

**DEFENSE CONTRACT AUDIT AGENCY**  
**Management Discussion and Analysis**  
**FY 2013**



**A COMMITMENT TO EXCELLENCE**

## Message from the Director



I am pleased to present the Defense Contract Audit Agency's (DCAA) Management's Discussion and Analysis for fiscal year (FY) 2013. The report summarizes the Agency's mission, organization, programmatic achievements, financial status, and business priorities for FY 2013. DCAA's job is to provide advice to the contracting community in their determination of fair and reasonable prices for goods and services. We accomplish this in an effective and efficient manner through continuous process improvement.

As of 2013, DCAA employed an all-civilian workforce comprised of professional contract auditors and administrative support personnel. Approximately 26 percent of DCAA's audit workforce are Certified Public Accountants; 95 percent have bachelor's degrees; and 33 percent have advanced degrees.

DCAA is committed to organizational excellence and sound financial management. I am pleased to report that for the last thirteen years DCAA received an unqualified "clean" audit opinion on its financial statements. These audit results indicate that the DCAA's financial statements are a reliable reflection of the Agency's financial position.

As required by Section 1116(e) of Title 31 of the U.S. Code, the financial and performance information contained in this report is complete and reliable, and DCAA is in substantial compliance with the requirements of the Federal Managers' Financial Integrity Act (FMFIA) and Federal Financial Management Improvement Act (FFMIA).



Patrick J. Fitzgerald  
Director

# **Defense Contract Audit Agency Management's Discussion and Analysis**

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## **OVERVIEW OF DCAA**

### **Mission**

More than 40 years of professional experience with complex, high-dollar government contracts has given the Defense Contract Audit Agency (DCAA) the skills to provide quality audit and financial services through continuous evaluation and improvement of audit and administrative processes.

DCAA is a worldwide enterprise dedicated to serving the public interest by providing timely and responsive audits, reports, and financial advisory services to Department of Defense (DoD) contracting officers and other customers. DCAA's principal customers are contracting officers in the Army, Navy, Air Force, and Defense Contract Management Agency (DCMA). The Agency also performs contract audit services for other Federal agencies on a reimbursable basis.

The majority of the DCAA's workload is driven by statutory and regulatory requirements designed to ensure that the government meets its fiduciary responsibilities to the taxpayer when awarding and administering contracts. In this capacity, DCAA supports the oversight and internal control responsibilities of the Office of the Secretary of Defense, DoD Inspector General (IG), Government Accountability Office (GAO), and Congress.

### **Organization and Structure**

DCAA was established in 1965 by, then Secretary of Defense, Robert S. McNamara, who determined that Department of Defense contract audit functions would be more effective and efficient if performed by a single organization. The Agency operates under the authority and control of the Under Secretary of Defense (Comptroller). A member of the Senior Executive Service, the Director of DCAA, is appointed by the Secretary of Defense.

The Agency is organized into seven major components: a Headquarters and six regions. The Headquarters is located at the Andrew T. McNamara Headquarters Complex, Fort Belvoir, Virginia. Principal elements of Headquarters include the Director, Deputy Director, Executive Officer, General Counsel, and Assistant Directors for Operations, Policy and Plans, Resources, and Quality Assurance.

Regional offices are located in Smyrna, Georgia; Lowell, Massachusetts; Irving, Texas; La Mirada, California; Philadelphia, Pennsylvania; and Northern Virginia. The regions direct and administer the accomplishment of the DCAA audit mission for assigned geographical areas; manage personnel and resources assigned to the regions; and direct the operation of Field Audit Offices (FAOs) within their region. Principal elements of regional offices are the Regional Director, Deputy Regional Director, Special Assistant to the Regional Director, Regional Audit Managers, Regional Special Programs Manager, and Regional Resources Manager. During

fiscal year (FY) 2013, the six regional offices provided oversight and management for more than 420 FAOs and sub-offices located throughout the United States and overseas.

DCAA identifies field audit offices as either branch or resident. A branch office performs all contract audit services within the assigned geographical area, exclusive of contract audit services performed by a resident office within the area. Resident offices are co-located with a contractor when the amount of audit workload justifies the assignment of a permanent audit and support staff. Regional Directors establish suboffices as extensions of FAOs when required to furnish contract audit service more economically. A suboffice is dependent on its parent FAO for release of audit reports and other administrative support.

