



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

September 13, 2019

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (COMPTROLLER)/CHIEF
FINANCIAL OFFICER, DOD
DIRECTOR, DEFENSE LOGISTICS AGENCY

SUBJECT: Oversight of the FY 2019 Defense Logistics Agency (DLA) Attestation of
Agreed-Upon Procedures Engagement of the Service-Owned Inventory in DLA
Custody (Project No. D2019-D000FE-204.000)

Our planned oversight will begin immediately. The Defense Logistics Agency (DLA) has requested an Attestation of Agreed-Upon Procedures Engagement of Service-Owned Inventory in DLA Custody. We contracted with the independent public accounting firm of Ernst & Young LLP (EY) to perform agreed-upon procedures to identify and report on the inventory quantities, including any that are in error, of Service-owned items in DLA custody as of a specified date. EY will document, in a sufficient manner, the procedures performed, and the results from the application of, the agreed-upon procedures. Our objective is to provide contract oversight to determine if EY complied with applicable attestation standards and generally accepted government auditing standards while performing the Agreed-Upon Procedures Engagement of the Service-Owned Inventory in DLA Custody.

We will rely on the Government Accountability Office/Council of the Inspectors General on Integrity and Efficiency, "Financial Audit Manual," Section 670, "IG Oversight of Audits Performed by Contracted Independent Public Accounting (IPA) Firms," to design and perform oversight procedures to review EY's work and, if applicable, disclose instances in which EY did not comply, in all material respects, with applicable attestation standards established by the American Institute of Certified Public Accountants and U.S. generally accepted government auditing standards

Please provide us with a point of contact for the audit within **5 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]



Lorin T. Venable

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