



**Project Results for
Analysis of Performance Audit Requirements &
Existing Capability Within the DoD
(Project # BF-7-4873)**

June 2021

IDA

The objectives and scope for this project are focused on performance audits and the A-123 internal controls program

■ **Objectives:**

- **Assessment of DoD service organizations**
 - performance audit function and value
 - internal control, and compliance
 - monitoring functions
- **Determine mandated (statutory, regulatory, Service Secretary) requirements and areas of potential **overlap or duplication** across the service organizations**
- **Assess and analyze the potential of **consolidating, reducing (by 50% to 75%) or eliminating functions** within and across the service organizations**
- **Determine the **impact and assess the cost savings versus the risk of reductions****
 - Rough order of magnitude of cost savings based on possible reductions of elimination of overlap or duplication of functions

■ **Scope**

- **The focus will be on Service audit agencies and external evaluating entities**
 - Related GAO and DoDIG functions [audit, etc.] may help serve as a standard baseline
- **Document current roles and functions by Service**
- **Identify potential overlaps or duplications**

IDA | Agenda

- Oversight and governance tri functions
- Roles and functions of audit agencies and internal control directorates
- Duplication and overlap
- The performance audit
- The audit functions value and benefits
- Major reductions to service audit agencies
- Impacts of potential major reductions
- Key observations on; oversight and governance, audit functions
- Recommendations
- Project schedule
- Final document sections

IDA | Oversight & Governance Tri-Functions: AG, IC, & IG

DoD Management Supported by three Oversight & Governance Functions:

Audit Function: DODI 7600.02 and GAO Yellow Book [key references]

- Adequate audit coverage of all DoD organizations, programs, activities, and functions will be provided as an integral part of the DoD internal control system.
- [DoD Component Heads] Recognize and support the audit function as an important element of the managerial control system and fully use audit services and results.
- In all matters related to audit work, DoD audit organizations and the individual auditor must be independent of mind and in appearance, as required by GAGAS.

Internal Controls: DODI 5010.40 and GAO Green Book

- Identify and classify control deficiencies and promptly prepare and execute corrective action plans.
- Each DoD and OSD Component establishes a Managers' Internal Control Program that provides an annual statement of assurance to the Secretary of Defense, which includes an explicit level of assurance about the effectiveness of ICs.
- Recent audit findings must not be the primary support of an assessable unit's evaluation of IC and must only be used to further substantiate management's conclusions.

Inspection/Investigation Function: Council of the IG Blue Book

- Inspections and evaluations are systematic and independent assessments of the design, implementation, and results of operations, programs, or policies.
- Oversight organizations can use inspections or evaluations to determine efficiency, effectiveness, impact, and sustainability of operations, programs, or policies.
- Inspectors and inspection organizations must be independent, both in fact and appearance, in matters relating to inspection work.

Roles and Functions of Audit Agencies and Internal Control Directorates

	Financial Audit	Performance Audit	Formal Attestation	Non-Audit Services	External Audit Liaison	Coaching Sampling Testing	Inspection	Contracting	Annual Statement of Assurance	Material Weakness Tracking	Corrective Action Plans
GAO	✓	✓	✓					✓			
DODIG	✓	✓	✓	✓	✓	✓	✓	✓			
AAA		✓	✓	✓	✓						
AFAA		✓	✓	✓	✓	✓			✓ ^		
NAVAUDSVC		✓	✓	✓	✓			✓			
DCMA		✓	✓	✓							
DCAA					✓			✓			
DFAS		✓				✓					
Army IR/IC		✓	✓ *	✓					✓	✓	✓
Air Force IC OPR: SAF-FM	note	✓	✓	✓		✓		✓	✓	✓	✓
Navy IC				✓		✓			✓	✓	✓

NOTE: The Air Force supports the IPA in obtaining data for financial audits

- The Army Internal Review sections do formal attestation for their commands or installations
- ^ The AFAA does a review of the ASA for the Air Force prior to SECAF signature
- Orange are audit agencies and Blue are Internal Control Program lead agencies

Green columns identify areas of potential duplication and overlap between audit agencies and IC programs

IDA | Duplication and Overlap

- There are no indications of duplication or redundant audits
- Overlap between and within the tri-functions and services occurs but synchronization across these functions help complement efforts and resources
- Within the oversight and governance functions, the Internal Control process has the largest area of action where the audit function and inspection function are supporting elements
- There are well established groups and meetings within and across the audit agencies to de-conflict and eliminate duplication.
- Each Service has regulations to delineate (deconflict) roles and responsibilities across the tri-functions and Service staffs.
- The scope and objectives of audits are adjusted to ensure no duplication

IDA | The Performance Audit

- Performance auditing is an essential technique used by internal auditors to assure management that its strategic objectives are being achieved, challenges addressed, and to identify improvements.
- DoD Component Heads and Secretaries of the military departments directed to recognize and support the audit function as an important element of the managerial control system and fully use audit services and results.
- DoD: DODI 7600.02, Audit Policies, March 15, 2016
 - Independent audits and attestation engagements of DoD organizations, programs, activities, and functions will be conducted to determine whether:
 - (1) Internal control systems are properly designed, sufficient, and effective.
 - (2) Information is reliable and relevant.
 - (3) Applicable laws, regulations, and policies are followed. Compliance
 - (4) Assets and resources are safeguarded.
 - (5) Desired program results are achieved.
 - (6) Operations are effective and efficient.

IDA | The Audit Functions Value and Benefits

- Audits identify monetary and non monetary benefits to the Service
 - Potential Monetary Benefits (PMB) reported in the SAR from FY18 to FY20 range from \$885M to \$1,908M annually for the combined audit services
 - Non Monetary benefit examples include; compliance, safety, health, command climate assessments, and environmental risk
- The performance audit is interrelated with the financial statement by its linkage with internal controls
 - Internal controls are a key underpinning of achieving clean financial statements
 - Audits, according to the Instructions, are preformed on internal control systems to ensure they are properly designed, have sufficient ICs, and effective ICs
 - Once a clean financial audit is achieved, audit services will be required to maintain compliance
- Audit support to inspections and investigations
 - Forensic auditing provides investigators with evidence of fraud , waste, and abuse
 - Provides specialized capabilities and expertise for root cause analysis
- Audits validate planning factors used in programming and budgeting

