



Department of Defense  
Office of the Inspector General

# Information Release

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INFORMATION RELEASE  
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## **Inspector General Accounting Contract Is a “Major Step” Toward Improved Financial Accountability and Transparency Within the Department of Defense**

Under a contract announced today, the Department of Defense Inspector General will enlist the assistance of some of the best private sector accounting and information technology firms to improve the reliability of the Department’s financial statements. The contracts, totaling \$977.5 million, were announced through the Naval Air Systems Command (NAVAIR).

Joseph E. Schmitz, Department of Defense Inspector General, said this contract greatly expands the oversight capabilities of his office. “Our auditors, working closely with auditors and accountants from the firms which received contracts today, will be focusing on accountability and transparency in the way we manage our finances within the Department of Defense (DoD),” Mr. Schmitz said. “The taxpayers have every right to expect it and our men and women in uniform depend upon it.”

Under the Chief Financial Officers (CFO) Act of 1990, Inspector Generals are required to conduct an independent audit of the financial statements for their agencies to ensure the statements’ reliability, similarly to the way private industry uses independent public accounting firms to audit their systems and procedures to ensure their financial statements are reliable. Capabilities available under the contract will allow the Inspector General to audit the effectiveness of the systems military components use to produce their financial statements in order to certify their accuracy, with the goal of achieving a clean or “unqualified” audit opinion for the department.

For more information about the awarding of today’s contracts, visit the DoD website at: <http://www.defenselink.mil/contracts/2005/ct20050201.html>

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