The Agency has established liaison offices at DoD and some non-DoD procurement or contract administration offices to facilitate effective communication and coordination among procurement, contract administration, and DCAA contract audit elements. In addition, DCAA financial advisors are stationed at selected procurement offices to improve the quality of audit information for decision-makers by providing confidence about the reliability and relevance of financial information.

The DCAA assists acquisition personnel by:

- evaluating contractor submitted forward pricing proposals;
- providing contracting officers with accounting and financial advisory services useful to negotiations;
- verifying the propriety and acceptability of costs charged by contractors to flexibly priced government contracts; and
- deterring inefficient contractor practices, which, if not detected and corrected, could lead to excessive costs and contract prices.

The Defense Contract Audit Institute (DCAI) in Atlanta, Georgia, provides specialized contract audit training for the DCAA's audit staff. In addition, DCAI's trained instructors provide leadership and soft skills training to new supervisors and other Agency employees.

In FY 2013, DCAA used the Defense Acquisition Workforce Development Fund (DAWDF). The funding was used to recruit and train acquisition personnel. The Offices of the Under Secretary of Defense for Acquisition, Technology and Logistics (OUSD (AT&L)) provided DAWDF funding, and these funds are part of OUSD (AT&L)'s financial reporting. The DAWDF funds are not shown on DCAA's financial statements.

As of September 2013, DCAA employed an all civilian workforce comprised of 4,935 contract auditors and administrative support personnel. 653 of those were hired with DAWDF funds. Approximately 26 percent of the DCAA's audit workforce is Certified Public Accountants (CPAs); 95 percent have bachelor's degrees; and 33 percent have advanced degrees.

## **THE DEFENSE CONTRACT AUDIT AGENCY STRATEGIC PLAN**

DCAA's current strategic plan covers 2011-2015. It is anchored by our core values—Teamwork, Excellence, Accountability, Mutual Respect, Integrity, Trust—and our vision statement: “Dedicated employees working together to deliver top-quality audit services to support the Department and the warfighter, and to protect the taxpayer's interest.” DCAA is effectively using the plan as a structure to focus on audit quality and workforce issues and to identify operational improvements. During FY 2013, the Agency completed the work on nine of the 16 different initiatives under the plan, bringing the total to 12. The completed initiatives addressed a variety of subject areas including incurred cost audits, audit processes, auditor interface with the acquisition community, and mentoring and coaching programs.

### **PERFORMANCE GOALS, OBJECTIVES, AND RESULTS**

Although DCAA does not set specific goals for savings and return on investment, the results do provide indicators of the value of DCAA audit services to the U.S. taxpayer. Savings to the government, as a result of contract audit services, far exceed the cost of DCAA's operations. In FY 2013, the Agency examined about \$163 billion and questioned about \$16 billion, or about 9.8 percent. We conducted about 13,600 reviews and produced about 6,200 reports. DCAA reported about \$4.4 billion in actual net savings during the year. These savings represent a return on taxpayers' investments in DCAA of about \$7.30 for each dollar invested.

### **ANALYSIS OF FINANCIAL STATEMENTS**

For external reporting purposes, DCAA reports its financial information in four principal financial statements, including a consolidated Balance Sheet along with statements of Net Cost, Changes in Net Position, and Budgetary Resources. These statements reflect the Agency's financial position and changes in both proprietary and budgetary activities. DCAA has prepared its financial statements as part of DCAA's and DoD's overall goal to improve financial management in the Department and to provide accurate, reliable information that is useful in assessing Agency performance and allocating resources.

This is DCAA's seventeenth year of preparing financial statements, and the fourteenth year that an independent accounting firm has audited the statements. The independent audit firm, Davis and Associates, examined the Agency's FY 2013 financial statements. Subjecting the financial statements to an independent audit enhances the reliability of the statements and aids the Agency in promoting improved accountability and stewardship over the public resources entrusted to DCAA. The auditor's report is based on an audit conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS), issued by the Comptroller General of the United States, and the Office of Management and Budget (OMB) Bulletin No. 07-04, Audit Requirements for Federal Financial Statements and its amendments. Fiscal year 2013 marks the thirteenth consecutive year the audit was unqualified.

