



3rd Quarter FY 2014 Army FIP



In-Process Review



May 1, 2014

Office of the Assistant Secretary of the Army
(Financial Management & Comptroller) (OASA(FM&C))

*Accountability & Audit Readiness:
Sustaining Army's Strength*



Agenda

Time	Topic	Speaker
8:00am – 8:10am	Welcome	Mr. Robert Speer, Acting Assistant Secretary of the Army
8:10am – 8:45am	Overall Audit Readiness Update	Mr. Tom Steffens, Director, Accountability and Audit Readiness
8:45am – 9:15am	GF SBA and E&C Updates (Accomplishments, assertions status, Exam III highlights)	Mr. William Roberts, Director, GF Audit Readiness
9:15am – 10:15am	Army Corps of Engineers (USACE audit experience, lessons learned)	Mr. William Holtzman, USACE
10:15am – 10:30am	Break	N/A
10:30am – 11:00am	KPMG (Exam III results and findings)	Ms. Nancy Phillips, KPMG Partner
11:00am – 11:30am	SBA Monthly Testing Process and Way Ahead	Ms. Shandell Taylor, Audit Readiness Support
11:30am – 1:00pm	Lunch	N/A



Agenda (cont.)

Time	Topic	Tentative Speaker
1:00pm – 1:30pm	Interim Q&A Session/Discussion	All
1:30pm – 2:15pm	ARCENT (Monthly testing and audit readiness progress)	COL Dave Johnson, Chief, Audit Readiness – USARCENT
2:15pm – 2:45pm	GFEBs Update	Mr. Wesley Robinson, Director, GFEBs Functional Sustainment
2:45pm – 3:00pm	Break	N/A
3:00pm - 3:15pm	Logistics Innovation Agency (Testing results and status)	Mr. Dale Houck, Chief, Logistics Audit Readiness Cell Mr. Dave Strohecker, Strategic Logistics Program Analyst – LIA
3:15pm – 4:00pm	Training and Communications (Training updates and demo of ALMS)	Ms. Sonya Green, Audit Readiness Support
4:00pm – 4:30pm	Wrap up and Q&A	All



Overall Audit Readiness Update

Presenter:

Mr. Tom Steffens, Director, Accountability and Audit Readiness



Financial Improvement is a Top Army Priority

Priority at All Levels

Congress, DoD, and Army leadership are focused on improving business processes and achieving auditable financial statements.

A Major Department of Defense Initiative

Affirmed commitment to achieving audit readiness during his confirmation hearing in January 2013. Agreeing that audit readiness is an essential priority, he will continue “to ensure we make that deadline of 2017 on the audits.”

— Defense Secretary Chuck Hagel

Link to the SECDEF DoD Financial Accountability Message: <http://comptroller.defense.gov/FIAR/>

Implemented within the Army

“Leaders at all levels are responsible for instilling proper levels of discipline and oversight into all business processes within their command.”



— Chief of Staff General Raymond Odierno

“We will continue to review monthly testing results as we prepare for audit next year... Your leadership and attention to this work is required to ensure we are prepared and successful.”



— Vice Chief of Staff General John Campbell



Supporting Efforts for Change Management

Supporting Efforts Help the Army Address GAO's Six Challenges to DoD Auditability

- Sustaining continuous leadership
- Competent FM workforce
- Accountability and oversight
- Well-defined business architecture
- ERP Systems
- Internal Controls

▪ Sustaining continuous leadership

- SECDEF directive
- Active engagement and directive memoranda from SA, CSA, ASA(FM&C)
- Army Audit Readiness Strategy

▪ Building a competent workforce

- Command Audit Readiness Guide
- AKO Audit Readiness Site
- Audit readiness training
- Annual FIP Workshop
- *FIP Report* newsletter

▪ Well-defined architecture / ERP Systems

- OBT and PEO-EIS actively engaged
- ERP auditability assessments

▪ Accountability & Oversight

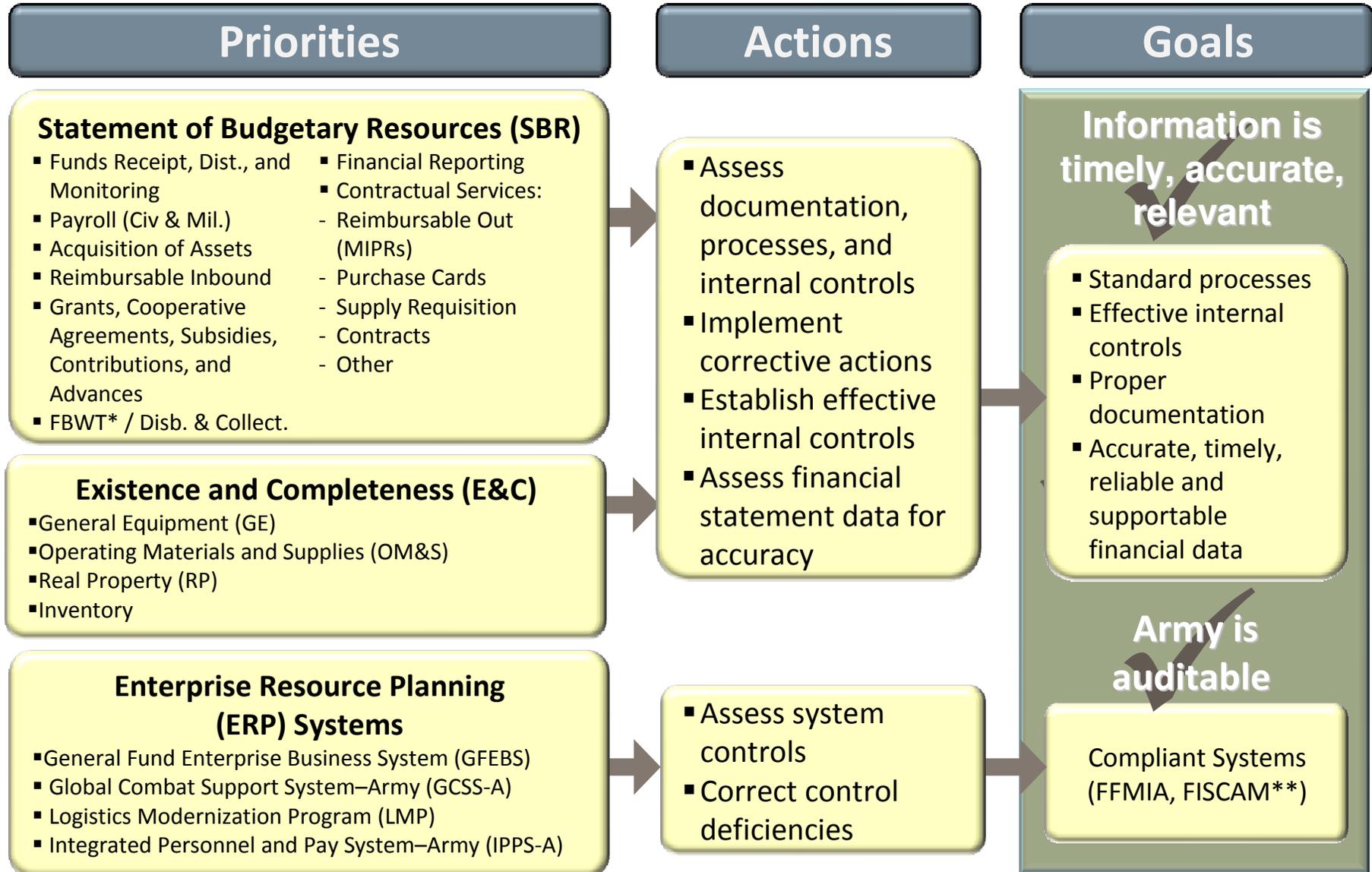
- SES performance plan requirement
- Army governance
 - In-Process Reviews (GS-14/15)
 - Audit Committee Meetings (SES/GO)
 - Internal Review Workgroup
 - Participation in OSD Governance

▪ Internal Controls

- Installation-level process and control assessments
- Corrective action implementation
- Business process and controls training
- Leveraging IR to assess controls and corrective actions
- Instilling discipline and compliance with current policies



Executing the Financial Improvement Plan (FIP)



• Fund Balance with Treasury; ** The Federal Financial Management Improvement Act and Federal Information System Controls Audit Manual



Types of Audit Opinions

Unmodified*

- ❑ Financial statements are presented fairly in accordance with the applicable financial reporting framework (e.g., U.S. GAAP), thereby providing reasonable assurance that the financial statements are free of material misstatements. (Also referred to as a “Clean Opinion”.)

Qualified

- ❑ Financial statements are presented fairly in accordance with the applicable financial reporting framework (e.g., U.S. GAAP) except for the effects of a certain matter(s) (e.g., misstatements are material but not pervasive).

Adverse

- ❑ Financial statements are not presented fairly in accordance with the applicable financial reporting framework (e.g., U.S. GAAP) because of the significance of a certain matter(s) (e.g., misstatements are both material and pervasive).

Disclaimer

- ❑ Auditor was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion because of the significance of a certain matter(s) and accordingly, the auditor cannot express an opinion on the fair presentation of the financial statements.

*The American Institute of Certified Public Accountants (AICPA) replaced the term “unqualified” with the new term “unmodified.” In addition, the AICPA collectively refers to qualified opinion, adverse opinion, and disclaimer of opinion as “types of modified opinions.” These changes are effective for audits of financial statements for periods ending on or after December 15, 2012.

GAAP: Generally Accepted Accounting Principles



The Road to 2017: Our Progress, Challenges, and Way Ahead

- **SBA Exam III Audit Report**
 - Service provider involvement
- **Enterprise Resource Planning**
 - GFEBS and review of feeder systems
 - Review of end user controls (i.e., SSAE 16)
- **Audit Etiquette**
 - Responsiveness and flexibility to audit requests
 - Knowledge sharing with Audit Readiness Directorate
 - Review of testing results and development of corrective actions
- **Command Experience**
 - ARCENT and USACE lessons learned
- **LIA Testing Approach and Highlights**
 - Interactive Audit Guide and root cause analysis
- **Available Resources**
 - Training (i.e., online and instructor-led) and AKO (e.g., Audit Support Handbook)
 - IR Community

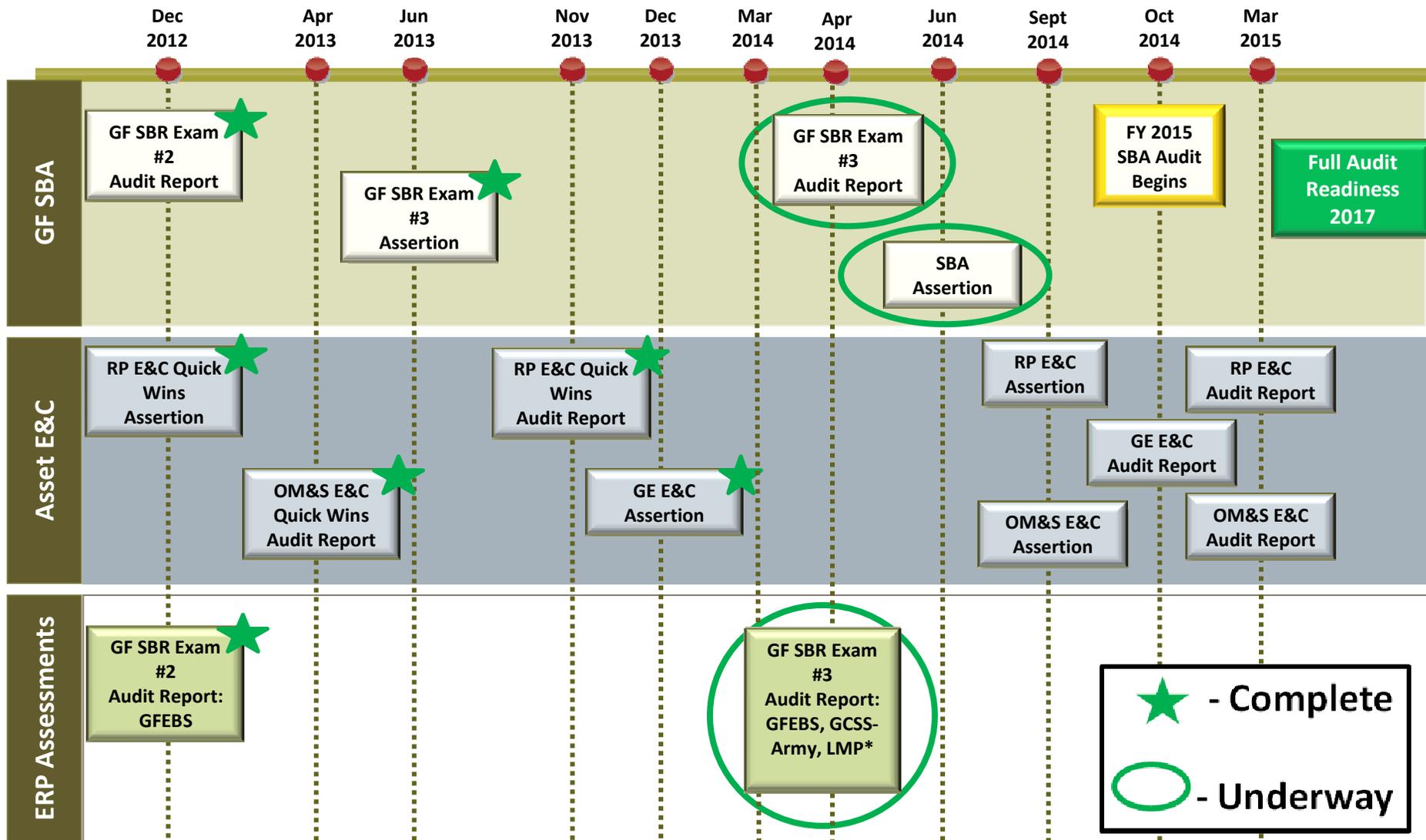


GF SBA and E&C Updates

Presenter: Mr. William Roberts, Director, GF Audit Readiness



Army Audit Readiness Timeline



GF SBR: General Fund Statement of Budgetary Resources SBA: Schedule of Budgetary Activity E&C: Existence & Completeness
 ERP: Enterprise Resource Planning OM&S: Operating Materials & Supplies RP: Real Property GE: General Equipment
 "Assertion" means Army is ready to be audited *Limited to LMP-PADDS-GFEBs interface controls only



SBA Progress

The SBA provides information on how budgetary resources were made available and how they were executed.

Completed:

- Received unqualified audit opinion on Appropriations Received in August 2011.
- Received qualified audit opinion on GFEBs Wave 1 installations in November 2011.
- Rolled out SBA realignment of processes and controls in February 2013.
- Revised and published realigned training & process documentation, and SBA Control Catalog on AKO.
- Asserted audit readiness for GFEBs Wave 1 & 2 fund centers on 30 June 2012.
- Substantive testing resumed in February 2014.
- Completed discovery and realignment of assessable units/processes and Military Pay.
- Received audit report in April 2014 for validation of SBA Exam 3 assertion (submitted in June 2013).

SBA sections:

- Budgetary Resources Received
- Status of Budgetary Resources
- Change in Obligated Balance
- Outlays

Processes:

- General
- Contractual Services/ Acquisition of Assets
- Civilian Payroll
- Reimbursable Inbound Transactions
- Grants, Cooperative Agreements, Subsidies, Contributions and Advances
- Military Payroll
- Other



SBA Progress (cont.)

Underway:

- Developing and implementing corrective actions to address findings from SBA Exam 3 report in preparation for audit, scheduled to begin October 1, 2014.
- Conducting centralized monthly internal control and substantive testing for all Army GFEBS fund centers and Military Payroll.
- Began Army-wide testing of the Grants, Cooperative Agreements, Subsidies, Contributions, and Advances business process.
- Developing comprehensive reconciliation solutions to ensure feeder systems data reconciles to the general ledger.
- Continue analyzing GFEBS data to refine population identification and sample selection.



Existence & Completeness (E&C) Progress

E&C verifies existence (book to floor) and completeness (floor to book) of mission critical assets.

Completed:

- Achieved positive audit opinion from DoD IG in April 2013 on Army's OM&S "Quick Wins" assets, including the Javelin, Hellfire, and TOW assets.
- Received a clean audit opinion from an IPA on the E&C assertion over Real Property "Quick Wins" in November 2013.
- Asserted to the E&C of GF General Equipment in December 2013.

Current asset categories:

- General Equipment (GE)
- Inventory
- Operating Materials and Supplies (OM&S)
- Real Property (RP)

Underway:

- Preparing to assert audit readiness of the E&C of Real Property and OM&S in September 2014.
- Support DoD OIG examination in validating the GE E&C assertion (December 2013), upon official notice to proceed. Report expected in 1st Quarter, FY 2015.
- Performing internal controls and substantive testing on a monthly basis.
- Developing and implementing corrective actions to address findings from monthly testing.



Existence & Completeness (E&C) Progress (cont.)

Underway:

- Identifying and correcting inconsistencies in document retention controls.
- Enforcing and implementing effective quality control review programs such as the Command Supply Discipline Program (CSDP).
- Refining the financial reporting process to use accountable property system of record (APSR) (GFEBs for RP; PBUSE for GE; LMP and SAAS MOD for OM&S) data on financial statements.
- Regular tracking and communication of metrics with ACSIM detailing status of Command progress in implementing corrective action plans.



Link Between Audit Readiness and an Audit

	Audit Readiness	Audit
Discovery	Narratives and Flowcharts	
Risk Analysis	Inherent and Control Risk	Audit Risk = Inherent Risk, Control Risk, and Detection Risk
Testing*	Tests of Design (TOD), Tests of Operating Effectiveness (TOE), and Substantive Procedures	
Evidence	To Prepare an Assertion Package	To Support the Auditor's Opinion
Final Products	Assertion Package and Corrective Actions	Audit Report (Opinion) and Management Letter

* Limited substantive testing procedures are typically performed during audit readiness.



Comparing Internal Controls and Substantive Testing

Internal controls testing and substantive testing have different objectives.

Internal Control Testing (Enables prevention/detection of possible misstatements)	Substantive Testing (Identifies actual misstatement)
Determine if goals and objectives are being achieved in a process.	Determine accuracy of financial statement line item balances.
Determine if risks are being mitigated effectively.	Determine if documentation exists to support transactions recorded in general ledger accounts.
Determine if significant errors and/or misstatements are being prevented or detected.	Determine if infrastructure exists to support an audit.



Achieving and Sustaining Audit Readiness

- **Conduct periodic (e.g., monthly) testing of key internal controls**
- **Examine test results: *Are key controls in place and operating as designed?***
- **Report results through proper chains of command**
- **Develop, implement, and monitor corrective action plans**
- **Conduct follow-up testing to verify remediation of controls**
- **Address findings and recommendations from IPA / DoD OIG examinations and audits**
- **Engage support of Internal Review Offices**

Bottom Line: The approach for achieving audit readiness is essentially the same for sustaining an auditable environment.



Army Corps of Engineers

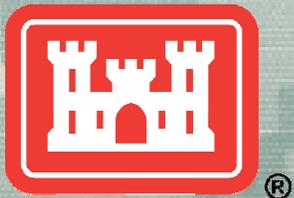
Experience and Lessons Learned

Presenter: Mr. William Holtzman, USACE

FY14 Army In Process Review

1 May 2014

William L. Holtzman
Finance & Accounting Policy
Directorate of Resource Management
US Army Corps of Engineers



US Army Corps of Engineers
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Agenda

- USACE Structure Overview
- USACE Audit History
- Results of FY13 CW Financial Statement Audit
- Review of Significant Deficiencies
- OMB A-123 Appendix A Program
- FY14 Civil Works Audit Plan
- FY14 Military Readiness Actions
- Questions



Support to the Army and the Nation

USACE Mission Areas

Global War on Terror (GWOT)

Military Programs

- MILCON for Modular Force Global Positioning
- BRAC 05
- Field Force Engineering
- MILCON Transformation
- Environmental restoration



Real Estate



- DOD Recruiting facilities
- Contingency operations
- Acquire, manage and dispose

Homeland Security



- Critical Infrastructure
- Anti Terrorism Plans
- Intelligence
- Facility Security Partnership

Interagency Support

- Federal
- State
- Local
- International



Research & Development

- Warfighter
- Installations
- Environment
- Water Resources



Civil Works



- Navigation, Hydropower
- Flood control, Shore Protection
- Water Supply, Regulatory
- Recreation, Disaster response
- Environmental Restoration

USACE Contributions to the Economy and the Environment

Recreation areas
368 M Visitors/yr
Generate \$15B in economic activity,
500,000 jobs



1/4 of Nation's Hydropower:
\$500M + in power sales

12,000 miles of Commercial Inland Waterways:
1/2 the cost of rail
1/10 the cost of trucks

926 Shallow & Deep Draft Harbors



#1 Federal Provider Of Outdoor Recreation
54,730 Miles Of Shoreline at USACE Lakes



8,500 Miles of Levees



Stewardship of 11.7 Million Acres Public Lands



137 Major Environmental Restoration Projects



US Ports & Waterways Convey > 2B Tons Commerce

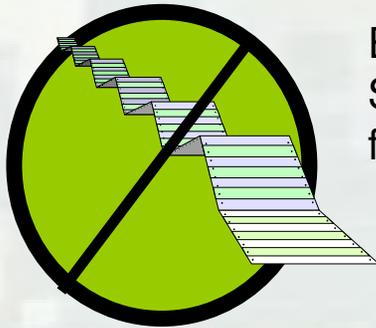
Corps Maintained Ports Provide Strategic Deployment Capability

Foreign Trade Through Harbors Creates > \$850M Tax Revenues

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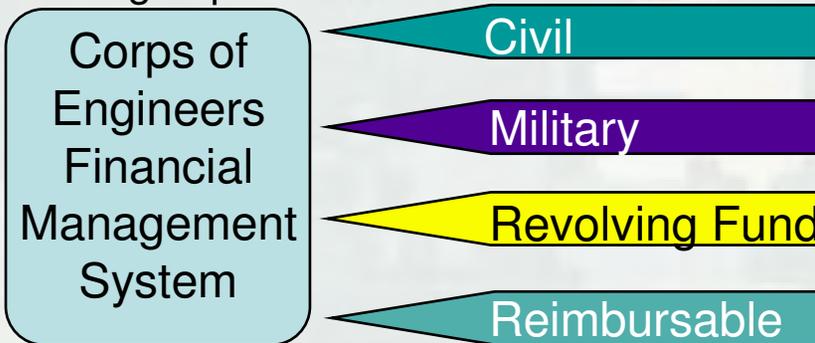
Corps Financial Management

CEFMS



Electronic Signatures for less paper & better internal control.

