



UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

COMPTROLLER

The Honorable Carl Levin
Chairman
Committee on Armed Services
United States Senate
Washington, DC 20510

MAY 14 2014

Dear Mr. Chairman:

The Department of Defense May 2014 Financial Improvement and Audit Readiness (FIAR) Plan Status Report has been completed. Consistent with previous FIAR reports, the May 2014 report can be downloaded at <http://comptroller.defense.gov/fiar/plan.html>.

The report was prepared in accordance with section 1003(b)(1) of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2010, as amended by the FY 2011, FY 2012, FY 2013, and FY 2014 NDAA's. The report also serves as the Department's annual Financial Management Improvement Plan, as required by section 1008(a) of the NDAA for FY 2002.

The May 2014 FIAR Plan Status Report describes the Department's approach and plans for achieving audit readiness on the General Fund Statement of Budgetary Resources by September 30, 2014, and full financial statements by September 30, 2017. In addition, the report provides the Department's audit readiness accomplishments since the November 2013 report.

The Department has made substantial progress in improving financial processes, strengthening internal controls, and ensuring information technology systems support producing auditable financial statements. I am particularly proud that most DoD Components will begin audits of current year budgetary information in FY 2015.

Sincerely,

Robert F. Hale

cc:
The Honorable James M. Inhofe
Ranking Member