IDA | Public/Private Senior Leadership & Tri Functions

- Public (DoD) and Private Managers share a common approach to Internal Controls (IC) & Internal Auditing (IA)
 - Inspector Generals (as part of tri-functions) are largely unique to public management
 - IC/IA share a common theory of management need & impacts but with separate Public and Private implementations
 - Public IC originated in 1982 FFMIA. Private IC originated in post 1985 Treadway Commission
 - Concepts have converged over time
 - IA functions play similar public / private roles, but with more explicit private direction for Audit Plans in connection with an audit committee. Audit treated as a strategic tool of management
- Surveys of current private IA spending suggest a wide range of investment
 - Comparisons of DoD spending by Service Audit Agencies fall within survey ranges but at low end

Requested analysis on hypothesized major reductions to Service audit agencies

Hypothesized major reductions would require reduced scope of audit plans – fewer auditors, fewer audits, fewer benefits (monetary and non monetary)

- Based on current examples and data, people and therefore workload would be reduced
- A hypothesized 50% to 75% reduction would eliminate services like attestations and non-audit services plus reduce the number of performance audits completed annually
- Potential for other programs, external agencies, or contracted services to mitigate the impacts (gaps and deficiencies) of a reduction. Savings would be reduced due to these actions to maintain current oversight and service levels.
 - External support requires time to understand Service unique processes, raises cost
 - The savings from service reductions is an order of magnitude less than the annual average monetary and non monetary benefits provided by audits
- Potential Monetary Benefits (PMB) identified are (an order of magnitude) significantly higher than the cost of the audit.
- Current practice of organic independent auditors is arguably a confidential support function to senior management for internal audit functions
- Statutory and Regulatory requirements for specific program performance audits are a small portion of the overall Service audit agency workload but are must do actions

IDA | Impacts of hypothesized major reductions (50%-75%)

- Increased risk to Service mission and goals
- Ineffective internal audit function
- Increased open recommendations or loss of tracking abilities on recommendation implementation
- Reduction of an independent oversight function/accountability
- Potentially a loss of lesser priority work and will reduce the number of core performance audits
- Restricted offering of audit services to other senior service leaders, service offices & field headquarters e.g. Service Secretary only, IG investigations, law enforcement cases
- Extended time to complete audits or services to fulfill audit functions
- Reductions may suggest reduced initial audit productivity (loss of specialization) and standards or risks to overlooked Service nuances
- Cost Savings would be minimal and more than likely used by other agencies to compensate from gaps and deficiencies from loss of audit services
- Inability to recruit and retain auditors at the Service level
- Each Service impact has been assessed separately

Impact to Service audit plans have been estimated

IDA | Key Observations on oversight and governance

- The audit function is one of three major activities that provides governance, oversight, and compliance. All functions are required to have an effective oversight and governance of processes and programs.
- Financial and Performance audits are interrelated through the internal control processes
- The tighter and better an agency's Internal Controls are the easier and perhaps fewer audits must be performed. This does not support the elimination of the audit function.
- The ability to continually monitor processes increases preventative controls and complements detective controls
- The high level of control deficiencies, reportable conditions, material weaknesses, and NFRs indicate an increased requirement and investment in the tri-functions of which the internal audit function is a major tool
- Overall effectiveness of the tri-functions is harmed by gaps in senior leader training on use of the tri-functions, lack of emphasis at the management level, plus turn over rate of senior managers
- Service Audit agencies have each developed a unique approach to providing audit services to the their customers

IDA | Key Observations on the audit function

- Prioritization of audits in the Service audit organizations are focused on Service level priorities with limited links to DODIG or GAO lists
- Service audit functions are predominately used to react and prevent further issues in current processes
- Audits provide both monetary (funds put to better use) and non monetary benefits (such as safety)
- Combining Service audit agencies with the Service IG would diminish audit effective as an internal tool and gain little if any savings from reduced overhead (front office) given the very small (1% to 3%) of the total agency resources. The main resource are auditors (0511 GS series)
- Audits can be used to access Program cost modeling in the POM process for efficiencies. They are used by the Services in the programming and budgeting processes.
- Private/Public Investments ranges for the internal audit functions may be adopted by DoD but have caveats.
- Trends from the SAR data (FY18 to FY20) show that open recommendations are accumulating, not being resolved, within DoD.
- Our research did not identify any duplication in individual audits projects
- We found some evidence of lack of coordination among internal control organizations and audit services
- Some interviews suggest service audit agencies productivity (prioritization) could be improved

IDA | Recommendations

- Based on current existing material weaknesses and Notifications of Findings and Recommendations (NFRs) a general 50% to 75% reduction in current audit Services is not justified relative to the risk or savings. All tri-functions are necessary for oversight and governance
- DoD and each Service should consider establishing or reinvigorate a governance board that helps lead and shape the tri-functions (IC, Audit, Inspections) for oversight and governance
 - Audits would gain strength as a strategic activity to aid management
- In the Federal sector, develop and survey USG agencies for best practices and internal audit sizing to aid DoD management of this area
- Continued emphasis and investment on continuous monitoring of processes and use of data analytics to track leading indicators that can provide corrections to processes vs reacting when an issue or problem is found.
- Service Audits agencies should expand their preventive activities (e.g. modeling validation for program requirements)
- Based on new process, AI, data analytics, and future Service force structure changes, Service audit agencies should consider initiating a strategic workforce planning exercise to determine changing requirements, and corresponding civilian employee grades

IDA | This is our project schedule

	Date	Event
X	30 November 20	Official Start Date
X	4 December 20	Kickoff Meeting w/sponsor
X	10 December 20	Internal IDA review
✓	March - April 21	Interviews with Audit agencies and customers: ongoing
X	April 21	No Cost Extension approved
X	23 April 21	Internal IDA Mid Project review
X	30 April 21	Mid Project brief to sponsor
X	May 21	Initial Draft observations, findings, and options
	June 21	Internal IDA Final Brief
	July 21	Delivery of draft final brief and report
✓	Every 2 Weeks 11th Review	Status reports; observations, findings, recommendations
	September 21	Period of performance ends, the end date is 09/23/2021

IDA | Final Draft Document Sections

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- Section II: *Introduction – Organizational governance and supporting functions*
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- Section V: *The value and benefits of the performance audit*
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- Section VII: *Assessment of reductions*
- Section VIII: *Key Observations*
- Section IX: *Recommendations*