Compliance with Statutory and Regulatory requirements and the elimination of separate accounting departments



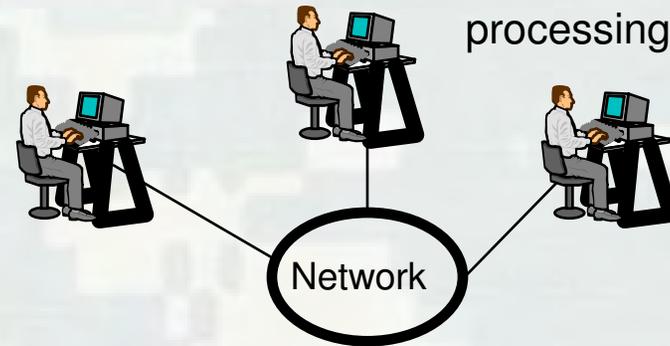
Source data entry



Real time management and funds control



Multi-level processing



CEFMS DATABASE



USACE Audit History

- **FY93 to FY96** – AAA issued disclaimers for all statements.
- **FY97 to FY00** – AAA issued disclaimers for all statements.
 - **FY97** – AAA issued unqualified opinion on pilot test of Southwest Division statements.
- **FY01 to FY05** – DoDIG took over audit responsibility and issued disclaimers.
 - Issued numerous reports citing problems in CIP, Building and Structures, Equipment, Depreciation, Accounts Receivables and Payables, FBWT, Compilation and Systems Security.



USACE Audit History

- **FY06 – FY07** – DODIG issues a Qualified Audit Opinion
 - ▶ Qualifier was PP&E
- **FY08 – FY10** DODIG issues Unqualified Opinion
- **FY11 – FY13** – KPMG issues Unqualified Opinion



Key Milestones to Opinion

- DoDIG/USACE Memorandum of Agreement (MOA) on support for older assets
- CFO “Get Well Plan”
- AAA validation review of Balance Sheet and “Other Statements”



DoDIG/USACE PP&E MOA

Purpose: Develop alternative methods to support the acquisition and capitalized improvements for real and personal property

- Signed June 9, 2004 by DoDIG and USACE in coordination with GAO
- Allowed for use of other internal documentation to support values of older assets (i.e., engineer estimates and legacy system conversion spreadsheets)
- FASAB 35 *“Estimating the Historical Cost of General Property, Plant and Equipment”*
- Our method published in implementation guide to FASAB 35 (Agency C)
- Validated by KPMG before they signed the opinion



FY2005 “CFO Get Well Plan”

- Identify Regional CFO lead for CFO Compliance
- Train Regional PDT leaders
- Regional CFO Leaders form Regional PDTs to ensure all districts complete corrective actions NLT 31 Jul 05
- Regional PDT’s validate corrective actions are fully complete
- MSC/Center Commanders assert MSC readiness to CG NLT 30 Sep 05
- AAA/HQUSACE validation reviews at selected Districts



AAA Validations of Statements

Non-Balance Sheet (Completed October 2004)

- Performed by AAA
- Review of all business cycles (Purchase, Billing, Budget, and Payroll)

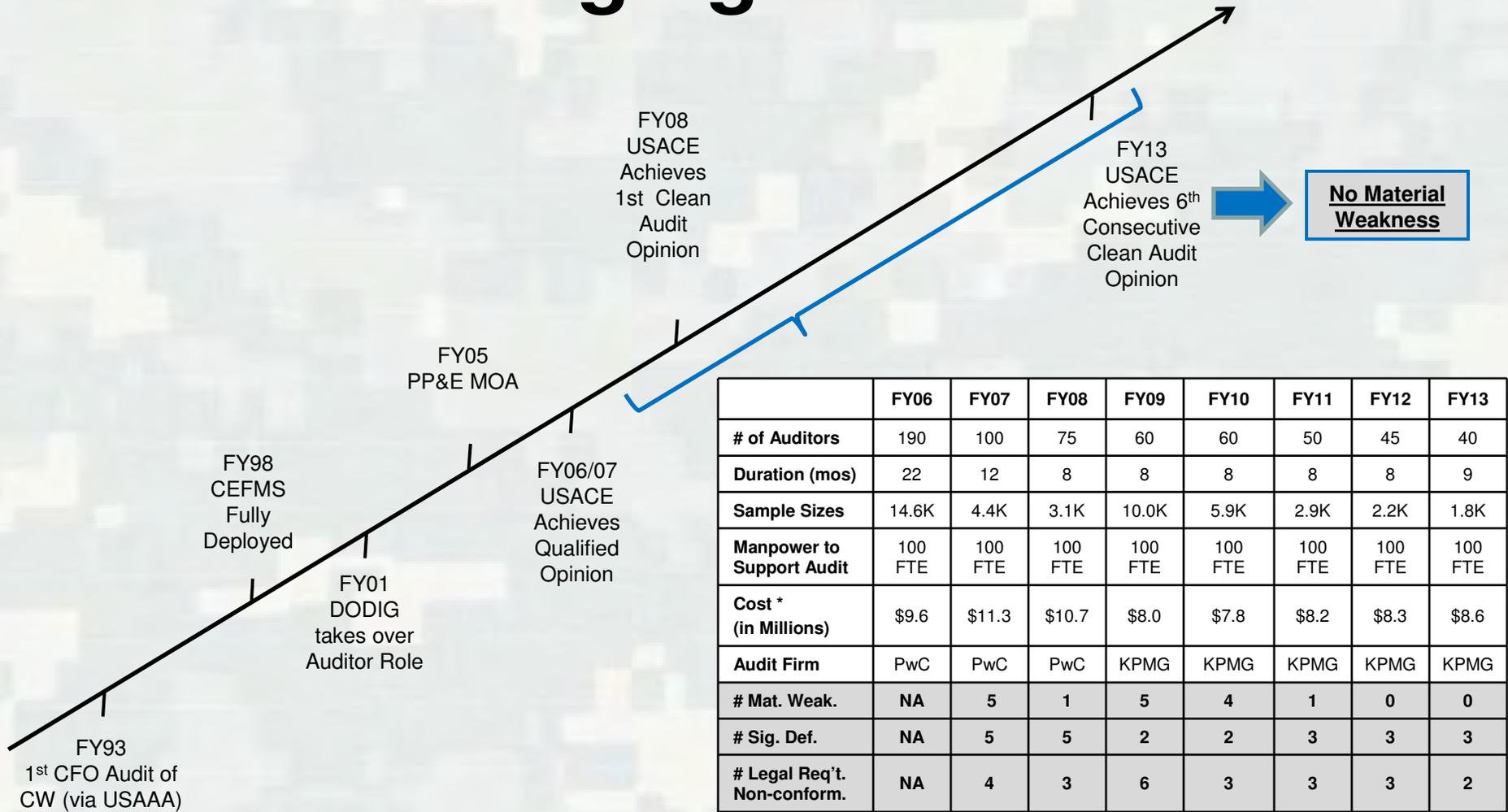
Balance Sheet (Completed November 2005)

- Performed by AAA
- Review of CFO Balance Sheet corrective actions

Both conclusions supported assertion of audit readiness



Managing the Audit



* All costs are only contract cost for PwC or KMPG. Does not include in-house labor to support audit and remediation.

6 Consecutive Clean Audit Opinions



Meeting the Accelerated Timeline

Milestone/Action	Responsible Party	Date
USACE provides all 30 Sept universes	USACE	3-Oct-2014
KPMG provides last round of samples	KPMG	8-Oct-2014
USACE provides all sample documentation	USACE	17-Oct-2014
FINAL "Online" USACE FS & notes (OSD)	USACE	20-Oct-2014
KPMG will submit all audit adjustments	KPMG	29-Oct-2014
UFC issues FINAL "Offline" FS to KPMG / IG	USACE	9-Nov-2014
KPMG/DoD OIG issues Audit Report	DoD OIG	15-Nov-2014



FY2013 Financial Statement Audit

- Received our 6th consecutive unqualified opinion on the financial statements on 15 November 2013
- No Material Weaknesses identified
- Three Significant Deficiencies
 - ▶ Financial Management Systems
 - ▶ Financial Reporting and Oversight
 - ▶ Property, Plant and Equipment



Report on Internal Control Weaknesses

Quantitative/Qualitative Magnitude of Actual or Potential Misstatement	Likelihood of Misstatement	
	Remote (“Slight”)	Reasonably Possible (“More than Remote”)
< Inconsequential (“Clearly immaterial”)	Control Deficiency	Control Deficiency
> Inconsequential; < Material	Control Deficiency	Significant Deficiency
> Material	Control Deficiency	Material Weakness



Significant Deficiencies

- General Property, Plant and Equipment
- Financial Reporting and Oversight
- Financial Management Systems



Property, Plant and Equipment

- Lack of controls over construction assets
 - ▶ Assets not transferred timely
 - ▶ CIP Quarterly Reviews not effective
- Lack of timely and complete review of Asset Reconciliation Reports



Financial Reporting and Oversight

- Internal control deficiencies related to undelivered orders and our tri-annual review
- Journal Voucher, preparation, review and approval
- Funding of the Washington Aqueduct (96X6094)
- Operating Materials and Supplies
- Defense Reutilization and Marketing Office
- Environmental Liability Estimates
- Review of Lease Agreements



Financial Management Systems

- Combination of ACE-IT, CECI and UFC
- Weaknesses in policy & procedures for security & configuration management & access controls
- KPMG has identified critical issues
- KPMG stated they may upgrade to a material weakness next year if no improvement is found



OMB A-123 Appendix A Program

- Review, analyze, process narratives (Cycle Memorandums) with SME's
 - ▶ SME's are from District selected for planning visit
- Examine the controls for risk of failure, risk of no controls in areas of focus
- Conduct testing of individual test plans
- Develop conclusion memorandum based on results
- DRM issues statement of assurance



OMB A-123 Test Plans

- Will correct the Significant Deficiencies
- Four Test Plans are USACE-wide
 - ▶ Property, Plant and Equipment
 - ▶ Cost Share
 - ▶ Payroll
 - ▶ Accounts Payable / Accrual
- Six Test Plans are HQ or UFC specific
- OMB A-123 Test Plans used to find control deficiencies ahead of auditors



Other OMB A-123 Appendix A Test Plans

- Legal Liabilities
- Environmental Liabilities
- Investments
- Financial Reporting
- Apportionments
- Federal Employee Compensation Act



Development of Test Plans

- Test Plans results plus Notice of Findings and Recommendations (NFR)
 - ▶ Determine what steps are necessary to cure the significant or control deficiencies
 - Automated (CEFMS) or manual control improvements
 - Policy changes
 - No action required
- Review, modify or develop test plans
 - ▶ Partnered with IR on testing



RM02 – OMB Appendix A-123 Assessments

Current Rating 
 EOY Rating 

	LRD	MVD	NAD	NWD	POD	SAD	SPD	SWD	HNC	ERDC	UFC	TAD	NCR
1 - Property, Plant & Equipment	G	G	G	G	G	G	G	G	G	G	G	G	G
2 - Cost Share	G	G	G	G	G	G	A	A					
3 - Payroll	G	G	G	G	G	G	A	A	G	G	G	A	G
4 - Accounts Payable	G	G	A	G	G	A	G	G	A	A	G	G	G

Rating Criteria:

-  All actions completed and validated
-  Some actions to be completed per validation
-  Incomplete, actions required
-  N/A



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Executive Senior Assessment Team (ESAT) Purpose

- Chaired by the Deputy Commanding General
- Membership includes all Senior Leaders within HQ
- Leadership and direction over Financial Audits and associated internal controls
- Leverage audit work to realize sustainable improvements
- Increase USACE emphasis on Risk Assessment and Quality Assurance



FY14 Audit Plan

- Planning (Completed)
 - ▶ KPMG and HQUSACE site visit
 - District for Non-PPE Processes – Savannah District
 - District for PPE Processes – Walla Walla District
 - USACE Finance Center – Millington, TN
- Testing
 - ▶ Phase One 1 Oct – 31 Mar (On-going)
 - ▶ Phase Two 1 Apr – 30 Jun
 - ▶ Phase Three 1 Jul – 30 Sep
- Reporting
 - ▶ Finalize testing & record auditor adjustments (31 Oct)
 - ▶ Finalize FY14 CW Statements and Footnotes (9 Nov)
 - ▶ KPMG submits signed Audit Report to DoDIG (11 Nov)
 - ▶ DFAS transmits Audit Report to OMB (15 Nov)



Military Audit Readiness

- Validation of Military CIP Balance
- Each District must review their current CIP balance to validate only active construction projects exists
- Current Balance

31-Oct-2013	\$24,314,216,086.95
31-Mar-2014	<u>\$22,140,534,154.76</u>
Difference	2,173,681,932.19



Military Audit Readiness

- FY14 Test Plan 5 Military CIP (signed out by MG Semonite, DCG)
 - ▶ 5A Review of Classification of New Work Items (CIP vs. EXP)
 - ▶ 5B CIP Quarterly Reviews
 - ▶ 5C Supporting Documentation (FY15 Test)
- Modification to FY14 Accounts Payable Test Plan
 - ▶ Review of UDO's over 1,000 Days Old



Military Audit Readiness

- Review current DD1354 to RPUID valuation process
 - ▶ Confirm methodology to break out CIP cost to multiple DoD RPUIDs
 - ▶ Maintain supporting documentation
- Plan for Review
 - ▶ Meeting with field construction representatives from USACE (completed April 14)
 - ▶ Meeting with District Project Managers (up-coming)
 - ▶ Meeting with Army Real Property Officers and Department of Public Works personnel (up-coming)



Compliance is Not an Option

CFO Compliance Needs You!



Accountants Can't Do It Alone !



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Questions ?





Break

10:15 a.m. – 10:30 a.m.



KPMG

Exam III Results and Findings

Presenter: Ms. Nancy Phillips, KPMG Partner



cutting through complexity

U.S. Department of the Army GFEBS Wave 3 Examination

May 1, 2014

Agenda

- Objective & Scope
- Results
- Suggestions for Future
- Examination History

Objective & Scope

- Perform audit readiness examination of management's assertion
 - Management asserts that the Schedule of Budgetary Resources Activity for the period of October 1, 2012 through September 30, 2013 is audit ready as defined by the GFEBS Waves 1-8b having control activities and supporting documentation in accordance with DoD FIAR criteria
- Scope (Appendix A)
 - 5 SBA line item balances
 - 8 business processes
 - 3 ERP systems
 - 13 Army-owned feeder systems
 - Army-wide
 - Covered all Army locations
 - Visited 22 locations

Objective & Scope (continued)

- Excluded from the examination:
 - Beginning balances
 - STANFINS (except MILPAY transactions) and SOMARDS
 - Transactions related to grants and interest
 - Transactions originated in GCSS-A
 - Non-Army-owned feeder systems
 - Entity-Level controls

Results

The design and operating effectiveness of the control activities and the sufficiency and availability of key documentation are not in conformity with the DoD FIAR audit readiness criteria

Material Weakness	Significant Deficiency	Deficiency
<ul style="list-style-type: none">• Data Population Challenges• Supporting Documentation• Internal Control Gaps / Design Deficiencies• Financial Reporting• GFEBS• Army Feeder Systems	<ul style="list-style-type: none">• GFEBS	<ul style="list-style-type: none">• GFEBS• GCSS-A• LMP

Results (continued) - Observations

Given more time, appropriate supporting documentation can be provided

Deficiencies can be corrected in short period of time

Going through an audit (which is different from an examination that follows the FIAR guidance) will allow more flexibility in procedures and provides the client better insight in what may need to yet be addressed

Results (continued) – Successes

Improved results from prior examination

Reduced number of key internal control gaps at the process-level

Increased number of key manual and general IT and application controls properly designed for repeat processes and GFEBs

Expanded scope for increased exposure and feedback

Budgetary balances, new processes/systems and all Army locations exposed to auditability procedures and assessment

Additional site visit locations and samples selected across the Army provided new feedback into consistency of control implementation

Initial feedback into the state of additional ERP and feeder systems control environments

Results (continued) – Successes

Resources and Tools

Dedicated experienced resources that resolved challenges

Better preparation and coordination by the field for site visit walkthroughs

Improved communication and coordination with service provider

Data repository tool continued to be effective with nearly triple the number of samples from the prior examination

Results (continued) – Material Weaknesses

Data Population Challenges

- Certain populations were not fully reconciled to the general ledger, incomplete or did not include key data fields

Supporting Documentation

- Documentation was not consistently provided by the agreed-upon due dates, not always readily available to review, did not always agree to the recorded amount or was insufficient or inappropriate evidence

Internal Control Gaps and Design Deficiencies

- Internal control gaps exist
- Internal controls not properly designed or operating consistently across the Army

Suggestions for the Future

- Address deficiencies that are correctable with current resources and mitigate risk for those that may require more resources
- Start examinations/audits in the first quarter of the period being tested
 - Spreads the exam/audit requests and Army/DFAS resource support over the period
 - Provides more time to coordinate site visits and obtain documentation
- Improve population generation and reconciliation processes
 - Reconcile populations on a routine basis
 - Review populations to understand the transactions and system data fields
 - Analyze populations to identify offsetting, unusual, and incorrect transactions
 - Evaluate system capabilities to produce non-general ledger listings (e.g., personnel actions, user accounts, system production changes)

Suggestions for the Future

- Train field sites and service providers on role/expectations regarding audit involvement and supporting documentation requirements
- Enhance PBC management infrastructure
 - Increase dedicated resources to review
 - Designate an audit liaison at each feeder system location similar to ERP PMOs and field locations
- Expand Army subject matter experts (SMEs) for each process and system
- Work closely with key service providers that have an integral role in Army's processes
 - Understand the time period and controls covered by SSAE 16 report
 - Identify and establish the user entity controls Army should have in place
 - Establish continual communication protocols

Appendix A – Examination History

	Wave 1 (2011)	Waves 1 and 2 (2012)	Wave 3 (2013)
Assertion	Business processes and manual internal controls	Business processes and manual and IT internal controls	Significant SBA line items and manual and IT internal controls
Scope Period	3 months	3 months	12 months
Processes	6	10	8
Systems	0	1	16
Locations	3 (6 commands)	16 (19 commands)	All
Site Visits	3	16	22
PBC Requests	24	360	1,037
Samples	360	1,496	4,001



SBA Monthly Testing Process and Way Ahead

Presenter: Ms. Shandell Taylor, Audit Readiness Support



Phase I: Data Retrieval to PBC List Creation

1. SBR Team sends data request to GFEBs PMO

2. GFEBs PMO runs data on first weekend after period close
~ 10th of the month

3. OASA(FM&C) submits ticket request to Army Analytic Group (AAG)
~ 1 week turn-around

4. SBR Team receives data from AAG and performs summarized trial balance reconciliation
~ 1-3 business days¹

5. Populations are ready for sampling

6. SBR Team defines sampling parameters for testing period²

7. GFEBs transactional data is driven by USSGL and includes random and judgmental sample selection criteria

8. Non-GFEBs samples are selected for certain SBR controls

9. PBC List is comprised of GFEBs and non-GFEBs samples for the test period

Judgmental Samples include:

- Transactions from the first 10 days of month (properly recorded/cut-off)
- Large dollar values (threshold)
- Round dollar values (estimates)



Phase II: Testing

1. Testing Kick-Off Call

2. PBC List distributed to Commands - 5 days to respond

Documentation Objective: To provide sufficient documentation that demonstrates that an authorized individual reviews the purchase request (e.g., purchase requisition, GFEBS PR, outbound MIPR, memo of agreement, commitment document) to validate that sufficient funding is available within the appropriate LOA (e.g., appropriation, fiscal year, commitment item) for the purchase. The purchase request needs to be signed and dated by an authorized individual. Documentation should include a valid delegation of authority for the period referenced in the sample.

