

Message from the Chief Financial Officer

November 15, 2005

Throughout Fiscal Year 2005, the Department of Defense continued to improve financial management to provide better accountability to the taxpayers.


Today a comprehensive plan for business transformation and financial management improvement is in place and underway. The plan has three major components: the Business Enterprise Architecture, the Business Transition Plan, and the Financial Improvement and Audit Readiness (FIAR) Plan, which provides a roadmap for improving the Department's financial management capabilities.

The Financial Improvement and Audit Readiness Plan targets four strategic areas for improvement in the short term, and includes milestones that can be easily understood, measured, and adjusted as necessary. Each of the focus areas – Military Equipment, Real Property, Environmental Liabilities, and Health Care Liabilities – are central to achieving an unqualified audit opinion.

We developed and published the first phase of Standard Financial Information Structure (SFIS) which standardizes the budget and accounting codes used to classify financial activity across the Department. The SFIS not only complies with accounting standards and facilitates standard data entry but will enable us to consistently trace financial activity by maintaining a clean audit trail across the Department.

The challenges we face are complex, but I am confident that the plans and strategies we have put in place to address them are sound. Continued progress will depend on the timely implementation of critical business and financial systems modernization plans, committed and involved senior leadership, and adequate funding.

I am inspired by the many talented and hard-working DoD financial management professionals who are building upon past accomplishments and moving ahead with critical initiatives that will further improve the Department's financial performance and accountability.



Tina W. Jonas