



Homeland
Security

JAN 11 2010

Public Notification Letter

The purpose of this letter is to provide public notification that the Office of Inspector General (OIG) removed *Independent Auditors' Report on the Transportation Security Administration's Consolidated Balance Sheet as of September 30, 2008*, (OIG-09-57) at the request of the Transportation Security Administration (TSA). The request was made because the TSA determined that its balance sheet as of September 30, 2008, contained one or more material errors in the Property, Plant, and Equipment line item.

When errors are discovered after the issuance of financial statements, Office of Management and Budget (OMB) Circular A-136, *Financial Reporting Requirements*, as revised, requires management to promptly determine the effect of the known or potential material misstatement on previously issued financial statements. During the final months of the fiscal year (FY) 2009 TSA consolidated balance sheet audit, TSA identified and corrected several Property, Plant, and Equipment errors that were material misstatements to the TSA Consolidated Balance Sheet as of September 30, 2008. Since the misstatements were identified in the final months of the FY 2009 audit, TSA restated the FY 2008 balance sheet as part of the FY 2009 comparative financial statements, and requested that the OIG remove the FY 2008 financial statements and related auditors' report from public distribution.

A handwritten signature in cursive script that reads "Richard L. Skinner".

Richard L. Skinner
Inspector General

Attachment

DEC 10 2009



Transportation
Security
Administration

Ms. Anne L. Richards
Assistant Inspector General for Audits
U.S. Department of Homeland Security
245 Murray Lane, S.W. Bldg.410
Washington, DC 20528

Dear Ms. Richards:

The purpose of this letter is to notify the Department of Homeland Security (DHS) Office of Inspector General (OIG) that the Transportation Security Administration (TSA) balance sheet as of September 30, 2008, may contain one or more errors in the Property, Plant, and Equipment (PP&E) line item. We therefore request that the OIG remove those financial statements, and related auditors' reports, from public distribution until further notice.

In final months of FY 2009, TSA identified and corrected several errors which were reported to the Department as restatement entries for its comparative consolidated financial statements as presented in the TSA balance sheet as of September 30, 2008. These restatements were in the areas of Accounts Payable and Property, Plant and Equipment (PP&E); and the PP&E misstatements were material to TSA's September 30, 2008 balance sheet. The correcting entries were recorded and we continue to take corrective action to improve policies, procedures, and internal controls over financial reporting, with a particular focus on PP&E transactions, to ensure that this type of error does not recur in future years.

We are making this request pursuant to OMB Circular A-136, *Financial Reporting Requirements*, as revised.

Sincerely,

A handwritten signature in blue ink that reads "Jeffrey M. Bobich".

Jeffrey M. Bobich
Director, Office of Financial Management

cc: Larry Bedker, Director, Office of Financial Management, Department of Homeland Security
David R. Nicholson, Assistant Administrator and Chief Financial Officer,
Office of Finance and Administration, TSA