



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
ASSISTANT SECRETARY OF THE NAVY (FINANCIAL
MANAGEMENT AND COMPTROLLER)
DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE
NAVAL INSPECTOR GENERAL

SUBJECT: Oversight of the FY 2022 Audit of the U.S. Navy General Fund Financial Statements
(Project No. D2022-D000FS-0068.000)

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 U.S. Navy (Navy) General Fund Financial Statements. We contracted with the independent public accounting firm of Ernst & Young, LLP (EY) to audit the Navy General Fund Financial Statements as of and for fiscal years ending September 30, 2022 and September 30, 2021. The objective of EY's audit is to determine whether the FY 2022 Navy General 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 our oversight project is to provide contract oversight of EY's audit of the Navy General Fund Financial Statements as of and for fiscal years ending September 30, 2022, and September 30, 2021, and to determine whether EY complied with applicable auditing standards. We will execute the contractor's audit procedures associated with reviews of transactions and facilities that are Special Access Programs and TOP SECRET/Sensitive Compartmented Information and provide an unclassified version of the results of our review to EY 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, 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 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 Navy General Fund Financial Statements and related notes, conclusions about the effectiveness of internal controls, conclusions on whether the financial management systems substantially complied with the Federal Financial Management Improvement Act of 1996, or conclusions about the Navy's compliance with laws and regulations. We will provide oversight and review EY's audit work, but EY will be responsible for expressing an opinion 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 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, as amended. Our website is www.dodig.mil.

If you have any questions, please contact [REDACTED]

or [REDACTED]



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