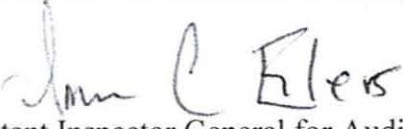




UNITED STATES DEPARTMENT OF COMMERCE
Office of Inspector General
Washington, D.C. 20230

March 16, 2011

MEMORANDUM FOR: Scott B. Quehl
Chief Financial Officer and Assistant Secretary for Administration

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

SUBJECT: FY 2011 Financial Statement Audit

As part of our FY 2011 audit and evaluation plan, we have contracted with KPMG LLP, an independent certified public accounting firm, to audit the Department's FY 2011 consolidated financial statements in accordance with generally accepted auditing standards, *Government Auditing Standards*, and OMB requirements.

The objective of the audits 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 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 GAO/PCIE guidelines, and ensure that KPMG performs the audit in accordance with professional standards, OMB requirements, and the terms of the contract.

An entrance conference is scheduled for March 24, 2011 for the consolidated audit. If you have any questions, please call me at (202) 482-2754, or Andrew Katsaros, Assistant Inspector General for Audit, at (202) 482-7859.

cc: Lisa Casias, Deputy CFO and Director for Financial Management
Trudy Gallic, Audit Liaison