



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Washington, DC 20415

Office of the  
Inspector General

December 16, 2013

Report No. 4A-CF-00-13-035

MEMORANDUM FOR KATHERINE ARCHULETA  
Director

FROM: PATRICK E. McFARLAND  
Inspector General

A handwritten signature in black ink that reads "Patrick E. McFarland".

SUBJECT: Audit of the Office of Personnel Management's Fiscal Year  
2013 Closing Package Financial Statements

This memorandum transmits KPMG LLP's (KPMG) report on the Office of Personnel Management's (OPM) Fiscal Year 2013 Closing Package Financial Statements and the results of the Office of the Inspector General's (OIG) oversight of the audit and review of that report. OPM's Closing Package Financial Statement Reports include the reclassified balance sheets, the statements of net cost, the statements of changes in net position, and the accompanying notes as of September 30, 2013 and 2012; the Additional Note No. 31; and the trading partner balance sheets, the statements of net cost, and the statements of changes in net position as of September 30, 2013 (hereinafter collectively referred to as the closing package financial statements). These closing package financial statements directly link the entities' audited consolidated department-level financial statements to the Financial Report of the Government (the government-wide financial statements).

We contracted with the independent certified public accounting firm KPMG to audit OPM's closing package financial statements as of September 30, 2013 and 2012. The contract requires that the audit be done in accordance with generally accepted government auditing standards (GAGAS) and the Office of Management and Budget Bulletin No. 14-02, *Audit Requirements for Federal Financial Statements*.

KPMG reported that OPM's closing package financial statements are presented fairly, in all material respects. KPMG noted no matters involving the internal control over the financial process for the closing package financial statements that are considered a material weakness or significant deficiency. KPMG disclosed no instances of noncompliance or other matters that are required to be reported. The objectives of KPMG's audits of the closing package financial statements did not include expressing an opinion on internal controls or compliance with laws and regulations, and KPMG, accordingly, does not express such opinions.

## OIG Evaluation of KPMG's Audit Performance

In connection with the audit contract, we reviewed KPMG's report and related documentation and made inquiries of its representatives regarding the audit. To fulfill our audit responsibilities under the Chief Financial Officers Act for ensuring the quality of the audit work performed, we conducted a review of KPMG's audit of OPM's Fiscal Year 2013 and 2012 closing package financial statements in accordance with Government Auditing Standards (GAS). Specifically, we:

- provided oversight, technical advice, and liaison to KPMG auditors;
- ensured that audits and audit reports were completed timely and in accordance with the requirements of GAGAS, OMB Bulletin 14-02, and other applicable professional auditing standards;
- documented oversight activities and monitored audit status;
- reviewed responses to audit reports and reported significant disagreements to the audit follow-up official per OMB Circular No. A-50, Audit Follow-up;
- coordinated issuance of the audit report; and
- performed other procedures we deemed necessary.

Our review, as differentiated from an audit in accordance with generally accepted government auditing standards, was not intended to enable us to express, and we do not express, opinions on OPM's closing package financial statements. KPMG is responsible for the attached auditor's report dated December 16, 2013, and the conclusions expressed in the report. However, our review disclosed no instances where KPMG did not comply, in all material respects, with the generally accepted GAS.

If you have any questions about KPMG's audit or our oversight, please contact me at 606-1200 or you may have a member of your staff contact Michael R. Esser, Assistant Inspector General for Audits, at [REDACTED]

Attachment

cc: Dennis Coleman  
Chief Financial Officer

[REDACTED]  
Deputy Chief Financial Officer