



U.S. GENERAL SERVICES ADMINISTRATION  
Office of Inspector General

November 15, 2021

TO: ROBIN CARNAHAN  
ADMINISTRATOR (A)

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FROM: CAROL F. OCHOA ROBERT ERICKSON  
INSPECTOR GENERAL (J) ERICKSON  
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Date: 2021.11.15 11:58:44 -0500

SUBJECT: Independent Auditors' Report  
U.S. General Services Administration's  
Financial Statements – Fiscal Years 2021 and 2020  
November 12, 2021

The Chief Financial Officers Act of 1990 (Public Law 101-576), as amended, requires the U.S. General Services Administration's (GSA's) Inspector General, or an independent external auditor, as determined by the Inspector General, to audit GSA's consolidated financial statements. Under a contract awarded by GSA and monitored by my office, KPMG LLP (KPMG), an independent public accounting firm, audited GSA's consolidated, Acquisition Services Fund, and Federal Buildings Fund financial statements as of September 30, 2021, and 2020.

The contract required KPMG to perform the audit in accordance with U.S. generally accepted government auditing standards; the Office of Management and Budget's Bulletin No. 21-04, *Audit Requirements for Federal Financial Statements*; and the U.S. Government Accountability Office *Financial Audit Manual*, which is maintained by the U.S. Government Accountability Office and the Council of the Inspectors General on Integrity and Efficiency.

This memorandum transmits KPMG's *Independent Auditors' Report on the U.S. General Services Administration's Financial Statements – Fiscal Years 2021 and 2020*. The Fiscal Years 2021 and 2020 audits resulted in an unmodified opinion on the financial statements. An unmodified opinion means that the financial statements are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles.

In its audit of GSA's Fiscal Years 2021 and 2020 financial statements, KPMG found:

- The consolidated, Acquisition Services Fund, and Federal Buildings Fund financial statements were fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles;
- No material weaknesses in internal control over financial reporting;

- No instances in which GSA’s financial management systems did not substantially comply with the requirements of the Federal Financial Management Improvement Act of 1996; and
- No reportable noncompliance with provisions of laws tested.

However, KPMG identified certain deficiencies in internal control that it considered to be significant. As described in Exhibit I of the audit report, the significant deficiencies related to: (1) information technology general controls associated with GSA’s financial management systems and supporting infrastructure and (2) periodic management review control over Undelivered Orders. KPMG reports that GSA concurred and will implement corrective actions that address the identified deficiencies.

Details regarding KPMG’s conclusions are included in the “Opinions on the Financial Statements,” “Internal Control Over Financial Reporting,” and “Compliance and Other Matters” sections, as well as in Exhibit I of this report. Also, on November 12, 2021, KPMG issued a separate Management Letter to GSA regarding deficiencies in internal control and other, less significant matters that came to its attention during the audit.

KPMG is responsible for the attached independent auditors’ report and the opinions and conclusions expressed therein. My office is responsible for technical and administrative oversight regarding KPMG’s performance under the terms of the contract.

To fulfill our oversight responsibilities under the Inspector General Act of 1978, as amended, to assure that KPMG complied with U.S. generally accepted government auditing standards, we performed a moderate level of review, which included:

- Evaluating the independence and qualifications of the firm and the auditors;
- Reviewing KPMG’s audit approach and planning documents;
- Monitoring the progress of the audit at key milestones;
- Performing periodic reviews of KPMG’s workpapers;
- Attending key meetings with GSA management and KPMG auditors to discuss audit progress, findings, and recommendations; and
- Performing other procedures that we deemed necessary.

In connection with the contract, we reviewed KPMG’s report and related documentation and inquired of its representatives. Our review, as differentiated from an audit of the financial statements in accordance with U.S. generally accepted government auditing standards, was not intended to enable us to express, and we do not express, opinions on GSA’s financial statements, conclusions about the effectiveness of internal control over financial reporting, conclusions on whether GSA’s financial management systems substantially complied with the requirements of the Federal Financial Management Improvement Act, or opinions on compliance with laws and other matters. KPMG is responsible for the attached independent auditor’s report dated November 12, 2021, and the conclusions expressed therein. However,

our review disclosed no instances where KPMG did not comply, in all material respects, with U.S. generally accepted government auditing standards.

I appreciate the courtesies and cooperation your office has extended to KPMG and my staff during the audit. If you have any questions, you may contact me at (202) 501-0450. If your staff needs any additional information, they may also contact R. Nicholas Goco, Assistant Inspector General for Auditing, at (202) 501-2322.

Attachment