The Inspector General Act of 1978, as amended, states that the Department of Defense Inspector General is responsible for conducting audits, investigations, and inspections, and for recommending policies and procedures to promote economic, efficient, and effective use of agency resources and programs that prevent fraud, waste, abuse, and mismanagement. The IG Act also requires the Inspector General to keep the Department and Congress fully informed about problems and deficiencies in the Department’s operations and the need for corrective action. The Office of the Deputy Inspector General for Auditing is one of six components in the Office of the Inspector General that performs oversight of the Department.

The Office of the Deputy Inspector General for Auditing conducts audits on all facets of DoD operations. The work results in recommendations for reducing costs; eliminating fraud, waste, and abuse of authority; improving performance; strengthening internal controls; and achieving compliance with laws, regulations, and policy.

**Mission**

Provide independent, relevant, and timely audits that promote economy, efficiency, and effectiveness with sound, actionable recommendations that, when effectively implemented, improve the Department’s programs, operations, and stewardship of its resources.

**Vision**

To be the premier audit organization in DoD that promotes excellence and provides leadership throughout the Department and makes a difference in the lives of the warfighter.

**Core Values**

- Integrity
- Efficiency
- Accountability
- Excellence
The Office of the Deputy Inspector General for Auditing provides independent and objective audit services to promote continuous improvement, management, and accountability of DoD operations, programs, and resources to support DoD in its defense of U.S. national interests. The FY 2015 Audit Plan identifies our ongoing and planned oversight of DoD organizations, programs, and activities, and our functions as an integral part of the DoD management system.

To develop our FY 2015 Audit Plan, we evaluated DoD’s strategic vision as outlined in the defense strategic guidance and the FY 2015 DoD budget; executive-branch priorities; statutory requirements; previously identified IG management challenges; Government Accountability Office high-risk areas; and internal risk assessments. Additionally, we asked DoD civilian leaders, military commanders, and Members of Congress to identify current or emerging areas requiring our oversight or attention.

Accordingly, for FY 2015, our primary oversight is focused on the following risk areas: major defense acquisition programs; contract management; procurement and use of parts; financial management and the Secretary’s auditability goals; cyber security; health care; and joint warfighting and readiness. In prioritizing our oversight to address these risk areas, we designed the planned audits to improve the safety and welfare of Service members and their families, improve operations and financial reporting, identify improvements in ongoing efficiency efforts, and identify new efficiencies.

We will continue to adjust our planned audits and priorities throughout FY 2015 to respond to new management requests, congressional requests, Defense Hotline allegations, and other out-of-cycle requirements. As in previous years, we continue to coordinate our planned projects with other DoD audit organizations through joint planning groups and other coordination efforts. Updates to this plan are available from the Corporate Planning Branch at (703) 604-9142.

Daniel R. Blair
Deputy Inspector General for Auditing
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The Deputy Inspector General for Auditing prioritizes oversight efforts to ensure projects are timely, relevant, and responsive to the dynamic environment within the Department. This plan is intended to address significant risks identified in the Department, our statutory mandates, and congressional and DoD leadership concerns. In determining specific oversight projects to perform in the upcoming fiscal year, we balanced the needs and requests of both the Department and Congress. Appendix A provides an illustrative overview of our planned audits by source.

Our planning process included conducting outreach with congressional representatives and Department leadership. We met with various senior officials responsible for the significant operations and programs in DoD to include financial management, acquisition, procurement, health care, cyber security, and military operations. We reviewed DoD strategic documents such as the 2014 Quadrennial Defense Review, 2012 Defense Strategic Guidance, and the DoD FY 2015 Budget. We also reviewed IG-identified management and program challenges, Government Accountability Office–identified high-risk areas, other organizations’ oversight reporting, and information gathered during audit and investigative efforts. This information helped us identify and plan oversight of the existing systemic challenges and challenges the Department will most likely face in the future.

We assessed risk areas identified through our and GAO’s oversight and developed audits to address them and make recommendations that, when implemented, will improve DoD operations and help reduce risks associated with the scope of the audit. Specifically, we focused oversight in areas most likely to achieve efficiencies—improvements in ongoing efforts and new efficiencies DoD could implement. Additionally, the planned audits will increase the effectiveness of programs and operations; detect and prevent fraud, waste, and abuse; ensure compliance with laws; assist DoD in achieving financial statement audit readiness; improve security; and ensure the safety and needs of the Service members and their families.

**Risks**

The following is a brief description of the risk areas that our FY 2015 audit plan addresses. Appendices B and C provide an overview of the FY 2015 DoD OIG–planned audits by IG Management Challenge Area, DoD Strategic Goals, and GAO high-risk areas.

**Acquisition Management**

Although the number of programs in DoD’s portfolio decreased between FY 2012 and FY 2013 (from 85 to 80), the overall cost of the programs increased by $14.1 billion. Furthermore, DoD programs cannot stay within cost and schedule estimates, as demonstrated by cost growth and average schedule delays of over 2 months. With the expectation that defense budgets will continue to decline, it will be more important than ever for DoD to identify opportunities to reduce costs and achieve efficiencies in its process throughout the lifecycle.

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Previous DoD OIG oversight has identified significant programmatic problems, such as poorly defined requirements, duplicate and redundant capabilities, incomplete system testing, improper fielding, and procurement quantities in excess of what is needed to successfully execute its mission. We will continue to make oversight of DoD major acquisitions a priority. We will focus on the Department’s efforts to improve acquisition by focusing oversight on requirements definition, procurement quantities, effectiveness in preparing the program for the next major milestone decision, adequacy of testing and evaluation, and the meeting of user needs. We will also conduct a series of audits reviewing the Department’s efforts in implementing and executing the overarching guiding principles of the Better Buying Power initiatives.

Contract Management

The Department continues to struggle to provide consistent effective oversight of its contracting efforts. The Department must improve its contract management to include, obtaining adequate competition in contracts; defining contract requirements; overseeing contract performance; obtaining fair and reasonable prices; and maintaining contract documentation for contract payments.

Service contracts represent more than 50 percent of the Department’s contract spending. The Department faces several challenges in contract oversight and administration of services contracts. Without proper oversight, which DoD OIG audits continue to identify the Department cannot be certain that contractors are performing in accordance with contract requirements, may have overpaid for increases in contract costs, and cannot ensure that services are performed. This leaves the Department vulnerable to increased fraud, waste, and abuse.

The Department has issued policy, procedures, and guidance addressing current contracting challenges. The Department began the Better Buying Power effort in 2010 and continued with the second phase of the initiative, BBP 2.0, in April 2013. BBP 2.0 has seven areas of focus, three of which help the Department address contract-management challenges: promoting effective competition, improving tradecraft in acquisition of services, and incentivizing productivity and innovation in industry and Government. Although efforts like BBP 2.0 are good steps to improving the Department’s contracting efforts, there are still improvements the Department needs to implement. DoD OIG and GAO audits routinely identify the same recurring deficiencies and weaknesses in the Department’s contracting efforts.

Our planned oversight this year will concentrate on award and administration of contracts and task orders; the use of firm-fixed-price, level-of-effort contracts and single award indefinite-delivery/indefinite-quantity contracts; contract administration and oversight efforts; and the Department’s use of General Services Administration Federal supply schedules for purchases and supplies.

Parts Utilization and Procurement

The Department continues to face challenges in obtaining fair and reasonable prices for parts and effectively managing the inventory of parts. Audits first started identifying problems with price-based acquisition and commercial pricing in the late 1990s, and it was not until 2008 that legislative changes allowed contracting officers to request information on labor costs, material costs, and overhead rates for commercial items.

The Department has moved to new performance-based logistics arrangements, which have added a new challenge to obtaining fair and reasonable prices for parts, in that the Services now are procuring parts from the weapons systems contractors instead of other sources, such as the Defense Logistics Agency. These parts often are purchased unnecessarily and at higher prices rather than using existing DLA inventory.
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DoD OIG will continue to provide oversight of the Department’s efforts to effectively use parts in inventory and, only when necessary, to purchase parts at fair and reasonable prices. Planned audits will include fair and reasonable pricing of spare parts for combat vehicles, aviation, engines, and ships.

Financial Management

The Department’s financial management challenges impair its ability to provide reliable, timely, and useful financial and managerial data to support operating, budgeting, and policy decisions. Gaps in the financial framework harm the accuracy, reliability, and timeliness of budgetary and accounting data and financial reporting, reducing the effectiveness of decisions by leaders who rely on this information. Keys to solving the Department’s financial management problems are the production of auditable financial statements and receiving unqualified opinions on them. Because the Department recognized it could not achieve Statement of Budgetary Resources (SBR) audit readiness by 2014, it implemented an incremental approach to achieving SBR audit readiness was implemented. Given that the 2014 deadline for SBR audit readiness has been a challenge for the Department, meeting the 2017 deadline for all DoD financial statements to be audit ready is an even more significant challenge, requiring the Department to focus on the audit readiness of the remaining portions of the SBR, implementation of the enterprise resource planning systems, and achieving audit readiness of the full financial statements. Additionally, results of the FY 2015 Schedule of Budgetary Activity audits may identify additional internal control weaknesses that require corrective action which may further delay the Department’s plans for achieving audit readiness.

The DoD OIG will continue to provide oversight of DoD financial improvement and audit readiness efforts, to include audits required by the Chief Financial Officers Act. Audits will focus on financial management; the DoD financial improvement and audit readiness efforts; reviewing the audits of the Military Departments’ schedule of current-year budgetary activity; assessing the auditability of military equipment and other assets; availability of documentation to support valuation of general property, plant, and equipment; and efforts to reduce and eliminate improper payments.

Health Care

The Military Health System (MHS) must provide quality care for 9.6 million beneficiaries within fiscal constraints while facing increased user demand, legislative imperatives, and inflation. These factors make cost control difficult in the public and private sectors. Over the last decade, health care costs continued to grow substantially, and MHS costs have been no exception. The DoD FY 2014 appropriations for health care were $32.7 billion, an increase of about 80 percent since FY 2005. This is almost triple the FY 2001 appropriation of $12.1 billion. The Department reported that growing health care costs will limit its ability to fund medical readiness requirements. As the Military Health System continues to adapt to budgetary and force transformation constraints, the Department must maintain the medical readiness of the force. Due to the drawdown in Iraq and Afghanistan, the Military Services will be challenged with “right-sizing” their medical transition programs.

DoD OIG oversight will be focused on efforts to control patient wait times at medical treatment facilities, development of systems requirements for the DoD Healthcare Management System Modernization Program, health care payments, and management of delinquent medical service accounts.
Cyber Security
Although the Department has operated in the information and cyberspace environment for years, making “cyber” a new domain of warfare in the 2010 Quadrennial Defense Review brought it into the forefront of warfighter planning. However, bringing the cyber domain into parity with the more easily distinguished and widely developed air, land, and sea domains will remain a challenging task for the near future. The Department has made strides in developing strategies for operating in the cyber domain, developing frameworks for evaluating risks, and building its cyber workforce strategy. We will focus our cyber security audits on information security and assurance, operations and contingency planning, cyber workforce, software integrity in DoD procurements, insider threat management, and cloud computing efforts.

