



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

November 1, 2024

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

SUBJECT: Oversight of the FY 2025 Defense Logistics Agency System and Organization
Controls 1 Examination of Service Owned Items in DLA Custody (Project No.
D2025-D000FE-0019.000)

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 System and Organization Controls 1 examination of Service Owned Items in DLA Custody (SOIDC) as of June 30, 2025. We contracted with the independent public accounting firm of Ernst & Young, LLP (EY) to perform this examination. The objective of EY's attestation examination is to issue an opinion on the DLA's description of SOIDC and the suitability of the design 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 2024, 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 SOIDC or the suitability of the design 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 two points of contact for this oversight project within **5 days** of this memorandum. One point of contact should be a Government employee—a GS-15, pay band equivalent, or military equivalent—who is knowledgeable of the attestation examination related to the objective. The second point of contact should be a member of the Senior Executive Service or a General/Flag Officer who is familiar with the attestation examination related to the objective and could serve as a point of engagement with DoD Office of Inspector General senior leaders, if necessary. Send each contact's name, title, grade/pay band, phone number, and email address to [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:



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