[12.01](#)

Example of Documentation Requested:

1. Purchase Requisition with evidence of funds certification approval (e.g., GFEBS Purchase Requisition (must include screenshot that shows L4 certification and screenshot of the L4 approver's name/EDIPI) **(Required Documentation)**)
2. Delegation of authority for purchase requisition approver/certifier **(Required Documentation)**
3. Outbound MIPR
4. Memo of Agreement

Documentation Objective: To provide documentation that demonstrates that an authorized individual with delegated authority reviews the purchase order (e.g., contracts, outbound acceptance MIPR, obligating document, travel order/voucher) to verify that it includes the date, amount, and uses the appropriate LOA (e.g., appropriation, fiscal year) prior to approving the obligation. The obligation needs to be signed and dated by an authorized individual. Documentation should include a valid delegation of authority for the period referenced in the sample.

[12.02](#)

Example of Documentation Requested:

1. Obligating Document with evidence of approval (e.g. Contracts, outbound MIPR, Travel order/voucher) **(Required Documentation)**
2. Delegation of authority (DD 577 or equivalent) for obligation approver **(Required Documentation)**
3. Federal Transaction Register Screenshot showing postings for budgetary accounts **(Required Documentation)**

Documentation Objective: To provide documentation that demonstrates that an authorized individual performed a review of the delivered

Documents to Provide PBC1 PBC2 PBC3 BUC-E PBC4 CHRA PBC5 Approp. Sponsors

Sample	Command	Fund Center	Control #	Ref Document	Document	Func Area	fund	Commitment It	Value in local curren	Posting Da	Entry Da
21	AMC	A60FM	12.02	5029226180	1336509337	622624H18RK17	204020A14	21T0	-1748.06	20140124	20140124
22	AMC	A60JK	12.02	5029184913	1336046935	423005ASLT	202010A14	21T0	-10566.82	20140123	20140123
83	ARCENT	A8AAG	12.01	4506595807	1330575372	4W2B00VFRE	201010D13	2580	159750.00	20140103	20140103
84	ARCENT	A8AAC	12.02	5026879455	1331531921	135197VFRE	202011D14	260B	-46.08	20140110	20140110
85	ARCENT	A8AAC	12.02	5001012049	1333148905	135197VFRE	202011D13	21S0	-1522.92	20140113	20140113
86	ARCENT	A8AAC	12.02	5028808485	1331129538	135197VFRE	202011D14	262U	-196.24	20140109	20140109
87	ARCENT	A8ACC	12.02	5029256462	1336847568	ABS001B	8242SRXTXX	21T0	-1646.00	20140126	20140126
171	ARNG	A18C1	12.01	4507060715	1336952706	131G50QOIM	206510D14	310D	7846.65	20140127	20140127
172	ARNG	A18EA	12.01	4507042999	1335728594	131G18VFRE	206511D14	252G	621.00	20140122	20140122
173	ARNG	A18IX	12.01	2100404459	1333048352	1B3702PRID	206010D14	26RB	368.00	20140112	20140112



Phase II: Testing (cont.)

3. Commands submit key supporting documentation per PBC request to AADR

4. OASA(FM&C) reviews documentation provided ~ 2 weeks

Office of the Assistant Secretary of the Army (Financial Management & Comptroller)
 Accountability & Audit Readiness Directorate
 Statement of Budgetary Resources
 Work paper SBR-11.11

Legend:
 ✓ Tested without exception.
 X Exception noted.
 N/A Not applicable.
 N/A-1 Attribute cannot be tested because the documentation provided could not be confirmed for the sample GFEBs data selected.

11.11.1 No response provided by Fund Center.
11.11.2 Unable to confirm supporting documents to the sample GFEBs data selected.
11.11.3 Supporting documentation was provided after the suspense date.
11.11.4 The report provided was not signed and/or dated evidencing review.
11.11.5 Appointment) was not provided.
11.11.6 USSGL is not appropriate for the sample transaction.
11.11.7 Control was not yet in place as of the date tested
11.11.8 Location does not perform control on a daily basis
11.11.9 Unable to confirm the report parameters used to generate the SOF report
11.11.10 Unable to confirm the sample to the Fund Center specified in the GFEBs data.

Date: 3/21/2014
Preparer:
Control Number: 11.11
Testing Period: 1/1/2014 - 1/31/2014
Control Frequency: Daily
Sample Size: 30
Acceptable Number of Deviations: 3
Attributes: A) Confirm SOF report is reflective of the period and fund center.
 B) Confirm there is evidence of review, including a signature and date on the SOF report.
 C) Inspect the SOF and verify that obligations and/or expenditures/expenses and/or disbursements are not in excess of allotted authority/appropriations (allotments). If the total is in excess of allotted authority/appropriations, determine if actions were taken to resolve any discrepancies prior to the following month end close.

Sample #	COMMAND	FUND CENTER	Internal Control Testing			Sample Pass? (Yes = Y / No = N)	Reason(s) for Sample Failure	Work paper #
			A	B	C			
1	AMC	A605H	✓	✓	✓	Y		SBR MAR 2004 001
4	AMC	A60X8	✓	✓	✓	Y		SBR MAR 2004 004
136	ARNG	A18GL	✓	✓	✓	Y		SBR MAR 2004 136
137	ARNG	A18LN	X	X	X	N	11.11.7	SBR MAR 2004 137
138	ARNG	A18LV	✓	✓	✓	Y		SBR MAR 2004 138
139	ARNG	A18QB	X	X	X	N	11.11.1	
140	ARNG	A18RN	✓	✓	✓	Y		SBR MAR 2004 140

SBR 11.11 PBC List- For Reference Only Control Catalog

- Team downloads all documentation uploaded to AADR after PBC cut-off
- Documentation is staged in preparation for testing
- SBR Testing Team tests staged documentation against test attributes: exceptions are noted
- SBR Testing Team follows-up with sites if additional information/documentation is needed
- SBR Testing Leads conduct 100% review of all attribute sheets
- Draft results are compiled for Command distribution



SBR Testing Coversheet & Sample Markup Example

SBR MAR 2014 001

OASA (FM&C) SBR Monthly Testing Coversheet Control 11.11

Sample # 1

Directions: For each sample item:

1. Provide the following supporting documentation requested below, as it relates to each sample.
2. Place a checkmark in the box to confirm the requested documentation is included in this submission.
3. Please be sure to number all documents provided as indicated below (G1, G2, etc).
4. If the requested document is not available, kindly attach a memo explaining the reason why.
5. Any Personally Identifiable Information (PII) must be redacted prior to submitting to us; otherwise we cannot accept the document.

11.11 SOF Review

- G1 Status of Funds Report with evidence of review
- G2 Deactivated Fund Centers – GFEBs Status of Funds for Fiscal Year 2014 that illustrates a no fund status
- G3 Deactivated Fund Centers - GFEBs Status of Funds report for activity within prior year funds
- G4 Evidence of the resolution and/or status of resolution for differences noted
- G5 Provide evidence of 1 example of error resolution such as GFEBs screenshot, email traffic, corrected report, screenshots of amounts in source system to show correction etc.

If you need to provide explanation of any supporting documents, please attach in a memo or use the space below.

SOF report provided for Jan 9th, 2014. Report is run at a top level for all ASC Fund Centers. No errors for fund center A605H.

Any questions regarding knowledge of this sample and/or the checklist items provided should be directed to:

Name:

Phone #

Email:

POC Info

1/7

405TH STATUS OF FUNDS

SBR MAR 2014 001

Fund Center	LOCATION	Statd	SAG	APP	ALLOTMENT	COMMITMENTS	UNCOMMITTED OBLIGATIONS	LY FROM GFEBs	UNCOMMITTED	Open Commit.	% Committed	% Obligated	Remarks	
A605H	BRIGADE HQ	20101014	131	\$186,000.00	\$186,000.00	\$73,814.78	\$77,224.78	\$114,095.22	\$0.00	\$0.00	39.32%	39.32%		
A605H	TRNG BN	20101014	212	\$903,000.00	\$903,000.00	\$799,383.42	\$799,383.42	\$133,608.58	\$0.00	\$0.00	85.30%	85.30%		
A605H	CAF	20101014	212	\$2,343,700.00	\$2,343,700.00	\$81,094.35	\$81,094.35	\$477,529.57	\$0.00	\$0.00	36.31%	35.93%		
A605H	BRIGADE HQ	20101014	423	\$400,400.00	\$400,400.00	\$157,595.46	\$157,595.46	\$242,804.54	\$19,644.76	\$0.00	39.36%	34.65%		
A605H	RONELUX	20101014	131	\$411,200.00	\$411,200.00	\$410,939.06	\$410,939.06	\$410,732.19	\$263.94	\$263.94	99.99%	99.89%		
A605H	AMSBACH	20101014	131	\$1,462,800.00	\$1,462,800.00	\$1,451,239.03	\$1,451,239.03	\$1,451,239.03	\$11,579.90	\$0.00	99.29%	99.29%		
A605H	KASSINLAUTBUN	20101014	131	\$3,050,814.40	\$3,050,814.40	\$1,044,673.85	\$1,044,673.85	\$2,501,821.23	\$6,140.55	\$542,852.64	69.79%	62.05%		
A605H	OSAP ERWORTH	20101014	131	\$2,038,977.80	\$2,038,977.80	\$1,987,302.70	\$1,987,302.70	\$1,977,404.00	\$31,775.10	\$9,738.70	97.46%	96.36%		
A605H	STUTTGART	20101014	131	\$1,080,000.00	\$1,080,000.00	\$995,566.47	\$995,566.47	\$179,403.61	\$0.00	\$0.00	83.84%	83.84%		
A605H	WINDMILL	20101014	131	\$1,008,649.80	\$1,008,649.80	\$752,578.06	\$752,578.06	\$256,073.74	\$0.00	\$0.00	75.61%	74.61%		
A605H	VIRGINIA	20101014	131	\$779,500.00	\$779,500.00	\$758,750.42	\$758,750.42	\$20,749.58	\$0.00	\$0.00	97.33%	97.33%		
A605H	ASAP TRNG	20101014	131	\$2,351,477.80	\$2,351,477.80	\$2,277,819.82	\$2,277,819.82	\$2,151,663.92	\$23,666.98	\$176,206.90	96.99%	91.50%		
A605H	TRNG BN	20101014	131	\$485,100.00	\$485,100.00	\$485,100.00	\$485,100.00	\$0.00	\$0.00	\$0.00	100.00%	100.00%		
A605H	TRNG BN	20101014	135	\$17,400.00	\$17,400.00	\$17,400.00	\$17,400.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%		
BASE TOTALS				\$16,019,510.00	\$16,019,510.00	\$13,490,553.39	\$13,490,553.39	\$12,264,320.92	\$1,227,266.41	\$1,226,232.47	84.22%	76.50%		
OCD TOTALS				\$482,500.00	\$482,500.00	\$482,500.00	\$482,500.00	\$482,500.00	\$0.00	\$0.00	100.00%	100.00%		
OVERALL 405TH TOTALS				\$16,502,010.00	\$16,502,010.00	\$13,973,053.39	\$13,973,053.39	\$12,746,820.92	\$1,227,266.41	\$1,226,232.47	\$0.00	84.88%	77.33%	

LRC EXECUTION - 1st QTR				
	January	February	March	1st QTR
Allowance Rev'd	\$2,150.0	\$0.0	\$0.0	\$2,150.0
Commitments	\$1,127.3	\$0.0	\$0.0	\$1,127.3
Obligations	\$1,127.3	\$0.0	\$0.0	\$1,127.3
% Committed	52.2%	0%	0%	52.2%
% Obligated	52.2%	0%	0%	52.2%

LRC EXECUTION - 2nd QTR				
	January	February	March	2nd QTR
Allowance Rev'd	\$2,150.0	\$0.0	\$0.0	\$2,150.0
Commitments	\$1,127.3	\$0.0	\$0.0	\$1,127.3
Obligations	\$1,127.3	\$0.0	\$0.0	\$1,127.3
% Committed	52.2%	0%	0%	52.2%
% Obligated	52.2%	0%	0%	52.2%

Date/Signature *[Signature]* 9 Jan 2014

B - Pass

The report was signed to signify review.

DOE.JOHN.555511111

SBR MAR 2014 001

Digitally signed by DOE.JOHN.555511111
DN: c=US, o=US Army, ou=USA, cn=DOE.JOHN.555511111
Date: 2014.01.09 06:25:37 -0600

11.11 B

CAC Signature

Fund	Fund Center	SAG	Current APP	Approved	Committed (APP)	Uncommitted (APP)	Uncommitted (SAG)	Uncommitted (Total)	Uncommitted (Total)	Uncommitted (Total)
20101014	A605H	KAC CASB	412	0.00	0.00	0.00	0.00	0.00	0.00	0.00
20101014	A605H	KAC CASB	LA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
20101014	A605H	KAC CASB	B	0.00	0.00	0.00	0.00	0.00	0.00	0.00
20101014	A605H	KAC CASB	LA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
20101014	A605H	KAC CASB	B	0.00	0.00	0.00	0.00	0.00	0.00	0.00
20101014	A605H	DCS BRNDRNG	412	0.00	0.00	0.00	0.00	0.00	0.00	0.00
20101014	A605H	DCS BRNDRNG	B	128,845.00	128,845.00	0.00	0.00	128,845.00	128,845.00	128,845.00
20101014	A605H	DCS STWART	412	0.00	0.00	0.00	0.00	0.00	0.00	0.00
20101014	A605H	DCS STWART	B	10,725.00	10,725.00	0.00	0.00	10,725.00	10,725.00	10,725.00
20101014	A605H	DCS HILFCOR	B	0.00	0.00	0.00	0.00	0.00	0.00	0.00
20101014	A605H	KAC CASB	113	0.00	0.00	0.00	0.00	0.00	0.00	0.00



Phase III: Results Compilation & Distribution

1. Draft results and tested samples are provided to Commands

2. Commands given 5 business days to respond to draft test results via Q&A log

Command Results Review:

- Commands are given time to review initial test results
- This time frame is the best opportunity to receive detailed feedback for the monthly test results
- Priority is given to reviewing most recent monthly test results

Fund Center	Control	Sample #	Comment or Concern	Date Submitted	OASA (FM&C) Response	Date Responded	Responded By	Follow Up Needed	Sample Result Changed?
A82JL	11.06	469	Per the response from the QA the evidence of resolution isn't clear, however we clearly state the transaction is cancelled on the evidence/status of resolution, and we provide the screen shots for GFEBs showing \$0.00 and DTS showing cancelled (both were highlighted). The analyst performed the steps correctly in DTS to cancel the trip; in turn, DTS interfaced with GFEBs and correctly shows the trip cancelled. That is clear and that meets the internal control. If there is more to it than that, please put that guidance out to the field.	31-Mar-14	I concur that the resolution provided is clear. I can trace the TANUM to the source reports as well as the reconciliation which states that the difference was caused by the trip cancellation. Documentation was provided that evidences the trip cancellation in DTS.	2-Apr-14	Natasha Anderson	No	Yes
A82JD	12.02	476	With the documentation provided, I cannot verify that Un Young Gregory is in the fact the individual that provided the L4 certification. I see that person is listed as the fund certifier on the request for the obligation but I am unable to tell that he is actually the person that executed this transaction in GFEBs. If you could provide that workflow screenshot that shows Un Young Gregory as the L4 certifier (it may only show their EDIPI number which also means that you would need to provide the EDIPI to username lookup screen) then we can provide updated results.	31-Mar-14	With the documentation provided, I cannot verify that Un Young Gregory is in the fact the individual that provided the L4 certification. I see that person is listed as the fund certifier on the request for the obligation but I am unable to tell that he is actually the person that executed this transaction in GFEBs. If you could provide that workflow screenshot that shows Un Young Gregory as the L4 certifier (it may only show their EDIPI number which also means that you would need to provide the EDIPI to username lookup screen) then we can provide updated results.	2-Apr-14	Natasha Anderson	No	Yes
A24PY	11.06	402	Don't agree with reason failure. The original DTS and original GFEBs reports were provided along with the recon with associated differences and evidence of the differences being worked. What else in GFEBs were you expecting?	3/28/2014	The original reports were provided; however, they were not provided in their entirety. We were unable to confirm information from the source system to the information entered on the recon. I was able to confirm a few from the GFEBs report to the recon but not from the DTS report to the recon. In the future, please provide the reports in their entirety. The reports are large and we suggest providing them the original Excel file in addition to the pdf first and last pages that you provided.	4-Apr-14	Natasha Anderson	No	No
A24PX	12.02	413	What is reason code 12.02.15? I wasn't able to find it in the legend. Please evaluate this sample again.	3/28/2014	The approval was completed on 1/30 which is the same date that the authorization posted in GFEBs. This sample will be marked as a pass.	4-Apr-14	Natasha Anderson	No	Yes



Phase III: Results Compilation & Distribution (cont.)

3. OASA(FM&C) finalizes results
~ 5 business days

4. OASA(FM&C) issues final results to Commands

Results are Finalized:

- Command responses are considered
- Final results undergo additional review

Department of Defense Department of the Army SBR March Testing Results GFEBs TI-21 and TI-37 Funds For the Period Ended January 31, 2014 (Period 004)							
Command/Organization	Fund Center	Business Process	Control Name Final	Sample #	Internal Controls Pass/Fail/N	Internal Controls Reason(s) for Sample Failure	Reason Code Description
AMC	A607H	General	11.03 Review and Resolution of IDOC Errors	5	Fail	11.03.10	No GFEBs Error Report screenshot with the search parameter
ARCENT	A8AAG	General	11.03 Review and Resolution of IDOC Errors	82	Fail	11.03.2	Unable to confirm supporting documents to the sample GFEBs
ARNG	A18AU	General	11.03 Review and Resolution of IDOC Errors	161	Fail	11.03.9	Unable to confirm supporting documents to the fund center.
ARNG	A18GD	General	11.03 Review and Resolution of IDOC Errors	162	Fail	11.03.9	Unable to confirm supporting documents to the fund center.
ARNG	A18KL	General	11.03 Review and Resolution of IDOC Errors	163	Fail	11.03.8	No Evidence of Follow-up of reconciliation is provided.
ARNG	A18LI	General	11.03 Review and Resolution of IDOC Errors	164	Fail	11.03.1	No response provided by Fund Center.
ARNG	A18LI	General	11.03 Review and Resolution of IDOC Errors	165	Fail	11.03.7	The IDOC report was not provided.
ARNG	A18LS	General	11.03 Review and Resolution of IDOC Errors	166	Fail	11.03.2	Unable to confirm supporting documents to the sample GFEBs
ARNG	A18PB	General	11.03 Review and Resolution of IDOC Errors	167	Pass		
ARNG	A18UQ	General	11.03 Review and Resolution of IDOC Errors	168	Fail	11.03.4	The report provided was not signed and/or dated evidencing r
ARNG	A18YH	General	11.03 Review and Resolution of IDOC Errors	169	Fail	11.03.7	The IDOC report was not provided.
ARNG	A18ZS	General	11.03 Review and Resolution of IDOC Errors	170	Pass		
FDSCOM	A76DD	General	11.03 Review and Resolution of IDOC Errors	264	Pass		
IMCDM	A2AEM	General	11.03 Review and Resolution of IDOC Errors	301	Pass		
USAASC	A5XFK	General	11.03 Review and Resolution of IDOC Errors	371	Fail	11.03.9	Unable to confirm supporting documents to the fund center.
ARNG	A182M	General	11.06 Reconciliation of Budgetary Amounts from Feeder Systems	125	Fail	11.06.9	No Evidence of reconciliation provided to verify control is perf
ARNG	A18AQ	General	11.06 Reconciliation of Budgetary Amounts from Feeder Systems	126	Fail	11.06.1	No response provided by Fund Center.
ARNG	A18BD	General	11.06 Reconciliation of Budgetary Amounts from Feeder Systems	127	Fail	11.06.4 11.06.10	See Reason Code tab
ARNG	A18PB	General	11.06 Reconciliation of Budgetary Amounts from Feeder Systems	128	Fail	11.06.4	The report provided was not signed and/or dated evidencing r
ARNG	A18PC	General	11.06 Reconciliation of Budgetary Amounts from Feeder Systems	129	Fail	11.06.4 11.06.10	See Reason Code tab
ARNG	A18QD	General	11.06 Reconciliation of Budgetary Amounts from Feeder Systems	130	Fail	11.06.11	It is unclear how the reconciliation accurately and definitively r
ARNG	A18UB	General	11.06 Reconciliation of Budgetary Amounts from Feeder Systems	131	Fail	11.06.9	No Evidence of reconciliation provided to verify control is perf
ARNG	A18WR	General	11.06 Reconciliation of Budgetary Amounts from Feeder Systems	132	Fail	11.06.7 11.06.8	See Reason Code tab



SBA Testing Challenges & Recommendations

	Description	Recommended Action
1	<p>Incomplete Supporting Documentation</p> <ul style="list-style-type: none"> ▪ Pertinent supporting documentation (e.g., obligating document, delegation of authority) is not being provided as evidence to support recorded transactions and the GFEB sample selected. (17 Samples in March) ▪ Incomplete or incorrect documents required to support the request were provided/uploaded to AADR (170 Samples in March) 	<ul style="list-style-type: none"> ▪ Ensure that all documentation (e.g., delegation of authority, obligating documents, invoices, payment vouchers) that pertains to the recording of a transaction within the general ledger clearly ties to the sampled transaction and is maintained for audit purposes. It is recommended that documentation related to financial activity be maintained for a minimum of 6 years and 3 months. ▪ Ensure that all parties charged with document upload to AADR increase the accuracy and efficiency of operations. ▪ Refine the coordination of PBC requests among the pertinent parties (e.g., ASA FMC, IR, Field, Commands) to ensure audit documentation is sufficient and provided in a timely manner.
2	<p>Evidence of Review</p> <ul style="list-style-type: none"> ▪ A number of documents are not being signed and dated as evidence of review (e.g., reconciliation worksheets, IDOC reports). (69 Samples in March) 	<ul style="list-style-type: none"> ▪ Ensure that all process and control owners understand the importance of evidencing their reviews and the acceptable methods of doing such. For example: <ul style="list-style-type: none"> – Digital signature – Email to file – Hard copy signature
3	<p>Coordination with other Organizations</p> <ul style="list-style-type: none"> ▪ OASA (FM&C) continues to work with services providers and organizations in an effort to streamline PBC requests for both internal monthly testing and IPA requests. 	<ul style="list-style-type: none"> ▪ Ensure that the necessary service providers and/or organizations (i.e., DFAS, DLA, CHRA, ACC, etc.) maintain sample transaction documentation, in an easily identifiable and readily available manner.