Joint Warfighting and Readiness
The drawdown of forces from Afghanistan will continue to challenge the Services as they deal with retrograde and reset equipment, with much of the equipment being returned after exceeding utilization rates in many of their design operating parameters. The Department will be challenged to maintain the readiness of the forces as equipment is repaired or replaced. Additionally, the Services are engaged in a strategic rebalance to the Asia-Pacific region while maintaining the global presence needed to protect national interests. At the same time, the Department will need to address a wide spectrum of challenges, ranging from increased reliance on uncertain host nation infrastructure to vast areas of responsibility—both requiring pre-positioning and the need for enhanced knowledge of various languages and cultural, ethnic, and religious sensitivities. Meanwhile, the new budget reality is being sensed across the Department, especially in areas such as maintenance of existing equipment and systems, fielding and implementation of new systems, and the frequency and extent of training and exercises. We will focus oversight on controls over the drawdown of equipment in Afghanistan, logistics support, management of critical supply items, Guam realignment efforts, and DLA supply chain challenges.
ACQUISITION MANAGEMENT

ONGOING PROJECTS

**Acquisition of the Armed Services Blood Program—Theater Blood Application (D2014-D000AJ-0197.000)**  This will be one in a series of audits that will focus on the overall management of the U.S. Armed Services Blood Program.  Objective: Determine whether management effectively developed and implemented the Theater Blood Application to meet the needs of the warfighter.

**Continuation of Audit of Acquisition Practices Used at United States Marine Corps Program Executive Office Land Systems: Program Management Office, Medium and Heavy Tactical Vehicles (D2014-D000AE-0158.000)**  This is a continuation of Project No. 2013-D000AE-0218, “Audit of Acquisition Practices Used at United States Marine Corps Program Executive Office Land Systems: Program Management Office, Medium and Heavy Tactical Vehicles,” which began in August 2013.  Objective: Assess the propriety of allegations made to the Defense Hotline concerning acquisition practices at Program Executive Office Land Systems; Program Management Office, Medium and Heavy Tactical Vehicles.  Specifically, determine whether Command followed proper procedures for urgent acquisitions of the Automatic Fire Extinguishing Systems for the Medium Tactical Vehicle Replacement.  Also, assess whether funding is based on well-defined and validated requirements.


**Implementation of the RD-180 Availability Risk-Mitigation Study Recommendations (D2014-D000AU-0226.000)**  A series of audits are planned to review the Air Force’s management of the Evolved Expendable Launch Vehicle Program.  Objective: Determine whether the Air Force is implementing the recommendations in the RD-180 Availability Risk-Mitigation Study.

**Joint Tactical Radio System Handheld, Manpack, and Small Form Fit Rifleman and Manpack Radios Program (D2014-D000AE-0094.000)**  This will be one in a series of audits to review requirements development, the acquisition strategy, and testing.  Objective: Determine whether the Army is effectively managing the acquisition and testing programs for the Joint Tactical Radio System Handheld, Manpack, and Small Form Fit Rifleman and Manpack radios to make sure they meet warfighter needs.

**Management of Operational Test Waivers and Deferrals for Department of the Navy Systems (D2014-D000AE-0164.000)**  Objective: Evaluate the Department of the Navy’s overall management of waivers and deferrals from operational test requirements for Navy systems.  Specifically, evaluate the process for justifying, reviewing, and approving requests for waiver or deferral of operational testing requirements.

**Navy Ship-to-Shore Connector Program (D2014-D000AU-0172.000)**  Objective: Determine whether the Navy is effectively managing and preparing the Ship-to-Shore Connector program for Low-Rate Initial Production (initial production).
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Navy’s Material Requirements for the AN/SPY-1 Phased Array Radar Systems (D2014-D000AG-0203.000) Objective: Evaluate whether the Navy cost effectively manages material requirements for the AN/SPY -1 Phased Array Radar systems.

Special Operations Forces–Unique Equipment Acquisition Requirements (D2014-D000RE-0096.000) Objective: Determine whether U.S. Special Operations Command is effectively validating requirements for its Special Operations Forces–unique equipment.

PLANNED PROJECTS

Acquisition of the Department of Defense Enterprise Blood Management System–Blood Donor Management System—Increment 1 This will continue a series of audits that will focus on the overall management of the U.S. Armed Services Blood Program. Objective: Determine whether management was effectively developing and implementing the requirements for the Blood Donor Management System—Increment I, to achieve the desired operational capability.

Acquisition of the Navy’s Advanced Arresting Gear Objective: Evaluate the Advanced Arresting Gear Program to determine whether the Navy is effectively preparing the program for the Milestone C, Low-Rate Initial Production decision. Specifically, determine whether the program manager is adequately managing Advanced Arresting Gear component redesigns, cost overruns, and the Acquisition Program Baseline schedule breach.

Department of the Navy’s Surface-Mine Countermeasures Unmanned Undersea Vehicle Program Objective: Determine whether the Navy is effectively preparing the Surface-Mine Countermeasures Unmanned Under Vehicle (Knifeﬁsh) program for its Milestone C production decision. Specifically, evaluate the Navy’s requirements testing and determine if the procurement quantity is justified.

Implementation of the Better Buying Power Initiatives A series of audits is planned to review the Services’ implementation of the Better Buying Power Initiatives that DoD established to improve the acquisition process. Objective: Determine whether Naval Sea Systems Command is effectively executing Better Buying Power Initiatives mandated by the Under Secretary of Defense Acquisition, Technology, and Logistics, related to affordability and cost controls in the acquisition of the Ohio-Class Replacement Submarine. Subsequent and similar objective audits are planned for Army and Air Force systems.

Marine Corps Ground/Air Task Oriented Radar Program A series of audits is planned reviewing the management of the acquisition of the Marine Corps Ground/Air Task Oriented Radar Program.
- Objective: Determine whether the Marine Corps Program Executive Office, Land Systems, is on schedule to provide production representative versions of the Ground/Air Task Oriented Radar for operational testing.
- Objective: Determine whether the Marine Corps Program Executive Office, Land Systems, is effectively managing and preparing the Ground/Air Task Oriented Radar system for the full-rate production decision.

Navy MQ-4C Triton Unmanned Aircraft System Program A series of audits is planned reviewing the management of the acquisition of the Navy MQ-4C Triton Unmanned Aircraft System.
- Objective: Determine whether the Navy adequately justified its capability requirement to develop the MQ-4C Triton unmanned aircraft, rather than customizing the Air Force RQ-4B Global Hawk.
- Objective: Determine whether the Persistent Maritime Unmanned Aircraft Systems Program Office is adequately managing and developing the MQ-4C Triton for initial production.
Office of the Secretary of Defense Foreign Comparative Testing Program  A series of audits is planned to determine whether the Office of the Secretary of Defense, Military Departments, and United States Special Operations Command Comparative Technology Offices are effectively managing and executing the Foreign Comparative Testing Program.

- Objective: Determine whether the Office of the Secretary of Defense management enhances the Services’ ability to identify, test, and assess foreign products in a manner most likely to result in satisfying valid defense requirements.
- Objective: Determine whether the Services are proposing, managing, and executing individual Foreign Comparative Testing projects so as to quickly and economically assess the potential of each foreign product to meet defense requirements.

Procurement Quantity Validation Process for Major Defense Acquisition Programs  This series of cross cutting audits will focus on application of the Joint Capabilities Integration and Development System process from a Services (Army, Navy, and Air Force) and Joint Chiefs of Staff perspective.

- Objective: Determine whether the Joint Capabilities Integration and Development System process is properly followed for Navy quantity requirements.
- Objective: Determine whether the Joint Capabilities Integration and Development System process is properly followed for Army quantity requirements.
- Objective: Determine whether the Joint Capabilities Integration and Development System process is properly followed for Air Force quantity requirements.
- Objective: Determine whether the Joint Chiefs of Staff is properly validating procurement quantities in accordance with the Joint Capabilities Integration and Development System.
**Contract Management**

**Ongoing Projects**

*Administration of the Guam Design Build Multiple Award Construction Contract (D2014-D000RA-0116.000)*
Objective: Determine whether Naval Facilities Engineering Command Pacific and Marianas contracting officials are properly administering task orders and payments for the Guam Design-Build Multiple Award Construction Contract.

*Air Force Use of Economy Act Orders (D2014-D000CF-0186.000)*
Objective: Determine whether the determinations and findings prepared by Air Force organizations support the use of Economy Act Orders and whether the requiring activities provided the correct funding.

*Army Information Technology Contracts Issued Without Competition (D2014-D000CG-0214.000)*
This audit is second in a series on Information Technology contracts issued without competition and is conducted in response to legislation proposed for the Fiscal Year 2015 National Defense Authorization Act by the House Armed Services Committee. Objective: Determine whether the Army Information Technology contracts issued without competition were properly justified.

*Award of Service Contracts by Naval Special Warfare Command San Diego (D2014-D000CF-0191.000)*
This audit is being conducted in response to a request by the House Committee on Armed Services. Objective: Determine whether Naval Special Warfare Command, San Diego, California, is awarding service contracts and task orders in accordance with Federal and DoD guidelines.

*Camp Lemonnier, Djibouti, Africa, Base Operations Support Contract (D2013-D000RD-0206.000)*
Objective: Determine whether DoD officials are effectively administering the base operations support contract at Camp Lemonnier, Djibouti.

*Continuation of Audit of Defense Hotline Allegations Concerning the Warfighter Field Operations Customer Support Contract at the Multinational Readiness Center (D2014-D000CN-0229.000)*
This is a continuation of Project No. D2014-D000CN-0003.000, “Audit of Hotline Allegations Concerning the Warfighter Field Operations Customer Support (FOCUS) Contract at the Joint Multinational Readiness Center (JMRC),” which began in October 2013. Objective: Determine whether there are sufficient controls over the funding and invoice reviews for JMRC task order services issued against the Warfighter FOCUS contract in accordance with Federal and DoD guidelines.

*Contract Administration for the Air Force Contract Augmentation Program Contract in Southwest Asia (D2014-D000RE-0173.000)*
Objective: Determine whether DoD is effectively administering and providing oversight of selected Air Force Contract Augmentation Program task orders in Southwest Asia. Also, determine whether the contractor’s work is adequately monitored and invoice review and approval procedures are in place to ensure accuracy and completeness of contract costs.

*DoD Compliance With the Berry Amendment and the Buy American Act for Selected Items (D2014-D000CG-0038.000)*
Objective: Determine whether DoD personnel complied with the Berry Amendment and the Buy American Act when they purchased covered items such as food, clothing, tents, textiles, and hand or measuring tools.
**Deputy Inspector General for Auditing FY 2015 Audit Plan**

**DoD Information Technology Contracts Issued Without Competition (D2014-D000CG-0171.000)**  This audit is being conducted in response to legislation proposed for the Fiscal Year 2015 National Defense Authorization Act by the House Armed Services Committee. Objective: Determine whether DoD information technology contracts issued without competition were properly justified.

**DoD Multiple-Award Contracts for Services at Apace and Naval Warfare Systems Command (D2014-D000CN-0163.000)**  Objective: Determine contracting officials provided a fair opportunity to compete, supported price reasonableness determinations, and performed surveillance for task orders issued under multiple award contracts for services and in accordance with Federal and DoD procedures.

