall objective is to determine whether the C-5 Avionics Modernization Program (C-5 AMP) was procured in accordance with the Defense Federal Regulation Supplement (DFARS). Specifically, the audit will assess whether evaluation factors used for awarding the C-5 AMP

contract were properly applied. This project was announced April 26, 2005.(D. Neville (703) 428-1061)

**Procurement Procedures Used for the F-16 Mission Training Center (Simulator)**

**(D2005FJ-0171)** The overall objective is to determine whether the restructuring of the F-16 Mission Training Center (Simulator) contract was in accordance with the Federal Acquisition Regulation. Specifically, the audit will evaluate whether the equitable price adjustment made on the contract was reasonable and in the best interest of the Government. This project was announced April 25, 2005. (J. Kornides/(614) 751-1400)

**Procurement Procedures Used for 60K Tunner Contractor Logistics Support (D2005FJ-0169)**

The overall objective is to determine whether the 60K Tunner Logistics Support Contract was procured in accordance with the Federal Acquisition Regulation. Specifically, the audit will determine whether Air Force contracting officials used an appropriate method and rationale for making a sole source determination for procuring contractor logistics support for the 60K Tunner cargo loader. This project was announced April 25, 2005. (J. Kornides/(614) 751-1400)

**Procurement Procedures Used for the KC-135 Programmed Depot Maintenance Program (D2005FJ-0172)**

The overall objective is to determine whether the KC-135 Programmed Depot Maintenance contract restructuring actions were in accordance with the Federal Acquisition Regulation. Specifically, the audit will evaluate whether the justifications for contract restructuring actions were reasonable and in the best interest of the Government. This project was announced April 25, 2005. (J. Kornides/(614) 751-1400)

**Procurement Processes and Procedures for the C-40 Lease and Purchase Programs and C-22 Replacement Program (C-40) (D2005FC-0178)**

The overall objective is to determine whether the C-40 Lease and Purchase Programs and C-22 Replacement Program (C-40) were procured in accordance with the Federal Acquisition Regulation (FAR) and to determine whether the contractor payments were made in accordance with the FAR. Specifically, the audit will evaluate the acquisition decisions regarding the C-40 Lease and Purchase Programs and C-22 Replacements Program (C-40). This project was announced April 29, 2005. (R. Kidd/(703) 325-5515)

**Assessment of the Air Force Acquisition Review Process (D2005FF-0187)** The objective is to assess the Air Force process for determining whether three programs were procured in accordance with the Federal Acquisition Regulation. The three programs are: Global Positioning System Block IIF Single Prime Initiative contract modification; Wideband Gapfiller Satellite contract award; and the Evolved Expendable Launch Vehicle FY2000 program restructure. This project was announced May 11, 2005. (D. Vincent/(703) 428-1425)

**Capabilities Development Process and Management of Target Acquisitions at the Missile Defense Agency(D2005AE-0088) (D2004AE-0154)**

This audit was the result of an anonymous DoD Hotline complaint concerning the processes for capabilities development and acquisition of targets at the Missile Defense Agency. The objective was to evaluate the

adequacy of the processes that the Missile Defense Agency uses to generate required system capabilities and to acquire targets for weapon systems. Specifically, the audit determined whether the Missile Defense Agency adequately defines system capabilities for effective development, production, and military deployment and effectively and economically acquires targets to support system testing. Report D-2005-048 was issued April 6, 2005. (J. Meling/(703) 604-9091)

**Commercial Contracting Practices for Procuring Defense Systems (D2005AB-0203)** The overall audit objective will be to determine whether procurement officials are complying with Federal Acquisition Regulation Part 12, “Acquisition of Commercial Items” when procuring defense systems or their subcomponents. Specifically, the audit will evaluate the justification used to determine whether systems or subsystems meet commercial item criteria and will evaluate the basis for establishing price reasonableness. This project was announced May 24, 2005. (B. Burton/(703) 604-9071)

**Award of the Air Force Small Diameter Bomb Contract to The Boeing Company (D2004CH-0164)** The overall objective will be to evaluate the Phase I (fixed targets) and Phase II (moving targets) procurement strategy used by the Air Force for the Small Diameter Bomb weapon system and the decision to award the Phase II contract sole source to The Boeing Company. This project was announced May 7, 2004. (H. Kleinknecht/(703) 604-9324)

## CONTRACTING OVERSIGHT

**Contracting Practices at the Major Range and Test Facility Base (D2005AB-0016)** The overall objective of the audit is to review management of contracts at the Major Range and Test Facility Base. Specifically, the audit will review the adequacy of the contract award process and oversight of contracts and contractor personnel to determine whether they are complying with the FAR. This project was announced October 4, 2004. (B. Burton/(703) 604-9071)

**Public-Private Competition for Environmental Services at the Navy Public Works Center, San Diego, California (D2005CH-0123)** The overall audit objective is to review selected portions of the Office of Management and Budget Circular A-76 process and the decision to award the environmental services function at the Navy Public Works Center, San Diego, CA to a private contractor. Specifically, the audit will review the significant allegations made to a member of Congress and determine whether the Navy decision to award the contract to Shaw Infrastructure, Inc. was in accordance with appropriate policies and procedures. This project was announced February 9, 2005. (H. Kleinknecht/(703) 604-9324)

**Contract Costs and Oversight at Research Laboratories** The overall objective will be to review the management of contracts at research laboratories. Specifically, the audit will review the use of competition, justification of contract type (cost vs. fixed) and oversight of the contract and contractor personnel. It will also evaluate whether there is a model of contracting used or whether each laboratory uses its own method to contract. (B. Burton/(703) 604-9071)

**Controls Over the Army, Navy, and Air Force Purchase Card Programs (D2005CK-0202)** The overall audit objective will be to determine whether controls over the Army, Navy, and Air Force Purchase Card Programs are effective and appropriate. Specifically, the audit will review closed purchase card accounts with credit balances and the use of convenience checks at selected Army, Navy, and Air Force locations. This project was announced May 20, 2005. (D. Carros/(703) 604-9217)

**Internal Controls and Management of the Purchase Card Program at the North American Aerospace Defense Command (NORAD) and United States Northern Command (NORTHCOM) (D2005FD-0182)** The objective is to determine whether NORAD and NORTHCOM are utilizing and managing their purchase card program(s) in accordance with applicable regulations, policies and procedures. This project was announced May 9, 2005. (B. Harbert/(303) 676-7392)

**Use of GSA Federal Supply Schedules** The objective is to determine if DoD program offices and contracting officers are improperly using GSA contracts. Specifically, the audit will determine if: out of scope requirements are being contracted for via Federal Supply Schedules

(FSS) and existing GSA Technology Contracts; discounts are being obtained on FSS purchases; and whether DoD program offices are “banking” funds at GSA. (T. McKinney/(703) 604-9288)

**Contracts Supporting the War on Terrorism** The objective is to evaluate contracting procedures used by contracting activities (primarily the Army) in support of the war on terrorism. The audit will review in depth Iraq and Afghanistan contracts that are not being audited by the Coalition Provisional Authority Inspector General and GAO. Specifically, the audit will determine if FAR procedures have been shortcut and whether DoD paid a fair and reasonable price for goods and services. It will also review procedures to ensure that DoD got what it paid for. (T. McKinney/(703) 604-9288)

**Use of SBA Section 8(a) Contractors** The objective is to determine if contractors qualified under the Small Business Administration Section 8 (a) Program are performing tasks and providing goods as intended by the law. Specifically the audit will determine if contractors are actually performing 51 percent of the work that has been contracted for by DOD or whether they are subcontracting the work and providing little if any value. It will also determine if DOD contracting officials are making fair and reasonable price determinations before making awards to section 8 (a) contractors. (T. McKinney/(703) 604-9288)

**Air Force Strategic Supplier Initiative Contract with Hamilton Sundstrand Corporation (D2005CH-0183)** This audit is a follow-on to previous audits of commercial buying practices and strategic supplier initiatives for sole-source spare parts. The audit objectives are to: review the basis for the Defense Logistics Agency transferring contracting responsibility for consumable items to the Air Force; evaluate the adequacy of the commercial item determinations; assess the basis for determining fair and reasonable prices; and determine the impact that a commercial procurement strategy has on sole-source spare parts prices. This project was announced May 4, 2005. (H. Kleinknecht/(703) 604-9324)

**Fleet Automated Support Initiative Contract** The overall audit objective will be to determine whether the Fleet Automated Support Initiative program was effectively implemented and provides the best value for DoD. (H. Kleinknecht/(703) 604-9324)

**Award of the Navy Contingency Augmentation Contract to Kellogg, Brown, and Root (D2005CH-0135)** The overall objective will be to review the decision to award the Navy’s Contingency Augmentation (CONCAP) contract to Kellogg, Brown, and Root (KBR). Specifically, the audit will determine:

- whether concerns identified by DoD agencies were given proper weight in evaluating KBR’s bid for the CONCAP contract;
- how KBR could be given a top score for past performance given the numerous problems identified with its work under other DoD contracts;
- whether KBR’s past performance score affected the outcome of the CONCAP contract award; and

- whether the decision to award the contract to KBR was the best value for the Government and the taxpayers given the company's performance history.

