

submits such materials to Congress by such date.

(2) Each report on the budget for national security space programs of the Department of Defense under paragraph (1) shall include the following:

(A) An overview of the budget, including—

(i) a comparison between that budget, the previous budget, the most recent and prior future-years defense program submitted to Congress under section 221 of this title, and the amounts appropriated for such programs during the previous fiscal year; and

(ii) the specific identification, as a budgetary line item, for the funding under such programs.

(B) An assessment of the budget, including significant changes, priorities, challenges, and risks.

(C) Any additional matters the Secretary determines appropriate.

(3) Each report under paragraph (1) shall be submitted in unclassified form, but may include a classified annex.

(c) DEFINITIONS.—In this section:

(1) The term “budget”, with respect to a fiscal year, means the budget for that fiscal year that is submitted to Congress by the President under section 1105(a) of title 31.

(2) The term “defense budget materials”, with respect to a fiscal year, means the materials submitted to Congress by the Secretary of Defense in support of the budget for that fiscal year.

(Added Pub. L. 114-92, div. A, title XVI, §1601(a)(1), Nov. 25, 2015, 129 Stat. 1095; amended Pub. L. 115-232, div. A, title XVI, §1605, Aug. 13, 2018, 132 Stat. 2107.)

#### AMENDMENTS

2018—Subsec. (b)(1). Pub. L. 115-232 amended par. (1) generally. Prior to amendment, par. (1) read as follows: “The Secretary shall include with the defense budget materials for each of fiscal years 2017 through 2020 a report on the budget for national security space programs of the Department of Defense.”

#### PLAN TO CARRY OUT UNIFIED MAJOR FORCE PROGRAM DESIGNATION

Pub. L. 114-92, div. A, title XVI, §1601(b), Nov. 25, 2015, 129 Stat. 1096, provided that: “Not later than 180 days after the date of the enactment of this Act [Nov. 25, 2015], the Secretary of Defense shall submit to the congressional defense committees [Committees on Armed Services and Appropriations of the Senate and the House of Representatives] a plan to carry out the unified major force program designation required by section 239(a) of title 10, United States Code, as added by subsection (a)(1), including any recommendations for legislative action the Secretary determines appropriate.”

#### § 239a. Missile defense and defeat programs: major force program and budget assessment

(a) ESTABLISHMENT OF MAJOR FORCE PROGRAM.—The Secretary of Defense shall establish a unified major force program for missile defense and defeat programs pursuant to section 222(b) of this title to prioritize missile defense and defeat programs in accordance with the requirements of the Department of Defense and national security.

(b) BUDGET ASSESSMENT.—(1) The Secretary shall include with the defense budget materials for each of fiscal years 2019 through 2023 a report on the budget for missile defense and defeat programs of the Department of Defense.

(2) Each report on the budget for missile defense and defeat programs of the Department under paragraph (1) shall include the following:

(A) An overview of the budget, including—

(i) a comparison between that budget, the previous budget, the most recent and prior future-years defense program submitted to Congress under section 221 of this title (such comparison shall exclude the responsibility for research and development of the continuing improvement of such missile defense and defeat program), and the amounts appropriated for such missile defense and defeat programs during the previous fiscal year; and

(ii) the specific identification, as a budgetary line item, for the funding under such programs.

(B) An assessment of the budget, including significant changes, priorities, challenges, and risks.

(C) Any additional matters the Secretary determines appropriate.

(3) Each report under paragraph (1) shall be submitted in unclassified form, but may include a classified annex.

(c) DEFINITIONS.—In this section:

(1) The term “budget”, with respect to a fiscal year, means the budget for that fiscal year that is submitted to Congress by the President under section 1105(a) of title 31.

(2) The term “defense budget materials”, with respect to a fiscal year, means the materials submitted to Congress by the Secretary of Defense in support of the budget for that fiscal year.

(3) The term “missile defense and defeat programs” means active and passive ballistic missile defense programs, cruise missile defense programs for the homeland, and missile defeat programs.

(Added Pub. L. 115-91, div. A, title XVI, §1676(a)(1), Dec. 12, 2017, 131 Stat. 1771.)

#### § 239b. Certain intelligence-related programs: budget justification materials

(a) PROHIBITION ON USE OF PROGRAM ELEMENTS.—In the budget justification materials submitted to Congress in support of the Department of Defense budget for fiscal year 2021 and each fiscal year thereafter (as submitted with the budget of the President under section 1105(a) of title 31), the Secretary of Defense may not include in any single program element both funds made available under the Military Intelligence Program and funds made available outside of the Military Intelligence Program.

(b) DEFINITIONS.—In this section:

(1) The term “budget” has the meaning given that term in section 231(f) of this title.

(2) The term “defense budget materials” has the meaning given that term in section 231(f) of this title.

(Added Pub. L. 115-232, div. A, title XVI, §1624(b)(1), Aug. 13, 2018, 132 Stat. 2120.)