**DoD’s Compliance With Federal Acquisition Regulation Revisions for the Use of Cost Reimbursement Contracts (D2014-D000CG-0175.000)**  This audit is the fifth and final in a series of audits of DoD compliance with the Federal Acquisition Regulation revisions for the use of cost-reimbursement contracts. This audit is required by the FY 2009 National Defense Authorization Act, section 864, “Regulation on the Use of Cost Reimbursement Contracts.” Objective: Determine whether DoD complied with interim Federal Acquisition Regulation revisions on the use of cost-reimbursement contracts.


**Mission and Installation Contracting Command Contracts Awarded for Fort Polk, Louisiana, Department of Public Works (D2014-D000CI-0114.000)**  Objective: Determine whether the Mission and Installation Contracting Command controls for award, funding, and administration of contracts supporting Fort Polk, Louisiana, Department of Public Works functions were effective. Specifically, determine whether Mission and Installation Contracting Command properly competed contracts and obligated and used contract funds.

**Naval Compliance with the Berry Amendment and the Buy American Act for Selected Items (D2014-D000CG-0228.000)**  The subject audit is the second in a series of audits on DoD compliance with the Berry Amendment and the Buy American Act for selected items. This audit was announced in response to Section 1601 of the National Defense Authorization Act for Fiscal Year 2014, which requires the DoD OIG to periodically audit contracting practices and policies related to the procurement under section 2533a, title 10, United States Code, the Berry Amendment. Objective: Determine whether Naval personnel complied with the Berry Amendment and the Buy American Act when they purchased covered items such as food, clothing tents, textiles, and hand or measuring tools.

**Navy Contractor Performance Assessment Reports for Service Contracts (D2014-D000CF-0195.000)**  This is the first in a series of audits of DoD compliance with policies for evaluating contractor performance. Objective: Determine whether Navy officials completed comprehensive and timely contractor performance assessment reports for service contracts as required by Federal and DoD policies.

**Requirements and Contract Oversight of Military Construction Projects at Camp Lemonnier, Djibouti (D2014-D000RE-0157.000)**  This audit is one in a series of audits on military construction projects at Camp Lemonnier. Objective: Determine whether DoD is constructing facilities in accordance with legislative authorities and if DoD is providing adequate quality assurance and oversight of military construction projects at Camp Lemonnier, Djibouti.
Requirements Development and Planning Process for Military Construction Projects at Naval Support Activity, Bahrain (D2014-D000RE-0035.000)  This is the first in a series of audits on military construction projects at Naval Support Activity Bahrain.  Objective:  Evaluate the requirements development process for military construction projects in Bahrain.  Specifically, determine whether the requirements development and planning processes resulted in requirements that meet DoD’s needs.

Small Business Contracting at Marine Corps Base Quantico (D2014-D000CF-0166.000)  Objective: Determine whether the Marine Corps Regional Contracting Office–National Capital Region and the Marine Corps Systems Command in Quantico, Virginia, provide small business adequate opportunity to be awarded prime contracts.  Additionally, determine whether the Regional Contracting Office–National Capital Region and the Marine Corps Systems Command are holding prime contractors accountable for meeting small business subcontracting goals.


Planned Projects

Award and Administration of Sea-Port-e Task Orders  A series of audits is planned to determine whether contracting officers properly awarded and administered task orders against the SeaPort-e Multiple Award Contracts and whether contracting officers performed adequate oversight in accordance with the overall Multiple Award Contract and Federal and DoD policy.  The task orders are awarded in one of seven geographical zones; each audit will focus on one zone.

Contracted Non-Nuclear Ship Repair at Pearl Harbor Naval Shipyard  A series of audits is planned reviewing whether Naval Sea Systems Command is effectively managing the Pearl Harbor Naval Shipyard contracts for non-nuclear ship repair.
  • Objective: Determine whether the contractor is performing in accordance with the contract terms and conditions and whether Naval Sea Systems Command is adequately monitoring the contractor’s performance.
  • Objective: Determine whether invoice review and approval procedures are in place to ensure accuracy and completeness of contract costs for the Pearl Harbor Naval Shipyard contracts for non-nuclear ship repair.

Defense Information Systems Agency Award and Administration of the Global Information Systems Grid Management Support Operations Contract  A series of audits is planned to review the award and administration of the Global Information Systems Grid Management Support Operations contract to determine compliance with Federal and DoD acquisition regulations.  The first audit will focus on the contract award and the second audit will focus on contract administration.  The audits will examine contract requirement development, competition, evaluation of proposals, obligation and availability of contract funding, and the government’s ability to provide adequate contractor oversight.
DoD Compliance with Inventory of Contracts for Services Requirements for the Service Contract  
Inventory Compilation and Certification Requirement for FY 2013  
Objective: Assess DoD’s compliance with Federal and DoD requirements when Components compiled and certified the FY 2013 Inventory of Contracts for Services. Specifically, assess whether DoD Components submitted a FY 2013 Inventory of Contracts for Services and certified review of the specific inventory listed. Also, make observations on the methods Components used to compile the inventory and on the completeness of information within the inventory. Additionally, make observations on the completeness of information contained within Component certification letters and follow-up on efforts DoD is taking to address recommendations related to the FY 2012 Inventory of Contracts for Services review.

DoD Energy Savings Performance Contracts Contract Administration and Oversight Functions  
A series of audits is planned to determine whether DoD effectively used Energy Savings Performance Contracts to increase energy efficiency. Objective: Determine the adequacy of cost-control procedures and contract administration for selected DoD Energy Savings Performance Contracts, and whether energy saving and energy maintenance payments on the contract were justified, verified, and appropriate. The audits will also evaluate the extent of the Government’s contractor performance monitoring activities.

DoD Firm Fixed Priced Contracts  
A series of audits is planned reviewing firm fixed price contracts in each military service. Objective: Determine whether the use of Firm Fixed Price (Level of Effort) contract was appropriate for the type of work being performed, was the optimal choice financially for the government, and whether the Firm Fixed Price (Level of Effort) contract were receiving sufficient oversight to ensure that DoD had reasonable assurance it was receiving the services it paid for.

DoD Use of General Services Administration Federal Supply Schedules for Purchases of Supplies  
A series of audits is planned reviewing the Military Departments’ use of General Services Administration Federal supply schedules for purchases of supplies. Objective: Determine whether contracting officers made determinations of fair and reasonable pricing for General Services Administration Federal supply schedule orders awarded for purchases of supplies.

Selected Costs Related to the Subsistence Prime Vendor Contract for Afghanistan  
Objective: Determine whether Defense Logistics Agency Troop Support officials are providing effective oversight and surveillance of the Prime Vendor Subsistence Contractor in Afghanistan. Specifically, review transportation related costs, along with the costs associated with selected food and non-food items.

Single Award Indefinite Delivery Indefinite Quantity Contracts  
A series of audits is planned to review the award and administration of single award Indefinite Delivery Indefinite Quantity contracts at selected commands or contracting activities. Objective: Determine whether single award Indefinite Delivery Indefinite Quantity contracts were appropriate to procure the types of goods and services for which the basic contracts were awarded and to determine whether the delivery and task orders written using the basic contract were within the scope of the contract.

United States Special Operations Command Contractor Logistics Support Services Contract  
A series of audits is planned reviewing the management of the Special Operations Command contractor logistics support services contract.

- Objective: Determine whether the Special Operations Forces Support Activity is effectively managing the Contractor Logistics Support services contract. Specifically, determine whether the contractor is performing in accordance with contract terms and conditions and whether Special Operations Forces Support Activity is adequately monitoring the contractor’s performance.
- Objective: Determine whether the invoice review and approval procedures are in place to ensure accuracy and completeness of contract costs for the Contractor Logistics Support services contract.
**Utility Energy Services Contracts**  Objective: Determine whether adequate internal controls are in place for the energy management program and whether the contracts and task orders related to the energy program were properly awarded and administered.
PARTS UTILIZATION AND PROCUREMENT

ONGOING PROJECTS

Continuation of Audit of the Department of Defense and General Electric Support for the T700 Engines (D2014-D000AT-0187.000) This is a continuation of Project No. D2014-D000AT-0120.000, “Audit of the Department of Defense and General Electric Support for the T700 Engines.” Objective: Determine if the Department of Defense is effectively managing the T700 engine contracts.

Defense Logistics Agency Product Quality Deficiency Report Processing (D2014-D000AG-0205.000) Objective: Determine whether the Defense Logistics Agency personnel are adequately processing product quality deficiency reports and identifying the root cause of deficiencies in spare-part quality. This will be the first of a series of audits on product quality deficiency reports at Defense Logistics Agency.


Defense Logistics Agency’s Management of the C-130 Hercules Aircraft Spare Parts Inventory (D2014-D000AH-0184.000) Objective: Determine whether the Defense Logistics Agency made cost effective material purchases to support the C-130 Hercules aircraft through multiple contracts.

Summary of DoD Office of Inspector General Spare-Parts Pricing and Inventory Audits (D2014-D000AT-0215.000) Objective: Provide DoD information on contracting problems with spare-parts pricing and inventory that the DoD Office of Inspector General identified and reported.

U.S. Air Force Sustainment of the F117 Engine From Pratt and Whitney (D2014-D000AG-0133.000) Objective: Determine whether U.S. Air Force officials are using cost-effective measures to sustain the F117 engine.

U.S. Air Force’s F119 Engine Spare Parts Life Cycle Management (D2014-D000AT-0092.000) Objective: Determine the effectiveness of the U.S. Air Force’s F119 engine spare parts life cycle management. Also, evaluate performance metrics, spare parts inventory, and depot level labor for F119 engine sustainment.

U.S. Navy’s Performance-Based Logistics Contract With the Raytheon Missile Systems Company for the Phalanx Close-In Weapons System (D2014-D000AT-0110.000) Objective: Determine whether DoD is making cost-effective material purchases for the Phalanx Missile System through the performance-based logistics contract with the Raytheon Missile Systems Company.

V-22 Osprey Spare Parts Inventory (D2014-D000AH-0217.000) Objective: Determine whether the DoD is effectively using Government-owned V-22 spare parts before procuring the same parts from private contractors and whether the DoD is properly accounting for Government-owned V-22 inventory managed by private contractors.
PLANNED PROJECTS

Air Force and Northrop Grumman Support for the Joint Surveillance Target Attack Radar System
Objective: Determine whether government-owned inventory is being effectively utilized before procuring the same parts from private contractors through performance-based logistics arrangements and whether the government is effectively managing inventory to reduce excess inventory amounts.

Army Sole-Source Spare Parts Procurements for the Husky Mounted Detection System
Objective: Determine whether the Army is purchasing sole-source spare parts for the Husky Mounted Detection System at fair and reasonable prices.

AV-8B Harrier Utilization and Accountability of Government-Owned Inventory
Objective: Determine whether the Department of the Navy is effectively managing inventory for the AV-8B Harrier. Specifically, determine whether the Department of the Navy is utilizing government-owned inventory before procuring parts from The Boeing Company through a performance-based logistics arrangement.

Defense Logistics Agency Aviation Management of the Pratt and Whitney Sole Source Engine Repair Parts Contract
A series of audits is planned reviewing the purchase of spare parts from Pratt and Whitney to prevent excess inventory and whether the Defense Logistics Agency obtained fair and reasonable prices from Pratt and Whitney.
  - Objective: Determine whether Defense Logistics Agency Aviation efficiently managed weapon system engines repair parts purchased through contract SPE4AX-13-D-9424 to prevent excess of inventory.
  - Objective: Determine whether the Defense Logistics Agency Aviation obtained fair and reasonable prices for Pratt and Whitney contract SPE4AX-13-D-9424 supporting consumable and repairable aviation repair parts for weapon system engines.

