

Abstract

Recurring audit and accountability deficiencies continue to be documented in Navy ordnance reporting and reconciliation under the Ordnance Information System 2.0 despite formally documented processes, established internal controls, and ongoing remediation efforts. This study examines residual audit and accountability risk in Navy ordnance reporting using deficiencies consolidated within the Navy's Deficiency Tracking Tool. The findings indicate that most deficiencies were associated with the Enterprise Environment rather than OIS 2.0 alone, and that recurring risk was concentrated primarily in process, control execution, information reliability, and governance conditions.

Methods

- Used a qualitative diagnostic research design to assess residual audit and accountability risk in Navy ordnance reporting.
- Analyzed 161 ordnance-related deficiencies from the Navy Deficiency Tracking Tool.
- Coded and evaluated deficiencies using three analytical lenses: the Auditability Triangle, the COSO Internal Control–Integrated Framework, and an ISO 31000-informed residual risk assessment.
- Compared OIS 2.0-specific deficiencies with broader Enterprise Environment deficiencies.
- Used frequency counts, cross-tabulations, and comparison across analytical frameworks to identify recurring patterns across environments, processes, controls, and risk conditions.



Table 1. Deficiency Population by Association

Deficiencies by Environment	Count	Percent
Enterprise Environment	133	82.61%
OIS Environment	28	17.39%
Grand Total	161	100.00%

Results & Impact

- Only 28 of 161 deficiencies were directly related to OIS 2.0, indicating that most recurring auditability risk resides in the broader ordnance Enterprise Environment rather than in OIS 2.0 alone.
- Most risk is broader than OIS 2.0 alone.
- Process was the dominant problem is process/control/information conditions, not personnel failure.

Future Research

- Assess whether OIS 3.0 reduces recurring ordnance auditability deficiencies following implementation.
- Compare Navy ordnance accountability with Army and Air Force ordnance accountability processes to assess whether governance, process integration, and system architecture affect auditability outcomes.
- Evaluate whether corrective actions produce durable reductions in residual risk across audit cycles.