

# *Department of the Air Force*

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*One Team, One Fight!*

## **Air Force Audit Agency**



**Gerald "Jerry" Colter**  
**Assistant Auditor General**  
**6 May 2025**



# Overview

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- **Mission and Services**
  - **Audit Focus –Potential Savings(PMB) and Mission Impact**
  - **AFAA Future**
  - **FIAR Support**
  - **Data Analytic Services**
  - **AFAA Partnerships**
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# Mission and Services

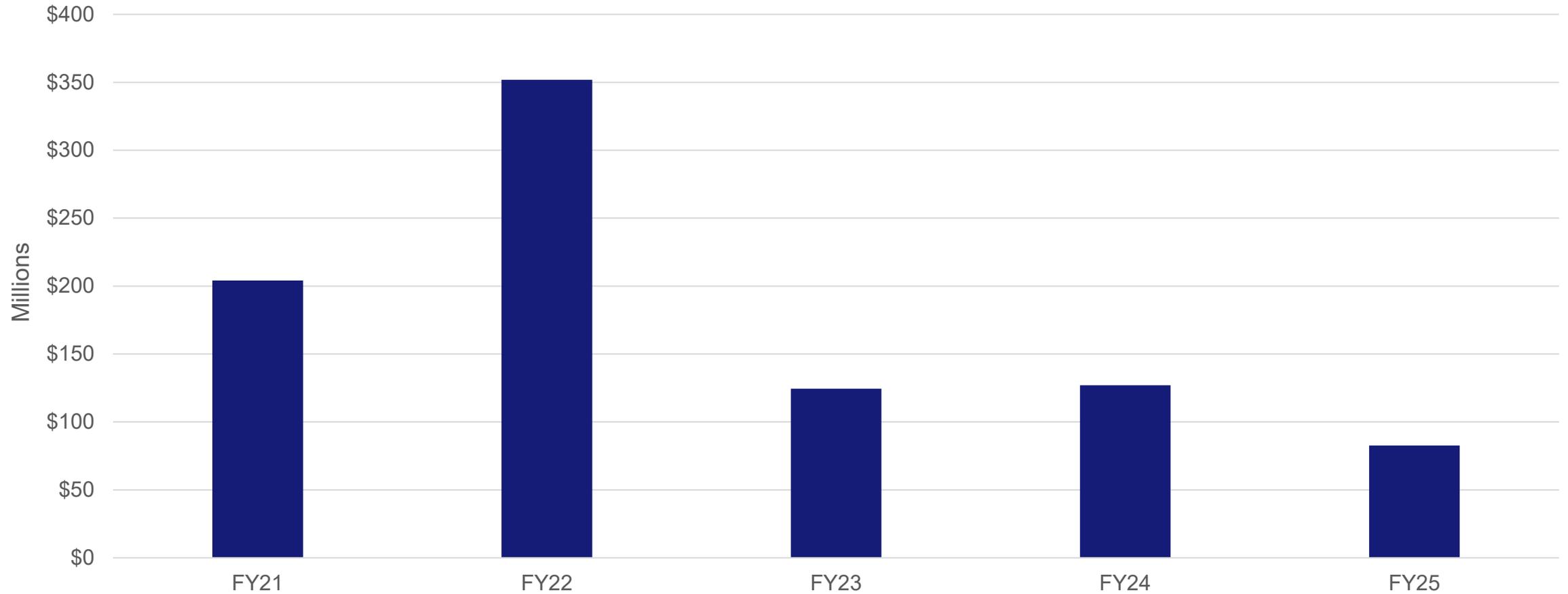
**Air Force Audit Agency Mission:  
Provide timely, relevant, and quality audit services enabling DAF leadership to make informed decisions**

Service	Description
Audit	<ul style="list-style-type: none"><li>• Reduced time to complete enterprise audit from 400 to 260 days since 2021</li><li>• Requires condition definition, root cause, and recommendations</li><li>• Reducing installation-level audit service to focus on higher priorities</li></ul>
Agreed-Upon Procedures	<ul style="list-style-type: none"><li>• Average time to complete approximately 170 days</li><li>• Test processes/procedures developed between client and auditor</li><li>• No condition, root cause or recommendations provided</li><li>• Mainly used for OMB A-123 for FIAR</li></ul>
Non-Audit Services	<ul style="list-style-type: none"><li>• Perform tasks requested by management</li><li>• Commonly used for OSI Support</li><li>• Data Analytics for data extraction &amp; analysis</li><li>• EXPANDING</li></ul>



# *PMB by Fiscal Year*

**PMB Amount**



FY25 data as of 11 Apr 2025



# AFAA's Future

- DoDIG Report – Develop plan to reduce use of contractor support
- New Administration – Will have clean audit opinion ~~2028~~ 2027 2026???
- *We're here to help!*

Report No. DODIG-2024-096

CU!