Defense Logistics Agency Aviation Sole-Source Spare Parts Procured from General Electric
Objective: Determine whether the Defense Logistics Agency Aviation purchased sole-source engine spare parts at fair and reasonable prices from General Electric.

Defense Logistics Agency Aviation Sole-Source Spare Parts Procured from Lockheed Martin
Objective: Determine whether the Defense Logistics Agency Aviation purchased sole-source aviation spare parts at fair and reasonable prices from Lockheed Martin.

Defense Logistics Agency Contract With the Rolls-Royce Corporation for Supply Support of the Air Force’s and Navy’s T56 Engine
Objective: Determine whether the prices negotiated and paid by Defense Logistics Agency for spare parts that support the T56 engine were fair and reasonable.

Defense Logistics Agency Sole-Source Spare Parts Procurement from Honeywell International
Objective: Determine whether Defense Logistics Agency is purchasing sole-source spare parts at fair and reasonable prices from Honeywell International.

Excess Inventory Managed by the Defense Logistics Agency
Objective: Determine if the Defense Logistics Agency has effective processes to manage excess inventory and identify and cancel orders and contracts for the acquisition of unneeded spare parts.
Naval Sea Systems Command Spare Parts Procurements Under the BAE Systems Norfolk Ship Repair Maintenance Contract. A series of audits is planned reviewing the purchase of spare parts from BAE Systems to prevent excess inventory and whether the Defense Logistics Agency obtained fair and reasonable prices from BAE Systems. Objective: Determine whether the Naval Sea Systems Command is procuring spare parts for the Arleigh Burke class destroyer at fair and reasonable prices under a Multi-Ship/Multi-Option contract for depot maintenance work at the BAE Systems Norfolk Ship Repair facility.

Unit of Issue Discrepancies in Performance Based Logistics Contracts. Objective: Determine whether Defense Logistics Agency contracting officials are ensuring that contractors used unit prices that matched the Government standard unit of issue on contracts and invoices for spare parts.

Virginia-Class Submarine Spare Parts Procurements. Objective: Determine whether the U.S. Navy purchased spare parts at fair and reasonable prices for the Virginia-class submarine.
ONGOING PROJECTS

Department of the Air Force Triannual Review of Unliquidated Obligations and Unfilled Orders (D2014-D000FT-0212.000) Objective: Determine whether the Department of the Air Force performed the triannual review of unliquidated obligations and unfilled orders in accordance with applicable regulations. Also, determine whether the review provided reasonable assurance of the accuracy and validity of balances reported on the financial statements.

Department of the Navy Contract/Vendor Pay (D2014-D000FS-0190.000) Objective: Determine whether Navy’s Contract/Vendor Pay transactions are auditable and supported.

Department of the Navy Triannual Review of Unliquidated Obligations and Unfilled Orders (D2014-D000FS-0170.000) Objective: Determine whether the Department of the Navy performed the triannual review of unliquidated obligations and unfilled orders in accordance with applicable regulations. Also, determine whether the review provided reasonable assurance of the accuracy and validity of balances reported on the financial statements.

Department of the Navy Unliquidated Obligations (D2014-D000FS-0211.000) Objective: Determine whether selected budget-submitting offices within the Department of the Navy performed the triannual review of unliquidated obligations and unfilled orders in accordance with applicable regulations. Also, determine whether the documentation exists to support the accuracy and validity of unliquidated obligations reviewed for the May 31, 2014, triannual review period.

DoD’s FY 2013 Annual Conference Report (D2014-D000FE-0134.000) Objective: Determine whether DoD reported FY 2013 conference spending in accordance with the Consolidated and Further Continuing Appropriations Act, 2013. Specifically, determine whether the DoD Deputy Chief Management Officer reported accurate and complete conference costs in DoD’s annual report.

Followup Audit on DoD OIG Report No. D-2012-027, “Deficiencies in Journal Vouchers That Affected the FY 2009 Air Force General Fund Statement of Budgetary Resources.” December 1, 2011 (D2014-D000XD-0162.000) Objective: Determine whether the Defense Finance and Accounting Service–Columbus officials modified the journal vouchers for the Air Force General Fund Statement of Budgetary Resource as agreed to in Recommendation B.1. Also, determine whether these corrective actions mitigated the identified issues.

Government of Islamic Republic of Afghanistan’s Internal Controls for Asset Accountability (D2014-D000JB-0219.000) Objective: Determine whether the Combined Security Transition Command-Afghanistan and the Government of the Islamic Republic of Afghanistan’s Ministries of Defense and Interior have controls in place to effectively manage asset accountability for vehicles and buildings. Also, evaluate the adequacy of the policies and procedures for verifying the existence of the donated assets, forecasting of maintenance and replacement operations requirements, and identifying requirements for asset replenishment.

Government Travel Charge Card Transactions Made at Casinos or Adult Entertainment Establishments (D2014-D000CL-0201.000) Objective: Determine whether DoD Government travel charge card holders used their card for personal use at casinos or adult entertainment establishments.
Deputy Inspector General for Auditing FY 2015 Audit Plan

U.S. Military Academy, West Point, Controls over Gift Processes (D2014-D000FE-0097.000)  
Objective: Assess the controls over U.S. Military Academy processes for accepting and recording monetary and nonmonetary gifts. In addition, assess the controls over using gift and nonappropriated funds for contracts.

PLANNED PROJECTS

Agreed-Upon Procedures for Reviewing the FY 2015 Civilian Payroll Withholding Data and Enrollment Information  
Objective: Assist Office of Personnel and Management in assessing whether Health Benefits, Life Insurance, and Retirement contributions and withholdings, and enrollment information submitted by Defense Finance and Accounting Service to the Office of Personnel and Management for FY 2015 were reasonable and accurate. Additionally, assist Office of Personnel and Management in identifying and correcting errors related to the processing and distributing Combined Federal Campaign payroll deductions. Also, assist Office of Personnel and Management by performing agreed-upon procedures agreed to by the Office of Personnel and Management Chief Financial Officer and Office of Personnel and Management Inspector General.

Attestation Review of the DoD Counterdrug Program FY 2014 Obligations  
Objective: Attest as to whether the funds DoD obligated for the National Drug Control Program in FY 2014 are reported, in all material respects, in conformity with the Office of National Drug Control Policy Circular “Accounting of Drug Control Funding and Performance Summary,” January 18, 2013.

DoD Obligations and Expenditures of Funds Provided to the Department of State for the Global Security Contingency Fund  
Objective: Determine whether the Department of State properly obligated and expended DoD funds in support of approved Global Security Contingency Fund programs and in accordance with Federal laws and regulations.

AUDIT READINESS

ONGOING PROJECTS

Attestation of the Existence, Completeness, Rights and Obligations, and Presentation and Disclosure of the Department of the Navy’s Ordnance Located in Foreign Countries and U.S. Territories (D2014-D000FS-0221.000)  
The Department of the Navy reasserted audit readiness of the existence, completeness, rights and obligations, and the presentation and disclosure of the Department of the Navy ordnance, excluding that in the custody of the Army, on February 28, 2013. This attestation is the third in a series of attestations of the Department of Navy ordnance. Objective: Determine whether the Department of Navy accurately accounted for its ordnance in foreign counties and U.S. territories as of September 30, 2014. Also, review the internal controls and accountability and compliance with laws and regulations as it relates to our attestation objective.

Defense Logistics Agency Enterprise Business System Procure-To-Pay Business Process (D2013-D000FI-0172.000)  
Objective: Determine whether the Enterprise Architecture Procure-to-Pay business process is properly supporting the purchase of Defense Logistics Agency goods and services and is generating accurate, reliable financial-management information.
Department of the Navy’s Fund Balance with Treasury Reconciliation Process (D2014-D000FS-0132.000). Department of Navy requested an Audit of the Fund Balance with Treasury Reconciliation Process, based on the Management assertion on Audit Readiness. Objective: Determine whether the process used by the Department of the Navy to reconcile its Fund Balance with Treasury account is effective. Specifically, determine whether the reconciliation process provides reasonable assurance to support the accuracy, timeliness, and completeness of the account’s audibility.

Effectiveness of the U.S. Army Fund Balance With Treasury Automated Reconciliation Tool (D2014-D000FL-0136.000) Objective: Determine whether the Defense Finance and Accounting Service, in coordination with the U.S. Army, properly designed the Army Fund Balance With Treasury Tool and corresponding processes to effectively complete the Fund Balance With Treasury reconciliation between the U.S. Army General Fund and the U.S. Treasury.

Examination of the Existence, Completeness, and Rights of the Army General Equipment (D2014-D000FI-0169.000) On December 30, 2013, the Army asserted to the audit readiness of select general equipment assets, excluding Government-furnished property. Objective: Determine the existence, completeness, and rights of the Army general equipment as of March 2014 are ready for audit in accordance with Financial Improvement and Audit Readiness guidance. Also, review the internal controls related to accountability and compliance with laws and regulations as it relates to the objective.


Logistics Modernization Program System Stocking, Distributing, and Accountability of Government Furnished Materials (D2014-D000FI-0138.000) Objective: Determine whether the Logistics Modernization Program system correctly recorded Army inventory actions (receipt, acceptance, storage, and distribution) for Government-furnished materials in the general ledger accounts and accountability records.

PLANNED PROJECTS

Attestation Examination of Existence and Completeness, Rights and Obligations, and Presentation and Disclosures of the Department of Air Force Operating Materials and Supplies Munitions Objective: Determine whether Air Force assertion on the existence, completeness, and rights of operating materials and supplies munitions is in accordance with Financial Improvement and Audit Readiness guidance, as asserted on September 30, 2014. Also, review internal controls related to accountability and compliance with laws and regulations as it relates to our examination objective.

Availability of Documentation to Support Valuation of Recently Acquired Air Force General Property, Plant, and Equipment Objective: Determine whether the Air Force maintained adequate documentation to support the valuation of its General Property, Plant, and Equipment, acquired after September 30, 2013, in accordance with Financial Improvement and Audit Readiness guidance.

Availability of Documentation to Support Valuation of Recently Acquired Army General Property, Plant, and Equipment Objective: Determine whether the Army maintained adequate document to support the valuation of its General Property, Plant, and Equipment, acquired after September 30, 2013, in accordance with the Financial Improvement and Audit Readiness guidance.
Availability of Documentation to Support Valuation of Recently Acquired Navy General Property, Plant, and Equipment Objective: Determine whether the Navy maintained adequate documentation to support the valuation of its General Property, Plant, and Equipment, acquired after September 30, 2013, in accordance with the Financial Improvement and Audit Readiness guidance.

Controls Over the Other Defense Organizations Procure-to-Pay Process for Financial Reporting Purposes Objective: Determine if other defense organizations have appropriate controls in place over the procure to pay process to ensure accurate, complete, and auditable line item data for the Statement of Budgetary Activities.

Defense Cash Accountability System Controls Objective: Determine if Defense Cash Accountability System controls provide complete, timely, and accurate transmission of incoming and outgoing data that affects the expenditures and collections lines of accounting reported on financial statements.

