



March 27, 2017

MEMORANDUM FOR: Lisa Casias
Deputy Assistant Secretary for Administration
Performing the Non-Exclusive Duties
of the Chief Financial Officer/Assistant Secretary
of Administration

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

SUBJECT: FY 2017 Consolidated Financial Statement Audit

KPMG LLP has initiated its audit of the Department's FY 2017 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 was held on March 7, 2017, at which time this audit and its objective was discussed in further detail. If you have any questions, please call me at (202) 482-2877.

cc: Steve Kunze, Deputy Chief Financial Officer and Director for Financial Management,
Office of the Secretary
MaryAnn Mausser, Audit Liaison, Office of the Secretary