IDA |

BACKUP

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IDA | Executive Summary

- Internal Audits are one type of DoD Oversight and Governance function, others include internal controls and inspections (tri-functions)
 - The financial and performance audits are interrelated through internal control processes
 - DoD invests about \$1B annually in order to obtain a clean Financial Audits and expected to remain at this level for a minimum of 5 years
 - DoD annual spending on Service Audit organizations and performance audits total about \$0.25B annually
 - No evidence of duplication among audit services although coordination of internal controls and audits functions can be improved
 - Within the context of DoD Oversight and Governance, Audit Service spending can be more impactful.
- Recommendations
 - 50% to 75% reductions in Service Audits Organizations is not justified given that all tri functions are necessary for oversight and governance which contribute to addressing and correcting existing material weaknesses and Notifications of Findings and Recommendations (NFRs)
 - Enhance the return on investment of existing performance audits by establishing a senior level governance boards in DoD and Services to guide and coordinate audit plans with the effort to provide clean financial audits, internal control activities, and inspections.
 - Emphasis and investment on continuous monitoring of processes and use of data analytics to track leading indicators to assist in focusing and prioritizing the tri-functions

IDA | Processes used to synchronize and de-conflict audit projects

- **DoDIG Joint Planning Groups**
 - Meet a minimum of 2X per year
 - 11 Active groups
 - Attendees: DODIG, AAA, AFAA, NAVAUDSVC, in some case GAO
 - For external and internal projects
- **Service Internal meetings**
 - Annual audit plan provides the start point for what audits are planned for the year
 - Prior to the start of any project, a review is done to determine existing projects, external projects, and past projects to mitigate duplication and reduce overlap
 - An entrance meeting is held with the organization being audited to refine the scope and objectives
- **Each Service audit organization has tracking tools (for internal service use) to provide visibility on projects and track external audits**
 - DODIG – project management system
 - AAA – AAA assist system and MS365 for tracking
 - AFAA – Audit planning tool
 - NAVAUDSVC – Naval Audit Service Information Management System (NASIMS)

IDA | Performance Audit

- Performance auditing is a technique used by internal auditors to evaluate the economy, efficiency, and effectiveness of an organization's operations to assure management that its strategic objectives are being achieved and to identify improvements.
- According to GAO, performance audits are essential tools that audit offices have to help their respective organization identify and address challenges.(1)
- In short, they assist management and those charged with governance and oversight to:
 - Improve program performance and operations.
 - Reduce costs.
 - Facilitate decision making by parties with responsibility to oversee or initiate corrective action.
 - Contribute to public accountability.
- Adequate audit coverage of all DoD organizations, programs, activities, and functions will be provided as an integral part of the DoD internal control system. DoD Manual 7600.07, DoD Audit Manual, August 3, 2015

Footnote 1: GAO-13-868T Performance Auditing, The Experience of the United States Government Accountability Office.

IDA | The Value of Performance Audits

Air Force: AFI 65-301

- Our primary mission is to provide timely, relevant, and quality audit services enabling Air Force leadership to make informed decisions.
- Services, including performance audits, financial audits, attestations, and non-audit services, assist Air Force management with decision support, operational improvements, and resource accountability.

Army: AR 36-2

- To serve the Army's evolving needs by helping senior leaders assess and mitigate risk and by providing solutions through independent internal auditing services for the benefit of Army Soldiers, Civilians, and Families.
- Our performance audits provide conclusions to a stated objective, based on an evaluation of sufficient, appropriate evidence.
- Our performance audits focus on identifying and resolving the root causes that prevent the Army from fully optimizing its human capital, materiel, and financial resources to achieve maximum operational readiness and efficiency.

Navy: SECNAVINST 7510.7G

- NAVAUDSVC assess risk and audits DON organizations, programs, activities, systems, functions, and funds.
- Audits are performed to determine whether: (1) Government resources are managed properly and used in compliance with laws and regulations, (2) Government programs are achieving their objectives and desired outcomes, and (3) Government services are being provided efficiently, economically, and effectively

IDA | Preventive and Detective control definitions

- Preventive controls aim to decrease the chance of errors and fraud **before** they occur, and often revolve around the concept of separation of duties. From a quality standpoint, preventive controls are essential because they are proactive and focused on quality.
- Detective controls are designed to find errors or problems **after** the transaction has occurred. Detective controls are essential because they provide evidence that preventive controls are operating as intended, as well as offer an after-the-fact chance to detect irregularities.

DC13

IDA | Services Provided to the Military Departments by their Audit Agencies

Army Audit Agency	Air Force Audit Agency	Naval Audit Services
Performance audit	Performance audit	Performance audit
Attestation	Attestation	Attestation
Non Audit Service	Non Audit Service	Non Audit Service
Support to investigation & law enforcement agencies	Support to investigation & law enforcement agencies	Support to investigation & law enforcement agencies
External Audit Liaison	External Audit Liaison	External Audit Liaison
Internal audit support to Installations and Commands	Internal audit support to Installations and Commands through a Field Activities Directorate	Internal audit support to Installations and Commands
Audit Resolution	Audit Resolution	Audit Resolution
Follow up Audits	Follow up Audits	Follow up Audits
Providing PEER reviews	Providing PEER reviews	Providing PEER reviews
Tracking; Audits, recommendations	Tracking; Audits, recommendations, corrective action plans, material weaknesses	Tracking; Audits, recommendations
Contract Audits government functions	Contract Audits government functions	Contract Audits government functions
	Assist IPAs on classified and SAP program audits	
	Sampling/Testing	

Services provided by individual audit agencies differ in application by Military Department