This project was announced March 3, 2005. (H. Kleinknecht/(703) 604-9324)

**Impact of Military Positions on DoD Competitive Sourcing Competitions** The overall objective will be to determine the impact of military positions on the savings reported by DoD competitive sourcing competitions. Specifically, the audit will determine if the savings associated with military positions that are transferred to another function in the military and not eliminated by public-private competitions are reported accurately. In addition, the audit will determine the adequacy of any productivity factors used in computing baseline workyears where military positions are involved. (H. Kleinknecht/(703) 604-9324)

**Standard Overhead Cost Factor Used in DoD Public-Private Competitions** The overall objective is to evaluate the adequacy of the standard overhead cost factor used in DoD public-private competitions. Specifically, the audit will determine whether the costs included as overhead on the most efficient organizations' in-house offer are representative of the actual overhead costs incurred by DoD. (H. Kleinknecht/(703) 604-9324)

**Aviation Into Plane Reimbursement Card** The overall objective will be to evaluate the effectiveness of DoD's aviation into plane reimbursement card. The audit will sample high-risk transactions as defined by subject matter developed business rules. Specifically, through data mining efforts and other analytical techniques, the audit will assess how DoD components use the card, control and certify card usage, and whether procedures are in place to control program expenditures. In addition, it will identify possible improved efficiencies and opportunities for mitigating risks in the process. (COL W. Kelley/(703) 604-9312)

**Fleet Card** The overall objective will be to evaluate the effectiveness of DoD's Fleet card. The audit will sample high-risk transactions as defined by subject matter developed business rules. Specifically, through data mining efforts and other analytical techniques, the audit will assess how DoD components use the card, control and certify card usage, and whether procedures are in place to control program expenditures. In addition, it will identify possible improved efficiencies and opportunities for mitigating risks in the process. (COL W. Kelley/(703) 604-9312)

**Procurement Procedures Used for the Joint Primary Aircraft Training System (D2005FE-0149)** The overall objective is to determine whether the Joint Primary Aircraft Training System was procured in accordance with the Federal Acquisition Regulation (FAR). The audit will also determine whether the contractor payments were made in accordance with the FAR. Specifically, it will evaluate the justifications for procuring the Joint Primary Aircraft Training System as a commercial item and evaluate the basis for establishing price reasonableness. This project was announced March 17, 2005. (D. Vincent/(703) 325-5675)

**Contract Award and Administration for the Improved Navy Lighterage Systems**

**(D2004CB-0208)** This audit is being performed in response to allegations made to the Defense Hotline. The objective is to determine whether contract award and administration policies and procedures were properly followed for acquisition of the Improved Navy Lighterage System. This project was announced July 22, 2004. (K. Caprio/(703) 604-8828)

**Contract Surveillance for Service Contracts (D2004CF-0140)** The overall objective will be to determine whether the Government provides sufficient contract oversight for service contracts to ensure that contractors perform in accordance with the contract. Specifically, the audit will determine whether personnel have been appointed to monitor contractors' performance, contractors' work is adequately monitored, contractors perform in accordance with contractual obligations, and contractor performance has been properly documented for future use. This project was announced April 21, 2004. (T. McKinney/(703) 604-9288)

**Contracts Awarded to Assist the Global War on Terrorism by the U.S. Army Corps of Engineers (D2004CF-0186)** The audit will examine contract requirements determination, validation, and award procedures for selected contracts and contract actions. This project was announced May 25, 2004. (T. McKinney/(703) 604-9288)

**DoD Purchases through the General Services Administration (D2004CF-0238)** This audit is a coordinated effort with the General Services Administration (GSA) Inspector General's Office. The overall objective of the audit will be to evaluate the internal controls over DoD purchases through GSA. Specifically, the audit will examine whether there was a legitimate need for DoD to use GSA, whether DoD requirements were clearly defined, and whether funds were properly used and tracked. This project was announced September 3, 2004. (T. McKinney/(703) 604-9288)

**Selected DoD Purchase Card Transactions Originating Outside the United States**

**(D2003LH-0052)** The overall audit objective is to determine whether purchase card transactions originating outside the United States were appropriate. Specifically, the audit will examine purchases identified through data mining techniques. This project was announced January 21, 2003.

**DoD Purchase Card Convenience Checks (D2003CK-0126)** The overall objective was to determine whether controls over and use of purchase card convenience checks are effective and appropriate. Report D-2005-055 was issued May 3, 2005.

## CONSTRUCTION AND SUSTAINMENT

**Military Departments' Use of Environmental Insurance** The overall audit objective will be to determine if DoD is effectively using insurance programs for environmental liabilities and whether DoD is receiving a fair and reasonable price for existing environmental liability insurance. (K. Caprio/(703) 604-9202)

**Military Departments' Environmental Multiple-Award Contracting and Task Order Competition** The audit objective will be to determine if the Military Departments used multiple award agreements to take advantage of competition. (K. Caprio/(703) 604-9202)

**Rural Development Act** The overall objective will be to determine whether DoD has established policies and procedures that implement the requirements of the Rural Development Act of 1972. Specifically, the audit 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.

**2005 Base Realignment and Closure (BRAC)—Joint Cross-Service Groups and Process** This is an ongoing effort through at least May 2005. The overall objective is to evaluate the validity, integrity, and supporting documentation of data collected and submitted for the BRAC 2005 process for 13 Defense agencies and 10 Defense organizations. In addition, the audit will review the process and use of certified data by the seven Joint Cross-Service Groups. (D. Culp/(703) 604-9335)

**Military Construction (MILCON) Funds Related to the Global War on Terrorism** The overall objective will be to determine whether the MILCON funds identified related to the Global War on Terrorism were used for their intended purpose. The audit will review the use of about \$500.2 million in funds identified for MILCON under H.R. 3289, the Emergency Supplemental Appropriations for Defense and for the Reconstruction of Iraq and Afghanistan. (D. Culp/(703) 604-9335)



## FINANCIAL MANAGEMENT

**Department of the Navy Working Capital Fund Principal Financial Statements for the Fiscal Years Ending 2005 and 2004 (D2005FC-0014)** The audit objective is to determine whether the principal Department of the Navy Working Capital Fund financial statements as of September 30, 2005 and 2004, taken as a whole, were presented fairly, in all material respects, and in conformity with generally accepted accounting principles of the United States of America. The audit will review the Department of the Navy Working Capital Fund Balance Sheet, and the related statements of net cost, changes in net position, budgetary resources, financing, and custodial activity for the fiscal years then ended. This project was announced September 10, 2004. (R. Kidd/(703) 325-5515)

**Department of the Army Working Capital Fund Principal Financial Statements for the Fiscal Years Ending September 30, 2005 and 2004 (D2005FI-0018)** The audit objective is to determine whether the principal Department of the Army Working Capital Fund financial statements as of September 30, 2005 and 2004, taken as a whole, were presented fairly, in all material respects, and in conformity with generally accepted accounting principles of the United States of America. The audit will review the Army Working Capital Fund Balance Sheet, and the related statements of net cost, changes in net position, budgetary resources, financing, and custodial activity for the fiscal years then ended. This project was announced September 10, 2004. (L. Peek/(703) 325-5777)

**Department of the Navy General Fund Principal Financial Statements for the Fiscal Years Ending 2005 and 2004 (D2005FC-0015)** The audit objective is to determine whether the principal Department of the Navy General Fund financial statements as of September 30, 2005 and 2004, taken as a whole, were presented fairly, in all material respects, and in conformity with generally accepted accounting principles of the United States of America. The audit will review the Department of the Navy General Fund Balance Sheet, and the related statements of net cost, changes in net position, budgetary resources, financing, and custodial activity for the fiscal years then ended. This project was announced September 10, 2004. (R. Kidd/(703) 325-5515)

**Navy General Fund Receivables, Reimbursables, and Collections Processed by the Defense Finance and Accounting Service (DFAS) (D2005FC-0186)** The overall objective is to determine whether the Department of the Navy and the DFAS are in compliance with applicable laws and regulations related to the processing of receivables, reimbursables, and collections. Specifically, the audit will test all types of receivable, reimbursable, and collection transactions for compliance with established guidance. This project was announced May 11, 2005. (R. Kidd/(703) 325-5515)

**Navy General Fund Vendor Payments Processed by the Defense Finance and Accounting Service (DFAS) (D2005FC-0151)** The overall objective is to determine whether Navy General Fund vendor payment transactions processed by the DFAS are being paid in an effective and reliable manner. Specifically, the audit will determine if vendor payments are properly supported and have been paid in accordance with applicable laws and regulations. This project was announced May 12, 2005. (R. Kidd/(703) 325-5515)

**Army General Fund Financial Statements for the Fiscal Years Ending September 30, 2005 and 2004 (D2005FI-0024)** The audit objective is to determine whether the principal Army General Fund financial statements as of September 30, 2005 and 2004, taken as a whole, were presented fairly, in all material respects, and in conformity with generally accepted accounting principles of the United States of America. The audit will review the Army General Fund Balance Sheet, and the related statements of net cost, changes in net position, budgetary resources, financing, and custodial activity for the fiscal years then ended. This project was announced September 21, 2004. (L. Peek/(703) 325-5777)

**Compilation Process for Financial Reporting for the Army General Fund (D2005FI-0052)** The objective of the audit is to determine whether the internal controls over the financial information processed by the Defense Finance and Accounting Service Corporate Database and the Defense Departmental Reporting System-Budgetary are adequate for Army General Fund financial reporting. This project was announced October 22, 2004. (L. Peek/(703) 325-5777)

**Promptness of FY 2005 DoD Payments to the Department of the Treasury for the District of Columbia Water and Sewer Services (D2005FH-0025)** The audit is required by Public Law 106-554, the Consolidated Appropriations Act of 2001. The law requires the Inspector General of the Department of Defense to determine the promptness of quarterly payments to the District of Columbia for water and sewer services provided to Defense Components and report findings to the Committees on Appropriations of the House of Representatives by the 15<sup>th</sup> day of the month following the end of each quarter. The first quarter report (D-2005-004) was issued October 15, 2004. (B. Sauls/(703) 325-5782)

**DoD Compliance with the Prompt Payment Act (D2005FJ-0026)** The objective of the audit is to assess whether the Department of Defense is properly paying contract invoices that are subject to the Prompt Payment Act and whether DoD is properly following the Prompt Payment policy set forth by the OMB. In addition, the audit will evaluate whether the DoD disbursing offices provide accurate and timely information about these payments to the DoD accounting stations for inclusion in the DoD financial statements. This project was announced October 4, 2004. (J. Kornides/(614) 751-1400, x 211)