SBA Army Audit Readiness Way Forward

- In an ongoing effort to achieve audit readiness, OASA (FM&C) will focus on:
 - Control Implementation and Sustainment
 - Monitor control implementation at the Fund Center and Command level using monthly testing result metrics.
 - Document new or compensating SBA controls as a result of Exam 3.
 - Testing
 - Continue to perform monthly manual internal control and substantive testing. The results of these testing sessions will be disseminated to Army leadership as well as Command HQ POCs.
 - Corrective Actions
 - Facilitate working sessions with Army stakeholders to identify appropriate corrective actions.
 - GFEBS PMO
 - » Identify custom reports used to review manual controls
 - » Identify manual controls for ineffective automated controls
 - » Identify new system controls that work in combination with manual controls



SBA Army Audit Readiness Way Forward (cont.)

- DFAS
 - » Identify SSAE 16 system review end user controls
 - » Reconcile populations and detailed records (e.g., Civ Pay, Mil Pay)
 - » Obtain sample documentation (i.e., billing, collections, disbursements)
 - » Test Army FBWT Tool (AFT) operating capability
- CHRA
 - » Obtain Civilian Pay data and documents (i.e., monthly population of new hires, separations/transfers, promotions; RPA/NPA - SF 52, SF 50, eOPF)
 - » DCPDS to DCPS Reconciliation (CHRA/DFAS)
- Command HQ level
 - » Implement internal control gaps
 - » Review supporting documentation and reconcile by unique identifier and amount to the sample transaction (G/L detail)
 - » Obtain UIC to Fund Center crosswalk, timesheets, and benefits elections
- Develop and implement corrective action plans
- Maintain an SBA corrective action log and coordinate with all stakeholders to ensure that deficiencies are being remediated



SBA Army Audit Readiness Way Forward (cont.)

- SBA 2015 audit begins October 1, 2014
 - Scope will be FY 2015 data
 - Auditors will test SBA balances quarterly throughout the FY up to September 2015
 - SBA audit will be conducted every year
- OASA(FM&C) will collaborate and coordinate with DFAS
 - SBA compilation (Army Material System balances > Extract Files > DDRS-B > DDRS-AFS > SBA)
 - Financial Reporting Extract File to Army System Reconciliation (GFEBS, GCSS-A, CEFMS, STANFINS, SOMARDS)
 - Journal vouchers, adjustments, and reclassifications made during the compilation/reconciliation process that need to be evidenced with appropriate supporting documentation



Lunch
11:30 a.m. – 1:00 p.m.



Interim Q&A Session / Discussion



ARCENT

Monthly Testing and Audit Readiness Progress

Presenter: COL Dave Johnson, Chief, Audit Readiness

UNCLASSIFIED

USARCENT

“PATTON’S OWN”



AUDIT READINESS 3RD QTR IPR

1 MAY 2014

The overall classification of this briefing is

UNCLASSIFIED



- **USARCENT Disposition**
- **USARCENT Effort**
- **Audit Readiness Task Force**
- **Cycle of Excellence**
- **SBR and E&C Sample Dataflow**
- **Challenges and Mitigation Strategy**
- **Business Process Mapping**
- **Way Ahead**



USARCENT Disposition

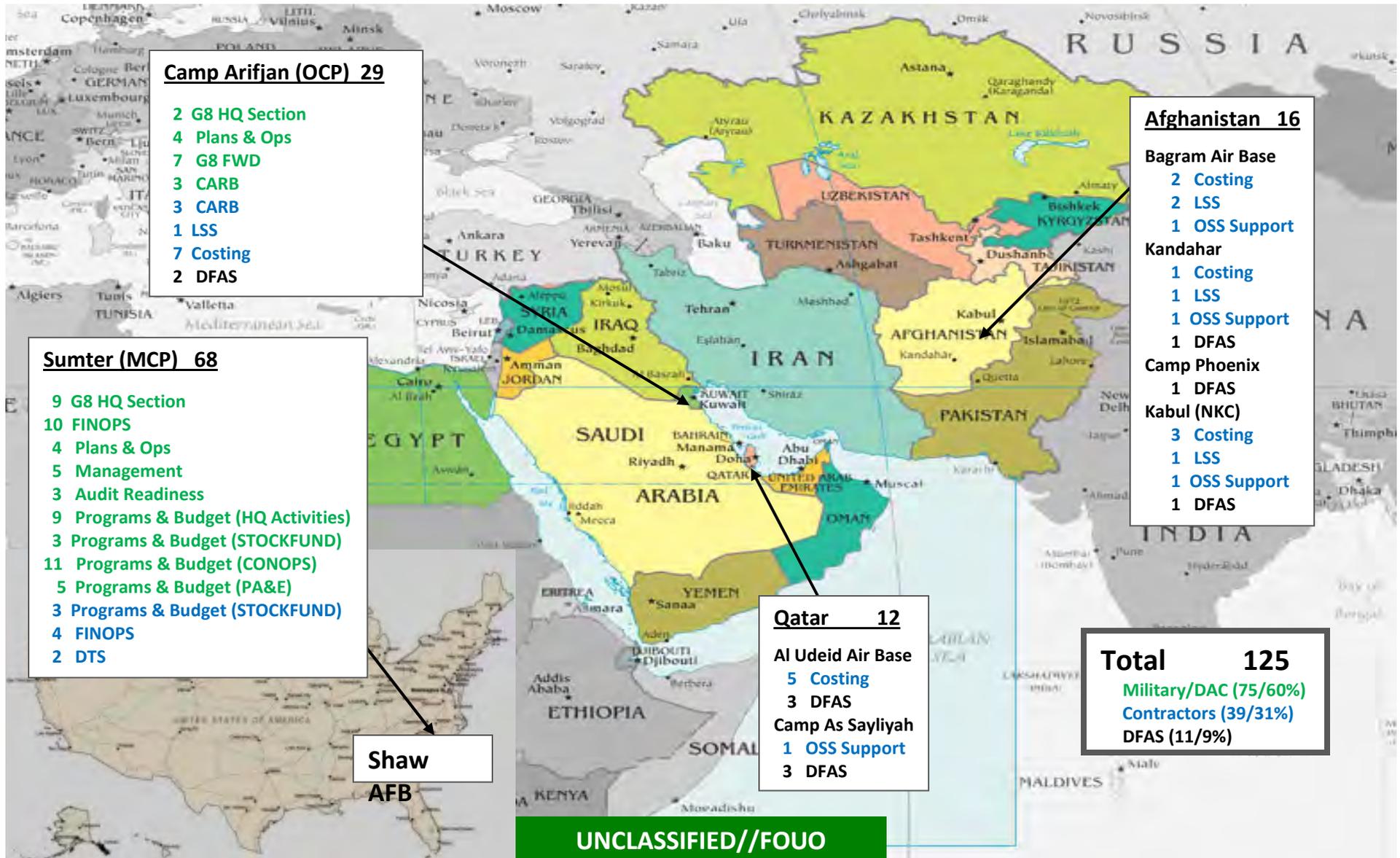
- USARCENT serves as the ASCC within the CENTCOM AOR consisting of Army, Joint and Coalition Forces in multiple deployed locations manned by rotational units and augmentees:
 - CONUS
 - SHAW AFB
 - FT BRAGG
 - OCONUS
 - KUWAIT
 - QATAR
 - BAHRAIN
 - UAE
 - AFGHANISTAN
 - EGYPT
 - JORDAN
 - SAUDI ARABIA
 - CENTRAL ASIAN STATES



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FM Area of Operations





USARCENT Effort

	Audit Readiness Task Force	Statement of Budgetary Resources (SBR) Team	Existence and Completeness (E&C) Team	Subordinate Commands
Issue Audit Readiness Guidance	Conduct Bi-Weekly TCs with SBR POCs	Conduct Bi-Weekly TCs with E&C POCs	Make Audit Readiness a Top Priority	
Publish standardized business processes and conduct training	Liaison with ASA-FM&C SBR Audit Readiness Team	Liaison with ASA-FM&C E&C Audit Readiness Team	ID Action Officers/ Maintain Internal Control Training	
Assess effectiveness of internal controls	Provide Audit Readiness Training Resources to Fund Centers	Provide Audit Readiness Training Resources to MSCs	Implement internal controls and participate in monthly testing	
Provide Audit Readiness Dashboard to Leadership	Provide monthly SBR testing scorecards to Fund Centers	Provide monthly E&C testing scorecards to MSCs	Include audit readiness accountability in performance objectives	

Audit Readiness Task Force:
USARCENTG8; G4

Statement of Budgetary Resources Team:
USARCENT G8; G1; PARC; Fund Centers

Existence & Completeness Team: USARCENT G8; G4; G37; 1st TSC

Subordinate CMDs
1st TSC
MFO/Sinai
CSTC-A
USFOR-A
ASG-KU
ASG-QA
CFLCC
USMTM

USARCENT commanders and organizations will focus on key tasks and deliverables.



Audit Readiness Task Force POCs

COL Johnson (318) 430-5645

G8 SBR LTC McGay (803) 885-8960
 MAJ Okeke (803) 885-8215
 Mr. Lemon (803) 885-8969

G4 E&C - LTC Kennington (803) 885-7413
 MAJ Morales (803) 885-7445

G37 MAJ Walker
 (803) 885-8205

SBR Fund Centers

A8A
 HQ

COL Zellars
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 Ms. Hansen
 (803) 885-8959

A8ABB
 HQ 1ST
 TSC

LTC Gallman (910)
 643-4853; Mr.
 Kirby/ MAJ Linzey
 (910) 643-4855

A8ABC
 MFO/
 SINAI

LTC Gallman
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 Mr. Kirby
 (910) 643-4855

A8ABD
 HQ MCP

MAJ Hagerty
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 LTC Thornhill
 (803) 885-8029

A8AAA
 ARCENT
 OCO

LTC Barnett
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ME/GE (CL VII)
 CW4 Talbert

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 LTC Mack
 (910) 643-4804
 (312) 593-4804
 CW3 Pringle
 (318) 430-3680
 CW4 Melton
 (318) 481-9358
 CW4 McLeod
 (318) 481-4206
 CW3 Swait
 (910) 643-4753

OM&S (CL V)
 CW4 Anderson

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SFC Wallace
 (803) 885-7424

LTC Lausen
 (910) 643-4684
 MAJ Sanders
 MAJ Hearn
 (318) 430-6239
 CW4 Monroe
 (910) 643-4791
 CW3 Carpentieri
 (318) 430-5160
 SFC Griffin
 (318) 430-5160
 LTC Agosto
 (318) 449-4141
 CW2 Taylor
 (318) 449-4020
 SSG Torres
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Real Property

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A8AAB
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A8AAC
 USFOR-A

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 CPT See
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 ASG-KU

MAJ Burns
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 ASG-QA

MAJ Schuyler
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 OCP

MAJ Williams
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 1 TSC

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 CW5 Villarreal
 (910) 643-4733
 CW4 Ocasio
 (910) 643-4736
 LTC Cradier (CL VIII)
 (318) 430-5425
 SSG Angeles (CL VIII)
 (318) 481-8762

ARCENT G1 (CIV PAY/ MIL PAY)

LTC Thisius
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ECC/ACC/CJTSCC

Steve Wical (256) 955-7612
 Ruthanne Flottman (318) 430-1596

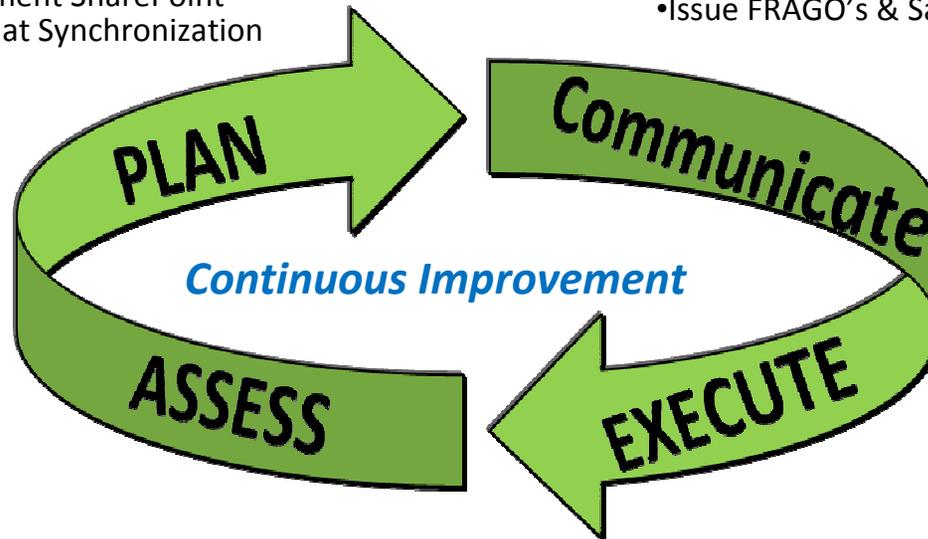


Cycle of Excellence

- PLAN/REPLAN
- Establish Audit Readiness Task Force
 - Publish ARCENT Guidance (EXORD/FRAGOs)
 - Review/Update Standard Business Processes (SBP)
 - Create Change Management Plan for Continuous Change Effort
 - Develop a knowledge management SharePoint
 - Brief Audit Readiness Program at Synchronization Conference

COMMUNICATE

- Develop/Publish - SBPs, SOPs, MICP Guidance, Metrics, Roles/Responsibilities, SharePoint
- Issue CDR's Audit Readiness Checklist
- Communicate Corrective Actions
- Communicate Notification of Findings & Recommendations
- Issue FRAGO's & Sample Requests



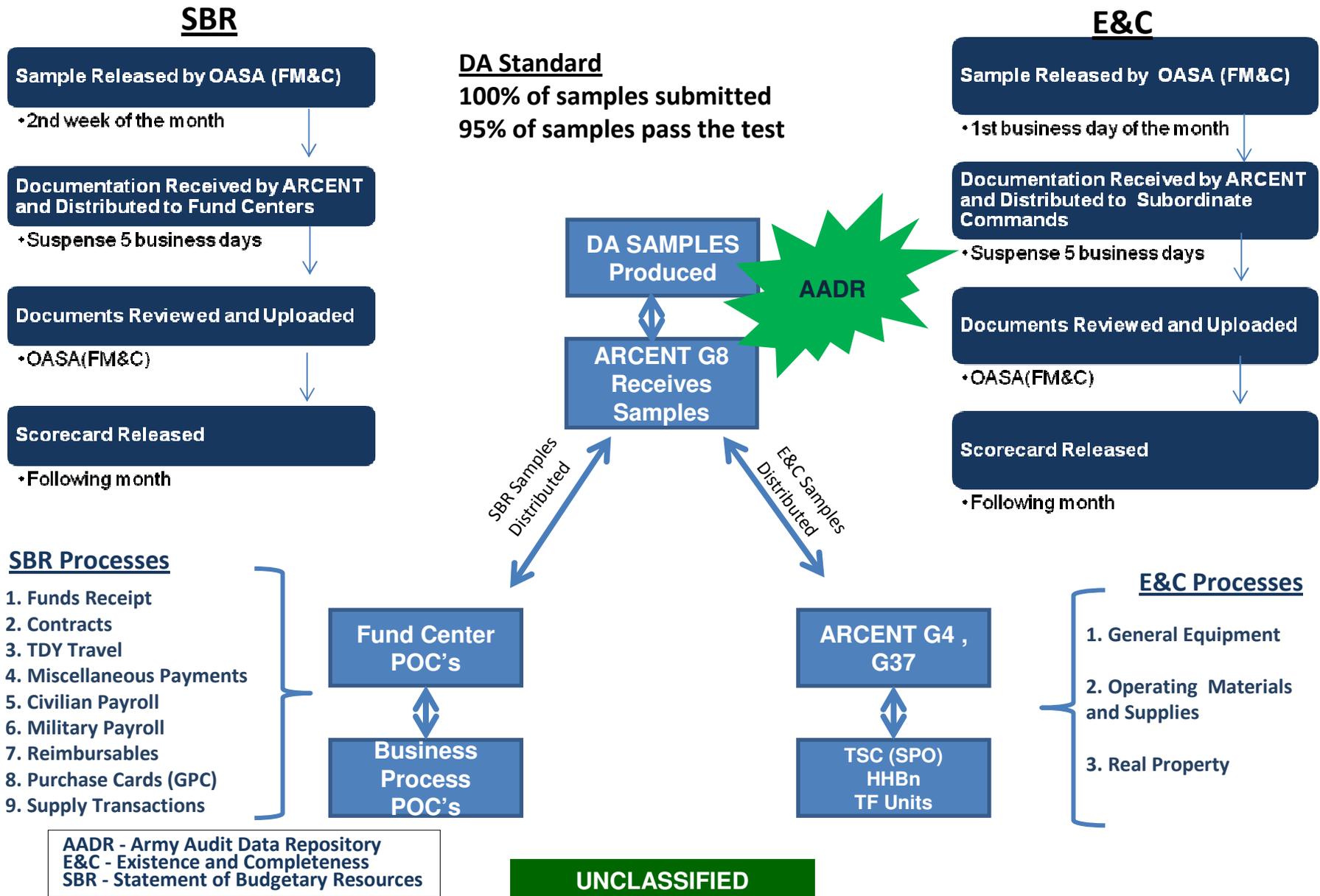
- ASSESS
- Conduct/ Review in Monthly Testing
 - Evaluate/ Measure Testing Results (Monthly)
 - Identify Control Deficiencies
 - Review CDR's Audit Readiness Checklist Responses
 - Assess implementation of corrective actions

EXECUTE

- Conduct "Top Down" Training
 - VTCs, On-Site, On-Line Tutorials
- Track Samples submitted/received
- Determine Corrective Actions
- Implement Corrective Action Plan



SBR and E&C Sample Dataflow Diagram



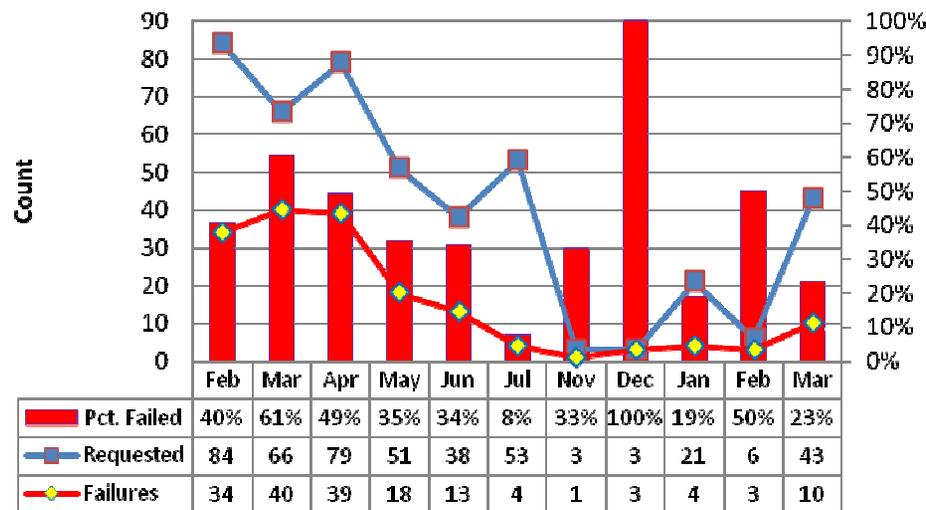


Top Reasons "Documentation"