Slide 23

DC13

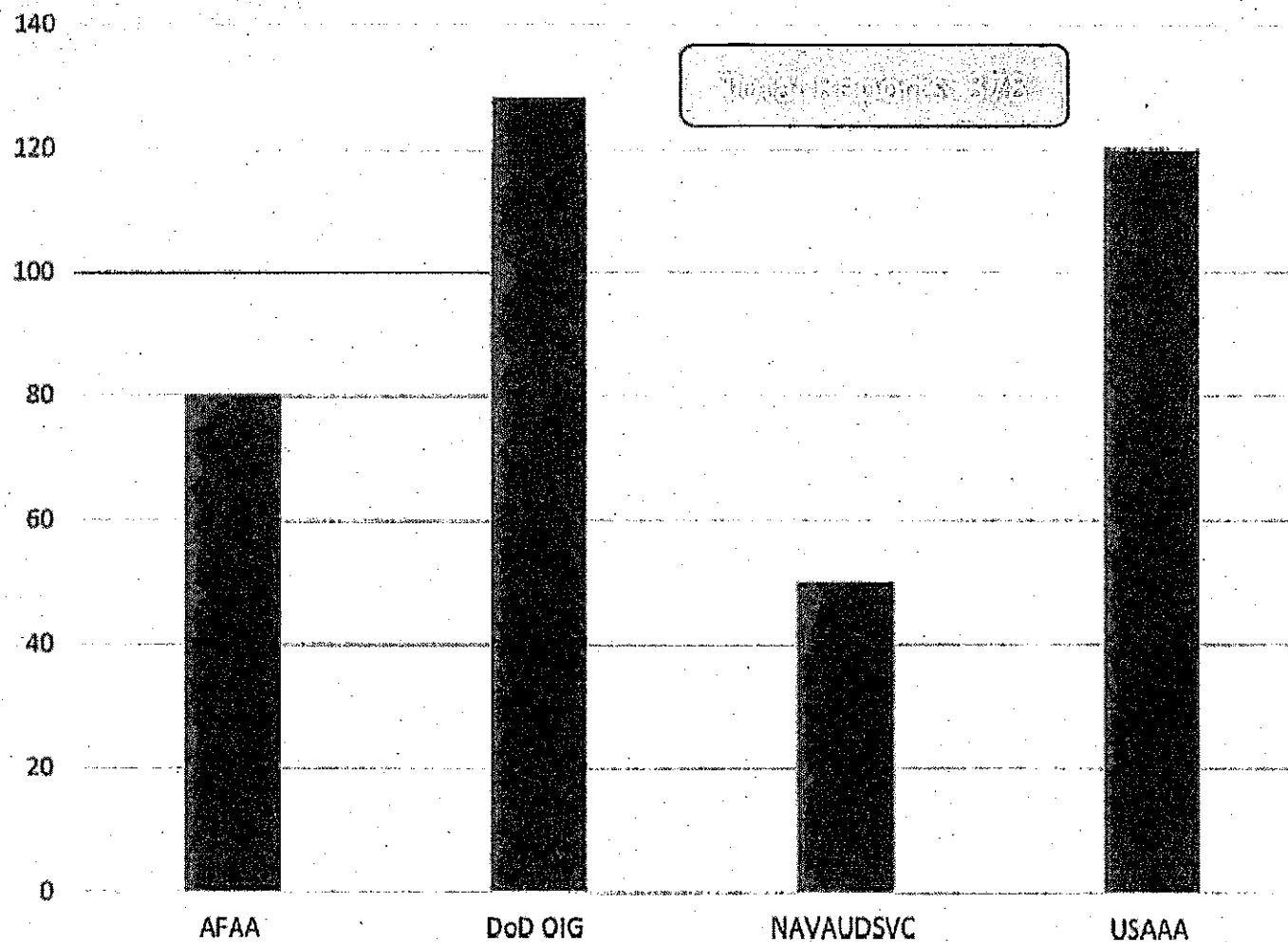
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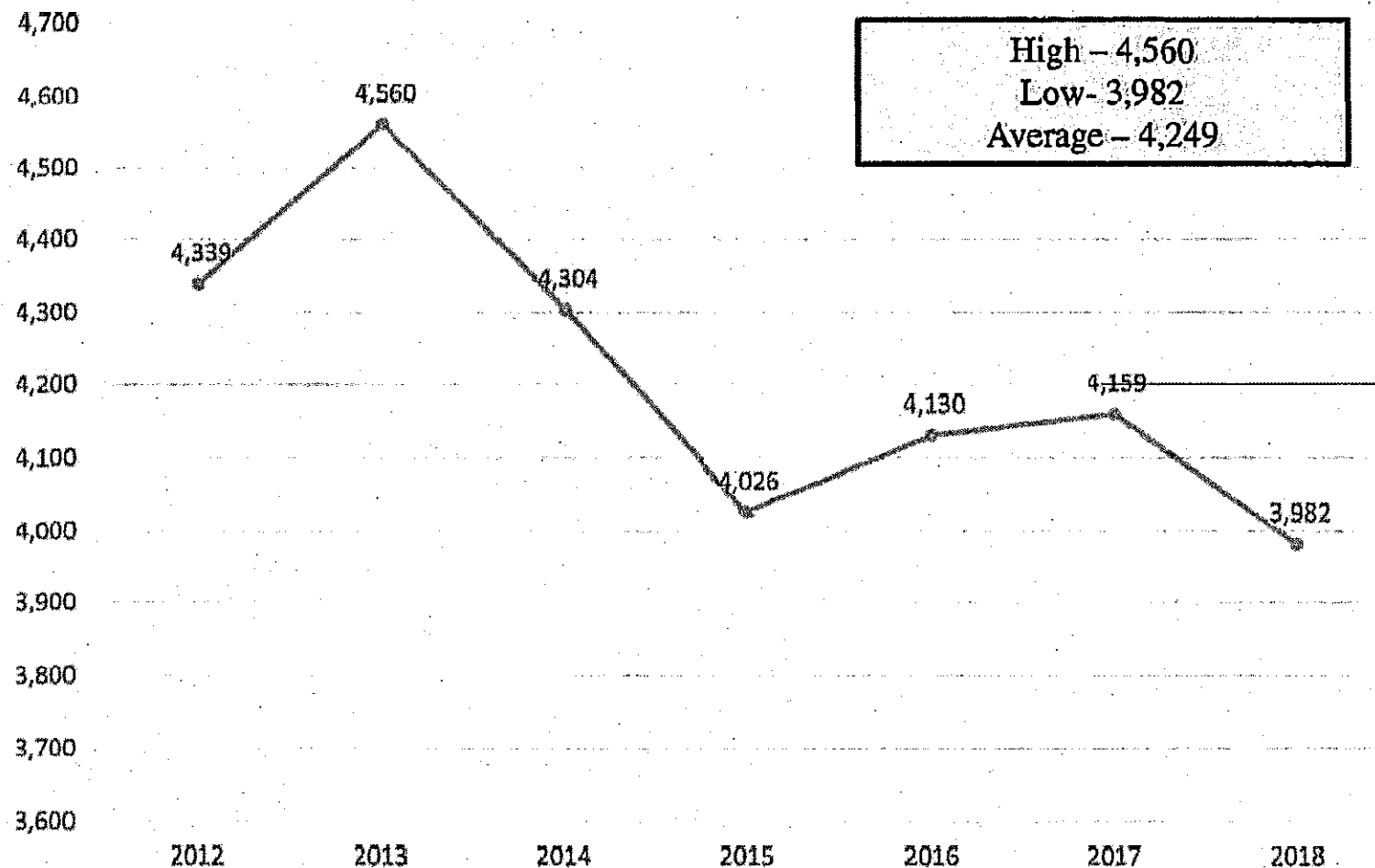
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IDA | DoD Audit Agency reports listed in the DOD SARs for FY19