**DoD Compliance with the Government Performance and Results Act (D2005FA-0143)** The overall audit objective will be to determine whether DoD complies with the Government Performance and Results Act of 1993 (GPRA) and subsequent implementation guidance. Specifically, the audit will assess whether the DoD Strategic Plans, Performance Plans, and Performance Reports for FY 2004 and 2005 comply with the requirements of the GPRA and

subsequent implementation guidance. This project was announced March 10, 2005.  
(L. Peek/(703) 325-5777)

**Contract Financing Payments for DoD Shipbuilding and Cost Reimbursement Contracts (D2005FJ-0027)** The audit will assess whether two specific types of contract financing payments are properly presented on the Financial Statements. It will determine if DoD is properly paying and reporting contract financing payments for shipbuilding and cost reimbursement contracts. This project was announced October 4, 2004.  
(J. Kornides/(614) 751-1400, x 211)

**Army Contract Financing Payments Paid by the Defense Finance and Accounting Service Columbus (D2005FJ-0037)** The audit will determine whether the Army is accurately collecting and reporting on its financial statements all contract financing payments that were paid by the Defense Finance and Accounting Service Columbus during FY 2004. The audit will also assess whether the Army is properly following applicable Federal accounting standards and requirements. This project was announced October 12, 2004.  
(J. Kornides/(614) 751-1400, x 211)

**Navy Contract Financing Payments Paid by the Defense Finance and Accounting Service Columbus (D2005FJ-0038)** The audit will determine whether the Navy is accurately collecting and reporting on its financial statements all contract financing payments that were paid by the Defense Finance and Accounting Service Columbus during FY 2004. The audit will also assess whether the Navy is properly following applicable Federal accounting standards and requirements. This project was announced October 12, 2004.  
(J. Kornides/(614) 751-1400, x 211)

**Air Force Contract Financing Payments Paid by the Defense Finance and Accounting Service Columbus (D2005FJ-0039)** The audit will determine whether the Air Force is accurately collecting and reporting on its financial statements all contract financing payments that were paid by the Defense Finance and Accounting Service Columbus during FY 2004. The audit will also assess whether the Air Force is properly following applicable Federal accounting standards and requirements. This project was announced October 12, 2004.  
(J. Kornides/(614) 751-1400, x 211)

**Corrective Actions for Previously Identified Deficiencies Related to the National Geospatial-Intelligence Agency Financial Statements (D2005FA-0138)** The audit objective is to assess management's actions and progress in correcting deficiencies identified during prior financial-related audits. Specifically, the audit will review corrective actions for material deficiencies that may prevent the National Geospatial-Intelligence Agency from obtaining a favorable audit opinion. (L. Peek/703-325-5777)

**FY 2005 National Security Agency Financial Statements** The objective will be to assess management actions and progress to correct previously reported deficiencies to support future audits of the National Security Agency financial statements required by the Senate Select Committee on Intelligence (L. Peek/703-325-5777)

**Controls Over Funds Appropriated for the Reconstruction of Iraq and Afghanistan** The objective of the audit will be to determine if funds appropriated for the reconstruction are being properly obligated and reported. (L. Peek/703-325-5777)

**Air Force Financial Statement Line Items** The objective will be to determine whether Air Force and Defense Finance and Accounting Service (DFAS) systems and procedures implement Generally Accepted Accounting Principles (GAAP) in all material aspects. The audit will review select line items that are not expected to be validated by the Air Force for possible assertion in FY 2005. It will also identify and report material instances of noncompliance with GAAP to advise the Air Force and DFAS of corrections required for those line items to be compliant. (B. Harbert/ (303) 676-7392)

**Foreign Military Sales Accelerated Case Closure** The objective of the audit will be to determine whether the accelerated case closure procedure provides for adequate accountability of foreign country monies. The audit will address a potentially high-risk area with regard to DoD accountability of foreign country funds. (B. Harbert/ (303) 676-7392)

**U.S. Army Corps of Engineers, Civil Works, Budget Cycle** The objective is to validate the U.S. Army Corps of Engineers, Civil Works, budget cycle by reviewing previously documented budget cycle memorandums and tracing accounting transactions from the beginning through the end of the cycle. The review will cover all applicable financial statements.

**U.S. Army Corps of Engineers, Civil Works, Financial Reporting Cycle** The objective is to validate the U.S. Army Corps of Engineers, Civil Works, financial reporting cycle by reviewing previously documented financial reporting cycle memorandums and tracing accounting transactions from the beginning through the end of the cycle. The review will cover all applicable financial statements.

**U.S. Army Corps of Engineers, Civil Works, Expense Cycle** The objective is to validate the U.S. Army Corps of Engineers, Civil Works, expense cycle by reviewing previously documented expense cycle memorandums and tracing accounting transactions from the beginning through the end of the cycle. The review will cover all applicable financial statements.

**U.S. Army Corps of Engineers, Civil Works, Revenue Cycle** The objective is to validate the U.S. Army Corps of Engineers, Civil Works, revenue cycle by reviewing previously documented revenue cycle memorandums and tracing accounting transactions from the beginning through the end of the cycle. The review of the revenue cycle will cover all applicable financial statements.

**U.S. Army Corps of Engineers, Civil Works, Corrective Actions Related to Selected Balance Sheet Line Items (D2004FE-0244)** The objective is to determine whether the U.S. Army Corps of Engineers, Civil Works has implemented corrective actions to remediate

previously identified deficiencies related to selected Balance Sheet line items. This project was announced November 19, 2004.

**Internal Controls Related to Department of Defense Real Property (D2005FH-0069)** The objective is to determine whether internal controls are in place to provide reasonable assurance that material misstatements will not be made on the financial statements. Specifically, the audit will assess the control environment and control activities related to the acquisition of real property assets, modifications, and deletions. This project was announced November 3, 2004. (B. Sauls/ (703) 325-5782)

**Financial Reporting of General Property, Plant, and Equipment in the FY 2005 Financial Statements** The audit objective will be to provide support for the General Property, Plant, and Equipment Line Item as reported on DoD Agency-Wide Financial Statements for Fiscal Years Ending September 30, 2005 and 2004. (B. Sauls/(703) 325-5782)

**DoD Mid-Term Solution for Military Equipment Valuation (D2005FH-0105)** The overall objective was to evaluate the reasonableness of the mid-term solution methodology that the Office of the Secretary of Defense (OSD) is developing for military equipment. The mid-term solution will focus on maintaining the baseline valuation and accounting for and reporting post-baseline acquisitions, modifications and other events. Because the mid-term solution will remain in effect until the Department's Business Enterprise Architecture is implemented, the audit evaluated whether the processes and systems OSD has developed for maintaining the military equipment baseline, accounting for and reporting post-baseline transactions, and transitioning to the Business Enterprise Architecture are reasonable. Report D-2005-065 was issued May 9, 2005. (B. Sauls/(703)-325-5782)

**Military Equipment Line Item to Support DoD Agency-Wide Financial Statements for the Fiscal Years Ending September 30, 2005 and 2004** The objective is to support the opinion on the DoD-wide Financial Statements. The audit will address the military equipment portion of the General Property, Plant, and Equipment (PP&E) line item. The Office of the Secretary of Defense has determined that the military equipment portion of the general PP&E line item will not be ready for audit until FY 2007. In accordance with Section 1008 of the National Defense Authorization Act of FY 2002, the audit should support a disclaimer of opinion. (B. Sauls/(703)-325-5782)

**Internal Control for Reporting Environmental Liabilities (D2005FH-0062)** The objective is to assess internal control associated with compiling the financial data that is reported within financial statements in accordance with Federal financial accounting standards. Specifically, the audit will assess the control environment and control activities for reporting environmental liabilities and disposal liabilities. This project was announced October 25, 2004. (B Sauls/(703) 325-5782)

**Department of the Army Expenditure Reporting at Defense Finance and Accounting Service Indianapolis** The objective of the audit is to determine whether the Defense Finance and Accounting Service Center (DFAS) Indianapolis consistently and accurately compiled

expenditure data from field organizations and other sources for the departmental statements of accountability and transactions submitted to the U. S. Treasury. Expenditure reporting performed by DFAS Indianapolis is critical to the accuracy of the Fund Balance With Treasury reported in the annual Army General Funds financial statements. This project was announced November 10, 2004. (L. Peek/(703) 325-5777)

**Appropriated Funds Distribution Within the Program Budget Accounting System**

**(D2005FI-0065)** The objective of the audit is to determine whether fund distribution within the Program Budget Accounting System accurately and completely reflects the financial limits and boundaries set forth in the annual DoD Appropriations Act. This project was announced October 20, 2004. (L. Peek/(703) 325-5777)

**Selected Aspects of Army Working Capital Fund Field Accounting Operations**

**(D2005FI-0095)** The objective of the audit is to evaluate selected aspects of Army Working Capital Fund field accounting operations. Specifically, the audit will evaluate the controls in place for recording and reporting accounting transactions, resolving rejected transactions, preparing and reviewing trial balances, and approving accounting journal adjustments. It will also determine whether controls are in place within the Logistics Modernization Program to ensure accurate financial reporting. This project was announced December 8, 2004. (C. Ventimiglia/(317) 510-3855)

**Selected Aspects of Army Working Capital Fund Property Management** The audit will evaluate selected aspects of Army Working Capital Fund property management. It will review various controls over the Army Working Capital Fund's real and personal property. Emphasis will be placed on reviewing the interfaces between property systems and financial systems. (L. Peek/(703) 325-5777)

