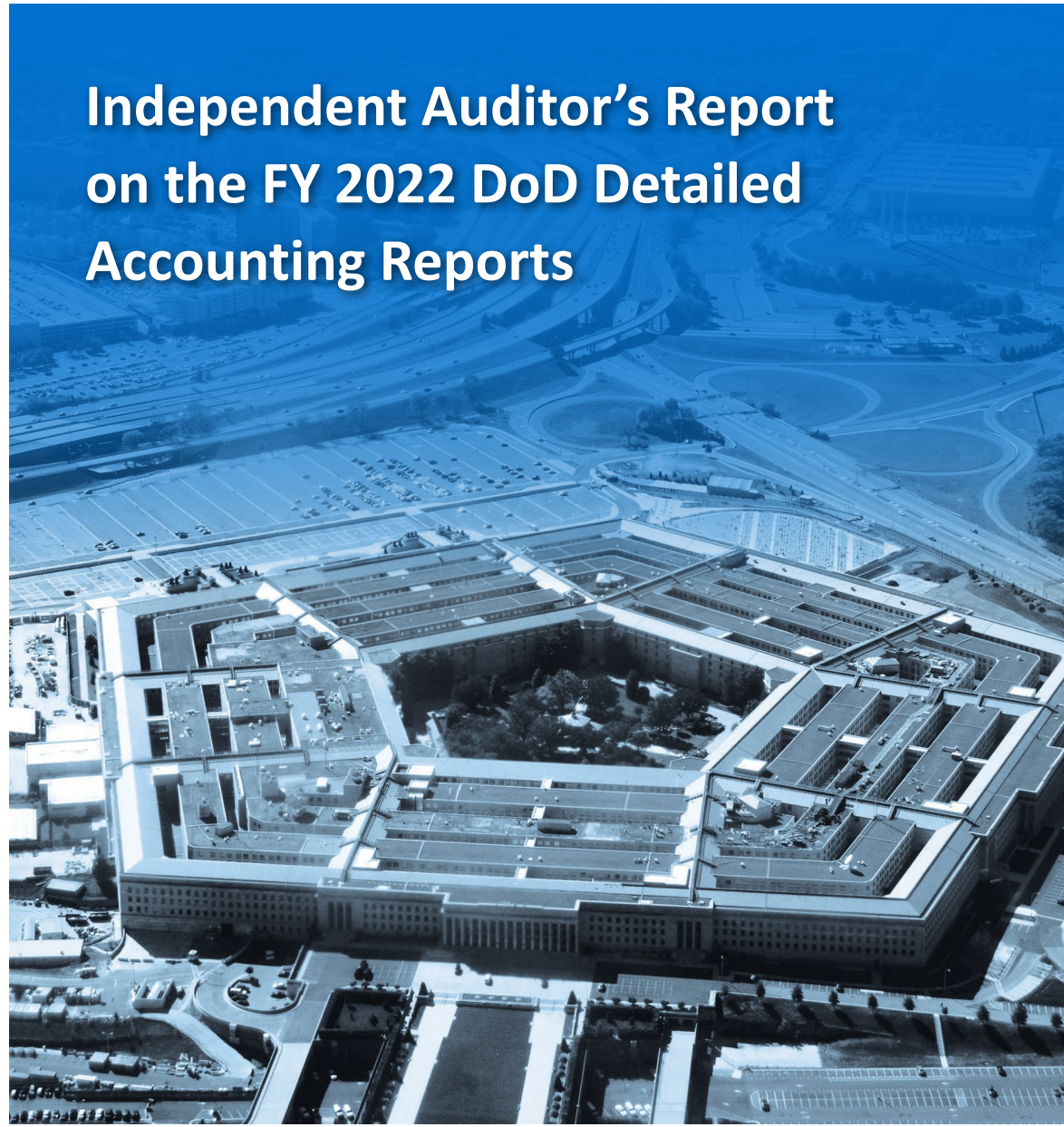




INSPECTOR GENERAL

U.S. Department of Defense

JANUARY 31, 2023



Independent Auditor's Report on the FY 2022 DoD Detailed Accounting Reports

INTEGRITY ★ INDEPENDENCE ★ EXCELLENCE





OFFICE OF INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350-1500

January 31, 2023

MEMORANDUM FOR ASSISTANT SECRETARY OF DEFENSE (HEALTH AFFAIRS)
DEPUTY ASSISTANT SECRETARY OF DEFENSE
(COUNTERNARCOTICS AND STABILIZATION POLICY)
DIRECTOR, DEFENSE SECURITY COOPERATION AGENCY
DIRECTOR, OFFICE OF NATIONAL DRUG CONTROL POLICY

SUBJECT: Independent Auditor's Report on the FY 2022 DoD Detailed Accounting Reports
(Project No. D2023-D000FT-0014.000, Report No. DODIG-2023-048)

We have reviewed the FY 2022 DoD detailed accounting reports and the related assertions within those reports. DoD management is responsible for its assertions. Our responsibility is to express a conclusion on the DoD detailed accounting reports based on our review.

Public Law 105-277, title VII, "Office of National Drug Control Policy Reauthorization Act of 1998," October 21, 1998, requires National Drug Control Program agencies to submit detailed accounting each year to the Director of the Office of National Drug Control Policy (ONDCP). The detailed accounting reports all funds expended by the agencies for National Drug Control Program activities during the previous fiscal year. The Act also requires each agency Inspector General to authenticate the detailed accounting before it is submitted to the ONDCP Director (section 1704[d], title 21, United States Code).

