



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

April 4, 2016

MEMORANDUM FOR ASSISTANT SECRETARY OF DEFENSE FOR HEALTH AFFAIRS
DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE
DIRECTOR, DEFENSE HEALTH AGENCY
DIRECTOR, DEFENSE MANPOWER DATA CENTER
CHIEF ACTUARY, DEPARTMENT OF DEFENSE

SUBJECT: Review of the FY 2016 DoD Medicare-Eligible Retiree Health Care Fund Basic Financial Statements Audit (Project No. D2016-D000FT-0116.000)

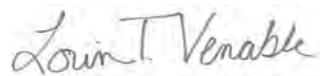
We plan to begin the review in April 2016. We contracted with the independent public accounting firm of Kearney & Company, P.C., to audit the Medicare-Eligible Retiree Health Care Fund Basic Financial Statements for Fiscal Years Ended September 30, 2016, and 2015. The objective of the audit is to determine whether the Medicare-Eligible Retiree Health Care Fund financial statements and related notes, as of September 30, 2016, and 2015, are presented fairly, in all material respects, and in conformity with accounting principles generally accepted in the United States of America.

We will rely on the Government Accountability Office/President's Council on Integrity and Efficiency, "Financial Audit Manual," section 650, "Using the Work of Others," to design and perform oversight procedures to review Kearney & Company's audit work and, if applicable, disclose instances in which Kearney & Company does not comply, in all material respects, with U.S. generally accepted government auditing standards. Our review will not enable us to express opinions on the Medicare-Eligible Retiree Health Care Fund's financial statements, on internal control, 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 of Kearney & Company's audit work, but Kearney & Company will be responsible for expressing an opinion on the financial statements.

Please provide us with a point of contact for the audit in writing 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 audcolu@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]



Lorin T. Venable, CPA
Assistant Inspector General
Financial Management and Reporting

cc:
Kearney & Company, P.C.