**Selected Aspects of Army Working Capital Fund Inventory Management** The audit will evaluate selected aspects of Army Working Capital Fund inventory management. It will review various operational controls over working capital fund inventories. Specific objectives will include determining whether inventory records are accurate as to quantity, condition, and location, and evaluating actions taken to obtain and maintain an accurate, supportable baseline for inventory. The audit will also review the impact of the Logistics Management Program on the financial reporting of inventory. (L. Peek /(703) 325-5777)

**Department of Defense Financial Reporting of Operating Materials and Supplies** The objective of the audit is to evaluate management assertions pertaining to completeness and existence of DoD operating materials and supplies accounts and to determine whether the accounts are presented fairly on the financial statements in accordance with OMB requirements. (J. Kornides/(614) 751-1400, x 211)

**Department of Defense Financial Reporting of Inventory** The overall objective of the audit is to evaluate management assertions pertaining to completeness and existence of DoD Inventory accounts and to determine whether the accounts are presented fairly on the financial statements in accordance with OMB requirements. (J. Kornides/ (614) 751-1400, x 211)

**Identification and Correction of Problem Disbursements** The objective of the audit is to determine whether DoD adequately identified and corrected problem contract disbursements. (J. Kornides/(614) 751-1400, x 211)

**Identification and Reporting of Erroneous Payments** The objective of the audit is to determine whether DoD adequately reviewed all programs and activities they administer and identified, and reported those which may be susceptible to significant erroneous payments. The audit will also determine whether DoD adequately estimated the amount of erroneous payments and prepared accurate progress reports on actions to reduce erroneous payments. (J. Kornides/(614) 751-1400, x 211)

**Claims, Collections, and Fees Associated with DoD Recovery Audit Contracts (D2005FJ-0106)** The objective of the audit is to determine whether DoD implemented a cost effective program to recover amounts erroneously paid to contractors. This project was announced December 17, 2004. (J. Kornides/(614) 751-1400, x 211)

**Contracts Classified as Unreconcilable by the Defense Finance and Accounting Service Columbus** The audit was requested by USD(C). The objective will be to review the actions the Defense Finance and Accounting Service Columbus and Defense Contract Management Agency activities took in attempting to locate missing documentation and reconcile contracts that were considered unreconcilable. (J. Kornides/(614) 751-1400, x 211)

**FY 2004 DoD Superfund Transactions (D2005FJ-0142)** The audit objective is to determine whether the U.S. Army Corps of Engineers properly administered the fund. Specifically, the audit will determine whether the Corps of Engineers supported and accurately recorded disbursements and their related obligation transactions charged to Superfund projects during FY 2004. This project was announced March 10, 2005. (J. Kornides/(614) 751-1400, x 211)

**Department of Defense Financial Reporting of Deferred Maintenance Information** The overall objective of the audit is to evaluate management assertions pertaining to completeness and existence of DoD Deferred Maintenance information and to determine whether the accounts are presented fairly on the financial statements in accordance with Office of Management and Budget requirements. (J. Kornides/(614) 751-1400, x 211)

**Military Departments' Contributions to the DoD Medicare Eligible Retiree Health Care Fund (D2005FJ-0081)** This audit is being done in response to a request by the Medicare-eligible Retiree Health Care Fund Audit Committee. The objective is to review the accuracy of the calculation of Military Departments' monthly contributions to the Medicare-eligible Retiree Health Care Fund. The audit scope includes the active and reserve military components. This project was announced December 15, 2004. (J. Kornides/(614) 751-1400, x 211)

**U.S. Army Corps of Engineers, Civil Works, Construction-in-Progress Assets Presented in the FY 2005 Financial Statements** This audit is in support of the audit of the U.S. Army Corps of Engineers, Civil Works Financial Statements for FY 2005. The objective of the audit is to determine the reasonableness of the U.S. Army Corps of Engineers, Civil Works Construction-in-Progress beginning balance for FY 2005. (J. Kornides/(614) 751-1400, x 211)

**U.S. Army Corps of Engineers, Civil Works, Equipment Presented in the FY 2005 Financial Statements** This audit is in support of the audit of the U.S. Army Corps of Engineers, Civil Works Financial Statements for FY 2005. The objective of this audit is to determine the reasonableness of the U.S. Army Corps of Engineers, Civil Works Equipment beginning balance for FY 2005. (J. Kornides/(614) 751-1400, x 211)

**FY 2005 Civilian Payroll Withholding Data (D2005FP-0084)** The overall audit objective is to determine whether the retirement, health, and life insurance withholdings and employee headcount data submitted by DoD, and other Government agencies for which DoD processes civilian payroll, are reasonable and accurate. This project was announced November 15, 2004. (D. Neville/(703) 428-1061)

**Military Retirement Fund Accounts Receivable** The objective is to determine the accuracy and reliability of accounts receivable presented on the Military Retirement Fund financial statement. (D. Neville/(703) 428-1061)

**FY 2005 Military Payroll and Withholding for Army** The objective is to determine whether the Army accurately reported the cost of Military personnel in their financial statements and properly paid and withheld amounts for Service members. (D. Neville/(703) 428-1061)

**DoD Accounts Receivable** The objective is to determine the accuracy and reliability of accounts receivable presented on the DoD-Wide financial statements. (D. Neville/(703) 428-1061)

**Controls Over the Air Force, General Fund, Fund Balance With Treasury (D2005FP-0074)** The overall objective of the audit is to assess controls over the Fund Balance With Treasury account related to the Air Force General Fund Financial Statements for Fiscal Year Ending September 30, 2004. This project was announced October 22, 2004. (D. Neville/(703) 428-1061)

**Army Fund Balance With Treasury** The objective is to determine the accuracy and reliability of the Army Fund Balance With Treasury presented on the financial statements. (D. Neville/(703) 428-1061)

**Foreign Military Sales Administrative Surcharge Fund** The overall objective is to determine the adequacy of the administrative surcharge rates applied to Defense articles and services procured by Foreign Military Sales (FMS) customers. Specifically, the audit will determine whether funds collected from the assessment of the administrative surcharge fully cover the costs to DoD for implementing the FMS Program. (D. Payson/(703) 604-9619)



**Cash Advances on DoD Travel Cards** The audit objective will be to determine if the controls over the drawing of cash advances on DoD travel cards are effective to prevent advances being made by non-travelers.

**Defense Departmental Reporting System-Audited Financial Statements Crosswalk**

**(D2005FI-0086)** The objective of the audit is to determine whether the Defense Departmental Reporting System-Audited Financial Statements crosswalk used to prepare DoD financial statements is in accordance with Office of Management and Budget and Department of Treasury guidance. This project was announced November 10, 2004.  
(L. Peek/(703) 325-5777)

**Air Force General Funds Disbursements as reported in the Statement of Budgetary**

**Resources for FY 2005 (D2005FD-0103)** The objective is to determine whether a universe of individual disbursement transactions exists for the disbursements line item account in the Air Force General Funds Statement of Budgetary Resources. If an acceptable universe is found to exist, it will be determined whether an adequate audit trail exists for identifying and obtaining evidence supporting the disbursement transactions. This project was announced December 23, 2004. (B. Harbert/(303) 676-7392)

**Puget Sound Naval Shipyard Mission-funded Prototype (D2005FC-0116)**

The overall objective is to review the Puget Sound Naval Shipyard Mission-funded Prototype. Specifically, the audit will review the shipyard rate development, metrics and goals, and the effect on Congressional reporting. This project was announced January 24, 2005.  
(R. Kidd/(703) 325-5515)

**DoD National Drug Control Program Obligations and Expenditures (D2005FJ-0120)** The objective is to determine whether the funds expended by DoD on the National Drug Control Program were used in compliance with Office of National Drug Control Policy Circular “Drug Control Accounting,” April 18, 2003. This project was announced January 28, 2005.  
(J. Kornides/(614) 751-1400 x211)

**Impact of Recording and Reporting Transactions-by-Others on the National Security**

**Agency to Reconcile its Fund Balance with Treasury (D2005FA-0150)** This audit supports the Senate Select Committee on Intelligence’s requirement that the National Security Agency be able to produce auditable financial statements. The audit objective will be to determine how Defense Finance and Accounting Service processes for recording and reporting Transactions-by-Others impacts the ability of the National Security Agency to reconcile its Fund Balance with Treasury. This project was announced March 24, 2005. (L. Peek/(703) 325-5777)

**Controls Over the Prevalidation of DoD Commercial Payments (D2005FI-0164)**

The primary objective will be to evaluate controls over the prevalidation of DoD commercial payments. The audit will evaluate actions taken by the Defense Finance and Accounting Service, the Military Departments, and selected other Defense agencies to ensure that payments are matched to corresponding detail obligations and that funds are reserved in the

accounting systems before disbursements are made. It will also determine whether prevalidated payments post correctly to the accounting systems or result in problem disbursements. This project was announced May 12, 2005. (C. Ventimiglia/(317) 510-3855).

**Internal Controls Over Departmental Expenditure Operations at Defense Finance and Accounting Service Indianapolis (D2005FI-0195)** The objective of this audit is to evaluate the adequacy of internal controls over departmental expenditure operations at Defense Finance and Accounting Service Indianapolis. This project was announced May 23, 2005. (C. Ventimiglia/(317) 510-3855)

**Foreign Military Sales Trust Fund Cash Management (D2004FD-0039)** The audit was requested by the Defense Security Cooperation Agency. The overall objective is to audit the cash management of the Foreign Military Sales (FMS) Trust Fund. Specifically, the audit will determine whether internal controls are adequate to ensure that:

- Sufficient cash is available in the applicable country account before expenditure authority is issued to a disbursing office.
- Expenditure authority issued is posted promptly and accurately to the country's account.
- Changes to country account balances are adequately supported.