INSPECTOR GENERAL  
U.S. Department of Defense

JUNE 13, 2024

(U) Audit of Financial Improvement and Audit Remediation Contracts for DoD Components

Controlled by: DoD OIG  
CUI Category: BUDG, COMPT, FNC  
Distribution/Dissemination Control: FEDCON  
POC: Program Director [REDACTED]

INDEPENDENCE \* INTEGRITY \* EXCELLENCE \* TRANSPARENCY

CU!

The image shows the cover of a report from the Inspector General of the U.S. Department of Defense. The cover is purple and white. It features the Department of Defense seal on the left. The title of the report is "(U) Audit of Financial Improvement and Audit Remediation Contracts for DoD Components". The report number is "DODIG-2024-096" and the date is "JUNE 13, 2024". There is a "CU!" (Controlled Unclassified Information) marking. At the bottom, there is a banner with the words "INDEPENDENCE \* INTEGRITY \* EXCELLENCE \* TRANSPARENCY" and another "CU!" marking. A small image of the U.S. Capitol building is on the left side of the cover.



# ***AFAA's Future FIAR Support***

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- **FIAR Remediation Teams**
  - Working with SAF/FM to identify key problem areas
  - Real Property (50 person; Space Force/ANG/Reserves)
  - Developing OM&S and WCF Inventory Teams
- **FIAR Audit Liaison and CAP Validation Team**
  - Serve as conduit between E&Y and DAF assessable units
  - AFAA is “one stop shop” for everything audit (just incorporated Space Force to save \$)
- **Expand OMB-123 Testing**
  - Ongoing since 2018; include General Fund, WCF, and System reviews
  - Expand from AUPs to Examinations and potential audits; continue into sustainment
- **FIAR Strategic Support Team**
  - Review new FIAR contracts for work suitable for AFAA



# Data Analytic Services

## Order to Cash Dashboard

- Expedited identification of KSDs for reimbursable transactions selected by IPA
- Dashboard links reimbursable transactions
- Search/Filter by Doc #/CSN
- Reduced FM workload from days to seconds

## Contract Dashboard

- Tracks contract cost growth trends
- Integrates data sources (CLIN-level text, competition data)
- Expanding tool capabilities
- Collaborating with DAF



Base Award Value = \$100,000.00 X FY Base Award Parent PSC Location Contracting Office Name Vendor

Product Service Codes (PSC)

Parent Psc Description	Psc Desc	Psid	PIID Count	Avg Number of MODs	Avg Days Between MODs	Avg Days Solic to Award	Avg Total Growth
CLERICAL MEDICAL SUPPORT			78	2.61	242.78	51	-2.94%
CLOTHING, INDIVIDUAL EQUIPMENT, INSI...			553	0.98	95.83	98.19	0.05%
COMM/DETECT/COHERENT RADIATION			1,710	1.58	147.75	91.37	58.71%
COMMUNICATIONS SECURITY EQUIPME...			368	1.39	148.21	53.14	6.1%
ELECTRONIC COUNTERMEASURES, COUN...			206	2.17	215.23	180.19	9.71%
INTERCOMMUNICATION AND PUBLIC ADD...			9	2.22	107.42	116.75	0%
INTERCOMMUNICATION AND PUBLIC ADD...			38	1.15	68.44	28.04	1.48%
MISCELLANEOUS COMMUNICATION EQUI...			71	0.94	186.98	53.54	-0.04%
NIGHT VISION EQUIPMENT, EMITTED AND ...			53	0.62	120.45	78.63	34.49%
OTHER CRYPTOLOGIC EQUIPMENT AND I...			14	1.71	105.92	314.33	60.73%
FA68522F0047			1	1	105		0%
FAS58723P0045			1	0			0%
FA830724FB005			1	0		205	0%
FA830724FB012			1	3	58.33	1	849.75%



# AFAA Partnerships

- **FIAR Efforts**: Strategically increasing AFAA's support to the financial statement audit (50+% organization)
- **Fraud Risk Oversight Committee**: Provide audit expertise in efforts to mitigate fraud
- **Air Force Office of Special Investigations**:
  - Support Air Force OSI in procurement fraud efforts at the enterprise-level
  - Installation Auditors: Support local detachments with audit services
- **Senior Management Council**: Advise and validate Reportable Conditions
- **DAF Investment Review**: Provide independent advice for DAF Investment Reviews
- **Data Analytic Efforts**: Offering data services to build dashboards or other system tools





