

**ALL THINGS FINANCIAL MANAGEMENT PODCAST**

# A Meaningful Career in Government Audit

Featuring Ms. Tesa Lanoy, CFO & Comptroller,  
U.S. Special Operations Command



Welcome to the All Things Financial Management podcast presented by Guidehouse and the Society of Defense Financial Management. I'm your host, Tom Rhoads. Join us as we discuss top of mind issues facing defense financial managers.

**TOM RHOADS:** Ms. Lanoy, thanks for being with us today.

**MS. TESA LANOY:** Oh, thank you for having me. I'm excited.

**TOM RHOADS:** Yeah, we've been looking forward to this for a long time and excited to talk to you. And to start, can you tell us about your background and what brought you to your current position as the Chief Financial Officer for the U.S. Special Operations Command? In other words, Ms. Lanoy, can you just share with us your story?

**MS. TESA LANOY:** Yeah, it's been a little bit of a wayward journey. But if you don't mind, I'm going to start back when I was in college. Because for me that's where the commitment, the relationship with the department began. I went to the University of Dayton. Go Flyers. I was an accounting major and my sophomore year... One of the reasons I went to the University of Dayton is they had a fantastic cooperative education program, and the outplacement rate was 98%. So I went as a sophomore, you could sign up for interviews. And up to that point in my college curriculum, they really pushed public accounting. That's really all they pushed, being a CPA, I was in the Accounting Club.

And I come to the interviews where you sign up and the interview list for the public accounting firms was very, very long. And then there was the Air Force, and there were maybe three names on the entire list. And so I was curious because at that point, I hadn't heard anything about government accounting. I didn't know what they did and how it was different, but they had a pretty high GPA requirement, so that was probably a limiting factor for others. And so, I just threw my name on the list and thought, "What the heck? I'll interview and see how this goes."

So fast-forward, narrowed it down to two options. One was Arthur Andersen and the second was the Air Force. And Arthur Andersen was putting a lot of pressure on me to make a decision because they needed to move on. I couldn't make a decision. They were so different, and I didn't know enough about the government. I told my roommate I was going to flip a coin and she freaked out and said, "Hey, decision, I think you should talk to someone." So, I had talked to everyone at that point that I knew to talk to. She said, "Well, what did your parents say?"

And my father was a registered blaster, he's retired now, but was a registered blaster in a coal mine. I grew up in a small town in southeast Ohio near Pittsburgh. And my mother was a registered nurse, so I didn't know what kind of feedback they'd really have in this decision. But I called them and my dad was upstairs on one phone, my mom was on the other, back when we had landlines in the house. And finally they made me lay out the pros and cons. And finally at the end, my mom said, "Oh, Tesa, I don't know, just flip a coin." Which was hilarious because I had not told her that that was my plan to start with.

So anyway, heads Air Force. It was pretty interesting to tell you the truth, because Arthur Andersen, every time I'd met with them, they kind of upped their game and it was fancier facilities, fancier coffee cups. And then when I went to Air Force, they had always met me off base. And so when I actually came that day, I thought, "Oh my goodness, what did I do?" The facilities obviously were not as fancy and nice. But anyway, obviously we all know what happened there with them and Ron. So it turns out, it was a good decision in that respect. But frankly, it was the right decision for me.

And I didn't even know it at the time, so my grandfathers had both served in World War II. My dad was not able to. So as you know, the World War II guys came back and they really didn't talk about it. And so my family just wasn't... I didn't grow up with a military family like a lot of folks have who serve in the government. And one of the things that they did promise me though that was very enticing was that I could travel the world. The Air Force is all over the world and I wanted to travel and see things.

And so about three years after I graduated, the opportunity came to go over to Okinawa, Japan. And I threw my name in the hat and was selected. And that's really where I think my why changed. Up to that point, I was thinking the private sector is still an option for me. I'll do this for about 10 years. Private sector would want me even more after I have this experience. I'll be more competitive. And that was my plan.

But I'll tell you, I went over and Okinawa, it's such a small island, and you live with the families. And the families, it's expensive to get off the island, and so many of them can't travel, their family can't come to them. And so, I was like the auntie for a lot of the kids there. And you get to build strong relationships going through that together.

And so finally when I saw all the sacrifices that not just the military members, I think I always knew that, but when I saw the sacrifices that the families were making for all of the rest of us, I just decided, this is it. This is my thing. This is where I'm going to commit my time, my talents. And I was committed to staying in the Air Force for a career. So 35 years later, I'm still doing it.