The audit may also review broader issues pertaining to management of the FMS Trust Fund. This project was announced December 12, 2003. (B. Harbert/(303) 676-7392)

**Vendor Pay Disbursement Cycle, Air Force General Fund (D2004FD-0040)** The audit objective is to assess internal controls and compliance with laws and regulations pertaining to the vendor pay disbursement cycle in the Air Force General Fund and supported activities. The disbursement cycle begins with contracting actions, ends with payments to vendors, and includes all necessary actions in between. This project was announced December 9, 2003. (B. Harbert/(303) 676-7392)

**FY 2004 DoD Civilian Payroll Withholding Data (D2004FH-0046)** The overall audit objective was to determine whether the retirement, health, and life insurance withholdings and employee headcount data submitted by DoD are reasonable and accurate. Final report D-2005-036 was issued February 17, 2005. (B. Sauls/(703) 325-5782)

**Audit Assessment of the U.S. Army Corps of Engineers Civil Works, FY 2004 Financial Statements for the Fiscal Years Ending September 30, 2004 and 2003 (Project D2004FE-0097)** The overall objective is to determine whether the U.S. Army Corps of Engineers, Civil Works, FY 2004 Financial Statements are ready for an audit. In regards to the FY 2004 Balance Sheet, either the Inspector General of the Department of Defense or an independent auditor or Service Audit Agency will perform the audit assessment. In the event that the Inspector General performs the audit assessment of the FY 2004 Balance Sheet, then the corrected deficiencies identified during FY 2003 will be reviewed. If a contractor performs the audit assessment, the Inspector General will maintain oversight of the audit

assessment. In regards to the Statement of Net Costs, Statement of Budgetary Resources, and Statement of Financing, an independent auditor or Service Audit Agency will perform the audit assessments. This project was announced February 9, 2004.

**Entity Profile for Defense Finance and Accounting Service Cleveland (D2004FC-0113)**

The overall objective is to develop a comprehensive entity profile for the Defense Finance and Accounting Service Cleveland site (DFAS Cleveland) in accordance with the General Accounting Office/President's Council on Integrity and Efficiency (GAO/PCIE) Financial Audit Manual. The audit will define the specific functional areas within DFAS Cleveland and distinguish the direct Chief Financial Officer's Act management controls and assessments related to the functional areas. This project was announced February 25, 2004.

(R. Kidd/(703) 604-9159)

**Accounting for Sperry Marine Pension Plan Assets under an Advance Agreement with Litton Industries (D2004PT-0001)**

The overall objective is to evaluate the December 1997 advance agreement between Litton Industries, Inc., and the United States Government concerning the merger of the Sperry Marine, Inc. Employees Retirement Plan, and Litton Industries, Inc., Retirement Plan B. The evaluation will determine whether the pension accounting under the advance agreement was fair and equitable to the Government, and was in compliance with Cost Accounting Standard (CAS) 413, "Adjustment and Allocation of Pension Cost". It will examine whether a proper adjustment to previously determined pension costs was made in accordance with the segment closing provisions of CAS 413.50(c)(12). This project was announced February 2, 2004. (R. Meissner/(703) 604-8911)

**"Appropriations Received" Line Item on the Statement of Budgetary Resources for the FY 2004 Mid-Year DoD Agency-Wide Financial Statements (D2004FA-0117)**

The Under Secretary of Defense (Comptroller)/Chief Financial Officer has asserted that the Appropriations Received line item on the Statement of Budgetary Resources is ready for audit. At the request of the DoD Financial Improvement Executive Steering Committee, the audit assessed the reliability of the subject line item. The audit included the Appropriations Received for the 11 reporting entities shown on the Combining Statement of Budgetary Resources. Report D-2005-061 was issued May 10, 2005. (L. Peek/(703) 325-5777)

**Identification and Reporting of Erroneous Payments in the DoD (D2004FJ-0118)**

The objective of the audit is to determine whether DoD adequately reviewed all programs and activities they administer and identified and reported those that may be susceptible to significant erroneous payments. The audit will also determine whether DoD adequately estimated the amount of erroneous payments and prepared accurate progress reports on actions to reduce erroneous payments. This project was announced March 3, 2004.

(J. Kornides/(614) 751-1400 x 211)

**Contract Financing Payments (D2004FJ-0126)**

The objective of the audit was to determine whether accounting policy and procedures are in place to properly record and account for contract financing payments. In addition, the audit reviewed management controls over paying

and administering contracts with financing payments. Report D-2005-062 was issued May 10, 2005. (J. Kornides/(614) 751-1400)

**Development and Management of the Army Game Project (D2004FD-0146)** This audit is in response to a referral from the Naval Inspector General. The objectives are to evaluate allegations of project mismanagement by the Naval Postgraduate School and perform a reconciliation of funds expended and obligated against the project to date. Specifically, the audit will determine whether project management at the Naval Postgraduate School was effective and what costs have been incurred. This project was announced April 19, 2004.

**DoD Recovery Audit Program (D2004FJ-0150)** The objective of the audit is to determine whether DoD implemented a cost effective program to recover amounts erroneously paid to contractors. This project was announced April 22, 2004. (J. Kornides/(614) 751-1400 x 211)

**FY 2004 Financial Statements for the National Geospatial-Intelligence Agency (D2004FA-0156)** This audit supports the requirements of Public Law 107-306, "Intelligence Authorization Act for Fiscal Year 2003," which directed that the National Geospatial-Intelligence Agency report activities being undertaken to ensure its financial statements can be audited in accordance with applicable laws and requirements of the Office of Management and Budget. The audit reviewed and evaluated the form and content of the FY 2004 financial statements for the National Geospatial-Intelligence Agency and information supporting those statements to determine whether applicable guidance and accounting standards were followed. It also assessed management's actions and progress in correcting previously reported deficiencies in support of future comprehensive audits of the financial statements required by the Senate Select Committee on Intelligence. Report D-2005-056 was issued April 29, 2005. (L. Peek/(703) 325-5777)

**Oversight of the Audit of the Defense Intelligence Agency FY 2004 Financial Statements (D2004FA-0167)** The objective is to oversee audit work performed by Urbach Kahn & Werlin LLP (UK&W) on the DIA FY 2004 Financial Statements. UK&W will determine whether the DIA FY 2004 Balance Sheet is presented fairly in accordance with Office of Management and Budget Bulletin No. 01-09 and applicable DoD guidance. UK&W will also perform an assessment on the reliability of the material ending balances on the other FY 2004 DIA Financial Statements and assess internal controls and compliance with laws and regulations pertaining to the financial statements. This project was announced May 12, 2004. (L. Peek/(703) 325-5777)

**Support for Reported Obligations for the National Security Agency (D2004FA-0175)** The audit objective will be to document and evaluate procedures and controls for recording obligations and reviewing the validity of unliquidated obligations and disbursements reported on the Report(s) on Budget Execution. This project was announced May 14, 2004. (L. Peek/(703) 325-5777)

**Reliability of the Financial Data Accumulated and Reported by Space and Naval Warfare Systems Center Financial Systems (D2004FC-0197)** The overall objective is to determine whether the financial data accumulated by the Space and Naval Warfare Systems Centers and reported in Navy Working Capital Fund financial statements is reliable. Specifically, the audit will review the accuracy of financial information accumulated and reported from the financial management systems and test the reliability of the controls over the systems. It will also evaluate the management control program at the Space and Naval Warfare Systems Centers as applicable to the audit objectives. This project was announced June 18, 2004. (R. Kidd/(703) 325-5515)

**Entity Profile for Defense Finance and Accounting Service Kansas City (D2004FC-0165)** The overall objective is to develop a comprehensive entity profile for the Defense Finance and Accounting Service Kansas City (DFAS Kansas City) in accordance with the General Accounting Office/President's Council on Integrity and Efficiency (GAO/PCIE) Financial Audit Manual. The audit will define the specific functional areas within DFAS Kansas City and distinguish the direct Chief Financial Officer's Act (CFO) financial statement functions from other financial functions. This project was announced July 9, 2004. (R. Kidd/(703) 325-5515)

**FY 2004 Emergency Supplemental Appropriation Funds Allocated to Defense Agencies (D2004LA-0203)** The overall objective of the audit was to evaluate accounting controls and procedures, as well as the validation and oversight of contingency operation costs incurred by Defense agencies supporting the Global War on Terrorism. Specifically, the audit reviewed whether the Defense agencies followed DoD policy for identifying, recording, validating, and reporting costs incurred in support of contingency operations. Report D-2005-045 was issued May 9, 2005. (D. Bloomer/(703) 604-8863)

**DoD Process for Reporting Contingent Legal Liabilities (D2004FA-0202)** The objective is to assess the DoD process to ensure that contingent legal liabilities are accurately and completely recognized and disclosed within financial statements, in accordance with federal financial accounting standards. Specifically, the audit will assess policies and procedures for identifying, tracking, estimating, and reporting contingent legal liabilities. In addition, it will evaluate information presented in legal representation letters and related management summaries. This project was announced August 6, 2004. (L. Peek/(703) 325-5777)

**FY 2004 Military Payroll and Withholding Data (D2004FP-0210)** The audit objective is to determine whether the U.S. Marine Corps accurately reported the cost of Military personnel in the financial statements and properly withheld amounts for Military Service Members. This project was announced August 6, 2004. (D. Neville/(703) 428-1442)

**Recording and Compiling Commercial Payment Financial Adjustments that Affect the DoD Financial Statements (D2004FJ-0212)** The objective of the audit is to determine whether DoD accurately recorded and compiled financial adjustments on contracts administered in the Mechanization of Contract Administrations Services system and whether

the results were included in the DoD financial statements. This project was announced August 13, 2004. (J. Kornides/(614) 751-1400 x211)

