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## DEFENSE FINANCIAL IMPROVEMENT AND AUDIT READINESS

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### ***Defense Audit Readiness News***

#### ***March 2012***

*It's been six months since Secretary Panetta delivered his message to all DoD personnel that DoD must be able to produce auditable financial statements as soon as possible, with our budgetary statements targeted for not later than FY 2014. Getting that "all-hands" message out, and letting people know how they can help is a big job, but we're making good progress. I was at a recent meeting when Secretary Panetta looked every single Service representative in the eye and asked, are you signed up, are you committed? For the Secretary, auditability is not just a legal requirement, it's a moral imperative, and he expects everyone to contribute to improving the way the Department does business.*

*If you received this newsletter, that means you're already contributing to auditability, and I thank you for your continued hard work. I know I can speak for everyone at OUSD(C) when I say we're here to help however we can. This newsletter is just one way we're highlighting areas we hope will be of interest to you.*

*Mark Easton  
Deputy Chief Financial Officer (DCFO)*

#### **✧ New FIAR Guidance Online:**

Don't just print the FIAR Guidance. By using the recently updated [FIAR Guidance](#) online, financial managers can take full advantage of the tools and templates. Users can easily search by key word, or use the detailed Bookmarks on the left-side navigation to jump to a specific section. Related documents, websites, and templates, when referenced, are hyperlinked. And throughout the Guidance, blue bolded text indicates key requirements.

This updated version of the Guidance includes several significant changes based on lessons learned over the past few years. A handy chart detailing the changes to the Guidance is right up front. The FIAR Guidance codifies DoD's strategy, which emphasizes improving the quality, accuracy, and reliability of budgetary information, and ensures consistency in how the Department assesses and improves processes and controls, and maintains needed documentation. The FIAR approach has been endorsed by the GAO as the right step forward.

#### **Upcoming Events**

- ✧ **March 14** – FIAR Subcommittee Meets
- ✧ **March 15** – ODO Subcommittee Meets
- ✧ **March 22** – ASMC National Capital Region PDI
- ✧ **March 23** – FIAR Committee Meets

#### **Connect:**

- ✧ Join the FIAR milBook Group Page  
<https://www.milsuite.mil/book/groups/fiar>
- ✧ Visit the FIAR Directorate Public Website  
<http://comptroller.defense.gov/FIAR/>
- ✧ Become a FIAR Planning Tool User  
[FIARSupport@osd.mil](mailto:FIARSupport@osd.mil)

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✧ **Defense Budget Aligned to Strategic Priorities:**

Recently, President Obama sent to Congress the proposed defense budget of \$613.9 billion for Fiscal Year 2013, including \$525.4 billion in discretionary budget authority for the Department of Defense to fund base defense programs and \$88.5 billion to support our troops in combat. In his February 14 testimony before the Senate Armed Services Committee, Secretary Panetta said “the plan is aligned to strategic priorities we have identified to keep America safe and maintain the strongest military in the world.”

The base budget includes cuts and other initiatives that will reduce planned spending by \$259 billion over the next five years and \$487 billion over ten years. At the same time, the Department plans to spend \$300 to \$400 million a year over the next six years on improving business operations and achieving auditable financial statements. Audit readiness is crucial to the Department gaining greater discipline in its use of defense dollars. The Secretary testified, “the Department needs auditable financial statements to comply with the law, to strengthen its own internal processes, and to reassure the public that it continues to be a good steward of federal funds.”

For highlights, check out <http://www.defense.gov/news/2013budget.pdf>. For more information and to view the entire fiscal 2013 budget proposal, please visit <http://www.budget.mil> and download the “FY 2013 Budget Request Overview Book.”

✧ **Tier II FIAR Training Released:**

OUSDC has released Tier II of the FIAR training curricula. The 200 level series highlights the requirements for completing Waves 1, 2, and 3, of the FIAR Guidance as well as required key capabilities:

- FIAR 201 – FIAR Appropriations Received (Wave 1)
- FIAR 202 – FIAR Statement of Budgetary Resources (Wave 2) and Existence and Completeness of Mission Critical Assets (Wave 3)

Approximately 30 people attended the two-day training at DFAS Rome, New York. Chintan Tripathi, who led the training, said “the new courses build on existing TIER I training (FIAR 101, 102, 103, and 301) and allow participants to apply the FIAR methodology to actual DoD processes.”

Additional Tier II sessions are planned for Andrews AFB, DFAS-Columbus, and SOCOM-McDill AFB, and we will be scheduling Pentagon sessions in the near future. To register for the FIAR Training, please contact [FIAR-Training-Requests@osd.mil](mailto:FIAR-Training-Requests@osd.mil).

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✧ **The May 2012 FIAR Plan Status Report:**

The semiannual status report on the FIAR Plan is due to Congress May 15. Similar to past submissions, the May 2012 FIAR Plan Status Report will detail audit readiness accomplishments and progress, and report on the audit readiness plans of the Services and Other Defense Organizations.

New to the May 2012 Report will be sections reporting on service provider audit readiness plans and OSD Enterprise-wide plans and activities. Tri-charts and quad-charts will be used to provide additional information on assessable units and more detail on ERPs.

The FIAR Plan Status Report is the most visible way we let people inside and outside DoD know of our progress. People from across the Department contribute to its content. Important dates include:

- March 14 – Component input to the FIAR Plan Status Report due
- April 4 – Formal Coordination of the FIAR Plan Status Report begins
- April 18 – Comments on the FIAR Plan Status Report due
- May 15 – FIAR Plan Status Report due to Congress

✧ **Sign Up for the FIAR milBook Group:**

The FIAR Directorate milBook group page is a great way to stay up to date on the latest announcements and news about audit readiness. You can check out these monthly newsletters on the page too! To join the FIAR Group on miBook:

- Use your Web browser to go to <https://www.milsuite.mil/book/groups/fiar?view=overview>
- If you are not already a milBook member, the site will prompt you to register to join, and then you can search for the “FIAR” page.
- From the FIAR Group homepage, click on “join this group.”
- Keep the “Email Notifications” on so that you will know about the latest updates!

This newsletter is a publication of the Department of Defense Financial Improvement and Audit Readiness Directorate, Office of the DCFO, OUSD(C). To suggest content, add individuals to the mailing list, or have an email removed, please contact [AuditReadiness@osd.mil](mailto:AuditReadiness@osd.mil).