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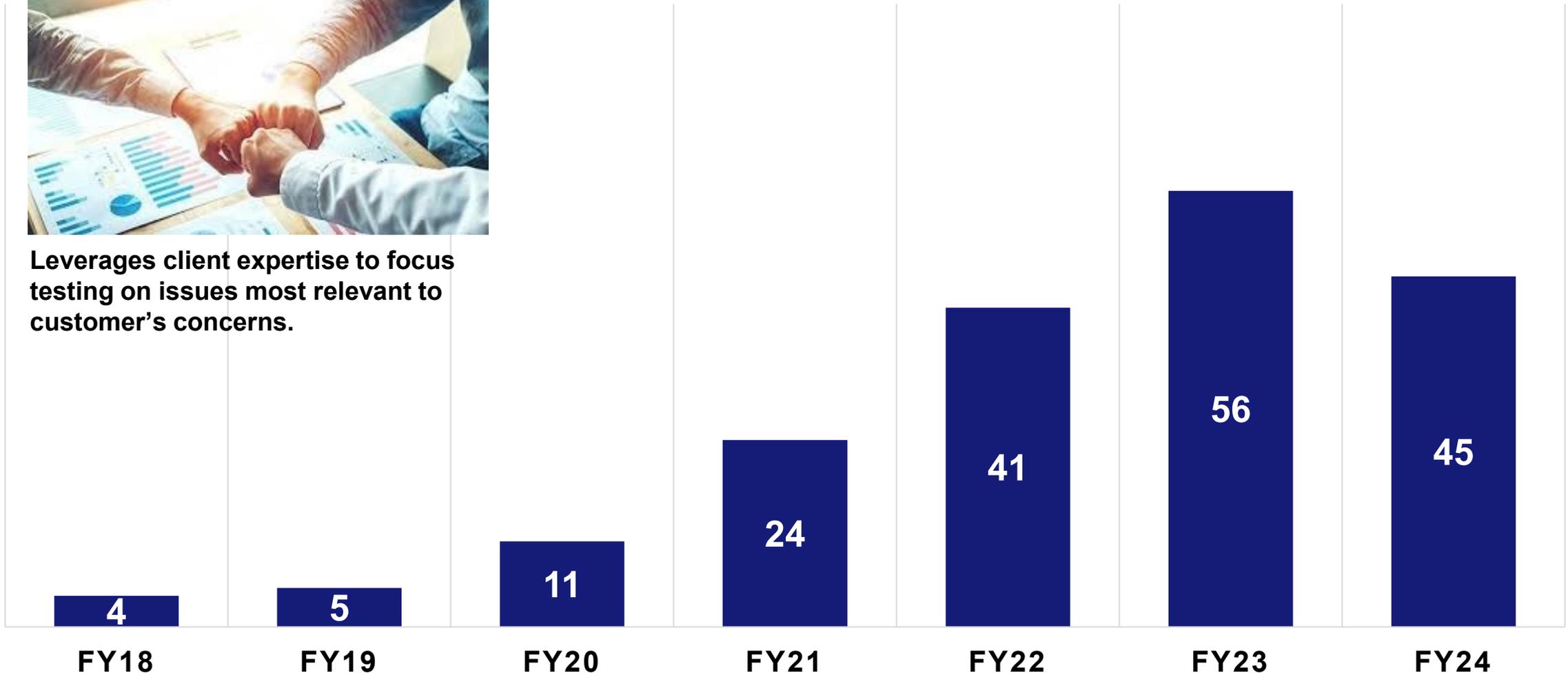
# Questions



# Agreed Upon Procedures Growth



Leverages client expertise to focus testing on issues most relevant to customer's concerns.



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# Examples of AUP

## FM IT Systems Controls Testing Projects

- Leverages controls identified in FISCAM and requirements of FFMIA and SFIS
- Frees up SAF/FM and contractor resources to prepare and execute Corrective Action Plans
- Leveraging robotic process automation and artificial intelligence (to expedite testing and expand sample size (up to full universe))

## OMB A-123 Testing

- Testing of assessable units (AUs) since 2018
- In 2024, AFAA:
  - Tested 409 controls for 25 General Fund AUs
  - Conducted 2,014 walkthroughs of procedures
  - Collected 2,460 samples of documentation
- Advised DAF on 18 Statement of Assurance Operational Deficiencies (8 OMW, 10 SD)
  - Corrective Action Plan (CAP) development and tracking
  - Resolution validation testing

