



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

January 4, 2021

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (COMPTROLLER)/CHIEF  
FINANCIAL OFFICER, DOD  
COMMANDING GENERAL, U.S. ARMY CORPS OF ENGINEERS  
AUDITOR GENERAL, DEPARTMENT OF THE ARMY

SUBJECT: Oversight of the Audits of the FY 2021 U.S. Army Corps of Engineers'  
Sub-Allotted Funds Financial Statements (Project No. D2021-D000FI-0050.000)

Our planned oversight will begin immediately. We contracted with the independent public accounting firm of KPMG LLP (KPMG), to audit financial statements for the fiscal years ending September 30, 2021, and September 30, 2020, for the funds sub-allotted to the U.S. Army Corps of Engineers by the following DoD entities.

- Defense Health Agency
- Defense Logistics Agency
- Defense Security Cooperation Agency
- Defense Threat Reduction Agency
- DoD Education Activity
- DoD Homeowner's Assistance Program
- Joint Chiefs of Staff
- Missile Defense Agency
- Office of the Secretary of Defense (OSD) Air Force
- OSD Army
- U.S. Air Force
- U.S. Army
- U.S. Navy
- U.S. Special Operations Command

The objective of KPMG's audits is to determine whether the FY 2021 U.S. Army Corps of Engineers Sub-Allotted Funds 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 audits of the U.S. Army Corps of Engineers' Sub-Allotted Funds financial statements for the fiscal years ending September 30, 2021, and September 30, 2020, and determine whether KPMG complied with applicable auditing standards.

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 U.S. Army Corps of Engineers Sub-Allotted Funds 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

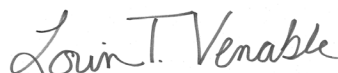
conclusions of the U.S. Army Corps of Engineers Sub-Allotted Fund's compliance with laws and regulations. We will provide oversight and review KPMG's audit work, but KPMG will be responsible for expressing the opinions on the financial statements.

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](mailto:audfmr@dodig.mil).

You can obtain information about the DoD 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](http://www.dodig.mil).

If you have any questions, please contact [REDACTED]

or [REDACTED]



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

cc:

Assistant Secretary of the Air Force (Financial Management and Comptroller)  
Assistant Secretary of the Navy (Financial Management and Comptroller)  
Commander, U.S. Special Operations Command  
Deputy Assistant Secretary of the Army (Financial Operations)  
Director, Defense Health Agency  
Director, Defense Logistics Agency  
Director, Defense Security Cooperation Agency  
Director, Defense Threat Reduction Agency  
Director, DoD Education Activity  
Director, Joint Staff  
Director, Missile Defense Agency