



PRESS RELEASE

July 25, 2023

FOR IMMEDIATE RELEASE

Inspector General Robert P. Storch announced today that the Department of Defense Office of Inspector General (DoD OIG) released the "Management Advisory: DoD's Ability to Financially Report Joint Strike Fighter Inventory."

The purpose of this management advisory is to report on issues related to the accounting and reporting of F-35 Joint Strike Fighter (JSF) Program inventory, collected during the DoD Agency-Wide Financial Statements audit. During the audit the DoD OIG found that the F-35 JSF Program Office did not have a valid population of JSF inventory.

IG Storch stated, "The issues identified regarding the joint strike fighter and the DoD's ability to track and report on government property in the hands of contractors highlight an area that requires attention Department-wide. The DoD must work towards a better understanding of the condition, location, and quantity of spare parts on hand to ensure financial and mission readiness."

Our testing determined that 19 percent of the 217 part numbers we reviewed had at least one existence or completeness error, meaning that either inventory in the warehouse did not match the accountable property system of record or the systems of record did not include inventory found in the warehouse. In addition, officials from the Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD (OUSD[C]/CFO) did not determine how the DoD should financially report JSF inventory, and the DoD did not report any values for the JSF inventory in the FY 2022 financial statements. An inaccurate and incomplete inventory population could have a negative operational impact on the program and may lead to uninformed logistical and budgetary decisions, as well as material misstatements on the financial statements.

This management advisory contains seven recommendations. The Office of the Under Secretary of Defense (Acquisition and Sustainment) and the OUSD[C]/CFO agreed with all the recommendations presented in the report.