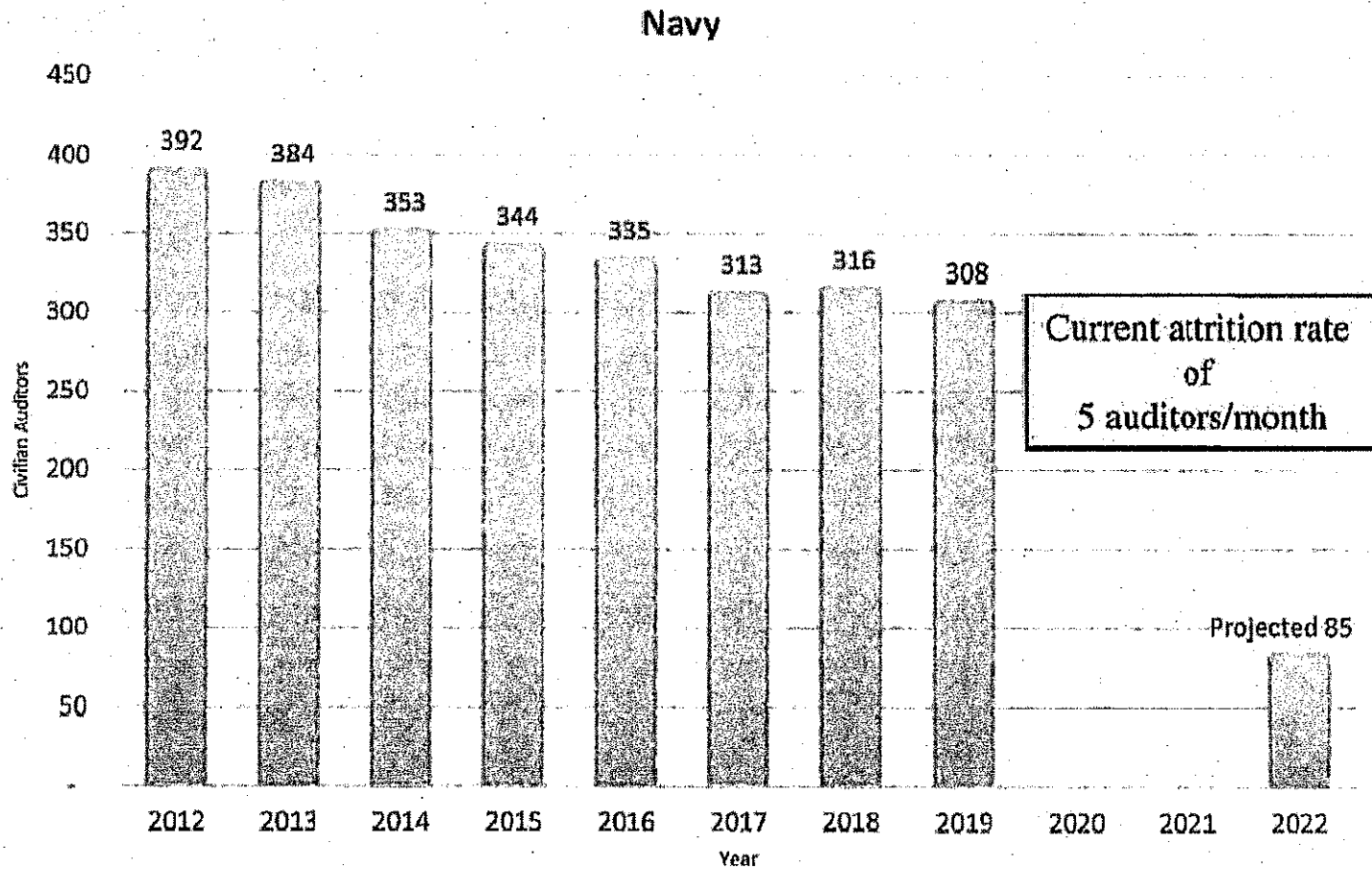


Source: DODIG Semiannual Reports to Congress FY2019, Annex B: Audit, Inspection, Evaluation, and Investigation Reports Issued Combined March and September reports

IDA | DCAA had a reduction of its civilian 0511 auditors which impacted the services they provided



IDA | NAVAUDSVC 0511 Series directed reductions



NAVAUDSVC was directed to take a 70% reduction in auditors and by the end of FY22 the goal is to have 85 auditors.

Annual workload processes and services

- Service audit agencies provide the following services e.g.
 - Performance audits, follow-up audits
 - Attestations
 - Non-Audit Services; evaluations, reviews, data collection and analysis
 - Liaison with external audit agencies; DODIG, DCAA, and GAO
- Each Audit agency builds an annual audit plan
 - The plan is put together by soliciting primary service staff, customers, assessing trends, and identifying risks across the Service (enterprise level)
 - The audit agency prioritizes the list of proposed audits and then obtains the Service Secretary guidance and approval
 - A published document is then provided to the service staff, customers, and field
- Execution
 - The execution of the plan may be adjusted for emerging projects
 - Some audits may be terminated based on priorities and other external audits
 - Cancelled audits are audits that were going to start but halted before being started
 - Ongoing and carryovers from prior fiscal years
 - Each completed audit produces a report with findings, identify the cause of the problem, and recommendations that address the cause

IDA | DoD Service Audit Agencies execution for FY19

USAAA	FY19 Current	50% redux	75% redux	50% savings	75% savings
Obligated	\$76,668	\$38,334	\$19,167	\$38,334	\$57,501
Authorized Strength	526	263	132	263	395

NAVAUDSVC	FY19 Current	50% redux	75% redux	50% savings	75% savings
Obligated	\$44,316	\$22,158	\$11,079	\$22,158	\$33,237
Authorized Strength	310	155	78	155	233

AFAA	FY19 Current	50% redux	75% redux	50% savings	75% savings
Obligated	\$80,700	\$40,350	\$20,175	\$40,350	\$60,525
Authorized strength	531	266	133	266	398

Total Savings for FY19				\$100,842	\$151,263
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Annual Service Audit Agency PMBs FY18 – **IDA** | FY20