Defense Finance and Accounting Service Civilian Pay Reconciliations and Journal Vouchers for Other Defense Organizations Objective: Determine whether the Defense Finance and Accounting Service for Other Defense Organizations (Treasury Index 97 reporting entities) are reconciling civilian pay records to the general ledger, properly preparing journal vouchers for the general ledger, and accurately reporting civilian pay amounts on the Other Defense Organization Basic Financial Statements including the Statement of Budgetary Resources.

DoD’s Use of the Department 97 Reconciliation and Reporting Tool in the Reconciliation of its Fund Balance With Treasury Objective: Determine whether the DoD’s Use of the Department 97 Reconciliation and Reporting Tool in the Reconciliation of its Fund Balance With Treasury provides reasonable assurance that there are no material misstatements or unrecorded transactions in the Other Defense Organization Fund Balance With Treasury account.


Examination of Army’s Assertion to Existence, Completeness, and Rights of Operating Materials and Supplies Objective: Determine whether the existence, completeness, and rights of Army of Operating Materials and Supplies (Ammunition), as asserted on September 2014, are ready for audit in accordance with DoD Financial Improvement and Audit Readiness guidance. In addition, review internal controls related to the Army’s accountability of Ammunition Operating Material and Supplies (Ammunition) as it relates to the examination objective.

Examination of Existence, Completeness, and Rights of the Department of the Army’s Real Property Objective: Determine whether the existence, completeness, and rights of Army real property, as asserted on September 30, 2014, are ready for audit in accordance with Financial Improvement and Audit Readiness guidance. Also, review internal controls related to the Army’s accountability over real property and compliance with laws and regulations as it relates to the examination objective.

Examination of the Air Force Classified Financial Activities Transactions Objective: Determine whether the Air Force universe of classified financial transactions is available for testing in support of the FY 2014 Air Force General Fund Schedule of Budgetary Activity.
Deputy Inspector General for Auditing FY 2015 Audit Plan

**Global Combat Support System-Army Implementation of the DoD Business Procure-to-Pay Business Process** Objective: Determine whether the Global Combat Support System-Army Procure-to-Pay business process has the proper controls to support the Army General Fund Financial Statements audit readiness requirements.

**Recording Army Working Capital Fund Inventory at Moving Average Cost** A series of audits is planned reviewing the Army’s recording of Working Capital Fund Inventory.
- Objective: Determine whether the Logistics Modernization Program properly records Army Working Capital Fund inventory (Available and Purchased for Resale) at Moving Average Cost, or another method that approximates historical cost.
- Objective: Determine whether the Army Working Capital Fund maintains adequate documentation to support inventory (Available and Purchased for Resale) valuation.

**Wide Area Workflow General and Application Controls Critical to Navy Statement of Budgetary Resources** Objective: Determine whether select general and application controls for the Wide Area Workflow system, critical to the Navy financial statements, can be relied upon, as implemented by the Defense Logistics Agency.

**FINANCIAL STATEMENTS**

**ONGOING PROJECTS**

**Contract Oversight for the Audit of the United States Marine Corps Schedule of Budgetary Activity for the FY 2014 (D2014-D000FT-0196.000)** The Assistant Secretary of the Navy (Financial Management and Comptroller) requested an audit of the United States Marine Corps Schedule of Budgetary Activity (Schedule). We contracted with the independent public accounting firm of Grant Thornton, to audit the FY 2014 United States Marine Corps Schedule. Objective: Determine whether the Schedule and related note disclosures were fairly presented in all material respects, and in conformity with accounting principles generally accepted in the United States of America. Also, review the documentation for any classified samples and provide the results of our review to Grant Thornton to use in developing their overall audit conclusions.


**Department of the Air Force General Fund Basic Financial Statements as of and for the Years Ending September 30, 2014 and 2013 (D2014-D000FT-0155.000)** Objective: Determine whether the Air Force General Fund’s Basic Financial Statements as of September 30, 2014, and September 30, 2013, taken as a whole, were presented fairly, in all material respects, and in conformity with accounting principles generally accepted in the United States of America. In addition, determine whether these principles were consistently applied. Also, review the Air Force General Fund’s Consolidated Balance Sheet as of September 30, 2014, and September 30, 2013, and the related Consolidated Statement of Net Cost, Consolidated Statement of Changes in Net Position, Combined Statement of Budgetary Resources, and related notes. Additionally, review the Required Supplementary Stewardship Information, Required Supplementary Information, and Other Accompanying Information. Also, review internal controls related to the reliability of financial reporting and compliance with laws and regulations that apply to these financial statements.
Department of the Air Force Working Capital Fund Basic Financial Statements as of and for the Years Ending September 30, 2014 and 2013 (D2014-D000FT-0156.000) Objective: Determine whether the Air Force Working Capital Fund’s Basic Financial Statements as of September 30, 2014, and September 30, 2013, taken as a whole, were presented fairly, in all material respects, and in conformity with accounting principles generally accepted in the United States of America. In addition, determine whether these principles were consistently applied. Also, review the Air Force Working Capital Fund’s Consolidated Balance Sheet as of September 30, 2014, and September 30, 2013, and the related Consolidated Statement of Net Cost, Consolidated Statement of Changes in Net Position, Combined Statement of Budgetary Resources, and related notes. Additionally, review the Required Supplementary Information and Other Accompanying Information. In addition, review internal controls related to the reliability of financial reporting and compliance with laws and regulations that apply to these financial statements.

Department of the Army General Fund Basic Financial Statements for the Fiscal Years Ending September 30, 2014, and September 30, 2013 (D2014-D000FI-0146.000) Objective: Determine whether the Army General Fund Basic Financial Statements as of September 30, 2014, and September 30, 2013, taken as a whole, were presented fairly, in all material respects, and in conformity with accounting principles generally accepted in the United States of America. Additionally, determine whether these principles were consistently applied. Also review the Army General Fund Consolidated Balance Sheet as of September 30, 2014, and September 30, 2013, and the related Consolidated Statement of Net Cost, Consolidated Statement of Changes in Net Position, Combined Statement of Budgetary Resources, and related notes. Also review the Required Supplementary Stewardship Information, Required Supplementary Information, and Other Accompanying Information. In addition, review internal controls related to the reliability of financial reporting and compliance with laws and regulations that apply to these financial statements.

Department of the Army Working Capital Fund Basic Financial Statements for Fiscal Years Ending September 30, 2014, and September 30, 2013 (D2014-D000FI-0143.000) Objective: Determine whether the Army Working Capital Fund Basic Financial Statements as of September 30, 2014, and September 30, 2013, taken as a whole, were presented fairly, in all material respects, and in conformity with accounting principles generally accepted in the United States of America. In addition, determine whether these principles were consistently applied. Review the Army Working Capital Fund Consolidated Balance Sheet as of September 30, 2014, and September 30, 2013, and the related Consolidated Statement of Net Cost, Consolidated Statement of Changes in Net Position, Combined Statement of Budgetary Resources, and related notes. Additionally, review the Required Supplementary Information and Other Accompanying Information. Also, review internal controls related to the reliability of financial reporting and compliance with laws and regulations that apply to these financial statements.

Department of the Navy General Fund Basic Financial Statements for Fiscal Years Ending September 30, 2014, and September 30, 2013 (D2014-D000FS-0147.000) Objective: Determine whether the Navy General Fund Basic Financial Statements as of September 30, 2014 and 2013 taken as a whole were presented fairly in all material respects and in conformity with accounting principles generally accepted in the United States of America. In addition, determine whether these principles were consistently applied. Also, review the Department of the Navy General Fund Consolidated Balance Sheet as of September 30, 2014, and September 30, 2013, and the related Consolidated Statement of Net Cost, Consolidated Statement of Changes in Net Position, Combined Statement of Budgetary Resources, and related notes. Additionally, review the Required Supplementary Stewardship Information, and Other Accompanying Information. Also, review internal control over financial reporting and compliance with laws and regulations that apply to these financial statements.
Department of the Navy Working Capital Fund Basic Financial Statements for Fiscal Years Ending September 30, 2014, and September 30, 2013 (D2014-D000FS-0148.000)  
Objective: Determine whether the Department of the Navy Working Capital Fund Basic Financial Statements as of September 30, 2014, and September 30, 2013, taken as a whole, were presented fairly, in all material respects, and in conformity with accounting principles generally accepted in the United States of America. In addition, we will determine whether these principles were consistently applied. Also, review the Department of the Navy Working Capital Fund Consolidated Balance Sheet as of September 30, 2014, and September 30, 2013, and the related Consolidated Statement of Net Cost, Consolidated Statement of Changes in Net Position, Combined Statement of Budgetary Resources, and related notes. Additionally, review the Required Supplementary Information and Other Accompanying Information. In addition, review internal control over financial reporting and compliance with laws and regulations that apply to these financial statements.

DoD Agency-Wide Basic Financial Statements for Fiscal Years Ending September 30, 2014 and September 30, 2013 (D2014-D000FE-0149.000)  
Objective: Determine whether the DoD Agency-Wide Basic Financial Statements as of September 30, 2014, and September 30, 2013, taken as a whole, were presented fairly, in all material respects, and in conformity with accounting principles generally accepted in the United States of America. In addition, determine whether these principles were consistently applied. Also, review the DoD Agency-Wide Consolidated Balance Sheet as of September 30, 2014, and September 30, 2013, and the related Consolidated Statement of Net Cost, Consolidated Statement of Changes in Net Position, Combined Statement of Budgetary Resources, and related notes. Additionally, review the Required Supplementary Stewardship Information, Required Supplementary Information, and Other Accompanying Information. Also, review internal controls related to the reliability of financial reporting and compliance with laws and regulations that apply to these financial statements.


Objective: Determine whether the Medicare-Eligible Retiree Health Care Fund financial statements and related notes, as of September 30, 2014, and September 30, 2013, taken as a whole, were presented fairly, in all material respects, and in conformity with accounting principles generally accepted in the United States of America.

Objective: Determine whether the procedures performed by the Independent Public Accounting firm for the audit of the DFAS FY 2012 Working Capital Fund financial statements were conducted in accordance with the generally accepted government auditing standards, as well as other criteria required to fulfill the contract requirements. Specifically, we will review the independent public accounting audit procedures for the financial statement material line items.
Review of the FY 2014 Military Retirement Fund Basic Financial Statements Audit (D2014-D000FP-0119.000) We contracted with the independent public accounting firm of Kearney and Company to audit the Military Retirement Fund Basic Financial Statements for FY 2014. This audit is required by the Chief Financial Officers Act of 1990, as amended, which requires that financial statements of a Government agency be audited by the Inspector General or by an independent external auditor, as determined by the Inspector General. Objective: Determine whether the financial statements as of September 30, 2014 and 2013, are presented fairly and in conformity with accounting principles generally accepted in the United States of America.

U.S. Army Corps of Engineers–Civil Works Basic Financial Statements for Fiscal Years Ended September 30, 2014 and 2013 Audit (D2014-D000FE-0104.000) Objective: Determine whether the financial statements as of September 30, 2014 and 2013, are presented fairly and in conformity with accounting principles generally accepted in the United States of America.

PLANNED PROJECTS

Air Force General Fund Basic Financial Statements as of and for the Years Ending September 30, 2015 and 2014 Objective: Determine whether the Air Force General Fund Basic Financial Statements as of September 30, 2015, and September 30, 2014, taken as a whole, were presented fairly, in all material respects, and in conformity with accounting principles generally accepted in the United States of America. Also, determine whether these principles were consistently applied.

