



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-4704

DEC 29 2010

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (COMPTROLLER)/CHIEF
FINANCIAL OFFICER
ASSISTANT SECRETARY OF DEFENSE (NETWORKS AND
INFORMATION INTEGRATION)/DOD CHIEF
INFORMATION OFFICER
DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE

SUBJECT: Audit of the Defense Civilian Pay System Controls Placed in Operation and Tests of
Operating Effectiveness for the Period October 1, 2010, Through April 30, 2011
(Project No. D2011-D000FB-0116.000)

We will begin the subject audit in December 2010. Our overall objectives are to determine whether the Defense Civilian Pay System's general and application controls are adequately designed and effective to produce reliable data and whether the Defense Civilian Pay System substantially complies with the Federal Financial Management Improvement Act of 1996 (Public Law 104-208) requirements and other applicable Federal and DoD information technology and information assurance policies. This includes determining whether the Defense Finance and Accounting Service designed the controls to achieve specific control objectives and complied with those controls. We will consider suggestions from management on additional or revised objectives.


The Chief Financial Officers Act of 1990 (Public Law 101-576), as amended, requires agencies to prepare and audit financial statements. The Statement on Auditing Standards Number 70 (SAS 70), "Services Organizations," issued by the Auditing Standards Board of the American Institute of Certified Public Accountants, defines the professional standards used to assess the internal controls of a service organization. This SAS 70 audit will support financial statement audits of the Executive Office of the President and the Departments of Defense, Energy, and Health and Human Services. This audit will be performed in accordance with generally accepted government auditing standards.

We will perform the audit at the Defense Finance and Accounting Service, Arlington, Virginia; the Defense Finance and Accounting Service Technology Services Organization, Indianapolis, Indiana, and the Defense Finance and Accounting Service payroll offices in Indianapolis and Cleveland, Ohio. We may also visit other Government organizations identified during the audit.

Please provide us with a point of contact for the audit in writing. The point of contact should be a Government employee, a GS-15 or pay band equivalent, or the military equivalent. Send the contact's name, title, grade/pay band, phone number, and e-mail address by mail, by fax to [REDACTED], or by e-mail to [REDACTED].

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," April 13, 2006, change 1, September 25, 2006; DOD Instruction 7600.02, "Audit Policies," April 27, 2007; and DOD Instruction 7050.3, "Access to Records and Information by the Inspector General, Department of Defense," April 24, 2000. Our Web site address is www.dodig.mil.

If you have any questions, please contact [REDACTED] at [REDACTED] or [REDACTED] at [REDACTED]. You can also reach us via e-mail at [REDACTED].


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Assistant Inspector General
Defense Business Operations