



October 28, 2020

MEMORANDUM FOR: Thomas F. Gilman
Chief Financial Officer and Assistant Secretary for Administration
U.S. Department of Commerce

George E. Jenkins
Chief Financial Officer
National Institute of Standards and Technology

FROM: Richard Bachman
Assistant Inspector General for Audit and Evaluation

SUBJECT: Audit of the Department of Commerce and NIST Working
Capital Funds (#2021-384)

We are initiating an audit of the U.S. Department of Commerce (the Department) and the National Institute of Standards and Technology (NIST) working capital funds (WCF). The objectives of the audit are to determine whether (1) the Department and NIST WCF billing methods used to allocate costs for internal Department support services are valid, reasonable, and consistently applied in accordance with applicable Department policies and (2) the internal Department support services costs billed through the WCFs are reasonable, allowable, and supported with documentation in accordance with applicable laws, regulations, and policies.

We contracted KPMG LLP, an independent certified public accounting firm, to conduct the audit. My office will oversee the progress of the audit and ensure it is performed in accordance with *Government Auditing Standards* and the contract terms.

KPMG will contact your audit liaisons to schedule an entrance conference. During the entrance conference, KPMG will discuss the audit objectives and scope in more detail. If you have any questions about this audit, please contact me at (202) 482-2877 or Patricia McBarnette, Audit Director, at (202) 482-3391.

We thank you in advance for your cooperation during this effort.

cc: Steve Kunze, Deputy Chief Financial Officer and Director for Financial Management,
Office of the Secretary
MaryAnn Mausser, Audit Liaison, Office of the Secretary
Albert Moesle, Director of Enterprise Risk Management and Deputy Chief Risk Officer,
Office of the Secretary
Rehana Mwalimu, Risk Management Officer and Primary Alternate Department
GAO/OIG Liaison, Office of the Secretary
Amy Egan, Audit Liaison, NIST
Catherine Fletcher, Audit Liaison, NIST