Air Force Working Capital Fund Basic Financial Statements as of and for the Years Ending September 30, 2015 and 2014 Objective: Determine whether the Air Force Working Capital Fund Basic Financial Statements as of September 30, 2015, and September 30, 2014, taken as a whole, were presented fairly, in all material respects, and in conformity with accounting principles generally accepted in the United States of America. Also, determine whether these principles were consistently applied.

Department of the Army General Fund Basic Financial Statements for the Fiscal Years Ending September 30, 2015, and September 30, 2014 Objective: Determine whether the Army General Fund Basic Financial Statements, as of September 30, 2015, and September 30, 2014, taken as a whole, were presented fairly, in all material respects, and in conformity with accounting principles generally accepted in the United States of America. Also, determine whether these principles were consistently applied.

Department of the Army Working Capital Fund Basic Financial Statements for the Fiscal Years Ending September 30, 2015, and September 30, 2014 Objective: Determine whether the Army fairly presented the Army Working Capital Fund Basic Financial Statements, as of September 30, 2015, and September 30, 2014, taken as a whole, were presented fairly, in all material respects, and in conformity with accounting principles generally accepted in the United States of America. Also, determine whether these principles were consistently applied.

Department of the Navy General Fund Financial Statements as of and for the Years Ending September 30, 2015 and 2014 Objective: Determine whether the Department of the Navy General Fund Basic Financial Statements as of September 30, 2015, and September 30, 2014, taken as a whole, were presented fairly, in all material respects, and in conformity with accounting principles generally accepted in the United States of America. Also, determine whether these principles were consistently applied.
Deputy Inspector General for Auditing FY 2015 Audit Plan

Department of the Navy Working Capital Fund Financial Statements as of and for the Years Ending September 30, 2015 and 2014 Objective: Determine whether the Department of the Navy Working Capital Fund Basic Financial Statements as of September 30, 2015, and September 30, 2014, taken as a whole, were presented fairly, in all material respects, and in conformity with accounting principles generally accepted in the United States of America. Also, determine whether these principles were consistently applied.

DoD Agency-Wide Basic Financial Statements for the Fiscal Years Ending September 30, 2015 and September 30, 2014 Objective: Determine whether the DoD Agency-wide Financial Statements as of September 30, 2015 and 2014, taken as a whole, were presented fairly, in all material respects, and in conformity with accounting principles generally accepted in the United States of America. Also, determine whether these principles were consistently applied.

DoD Closing Package Financial Statements for the Fiscal Years Ending September 30, 2015 and September 30, 2014 Objective: Determine whether the Closing Package financial statements and accompanying notes fairly present, in all material respects, DoD financial position, net costs, and changes in net position in conformity with generally accepted United States accounting principles and the presentation requirements of Treasury Financial Manual chapter 4700.

Review of the Department of the Army General Fund Schedule of Current Year Budgetary Activity for FY 2015 Objective: Provide contract oversight of the Independent Public Accountant auditing the Department of the Army FY 2015 Schedule of Budgetary Activity. The Independent Public Accountant will determine if the FY 2015 Statement of Budgetary Activity and related note disclosures were presented fairly, in all material respects, in accordance with U.S. Generally Accepted Accounting Principles, Statements on Auditing Standard 62, “Special Reports,” (American Institute of Certified Public Accountants Codification of Statements on Auditing Standard Section 623, “Special Reports”), and generally accepted government auditing standards (December 2011).

Review of the Department of the Navy General Fund Current Year Schedule of Budgetary Activity for FY 2015 Objective: Provide contract oversight of the Independent Public Accountant auditing the Department of the Navy FY 2015 Schedule of Budgetary Activity. The Independent Public Accountant will determine if the Department of the Navy FY 2015 Statement of Budgetary Activity and related note disclosures were presented fairly, in all material respects, in accordance with U.S. Generally Accepted Accounting Principles, Statements on Auditing Standard 62, “Special Reports,” (American Institute of Certified Public Accountants Codification of Statements on Auditing Standard Section 623, “Special Reports”), and generally accepted government auditing standards (December 2011).


Review of the Fiscal Year 2015 Military Retirement Fund Financial Statements Audit Objective: Determine whether the FY 2015 Military Retirement Fund financial statements are presented fairly and in accordance with Generally Accepted Accounting Principles and Office of Management and Budget Circular A-136.
Review of the Fiscal Year 2015 U.S. Army Corps of Engineers-Civil Works Financial Statements
Objective: Our review of the Independent Public Accountant financial statement audit determines whether the FY 2015 U.S. Army Corps of Engineers-Civil Works financial statements are presented fairly and in accordance with Generally Accepted Accounting Principles and Office of Management and Budget Circular A-136.

Review of the United States Department of the Air Force General Fund Schedule of Budgetary Activity for FY 2015

United States Marine Corps Statement of Budgetary Resources for FY 2015
Objective: Provide contract oversight of the Independent Public Accountant auditing the United States Marine Corps FY 2015 Statement of Budgetary Resources. The Independent Public Accountant will determine whether the Statement of Budgetary Resources and related footnotes, are fairly presented in all material respects, and in accordance with U.S. Generally Accepted Accounting Principles.

PAYMENTS

ONGOING PROJECTS

Controls to Prevent Improper Payments to Skilled Nursing Facilities (D2014-D000CJ-0098.000)
Objective: Determine whether adequate controls exist to prevent improper payments for TRICARE claims submitted by skilled nursing facilities.

Cost-Effectiveness of the Patriot Express Program for Overseas Permanent Change of Station and Temporary Duty Travel (D2014-D000CJ-0192.000)
Objective: Determine whether using Patriot Express channels for overseas permanent change of station and temporary duty travel is cost-effective to DoD. Also, consider any force-protection concerns related to those channels during our review.

Department of Defense Controls Over the U.S. Government Aviation Into-Plane Reimbursement Card Program (D2014-D000CI-0026.000)
We are conducting this audit in accordance with Public Law 112-194, “Government Charge Card Abuse Prevention Act of 2012.” Objective: Determine whether the Department’s controls over the U.S. Government Aviation Into-Plane Reimbursement Card Program are effective and improper payments are identified and recovered.

DoD Methodologies for Determining Improper Payment Rates Under the Improper Payments Elimination and Recovery Act (D2014-D000CJ-0105.000)
Objective: Determine whether DoD methodologies for determining improper payment rates in the DoD Annual Financial Report capture improper payments due to error, fraud, waste, and abuse. Also review the Defense Finance and Accounting Service Commercial Pay and Military Health Benefits programs.

Headquarters U.S. Southern Command Use of Government Purchase Cards (D2013-D000DC-0143.000)
Objective: Determine whether the U.S. Southern Command’s use of Government purchase cards complies with applicable laws and regulations.
PLANNED PROJECTS

**Defense Finance and Accounting Service’s Actions to Reduce Improper Payments within the DoD Travel Pay Program**  
Objective: Determine the effectiveness of Defense Finance and Accounting Service actions to reduce improper payments within the DoD Travel Pay program.

**DoD FY 2014 Compliance With the Improper Payments Elimination and Recovery Act Requirements**  

**Effectiveness of the Purchase Card On-Line System Review Process**  
Objective: Determine whether Government Purchase Card transactions identified by the Purchase Card On-line System as at-risk are promptly reviewed, accurately analyzed, and appropriately resolved.
**HEALTH CARE**

### ONGOING PROJECTS

**Delinquent Medical Service Accounts at Naval Medical Center Portsmouth** (D2014-D000CL-0209.000) This is the third in a series of audits of delinquent medical service accounts.

Objective: Determine whether Naval Medical Center Portsmouth effectively manages medical service accounts over 180 days delinquent. Also, determine whether Naval Medical Center Portsmouth properly manages delinquent accounts over 180 days by effectively transferring the debt to the appropriate debt collection agency or by actively pursuing collection.

**Followup Audit on DoD OIG Report No. D-2007-108, “Outpatient Third Party Collection Program.” July 18, 2007 (D2014-D000XD-0123.000).** Objective: Determine whether Military Treatment Facility officials collected outpatient third-party health insurance claims as agreed to in Recommendation 1.b. In addition, determine whether these corrective actions mitigated the identified issues.

**Followup Audit on Report No. DODIG-2012-067, “Assessment of DoD Wounded Warrior Matters – Camp Lejeune” (D2014-D000XD-0161.000).** Objective: Determine whether the Wounded Warrior Battalion-East officials promoted active participation of recovering Service members when developing their Comprehensive Recovery Plan as agreed to in Recommendation C.1. Also, determine whether the corrective actions mitigated the identified issues.

### PLANNED PROJECTS

**Controls Over Patient Wait Times** A series of audits is planned evaluating DoD management of patient wait times at medical treatment facilities.

- Objective: Evaluate DoD’s effectiveness in meeting its patient wait time metrics at Military Treatment Facilities.
- Objective: Determine whether United Healthcare Military Veterans Services LLC is effectively meeting Defense Health Agency and contract standards for patient wait times.
- Objective: Determine whether United Healthcare Military Veterans Services LLC is effectively meeting Defense Health Agency and contract standards for processing and approving patient referrals to non-DoD healthcare providers.

**Department of Defense Healthcare Management System Modernization Program**

Objective: Determine whether the Department of Defense is developing system requirements before the Department of Defense Healthcare Management System Modernization request for proposal is issued.

**Payments for Health Care Delivered by Non-Physician Providers** Objective: Determine whether Defense Health Agency appropriately paid for health care delivered by non-physician health care providers.
ON GOING PROJECTS

DoD’s Migration to Internet Protocol Version 6 (D2014-D000RB-0068.000)  

DoD’s Range Capabilities to Conduct Cyber Exercises (D2014-D000RB-0159.000)  
Objective: Determine whether DoD has developed sufficient cyber range capabilities to satisfy the demand for cyber exercises.

DoD Strategy for Cloud Computing (D2014-D000RB-0004.000)  
Objective: Determine whether DoD is effectively planning and executing a strategy for implementing cloud computing.

Mission Resourcing for the Cyber Operations at Combatant Commands (D2014-D000RC-0074.000)  
Objective: Determine whether the combatant commands have sufficient cyber personnel, and support from U.S. Cyber Command to effectively conduct cyber operations in their areas of operations.

Security Controls Over Navy’s Secret Internet Protocol Router Network Access Points (D2013-D000LC-0142.000)  
This is the first in a series of audits to review the controls implemented by the Military Departments for protecting the Secret Internet Protocol Router Network (SIPRNET).  
Objective: Determine whether the Navy is effectively protecting SIPRNET access points. Also, review the logical and physical controls protecting the SIPRNET access points at selected locations. We plan to audit each of the Military Departments separately.

U.S. Cyber Command and Military Services’ Progress for Fielding Cyber Mission Force Teams (D2014-D000RC-0179.000)  
Objective: Determine whether the U.S. Cyber Command and Military Services are effectively fielding Cyber Mission Force teams.

PLANNED PROJECTS

Army Controls Over Secret Internet Protocol Router Network Access Points  
A series of audits is planned to review the controls implemented by the military departments for protecting the Secret Internet Protocol Router Network.  
Objective: Determine whether the Army is effectively protecting Secret Internet Protocol Router Network access points. Also, review the logical and physical controls protecting the Secret Internet Protocol Router Network access points at selected locations.

