



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

February 27, 2017

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

SUBJECT: Contract Oversight of the Examinations of General Equipment, Operating
Material and Supplies, and Real Property for FY 2017
(Project No. D2017-D000FI-0090.000)

Our planned oversight will begin immediately. The Assistant Secretary of the Army (Financial Management and Comptroller) requested examinations on the schedules of balances prepared for the Army General Fund general equipment, operating material and supplies, and real property for FY 2017, and we contracted with the independent public accounting firm of KPMG, LLP, to complete the examinations. The objective of the examinations are for KPMG, LLP, to render separate opinions on whether the schedules fairly present the balances of the Army General Fund general equipment, operating materials and supplies, or real property in all material respects in accordance with Generally Accepted Accounting Principles.

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 KPMG's work and, if applicable, disclose instances in which KPMG did not comply, in all material respects, with generally accepted government auditing standards. Our review will not enable us to express an opinion on the controls of the general equipment, operating material and supplies, and real property processes for FY 2017. We will provide oversight and review KPMG's work, but KPMG will be responsible for expressing the opinion on the schedules.

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, as amended; DoD Instruction 7600.02, "Audit Policies," October 16, 2014, as amended; 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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