



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

January 6, 2020

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

SUBJECT: Oversight of the Audit of the FY 2020 Defense Logistics Agency Working Capital
Fund Financial Statements (Project No. D2020-D000FE-0053.000)

Our planned oversight will begin immediately. This audit is in support of the DoD Agency-Wide financial statement audit, which is required by the Chief Financial Officers Act of 1990, as amended. We contracted with the independent public accounting firm of Ernst and Young (EY) LLP to audit the Defense Logistics Agency (DLA) Working Capital Fund Financial Statements for fiscal years ending September 30, 2020, and September 30, 2019. EY's objective is to determine whether the FY 2020 DLA Working Capital Fund financial statements and related notes are presented fairly and in conformity with accounting principles generally accepted in the United States. Our objective is to provide contract oversight of the EY audit of the DLA Working Capital Fund Financial Statements for fiscal years ending September 30, 2020, and September 30, 2019, to determine whether EY complied with applicable auditing standards.

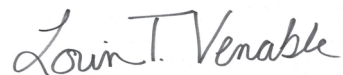
We will rely on the Government Accountability Office/President's Council on Integrity and Efficiency, Financial Audit Manual, section 670, "IG Oversight of Audits Performed by Contracted Independent Public Accounting (IPA) Firms," to design and perform oversight procedures to review EY's audit work, and if applicable, disclose instances in which EY 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 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.

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]



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