

The contracting group in the DoD OIG's Defense Financial Auditing Service (DFS) held an audit strategy meeting on February 12, 2007, to seek input from the 20 independent public accounting (IPA) firms who provide audit services for DoD financial statements and computer systems under the Chief Financial Officer's Act Multiple Award Contract (CFO-MAC).

The idea behind the meeting, jointly organized by Assistant Inspector General, DFS and the Office of the Secretary of Defense – Comptroller, was to assess the current audit strategy and business rules and seek input from the IPA firms for potential improvements from those who are grappling with the problems of auditing in the DoD environment. In addition to the IPA contractor attendees and OIG staff, representatives from GAO, Washington Headquarters Services (WHS) contracting staff, OSD(C), and OIG legal staff participated in the discussions

Short presentations were given by DFS and WHS staff on the current approach to DoD financial statement audits and possible new approaches being considered, contracting vehicles permitted under the CFO-MAC contract and systems requirements in CFO audits. After each presentation, the floor was opened to comments from those attending.

The group raised many issues and presented a broad range of ideas and concerns in a discussion with wide participation by the IPAs and government agencies represented. The ideas will now be researched and key items used as the basis for recommendations to change the current audit approach, the related business rules that DoD is following in preparing various financial statement line items for audit, as well as the way contracts are prepared for these audits.