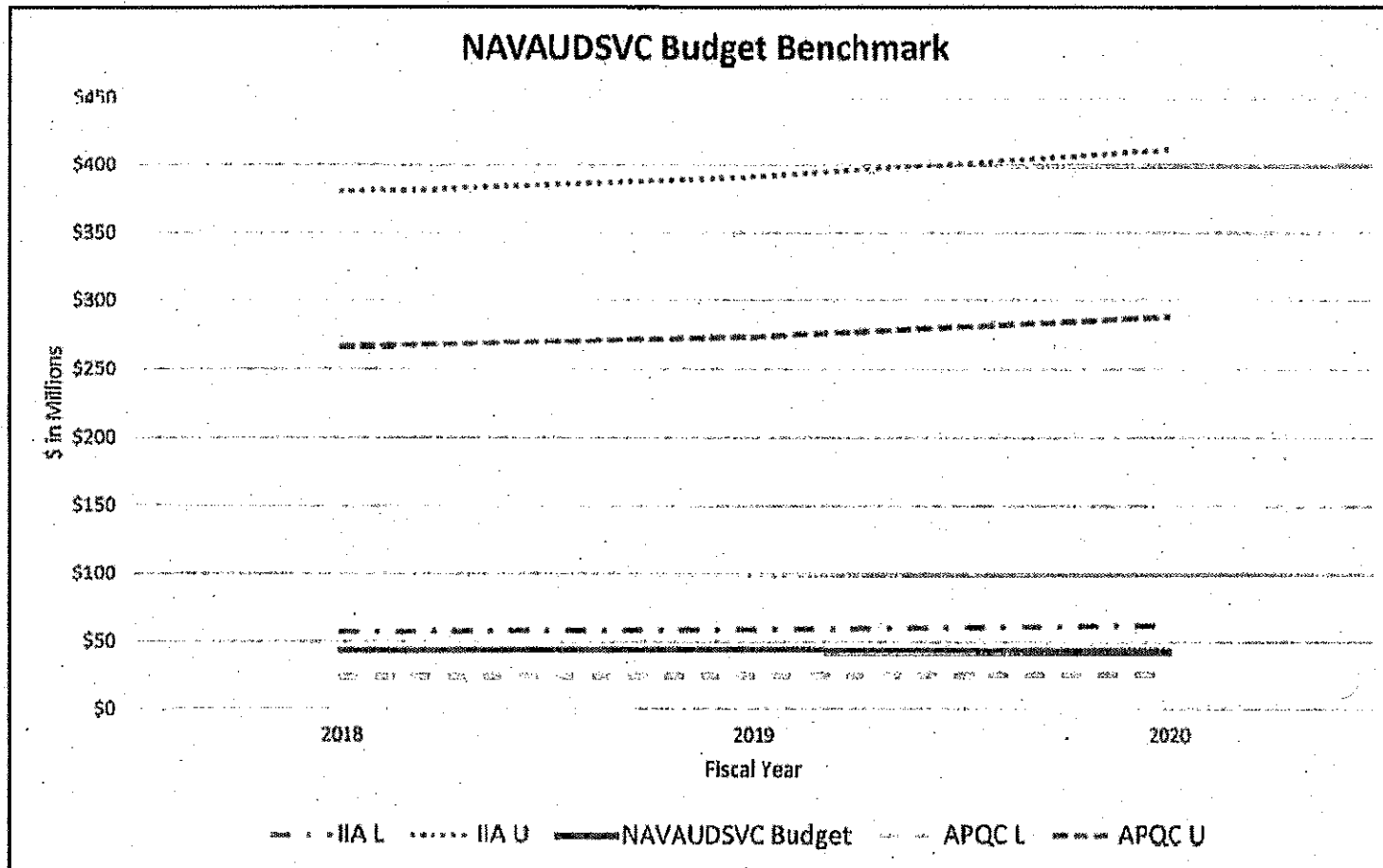
Annual FY18	AAA	AFAA	NAVAUDSVC*	
Reports issued		87	602	56
PMB (\$in M)	\$ 738.5	\$ 1,072.5	\$	97.1
Annual PMB Total	\$ 1,908.1			

Annual FY19	AAA	AFAA	NAVAUDSVC*
Reports Issued	120	636	50
PMB (\$In M)	\$ 783.7	\$ 425.0	\$ 0.5
Annual PMB Total	\$ 1,209.2		

Annual FY19	AAA	AFAA	NAVAUDSVC*	
Reports issued		96	556	29
PMB (\$In M)	\$ 228.4	\$ 461.1	\$	195.4
Annual PMB Total	\$ 884.9			

NOTE: Data from the DODIG SAR to Congress except for NAVAUDSVC which was obtained directly from the agency

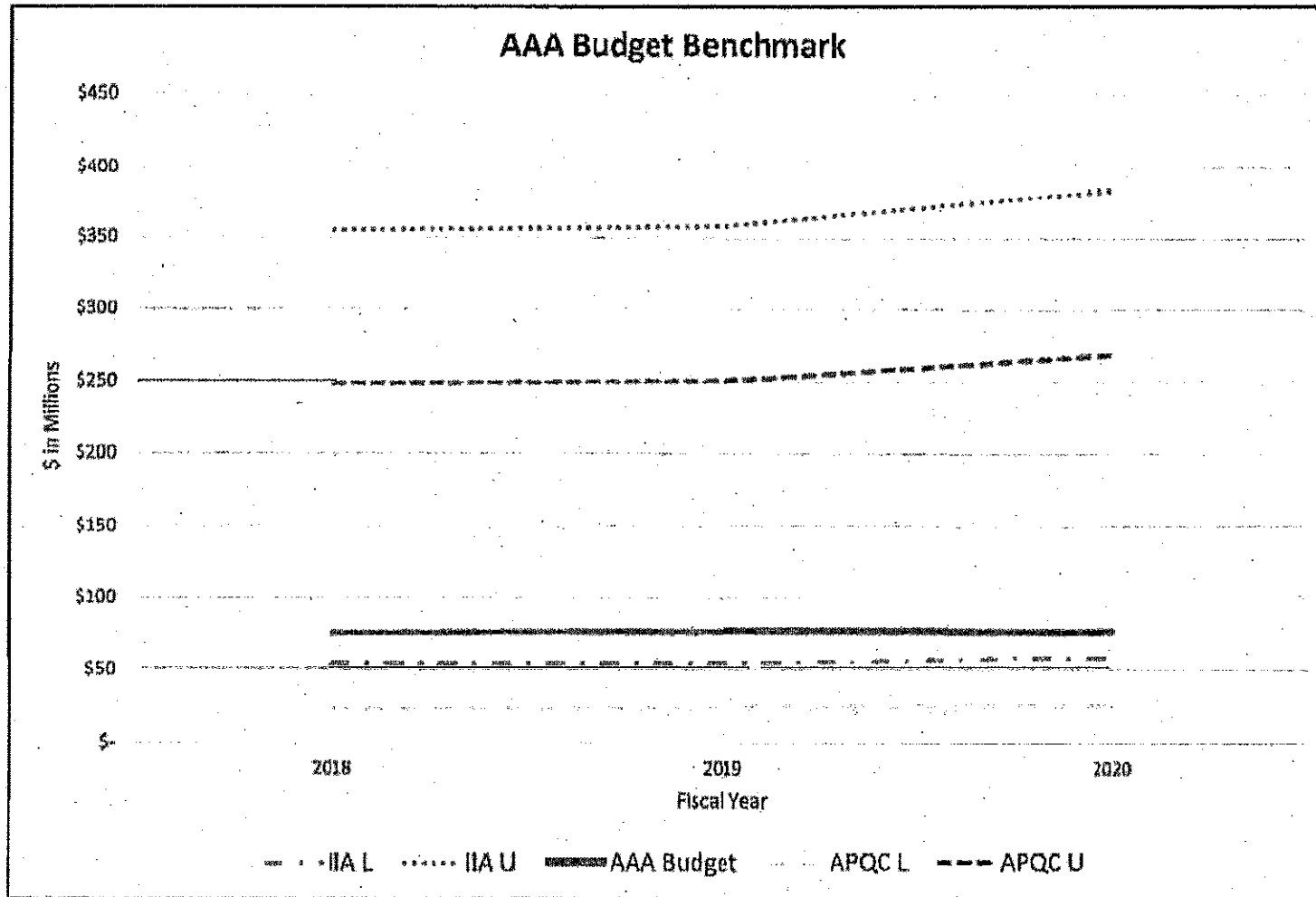
IDA | NAVAUDSVC Investment Levels FY18 to FY20