Cyber Workforce Management Series: Recruiting, Hiring, Training, and Retaining (Active, Guard, Reserve, and Civilian)  
This project will be conducted as a series of audits on the recruitment, retention, and training of active-duty, Reserve, National Guard, and civilian personnel to support cyber activities.

  • Objective: Evaluate DoD’s effectiveness in hiring and retaining personnel capable of performing cyber security functions within the cyber mission force teams.

  • Objective: Evaluate the effectiveness of DoD’s individual and unit cyber training and whether the training is adequate for the specific job responsibilities.
Deputy Inspector General for Auditing FY 2015 Audit Plan

**DoD Cloud Computing Cost and Benefit Analysis**  
Objective: Determine whether DoD Components are performing appropriate cost benefits analyses to ensure economies and efficiencies support the adoption of cloud services.

**DoD’s Strategy to Achieve Benefits of Big Data**  
Objective: Determine the effectiveness of DoD’s strategy for capturing, storing, managing, and analyzing big data while ensuring privacy protections.

**Effectiveness of U.S. Special Operations Command’s Ability to Plan and Integrate Cyberspace Operations Involving Special Operations Forces Into Combatant Command Missions and Operations**  
Objective: Determine whether U.S. Special Operations Command is adequately planning, integrating, and synchronizing cyberspace capabilities into missions of the geographic combatant command Special Operations Forces.

**Operational Effectiveness of the Defense Insider Threat Management and Analysis Center**  
Objective: Evaluate the feasibility of the Defense Insider Threat Management and Analysis Center concept of operations. Specifically, assess the controls over access to, and use of, personal information about individuals that is collected as part of case development, analysis, and reporting.

**Software Integrity in DoD Procurements**  
A series of audits is planned evaluating DoD’s management of software integrity in DoD procurements.  
- Objective: Determine whether DoD is effectively implementing its software security strategy to prevent unauthorized access to its mission-critical military systems and networks.  
- Objective: Determine whether software suppliers for Major Defense Programs are complying with DoD software assurance standards to minimize risks of malicious coded in procured software.

**Summary of DoD Cybersecurity Weaknesses Identified in Audit Reports Issued From August 1, 2014, Through July 31, 2015**  
Objective: Summarize the cybersecurity weaknesses identified in reports and testimonies issued by the DoD audit community and the Government Accountability Office between August 1, 2014, and July 31, 2015.
Ongoing Projects

**Chemical and Biological Defense Preparedness for U.S. Forces in Korea (D2014-D000RF-0181.000)** This is the first in a series of audits addressing chemical and biological defense preparedness. Objective: Determine whether forward deployed forces assigned to U.S. Forces Korea are equipped to defend against chemical and biological agents. To focus on equipment levels for U.S. forces stationed in the Republic of Korea. Subsequent audits will address training and exercising for chemical and biological defense preparedness.

**Chemical and Biological Defense Training for U.S. Forces in Korea (D2014-D000RF-0204.000)** This is the second in a series of audits on chemical and biological defense preparedness. Objective: Determine whether forward-deployed forces assigned to U.S. Forces Korea are trained to defend against chemical and biological agents.

**Construction of U.S. Facilities in Afghanistan (D2014-D000JB-0160.000)** Objective: Determine whether DoD activities have established a process to evaluate whether construction projects for U.S. facilities in Afghanistan should be completed or terminated. For those projects to be completed, determine whether DoD activities have effective completion and sustainment plans.

**Controls Over the Retrograde of Equipment in Afghanistan (D2014-D000JB-0167.000)** Objective: Determine whether DoD is effectively processing equipment at Defense Logistics Agency Disposition Services and retrograde sort yard sites in Afghanistan.

**Department of the Army’s Special Program Requirements Determination Process for Spare Parts Ordered from the Defense Logistics Agency (D2013-D000AG-0231.000)** Objective: Determine whether the Department of the Army is reasonably forecasting special program requirements for spare parts ordered from Defense Logistics Agency.

**DoD Dam Safety Inspections (D2014-D000RA-0061.000)** Objective: Determine whether DoD effectively implemented programs to address workplace violence threats and incidents.

**Follow-up Audit on Report DODIG-2013-134, “Navy Commercial Access Control System Did Not Effectively Mitigate Access Control Risks,” September 16, 2013 (D2014-D000XD-0194.000)** Objective: Determine whether the identified Navy installations implemented the agreed-upon corrective actions for Recommendations A.1 and A.3. Also, determine whether select Navy installations obtained access to the National Crime Information Center and Terrorist Screening databases and, before issuing installation passes, conducted checks of contractor personnel enrolled in the Navy Commercial Access Control System. Additionally, determine whether these actions corrected the identified problems.


**Property Losses in Afghanistan (D2014-D000JB-0030.000)**

Objective: Determine whether DoD effectively identified and reported inventory losses in Afghanistan.

**Security and Handling of Cargo at Military Ocean Terminal Concord, California (D2014-D000RA-0182.000)**

Objective: Determine whether the Army Surface Deployment and Distribution Command is effectively securing and handling cargo at Military Ocean Terminal Concord, California.

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**PLANNED PROJECTS**

**Al Udeid Air Base Military Construction - Requirements Development and Management and Oversight**

A series of audits is planned on the management of military construction at Al Udeid Air Base.

- Objective: Evaluate DoD’s requirements development process for military construction projects at Al Udeid Air Base. Specifically, determine whether the user had a valid requirement and whether the requirement was developed in accordance with applicable guidance and in consideration of DoD’s mission in Southwest Asia.
- Objective: Determine whether the requirement development process resulted in a statement of work that adequately defined requirements and if DoD was providing adequate quality assurance and oversight of military construction projects.

**Aviation Critical Safety Items**

A series of audits is planned on management of aviation critical safety items.

- Objective: Determine whether DoD is effectively disposing of aviation critical safety items.
- Objective: Determine if aviation critical safety items are procured from approved sources, and whether parts are adequately tested for counterfeits.
- Objective: Determine whether the management and oversight of the critical safety items is effective.

**DoD Chemical Surety Program**

Objective: Evaluate the effectiveness of controls over the chemical surety materials in the possession of or under the control of the Army and DoD contractors. Specifically, evaluate the safeguards, accountability, and access to chemical surety materials.

**Interagency Coordination Group of Inspectors General for Guam Realignment Annual Report**

Objective: Compile a detailed statement of all obligations, expenditures, and revenues associated with military construction on Guam used to create the annual report of the Interagency Coordination Group of Inspectors General for Guam Realignment by February 12, 2015.

**Long Term Storage of Demilitarization Required Property by the Defense Logistics Agency Disposition Services**

Objective: Determine whether the Defense Logistics Agency is effectively and efficiently storing excess property requiring reutilization. Specifically, review whether sensitive property assigned to long term storage is being properly reutilized and safeguarded to include asset visibility; or whether property no longer required is being disposed of appropriately.
Naval Depot-Level Ship Maintenance Program: A series of audits is planned, each audit focusing on a specific Navy Shipyard. Objective: Determine whether Navy depot-level maintenance facilities at Naval Shipyards are effectively implementing the depot-level ship maintenance program, to include conducting assessments of ship maintenance requirements and developing plans to meet sustainment and readiness requirements.

Planning and Coordination of Non-Combatant Evacuation Operations in the U.S. Africa Command Area of Responsibility: Objective: Determine whether DoD and the Department of State have effectively coordinated and planned for the protection and evacuation of all noncombatant U.S. citizens within the U.S. Africa Command area of responsibility that are designated as high-risk locations.

Special Operations Sensitive Equipment Accountability: A series of audits is planned reviewing the management of Special Operations–sensitive equipment accountability.

- Objective: Determine whether U.S. Special Operations Command is properly accounting for its sensitive equipment, to include Special Operations–Peculiar equipment.
- Objective: Determine whether U.S. Special Operations Command effectively managed the disposal of sensitive equipment. Specifically, determine whether U.S. Special Operations Command properly identified all sensitive equipment and disposed of it via the process outlined in DoD guidance.

Summary of Afghanistan Drawdown Reports: Objective: Summarize a series of audit reports on the Afghanistan retrograde to identify systematic challenges and lessons learned associated with the drawdown of equipment and forces in Afghanistan.

Transition of Facilities to the Base Operations Support Contract Density List at Camp Lemonnier, Djibouti: Objective: Determine whether DoD is properly monitoring the transition of newly constructed or remodeled facilities at Camp Lemonnier, Djibouti, to the Base Operations Support contract density list.
Appendix A. FY 2015 Planned Audits by Source

FY 2015 Planned Projects by Source

- Self Initiated: 70% - 62 Projects
- Statutory: 21% - 19 Projects
- Management Request: 9% - 8 Projects
 NOTE: Due to rounding, total does not equal 100 percent.
## Appendix C. FY 2015 Planned Audit Coverage by DoD Strategic Goals and GAO High-Risk Areas

<table>
<thead>
<tr>
<th>DoD Strategic Goals</th>
<th>GAO High-Risk Areas DoD Specific Risks</th>
<th>GAO High Risk Areas - Government-wide Risks</th>
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<tbody>
<tr>
<td>Prevent and Defeat Adversaries and Insurers of Peace</td>
<td>Business Systems Modernization</td>
<td>Establishing Effective Mechanisms for Sharing and Managing Terrorism-Related Information in Support of the Homeland</td>
</tr>
<tr>
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<td>Contract Management</td>
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</tr>
<tr>
<td>Preserve and Enhance the All-Volunteer Force</td>
<td>Financial Management</td>
<td>Managing Federal Real Property</td>
</tr>
<tr>
<td>Reform and Enhance the All-Volunteer Force</td>
<td>Supply Infrastructure</td>
<td>Preventing the Federal Government’s Information-Sharing Mechanisms and the Nation’s Cyber Critical Infrastructures</td>
</tr>
<tr>
<td>Manage Business and Support Functions of the Defense Enterprise</td>
<td>Weapons Systems Acquisition</td>
<td>Reform and Find Further Efficiencies in the Business and Support Functions of the Defense Enterprise</td>
</tr>
</tbody>
</table>

### Inspector General FY 2015 Planned Projects

#### Acquisition Management

- Acquisition of the Department of Defense Enterprise Blood Management System - Blood Donor Management System - Increment 1
- Acquisition of the Navy’s Advanced Arresting Gear
- Department of Navy’s Surface-Mine Countermeasures Unmanned Undersea Vehicle Program
- Implementation of the Better Buying Power Initiatives
- Marine Corps Ground/Air Task Oriented Radar Program
- Navy MQ-4C Triton Unmanned Aircraft System Program
- Office of the Secretary of Defense Foreign Comparative Testing Program
- Procurement Quantity Validation Process for Major Defense Acquisition Programs
  - X

#### Contract Management

- Award and Administration of Sea-Port-e Task Orders
- Contracted Non-Nuclear Ship Repair at Pearl Harbor Naval Shipyard
  - X

