



DEFENSE COMMISSARY AGENCY

HEADQUARTERS
1300 E AVENUE
FORT LEE, VIRGINIA 23801-1800

REPLY TO
ATTENTION OF

AUG 7 2007

CC

MEMORANDUM FOR THE SECRETARY OF DEFENSE

SUBJECT: Annual Statement Required under the Federal Managers' Financial Integrity Act (FMFIA) of 1982

As Director of the Defense Commissary Agency (DeCA), I recognize that DeCA's management is responsible for establishing and maintaining effective internal controls to meet the objectives of the FMFIA. I am able to provide an unqualified statement of reasonable assurance that DeCA's internal controls meet the objectives of FMFIA overall programs, administrative and operational.

TAB A provides information on how DeCA conducted the assessment of internal controls for the FMFIA overall process, which was conducted according to OMB Circular A-123, Management's Responsibility for Internal Control. Additionally, TAB A provides a summary of the significant accomplishments and actions taken to improve DeCA's internal controls during the past year.

DeCA also conducted an internal control assessment of the effectiveness of our internal control over financial reporting for the following implementation areas: fund balance with Treasury, inventory, Foreign National Separation Pay liability, accounts receivable, accounts payable, Federal Employee's Compensation Act actuarial liability, cash and other monetary assets, plant, property and equipment, and environmental liability. The assessment of the implementation areas was conducted in strict compliance with the OMB Circular A-123, Appendix A, as directed by DoD guidance under the oversight of the Senior Assessment Team, which is maintaining complete records of the assessment documentation. Based on the results of this evaluation, I am able to provide an unqualified statement of assurance that DeCA's internal control over financial reporting implementation areas as of June 30, 2007, was operating effectively. Areas that are not inside the implementation areas listed above were not assessed. Therefore, I can provide no assurance on areas that are not within the above listed implementation areas for DeCA.

Patrick B. Nixon
Director

Attachments:
As stated

cc:
Chairman, Commissary Operating Board