



# Report In Brief

U.S. Department of Commerce, Office of Inspector General

December 3, 2009



## Why We Did This Review

USPTO's financial statements are audited in conjunction with the annual audit of the Department of Commerce's consolidated financial statements, which is required by law.

## Background

The Office of Inspector General engaged KPMG, an independent public accounting firm, to audit USPTO's FY 2009 financial statements. The audit included an assessment of USPTO's IT controls supporting its financial management systems.

KPMG conducted the financial statement audit in accordance with U.S. generally accepted government auditing standards and Office of Management and Budget Bulletin 07-04, Audit Requirements for Federal Financial Statements, as amended, and measured USPTO's IT controls against the five criteria in GAO's Federal Information System Controls Audit Manual.

We defined the scope of work for the audits, oversaw their performance and delivery, and reviewed the final reports.

## U.S. Patent and Trademark Office (USPTO)

### *FY 2009 Financial Statement Audits (FSD-19650)*

## What We Found

KPMG's audit found that USPTO's financial statements were fairly presented in all material respects and in conformity with U.S. generally accepted accounting principles. KPMG found no instances of material noncompliance with laws, regulations, or contracts. The audit results indicate that USPTO's internal control structure facilitates the preparation of reliable financial and performance information.

The IT review found that while USPTO has taken positive steps to correct previous findings, there are still several weaknesses in its IT environment. These weaknesses combine to form a significant deficiency in USPTO's IT controls.

## What We Recommend

The results of KPMG's IT audit have been summarized in a limited distribution report. We requested that USPTO provide us an audit action plan by January 9, 2010, to address the report's findings and delineate the actions it plans to take to fix its IT vulnerabilities. We also asked that USPTO provide its rationale or the legal basis behind its decision should it choose not to implement KPMG's recommendations.