In the meantime, when I started, I started with the Air Force Audit Agency, and worked with them for about 20 years. From Japan, bounced back, went to military school in between. Was in California for a while, then went to Germany. Was in Ramstein area. And then when I came back, I came back to be a congressional fellow. So, I was selected to one of four civilians in our class to work on the Hill. And I was in a committee working for Senator McCaskill at the time. So it was a very big learning experience, eye-opening experience to see how Capitol Hill works.

And after that, I decided I would do my own career broadening. So, there was no formal career broadening that I knew of at that time. And I went into logistics. And so Ms. Dee Reardon took a chance on me and hired me to do the Flying Hour Program. And it just taught me so much after that.

Went to Air War College, came back, was on the joint staff, served in J4 and did a logistics war game. I was the director for that, which was super interesting. We had World Food Program participated, industry, academia, all the DOD components. So 150 people played in this war game, so it was really, really interesting.

And then after I was leaving the joint staff, I was trying to figure out if I wanted to posture myself to be an SES. There was one thing I was still missing, and it was to be a supervisor at the GS-15 level. I'd been a supervisor at the GS-13 level, but I knew to be competitive for SES, I needed to do that. And so position came open in SAF FM, they talked to me, some folks talked to me about it. I really wanted to stay in logistics, but they told me that it was pretty much the same that I was doing. It was all logistics portfolios, just from the FM perspective. And so I think that was really a good move, and obviously what prepared me to be competitive for the job I'm in today.

Also, in between there, one of the things I didn't mention that I think really shaped me as well was my time I deployed several times. I was the first auditor to deploy since Vietnam. And so during that time, I was asked to help prepare other auditors to deploy into the future. And the Air Force Audit Agency is still doing that to this day. So, it was a pretty eye-opening experience and I'm really glad to have had the opportunity to do that.

**TOM RHOADS:** That's exciting and what a great story. I can relate. And I can imagine others of our listeners can relate also, when you're starting out and you've got two great choices. And the struggle it is to, there's not a right or wrong, it's a choice between two great opportunities and which direction you go. And it sounds like it's been an awesome journey for you in the career choice that you made. So, thanks for sharing that with us.

**MS. TESA LANOY:** Thank you for asking the question. I think we all have different backgrounds and roads. And one area that I'm really trying to focus on now is helping others like me who didn't know anything about the government, learn more about it, and the kind of jobs that we have.

**TOM RHOADS:** Thanks so much for sharing, Ms. Lanoy. And now that you're with SOCOM, what about working at SOCOM makes it unique compared to other combatant commands?

**MS. TESA LANOY:** Yeah, so full disclosure, I've never worked in another combatant command, so there-

**TOM RHOADS:** [inaudible 00:09:25].

**MS. TESA LANOY:** ... could be others who disagree. But I do always tell people that special is on our name, so that's step one. But the fact that we have, I think from the FM perspective, we have a CFO, other commands of the comptroller is underneath of the J8 in SOCOM, we have a CFO and we have a J8. So the duties are broken out similarly to as they are in OSD comptroller.

On my side, I have responsibility for budget, so justification books, so formulation we call it. We do budget execution, we have responsibility for audit sensitive activities, oversight of all of the travel. We have policy, we have a congressional affairs cell, and we have a systems team as well. The J8 does programming. They're the ones who do the palm and work with

Cape, whereas our work is mostly with comptrollers. So, that's one thing that I think makes us different. We also have a pretty large budget. Our budget is about \$14 billion, which is the reason that we're broken out that way.

Other things that I think make us different, we don't have, and this is kind of surprising to folks, but we don't have our own financial management system. And it's actually not financial management, but it's all systems. We don't have our own material management system. So, it makes it very challenging for us because we're reliant on the services. We have a lot of dependencies on the services for their IT. And so from, I explained it to Ms. Miller, the deputy comptroller was here, I told her we have nine different financial management systems that we rely on. And she said, "I don't know how you get to audit from here. That's very difficult." So, that's one of the challenges that we continue to work through for audit.

Other things that make us unique I think, is that we have coordinating authorities that others don't have. They include counter small UAS, which is one of our, it's left of launch, that's one of our new ones. We are responsible for coordinating inner based military information support operations. We call that MISO, countering weapons of mass destruction, and also countering violent extremist organizations. So, those are our coordinating authorities. And also, we have special, authorities fiscal on how we can use our funding for counter-terrorism, irregular warfare, preparation of the environment, and also intelligence and counterintelligence activities. This is where we work through our partners surrogates to identify the threat and then figure out how we want to deal with the threat.