**CHAPTER 9A—AUDIT**

- Sec.  
 240a. Audit of Department of Defense financial statements.  
 240b. Financial Improvement and Audit Remediation Plan.  
 240c. Audit: consolidated corrective action plan; centralized reporting system.  
 240d. Audits: audit of financial statements of Department of Defense components by independent external auditors.  
 240e. Audits: use of commercial data integration and analysis products in preparing audits.  
 240f. Audits: selection of service providers for audit services.  
 [251 to 254 Renumbered.]

**AMENDMENTS**

2018—Pub. L. 115–232, div. A, title X, §1002(a)(1)(B), Aug. 13, 2018, 132 Stat. 1945, renumbered items 251 to 254b as 240a to 240f, respectively.

**§ 240a. Audit of Department of Defense financial statements**

(a) **ANNUAL AUDIT REQUIRED.**—The Secretary of Defense shall ensure that a full audit is performed on the financial statements of the Department of Defense for each fiscal year as required by section 3521(e) of title 31.

(b) **ANNUAL REPORT ON AUDIT.**—The Secretary shall submit to Congress the results of the audit performed in accordance with subsection (a) for a fiscal year by not later than March 31 of the following fiscal year.

(Added Pub. L. 115–91, div. A, title X, §1002(b)(1), Dec. 12, 2017, 131 Stat. 1538, §251; renumbered §240a, Pub. L. 115–232, div. A, title X, §1002(a)(1)(A), Aug. 13, 2018, 132 Stat. 1945.)

**AMENDMENTS**

2018—Pub. L. 115–232 renumbered section 251 of this title as this section.

**REVIEW AND RECOMMENDATIONS ON EFFORTS TO OBTAIN AUDIT OPINION ON FULL FINANCIAL STATEMENTS**

Pub. L. 115–91, div. A, title X, §1006, Dec. 12, 2017, 131 Stat. 1544, provided that:

“(a) **IN GENERAL.**—The Secretary of Defense may establish within the Department of Defense a team of distinguished, private sector experts with experience conducting financial audits of large public or private sector organizations to review and make recommendations to improve the efforts of the Department to obtain an audit opinion on its full financial statements.

“(b) **SCOPE OF ACTIVITIES.**—A team established pursuant to subsection (a) shall—

“(1) identify impediments to the progress of the Department in obtaining an audit opinion on its full financial statements, including an identification of the organizations or elements that are lagging in their efforts toward obtaining such audit opinion;

“(2) estimate when an audit opinion on the full financial statements of the Department will be obtained; and

“(3) consider mechanisms and incentives to support efficient achievement by the Department of its audit goals, including organizational mechanisms to transfer direction and management control of audit activities from subordinate organizations to the Office of the Secretary of Defense, individual personnel incentives, workforce improvements (including in senior leadership positions), business process, technology, and systems improvements (including the use of data analytics), and metrics by which the Secretary and Congress may measure and assess progress toward achievement of the audit goals of the Department.

**“(c) REPORTS.**—

“(1) **REPORT ON ESTABLISHMENT OF TEAM.**—If the Secretary takes action pursuant to subsection (a), the Secretary shall, not later than September 30, 2019, submit to the congressional defense committees [Committees on Armed Services and Appropriations of the Senate and the House of Representatives] a report on the team established pursuant to that subsection, including a description of the actions taken and to be taken by the team pursuant to subsection (b).

“(2) **REPORT ON DETERMINATION NOT TO ESTABLISH TEAM.**—If as of June 1, 2019, the Secretary has determined not to establish a team authorized by subsection (a), the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives on that date a report on the determination, including an explanation and justification for the determination.”

**§ 240b. Financial Improvement and Audit Remediation Plan****(a) FINANCIAL IMPROVEMENT AND AUDIT REMEDIATION PLAN.**—

(1) **IN GENERAL.**—The Chief Management Officer of the Department of Defense shall, in consultation with the Under Secretary of Defense (Comptroller), maintain a plan to be known as the “Financial Improvement and Audit Remediation Plan”.

(2) **ELEMENTS.**—The plan required by paragraph (1) shall—

(A) describe specific actions to be taken, including interim milestones with a detailed description of the subordinate activities required, and estimate the costs associated with—

(i) correcting the financial management deficiencies that impair the ability of the Department of Defense to prepare timely, reliable, and complete financial management information;

(ii) ensuring the financial statements of the Department of Defense go under full financial statement audit, and that the Department leadership makes every effort to reach an unmodified opinion as soon as possible;

(iii) ensuring the audit of the financial statements of the Department of Defense for fiscal year 2018 occurs by not later than March 31, 2019.

(iv) achieving an unqualified audit opinion for each major element of the statement of budgetary resources of the Department of Defense; and

(v) addressing the existence and completeness of each major category of Department of Defense assets; and

(B) systematically tie the actions described under subparagraph (A) to business process and control improvements and business systems modernization efforts described in section 2222 of this title.

**(b) REPORT AND BRIEFING REQUIREMENTS.**—**(1) ANNUAL REPORT.**—

(A) **IN GENERAL.**—Not later than June 30, 2019, and annually thereafter, the Under Secretary of Defense (Comptroller) shall submit to the congressional defense committees a report on the status of the implementation by the Department of Defense of the Finan-