## Financial Analysis

DCAA's Total Liabilities exceed Total Assets by approximately \$19.0 million. Total liabilities include long-term liabilities of approximately \$20.7 million for future cost of civilian retirement, health, and other employee benefits, which significantly influence the long-term financial outlook.

**Assets.** The Agency had total assets of \$65.3 million as of September 30, 2013. Fund Balance with Treasury (FBWT) of \$56.9 million and Accounts Receivable of \$8.0 million comprised 99.4% of this amount. In comparison, the Agency had Total Assets of \$63.2 million as of September 30, 2012. Fund Balance with Treasury (FBWT) of \$57.2 million and Accounts Receivable of \$5.5 million comprised 99.2% of this amount.

The Agency continuously reviews reimbursable accounts receivable balances. DCAA is coordinating with DFAS Columbus to ensure that they review aged accounts receivable and take appropriate action taken in a timely manner. This year we have analyzed over-aged accounts collections, made adjustment for erroneous billings, and reversed invalid accounts balances.

**Liabilities.** DCAA's liabilities are classified as covered by budgetary resources (funded) or not covered by budgetary resources (unfunded). The funded liabilities are paid with existing budgetary resources. Funded liabilities include account payable, employer contributions, payroll tax, and accrued payroll & leave. The unfunded liabilities will be funded from future DoD appropriations. Unfunded liabilities consist primarily of employment benefits, leave, and Federal Employment Compensation Act (FECA) liability. The FECA actuarial liability includes the expected liability for death, disability, and medical costs. The Department of Labor (DOL), Office of Workers' Compensation Programs (OWCP), administers the FECA. The OWCP office adjudicates the claims and pay benefits, and the costs of those benefits are charged back to the employing agency. The unfunded leave amount shown as unfunded liabilities on the chart on page 7, \$38.9 million represents the net amount that employees have accrued and will be paid from future funds as the leave is taken.

The following chart presents comparative data for Total Liabilities as of September 30, 2013 and September 30, 2012.

<b>Liability Comparisons</b>			
<b>\$ in millions</b>			
	<b>FY 2013</b>	<b>FY 2012</b>	<b>% Change</b>
<b><u>Funded Liabilities</u></b>			
Accounts Payable	\$8.4	\$10.7	-21.5%
Employer Contributions & Payroll Tax	1.8	1.4	28.6
Accrued Payroll & Leave	<u>10.1</u>	<u>8.1</u>	<u>24.7</u>
<b><i>Subtotal Funded Liabilities</i></b>	<b>\$20.3</b>	<b>\$20.2</b>	<b>0.5%</b>
<b><u>Unfunded Liabilities</u></b>			
FECA Liabilities	\$4.3	\$4.5	-4.4%
Employment Benefits	20.7	21.1	-1.9
Unfunded Leave	38.9	38.1	2.1
Contingent Liability	<u>0.0</u>	<u>0.4</u>	<u>-100.0</u>
<b><i>Subtotal Unfunded Liabilities</i></b>	<b>\$63.9</b>	<b>\$64.1</b>	<b>-0.3%</b>
<b>Total Liabilities</b>	<b><u>\$84.2</u></b>	<b><u>\$84.3</u></b>	<b><u>-0.1%</u></b>

Liabilities decreased \$100,000, primarily due to the decrease in accounts payable and a reduction in FECA Liability.

**Net Position.** Net position consists of unexpended appropriations and cumulative results of operations. Unexpended appropriations include the amount of unobligated allotments, which have not been withdrawn and amounts obligated but for which liabilities for payments had not been incurred at the end of the year. The Agency's Net Position was a negative \$19.0 million as of September 30, 2013. This amount consisted of Unexpended Appropriations of \$44.8 million and Cumulative Results of Operations of a negative \$63.8 million. Unexpended Appropriations include the portion of Agency's appropriations represented by undelivered orders and unobligated balance. Cumulative Results of Operations is the net results of operations since inception plus the cumulative amount of prior period adjustments, the imputed costs of life insurance benefits, health benefits, and retirement benefits. These liabilities will be funded by future appropriations.

The following chart presents comparative data for the Net Position and Results of Operations as of September 30, 2013 and September 30, 2012.

