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## **Welcome Address to the Association of Defense Auditors**

*Remarks as prepared for delivery by Department of Defense Acting Inspector General Thomas F. Gimble to the Association of Defense Auditors, August 21, 2006*

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Good morning. It is my great pleasure to welcome you to our Association of Defense Auditors conference here in Arlington. This is a great place come together because the Washington DC metropolitan area is so close to so many areas of interest. We have a tour of the Pentagon scheduled and you will also have the opportunity to visit the Gettysburg Battlefield.

I am grateful to all who have taken the time out of their busy schedules to be here today. It is not surprising that this conference should attract so many professionals working in the auditing field. Many of you are from this area, but we also have some people here who have traveled quite a distance to attend this conference. I am pleased that our experiences this week should have far reaching effects due to the global audience in attendance, which includes representatives from Australia, Britain, Canada, New Zealand, Norway, South Africa and the United States.

There is another reason to expect a good turnout for this conference – the agenda. The organizers have scheduled some very informative and interesting activities, lectures, and training for you to participate in this week. This conference will enable us all to exchange ideas, share lessons learned, discuss best practices, and speak about audit issues. That, in turn, will assist us in promoting integrity, accountability, and improvement of Defense personnel, programs and operations and to serve the public interest. I would like to thank the Association of Defense Auditors for hosting such a dynamic and significant conference.

Also, I would like to welcome and thank all the speakers who will be sharing their experiences and insights with us this week. These experts will cover a wide range of topics related to auditing from identifying fraud to working jointly with investigators. The itinerary will also allow for networking and communication among our group with several social events, including tomorrow evening's dinner at the Chart House, which has a spectacular view on the waterfront in Alexandria.

In our daily routine as auditors, the urgency to address an immediate crisis generally presses us to focus on the present, with an occasional glimpse at the future. During this week, however, we have the opportunity to reflect comprehensively on the past.

Although the perspective of our conference is clearly about sharing lessons learned, its second aim is vigorously forward-looking. We study the past to increase our understanding of what our agencies must do today and tomorrow to improve our auditing practices.

I feel very at home here today, because I am one of you. As a certified public accountant, I began my federal civilian career with the Air Force Audit Agency at Kelly Air Force Base in my home state of Texas, and then joined the Defense Audit Service in 1976. I found a home with the DoD OIG, and served in several positions including Director of the Acquisition Management, Acting Deputy Assistant Inspector General for Auditing, and Deputy Inspector General for Intelligence. Having many years experience working as an auditor, I remain an auditor down to my core. I believe three important attributes of being an auditor are:

- Having a positive and supportive approach
- Ensuring the people around you feel at ease; and
- Communicating clearly

Unquestionably, our discussions over this week will remind us that there is an enormous amount of work to be done to address current and oncoming auditing challenges. This conference provides an excellent forum for discussing audit concerns and new tactics on how to best serve the warfighters and the public. What specific challenges does our past experience teach us to anticipate, and what can we do to improve on our work in providing oversight of Defense programs and operations? I offer two observations.

First, I believe it is essential to highlight how successful programs require continuous oversight in an ever-changing environment. This is a task that can not be done alone. It requires teamwork! Those of us fortunate to work as auditors and provide oversight are well aware that we do not do it alone. Our success stems not from an individual effort, but from the collective efforts of the team.

Second, it is crucial to have policies, guidelines and internal controls that are meaningful, practical, cost-beneficial, and effective. At the core of it, controls are fundamental to an organization that needs to better organize its work, develop procedures, and define its duties.

Our obligation at the ADA conference is to use this time to identify and recognize the practical ingredients to be competent, resourceful, and valuable auditors. Our key discussions will include global auditing issues, audit strategic planning, and auditor training. I know that by opening up to reveal our own challenges and experiences as defense auditors, we will all have the opportunity to learn valuable lessons during our time here.

I am not going to go into any detail on the work of the DoD IG, because it is thoroughly covered in our Semiannual Report to Congress. But for the record, I would like to highlight our priorities, which include:

- Global War on Terrorism (GWOT); and
- Hurricane Katrina Relief and Recovery

The Global War on Terrorism is the Secretary of Defense's highest priority within the DoD, which makes this a high priority within the DoD OIG. Overseeing DoD expenditures, the acquisition of massive amounts of material and equipment involved to support actions in Afghanistan and Iraq, and the extensive logistics to move these resources poses tremendous

challenges for the OIG auditors. The work done by the DoD oversight community has been and will continue to be critical to the outcome of the DoD-wide GWOT efforts.

To provide additional support to the GWOT, the OIG opened a field office in Qatar in March 2006. The staff in the Qatar office has been assigned to conduct audits, inspections and investigations as required in Iraq, Afghanistan, Kuwait, and Qatar to support the operational commanders. The reviews done by this staff will cover critical issues that are important to the Department in the areas of readiness, logistics, force management, contracting, and financial management.

Another key priority of the OIG is oversight of Hurricane Katrina relief and recovery efforts. The Department of Defense has been actively participating in the disaster recovery and relief efforts and the Department of Defense Office of the Inspector General has been working in close coordination with other Inspectors General through the President's Council on Integrity and Efficiency to ensure effective utilization of DoD oversight resources in the relief and recovery efforts. Our office has twelve ongoing audits related to Hurricane Katrina, which covers:

- Contracts on ice delivery, emergency water, subsistence, the Blue Roof program, and construction capabilities;
- Expanded micro-purchase authority for purchase card transactions;
- Effects on information technology resources in affected areas;
- Accounting and oversight of obligations and expenditures related to DoD Hurricane Katrina efforts; and
- The use of DoD resources supporting recovery and relief efforts.

For example the "Audit of the International American Products, Worldwide Services, Ice Delivery Contract for the Army Corps of Engineers," responds to Congressional requests pertaining to the award and administration of U.S. Army Corps of Engineers' ice delivery contracts and will address payments to the contractor, the Request for Proposal (RFP) process and submissions; and the efforts by the Corps to solicit from small or minority-owned businesses.

In addition, the OIG annually assesses the most serious management and performance challenged faced by the DoD based on the findings and recommendations of audits, inspections, and investigations conducted during the year. The challenges identified are:

- Joint Warfighting and Readiness
- Homeland Defense
- Human Capital
- Information Technology Management
- Acquisition Process and Contract Management
- Health Care
- Infrastructure and Environment; and
- Financial Management

The last item I mentioned, financial management, is especially challenging. As I said when I testified before Congress on August 3, the Department's financial statements are the most extensive, complex, and diverse financial statements in the Government. The DoD OIG is working closely with the Department to address longstanding financial management problems and supports the DoD goal of achieving a favorable audit opinion for the DoD Agency-wide financial statements and the major DoD components.

As you can see from the examples I have already cited, our work – and I am referring to all of us in this room – is varied and extensive. The auditors that we employ must be flexible and versatile. It is no longer possible or practical for an auditor to work for 20 years in the same field, as used to be done. This is why the recruitment, training, retention and rewarding of good people is critical to our mission.. To do the best job we can do, we need the best!

So I invite you to join me over the next week not only in celebrating what we have accomplished, but in reflecting upon what we must do to better serve our governments, the men and women serving in them, and the general public.

Thank you all again for taking the time to be here today, for the various and significant contributions you make as Defense auditors and for the, constructive and collaborative working relationships we enjoy with each other.