I think that SOCOM overall is unique also in that we have both service and combatant command responsibilities. So, the services have the man training and equip requirements. We also have that for SOF. So we're the integrator for all SOF across the globe. We have special operations forces soft in all of the GCCs. They're embedded through our theater special operations commands, but we have COCOM of all of those TSOs. And so for us, we always say, "The bad guys don't see the borders that we put on to divide the globe in terms of geographical commands, GCCs." Within SOCOM, we are able to go across all of those boundaries with what we do. So, I think those are some of the areas that make us different from other combat commands.

**TOM RHODES:** That's so interesting. Thanks for sharing that with us. And it's interesting, you mentioned you have nine different financial management systems. How does SOCOM navigate financial management operations in this type of environment?

**MS. TESA LANOY:** I won't try to soften it. It is difficult. It's complex. It requires a lot of manual data calls, which we're trying to become more automated. Our team has worked with Advanta in the comptroller's office to set up what we call a budget execution app. So, we're able to bring in all of the data from the systems into Advanta, and then have it more real time. But it remains a challenge for us, particularly on the audit side with managing controls and just changing systems.

We're going through a situation right now where the Army has decided to move out with a different system architecture. And it's not just for their financial management, it's for all of their systems, EBSC convergence, which is great for them. I think it's a great idea. But it's an example of we're beholden to the services. When they make a change, we have to react as well. And so, it does create a lot of difficulties for us.

**TOM RHODES:** Well, you mentioned overseeing, SOCOM's auditability. What are, SOCOM's current impediments as you navigate financial audit? And where do you feel like you're making progress?



**MS. TESA LANOY:** I think we're about 50% of the findings that we have, the corrective action plans that we have to work are relying on the services, service providers, we'll say. So, between DFAS and the services and comptroller. And then about 50% in our lane to resolve. So the challenges that we have right now are working with the services, trying to understand what their timelines are. We still have a lot of data in legacy systems that the services manage. The services are wanting to get off of those systems, but we don't have a solution, particularly on the sensitive activity side, on where we can move that data. And so, we're working through that. One of the areas also we need to help on was a universe of transaction. So Advanta was going to help us with that, but I think now we're probably going to pursue that on our own.

And also just the sensitive activities, not just the systems, but just auditing sensitive activities in general is very material for us. We have about 48% of our data is in the sensitive activities realm. And so trying to manage an audit around that with the classification levels is very challenging. And so, we're trying to lead the way for the department on how to solve that problem. But we have to be very careful in systems like Advanta with data compilation, data aggregation. So, that is a challenge that we're working on.

But other than that, we have established a process, what we call enterprise wide audit remediation, affectionately known as, EWAR. So when we started our audit at SOCOM, our audit journey, we didn't have the luxury of having help from the public accounting teams on the inside helping us prepare for audit like the services did. And as a result, a lot of the work that was done in the services in the early stages of their audits was not done for us. For instance, the documenting of procedures. And so now, we have hired, the Guidehouse team is helping us to go down to the unit level and document these processes. And we have a plan to do this for probably the next two years, but that's probably the main area that we're working on to become auditable.

And then the second one is we have just developed with our CDAO an integrated master schedule to be able to pull all of this data together. So, our findings were in Advanta and our corrective action plans were in a different system. And so now, we've brought them all together and we can see in the tool where we're behind and what we're trying to do between the strategy. And the tool is identify what that critical path is for us to become auditable.

**TOM RHOADS:** That sounds very complicated. It sounds like a lot of collaboration and working with others. A lot to do there. Ms. Lanoy, what hiring flexibilities for the FM workforce is so come utilizing to recruit and retain the diverse skill sets that you must need in the environment that you're operating in, whether they're new careerists or whether they're experienced financial managers?

**MS. TESA LANOY:** We have the direct hiring authority, same as the rest of the department for financial management. So that is a tool for sure, that we can use if we know that there's talent. It's a give and take with that, because I also want to make sure that I'm throwing the net as wide as I can to get the talent that's out there that maybe I haven't been familiar with. And so we try to keep a balance between the two.

We do have, because we're joint, we're not just Air Force for instance, though here at the headquarters Air Force are a CCSA, our combatant command support agent here at MacDill Air Force Base. But we try to get talent from all over the different services, and even outside. For instance, in our EWAR strategy, one of the things that we did was took out of the performance work statement, the requirement that everyone had to have DOD experience and everyone had to have a security clearance.