**DoD Agency-Wide Principal Financial Statements for the Fiscal Years Ending**

**September 30, 2005 and 2004 (D2004FA-0218)** The audit objective is to determine whether the DoD Agency-Wide Principal Financial Statements as of September 30, 2005 and 2004, taken as a whole, were presented fairly in all material respects, and in conformity with generally accepted accounting principles of the United States of America. This project was announced August 16, 2004. (L. Peek/(703) 325-5777)

**Air Force General Funds Obligations (D2004FD-0226)** The objective is to determine whether Air Force general funds obligations presented in the Statement of Budgetary Resources are valid, complete, recorded accurately and promptly as of the effective date of the transactions, and supported by adequate documentation. This project was announced August 25, 2004. (B. Harbert/(303)/676 7392)

**Principal Air Force Working Capital Fund Financial Statements as of and for the FY's Ending September 30, 2005, and 2004 (D2004FD-0234)** The audit objective is to determine whether the principal Air Force Working Capital Fund financial statements and accompanying notes, present fairly, in all material respects, in conformity with generally accepted accounting principle the Air Force Working Capital Fund assets, liabilities, and net position as of September 30, 200, and 2004; and for this fiscal years then ended, the net cost, changes in net position, budgetary resources, and reconciliation of net cost to budgetary resources. This project was announced September 21, 2004. (B. Harbert/(303) 676-7392)

**Principal Air Force General Fund Financial Statements as of and for the FY's Ending September 30, 2005, and 2004 (D2004FD-0235)** The audit objective is to determine whether the principal Air Force General Fund financial statements and accompanying notes, present fairly, in all material respects, in conformity with generally accepted accounting principle the Air Force General Fund assets, liabilities, and net position as of September 30, 2005, and 2004; and for this fiscal years then ended, the net cost, changes in net position, budgetary resources, and reconciliation of net cost to budgetary resources. This project was announced September 21, 2004. (B. Harbert/(303) 676-7392)

**FY 2003 Military Retirement Fund Financial Statements (D2003FH-0124)** The objective of the OIG DoD is to oversee audit work performed by Deloitte and Touche (D&T) on the Military Retirement Fund for FY 2003. D&T will determine whether the FY 2003 Fund financial statements are presented fairly in accordance with OMB Bulletin No. 01-09, "Form and Content of Agency Financial Statements," September 25, 2001. The audit will support the FY 2003 DoD-wide consolidated financial statements audit. This project was announced June 6, 2003. (D. Vincent/(703) 428-1425)

## FINANCIAL SYSTEMS

**Audit of General and Application Controls of DoD Financial Systems** The objective of these audits will be to determine whether the system: (1) general and application controls are adequately designed and operating effectively; (2) complies with Federal Financial Management Improvement Act of 1996 (FFMIA) requirements and all other applicable laws and regulations; and (3) is properly certified and accredited in accordance with DoD Information Technology Security Certification and Accreditation Process (DITSCAP). (M. Beima/(703) 428-1054)

**Systems selected for review include:**

Central Disbursing System  
Defense Cash Accountability System  
Standard Operation and Maintenance Army Research and Development System  
Corps of Engineers Financial Management System  
Defense Joint Military Pay System  
Defense Information Systems Agency Computing Services  
Standard Accounting and Reporting System  
Mechanization of Contract Administration Services  
Standard Accounting Budgeting and Reporting System  
Standard Finance System Redesign Subsystem  
Program Budgeting Accounting System  
Defense Working Capital Fund Accounting System  
Standard Material Accounting Systems  
Integrated Accounts Payable System  
Defense Industrial Financial Management System  
Defense Civilian Pay System                      project announced 4/27/05  
General Accounting & Finance System – Rehost

**Application Control Reviews of Navy and Marine Corps Systems** The overall objective of the audits will be to determine whether general and application controls are adequately designed and effective; comply with the FFMIA requirements and other applicable laws and regulations; and are properly certified and accredited in accordance with the DITSCAP. (M. Beima/(703) 428-1054)

**Department of Navy Systems Supporting Navy Working Capital and General Fund Financial Statements** The overall objective is to determine whether the financial data accumulated by the system and reported in the Navy financial statements is reliable. Specifically, the audit will review the accuracy of financial information accumulated and reported from the financial management and feeder systems. It will also test whether the

controls over the systems are adequately designed and effective; comply with the FFMIA requirements and other applicable laws and regulations; and are properly certified and accredited in accordance with the DITSCAP. (R. Kidd (703) 325-5515)

**PowerTrack and Related Feeder Systems** The overall objective will be to determine whether U. S. Transportation Command has taken appropriate measures in electronic commerce security, responsibility assignment, and production of reliable data. Specifically, the audit will use data mining efforts and other analytical techniques to review PowerTrack and related feeder systems, and the Automated Commercial Transportation Payment and Accounting Process. (COL W. Kelley/(703) 604-9312)

**Standard Financial System (D2004FG-0179)** The audit objectives were to determine whether the Standard Financial System (STANFINS) general and application controls are adequately designed and effective; complies with the Federal Financial Management Improvement Act of 1996 (P.L. 104-208) requirements and all other applicable laws and regulations; and is properly certified and accredited in accordance with DoD Information Technology Security Certification and Accreditation Process. Report D-2005-059 was issued April 30, 2005. (M. Beima/(703) 428-1054)

**Defense Business Management System (D2004FG-0230)** The audit objectives will be to determine whether the Defense Business Management System general and application controls are adequately designed and effective; comply with Federal Financial Management Improvement Act of 1996 (P.L. 104-208) requirements and all other applicable laws and regulations; and are properly certified and accredited in accordance with the DoD Information Technology Security Certifications and Accreditation Process. This project was announced September 2, 2004. (M. Beima/(703) 428-1054)



## HEALTH CARE AND MORALE

**TRICARE Payments to Overseas Providers (D2005LF-0017)** The overall objective of the audit will be to evaluate controls over TRICARE payments made to overseas healthcare providers. This project was announced September 13, 2004. (M. Joseph/(757) 872-4768)

**DoD Patient Movement System (D2005LF-0082)** The overall objective will be to evaluate the DoD patient movement system that medically regulates and transports casualties to appropriate military treatment facilities for care and rehabilitation. Specifically, the audit will assess the capabilities, effectiveness, and performance of the system used to support the movement of U.S. military casualties from combat zones. This project was announced November 8, 2004. (M. Joseph/(757) 872-4768)

**Quality Assurance Review Procedures in the DoD Health System (D2005LF-0147)** The overall objective will be to evaluate the medical quality assurance and risk management process for clinical cases involving reportable quality of care events. Specifically, the audit will assess the completeness, effectiveness, and performance of the process used to report adverse events involving DoD beneficiaries in military treatment facilities. This project was announced April 1, 2005. (M. Joseph/(757) 872-4698)

**Implementation of the Third Party Collection Program** The overall audit objective will be to determine the extent of Military Department implementation of DoD guidance related to collection by Military Treatment Facilities of third party insurance reimbursements. Specifically, the audit will determine the Military Department's implementation of actions to correct problems with itemized billing and the establishment of Third Party Collection goals. (M. Joseph/(757) 872-4768)

## HOMELAND DEFENSE

**Role of DoD in Homeland Security** The overall objective is to evaluate the role of the Department in the overall Homeland Defense mission. Specifically, the audit will evaluate whether DoD has developed an overarching strategy for fulfilling this mission, and if that strategy is being employed as originally intended. It will also evaluate the ability of those U.S. forces charged with carrying out that mission. (D. Bloomer/(703) 604-8863)

**Enterprise Management of DoD Human Capital (D2004CB-0177)** The overall objective of the audit is to assess the enterprise management of human capital at the DoD-wide, the Military Departments, and the Defense agency level. Specifically, the audit will address whether human capital is strategically managed to accomplish the objectives in the President's Management Agenda and achieves the standards for success identified by the Office of Management and Budget. This project was announced May 24, 2004. (K. Caprio/(703) 604-9202)

## HUMAN CAPITAL

**Recruitment of DoD Civilian Personnel** The overall objective will be to evaluate the effectiveness of DoD's recruitment process for the civilian workforce. Specifically, the audit will assess how DoD Components identify recruitment needs, the methods to recruit civilian personnel, and whether procedures are in place to measure recruitment success. It will also identify possible improved efficiencies and opportunities for synergy for the recruitment process. (K. Caprio/(703) 604-9202)

**Human Capital Management of the DoD Acquisition Workforce (D2005CB-0181)** The overall audit objective is to review the effectiveness of the DoD Acquisition workforce. Specifically, the audit will review the impact on the doD acquisition workforce of changes in workload requirements, contracting methods, and mandated workforce reductions. This project was announced May 9, 2005. (K. Caprio/(703) 604-9202)

**Deployment of the DoD Contractor Workforce** The overall objective would be to measure the impact of the deployment of contractor personnel on total contract costs and contract performance. Specifically, the audit would identify the excess costs associated with the deployment of contractor personnel to conflict areas and its impact on total contract costs and determine how contract performance is evaluated and measured. (K. Caprio/(703) 604-9202)

**DoD Security Clearance Program at Requesting Activities (D2005CB-0136)** The overall audit objective will be to determine whether the DoD security clearance program is effectively and efficiently managed at the requesting activity level. Specifically, the audit will evaluate the processes for determining clearance requirements, initiating and updating security clearances, and monitoring the accuracy and completeness of personnel security questionnaires. This project was announced March 9, 2005. (K. Caprio/(703) 604-9202)

## INFORMATION TECHNOLOGY

**Reporting of DoD Capital Investments for Information Technology in Support of the FY 2006 Budget Submission (D2005AL-0036)** The audit will verify and validate whether the Services and DoD Components are adequately reporting capital investments for information technology to OMB. Specifically, the audit will determine whether Exhibit 300, “Capital Asset Plan and Business Case,” submissions demonstrate that DoD is managing its information technology investments in accordance with OMB and DoD guidance. This project was announced October 1, 2004. (K. Truex/(703) 604-8966)

