



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

January 4, 2022

**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 2022 U.S. Army Corps of Engineers
Sub-Allotted Funds Financial Statements (Project No. D2022-D000FI-0041.000)**

Our planned oversight will begin immediately. The U.S. Army Corps of Engineers management requested the audits of the U.S. Army Corps of Engineers Sub-Allotted Funds Financial Statements. We contracted with the independent public accounting firm of KPMG LLP (KPMG) to audit financial statements as of and for the fiscal years ending September 30, 2022, and September 30, 2021, 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 2022 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 our oversight project is to provide contract oversight of KPMG's audits of the U.S. Army Corps of Engineers Sub-Allotted Funds Financial Statements as of and for the fiscal years ending September 30, 2022, and September 30, 2021, 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, Volume 2 (Updated March 2021), 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 and related notes.

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]



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