

Spotlight

Department of Homeland Security



Office of Inspector General

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Why This Matters

Internal control deficiencies in programs and processes could lead to misstatements in the Department of Homeland Security (DHS) financial statements. Also, these deficiencies could impair effective monitoring and execution of Federal programs, such as the National Flood Insurance Program. For example, internal control deficiencies over claims paid by insurance companies that participate in the Federal Emergency Management Agency's (FEMA's) National Flood Insurance Program could result in an incorrect amount being paid to the claimant.

FEMA's Management Letter for FY 2011 DHS Consolidated Financial Statements Audit

What We Determined

KPMG LLP reviewed FEMA's internal control over financial reporting. The management letter discusses 18 observations for management's consideration related to internal control and other operational matters. These issues did not meet the criteria to be reported in the Independent Auditors' Report on DHS' FY 2011 Financial Statements and Internal Control over Financial Reporting, dated November 11, 2011, included in the Department of Homeland Security FY 2011 Annual Financial Report. These observations are intended to improve internal control or result in other operating efficiencies. KPMG LLP noted deficiencies, inaccuracies, inabilities, lack of documentation, and the need for improvements in certain FEMA's programs and processes, including internal controls. KPMG LLP also noted the lack of communication regarding the existence of the DHS Office of Inspector General Fraud Hotline to employees.

For Further Information:

Contact our Office of Public Affairs at (202)254-4100, or email us at DHS-OIG.OfficePublicAffairs@dhs.gov