



March 3, 2016

MEMORANDUM FOR: Ellen Herbst
Chief Financial Officer and Assistant Secretary for Administration

FROM: Richard Bachman
Principal Assistant Inspector General for Financial and Intellectual
Property Audits

SUBJECT: FY 2016 Consolidated Financial Statement Audit

KPMG LLP will soon begin its audit of the Department's FY 2016 consolidated financial statements. The audit will be conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Office of Management and Budget (OMB) requirements.

The objective of the audit is to determine whether the financial statements are presented fairly, in all material respects, in accordance with generally accepted accounting principles. KPMG will also consider the Department's internal control over financial reporting and test compliance with certain provisions of laws, regulations, contracts, and grant agreements that could have a direct and material effect on the financial statements.

My office will oversee the progress of the audit in accordance with U.S. Government Accountability Office guidelines, and ensure that KPMG performs the audit in accordance with professional standards, OMB requirements, and the terms of the contract.

An entrance conference is scheduled for March 8, 2016. If you have any questions, please call me at (202) 482-2877.

cc: Gordon Alston, Acting Deputy Chief Financial Officer and Director for Financial
Management, Office of the Secretary
MaryAnn Mausser, Audit Liaison, Office of the Secretary