And so what that enabled us to do is hire people straight out of college who have the skillset and understanding internal controls, but maybe just don't have experience with DOD. But the supervisors and the leads on the teams would have that experience. So, trying to just get talent from all over. Being open to just diversity of thought, which is I think one of the unique things about SOCOM culture as well.

In SOCOM, we have the CG and commanding General and the Command Sergeant major say often, "Key the mic." If you have something to say, if you have an idea, key the mic. And so I think what that does is it creates a culture where people aren't afraid to give their ideas. It may not be the solution that we go through pursue. That's what I tell my team all the time, "Your idea may not be the thing that we go after, but it may cause us together to collaborate and come up with the idea, the solution that we need." And so that diversity of thought, that diversity of experience is something that we really value here.

Another thing that I'm doing is working to... We didn't ever have an intern program or a pipeline. So I explained to you early on in my career, basically what was critical to me even considering working for the government was the opportunity I had as a cooperative education student, effectively an intern. So during that program, I would work one semester with the government and then the next semester I would take classes. And I could take night classes while I was working. But alternating like that until I graduated.

Here when I arrived, had only primarily GS-13 positions. And we had no pipeline, we had no way, no mechanism to even bring young inexperienced talent on board. And so we are now changing our position descriptions, reclassifying them to instead of being a GS-13, we're having 7, 9, 11, 12 kind of a stair step up for developmental positions.

We just hired, we had a PAQ, a palace acquire from the Air Force, but now we have two. The other one graduated from the program and now we have two new ones. So, that is another way that we're bringing in talent. And then most recently we're working with an organization to bring in some interns from around the schools in Florida. And I'm going out to the schools to talk to them about jobs that you can have in the government. Because like I said, nobody ever did that for me, so I want others to know. And I'll also be going into a couple of the high schools in the area to also talk to them about the jobs. And it's not just SOCOM, it's just jobs you can have in the government and my experience, so that they can have an idea of something else, even before they start going into college and choosing a major.

**TOM RHOADS:** Sounds like you're doing so much for those who are going to be entering the workforce. And Ms. Lanoy, we'd like to wrap up each episode with some advice for early careerists that are listening. And knowing what you know now and as you go out on campus and talk to these future new careerists who are starting their career, what advice would you give them?

**MS. TESA LANOY:** I think my advice would be, do your homework. Don't be afraid to take a chance on something. Stay long enough to learn the job. When I was coming up, one of the auditor generals at the time told me, "Tesa, you need to stay in a job at a minimum two years. And if you want to continue to move up the chain, maximum probably of five." And to me, I think that's a really good rule of thumb, because you get the opportunity... Probably in most jobs, you're not going to see things, if you don't stay at least a year. You won't see everything one time. So the second year, you're getting to see it again, things are starting to make sense, puzzle pieces are coming together. And then the third year is when you can really give back, you can make change.

And particularly for those who have an desire to become an SES later on in their career path, when you become an SES, you have to submit your executive core qualifications that

show those impacts that you made over your career, but mostly in the last five years when you become an SES. But my point is, even if you start doing that when you're younger, you're getting what we call the sets and the reps in, as you go up.

So, take your time in the jobs. Don't be in a rush to go to the next promotion because you can't go back and get the experience that you missed. Learn how to solve problems when you're early on in your career, because you need those skills. The problems become harder as you move up. And you haven't polished those skills at the lower levels where the impacts are less great, when you become an SES or when you become a senior leader, go further up where the impacts are great and you haven't developed the skills, you're going to put yourself and your organization at risk.

And so, I think those are the main areas. But also, just take your time. A career path is a long time to work. And I've had a great career, and I wouldn't change any of the sideways turns I took to get here. So, take your time and enjoy it.

**TOM RHOADS:** Isn't that awesome? That'd be neat for everyone to be able to say that, that they've just thoroughly enjoyed their career. I love the phrase, sets and reps. If it's okay, I'm going to borrow that.

**MS. TESA LANOY:** Yeah.

**TOM RHOADS:** I think it's awesome. Excuse me. Thanks for your time, Ms. Lanoy, and so appreciate you being on our podcast today. I know that you're super busy, and thanks for carving out the time to join us.

**MS. TESA LANOY:** Oh, thank you so much for having me. I really appreciate it. I appreciate being able to tell my story for others, but also to talk a little bit about SOCOM. Because I think SOCOM is pretty awesome.


**TOM RHOADS:** Thank you so much.


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