



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

January 19, 2018

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 FY 2018 Army Working Capital Fund Basic  
Financial Statements (Project No. D2018-D000FI-0081.000)


Our planned oversight will begin immediately. The Chief Financial Officers Act of 1990, as amended, requires this audit. In accordance with the Chief Financial Officers Act of 1990, the DoD Office of Inspector General is the principal auditor for the Department of the Army Working Capital Fund Basic Financial Statements. We contracted with the independent public accounting firm of KPMG, LLP, to perform the audit. The objective of the audit is to determine whether the FY 2018 Army Working Capital Fund Basic Financial Statements 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 execute the contractor's audit procedures associated with reviews of transactions and facilities that are Special Access Program, TOP SECRET, and TOP SECRET/Sensitive Compartmented Information and provide an unclassified version of 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," 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 Working Capital Fund Basic Financial Statements, 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 Financial Statements.

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](mailto: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; 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](http://www.dodig.mil).

If you have any questions, please contact [REDACTED]



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