



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

December 7, 2020

**MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (COMPTROLLER)/CHIEF
FINANCIAL OFFICER, DOD
DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE
AUDITOR GENERAL, DEPARTMENT OF THE ARMY**

**SUBJECT: Oversight of the Audit of the FY 2021 Army Working Capital Fund Financial
Statements (Project No. D2021-D000FI-0042.000)**

Our planned oversight will begin immediately. The Chief Financial Officers Act of 1990, as amended, requires this audit. In accordance with the Act, the DoD Office of Inspector General is the principal auditor for the Army Working Capital Fund Financial Statements. We contracted with the independent public accounting firm of KPMG, LLP, (KPMG) to audit the Army Working Capital Fund Financial Statements for fiscal years ending September 30, 2021, and September 30, 2020. The objective of KPMG's audit is to determine whether the FY 2021 Army Working Capital Fund Financial Statements and related notes are presented fairly and in conformity with accounting principles generally accepted in the United States of America. The objective of this oversight project is to provide contract oversight of KPMG's audit of the Army Working Capital Fund Financial Statements for fiscal years ending September 30, 2021, and September 30, 2020, and determine whether KPMG complied with applicable auditing standards. 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/Council of the Inspectors General on Integrity and Efficiency, "Financial Audit Manual," June 2018, Updated 2020, Section 670, "IG Oversight of Audits Performed by Contracted Independent Public Accounting (IPA) Firms," 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 generally accepted government auditing standards. Our review will not enable us to express an opinion on the Army Working Capital Fund Financial Statements, conclusions about the effectiveness of internal control, conclusions on whether the financial management systems substantially complied with the Federal Financial Management Improvement Act of 1996, or on conclusions of Army's 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 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]

[REDACTED] or [REDACTED]



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