**DoD Incident Detection and Handling Procedures** The objective will be to assess DoD computer incident and handling procedures, to include incident detection capabilities. The audit will support the required annual assessment of DoD implementation of the E-Government Act as it pertains to the Federal Information Security Management Act. (K. Truex/(703) 604-8966)

**DoD Information Technology Governance Structure (D2005AL-0100)** The overall objective of the audit will be to review the DoD governance structure for DoD information technology. Specifically, the audit will examine legislative and Office of Management and Budget requirements for information technology management, investment, and security. This project was announced December 7, 2004. (K. Truex/(703) 604-8966)

**Acquisition of the Integrated Logistics System-Supply** The audit will evaluate the overall management of the Integrated Logistics System-Supply program. Because the program is approaching the System Development and Demonstration acquisition phase, the audit will determine whether management is cost-effectively developing and readying the program for the deployment phase of the acquisition process. (J. Wicecarver/(703) 604-9077)

**Acquisition of the Composite Health Care System II (D2005AS-0117)** The overall objective is to review budgeting, accounting, performance, and user satisfaction for the Composite Health Care System II to determine whether the system is being implemented to meet cost, schedule, and performance requirements. This project was announced January 25, 2005. (J. Wicecarver/(703) 604-9077)

**Acquisition of the Fuels Automated System** The audit will evaluate the overall management of the Fuels Automated System. Because the system is in the (limited) deployment acquisition phase, the audit will determine whether management is effectively testing the program and will meet the maturity level required prior to full deployment. In addition, it will evaluate management’s deployment plan to determine whether it is methodical and synchronized in implementing the program in all applicable locations. (J. Wicecarver/(703) 604-9077)

**Acquisition of the Combat Information Transport System** The audit will evaluate the overall management of the Combat Information Transport System. Because the program is in the Production and Deployment acquisition phase, the audit will determine whether management is cost-effectively acquiring and deploying the system. In addition, it will evaluate management's established support requirements to determine if plans are in place to sustain the system and remain compatible with interoperability functions. (J. Wicecarver/(703) 604-9077)

**Acquisition of the Financial Information Resource System** The audit will evaluate the overall management of the Financial Information Resource System. The system is being developed in a spiral/incremental approach. Because the current increment is in the System Development and Demonstration acquisition phase, the audit will determine whether management is cost-effectively developing and readying the program for the deployment phase of the acquisition process. (J. Wicecarver/(703) 604-9077)

**Acquisition of the Distributed Learning System** The audit will evaluate the overall management of the Distributed Learning System. The project follows an evolutionary acquisition strategy and is currently in the third increment of the acquisition, approaching the Production and Deployment acquisition phase. The audit will determine whether management is cost-effectively developing and readying the program for the deployment phase of the acquisition process. (J. Wicecarver/(703) 604-9077)

**Acquisition of the Defense Integrated Military Human Resource System** The audit will evaluate the overall management of the Defense Integrated Military Human Resource System. Because the program is in the System Development and Demonstration acquisition phase, the audit will determine whether management is effectively preparing the system for operational testing and readying the program for the deployment phase of the acquisition. (J. Wicecarver/(703) 604-9077)

**Acquisition of the Pacific Mobile Emergency Radio System (D2005AS-0177)** The overall objective is to review the acquisition of the Pacific Mobile Emergency Radio System. Specifically, the audit will determine whether the system achieved operational requirements and assess whether contracts used to acquire the system supported those requirements. This project was announced May 3, 2005. (J. Wicecarver/(703) 604-9077)

**Security Controls Over Selected Military Health System Corporate Databases (D2005LF-0070)** The overall objective of the audit will be to determine whether the security controls in place are adequate to protect sensitive healthcare information contained in selected Military Health System corporate databases. This project was announced October 22, 2004. (M. Joseph/(757) 872-4698)

**Information Security Operational Controls at Selected Defense Finance and Accounting Service Locations (D2005AL-0099)** The overall objective of the audit is to determine whether information security operational controls operate effectively and provide an appropriate level of information assurance. Specifically, the audit will assess the adequacy and effectiveness of the

security programs; the implementation and effectiveness of access controls; and the procedures and testing of contingency and continuity of operations plans. This project was announced December 6, 2004. (K. Truex/(703) 604-9031)

**Information Security Operational Controls at the Missile Defense Agency (D2005AL-0152)**

The overall objective of the audit is to determine whether information security operational controls operate effectively and provide an appropriate level of information assurance. Specifically, the audit will assess the adequacy and effectiveness of the security programs; the implementation and effectiveness of access controls; and the procedures and testing of contingency and continuity of operations plans. This project was announced April 1, 2005. (K. Truex/(703) 604-8966)

**Information Security Operational Controls at the Defense Logistics Agency (D2005AL-0158)**

The overall objective of the audit is to determine whether information security operational controls operate effectively and provide an appropriate level of information assurance. Specifically, the audit will assess the adequacy and effectiveness of the security programs; the implementation and effectiveness of access controls; and the procedures and testing of contingency and continuity of operations plans. This project was announced April 7 2005. (K. Truex/(703) 604-8966)

**System Security Status Reporting (D2005AL-0156)** The audit will assess the consistency of information that DoD Components report to the Office of the Secretary of Defense, the Office of Management and Budget (OMB), and the Congress on the security status of their information technology systems. Specifically, the audit will determine whether information in the Information Technology Management Application, which is used to prepare the DoD Capital Investment Report is consistent with the system security information in the Information Technology Registry, which is used to prepare the DoD Federal Information Security Management Act Report and in accordance with OMB and DoD guidance. This project was announced April 11, 2005. (K. Truex/(703) 604-8966)

**DoD Management of Information Technology Goods and Services Obtained Through Interagency Agreements (D2005AS-0173)**

The objective is to evaluate DoD management of information technology goods and services obtained through interagency agreements. Specifically, the audit will determine whether DoD and Service Chief Information Officers' processes for managing information technology and related services purchased through interagency orders adequately address information security. This project was announced April 25, 2005. (J. Wicecarver (703) 604-9077)

**Defense Property Accountability System (D2004FG-0200)** The audit objective will be to determine whether the Defense Property Accountability System (DPAS) general and application controls are adequately designed and effective; comply with Federal Financial Management Improvement Act of 1996 requirements and all other applicable laws and regulations; and are properly certified and accredited in accordance with the DoD Information Technology Security Certification and Accreditation Process and the Federal Information

Security Management Act. This project was announced June 28, 2004.  
(M. Beima/(703) 428-1054)

**Defense Information Systems Agency Computing Services (D2004FG-0191)** The audit objectives will be to determine whether the Defense Information Systems Agency (DISA) general and application controls of the computing environment are adequately designed and effective; comply with Federal Financial Management Improvement Act of 1996 requirements and all other applicable laws and regulations; and are properly certified and accredited in accordance with the DoD Information Technology Security Certification and Accreditation Process. This project was announced June 30, 2004. (M. Beima/(703) 428-1054)

**Defense Departmental Reporting System (D2004FG-0198)** The audit objectives will be to determine whether the Defense Departmental Reporting System (DDRS) general and application controls are adequately designed and effective; comply with Federal Financial Management Improvement Act of 1996 requirements and all other applicable laws and regulations; and are properly certified and accredited in accordance with the DoD Information Technology Security Certification and Accreditation Process. This project was announced June 30, 2004. (M. Beima/(703) 428-1054)

**DoD Information Technology Security Certification and Accreditation Process (D2004AS-0241)** The overall objective of the audit was to assess the DoD implementation of Title III, section 301, “Federal Information Security Management Act,” of 2002 (P.L. 107-347). Specifically, the audit determined whether the DoD Information Technology Security Certification and Accreditation Process is consistent with the guidance established by the National Institute of Standards and Technology. The audit also included a review of the draft of DoD Instruction 8510.bb “DoD Information Assurance Certification and Accreditation Process.” Report D-2005-054 was issued April 28, 2005. (J. Wicecarver/(703) 604-9077)

## LOGISTICS

**Implementation of Performance-Based Logistics for the Joint Surveillance Target Attack Radar System (D2005LH-0046)** The overall audit objective is to evaluate the effectiveness of the Air Force's implementation of performance-based logistics (PBL) for the Joint Surveillance Target Attack Radar System (Joint STARS). Specifically, the audit will validate the business case analysis and determine whether PBL implementation resulted in improvements in system availability, readiness, and cost. This project was announced October 6, 2004. (B. Prinzbach/(703) 604-8907)

**V-22 Osprey Performance-Based Logistics Program (D2005LD-0083)** The overall audit objective will be to review the V-22 Osprey logistics support program to determine the benefits that DoD would derive from teaming with industry or organic activities for performance-based logistics support. Specifically, the audit will determine whether business case analyses (BCA) were adequately prepared and determine whether cost savings, availability, and reliability data used in the BCAs supported the sustainment strategy decision. This project was announced November 3, 2004. (T. Bartoszek/(703) 604-9619)

**H-60 Seahawk Weapon System Performance-Based Logistics Program (D2005LD-0113)** The overall audit objective will be to review the H-60 Seahawk logistics support program to determine the benefits that DoD would derive from teaming with industry or organic activities for performance-based logistics support. Specifically, the audit will determine whether business case analyses were adequately prepared and determine whether cost savings, availability, and reliability data used in the business case analyses supported the sustainment strategy decision. This project was announced January 12, 2005. (N. Needham/(703) 604-9633)

