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# ***ASMC National PDI 2017***

***Ms. Anne L. Richards***  
***The Army Auditor General***

*1 June 2017*

**70 Years of Service to the Army**



# USAAA's Mission

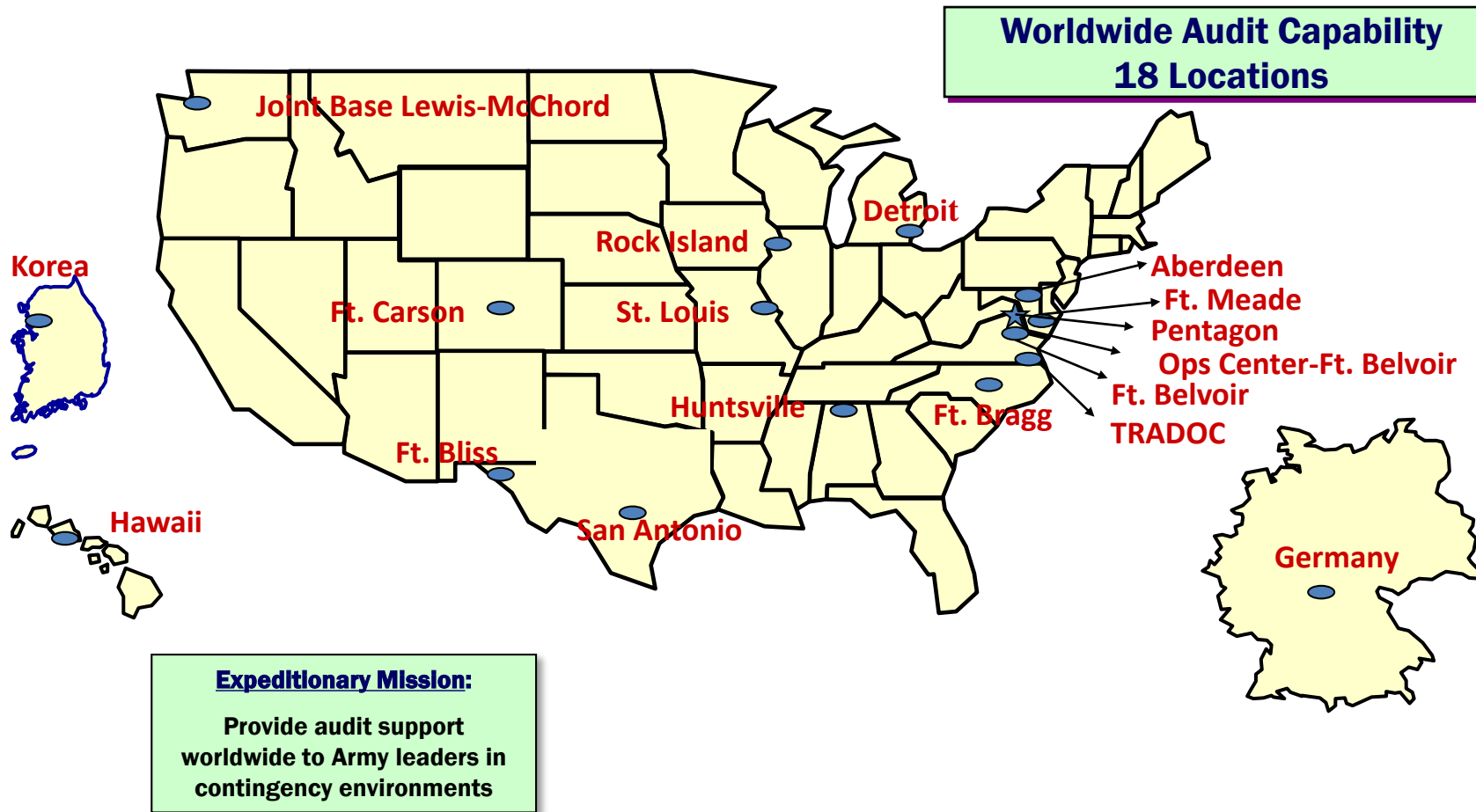


We serve the Army's evolving needs by helping senior leaders assess and mitigate risk, and by providing solutions through independent internal auditing services, for the benefit of Army Soldiers, Civilians, and Families.



