



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

January 5, 2021

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

SUBJECT: Oversight of the Statement on Standards for Attestation Engagements No. 18
Examination of the Defense Agencies Initiative System for the Period of
October 1, 2020, Through June 30, 2021 (Project No. D2021-D000FE-0062.000)

Our planned oversight will begin immediately. The Director, Defense Logistics Agency (DLA) requested a Statement on Standards for Attestation Engagements No. 18 (SSAE 18) examination of the Defense Agencies Initiative (DAI) system for the period of October 1, 2020, through June 30, 2021. We contracted with the independent public accounting firm of Ernst and Young (EY), LLP to perform the SSAE 18 examination. The objective of EY's attestation examination is to issue an opinion on the DLA's description of DAI and the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description. The objective of this oversight project is to provide contract oversight of EY's attestation examination and determine whether EY complied with the contract and applicable attestation and generally accepted government auditing standards while performing the SSAE 18 examination of DAI.

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 attestation work and, if applicable, disclose instances in which EY did not comply, in all material respects, with applicable attestation standards. Our review will not enable us to express an opinion on description of the DAI system services or the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description. We will provide oversight and review EY's work, but EY will be responsible for expressing those opinions.

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]

or [REDACTED]

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