



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

January 5, 2024

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

SUBJECT: Oversight of the FY 2024 Defense Logistics Agency Statement on Standards for
Attestation Engagements No. 18 Examination of the Defense Agencies Initiative
System (Project No. D2024-D000FE-0051.000)

The purpose of this memorandum is to inform you of our planned oversight that will begin immediately. The Director of the Defense Logistics Agency (DLA) requested a Statement on Standards for Attestation Engagements No. 18, as amended, (SSAE 18) examination of the Defense Agencies Initiative (DAI) System for the period of October 1, 2023 through June 30, 2024. We contracted with the independent public accounting firm of Ernst & Young, LLP (EY) to perform this SSAE 18 examination. The objective of EY's attestation examination is to issue an opinion on 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 our 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.

We will rely on the Government Accountability Office/Council of the Inspectors General on Integrity and Efficiency, "Financial Audit Manual," Volume 2, June 2022 (Updated May 2023), Section 670, "IG Oversight of Audits Performed by Contracted Independent Public Accounting (IPA) Firms," to design and perform oversight procedures to review EY's work, and if applicable, disclose instances in which EY did not comply, in all material respects, with attestation standards established by the American Institute of Certified Public Accountants and generally accepted government auditing standards. Our review will not enable us to express an opinion on the description of DAI 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.

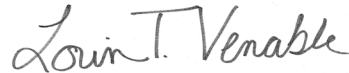
We request that you designate a staff member to serve as our point of contact for this oversight project within **5 days** of this memorandum. The point of contact should be a Government employee—a GS-15, pay band equivalent, or military equivalent—and knowledgeable of the attestation examination related to the objective. Send the contact's name, title, grade/pay band, phone number, and email address to audfmr@dodig.mil/
[REDACTED]

The Inspector General Act of 1978, 5 U.S.C. §§ 401-424, as amended, authorizes us to have access to personnel and materials as we determine necessary to perform our oversight in a timely manner. 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, 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]

FOR THE INSPECTOR GENERAL:



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