Numbers are Total General Equipment (GE), Real Property (RP) and Operating Materials & Supplies (OM&S) Testing Results

Failures / Requested

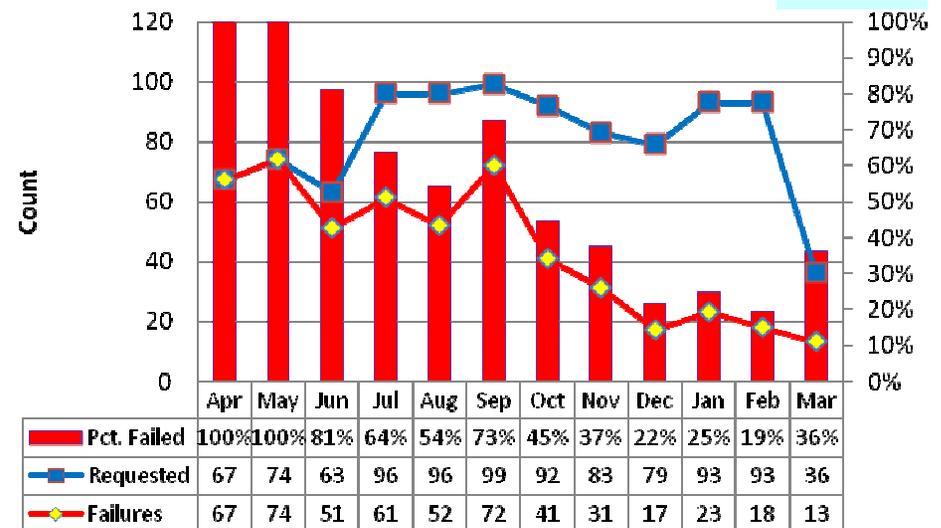
SBR



- Documents not provided Failure is decreasing.
- Discovery efforts underway to minimize Supplies & Materials samples graded as "N/A"
- Standardizing/consolidating "General Controls" across Fund Centers and updated GFEBS "FMZ" transaction code should increase document availability
- Developing Traceability by Failure type to sub-business process

E&C Failure / Requested

E&C



- **Failure Rate decreasing due to volume of samples, clear requirements & timely feedback enabling corrective actions**
- **Failures:** Supporting documents not signed and dated in same fashion ("Wet" vs. Digital) and APSR posting delays

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Challenges and Mitigation Strategy

- Challenges:
 - OPTEMPO – Operationalizing Audit Readiness
 - Executing as part of Army Forces, Joint and Coalition Environments
 - Rotational Units & Augmentees
 - Standardized Business Processes
 - Document Retention
 - Alignment with MICP
 - Audit Readiness Training Delivered OCONUS
- Mitigation:
 - Communications- Published EXORD & Monthly FRAGO's
 - Business Process Mapping to understand Document Retention
 - Standardizing Business Processes
 - Weekly Audit Readiness Task Force Huddles
 - Bi-weekly Business Process Mapping Reviews



Business Process Mapping

Scope includes both Business & Sub-Business Processes

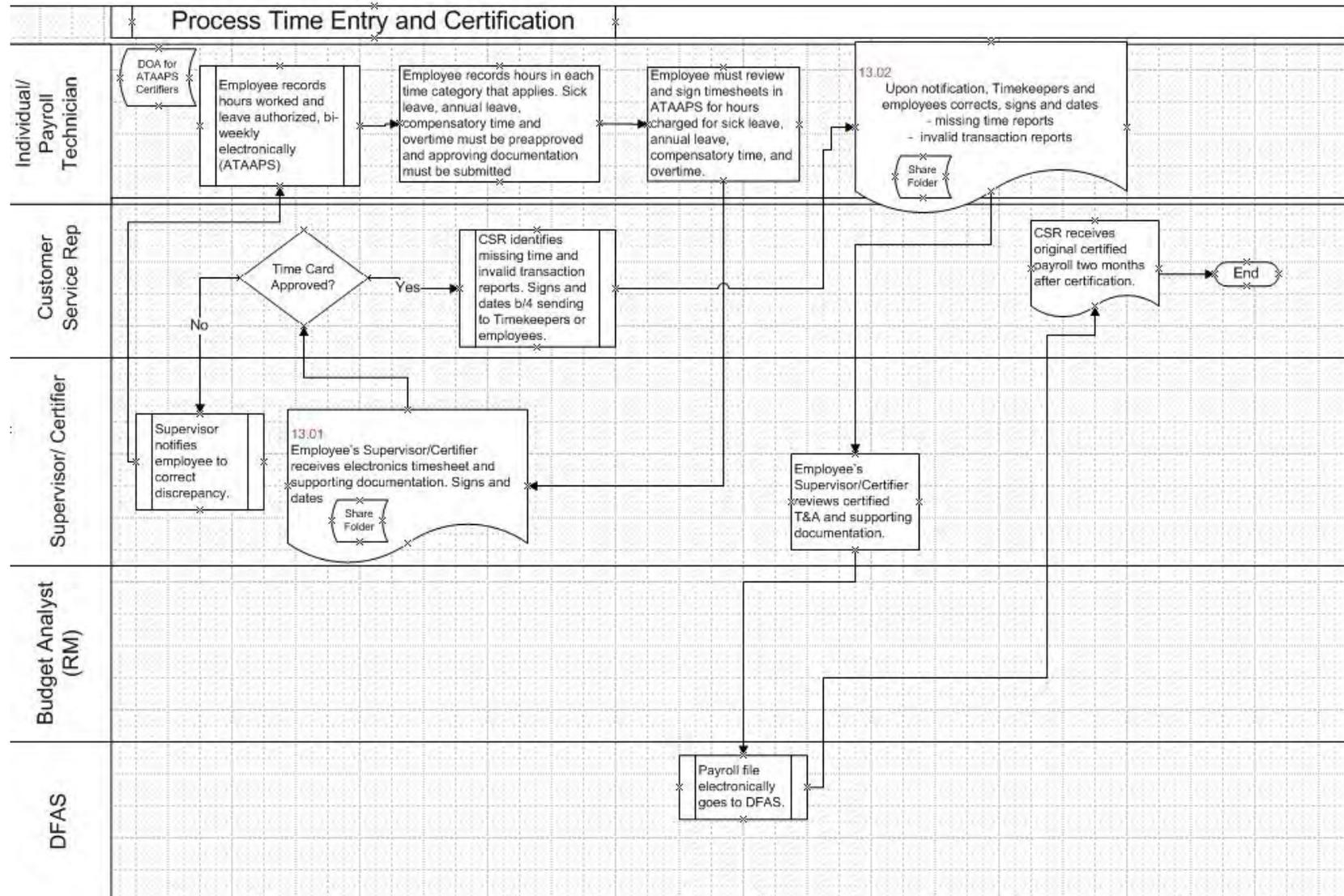
- General - 11
- Contractual Services - 17
- Civilian Payroll - 4
- Reimbursable – Inbound - 3
- Grants & Cooperative Agreements – 1

- **Step 1:** Identify & process map the “As-is”
- **Step 2:** Refine the “As-Is” process maps to develop the “To-Be” to include document retention of the following:
 - Delegations of Authority/DD577’s/DA1687’s
 - System Access & System Access Review
 - Commitment Approval
 - Obligation Approval
 - Invoice & Goods/Service Receipt
 - Payment Certification
 - Close-out & Reconciliation
- **Step 3:** Job Aides/SOP’s/Standardized Business & Sub-Business Processes
- **Step 4:** Training Plan
- **Step 5:** Communication Plan
- **Step 6:** Assessment



Business Process Flow Example

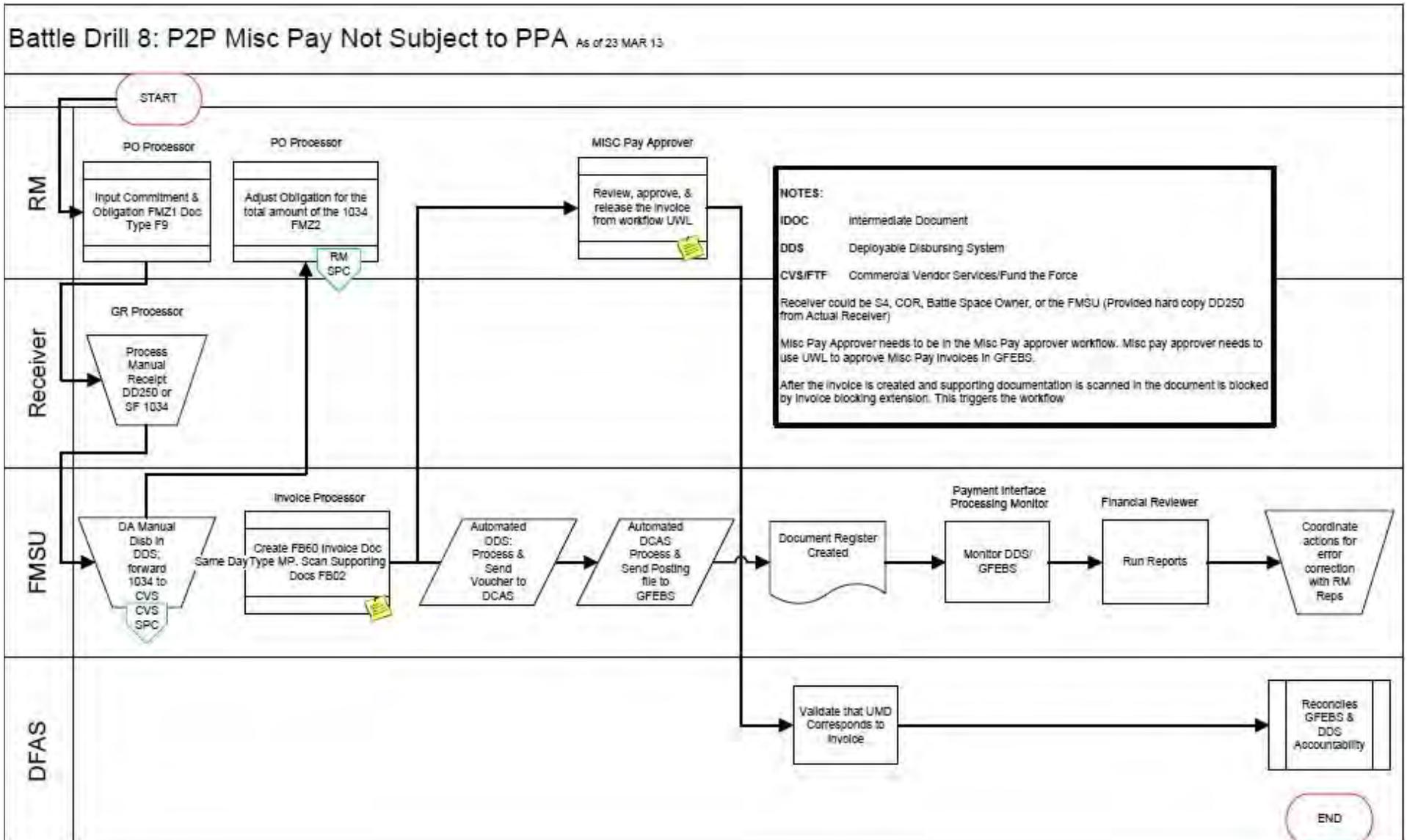
P2P/H2R (Civilian Pay Controls Business Process)





Business Process Flow Example

https://www.milsuite.mil/wiki/Portal:Theater_Financial_Management_Support_Center/GFEBS_Battle_Teams/Users_Process





Way Ahead

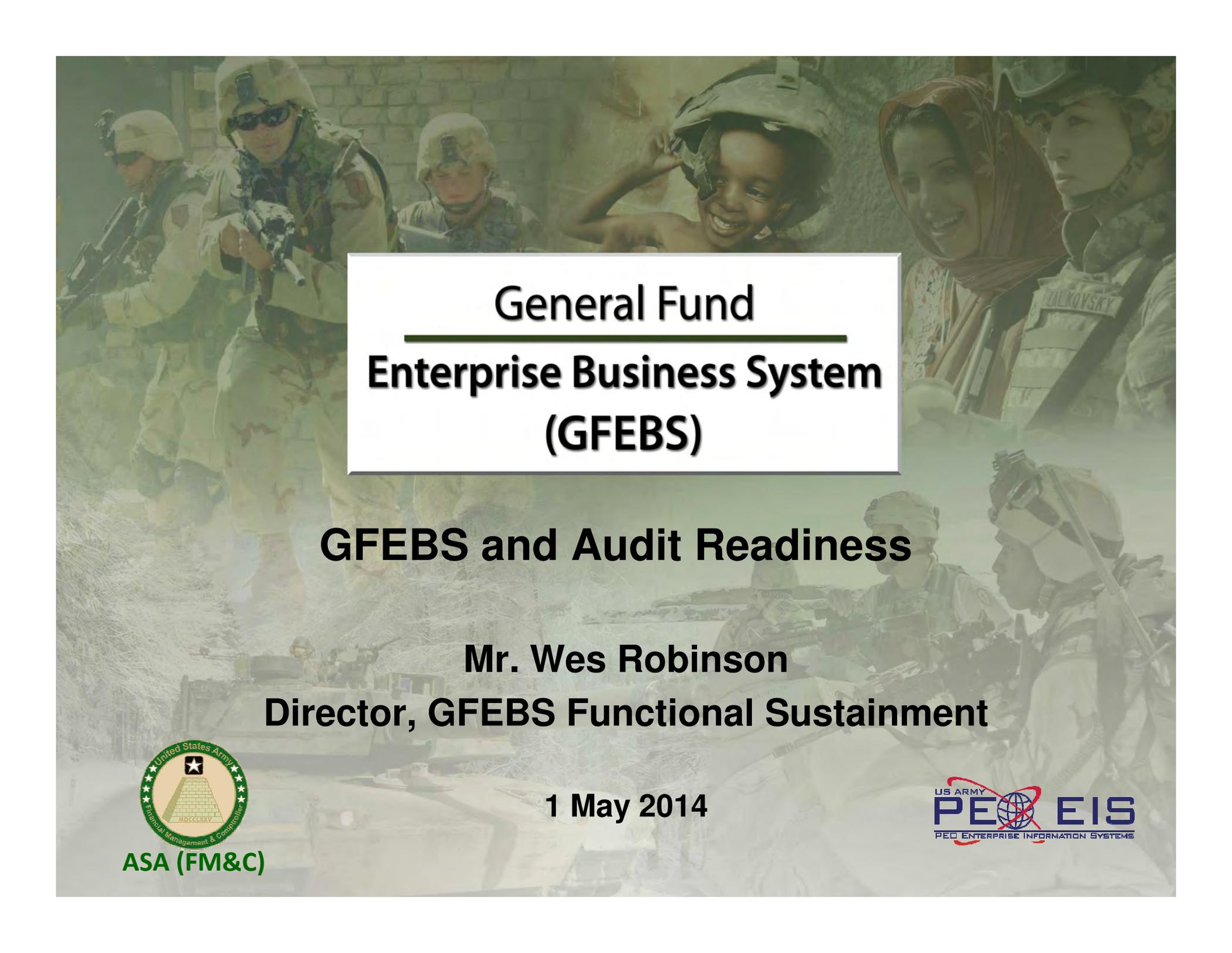
- Business Process Mapping at both the Business & Sub-Business Process levels to understand Document Retention
- Standardized Business Processes & Job Aides/SOP's
- Discovery effort for Contractual Services Supplies & Materials
- Real Property inventory & GFEBS update within the CJOA-A
- Audit Readiness & SOP Training Delivered OCONUS
- Linking Testing results with Sub-Business Processes
- Engage Agencies outside USARCENT responsible for systems & documents to effect auditability more effectively & efficiently
- Commanders Audit Readiness Dashboard



GFEBBS Update

Presenter:

Mr. Wesley Robinson, Director, GFEBBS Functional Sustainment



General Fund
Enterprise Business System
(GFEBS)

GFEBS and Audit Readiness

Mr. Wes Robinson
Director, GFEBS Functional Sustainment

1 May 2014



ASA (FM&C)



- **Assertion: Schedule of Budgetary Resources is audit ready--**
 - For resource activity from 1 Oct 2012 – 30 Sep 2013
 - For GFEBS Waves 1-8b
 - In accordance with DoD FIAR criteria

- **Results: Identified GFEBS--**
 - **Material Weaknesses**
 - Super user privileged access at application layer (i.e., user access)
 - Application production changes (i.e., configuration management)
 - **Significant Deficiency**
 - **Deficiency**
 - *GFEBS Team has resolved or are resolving results*
 - *Most results provide insights for all ERPs*

Exam #3 IPA Notice of Findings and Recommendations (NFR) Status

General Fund Enterprise Business System (GFEBs)

Issue ID	NFR ID	NFR Status	Associated POAM Items	Issue ID	NFR ID	NFR Status	Associated POAM Items
GFEBs-01	O-2013-01	Final – Confirmed	26.14 (H) – NEW	GFEBs-23	N-2013-21	Final – Confirmed	8.26 (H) – NEW
GFEBs-02	N-2013-04	Final – Confirmed	18.4 (M)	GFEBs-24	O-2013-03	Final – Confirmed	26.24 (H) – NEW
GFEBs-03	N-2013-12	Final – Confirmed	14.4 (H) – NEW	GFEBs-25	N-2013-22	Final – Confirmed	31.4 (M) – NEW
GFEBs-04	N-2013-10	Final – Confirmed	9.7 (H) – NEW	GFEBs-26	N-2013-23	Final – Confirmed	39.22 (H) – NEW
GFEBs-05	N-2013-05	Final – Confirmed	5.11 (H)	GFEBs-27	N-2013-24	Final – Confirmed	28.5 (M) – NEW
GFEBs-06	N-2013-06	Final – Confirmed	5.11 (H)	GFEBs-28	N-2013-25	Final – Confirmed	9.1 (M)
GFEBs-07	N-2013-13	Final – Confirmed	1.13 (H) – NEW	GFEBs-31	N-2013-29	Final – Confirmed	27.3 (H)
GFEBs-08	N-2013-14	Final – Confirmed	1.6 (H)	GFEBs-32	N-2013-30	Final – Confirmed	27.22.001 (L) – NEW
GFEBs-09	N-2013-11	Final – Confirmed	14.2 (L)	GFEBs-33	N-2013-26	Final – Confirmed	7.13 (M) – NEW
GFEBs-10	N-2013-02	Final – Confirmed	2.5 (H)	GFEBs-34	N-2013-31	Final – Confirmed	27.21.001 (L) – NEW
GFEBs-11	N-2013-01	Final – Confirmed	2.11 (M)	GFEBs-35	-	No NFR per KPMG	27.21.002 (L) – NEW
GFEBs-12	N-2013-03	Final – Confirmed	19.4 (M)	GFEBs-37	N-2013-32	Final – Confirmed	27.23.001 (L) – NEW
GFEBs-13	N-2013-07	Final – Confirmed	2.6 (M)	GFEBs-39	O-2013-05	Final – Confirmed	3.16 (H) – NEW
GFEBs-14	N-2013-15	Final – Confirmed	1.10 (H)	GFEBs-40	N-2013-27	Final – Confirmed	6.8 (L)
GFEBs-15	N-2013-16	Final – Confirmed	19.7 (M)	GFEBs-41	O-2013-04	Final – Confirmed	26.8 (H)
GFEBs-16	N-2013-09	Final – Confirmed	3.5 (H)	GFEBs-43	N-2013-33	Final – Confirmed	27.25 (L) – NEW
GFEBs-17	N-2013-17	Final – Confirmed	2.14 (H) – NEW	GFEBs-44	N-2013-34	Redacted per KPMG	27.21.003 (L) – NEW
GFEBs-18	N-2013-08	Final – Confirmed	2.6 (M)				
GFEBs-19	O-2013-02	Final – Confirmed	26.23 (H) – NEW				
GFEBs-20	N-2013-18	Final – Confirmed	11.3 (H)				
GFEBs-21	N-2013-19	Final – Confirmed	2.12 (M)				
GFEBs-22	N-2013-20	Final – Confirmed	19.2 (L)				

Key:

- Green** indicates that all actions related to the remediation of the Exam #3 IPA issues have been completed
- Grey** indicates that not all actions associated with the resolution of the POAM item have been completed

A lot has been accomplished

User Access and Control

Category	Est. Completion Date	Notes
Super user Privileged Management (SPM): Assignment of SPM IDs and Monitoring of Usage	28-Mar-2014 <i>Updated:</i> May-2014	<ul style="list-style-type: none">• Dependent on direction for Tier II user / role assignment updates• Linked to Exam #3 IPA: GFEBS-20• Review of procedures for monitoring, to include definition of percentage of activity to be monitored
End User Termination / Transfer: Deactivation of End Users upon Termination or Transfer and Associated Monitoring	TBD	<ul style="list-style-type: none">• Exam #3 IPA: GFEBS-17 & N-2013-17• ASA-FM&C to address long-term management of Army end users for terminated and transferred users; review of procedures and monitoring

***As the notes indicate,
plans are in place to address audit readiness
and Exam #3 findings***

User Access and Control (cont.)

