

Financial Improvement and Audit Readiness Methodology
Assertion Work Product Example
Assertion Examination – Examination Report

Detailed Activity 3.3 – Assertion Examination (Reporting Entities)

NOTE: The Tool/Template/Work Product below includes two example examination reports – one is for an unqualified opinion and the other is for a qualified opinion.

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Example Examination Report – Unqualified Opinion

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Detailed Activity 3.3 – Assertion Examination (Reporting Entities)

NOTE: This document provides an example examination report. This example shows an unqualified report in which the auditor has opined that the Component is audit ready with respect to the assessable unit or financial statement to which management asserted. Note that an auditor may also issue a disclaimer of opinion stating his/her inability to express an opinion regarding the audit readiness assertion (example of disclaimer not provided).

Independent Accountant's Report

We have examined management's assertion that the Statement of Budgetary Resources of the Defense Component Agency (DCA) is audit ready in accordance with criteria set forth by the Department of Defense (DoD) Financial Improvement and Audit Readiness (FIAR) Directorate in its April 2015 FIAR Guidance. DCA's management is responsible for the assertion. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with standards applicable to attestation engagements issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence supporting management's assertion that its Statement of Budgetary Resources is audit ready and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

[The IPA may insert an additional paragraph(s) here to emphasize certain matters relating to the attest engagement or the assertion.]

In our opinion, management's assertion referred to above is fairly stated, in all material respects, based on the audit readiness criteria set forth in the April 2015 FIAR Guidance.

This report is intended solely for the information and use of DCA, the DoD FIAR office, and the DoD Office of the Inspector General and is not intended to be and should not be used by anyone other than these specified parties.

Signature

Date

NOTE: Based on American Institute of Certified Public Accountants (AICPA) AT Section 101, *Attest Engagements*, Appendix A, Example 1 (available from <http://www.aicpa.org/Research/Standards/AuditAttest/Pages/SSAE.aspx>)

Example Examination Report – Qualified Opinion

Financial Improvement and Audit Readiness Methodology Assertion Work Product Example Example Examination Report – Qualified Opinion

Detailed Activity 3.3 – Assertion Examination (Reporting Entities)

NOTE: This document provides an example examination report. This example shows a qualified report in which one or more factors prevented the auditor from expressing an unqualified opinion with respect to the audit readiness assertion. Note that an auditor may also issue a disclaimer of opinion stating his/her inability to express an opinion regarding the audit readiness assertion (example of disclaimer not provided).

Independent Accountant's Report

We have examined management's assertion that the Statement of Budgetary Resources of the Defense Component Agency (DCA) is audit ready in accordance with criteria set forth by the Department of Defense (DoD) Financial Improvement and Audit Readiness (FIAR) Directorate in its April 2015 FIAR Guidance. DCA's management is responsible for the assertion of audit readiness. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with standards applicable to attestation engagements issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence supporting management's assertion that its Statement of Budgetary Resources is audit ready and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

Our examination disclosed that DCA's process for reconciling civilian payroll to the general ledger is unreliable and does not provide reasonable assurance that payroll expenses and disbursements are recorded accurately and timely. Furthermore, DCA was unable to provide sufficient documentation supporting its gross outlays of current year appropriations for the period from October 1, 2014 through June 30, 2015.

In our opinion, except for the deficiencies described in the preceding paragraph with respect to civilian pay and gross outlays, the Statement of Budgetary Resources of DCA is audit ready based on the audit readiness criteria set forth in the April 2015 FIAR Guidance.

Agency Comments

During our examination, we discussed the internal control weakness and inability to provide sufficient documentation supporting gross outlays with DCA management, who provided us with comments. DCA management concurred with our findings and expressed their commitment to implement corrective actions addressing the deficiencies.

NOTE: Based on American Institute of Certified Public Accountants (AICPA) AT Section 101, *Attest Engagements*, Appendix A, Example 5 (available from <http://www.aicpa.org/Research/Standards/AuditAttest/Pages/SSAE.aspx>)

Example Examination Report – Qualified Opinion

This report is intended solely for the information and use of DCA, the DoD FIAR office, and the DoD Office of the Inspector General and is not intended to be and should not be used by anyone other than these specified parties.

Signature

Date

EXAMPLE

NOTE: Based on American Institute of Certified Public Accountants (AICPA) AT Section 101, *Attest Engagements*, Appendix A, Example 5 (available from <http://www.aicpa.org/Research/Standards/AuditAttest/Pages/SSAE.aspx>)