



November 28, 2016

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

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

SUBJECT: *FY 2016 Closing Package Financial Statements*
Final Report No. OIG-17-005-A

I am pleased to provide you with the attached audit report, which presents an unmodified opinion on the Department's fiscal year 2016 closing package financial statements. KPMG LLP, an independent public accounting firm, performed the audit in accordance with U.S. generally accepted auditing standards, standards applicable to financial audits contained in *Government Auditing Standards*, and Office of Management and Budget Bulletin 15-02, *Audit Requirements for Federal Financial Statements*.

In its audit of the Department's closing package financial statements, KPMG

- determined that the closing package financial statements were fairly presented in all material respects and in conformity with U.S. generally accepted accounting principles;
- identified no deficiencies in internal control over financial reporting specific to the closing package financial statements that were considered to be a material weakness; and
- identified no instances of reportable noncompliance with the requirements of the *Treasury Financial Manual*, Volume 1, part 2, chapter 4700 (*TFM*, chapter 4700) and the *Supplemental Guidance to TFM*, chapter 4700.

My office oversaw the audit performance. We reviewed KPMG's report and related documentation and made inquiries of its representatives. Our review disclosed no instances where KPMG did not comply, in all material respects, with U.S. generally accepted government auditing standards. However, our review—as differentiated from an audit in accordance with these standards—was not intended to enable us to express, and we do not express, any opinion on the Department's closing package financial statements, conclusions about the effectiveness of internal control, or conclusions on compliance. KPMG is solely responsible for the attached audit report and the conclusions expressed in it.

We appreciate the cooperation and courtesies the Department extended to KPMG during the audit.