Category	Est. Completion Date	Notes
Segregation of Duties	28-Mar-2014 <i>Updated:</i> May-2014	<ul style="list-style-type: none"> • Dependent on Tier II SPM Updates • Procedure updates pending review • Linked to Exam #3 IPA: GFEBS-16 • Procedures updated to accounts for the timeframes in which SOD analysis and resolution will be performed by PM GFEBS - SOD Resolution Timeframe: Update Internal Program Procedures
Segregation of Duties and Sensitive Access	28-Mar-2014 <i>Updated:</i> May-2014	<ul style="list-style-type: none"> • Complete re-baseline of SOD inventory to be synchronized with the Production GRC risks • Document will be reviewed with ASA-FM&C Functional Team to confirm SODs • CR to be processed after final Functional review
GRC Critical Access	28-Mar-2014 ---- <i>Updated:</i> May-2014	<ul style="list-style-type: none"> • Critical T-Code list is being updated based on review with process owners. Effort will resume after SODs have been re-baselined • Create an SOP for maintaining the list and monitoring (in draft); • Policy memo sent for final review (internal); Dependent on ASA-FM&C staffing for submission

Configuration Management

Category	Est. Completion Date	Notes
Modification of Production System – Acceptance of Risk for Transport Movement from Dev to QA	14-Mar-2014 Apr-2014	<ul style="list-style-type: none"> Per discussion with PM GFEBS Leadership, program will not accept risk outlined in memo Team is reviewing configuration management process to determine where the additional review and approval step will be performed Update process & identify repository for key artifacts
Modification of Production System – Approval of Design	Apr-2014	<ul style="list-style-type: none"> Team is updating Configuration Management Matrix to identify the requirements for approval of design Identifying differences between Release and O&S processes Identifying document repository & requirements
Modification of Production System – Approval to Commit Resources	Apr-2014	<ul style="list-style-type: none"> Team is updating Configuration Management Matrix to identify requirements for approval to commit resources Identifying differences between Release and O&S processes Identifying document repository & requirements
Modification of Production System – Approval to Migrate to Production	Apr-2014	<ul style="list-style-type: none"> Exam #3 IPA: GFEBS-40 Team is creating a Configuration Management Matrix to document requirements for each stage of the end-to-end CM process and where evidence should be retained

Configuration Management (cont.)

Category	Est. Completion Date	Notes
Business Process Configuration Documentation: Assessment of Baseline Design Documentation vs. System Configuration and Code	<i>TBD</i> ---- <i>Reviewing Timeline for Approach</i>	<ul style="list-style-type: none"> • Gov't Team will conduct testing based on a sample selection of key documentation items and share results • Additional work, if any, will be determined based on the results of the testing. • PM GFEBS may choose to review and update the documents progressively each month until the required updates are completed • Pending system access to initialize review

IDOC Processing and Monitoring

Category	Est. Completion Date	Notes
Interface Monitoring & Posting Period: Policy for End User Community to Complete Monitoring	Mar-2014	<ul style="list-style-type: none">• Pending policy from DASA-FO• Draft “Role-to-Responsibility” matrix with monitoring example procedures provided to DASA-FO for review• Exam #3 IPA: GFEBS-31<ul style="list-style-type: none">• Update O&S XI Monitoring Procedures – Pending final review by the Internal Program Team

- **Take active role in preparing for and working with auditors**
 - **Establish continual communication protocols**
- **Train field staff**
 - **On their audit role**
 - **On importance of supporting documentation requirements -- anticipate documentation and make readily available**
 - **On auditors' expectations -- need to be responsive**
 - **Provide documentation by agreed-upon due dates**
 - **Provide sufficient and appropriate evidence**
- **Designate an audit liaison contact**

GFEBs and Audit Readiness

1 May 2014

General Fund
Enterprise Business System
(GFEBs)

B a c k u p

GFEBs and Audit Readiness

1 May 2014

Results (continued) – Material Weaknesses

GFEBs

- Super user privileged access at application layer
- Application production changes

Army Feeder Systems (Application Layer)

- Log-in and password configuration compliance
- User account access
- Audit logging
- Incident response
- Change management
- Segregation of development, testing, production environments
- Segregation of duty conflicts
- Population/system listings

GFEBs and Audit Readiness

1 May 2014

Results (continued) – Significant Deficiency

GFEBs

- Control design and effectiveness deficiencies in the application (App), database (DB), and/or operating system (OS) layers
 - User account validation (DB, OS)
 - Terminations/transfers (DB, OS)
 - User role restriction (App)
 - Segregation of duty conflict resolution (App)
 - Audit logging and review (App, DB, OS)
 - Vulnerability assessments (DB)
 - Patch updates (DB, OS)
 - Backup restoration testing and log retention (DB, OS)

GFEBs and Audit Readiness

1 May 2014

Appendix C – Deficiencies

GFEBs

- Control design and effectiveness deficiencies in the application, database, and/or operating system layers
 - Password expiration and compliance (App, DB, OS)
 - Background user accounts (App)
 - Termination/transfer user accounts (App)
 - Vulnerability management (App)
 - Global setting configuration (App)
 - Datacenter access documentation
 - Interface control documentation
- Design deficiencies in application controls
 - Duplicate invoice check activation
 - USSGL account closing rules
 - Excess rights for payment block override

GFEBBS Complies with...

General Fund
Enterprise Business System
(GFEBBS)

- **96.9% compliance** with Federal Financial Management Improvement Act (FFMIA) requirements as determined by the U.S. Army Audit Agency (i.e., 1,009 of 1,134)
- **98% compliance** with DoD Business Enterprise Architecture (BEA) requirements (i.e., 3,842 of 3,916)
- **97% compliance** with DoD Standard Financial Information Structure (SFIS) (i.e., 212 of 219 business rules)
- **Complies** with applicable 253 DoD Real Property Information Model (RPIM) requirements
- **Effective, suitable and survivable**, all with some limitations, as determined by Army Test and Evaluation Command



***Auditability compliance
drives business process changes***



Break
2:45pm – 3:00pm



Logistics Innovation Agency

Testing Results and Status

Presenters:

Mr. Dale Houck, Chief, Logistics Audit Readiness Cell

Mr. David Strohecker, Strategic Logistics Program Analyst

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UNITED STATES ARMY LOGISTICS

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ALWAYS THERE.

3rd Quarter FY 2014 Army FIP In-Process Review

Mr. Dale Houck
Mr. David Strohecker

01 May 2014



ALWAYS READY.

Agenda



- LIA Performance Group Structure
- Institutionalizing Army Audit Readiness for GE
 - Q2FY14 GE Follow-on Testing Highlights
 - Q2FY14 GE Follow-on Testing Scorecard
 - ASA(FM&C) Random Testing Pass Performance
 - GE Follow-on Testing Response & Pass Performance
 - GE Follow-on Testing Analysis
 - Root Cause Analysis
 - Vital Few UICs
 - GE Follow-on Testing Performance Sustainment Plan
- Institutionalizing Army Audit Readiness for AWCF

***Our goal: To achieve sustained accountability and auditability
in order to enable Army audit readiness***

Performance Group Structure

Deputy G-4, Sustainment
Executive Oversight



Director, Accountability
& Audit Readiness
Guidance/Policy

Audit Compliance

Goal: Financial Audit Preparedness
Supports FM&C E&C Audit Readiness

Focus: Audit Compliance via substantive and control testing (GE & AWCF Inv)

“Transaction Level Verification”

Performance Review

Goal: Monitor Logistics Discipline
Supports G44(M) & G44(S)

Focus: monitor compliance with policy and identify actionable issues and solutions.

“Command Level Verification”

Enterprise Integration

Goal: Logistics Information
Standardization & Integration
Supports DG-4 & PEO EIS

Focus: logistics system integration and business process effectiveness

“System Level Harmonization”

G-4 Top Priorities & Focus Areas

Support OEF/USM-I/COCOMs...includes:

- **Sustain** the Current Fight
- **Ensure** Sustainment of other COCOMs
- **Transition** in Afghanistan
- **Retrograde** of Materiel from SWA
- **Reset** of Equipment Returning from SWA

Drive policies, processes, & programs to improve Readiness & Discipline across the Supply, Maintenance, Distribution, & Operational Contract Support domains (*Property Accountability*)

Implement a Single Army Logistics Enterprise (SALE), achieving improved accountability & auditability (*GCSS-Army*)



Q2FY14 GE Follow-on Testing Highlights

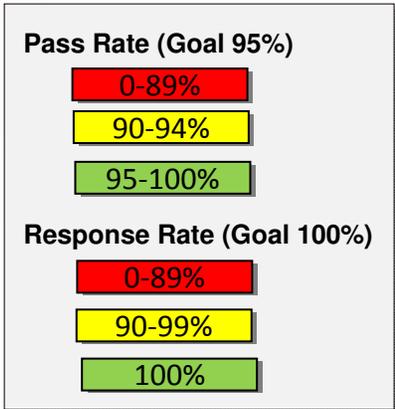
GE Random Testing Performance

Goal: Sustain 95% Pass Rate

- ✓ Moved *random testing pass rate* from 91% to 94%; Goal is 95%
- ✓ Moved *random testing response rate* from 98% to 99%; Goal is 100%
- ✓ Identified root causes of failure by Command using LIA developed analytic capability
- ✓ Continued habitual relationship with Commands
- ✓ Deployed Interactive Audit Guide
- ✓ Coordinated policy updates:
 - ALARACT clarification on PBUSE posting timelines
 - Draft CSDP Inspection Table B-8 (AR 710-2)
 - Draft ALARACT for wet v electronic signatures and document clarifications
- ✓ Emulating GE Follow-on audit capability to develop AWCF Follow-on audit capabilities

Outcome: Since ramp-up in Sep 13, improved overall random testing pass rates by 16% (78% to 94%); Goal is 95%

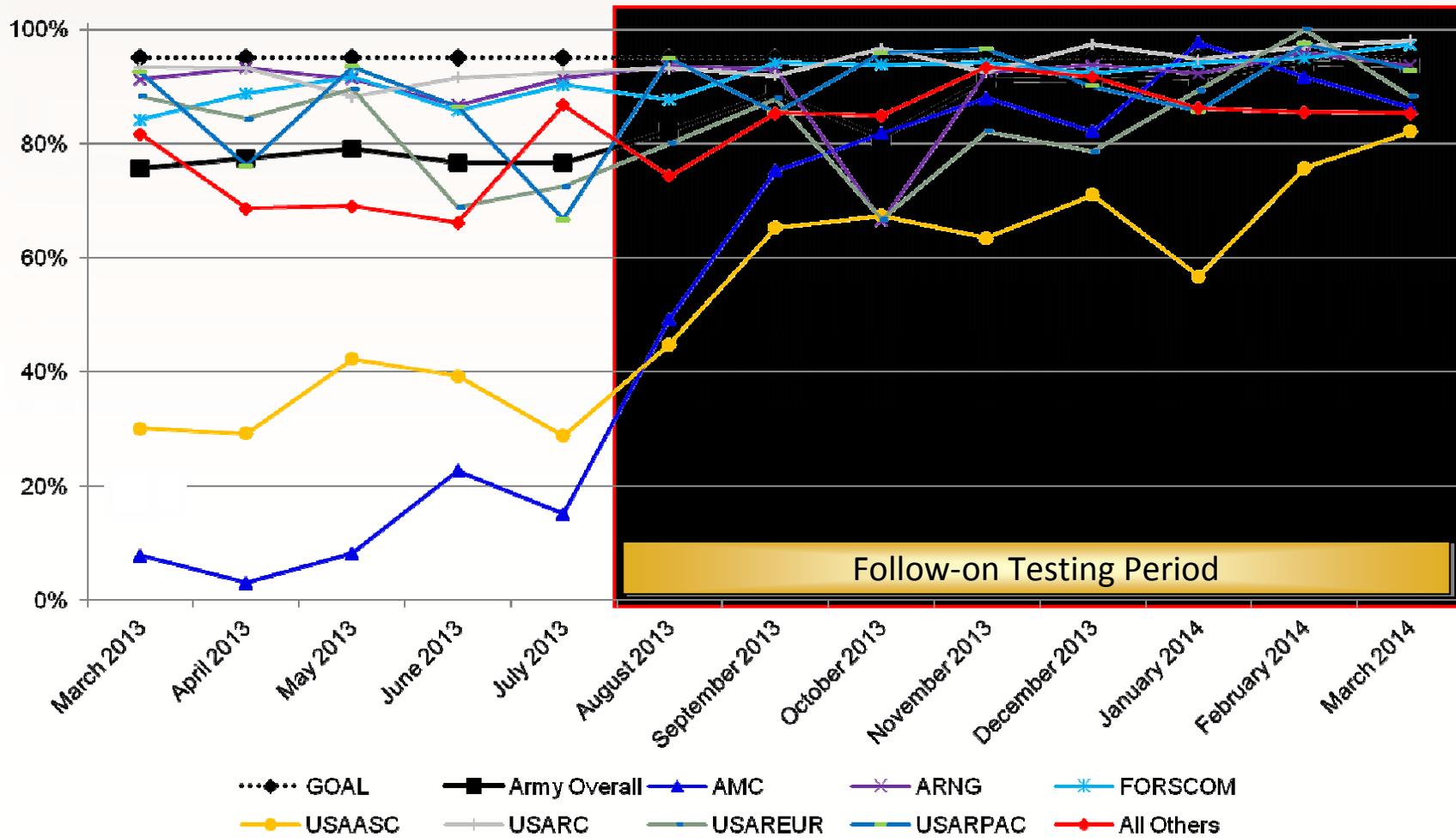
Q2FY14 GE Follow-on Testing Scorecard



		RANDOM			FOLLOW-ON			
		Command	Total Tests	Response Rate	Pass Rate	Total Tests	Response Rate	Pass Rate
COMPO	1 - ACTIVE		1628	98%	92%	431	53%	36%
	2 - ARNG		979	99%	94%	134	78%	63%
	3 - USARC		405	100%	97%	24	100%	79%
ACOM	AMC		279	100%	92%	51	80%	57%
	FORSCOM		855	100%	95%	69	84%	61%
	TRADOC		68	100%	99%	1	100%	100%
ASCC	USARAF			--	--	3	0%	0%
	USARCENT		14	100%	93%	1	0%	0%
	USAREUR		64	100%	92%	56	30%	14%
	USARNORTH		9	100%	56%	2	100%	100%
	USARPAC		129	98%	92%	30	60%	57%
	USARSO		10	100%	90%		--	--
	USASMDC		9	100%	100%		--	--
DRU	ATEC		20	100%	90%	1	100%	100%
	IMCOM		35	100%	91%	7	100%	71%
	INSCOM		5	100%	80%	2	100%	0%
	MDW		2	0%	0%	2	100%	100%
	NETCOM		19	95%	68%	6	83%	50%
	USAASC		98	87%	70%	179	39%	22%
	USACE		5	20%	20%	5	80%	80%
Army Total			3012	99%	93%	589	60%	44%

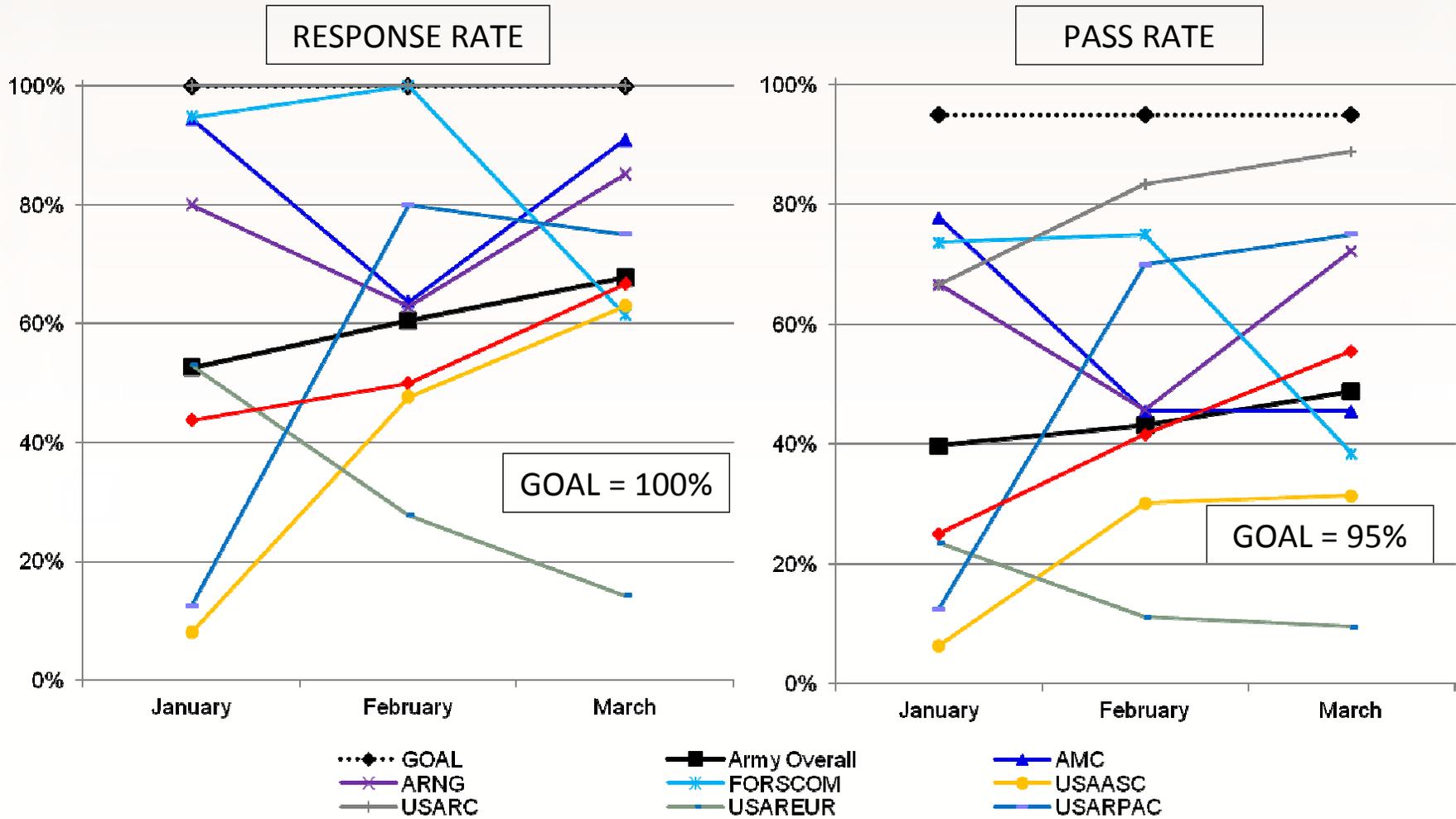
Follow-on Testing highlights the Commands and UICs that need leadership attention

