

ALL THINGS FINANCIAL MANAGEMENT PODCAST

Audit Remediation, Fiscal Goals, and Career Advice

Featuring Mike Cook, G-8, Army Materiel 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: Mr. Cook, thanks for being with us today.

MR. COOK: Appreciate it. I'm happy to be here.

TOM RHOADS: Mr. Cook, can you tell us about your background and what brought you to your current position at the Army Materiel Command? Or in other words, can you tell us your story?

MR. COOK: So, I was a career soldier. I was on active duty for 28 years. I started in armor, tanks, did that for the first 11, and then the last 17-ish years, I was in Army Financial Management. I retired from the army in 2016, and my last active-duty assignment was here at Redstone Army Space and Missile Defense Command where I was the G-8. And then when I retired, I was lucky enough to be hired on as the Deputy G-8 at the same place, Space and Missile Defense Command.

And I was there for about four years from 2016 to 2020, and the position opened up down the street at Army Materiel Command. I threw my name in the hat and was lucky enough to get selected, and I've been at AMC since 2020, since May of 2020.

First two years, I was the Deputy. Ms. Christina Freese, she was the 8, and then she moved across the hall to be the G-1 and then competed for and was selected to be the G-8, so I've been that for a little over two years now.

And I guess the one thing I would say is, I used to think I knew a lot about money, and then I came to AMC, and every day is an adventure here.

TOM RHOADS: Yeah, I imagine it's an exciting time. And now that you're here and the Army Working Capital Fund is charging towards to achieve an unmodified audit opinion, can you share some of your recent accomplishments and maybe some of your goals for fiscal year '25?

MR. COOK: Sure. So, the Army Materiel Command, there's three audits going on, the General Fund, the Army Working Capital Fund, and then the System of Controls, the SOC audit for ammunition. AMC is heavily involved in the SOC, and we lead the Army Working Capital Fund audit effort.

After years of foundational effort, the team delivered the army's first-ever material weakness downgrade in 2023 fund balance with Treasury, and that's basically how much money we say is in the Working Capital Fund and how much Treasury says, and they're the bank, so we have to match the bank. We're within tolerance on that. In 2023, that was the first ever material weakness downgrade achieved by the army, regardless of what audit it was, so that was a huge achievement.

We continued the momentum in 2024. We achieved three more downgrades: plant, property, and equipment for general equipment and then PP&E for the real property of the Working Capital Fund and then environmental disposal and liabilities. That was a material weakness we also downgraded.

For '25, we've got six material weaknesses teed up: beginning year balances, financial reporting, internal controls for computing, inventory, and revenue. We own the Working Capital Fund, but we have to partner with other organizations that we do business with, primarily the Defense Logistics Agency, DLA. And so, DLA holds, I should say, anywhere 40% to 50% of the inventory we have in the Working Capital Fund. And so, for us to achieve that downgrade, we need them to produce auditable results. And so, we're working on what we control, but we're also partnering with them to help them get auditable. We're moving forward on these material weaknesses, but the fact that we're dependent on others is one of the huge challenges we have.

Our objective this year, I would say, even though we're dependent on others, we can't just hide behind that. The key thing that we're working on this year is getting the word down to the individual doers. And so, at my level and Ms. Miranda, the executive deputy, the commanding general, she's well aware of the importance of audit and focusing on it and pushing it, and I'm tracking it and the commanding general's tracking it. And as you go down, the level of awareness drops. And so, the key thing we wanted to work on this year is to get to the people actually doing the work, the men and women on the line, and having them understand that the procedures that they do, it's critical that they follow the procedures, because that will produce an auditable result.

And in years past, that's been kind of a gap. You start up here and everybody's all about audit, but by the time you get down to where the rubber meets the road, they may or may not have heard it. So, we're making a huge effort to try and communicate all the way down this year.

I guess the other thing I'd say about what we're trying to achieve this year or communicate is, it's the audit, but it's not. Achieving an auditable outcome, that's great. But what we need is business processes that allow the business to run. And by that, I mean we need to have processes that allow us to know how much our inventory is valued at and where it is and what the condition is. And so that's what we focus on. The outcome of that is an auditable result.

When you say audit, people's eyes glaze over and you typically get a gag reflex. That's not what we're after. What we're after is helping the business run. And so, the processes that allow it to do that well, they'll produce an auditable result. So, it's a win-win. But when we speak to folks on the line, it's, "Hey, don't worry about the audit. Just make sure you're running the process right, because that's going to allow us to run the business effectively."

And at the end of the day, it's, "Okay, here's the SOP, here's how we do business, and then it's compliance." And that's again, that has to happen down where the work has actually happened. People have to know what it is, and they have to comply with it. So that's a lot of our effort for this year for '25.

TOM RHODES: It sounds like you're well underway with the number of material weakness downgrades you have already successfully accomplished, and it's exciting to hear that you're helping to get the audit out of just the G-8 and across the entire enterprise and organization, because that's really where the transactions originate. And it's also exciting to hear the collaboration that you have working with DLA and others and depending on where your inventory's warehouse managed and the different control environments that are in play, and collaborating to work together to make this accomplishment of getting an unmodified opinion possible.

And we're all focused on being good stewards with the taxpayer's dollars, and you're focused on it, and especially the dollars that have been trusted to you and you've already reconciled from [inaudible 00:06:40] with Treasury, which is a huge step.

What are you doing at AMC to validate requirements and ensure teams are working within their budgets?