<b>Change in Net Position and Cumulative Results of Operations</b>			
<b>\$ in millions</b>			
	<b>FY 2013</b>	<b>FY 2012</b>	<b>% Change</b>
Unexpended Appropriations	\$44.8	\$42.6	5.1%
Cumulative Results of Operations	<u>(63.8)</u>	<u>(63.8)</u>	<u>0.0%</u>
<b><i>Net Position:</i></b>	<b><u>(\$19.0)</u></b>	<b><u>(\$21.2)</u></b>	<b><u>-10.4%</u></b>

Financing Sources	\$569.2	\$547.9	3.9%
Net Cost of Operations	569.2	553.8	2.8%
Net Change	0.0	(5.9)	-100.0%
Operations Beginning Balances	<u>(63.8)</u>	<u>(57.9)</u>	<u>10.2%</u>
<b><i>Cumulative Results of Operations:</i></b>	<b><i>(\$63.8)</i></b>	<b><i>(\$63.8)</i></b>	<b><i>0.0%</i></b>

**Cumulative Results of Operations.** The Results of Operations are reported in the Consolidated Statements of Changes in Net Position. The DCAA had Financing Sources of \$569.2 million and Net Cost of Operations of \$569.2 million. The Net Cost of Operations includes accrued expenses for annual leave liability, personnel benefits liability, and actuarial liability. These liabilities will be funded by future appropriations. The Cumulative Results of Operations were unchanged from FY 2012.

### **Budgetary Results**

The total current year budget authority for DCAA's operations was \$595.8 million with obligations of \$591.2 million. This represents an execution rate of 98.4%. Approximately 99.2% of the DCAA's operating budget goes to pay and benefits. The balance of funds covers the necessary support costs – travel, office space, telecommunications, infrastructure, and supplies and equipment. Funding for DCAA operations derives from two sources: appropriated funds provide for audits of DoD contracts and reimbursable funding (on a per hour basis) for performing audits for numerous non-Defense agencies.

DCAA received DAWDF funding for recruiting and training of acquisition personnel of the Department of Defense. DCAA hired 810 auditors with this fund and 653 remain in the agency at the end of FY 2013, but only 80 are still funded by DAWDF, and the remainder are covered by O&M funds.

## **SYSTEMS, CONTROLS, AND LEGAL COMPLIANCE**

The DCAA financial statements are prepared by DFAS based on data input into the Defense Business Management System (DBMS), a legacy accounting system. The DoD legacy accounting systems track budget execution; they are not designed to capture the information necessary to create financial statements. Chief Financial Officers of executive departments and agencies did not produce annual financial statements until required by the Chief Financial Officers (CFO) Act of 1990.

The Federal Financial Management Improvement Act of 1996 required, among other things, that the audit reports state whether the Agency financial management systems comply substantially with Federal financial management systems requirements, applicable Federal accounting standards, and the U.S. Government Standard General Ledger at the transaction level. Federal agencies must support full disclosure of Federal financial data, including the costs of Federal programs and activities. DoD and DFAS have developed long-term strategies to replace the many legacy accounting systems such as DBMS. DCAA will begin conversion a new enterprise resource planning system, Defense Agencies Initiative (DAI), beginning in FY 2017. DCAA is

committed to implementing processes that support the accuracy and auditability of the DCAA's financial statements.

DCAA's accounting system is adequate to ensure that transactions are executed in accordance with budgetary and financial laws. Reasonable assurance is provided to ensure that assets are properly acquired, used, and safeguarded to deter theft, accidental loss or unauthorized disposition, and fraud.

## **Management Assurances**

In its Annual Statement of Assurance (SOA) for FY 2013, DCAA reported a qualified statement of reasonable assurance to the Secretary of Defense; internal controls met the objectives of the Federal Managers' Financial Integrity Act (FMFIA) of 1982, with the exception of the material weakness described on page 12. The material weakness was found in the internal controls over the effectiveness and efficiency of operations and compliance with applicable laws and regulations. No other material weaknesses were found in the design or operation of the internal controls.

The Agency has in place a rigorous system of internal accounting and administrative controls to ensure effective management of the Agency's resources. This system provides the reasonable assurance required to certify that the objectives of the FMFIA are achieved. The FMFIA requires federal agencies to assess the effectiveness of internal controls for program, operational, and administrative areas, as well as accounting and financial management.

As an audit organization, DCAA is particularly aware of the importance of management internal controls. As part of its quality control process audit, DCAA made specific reviews and field visits during the past year to evaluate adequacy and consistency in the implementation of audit and procedural guidance. Other objectives of these reviews include identifying areas requiring additional policy coverage and determining the adequacy of existing coverage.