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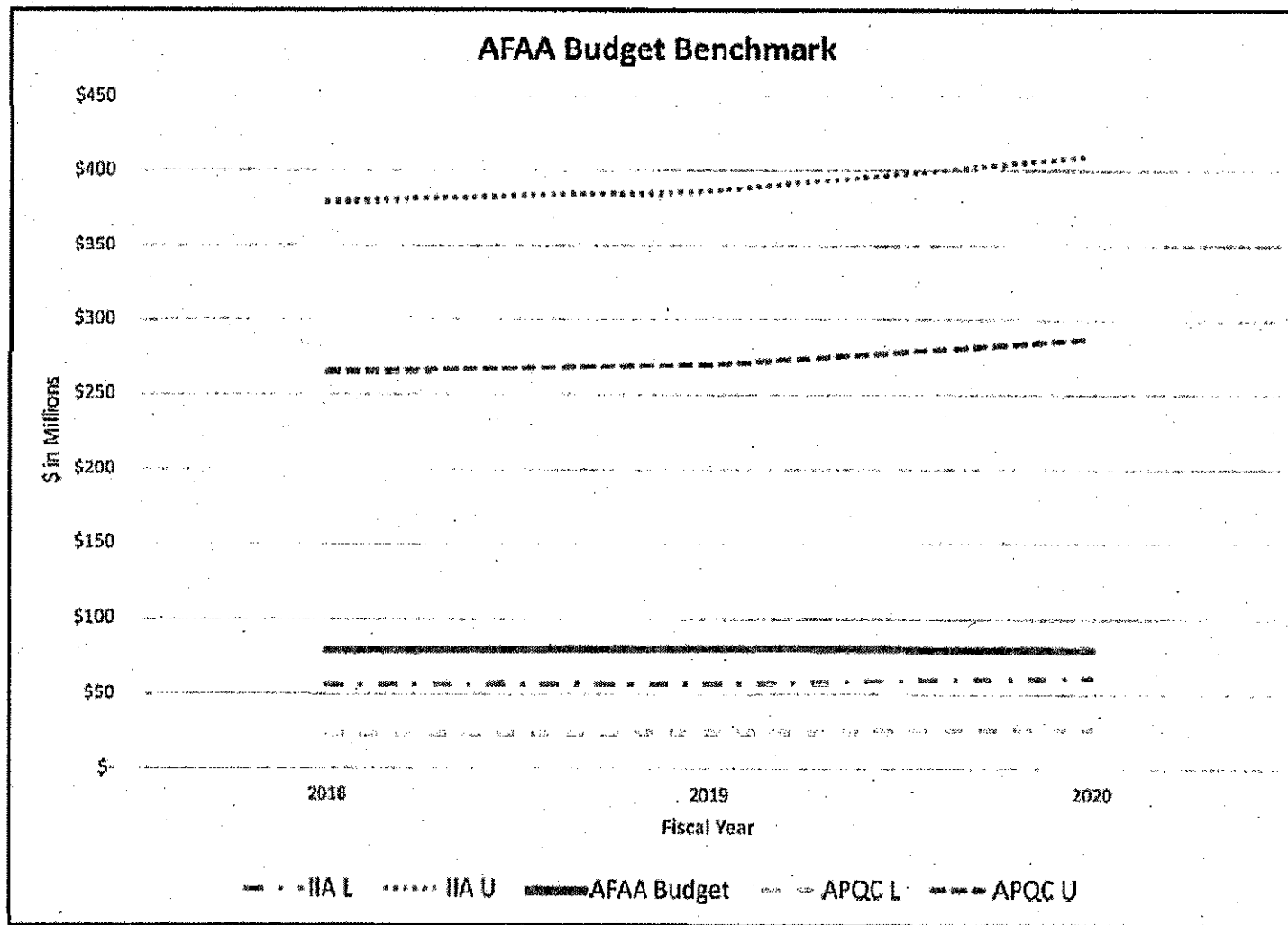
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IDA | AAA Investment Levels FY18 to FY20



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AFAA Investment Levels FY18 to FY20



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Functional Area

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27 Representative FY19 Audits would NOT be Completed

<u>Ref</u>	<u>Audit Title</u>	<u>Audit Requestor</u>
1	Readiness Reporting of Logistics Readiness Centers to Support Mobilization	
2	Management of Army Prepositioned Stock-1	
3	Planned Source of Replenishment for Repair Parts	
4	Theater-Provided Equipment, U.S. Army Central Command	Chief of Staff, U.S. Army Central Command
5	Armored Brigade Combat Teams Field Maintenance	
6	Level of Repair Analysis of Secondary Items	
7	Performance Monitoring for Performance-Based Logistics Contracts	
8	Aviation Line Replaceable Units	
9	Condition-Based Maintenance Plus	
10	Storage and Management at Ammunition Supply Points—CONUS	
11	Price Challenge Process	
12	Accountability of Equipment Developed by U.S. Army Research, Development, and Engineering Command	
13	Management of Army Prepositioned Stock-3 Munitions	
14	FY 18 Depot-Level Workload Reporting	

