



February 5, 2014

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

**FROM:**   
Ann C. Eilers  
Principal Assistant Inspector General for Audit and Evaluation

**SUBJECT:** FY 2014 Consolidated Financial Statements Audit

KPMG LLP is beginning its audit of the Department's FY 2014 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. As part of the audit, KPMG will also consider the Department's internal controls 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 February 4, 2014. If you have any further questions, please call me at (202) 482-2754, or Andrew Katsaros, Assistant Inspector General for Audit, at (202) 482-7859.