**Implementation of the Defense Logistics Agency Business Systems Modernization Program (D2005LD-0072)** The overall audit objective will be to evaluate the progress of the development of the Defense Logistics Agency (DLA) Business Systems Modernization Program. Specifically, the audit will evaluate whether functions and subfunctions critical to inventory management are being efficiently and effectively developed and implemented. Additionally, it will evaluate whether the Business Systems Modernization Program will effectively interface with other DoD logistics systems. This project was announced October 22, 2004. (T. Bartoszek/(703) 604-9619)

**Allegations Concerning the Mobile Detection Assessment and Response System Program (D2005AB-0191)** This audit is being performed in response to allegations made to the Defense Hotline about the Mobile Detection and Response System Program. Specifically, the audit will determine whether the allegations concerning contract improprieties and management of the



Mobile Detection and Response System Program have merit. This project was announced May 23, 2005. (B. Burton/(703) 604-9071)

**Customer Wait Time** The overall audit objective will be to evaluate DoD efforts to reduce Customer Wait Time (CWT). Specifically, the audit will evaluate actions taken by the DoD CWT committee to develop and maintain uniform business rules for measuring and reporting CWT, and Military Service and Defense Agency actions to implement programs and processes to reduce CWT. (T. Bartoszek/(703) 604-9619)

**Impact of the Future Logistics Enterprise Initiative on DoD Logistics Capabilities** The objective of the audit is to determine whether Future Logistics Enterprise (FLE) is being effectively implemented throughout the Services and Defense Agencies. The audit will evaluate impacts to the logistics process from the implementation of FLE and identify whether those impacts have increased the warfighters' agility, flexibility, adaptability, and effectiveness. (B. Prinzbach/(703) 604-8907)

**Premium Class Travel Within DoD** The objectives of the audit are to assess the effectiveness of DoD policy changes, and the accuracy of the semiannual reports on premium travel, as well as determine whether the potential for improper use of premium class travel still exists. (B. Prinzbach/(703) 604-8907)

**Availability of Consumable Items at Selected Army, Navy, and Air Force Depots and Logistics Centers** The overall objective will be to determine availability percentages for consumable items at selected Army, Navy, and Air Force depots and logistics centers and the reasons parts were not available when requisitioned from the Defense Logistics Agency. Specifically, the audit will determine whether availability of consumable items is improving and whether high-usage parts are on long-term contracts. It will also identify specific reasons, such as funding constraints and inadequate planning or visibility of assets, that consumable items were not available when requisitioned. (H. Kleinknecht/(703) 604-9324)

**Technology Transfer and Export Controls Over the Joint Strike Fighter (D2004LG-0155)** The overall audit objective will be to evaluate technology transfer and export controls over the Joint Strike Fighter. Specifically, the audit will identify U.S. national security and foreign policy concerns related to the transfer of U.S. aircraft and associated component technology, including the technology transfer and export control procedures are in place to prevent the illegal transfer of technology. This project was announced May 10, 2004.

## READINESS/FORCES MANAGEMENT

**Command and Control Interoperability for Multinational and Coalition Operations** The overall objective is to evaluate the ability of U.S. forces to operate as part of a multinational or coalition force structure in light of the advances made by the United States and its allies in the areas of network centric warfare. Specifically, the audit will evaluate the incorporation of those advances into the command and control environment used during an operation involving a multinational or coalition force and the ability of existing command and control systems to incorporate those advances with the minimal impact. (D. Bloomer/(703) 604-8863)

**Management of Joint and Multinational Exercises** The overall objective is to evaluate the adequacy of joint and multinational exercises to prepare U.S. forces to operate in a multinational or coalition force structure. Specifically, the audit will evaluate the ability of the Services to participate in large and small-scale exercises to prepare U.S. forces for their operations. It will also evaluate the ability of those exercises to meet the requirements of the senior leadership of the DoD and whether any changes needed resulting from ongoing transformation efforts are incorporated. (D. Bloomer/(703) 604-8863)

**Reconstituting (RESET) Actions Taken for Redeploying Units to Operation Iraqi Freedom** The objective will be to look at the impact that funding shortages for the RESET mission are having on the readiness levels of units being redeployed to Iraq and Afghanistan. In addition, the audit would review decisions made for overused equipment regarding whether to repair in theater, repair at depots in the U.S., replace outright, and/or continue using and would evaluate what effect these decisions are having on the same units being redeployed. (B. Prinzbach/(703) 604-8907)

**Operational Mobility Resources (D2005LA-0090)** The overall objective will be to review operational movement and mobility requirements in support of joint operations. Specifically, the audit will evaluate the adequacy of mobility resources according to combatant command operation plans, to include engineering support, for forward-deployed and early arriving forces. It will also analyze the potential effect on combat operations of any identified mobility resource limitations and determine to what extent host nation support is planned on to compensate for those limitations. This project was announced November 22, 2004. (D. Bloomer/(703) 604-8863)

## OTHER

**Export Licensing Process for Chemical and Biological Commodities** The overall objective will be to evaluate whether the DoD export license review process can help deter the proliferation of chemical and biological commodities. Specifically, the audit will assess the effectiveness of the DoD review process to determine whether DoD receives and adequately reviews export license applications for chemical and biological commodities. In addition, it will determine if DoD chemical and biological facilities are in compliance with Federal export regulations.

**Management Efforts to Prevent the Proliferation of Weapons of Mass Destruction (D2005LG-0050)** The overall objective is to assess DoD organizational arrangements for managing efforts to counter the proliferation of weapons of mass destruction (WMD). Specifically, the audit will review the roles and responsibilities of DoD Components in combating WMD proliferation and evaluate the economy and efficiency of those efforts. This project was announced October 12, 2004.

**DoD Reporting System for the Competitive Sourcing Program (D2004CH-0187)** The overall objective is to determine whether DoD has implemented a comprehensive and reliable system to track and assess the cost and quality of the performance of functions of the Department of Defense for the competitive sourcing program, to update the records of such costs and the assessments each fiscal quarter, and to make such information available in reports to Congress and the public. Specifically, the audit will determine whether the tracking system includes the elements required by the House of Representatives, Committee on Armed Services Report No. 108-491 on the National Defense Authorization Act for FY 2004, dated May 14, 2004. This project was announced June 2, 2004. (H. Kleinknecht/(703) 604-9324)

**DoD Workforce Employed to Conduct Public-Private Competitions Under the DoD Competitive Sourcing Program (D2004CH-0188)** The objective was to determine whether DoD employs a sufficient number of adequately trained civilian employees to satisfactorily conduct the public-private competitions scheduled during the next fiscal year, including a sufficient number of employees to satisfactorily formulate the performance work statements and most efficient organization plans and to administer any resulting contracts. Final report D-2005-028 was issued February 1, 2005. (H. Kleinknecht/(703) 604-9324)

**Management of the National Committee for Employer Support of the Guard and Reserve (D2004LA-0209)** The Assistant Secretary of Defense (Reserve Affairs) requested the audit. The overall objective will be to evaluate the operations and the financial management of the National Committee for Employer Support of the Guard and Reserve. Specifically, the audit will determine whether contracting and financial operations are conducted in accordance with

applicable policies and regulations. This project was announced July 30, 2004.  
(D. Bloomer/(703) 604-8863)

**Base Realignment and Closure 2005 Data** The objective is to evaluate the validity, integrity, and supporting documentation of data collected and submitted for the BRAC 2005 process. In addition, the audits will evaluate whether the data and the process complied with the applicable BRAC internal control plans. (D. Culp/(703) 604-9335)

| Number       | Title                                       | Date Announced |
|--------------|---------------------------------------------|----------------|
| D2004CH-0054 | Defense Contract Audit Agency               | 12/19/03       |
| D2004CB-0056 | Defense Commissary Agency                   | 12/19/03       |
| D2004CG-0065 | Defense Contract Management Agency          | 12/19/03       |
| D2004LH-0071 | Defense Legal Services Agency               | 1/5/04         |
| D2004FG-0070 | Defense Finance and Accounting Service      | 1/6/04         |
| D2004LD-0076 | Defense Logistics Agency                    | 1/13/04        |
| D2004LH-0090 | Defense POW/Missing Personnel Office        | 1/26/04        |
| D2004LF-0100 | TRICARE Management Activity                 | 2/9/04         |
| D2004LA-0099 | DoD Education Activity                      | 2/5/04         |
| D2004CB-0107 | Joint Chiefs of Staff                       | 2/19/04        |
| D2004CB-0108 | American Forces Information Service         | 2/19/04        |
| D2004CG-0110 | Washington Headquarters Service             | 2/24/04        |
| D2004CA-0112 | Defense Human Resources Activity            | 2/24/04        |
| D2004CG-0132 | OSD, Director Administration and Management | 3/24/04        |

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**Appendix A.      DoD Internal Audit Organization Joint Planning Groups**

| <b>Group</b>                 | <b>OIG Representative</b> | <b>Telephone</b> |
|------------------------------|---------------------------|------------------|
| Acquisition Program          | Mary Ugone                | (703) 604-9002   |
| Base Realignment and Closure | Debbie Culp               | (703) 604-9335   |
| Charge Card                  | Joe Doyle                 | (703) 604-9349   |
| Competitive Sourcing         | Henry Kleinknecht         | (703) 604-9324   |
| Construction and Sustainment | Debbie Culp               | (703) 604-9335   |
| Contracting Oversight and QA | Terry McKinney            | (703) 604-9288   |
| Financial                    | Paul Granetto             | (703) 428-1420   |
| Financial Systems (Subgroup) | Marie Beima               | (703) 604-9139   |
| Health Care and Morale       | Mike Joseph               | (757) 766-9108   |
| Homeland Defense             | Don Bloomer               | (703) 604-8863   |
| Human Capital                | Kim Caprio                | (703) 604-9202   |
| Information Technology       | Jackie Wicecarver         | (703) 604-9077   |
| Logistics                    | Terry Wing                | (215) 737-3883   |
| Readiness/Forces Management  | Don Bloomer               | (703) 604-8863   |