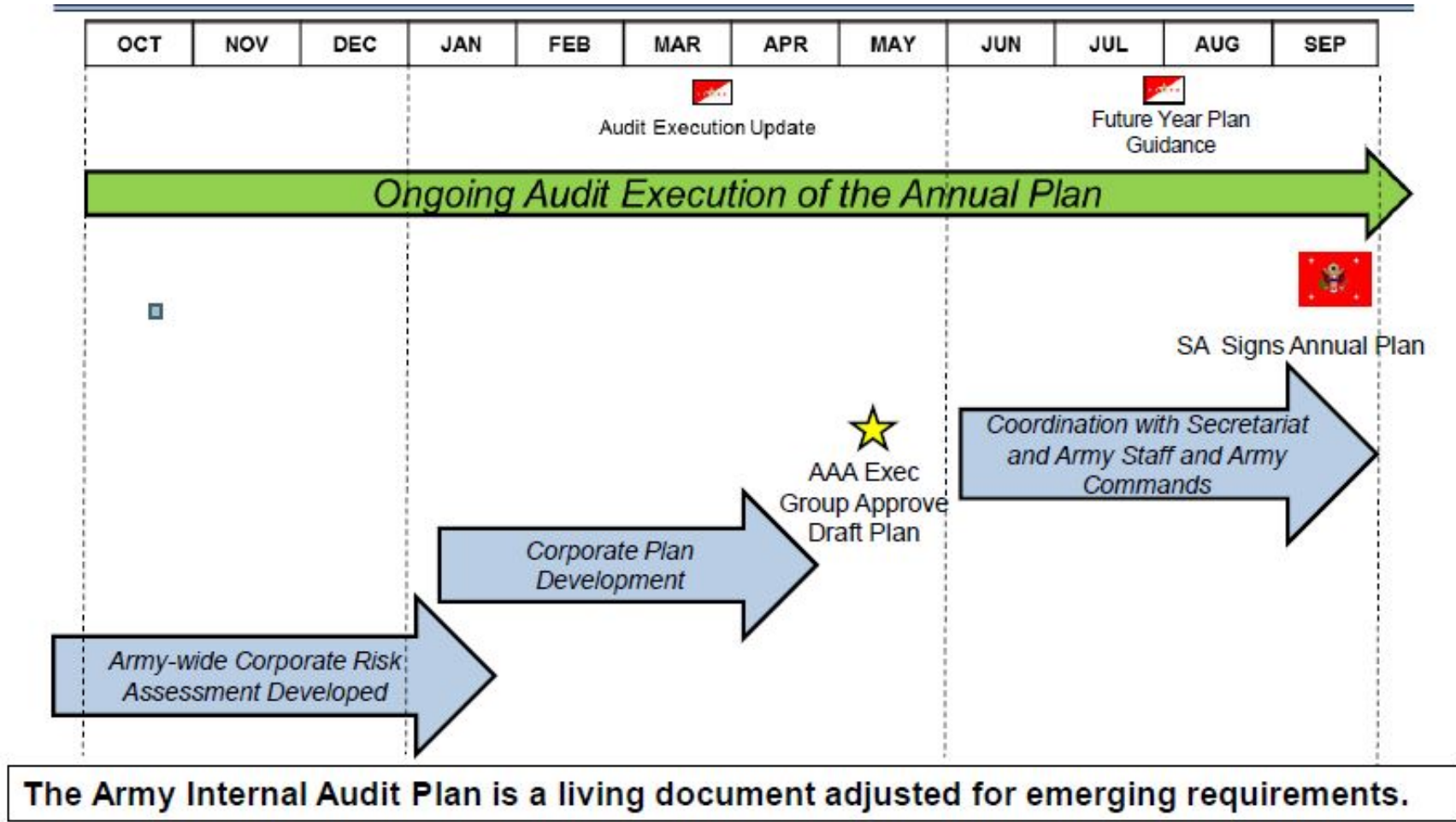


# Agency Locations and Staffing





# Annual Audit Plan Development & Execution





# Internal Audit Plan

- The Strategic Audit Planning Office performs a continuous Army-wide Corporate Risk Assessment.
- Program Directors develop detailed audit plan proposals.
  - Identify potential audits to address risk areas.
- The Agency's executive group reviews proposed Agency Audit Plan by risk category.
- Executives and Program Directors hold discussions with ~40 Army Principal Leaders to receive feedback and requests and adjust proposed plan.
  - Also engage with numerous 2d & 3d Tier executives year-round
- The Strategic Audit Planning Office finalizes the plan for SECARMY approval/signature.



# Internal Audit Plan

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- AAA's Annual Audit Plan is agreed to by the Army's most senior leaders including the Chief of Staff, Under Secretary and Vice Chief of Staff.
- The audit plan is approved and signed by the Secretary of the Army.
- Approximately 53% of the planned audits were requested.
- The audit plan is a living document.
  - Priority is placed on senior leadership requests, including any new requirements that emerge during the year.
  - The plan is reviewed and reprioritized throughout the year to stay focused on the highest priorities/highest impact audits.



# FYs 17 and 18 Risk Areas



- Acquisition
- Audit Readiness
- Contracting
- Financial Management
- Health Readiness of the Force
- Human Capital
- Training
- Installations
- Intelligence
- Protection
- Sustainment
- Cyber
- Force Structure



# Results



## FY 2016

- We published 149 audit reports with 539 recommendations.
  - 27% of the published reports identified potential monetary benefits totaling over \$2.6 billion.
- Our return on investment was \$35 to \$1.

## Through the 2nd Quarter of FY 2017

- We published 50 audit reports with 194 recommendations.
  - 24% of the published reports identified potential monetary benefits totaling over \$862 million.
- Our return on investment was \$12 to \$1.





# Results

- In FY 2010, we had 785 unimplemented recommendations over 6 months past due – some as old as 6 years.
- During FY 2016 we had less than 30 at any given time – most within the last 2 years.
- Control Process:
  - Every 6 months, we report to Army Principal Leaders all open recommendations in their command chain.
    - We highlight those unimplemented recommendations 6 months or more past agreed-to completion dates.
    - We monitor the age of recommendations and whether original and revised target dates were exceeded.
  - At the same time, we provide a summary report to the Secretary with status by command and age range for recommendations 6 months or more past due.



# Vision For the Future



- Army Audit must continue to evolve to provide the information Army leaders need.
  - Increased emphasis on big data and data analytics.
  - Financial statement audit readiness.
  - Shorter process time.
- Army Audit must maintain its high standard of quality.
  - The key ingredient – our employees.