The DCAA Executive Officer oversees the Agency's management control program. Individual assurance statements from each Regional Director and Headquarters Assistant Director serve as the primary basis for the Agency's assurance that management controls are adequate. The statements are based on information from various sources such as the managers' knowledge of day-to-day operations and controls, program reviews, management initiated evaluations, and audits, reviews, and investigations performed by the DoDIG and the GAO.

The DCAA continued to evaluate its system of internal accounting and administrative controls in effect during the fiscal year ending September 30, 2013, in accordance with the guidance in OMB Circular No. A-123, Management's Responsibility for Internal Control. The objectives of the system of internal accounting and administrative controls of DCAA are to provide reasonable assurance that:

1. Effectiveness and efficiency of operations
2. Reliability of financial reporting
3. Compliance with applicable laws and regulations

DCAA and DFAS assessed internal control effectiveness over financial reporting according to the OMB Circular No. A-123, Appendix A, Internal Control over Financial Reporting (ICOFR), for the following:

- Fund Balance With Treasury
- Accounts Receivable
- Accounts Payable
- Financial Statement Compilation
- Federal Employees' Compensation Act Liabilities
- Other Liabilities
- Appropriations Received
- Payroll

Financial reporting is not limited to financial statement reporting. Circular No. A-123, Appendix A, included within the definition of “financial reporting” other significant internal and external financial reports that could materially affect spending, budgetary or other financial decisions. Appendix A prescribed a process for assessing internal controls over financial reporting. The process included:

- Establishing a high-level governance body, the DCAA Senior Assessment Team (SAT).
- Evaluating internal controls by understanding management's attitude, awareness, and actions to include:
  - Integrity and ethical standards,
  - Commitment to competence,
  - Management philosophy,
  - Organizational structure, and
  - Assignment of authority and responsibility.
- Evaluating internal controls at the process, transaction, and application levels and obtaining knowledge of the organization's key processes by:
  - Performing process risk assessments with regard to financial assertions of completeness, obligations and rights, valuation, existence and occurrence, reporting and presentation, compliance with laws and regulations, and safeguarding of assets from fraud, waste, and abuse.
  - Identifying existing key controls intended to mitigate identified risk.
- Assessing and testing the design and operation of internal controls over financial reporting.
- Documenting the entire assessment process from the establishment of the DCAA's SAT to the identification of deficiencies and development of corrective action plans.
- Issuing an Annual Statement of Assurance (SOA) on Internal Control over Financial Reporting (ICOFR) as a subset of the Annual Federal Managers' Financial Integrity Act Statement of Assurance.

The SAT, established in December 2005, provides oversight, accountability, and an assessment as to whether there is reasonable assurance that the DCAA's internal controls are in place, operating effectively, and being used for financial reporting. The SAT, composed of senior leadership-level representatives to indicate the DCAA's top down commitment, is maintaining complete records of the assessment documentation to explain significant decisions made in identifying material business processes, results of the assessments, internal control test plans, and in determining if material weaknesses exist.

We conducted separate tests to assess the effectiveness of internal controls. No material weaknesses surfaced in the design or operation of the internal controls. DCAA reported an unqualified statement of assurance on ICOFR in its annual FMFIA SOA.

The concept of reasonable assurance recognizes that (1) the cost of management controls should not exceed the benefits expected to be derived and (2) the benefits consist of reductions in the risks of failing to achieve the stated objectives. The expected benefits and related costs of control procedures should be addressed using estimates and managerial judgment. Moreover, errors or irregularities may occur but remain undetected because of inherent limitations in any system of internal accounting and administrative control, including those limitations resulting from resource constraints, Congressional restrictions, and other factors.

DCAA has implemented internal controls that provide reasonable assurance that performance data and metrics are reliable and relevant. Procedures are in place that control access to the DCAA's Management Information System (DMIS). Access to DMIS is through the Common Access Card (CAC). The DMIS login works hand-in-hand with the CAC network login. DMIS checks the user's network profile setting to determine how the user will log in to DMIS. These login procedures control the level of access to the information system. Point-of-data entry edit checks, numerous data accuracy queries run throughout the year, and specific quarterly reviews performed by Headquarters, the Regions, and FAOs assure performance data and metrics are not significantly misstated for the period.

