



DEPUTY SECRETARY OF DEFENSE  
1010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1010

SEP 27 2017

MEMORANDUM FOR ALL DEPARTMENT OF DEFENSE SOLDIERS, MARINES,  
SAILORS, AIRMEN, AND CIVILIAN EMPLOYEES

SUBJECT: Auditing the Books of the Department of Defense

The Department of Defense will begin a full financial statements audit in FY 2018. When the President made a promise to the American people to rebuild the U.S. Armed Forces, he also made a commitment to start the audit. We have asked the American taxpayers to entrust us with over \$600 billion each year. We should welcome the accountability.

Audits examine the accuracy of our financial information. They also test whether we can account for our assets, to include military equipment, spare parts, munitions, and other supplies. They test our information technology controls to include access to our systems. Financial audits are not about paperwork—they are about doing our job correctly.

Our annual regimen of financial statement audits will be the largest ever undertaken. What we do next with auditor findings and recommendations is the most important part of the process. I expect each of you to make it your priority to correct problems identified in these audits. This Department is the last federal agency to not have a clean agency-wide financial audit opinion. This must change. We must lead and not lag behind.

The President and I are committed to giving you what you need to rebuild our forces and defeat the enemy. These audits will give you, your commanders, and your leaders the reliable information you need to set things right—to exercise your judgment and meet your mission.

I am proud to serve alongside you.

*Patricia M. Shanahan*



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