



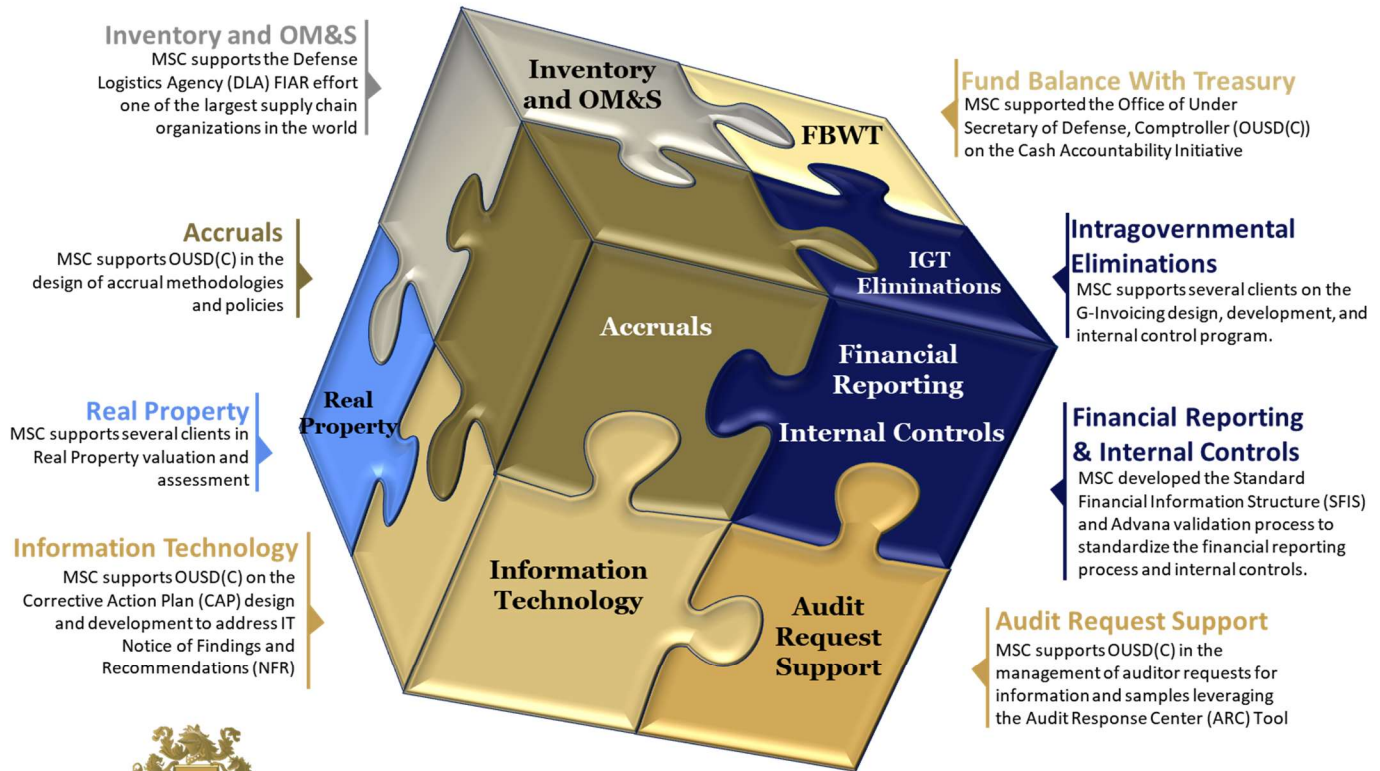
Financial Improvement & Audit Remediation (FIAR)

Challenge:

DoD has experienced numerous issues associated with obtaining a clean audit opinion. Issues span the entirety of the financial statements to include Existence and Completeness (E&C), Fund Balance with Treasury (FBwT), accruals, and unsupported Journal Vouchers (JVs). The DoD has had a difficult time correcting these issues to include billions of dollars in FBwT differences across DoD, trillions of dollars in JVs, no complete Universe of Transactions (UoT) for E&C and audit sampling, and an inefficient financial reporting and consolidation process that is manually intensive. Further, DoD is under more pressure than ever to make better use of its financial data.

Michael Shannon Consulting Response:

MSC has supported the DoD in its audit remediation efforts at both the Office of the Secretary of Defense (OSD) and Component level. We have assisted in the development of several end-to-end processes to include Budget-to-Report (B2R), Procure-to-Pay (P2P), and Order-to-Cash (O2C). We have facilitated standardizing and improving DoD's analytical capabilities to include assisting with the development of the Advana Standard Financial Information System (SFIS) validation and Intragovernmental Transactions (IGT) reconciliation processes. Further, we have assisted in developing several DoD data standards to include the Intragovernmental Data Standard (IGDS), the Cash Accountability Data Standard (CADS) and the SFIS. We have also supported implementing numerous financial management business systems and associated internal controls to include Advana, the Defense Agency Initiative (DAI), General Fund Enterprise Business System (GFEBS), and the Defense Logistics Agency Enterprise Business System (DLA EBS). We have assisted with developing several audit infrastructure tasks such as the Advana Universe of Transactions (UoT), and the FIAR Audit Response Center (ARC) Tool and enterprise applications such as Advana and G-Invoicing.



MSC Provides Critical Support in all DoD Audit Priority Areas

We improve audit remediation and tie organizational efforts together, implementing an integrated approach to audit. Results achieved include:

- Advana data validations and reconciliations to improve data quality
- Process and system improvements for FBwT reconciliation processes
- Process and system improvements for Intragovernmental Transactions (IGTs)
- Process and system improvements of the Standard Financial Information Structure (SFIS)
- Transition DoD entities to Treasury Disbursements and Collections
- SFIS Attribute Alignment File requirements development for the Defense Departmental Reporting System (DDRS)
- Systems integration and testing of the Standard Line of Accounting (SLOA) into DoD ERPs
- Design of the 4th Estate UoT for existence and completeness checks

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Contract Vehicles:

- GSA Schedule Number: GS-10F-062CA
- WHS 4th Estate Comptroller Requirements BPA