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<tbody>
<tr>
<td></td>
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<td>Support Infrastructure</td>
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<tr>
<td>DoD Compliance with Inventory of Contracts for Services Requirements for the Service Contract Inventory Compilation and Certification Requirement for FY 2013</td>
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<tr>
<td>DoD Energy Savings Performance Contracts Contract Administration and Oversight Functions</td>
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<tr>
<td>DoD Use of General Services Administration Federal Supply Schedules for Purchases of Supplies</td>
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<tr>
<td>Selected Costs Related to the Subsistence Prime Vendor Contract for Afghanistan</td>
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<tr>
<td>Single Award Indefinite Delivery Indefinite Quantity Contracts</td>
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<td>United States Special Operations Command Contractor Logistics Support Services Contract</td>
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<tr>
<td>Utility Energy Services Contracts</td>
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<tr>
<td>Parts Utilization and Procurement</td>
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<tr>
<td>Air Force and Northrop Grumman Support for the Joint Surveillance Target Attack Radar System</td>
<td>X</td>
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<tr>
<td>Army Sole-Source Spare Parts Procurements for the Husky Mounted Detection System</td>
<td>X</td>
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<tr>
<td>AV-8B Harrier Utilization and Accountability of Government-Owned Inventory</td>
<td>X</td>
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<tr>
<td>Defense Logistics Agency Aviation Management of the Pratt and Whitney Sole Source Engine Repair Parts Contract</td>
<td>X</td>
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<tr>
<td>Defense Logistics Agency Aviation Sole-Source Spare Parts Procured from General Electric</td>
<td>X</td>
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</table>

**Note:** The table above lists projects related to the FY 2015 Audit Plan, with X indicating the presence of a project in the respective category.
## Inspector General
### FY 2015 Planned Projects

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<tr>
<th>Project Description</th>
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<tr>
<td>Defense Logistics Agency Aviation Sole-Source Spare Parts Procured from Lockheed Martin</td>
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<td>Defense Logistics Agency Contract With the Rolls-Royce Corporation for Supply Support of the Air Force’s and Navy’s T56 Engine</td>
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<tr>
<td>Defense Logistics Agency Sole-Source Spare Parts Procurement from Honeywell International</td>
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<tr>
<td>Excess Inventory Managed by the Defense Logistics Agency</td>
<td>X</td>
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<tr>
<td>Naval Sea Systems Command Spare Parts Procurements Under the BAE Systems Norfolk Ship Repair Maintenance Contract</td>
<td>X</td>
<td>X</td>
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<tr>
<td>Unit of Issue Discrepancies in Performance Based Logistics Contracts</td>
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<tr>
<td>Virginia Class Submarine Spare Parts Procurements</td>
<td>X</td>
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<td></td>
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</tbody>
</table>

### Financial Management
- Agreed-Upon Procedures for Reviewing the FY 2015 Civilian Payroll Withholding Data and Enrollment Information: X
- DoD Obligations and Expenditures of Funds Provided to the Department of State for the Global Security Contingency Fund: X

### Audit Readiness
- Attestation Examination of Existence and Completeness, Rights and Obligations, and Presentation and Disclosures of the Department of Air Force Operating Materials and Munitions: X

---

### DoD Strategic Goals
- Prevail in Today’s War
- Prevent and Deter Conflict
- Prepare to Defeat Adversaries and Protect the Homeland
- Preserve and Enhance the All-Volunteer Force
- Reform and Find Further Efficiencies in the Business and Support Functions of the Defense Enterprise
- Roadmap to Business Transformation
- Business Systems Modernization
- Contract Management
- Financial Management
- Supply Chain Management
- Support Infrastructure
- Weapons Systems Acquisition

### GAO High-Risk Areas DoD Specific Risks
- Ensuring the Effective Protection of Technologies Critical to U.S. National Security Interests
- Establishing Effective Mechanisms for Sharing and Managing Terrorism-Related Information to Protect the Homeland
- Improving and Modernizing Federal Disability Programs
- Managing Federal Real Property
- Protecting the Federal Government's Information-Sharing Mechanisms and the Nation's Cyber Critical Infrastructures

### GAO High Risk Areas - Government-wide Risks
### Inspector General FY 2015 Planned Projects

<table>
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<tbody>
<tr>
<td>Preclude and Defeat Adversaries and Protect Secrecy of Sensitive Information</td>
<td>Approach to Business Transformation</td>
<td>Ensuring the Effective Protection of Technologies Critical to U.S. National Security Interests</td>
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<tr>
<td>Protect and Advance the All-Volunteer Force</td>
<td>Business Systems Modernization</td>
<td>Establishing Effective Mechanisms for Sharing and Managing Terrorism-Related Information to Protect the Homeland</td>
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<td>Prevail in Today's War</td>
<td>Weapons Systems Acquisition</td>
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</tbody>
</table>

#### Availability of Documentation to Support Valuation of Recently Acquired Property

- **Air Force General Property, Plant, and Equipment**: X
- **Army General Property, Plant, and Equipment**: X
- **Navy General Property, Plant, and Equipment**: X

#### Controls Over the Other Defense Organizations’ Procure-to-Pay Process for Financial Reporting Purposes

- **DoD’s Use of the Department 97 Reconciliation and Reporting Tool in the Reconciliation of its Fund Balance With Treasury**: X

#### Defense Finance and Accounting Service Civilian Pay Reconciliations and Journal Vouchers for Other Defense Organizations

- **Defense Cash Accountability System**: X


- **Examination of Army’s Assertion to Existence, Completeness, and Rights of Operating Materials and Supplies**: X
- **Examination of Existence, Completeness, and Rights of the Department of the Army’s Real Property**: X
- **Examination of the Air Force Classified Financial Activities Transactions**: X
## Inspector General
### FY 2015 Planned Projects

<table>
<thead>
<tr>
<th>Financial Statements</th>
<th>DoD Strategic Goals</th>
<th>GAO High-Risk Areas DoD Specific Risks</th>
<th>GAO High Risk Areas - Government-wide Risks</th>
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</thead>
<tbody>
<tr>
<td>Recording Army Working Capital Fund Inventory at Moving Average Cost</td>
<td>X</td>
<td>X</td>
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<tr>
<td>Wide Area Workflow General and Application Controls Critical to Navy Statement of Budgetary Resources</td>
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<tr>
<td>Air Force General Fund Basic Financial Statements as of and for the Years Ending September 30, 2015, and 2014</td>
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<tr>
<td>Air Force Working Capital Fund Basic Financial Statements as of and for the Years Ending September 30, 2015, and 2014</td>
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<tr>
<td>Department of the Army General Fund Basic Financial Statements for the Fiscal Years Ending September 30, 2015, and September 30, 2014</td>
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<td>Department of the Army Working Capital Fund Basic Financial Statements for the Fiscal Years Ending September 30, 2015, and September 30, 2014</td>
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<tr>
<td>Department of the Navy General Fund Financial Statements as of and for the Years Ending September 30, 2015 and 2014</td>
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<tr>
<td>Department of the Navy Working Capital Fund Financial Statements as of and for the Years Ending September 30, 2015, and 2014</td>
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<td>DoD Agency-Wide Basic Financial Statements for the Fiscal Years Ending September 30, 2015, and September 30, 2014</td>
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</table>
### Inspector General

**FY 2015 Planned Projects**

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<tbody>
<tr>
<td>Review of the Department of the Army General Fund Schedule of Current-Year Budgetary Activity for FY 2015</td>
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<tr>
<td>Review of the Department of the Navy General Fund Current-Year Schedule of Budgetary Activity for FY 2015</td>
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<td>Review of the Fiscal Year 2015 DoD Medicare-Eligible Retiree Health Care Fund Financial Statements Audit</td>
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<td>Review of the Fiscal Year 2015 Military Retirement Fund Financial Statements Audit</td>
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<tr>
<td>Review of the Fiscal Year 2015 U.S. Army Corps of Engineers-Civil Works Financial Statements</td>
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<tr>
<td>Review of the United States Department of the Air Force General Fund Schedule of Budgetary Activity for FY 2015</td>
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<tr>
<td>United States Marine Corps Statement of Budgetary Resources for FY 2015</td>
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<tr>
<td><strong>Payments</strong></td>
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<td>Defense Finance and Accounting Service’s Actions to Reduce Improper Payments within the DoD Travel Pay Program</td>
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<tr>
<td>DoD FY 2014 Compliance With the Improper Payments Elimination and Recovery Act Requirements</td>
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<tr>
<td>Effectiveness of the Purchase Card Online System Review Process</td>
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<tr>
<td><strong>Health Care</strong></td>
<td></td>
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<tr>
<td>Controls Over Patient Wait Times</td>
<td>X</td>
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## Deputy Inspector General for Auditing FY 2015 Audit Plan

### Inspector General FY 2015 Planned Projects

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<th>Department of Defense Healthcare Management System Modernization Program</th>
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<td>DoD’s Strategy to Achieve Benefits of Big Data</td>
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<td>Effectiveness of U.S. Special Operations Command’s Ability to Plan and Integrate Cyberspace Operations Involving Special Operations Forces Into Combatant Command Missions and Operations</td>
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<td>Operational Effectiveness of the Defense Insider Threat Management and Analysis Center</td>
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<td>Software Integrity in DoD Procurements</td>
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<td>Summary of DoD Cybersecurity Weaknesses Identified in Audit Reports Issued From August 1, 2014, Through July 31, 2015</td>
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### Joint Warfighting and Readiness

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<th>AI Udeid Air Base Military Construction - Requirements Development and Management and Oversight</th>
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<td>Aviation Critical Safety Items</td>
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## DoD Strategic Goals

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<tr>
<th>DoD Strategic Goals</th>
<th>GAO High-Risk Areas DoD Specific Risks</th>
<th>GAO High Risk Areas - Government-wide Risks</th>
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<tr>
<td>Prevent and Deter Conflict</td>
<td>Business Transformation</td>
<td>Ensuring the Effective Protection of Technologies Critical to U.S. National Security Interests</td>
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<tr>
<td>Prepare to Defeat Adversaries and Succeed in Contingencies</td>
<td>Business Systems Modernization</td>
<td>Establishing Effective Mechanisms for Sharing and Managing Terrorism-Related Information to Protect the Homeland</td>
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<tr>
<td>Preserve and Enhance the All-Volunteer Force</td>
<td>Contract Management</td>
<td>Improving and Modernizing Federal Disability Programs</td>
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<tr>
<td>Approach to Business Transformation</td>
<td>Supply Chain Management</td>
<td>Protecting the Federal Government's Information-Sharing Mechanisms and the Nation's Cyber Critical Infrastructures</td>
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### Inspector General FY 2015 Planned Projects

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<td>DoD Chemical Surety Program</td>
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<td>Interagency Coordination Group of Inspectors General for Guam Realignment Annual Report</td>
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<td>Long Term Storage of Demilitarization Required Property by the Defense Logistics Agency Disposition Services</td>
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<td>Naval Depot Level Ship Maintenance Program</td>
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<td>Planning and Coordination of Non-Combatant Evacuation Operations in the U.S. Africa Command Area of Responsibility</td>
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<td>Special Operations Sensitive Equipment Accountability</td>
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<td>Summary of Afghanistan Drawdown Reports</td>
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<td>Transition of Facilities to the Base Operations Support Contract Density List at Camp Lemonnier, Djibouti</td>
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This plan and the Comprehensive Oversight Plan for Southwest Asia are available on our website:
http://www.dodig.mil/audit

or by contacting:

Office of the Deputy Inspector General for Auditing
Attn: Corporate Planning/02J25-01
4800 Mark Center Drive
Alexandria, VA 22350-1500
(703) 604-9142 (DSN 664-9142)