

DoD Audits

The first-ever audit of the of the \$2.7 trillion enterprise that is the Defense Department identified widespread problems in cybersecurity, but found little in the way of savings that could offset potential budget cuts next year, according to Pentagon and Congressional officials. Without going into detail, Defense Secretary Jim Mattis, in a statement on the report, said the audit identified "multiple material weaknesses" across the department but also provided "invaluable information that will help us target and prioritize corrective actions."

David Norquist, the Pentagon's comptroller and prime mover behind the audit, said no glaring instances of fraud were found but the Army, Navy, Air Force, Marines, Special Operations and the Transportation Command all received failing grades. "We didn't pass. That's the blunt and bottom line. We have issues and we're going to fix them," Norquist said. That was to be expected in a first-time audit, Norquist told defense reporters in a Pentagon news conference shortly before the audit's release Thursday night. "If you're not fixing it, the auditors will come back in exactly a year and find you didn't fix it," Norquist said before the report's release. "And they're going to come the next year, and the next year until you fix it, so each year I'll be able to tell you how many findings we closed."

Occasionally, the auditors turned up problems that turned out not to be problems, Norquist said, which is what happened when they went looking at Hill Air Force Base in Utah. The Hill database listed \$53 million-worth of missile motors as broken and in need of repair. When the auditors went to look at them, the motors were found to be in working order -- it was a problem in labeling, the audit report said. One of the "material weaknesses," as Mattis put it, was in the area of cybersecurity throughout the department, Norquist said. "Our single largest number of findings is IT security around our businesses," Norquist said, and it "reflects the challenges that the department faces in IT security."

One area of concern was in security clearances for personnel and "terminating user access when they depart," Norquist said. The department also had to do a better job of "monitoring sensitive users, people who have special authorities, making sure there is careful monitoring to that," Norquist said. "Our single largest number of findings is IT security around our business systems. We thought this was likely."

Mattis has been pushing DoD managers to find efficiencies and savings on contracts and operations to fund improvements in the lethality and readiness of the force, and also to guard against potential budget cuts in the new Congress. President Donald Trump has already warned that he could ask for five percent budget cuts next year across all government departments. In a statement on the audit, Rep. Mac Thornberry (R-TX), the outgoing chairman of the House Armed Services Committee, urged against using the audit as an excuse to cut military funding. The audit should be used to make the military "more efficient and agile," Thornberry said, and "it should not be used as an excuse for arbitrary cuts that reverse the progress we have begun on rebuilding our strength and readiness."

Deputy Defense Secretary Patrick Shanahan, who has called DoD a "\$2.7 trillion enterprise" when all the ships, planes, tanks, missiles, salaries and buildings are counted on top of the budget, agreed with Norquist that failures uncovered by the audit were to be expected in the first attempt. "We never thought we were going to pass an audit, right? Everyone was betting against us that we wouldn't even do the audit," Shanahan told defense reporters 15 November.