



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350-1500

January 19, 2016

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (COMPTROLLER)/CHIEF
FINANCIAL OFFICER, DOD
DIRECTOR, DEFENSE FINANCE AND ACCOUNTING
SERVICE
AUDITOR GENERAL, DEPARTMENT OF THE ARMY

SUBJECT: Contract Oversight for the Audit of the Department of the Army Schedule of
Budgetary Activity for FY 2016 (Project No. D2016-D000FI-0086.000)

Our planned oversight will begin immediately. The Assistant Secretary of the Army (Financial Management and Comptroller) requested an audit of the Department of the Army Schedule of Budgetary Activity (Schedule) for FY 2016, and we contracted with the independent public accounting firm of KPMG, LLP to complete that audit. The objective of the audit is to determine whether the Schedule and related note disclosures were fairly presented in all material respects and in conformity with accounting principles generally accepted in the United States of America. We will review the documentation for any classified samples and provide the results of our review to KPMG to use in developing its overall audit conclusions.

We will rely on the Government Accountability Office/President's Council on Integrity and Efficiency, "Financial Audit Manual" (GAO/PCIE FAM), Section 650, "Using the Work of Others," to design and perform oversight procedures to review KPMG's audit work and, if applicable, disclose instances in which KPMG did not comply, in all material respects, with U.S. generally accepted government auditing standards. Our review will not enable us to express an opinion on the Army's Schedule, on internal controls, on whether the financial management systems substantially complied with the Federal Financial Management Improvement Act of 1996, or on conclusions of compliance with laws and regulations. We will provide oversight and review KPMG's audit work, but KPMG will be responsible for expressing the opinion on the Schedule.

Please provide us with a point of contact within **10 days** of the date of this memorandum. The point of contact should be a Government employee—a GS-15, pay band equivalent, or the military equivalent. Send the contact's name, title, grade/pay band, phone number, and e-mail address to audfmr@dodig.mil.

You can obtain information about the Department of Defense Office of Inspector General from DoD Directive 5106.01, "Inspector General of the Department of Defense (IG DoD)," April 20, 2012; DoD Instruction 7600.02, "Audit Policies," October 16, 2014; and DoD Instruction 7050.03, "Office of the Inspector General of the Department of Defense Access to Records and Information," March 22, 2013. Our website is www.dodig.mil.

If you have any questions, please contact [REDACTED]



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