

## 2. FIAR GOAL, PRIORITIES, AND STRATEGY

### 2.A FIAR GOAL

The FIAR Goal is to improve the Department's financial management operations, helping provide America's Service men and women with the resources they need to carry out their mission and improving our stewardship of the resources entrusted to us by the taxpayers. Success will be demonstrated through a financial statement audit performed by independent auditors resulting in an unqualified audit opinion on the Department's financial statements.

### 2.B PRIORITIES

The USD(C) established the current FIAR priorities on August 11, 2009. Before establishing the Department's priorities, the USD(C) coordinated them with the Deputy Secretary of Defense, reporting entities, Department of Defense Office of the Inspector General (DoD OIG), OMB, Government Accountability Office (GAO), and Congress, who approved, endorsed or acknowledged these priorities.

The USD(C) priorities are designed to achieve the FIAR objectives. These priorities are:

- budgetary information, and
- mission critical asset information.

The USD(C) also directed the reporting entities to modify and regularly update their Financial Improvement Plans (FIPs) to achieve these objectives and priorities.

#### 2.B.1 Budgetary Information

The Department's major financial decisions are based on budgetary data (e.g., status of funds received, obligated, and expended). As a result, the first USD(C) priority focuses on process improvements, controls, and systems that produce budgetary information. The starting point for achieving auditable financial statements is the Statement of Budgetary Resources (SBR), specifically the Appropriations Received line item. The benefits of focusing improvement efforts on budgetary information and the SBR are:

- Improve the visibility of budgetary transactions resulting in more effective use of resources;
- Provide for operational efficiencies through more readily available financial information;
- Improve fiscal stewardship (ensures that funds appropriated, expended and recorded are reported accurately, reliably and timely); and
- Improve budget processes and controls (precludes Antideficiency Act violations).

#### 2.B.2 Mission Critical Asset Information

The second priority focuses improvement and audit readiness efforts on information that is essential to the effective management of the Department's mission critical assets. For