In addition to the point-of-data entry edit checks to reduce risk of data input errors, DCAA executes other rigorous data accuracy queries after entering the data to ensure performance data and metrics are accurate and reliable. These queries focus on data relationships to highlight significant amounts that, if erroneous, could materially affect reported statistics for the period. The Agency maintains consistent oversight of DMIS, from data entry through transaction processing and reporting. The annual review of the Federal Information Security Management Act found DCAA within the compliance standards for all reportable areas.

### **UNCORRECTED MATERIAL WEAKNESS**

In the last 5 years, DCAA has been the subject of two GAO reviews and a follow-up review conducted by the DoD IG; all have implications on the implementation of DCAA audit policy. The Agency takes the GAO and DoD IG findings very seriously and is taking comprehensive actions to address GAO and DoD IG recommendations.

The first GAO report was issued in July 2008: “DCAA Audits: Allegations That Certain Audits at Three Locations Did Not Meet Professional Standards Were Substantiated (GAO-08-857).” The second GAO report was issued in September 2009: “DCAA Audits: Widespread Problems with Audit Quality Require Significant Reform.” The DoD IG issued its follow-up to the first GAO report in September 2009, substantiating the majority of the findings as reported by the GAO.

The second GAO report found serious problems with the quality of DCAA’s audits. The GAO review was originally announced as a review of DCAA audits of internal controls over contractors’ significant cost-related systems. However, the review was expanded to cover several other areas including:

- Whether DCAA identified and reported overpayments
- DCAA’s organizational environment and quality assurance structure
- DCAA’s actions in response to the July 2008 GAO report
- DCAA’s placement within DoD

The GAO report found serious quality deficiencies in 65 of the 69 audits they reviewed.

After the September 2009 GAO report, DCAA performed more than 45 Council of Inspectors General on Integrity and Efficiency (CIGIE)-based quality assurance reviews. These reviews confirmed the serious quality issues identified in the GAO report. The quality assurance reviews found systemic noncompliance resulting in the conclusion that audits lacked sufficient professional judgment. We consider the quality issues identified in the GAO report and subsequently confirmed in DCAA’s own quality assurance reviews to be a material weakness.

Based largely on the issues disclosed during our internal quality assurance reviews in 2010 and 2011, the Agency developed and delivered comprehensive training on commonly found GAGAS deficiencies and solutions. The training was designed to improve audit quality and address the systemic noncompliance disclosed in GAO and DoD IG reports. The 3-day training was provided to every auditor in the Agency.

Since this comprehensive GAGAS training was delivered to our workforce, DCAA performed an additional 129 CIGIE-based quality assurance reviews. Although the results of these reviews indicate a marked improvement in the quality of our audits, the Agency has secured an agreement with the DoD IG to perform an external peer review that will confirm the progress made towards improving audit quality. The successful completion of this external peer review is the final step in validating that we have corrected material weakness related to the quality of Agency audits. The DoD IG has already begun the peer review and expects it to be completed by the end of the second quarter of FY 2014.

## **LIMITATIONS OF THE FINANCIAL STATEMENTS**

The DCAA's financial statements are prepared by DFAS in collaboration with DCAA. The principal financial statements report the Agency’s financial position and results of operations, pursuant to the requirements of 31 U.S.C. 3515 (b). DFAS prepared the statements from the

Agency's books and records in accordance with OMB Circular No. A-136, and to the extent possible, generally accepted accounting principles for Federal entities. The statements are in addition to financial reports used to monitor and control budgetary resources, which are prepared from the same books and records.

The statements should be read with the realization that they are for a component of the U.S. Government. One implication of this is that the liabilities cannot be liquidated without legislation that provides resources to do so.

### **PATH FORWARD**

In FY 2011, DCAA achieved savings of \$2.9 billion, returning \$5.10 for every \$1.00 of taxpayer investment. Those numbers grew to \$4.2 billion and \$6.70 in FY 2012, and to \$4.4 billion and \$7.30 in FY 13. The Department of Defense and DCAA face a complex and growing array of national security challenges and the need to resolve difficult budgetary circumstances and uncertainty. Through executing our strategic plan, we will strive to provide even greater value to the Department in the future as we continue to deliver top-quality audit services, support the warfighter, and protect the taxpayer's interest.