ASA(FM&C) Random Testing Pass Performance



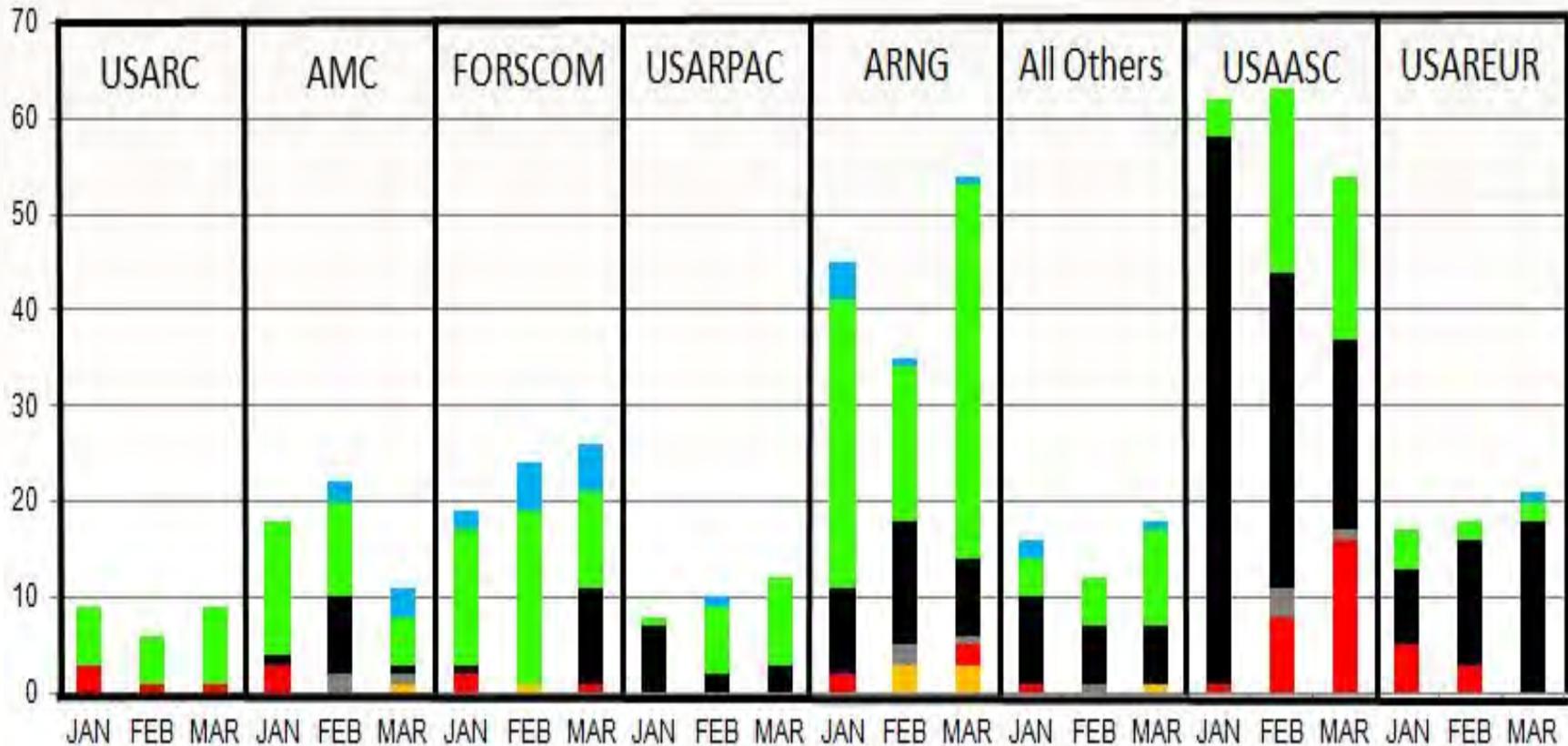
Follow-on Testing has positively impacted overall Random Testing Pass Performance

GE Follow-on Testing Performance Trends



1st focus is on "vital few" response rates, then pass rates

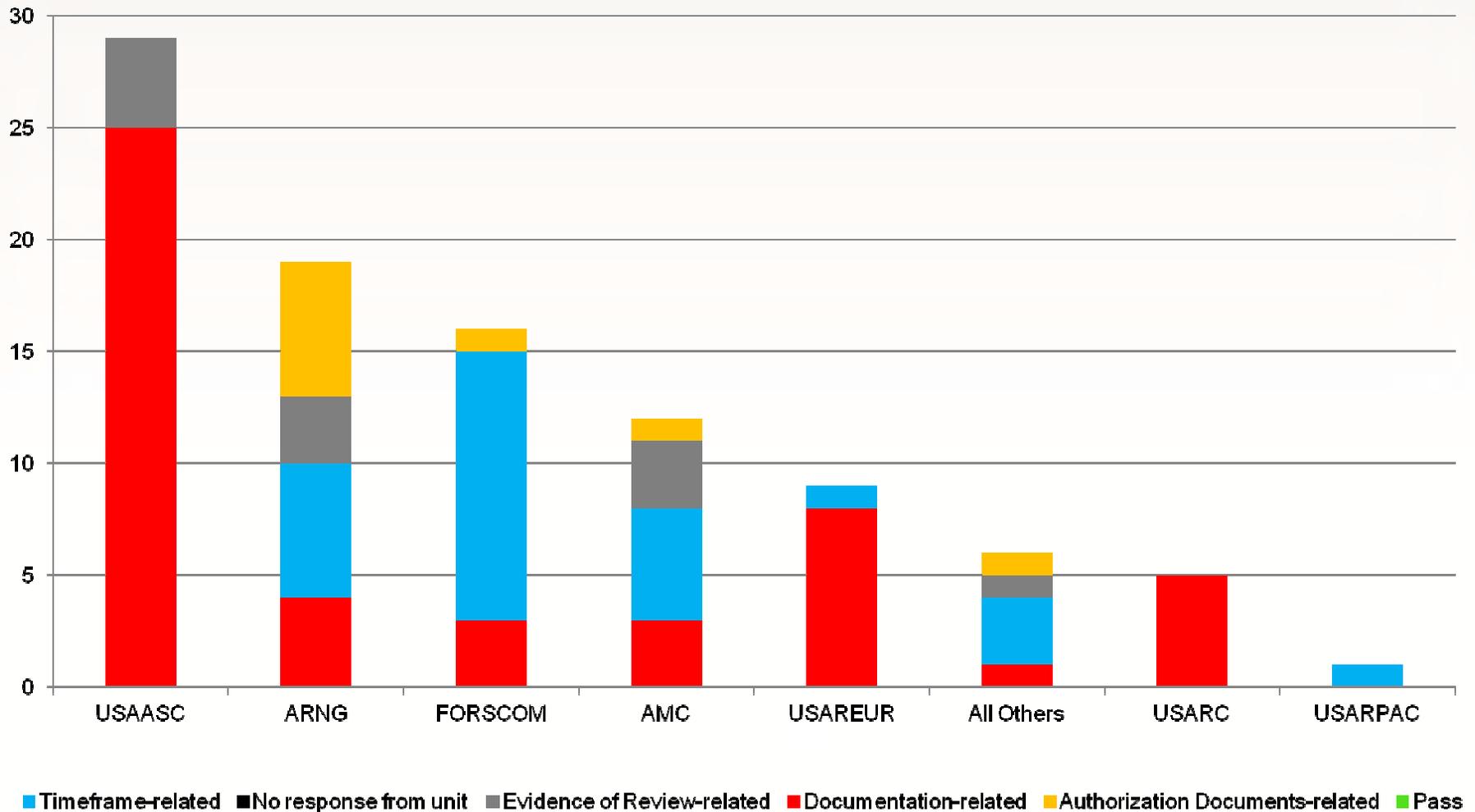
GE Follow-on Testing Root Cause Analysis



- Timeframe-related
- No response from unit
- Evidence of Review-related
- Documentation-related
- Authorization Documents-related
- Pass

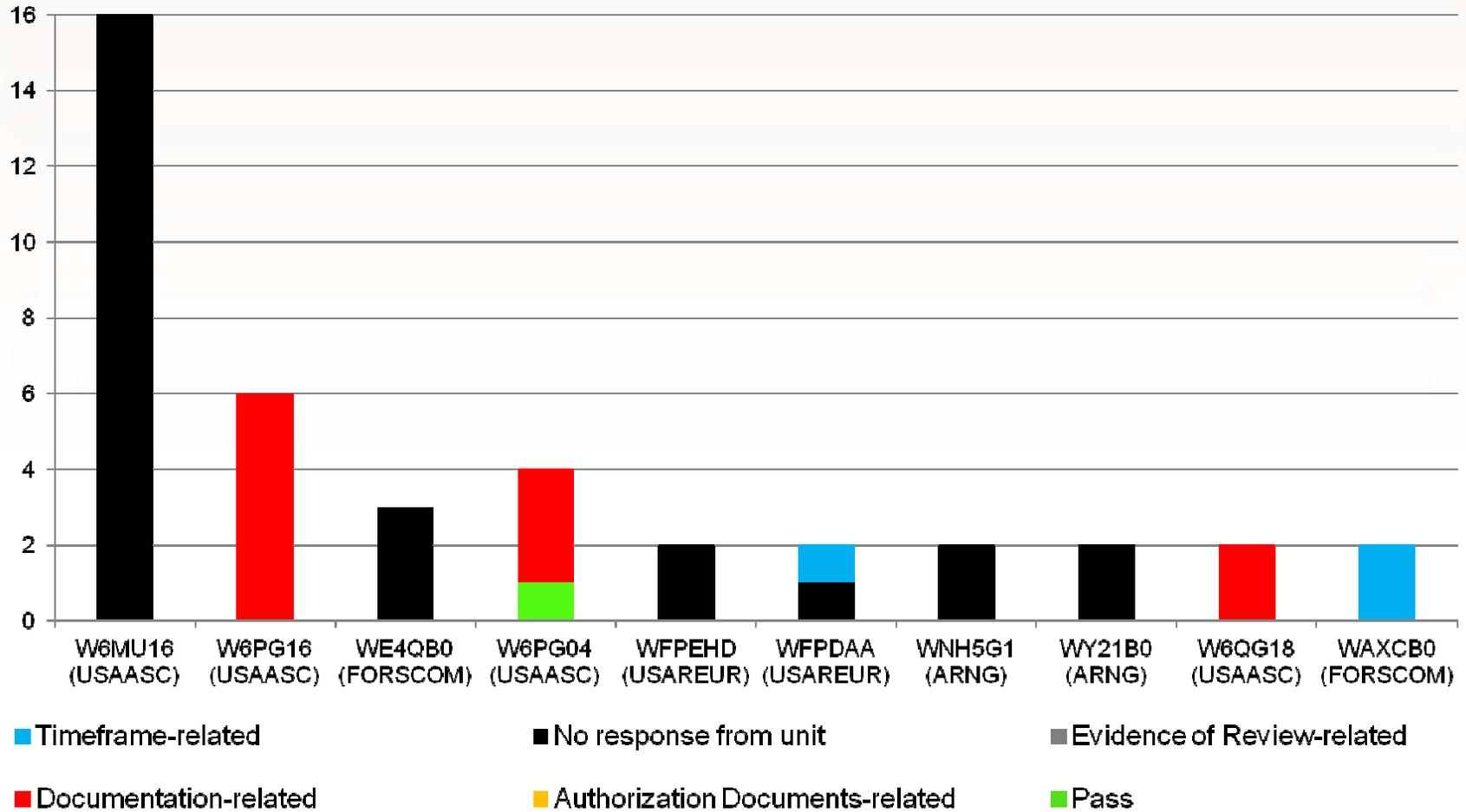
Command involvement improves overall performance

GE Follow-on Testing Root Cause Analysis (responses only)



Documentation is the primary cause of failure after non-responses

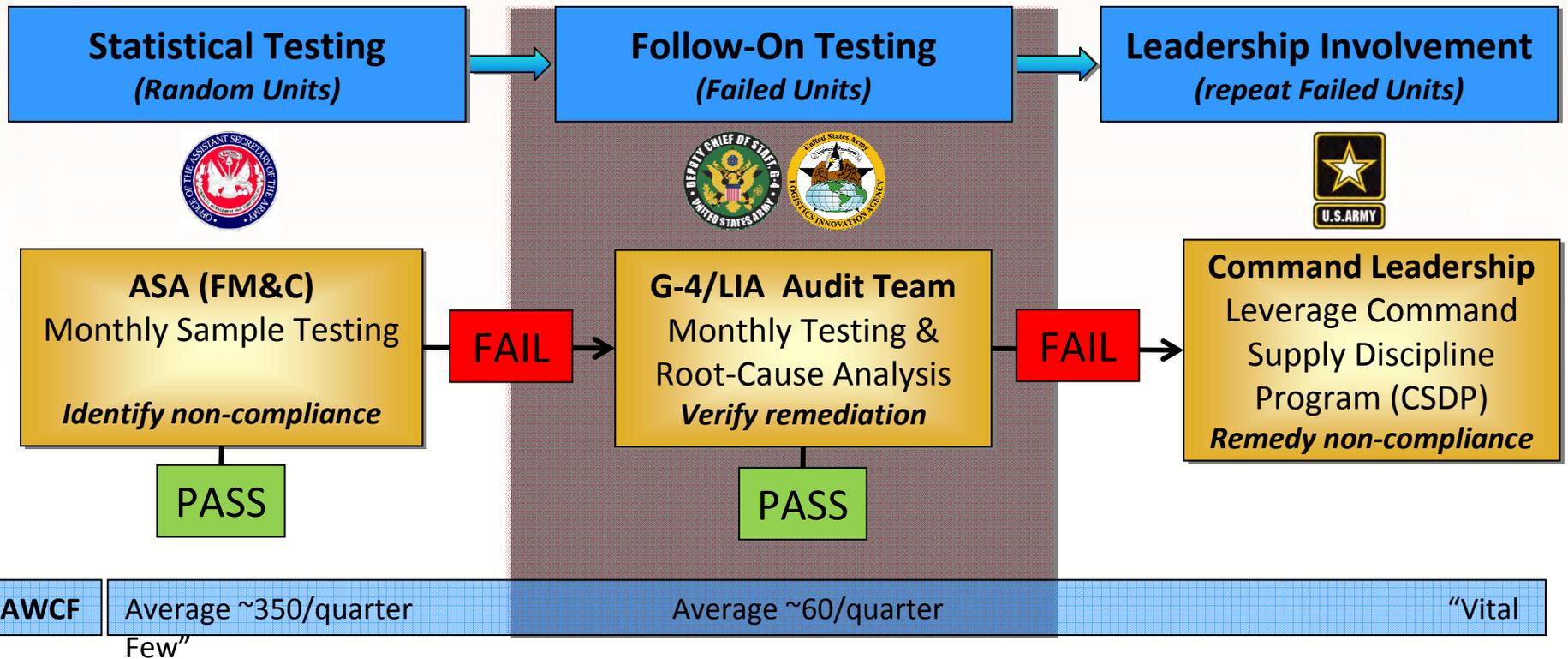
GE March Follow-on Testing Vital Few UICs



These UICs need immediate attention

Institutionalizing Army Audit Readiness for AWCF

Congress, through the National Defense Authorization Act of 2010 , requires all of the Department of Defense to obtain a clean audit opinion on all financial statements by 2017 (See ALARACT 222/2013).



- Follow-on Testing Business Rules**
- 1st cycle through follow-on testing requires **1 PASS** to remediate.
 - 2nd+ cycle through follow-on testing requires **3 consecutive PASSES** to remediate.

Statistical sampling coupled with CMDP inspections institutionalizes audit readiness.

AWCF Random Testing Performance

Goal: Sustain 95% Pass Rate

Key Tasks

Support Army efforts toward achieving unqualified audit compliance by FY17.

- Follow-on Testing;
- Provide UIC/Command assistance;
- Identify “vital few” for Command intervention

Next Steps

FM&C initiated AWCF random auditing on 17 April 14

- LIA to develop audit guides for field support;
- LIA to develop internal capabilities and procedures for performing AWCF audits;

Deliverables

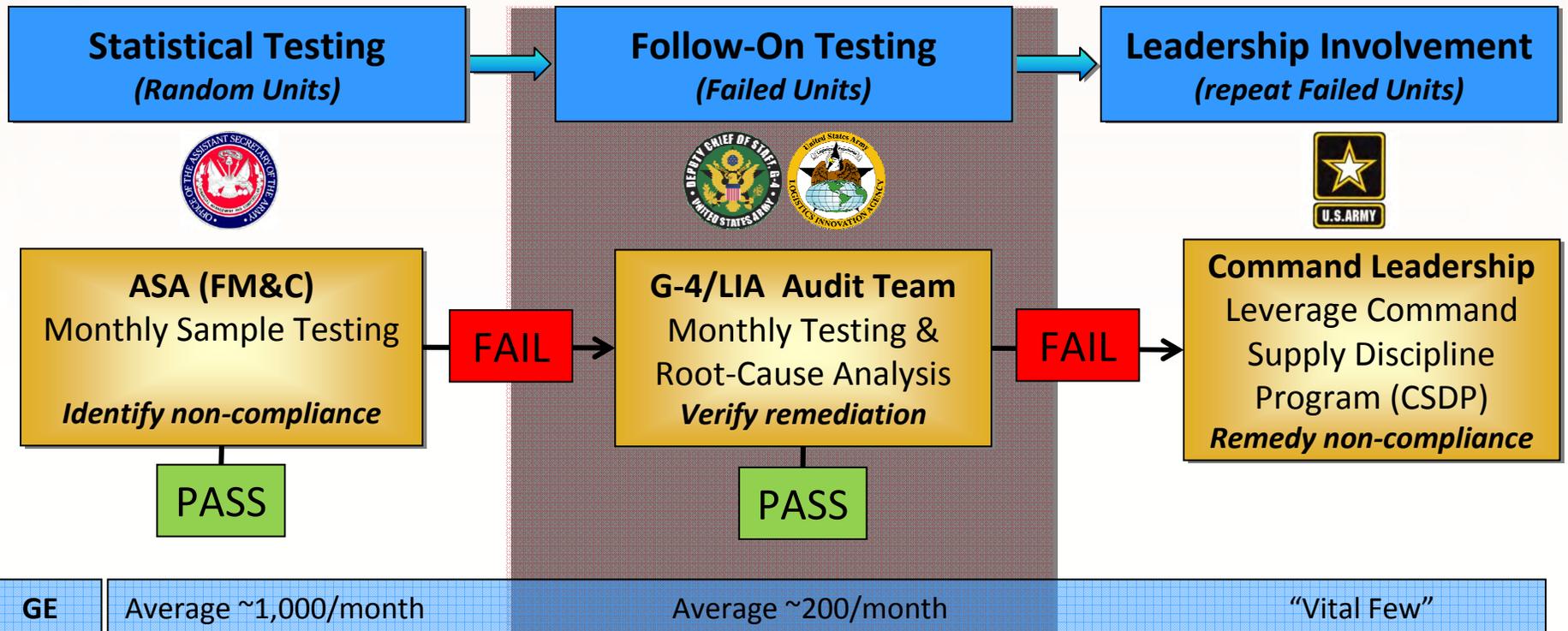
- | | |
|---|---|
| <input type="checkbox"/> Command POC list for FM&C use (IR Team members, G-4 contacts, etc) | {Done} |
| <input type="checkbox"/> Review FM&C constructed Control Catalogs and Test Narratives | {15 May 14} |
| <input type="checkbox"/> AWCF Interactive Audit Guide | {01 July 14– 2 nd random test cycle} |
| <input type="checkbox"/> Follow-on Testing Support | {15 August 14} |

Provide direct support to ASA(FM&C) to improve Army audit readiness

Backups

Institutionalizing Army Audit Readiness for GE

Congress, through the National Defense Authorization Act of 2010 , requires all of the Department of Defense to obtain a clean audit opinion on all financial statements by 2017 (See ALARACT 222/2013).



- Follow-on Testing Business Rules**
- 1st cycle through follow-on testing requires **1 PASS** to remediate.
 - 2nd+ cycle through follow-on testing requires **3 consecutive PASSES** to remediate.

Statistical sampling coupled with CSDP inspections institutionalizes audit readiness

G-43 (GFP), G-44 (S) and G-44 (M)



AC Team Concept of Operations



ACOMs/ASCCs/DRUs /NGB/USARC

PROPOSED
Priority: **High**
Apr 2014



PROPOSED
Priority: **Medium**
TBD 2014

PROPOSED
Priority: **Low**
TBD 2014

MISSION AREA #1
GE Random Testing Performance
Goal: sustain 95% Pass Rate

- Follow-on Testing;
- UIC/Command assistance;
- Identify "vital few" for Command intervention (CSDP)

MISSION AREA #2
AWCF Random Testing Performance
Goal: sustain 95% Pass Rate

- Follow-on Testing;
- UIC/Command assistance;
- Identify "vital few" for Command intervention (CMDP)

MISSION AREA #3
Execution Review Process Development
Goal: internalize capability within G-4

- Develop processes;
- Beta-test processes;
- Identify "vital few" MDEPs;
- Integrate capabilities

MISSION AREA #4
Culture Change Strategy
Goal: promote Accountability as a core Army value

- Perform gap analysis
- Influence FY15 ACP
- Integrate strategy

G-4 Top Priorities & Focus Areas

- Support OEF/USM-I/COCOMs...includes:
- **Sustain** the Current Fight
 - **Ensure** Sustainment of other COCOMs
 - **Transition** in Afghanistan
 - **Retrograde** of Materiel from SWA
 - **Reset** of Equipment Returning from SWA



- Drive policies, processes, & programs to improve Readiness & Discipline across the Supply, Maintenance, Distribution, & Operational Contract Support domains (*Property Accountability*)
- Implement a Single Army Logistics Enterprise (SALE), achieving improved accountability & auditability (*GCSS-Army*)

Monthly GE Follow-on Testing Data

Month	Samples Tested	Samples Received	Response Rate	Samples Passed	Pass Rate (Received Responses)	Pass Rate (Overall)	No Responses
SEP	367	257	70%	202	79%	55%	110
OCT	272	142	52%	115	81%	42%	130
NOV *	146	67	46%	49	73%	34%	79
DEC	172	80	47%	54	68%	31%	92
JAN	194	102	53%	77	75%	40%	92
FEB	190	115	61%	82	71%	43%	75
MAR	205	139	68%	100	72%	49%	66

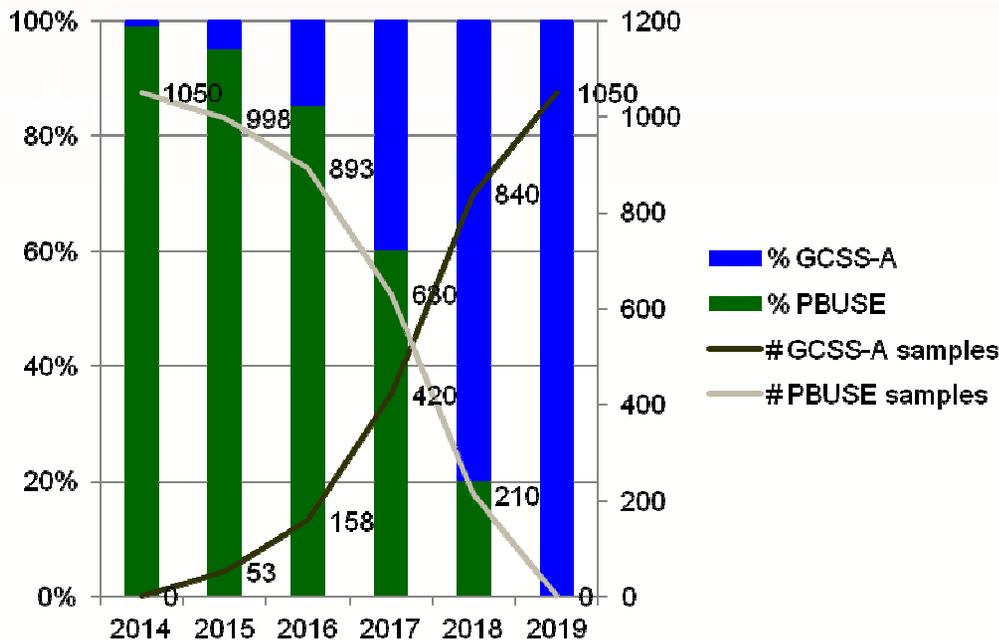
*Shutdown occurred during FM&C Oct test period. Impacted response rate by -10%

“Vital few” Commands and UICs were identified and are now achieving needed gains – slowly ...

