



NEWS RELEASE

DEFENSE FINANCE AND ACCOUNTING SERVICE
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DFAS receives top marks for its financial statements

INDIANAPOLIS, March 5, 2009 – For the ninth consecutive year, the Defense Finance and Accounting Service has received an "unqualified opinion" from an independent auditor for its Defense Working Capital Funds financial statements for fiscal year 2008.

The opinion was rendered Nov. 12, 2008, by accounting firm Urbach Kahn & Werlin, LLP. The report confirmed that in the best opinion of the auditor, DFAS had followed relevant accounting procedures, had appropriate internal controls in place and that the financial statements are an accurate representation of the agency's financial condition.

The opinion further illustrated that DFAS is accountable for its annual budget of \$1.5 billion for the agency's finance and accounting operations. The DFAS budget equates to less than one percent of the Defense Department's budget.

According to DFAS officials, unqualified opinions can also list significant deficiencies that require management's attention. The opinion for fiscal year 2008 is noteworthy as it did not include any deficiencies.

The auditors did, however, provide the DFAS director with a management letter listing internal control weaknesses which, while not impacting the latest audit, could affect the agency's ability to record, process, summarize and report financial data. These weaknesses are typically included in the next yearly review.

"For an agency paying about six million people, processing millions of commercial invoices, managing billions of dollars in foreign military sales and accounting for 865 active DoD appropriations, this audit's unqualified opinion is even more significant," a DFAS official said.

"The DFAS workforce has raised the bar each of the last nine years. This latest audit is a testament to that hard work and I am confident this string of successes will continue."

Each year, DFAS and other Department of Defense organizations are required to submit their financial statements to the under secretary of defense (comptroller) for an independent audit. Each of the reports is then rolled up into the department's Agency Financial Report that is submitted to the president and Congress. For fiscal year 2008, DFAS was one of five to receive an unqualified opinion.

Points of Contact

Defense Finance and Accounting Service
Corporate Communications



About DFAS

The Defense Finance and Accounting Service provides responsive, professional finance and accounting services to the men and women who defend America. DFAS pays about 5.9 million people and in the FY 2007 made 6.9 million travel payments, paid 14 million commercial invoices, made \$446 billion in disbursements to pay recipients, and managed \$328 billion in military retirement and health benefits funds. For more about DFAS visit <http://www.dfas.mil>.