

**Financial Improvement and Audit Readiness Methodology
Assertion Work Product Example
Results of FIAR Directorate Review**

*Detailed Activity 3.1 – Review (Reporting Entities)
Detailed Activity 3.1 – Review (Service Providers)*

NOTE: The Tool/Template/Work Product below is an example memorandum produced by the FIAR Directorate following its review of a Reporting Entity’s or Service Provider’s assertion.

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MEMORANDUM FOR THE DIRECTOR, DEFENSE COMPONENT AGENCY

SUBJECT: Management Assertion for the Appropriations Received and Funds Distribution Process, Defense Component Agency General Fund

On June 30, 20XX, the Defense Component Agency (DCA) asserted that the Appropriations Received and Funds Distribution process for its general fund was ready for audit (as of September 30, 20XX). The Office of the Under Secretary of Defense (Comptroller) (OUSD(C)), Financial Improvement and Audit Readiness (FIAR) Directorate, has reviewed the DCA assertion documentation and evaluated the content against the assertion documentation criteria set forth in the FIAR Guidance (Guidance).

The Guidance requires the FIAR Directorate to review all documentation supporting the assertion; determine whether the assertion is supported; and report any significant issues that would limit the success or scope of audit or examination to be performed. The evaluation of the assertion documentation is designed to determine whether the Component has performed testing and analysis of a sufficient scope and quality to provide a basis for its assertion, and has drawn reasonable conclusions about audit readiness based on the testing and analysis performed.

Based on the FIAR Directorate's review of the assertion documentation and discussions with DCA regarding its procedures, OUSD(C) concludes that the DCA Appropriations Received and Funds Distribution process is likely ready for audit. DCA will be subject to an examination by an independent public accounting firm in accordance with the FIAR Guidance, in conjunction with the remaining Defense Agencies as of September 30, 20XX.

The FIAR Directorate is available to assist and provide additional guidance related to this assertion. Contact (*OUSD(C) FIAR point of contact*) at (*phone number*), or (*email address*)@mail.mil, if you have any questions or need assistance.

Mark E. Easton
Deputy Chief Financial Officer

Attachment:
DCA Appropriations Received Assertion Workplan and Results

cc:
Director, Defense Finance and Accounting Service
Deputy Inspector General for Auditing, Department of Defense Office of the Inspector General