PBUSE → GCSS-Army – E&C Auditability Next Steps

Must regularly balance random sampling across systems throughout migration.

NOTIONAL FIELDING SCHEDULE
2nd Wave impacts PBUSE starting FY15



Assumptions:

- Statistical test design for PBUSE = test design for GCSS-Army
- Fielding scheduled completed EOFY19
- Fielding progression will warrant random testing in FY15.

Current conditions (PBUSE as of 31MAR14)

- CL II,VII ,VIII items >\$100K: 303,638
- Total UICs w/ above mat'l: 14,126
- Total UICs FM&C tested (40%): 5,607
- Total Capital Assets Represented: 67%
- Total UICs not FM&C tested (60%): 8,518
- Total Capital Assets Represented: 33%

CL II,VII ,VIII in GCSS-Army: 2,727

- UICs in GCSS-Army: 49

Next Steps (IPW FM&C):

- Develop GCSS-A control catalogs & test narratives
- Develop GCSS-A audit guide
- Develop AADR/LIA database capabilities

FY14 is the time to develop auditability plans for GCSS-Army. Necessary step to ensure auditability as Wave 2 fielding commences.

GE Random Testing Performance

Goal: Sustain 95% Pass Rate

Key Tasks

Support Army efforts toward achieving unqualified audit compliance by FY17.

- Follow-on Testing;
- Provide UIC/Command assistance;
- Identify "vital few" for Command intervention (CSDP)

Collaborating with FM&C to:

1. Direct judgmental testing to UICs that have not participated to date (culture change implores an all-inclusive approach).
2. Direct repetitive testing to "vital few" UICs that are of ongoing concern.
3. Develop plan to initiate random testing of GCSS-Army.

Next Steps

- Continue GE follow-on auditing
- Focus on "vital few" Command and UICs
- PROPOSED:** Initiate judgmental testing to non-participating UICs and historical "vital few" UICs
- PROPOSED:** Initiate random testing of GCSS-Army UICs after fielding schedule achieves 5% of total assets (~2015).

Deliverables

- Sustain random testing response rate at 100% {99% Feb 14}
- Sustain random testing pass rate at 95% {94% Feb 14}
- Support FM&C General Equipment Audit Readiness assertion in Dec 13 {Done}

Additional Resourcing

- None

Mission performance goals are nearly achieved; judgmental testing is next focus area

GE Follow-on Testing Performance Sustainment Plan

- Monthly Leadership performance thresholds:

Pass Rate (Goal 95%)	0-89%	90-94%	95-100%
Response Rate (Goal 100%)	0-89%	90-99%	100%

- Leadership reporting highlights “vital few” Commands and UICs.
- 2nd cycle through follow-on testing requires 3 months of pass performance to remediate.
- Invigorate CSDP inspections to support audit compliance.
- Interactive Audit Guide deployed to demonstrate “what right looks like”.
Available on G-4/LIA Home Page: <https://lia.army.mil/>
- Further G-4/LIA assistance provided at:
usarmy.ncr.hqda-dcs-g-4.mbx.arfollowontesting@mail.mil

Audit Readiness NEVER goes away...it must be achieved, then sustained.

Root-Cause Categories

	Category	Recommended Action
1	Non-response from UIC	<ul style="list-style-type: none"> Goal is 100% response. A non-response is an audit failure.
2	Documentation Related Requested documentation is not provided.	<ul style="list-style-type: none"> Stakeholders (to include IR, Functionals, Commanders, MSE, G-4, DOL, and PBO) must understand the test procedures and provide requested documentation. Retain documentation per minimum requirements outlined by AR 710-2 or audit readiness guidelines.
3	Timeframe Related Transactions are not posted in PBUSE per required timeframes IAW ALARACT 092-2013. Transactions are completed outside authorized timelines.	<ul style="list-style-type: none"> Stakeholders must post transactions in PBUSE within 7 calendar days for Active Army or 30 calendar days for Army National Guard and Army Reserve. PMs must add new property to PBUSE within 72 hours of arrival or wholesale receipt at the material fielding site in accordance with AR 700-142.
4	Authorization Documents Related Authorization documents, including the appropriate assumption of command, appointment memorandum, and in cases where authority was delegated, the corresponding DA Form 1687, were not provided to verify transaction signatures or did not include the 6-character UIC.	<ul style="list-style-type: none"> Authorization documents must be valid for the date of the transaction. Authorization documents must include the 6-character UIC of the sample being tested. Authorization documents must include an example of the hand written signature of the approving individual if the transaction is hand signed.
5	Evidence of Review Related Transaction documents are not signed and dated to evidence review (e.g., hand receipt, transaction forms).	<ul style="list-style-type: none"> Sign and date substantive and internal control supporting documentation to evidence performance of the internal control.



Training and Communications

Presenter: Ms. Sonya Green, Audit Readiness Support



Communications Update

- The Commander's Checklist and Audit Readiness Command and Installation Guide have been updated as of March 2014 and are available on the Army Audit Readiness Website.
- The Spring 2014 FIP Report is available on AKO.

The FIP Report

Office of the Assistant Secretary of the Army (Financial Management & Comptroller)

Spring 2014

3rd Quarter FY 2014 Army In-Process Review

The Army Financial Improvement Plan Working Group will hold its 3rd Quarter Fiscal Year 2014 Army Audit Readiness In-Process Review (IPR) in-person on 1 May 2014 at the Fort Myer Community Center on Joint Base Myer-Henderson Hall in Fort Myer, Virginia.

The Army Audit Readiness IPR meets on a quarterly basis with Army G-8 leadership, resource managers, and the internal review community. These meetings serve as an important medium for communicating progress, status updates, and upcoming milestones in the Army's audit readiness strategy plans.

In recent quarters, IPRs were held by teleconference; however, with the Army's important audit readiness milestones for 2014 closely approaching, it was decided that the 3rd Quarter FY 2014 meeting would be an in-person event.

The meeting will have a robust agenda covering the 2014 milestones and the path forward, the General Fund (GF) Statement of Budgetary Resources (SBR) Exam 3 Results, ongoing GF SBR and GF Existence and Completeness testing efforts and updates, Command Updates, and training and communications updates. ■

Army Audit Committee Kicks off 2014

Dr. Mary Sally Matiella, Assistant Secretary of the Army, Financial Management

Contents

3rd Quarter FY2014 Army In-Process Review -----1

Army Audit Committee Kicks Off 2014 -----1

GCSS-Army Rolling Out to U.S. Army Europe -----2

Army Audit Readiness on Federal News Radio -----3

DoD Comptroller Bob Hale on Audit Readiness -----3

Command to Command Resources Coming to AKO! ---4

DoD IG Semiannual Report to Congress - Army Findings ----5

Audit Readiness Training: Courses Available Online -----6

External Examination Updates SBR and E&C -----6

Audit Readiness Milestones -- 7

Accountability and Audit Readiness

The Accountability and Audit

AKO Audit Readiness Page: <https://www.us.army.mil/suite/page/655389>



GF Audit Readiness Training

- Audit readiness training has been delivered to more than 21,700 Active Army, National Guard, and Army Reserve personnel since January 2012.
- Current delivery methods for instructor-led classes include on-site visits, Defense Connect Online (DCO), and Video Teleconference (VTC).
- Self-paced courses are available via the Army Learning Management System (ALMS) and Army Knowledge Online (AKO).
 - Over 4,400 audit readiness courses have been successfully completed via ALMS since June 2012.

- Audit Readiness Resources on AKO include

- Training Presentations
- Audit Readiness Fact Sheets
- Audit Support Handbooks (SBA)
- Testing Workbooks (E&C and SBA)





GF Audit Readiness Courses

Audit Readiness Topic	Available Courses	Instructor led	ALMS	AKO
Foundation	Army Audit Readiness	√	√	Note 1
	Army Financial Improvement Plan (FIP)	√	√	
Readiness	Internal Controls	√	√	Note 2
	Testing	√	√	
	Corrective Action	√	√	
Sustainment	<i>SBR Audit Readiness:</i>			
	General	√	√	√
	Contractual Services/Acquisition of Assets	√	√	√
	Civilian Payroll	√	√	√
	Military Payroll	√	n/a	n/a
	Grants, Cooperative Agreements, Subsidies, Contributions, and Advances	√	n/a	n/a
	Reimbursable Inbound	√	√	√
	<i>Existence & Completeness Audit Readiness:</i>			
	General Equipment (GE)	√	√	√
	Operating Materials & Supplies (OM&S)	√	n/a	√
Real Property (RP)	√	√	√	

Note 1 – The course content of the Army Audit Readiness and Army Financial Improvement Plan (FIP) modules is consolidated into one course titled “Army Audit Readiness Overview” on AKO.

Note 2 – The course content of the Internal Controls, Testing, and Corrective Action modules is consolidated into one course titled “Internal Control, Testing, and Corrective Action” on AKO.



ALMS Course Registration

- Access the Army Learning Management System (ALMS) via AKO (www.us.army.mil).
- Navigate to the **Self Service** header on the AKO homepage.

The screenshot displays the AKO (Army Knowledge Online) homepage. At the top, there is a green banner with the text "This information system is approved for UNCLASSIFIED//FOUO data". Below the banner is a navigation bar with the AKO logo and "U.S. ARMY" text. The main navigation menu includes "Home", "My Account", "Favorites", "Quick Links", and "Self Service", which is circled in red. To the right of the navigation bar is a search bar and a "Search" button. Below the navigation bar, the page is divided into several sections. On the left, there is a sidebar with links to "AKO Mail Inbox (0)", "New Notifications (0)", "New In My Files (0)", "New In My Blogs", "My Tasks", and "Tell CPT AKO/Tell 1SG". The main content area features a "Training and Professional Development Announcements" section with a blue graduation cap icon and a list of links including "Conferences and Seminars" and "Special Event Announcements". On the right side, there is a user profile section with fields for "Organization:", "Contractor:", "Sponsor:", "Address:", and "T:", all of which are redacted with black boxes. Below the profile section, there are sections for "Last Login" and "Last Password Change", with a message stating "We could not retrieve your last password change date. Your password will expire on 28 Jun 2014".



ALMS Course Registration

- Select the **Self Service** dropdown.
- Next, select **My Education**.

This information system is approved for UNCLASSIFIED//FOUO data

Home ▾ My Account ▾ Favorites ▾ Quick Links ▾ Self Service ▾

AKO Mail Inbox (0)
New Notifications (0)
New In My Files (0)
New In My Blogs
My Tasks
Tell CPT AKO/Tell 1SG
SHARP Program
G1 Suicide Prevention
IPPS-A (CAC Only)

Antivirus Services
Army e-Commerce
DA Pubs & Forms
My Benefits
My Clothing
My Dental
My Doctrine
My Education
My Family
My Finance
My Health Resources
My Medical
My Medical Readiness
My MilPay
My Personnel
My Pet
My Reference
My Safety
My Security
My Training
My Transition
My Travel

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ALMS Course Registration

- On the **My Education** page, click on the **ALMS** logo or the **Access the ALMS** link.

This information system is approved for UNCLASSIFIED//FOUO data

The screenshot shows the AKO Army Knowledge Online interface. At the top, there is a navigation bar with links for Home, My Account, Favorites, Quick Links, and Self Service. A search bar is also present. Below the navigation bar, the main content area is divided into two columns. The left column contains a section titled "CIO G-6 Army Cyber Directorate" with a list of news items, and a section titled "The Army e-Learning Program" featuring the Army eLearning logo. The right column is titled "The Army Learning Management System (ALMS)" and contains a large ALMS logo circled in red. Below the logo, there is a link that says "Access the ALMS or click the logo above". At the bottom of the right column, there is a red announcement that reads "Please plan your work accordingly".

Home ▾ My Account ▾ Favorites ▾ Quick Links ▾ Self Service ▾

Search... AKO Content Search

My Education Related Content ▾

[AKO Home](#) > [My Education](#) > [My Education](#)

CIO G-6 Army Cyber Directorate

- NEW: CIO/G-6 Cyber Security 1 July 2013 Newsletter
- IASO Extension Memo
- IA Training and Certification BBP - May 2012
- IA Scholarship Program, ALARACT CY12-13

The Army e-Learning Program

Army eLearning

Free for Active Army Soldiers, Army National Guard, Army Reservists & DA Civilians! ACCESS OVER 5,000 WEB-BASED COURSES IN INFORMATION TECHNOLOGY, BUSINESS, LEADERSHIP AND PERSONAL DEVELOPMENT

The Army Learning Management System (ALMS)

ALMS
ARMY LEARNING MANAGEMENT SYSTEM

[Access the ALMS](#)
or click the logo above

IN ORDER TO USE THE ALMS, YOU MUST DISABLE THE POP-UP BLOCKER IN THE INTERNET BROWSER OPTIONS TAB.

ANNOUNCEMENTS

Please plan your work accordingly



ALMS Course Registration

- On the ALMS decision page, select the **Go To ALMS Homepage** option on the right.





ALMS Course Registration

- On the ALMS **My Home** page, select the **Course Search** tab to begin the search process.
- Enter the search term “Audit Readiness” or “SBA Audit Readiness”.
- Click the **Search** button on the right.

The screenshot shows the ALMS (The Army Learning Management System) interface. At the top, there is a navigation bar with links for Calendar, Terms of Use, Help, and Log Out. Below this is the ALMS logo and a navigation menu with tabs for My Home, Course Search, Execute Training, Mandatory Training, Training History, User Tools, Reports, and My Tasks and Gap Analysis. The Course Search tab is active. On the left, there is a sidebar with links for Search Catalog, Search Knowledge Base, and ACCP Search. The main content area is titled 'Search' and includes links for Advanced Search, Search Tips, and Search Preferences. A search box contains the text 'Audit Readiness', and a 'Search' button is located to its right. Below the search box, there are options for 'Starting' (In Next Six Months) and 'Locations' (Any Location). A red oval highlights the search box and the Search button.



ALMS Course Registration

- A list of Audit Readiness courses is shown.
- Click the **Register** link for the courses that you wish to take.

The screenshot displays the ALMS interface. At the top, the ALMS logo and navigation tabs are visible. The search results section shows a search for 'audit readiness' with 6 results. The first result, 'Army Audit Readiness Overview Training', includes a description and a blue 'Register' link that is circled in red. The second result, 'Existence & Completeness Audit Readiness', also includes a description and a blue 'Register' link circled in red.



ALMS Course Registration

- On the **Create Order** page, scroll to the bottom.
- Click the **Continue Registration** button.

The screenshot shows the ALMS (The Army Learning Management System) interface. The top navigation bar includes tabs for 'My Home', 'Course Search', 'Execute Training', 'Mandatory Training', 'Training History', 'User Tools', 'Reports', and 'My Tasks and C'. The main content area is titled 'Create Order' and displays course details for 'Existence & Completeness Audit Readiness' (ID: 00016444). Below this, two items are listed for selection:

Item 1: Military Equipment / General Equipment Audit Readiness (Print | Export | Modify Table)

Select	Title	ID, Version	Type	Location	Language	Start Date	End Date	Actions
<input checked="" type="radio"/>	Military Equipment / General Equipment Audit Readiness	00036693	Web Based Training		English			

Item 2: Real Property Audit Readiness (Print | Export | Modify Table)

Select	Title	ID, Version	Type	Location	Language	Start Date	End Date	Actions
<input checked="" type="radio"/>	Real Property Audit Readiness	00039314	Web Based Training		English			

At the bottom right, the 'Continue Registration' button is circled in red, next to a 'Cancel' button.



ALMS Course Registration

- When the registration process is complete, you will be taken to the **Registration Confirmation** page.
- Click the **Go to Enrollments** button, to access your registered courses.

ALMS
The Army Learning Management System

My Home | Course Search | Execute Training | Mandatory Training | Training History | User Tools | Reports | My Tasks and Gap Ana

Search Catalog
Search Knowledge Base
ACCP Search

Registration Confirmation

[Printer Friendly Version](#)

Order Contact: [REDACTED]
Billed To: Other
Order Status: Confirmed
Order Number: [REDACTED]

Order Items

Title	Learners	Delivery Type	Status	Actions
<input checked="" type="checkbox"/> Existence & Completeness Audit Readiness	[REDACTED]			
..... Military Equipment / General Equipment Audit Readiness		Web Based Training	Confirmed	Notes
..... Real Property Audit Readiness		Web Based Training	Confirmed	Notes

Go to Enrollments



ALMS Course Registration

- On the **My Enrollments** page, click the **Launch** button to start the course.
- The course will load, and is now ready for completion.

ALMS
The Army Learning Management System

My Home | Course Search | Execute Training | Mandatory Training | Training History | User Tools | Reports | My Tasks and Gap Analysis

Enrollments
Course/Phase/Certifications
Training Requests

My Enrollments

Cataloged Learning | External Learning

Sort: Group courses by course/phase/certifications and curricula

Please use Course/Phase/Certification Name to search for all offerings belonging to a Course/Phase/Certification. Please enter the name of the Course/Phase/Certification Name in the input box next to Course/Phase/Certification Name. Use Course Offering Title if you want to search course offering enrollments.

Course Offering Title:
Course/Phase/Certification Name:

[Army Audit Readiness Overview Training Lesson 01 - Army Audit Readiness \(00032172\)](#) [more actions](#)
Duration: 01:00 hours
Status: Confirmed (Registration Date: 04/10/2014)
Course Iteration Name: [Army Audit Readiness Overview Training](#)



ALMS Course Registration

- Select the **Enrollments** link on the **My Home** tab to access your active courses at any time.

ALMS
The Army Learning Management System

My Home | Course Search | Execute Training | Mandatory Training | Training History | User Tools

Course Search

Course iteration [v] [] Search

Starting [In Next Six Months v] Locations [Any Location v] Show exact matches only

[Advanced Search](#)

Execute Training

Enrollments

[Course/Phases and Certifications](#)

Training History

[Detailed Training Records](#)

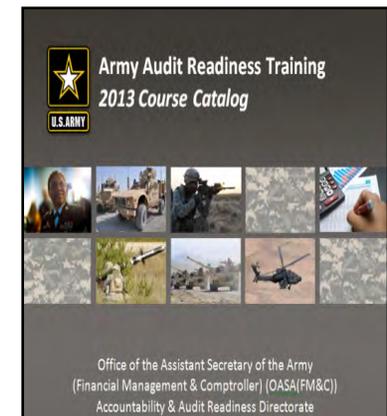


Audit Readiness Training Options

- By request:
 - Sign up for monthly SBA and E&C Training delivered via Defense Connect Online (DCO). Dates can be found on AKO.
 - Visit AKO for details on how to request audit readiness training. (<https://www.us.army.mil/suite/page/674323>)
 - View the Course Catalog to determine which modules are relevant. (<https://www.us.army.mil/suite/doc/41379128>)

- Web-based:
 - Visit the AKO Training page for additional information on how to register for courses on ALMS.

- Training Hotline: (888) 426-6840 PC: 14450248#
 - Tuesdays 1400-1500 ET
 - Thursdays 0800-0900 ET





Wrap-up and Q&A