




U.S. Department of
Transportation
Office of the Secretary
of Transportation
Office of Inspector General

Memorandum

Subject: INFORMATION: Audit Announcement -
Department of Transportation Fiscal Year 2004
Financial Statements

Date: February 27, 2004

From: Theodore Alves 
Assistant Inspector General for Financial
and Information Technology Audits

Reply to
Attn of: JA-20 x1496

To: See Distribution

The Office of Inspector General (OIG) is initiating its audit of the Department of Transportation (DOT) Fiscal Year (FY) 2004 Financial Statements.

Our audit objectives are to (1) determine whether principal DOT financial statements and accompanying notes are presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles; (2) assess internal controls over financial reporting, including safeguarding assets; (3) report identified instances of non-compliance with selected laws and regulations that could have a direct and material effect on the DOT financial statements or that have been specified by the Office of Management and Budget, (4) determine whether DOT's financial management systems substantially comply with the Federal Financial Management Improvement Act; (5) assess whether financial information in the Management Discussion and Analysis is materially consistent with the information in the principal DOT financial statements; (6) assess whether internal controls ensured the existence and completeness of reported data supporting performance measures; and (7) determine whether supplementary and stewardship information is consistent with management representations and the DOT financial statements.

In addition to the FY 2004 DOT Consolidated Financial Statements, component statements for the Federal Aviation Administration and Highway Trust Fund will be audited by independent external auditors subject to OIG oversight. All other work will be performed by OIG staff.

The audit opinions on the FY 2004 DOT consolidated financial statements are due to the Office of Management and Budget (OMB) November 15, 2004. To meet

this earlier date, special management attention will be needed to ensure that reliable financial statements are prepared on time. If you have any questions, please call me at 202-366-1496 or Ronald Brown, Project Manager at 410-962-0699.

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Distribution:

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Chief Financial Officer, Federal Highway Administration
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cc: Martin Gertel