MR. COOK: I don't think it's a great secret that the Army, and actually OSD at large is ... We're under intense cost scrutiny right now. And so, at AMC, General Mohan is making a huge push to reconcile realistic assumptions about funding. How much are we actually going to get with requirements? And so, the gap between, "Hey, here's what we think we need and here's how much we actually get," that gap has been growing over time and reconciling what we say we need ... Well, I guess it's what we want with what we need.

We want a lot, but we can probably make do with less, and so that's a hard call to make, but that is where the commander is calling on his subordinate commanders to bring those two closer together.

This is a little bit philosophical, but the spectrum on requirements, how you feel about it ranges from the requirement is whatever amount of money you've got. If you've got a hundred bucks, that's your requirement. You don't suppress requirements. The requirement is whatever it is and how much money you get, the difference between that is, that's risk and you don't suppress requirements.

I happen to fall in the first camp, because I live in the budget world and we end up having to live with, “No kidding, here’s how much money you actually got.”

But there is some value in understanding what’s getting left behind when you say, “Hey, these are all the things we should be doing, and this is what we’re not going to do.” To me, the clarity of understanding what’s not going to happen and then being able to communicate that to our partners and customers, that’s how we’re going to solve this or that’s how we need to address it. We are going to get only what we get money-wise, but we need to go tell people that, “All right, here’s what that means to you. We’re not going to be able to do this and this. We are going to be able to do this.”

And so long as we’re delivering the core mission that AMC does, I think that’s not going to be welcome news, but that’s reality and that’s where we need to operate, I think. Quoting John Adams, “Facts are stubborn things and budgets are facts,” and we’re better off living with reality than arguing about requirements that aren’t ever going to get funded anyway.

TOM RHODES: Thanks Mr. Cook, and for sharing that, and sounds like it’s, well, one, it sounds like communication is critical to be able to communicate what the requirements will be funded, and which ones won’t, and how we respond to the potential risks associated with that.

We’d like to wrap up each episode, Mr. Cook, with some advice that you would give early careerists. In other words, knowing what you know now, if you were just starting out your career, what advice would you give yourself?

MR. COOK: So given what’s going on these days, and I guess my first advice to everybody would be take heart. The army, the government, we need quality career government employees, and while you can’t deny it, the world is changing, and so we’re going to adapt to it.

But DA civilians, army career civilians, government civilians, we play a critical role in helping the organization run and run well. And the key role we play is continuity and then institutional knowledge.

As you’re coming in, you learn something all the way, and the more you progress, the more you see, the more you’re able to contribute. So, on that point, a broad base of experience is important. You shouldn’t just single-track to the extent you’re able to.

And then teeing on that, nobody looks after your interests better than you do. And what I tell my team members and the people I work with, that work for me is, having a career is not disloyal. And so, as you see opportunities, you see something that interests you, I would encourage you to take a chance, get into a position where you have to stretch, you have to grow, you have to learn. Again, that knowledge base is what the DA civilians bring to the good efficiency of the army is.

Yeah, I’ve seen that. I’ve seen it before, or I am familiar with it, and we can adapt by doing this.

One of the questions I always get is whether or not to be a manager, to manage people. And the one thing I would say is it's a constant struggle between finding the balance between managing and doing. And so, when you first start out, it's a lot of doing, and the higher you go, you end up doing more management. You're trying to manage multiple processes to keep things synchronized.

The skills and credibility, though, that come with the doing or critical down the road in terms of credibility. You need to do some time in the trenches to understand how painful some of these "Hey, you" last-minute suspenses can be, because at some point, you'll be in a position to manage time and to think twice about issuing some of those things. And so there's value in both of those, knowing how it is done, and then as you get higher, shifting out of doing it and helping people have the structure and the time to get things done.

Then the last thing I'd say on advice is, at the end of the day, performance trumps training. So, training and education are important. They're important to growth in your skill set. But you're never going to get promoted because of the school you went to. Promotion is an increased responsibility because you've proven that you can solve a problem, and you can lead. And so again, you have to have a balance, but if you're looking where you want to focus, don't be a professional student. Go out there and demonstrate that you can solve problems and help the organization succeed.

TOM RHOADS: That's really good feedback. Thank you for sharing that, Mr. Cook, and I know how busy you are. And just want to thank you for taking time out of your schedule to join us for our podcast today. Thank you very much.


MR. COOK: You're welcome. And I truly enjoyed it. Thank you.


Thank you for tuning into All Things Financial Management, an SDFM podcast series sponsored by Guidehouse. You can find all our episodes on [SDFM.org](https://www.sdfm.org) and at [All Things Financial Management](https://www.allthingsfinancialmanagement.com).



About Guidehouse

Guidehouse is a global advisory, technology, and managed services firm delivering value to commercial businesses and federal, state, and local governments. Purpose-built to serve industries focused on communities, energy, and infrastructure, healthcare, financial services, and defense and national security, Guidehouse positions clients for AI- and data-led innovation, efficiency, and resilience. With a relentless pursuit of client success and high-quality standards, more than 18,000 colleagues collaborate across the firm to outwit complexity and achieve transformational impact, shaping the future by inspiring meaning in mission. [guidehouse.com](https://www.guidehouse.com)

 [guidehouse.com/industries/defense-and-security](https://www.guidehouse.com/industries/defense-and-security)

 [linkedin.com/showcase/guidehouse-defense-security](https://www.linkedin.com/showcase/guidehouse-defense-security)

© 2025 Guidehouse Inc. All rights reserved. This content is for general informational purposes only and should not be used as a substitute for consultation with professional advisors. This publication may be used only as expressly permitted by license from Guidehouse and may not be otherwise reproduced, modified, distributed, or used without the express written permission of Guidehouse.