The ONDCP Circular, "National Drug Control Program Agency Compliance Reviews," September 9, 2021 (the Circular), provides the policies and procedures that National Drug Control Program agencies must use to prepare the detailed accounting and authentication of all funds expended on National Drug Control Program activities. The agency's Chief Financial Officer or other accountable senior executive is responsible for preparing the detailed accounting report. Each detailed accounting report must include the drug control funding obligations data and assertions relating to the obligations data.

The drug control funding obligations data sections are:

- a table of prior year drug control obligations by decision unit and drug control function,
- a detailed description of the drug methodology used,
- disclosure of any drug methodology modifications from the previous year's reporting,
- disclosure of any material weaknesses and other findings,

- identification of all reprogramming actions or transfers, and
- clarification, if necessary, of any other disclosures or issues with data reported under the Circular.

The assertions are related to the:

- use of actual obligations from accounting systems of record,
- reasonable and accurate drug methodology used to calculate obligations of prior year budgetary resources by functional area,
- disclosure of actual drug methodology used,
- disclosure of any drug methodology modifications from the previous year's reporting,
- disclosure of any material weaknesses and other findings,
- presented obligations associated with a financial plan including ONDCP's approval of all reprogrammings or transfers, and
- presented obligations associated with a financial plan that fully complies with Fund Control Notices issued by the ONDCP Director.

We performed this review-level attestation in accordance with attestation standards established by the American Institute of Certified Public Accountants and in compliance with generally accepted government auditing standards. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the detailed accounting reports for them to be in accordance with the Circular. The procedures performed in a review-level attestation vary in nature and timing from, and are substantially less in extent than an examination, the objective of which is to obtain reasonable assurance about whether the detailed accounting reports are in accordance with the Circular, in all material respects, to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained if we had performed an examination. We believe that the review evidence we obtained was sufficient and appropriate to provide a reasonable basis for our conclusions.

We were required to be independent and meet our ethical responsibilities in accordance with the relevant ethical principles related to engagements conducted in accordance with generally accepted government auditing standards.

The ONDCP National Drug Control Budget, "FY 2023 Funding Highlights," March 2022, identified that the DoD has three agencies that have Federal drug control spending: the Defense Health Program (DHP), Deputy Assistant Secretary of Defense (Counterterrorism and Stabilization Policy) (DASD[CNSP]) Drug Interdiction and Counterdrug Activities, and the Defense Security Cooperation Agency (DSCA). The following table shows a summary of the DoD's National Drug Control Program agencies and the amounts obligated in the FY 2022 detailed accounting reports.

Table. The DoD's National Drug Control Program

DoD Agency	National Drug Control Obligations (Millions)
DHP	\$ 96.4
DASD(CNSP) – Drug Interdiction and Counterdrug Activities	\$892.3
DSCA	None Reported
Total	\$988.7

DHP

The Defense Health Agency, on behalf of the DHP, provided the DoD OIG the DHP detailed accounting report, dated January 12, 2023, that we reviewed to determine compliance with the Circular. The detailed accounting report indicated that during FY 2022, the DHP obligated \$96.4 million of the funds allocated to the DHP Counterdrug Program. The DHP compiled the report based on information from its direct care and purchased care accounting systems.

Based on our review, we are not aware of any material modifications that should be made to the DHP's detailed accounting report for it to be in accordance with the Circular.

DASD (CNSP)

Drug Interdiction and Counterdrug Activities

We reviewed DoD reprogramming actions for the Drug Interdiction and Counterdrug Activities appropriation that allocated \$925.6 million among the Military Departments, the National Guard, and Defense agencies. We reviewed the year-end obligation report and determined that the DASD (CNSP) allocated the funds to project codes intended for the DoD Counterdrug Program.

The DASD (CNSP) provided the DoD OIG the Drug Interdiction and Counterdrug Activities detailed accounting report, dated December 21, 2022, which we reviewed to determine compliance with the Circular. The detailed accounting report indicated that during FY 2022, the DoD obligated \$892.3 million of the funds allocated to the Counterdrug Program functional areas. The DASD (CNSP) compiled the detailed accounting report from data submitted by the Military Departments and Defense Agencies.

Based on our review, we are not aware of any material modifications that should be made to DASD (CNSP)'s Drug Interdiction and Counterdrug Activities detailed accounting report for it to be in accordance with the Circular.

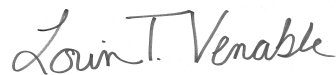
DSCA

The DSCA was unable to provide a timely FY 2022 detailed accounting submission for DSCA obligations to the DoD OIG for authentication. During our review, the DSCA provided some information related to our data request for the announced project. However, the information provided did not meet the requirements of a detailed accounting submission as outlined by the Circular. Specifically, the DSCA Chief Financial Officer did not provide the DoD OIG the FY 2022 detailed accounting submission.

Conclusion

Based on our review, except for the matters at DSCA described in the preceding paragraph, we are not aware of any material modifications that should be made to the DoD detailed accounting reports, for them to be in accordance with the Circular.

The purpose of this report was to provide limited assurance over the DoD detailed accounting reports and the assertions contained within those reports. This report is not suitable for any other purpose. However, this report is a matter of public record, and its distribution is not limited.



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Assistant Inspector General for Audit
Financial Management and Reporting

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