<u>Ref</u>	<u>Audit Title</u>	<u>Audit Requestor</u>
15	Recording Offline Purchases	
16	Operational Project Stocks Requirements	
17	Property Accountability at Specialized Commands and Activities	
18	Dormant and Low-Demand Stock Reviews	
19	Managing Organizational Clothing and Individual Equipment	
20	Total Package Fielding Using the Logistics Modernization Program	
21	Depot Maintenance Requirements, U.S. Army Communications- Electronics Command	
22	Follow-up Audit of Property Accountability, U.S. Army Space and Missile Defense Command/U.S. Army Forces Strategic Command	
23	FY 19 Depot-Level Workload Reporting	
24	General Services Administration Advantage	
25	Technical Manuals	
26	Property Accountability and Reutilization at the Engineer Research and Development Center	
27	Business Case Analyses for Performance-Based Logistics	

IDA | AFAA FY19 50% Project Cuts – “Restore Readiness”

Ref	Project Title	AFAA Customer
1	Engine Status Management	SAF/AQ
2	MQ-9 Reaper Engine Management	SAF/AQ
3	Air National Guard Managers' Internal Control Program	NGB
4	Survivable Operations Manning	AF/A1
5	F-35 Combat Ready Mission Data	SAF/AQ
6	Intelligence, Surveillance, and Reconnaissance (ISR) Force Management	AF/A2
7	Air National Guard Initial Enlisted Training	NGB
8	Product Support Business Case Analysis	SAF/AQ
9	Clinger Cohen Economic Analysis	SAF/CIO A6
10	Special Duty Assignment Payments	AF/A1
11	Assignment Incentive Payments	AF/A1
12	Montgomery GI Bill-Selected Reserve and Kicker	ANG
13	Suspended Assets	AF/A4
14	Secondary Spare Parts Non-Recurring Additives	AF/A4
15	FY18-20 Distribution of Depot Maintenance Workload	SAF/AQ

Ref	Project Title	AFAA Customer
16	Test Center Reimbursements	AF/TE
17	Transportation Services	AF/A4
18	Installation Water Resiliency and Access Rights	SAF/IE
19	Facilities, Sustainment, Restoration, and Modernization Project Cost Estimating and Prioritization	AFMC
20	Expeditionary Depot Maintenance (EDMX)	SAF/AQ
21	Drug Demand Reduction Program	USAFE-AFAFRICA
22	AE2100 (C130J) Engine Management	SAF/AQ
23	Base Stock Level Engines	SAF/AQ
24	Central Command Container Management Program	AF/A4
25	User-Calibrated Test Equipment	AF/A4
26	Distributed Common Ground System Operations (classified)	ACC
27	Expenditure Controls (Classified)	AFSOC
28	Alternate Compensatory Control Measures	AF/A3
29	Reimbursable Funding (Classified)	AFMC

IDA | Navy Audit FY19 Illustrative Potential Cuts (1 of 2)

Ref	Title	Functional Area
1	Internal Controls Over the Government Commercial Purchase Card Program	Acquisition Integrity/Fraud
2	Review of Contractor Performance Assessment Reports for Selected DON Commands	Acquisition Integrity/Fraud
3	Marine Corps Community Services (MCCS) Warehouse Inventory Management	Acquisition Integrity/Fraud
4	Contractor Base Access at Selected OCONUS Installations - Commander Navy Region Europe, Africa, Southwest Asia	Anti-Terrorism/Force Protection
5	Physical Security Enterprise Intrusion Detection System	Anti-Terrorism/Force Protection
6	Cybersecurity of Department of the Navy Legacy Weapon System Programs	Cyber Security
7	Medical Surveillance Exam Completion Report	Environmental Protection & Safety
8	Navy's Real Property Inventory Audit Follow-Up	Facilities & RPM
9	Navy Military Construction Projects Proposed for FY 2022	Facilities & RPM
10	Condition of Cyber Infrastructure	Facilities & RPM
11	Summary of Facility Support Contract Audits	Facilities & RPM
12	Accountability Over Operations & Maintenance, Marine Corps Funds	Financial Management
13	Accountability Over Navy Morale, Welfare, and Recreation Funds Onboard a Selected Navy Ship	Financial Management
14	FY 2019 Statement of Assurance	Financial Management
15	Intra-Governmental Payment and Collection at Selected Navy Commands	Financial Management
16	Overtime Benefits at Selected DON Activities	Financial Management
17	Navy Exchange Service Command Audit Reports	Financial Management

Navy Audit FY19 Illustrative Potential Cuts (2 of 2)

Ref	Title	Functional Area
18	Navy Reserve Servicemembers' Group Life Insurance Service Debts	Financial Management
19	United States/United Kingdom Polaris/Trident Trust Fund Financial Reports	Financial Management
20	Allocation of Depot Maintenance Workload Between Public and Private Sector - Summary	Financial Management
21	Efficiency of Test Ranges - East Coast	Force Readiness & Fleet Operations
22	Efficiency of Test Ranges - Pacific	Force Readiness & Fleet Operations
23	Efficiency of Test Ranges - West Coast	Force Readiness & Fleet Operations
24	Expired Or Unusable Controlled Pharmaceuticals Management Onboard Selected US Fleet Forces Command Ships	Healthcare & Member/Family Support
25	Redundant Methods of Keeping Next of Kin/Dependent Data	Healthcare & Member/Family Support
26	Agreed Upon Procedures Attestation Engagement for Facilities-Related Control Systems at Naval Facilities Engineering Command	IT Management & Deployment
27	Personally Identifiable Information at Naval Exchanges	IT Management & Deployment
28	Special Access Programs	Intelligence & Classified Programs
29	U.S. Embassy and Consulate Security by Marine Corps Embassy Security Group	Manpower & Personnel
30	Drug Testing of Childcare Providers	Manpower & Personnel
31	Navy Civilian Drug Incidents and the Security Clearance Process	Manpower & Personnel
32	Navy Civilians Charging Military Leave	Manpower & Personnel
33	Rapid Acquisition Process	Systems Acquisition & Acq Logistics
34	CH-53K	Systems Acquisition & Acq Logistics