

DEPARTMENT OF HOMELAND SECURITY
Office of Inspector General

**Independent Review of The U.S. Coast
Guard's Reporting of FY 2007 Drug
Control Obligations**



OIG-08-42

April 2008



Homeland
Security

April 18, 2008

Preface

The Department of Homeland Security (DHS) Office of Inspector General (OIG) was established by the Homeland Security Act of 2002 (*Public Law 107-296*) by amendment to the *Inspector General Act of 1978*. This is one of a series of audit, inspection, and special reports prepared as part of our oversight responsibilities to promote economy, efficiency, and effectiveness within the department.

This report represents the results of the review of the Table of Drug Control Obligations of the U.S. DHS Coast Guard (USCG) for the year ended September 30, 2007, for the Office of National Drug Control Policy (ONDCP). We contracted with the independent public accounting firm KPMG LLP to perform the review. USCG's management prepared the Table of Drug Control Obligations and related disclosures to comply with the requirements of the ONDCP Circular, *Drug Control Accounting*, dated May 1, 2007. However, USCG's management could not provide assurances as to the integrity of the financial data contained in its Table of Prior Year Drug Control Obligations and related disclosures. As a result KPMG was unable to provide a report on the Table of Prior Year Drug Control Obligations and related disclosures.

It is our hope that the information in future reports will result in effective, efficient, and economical operations. We express our appreciation to all of those who contributed to the preparation of this report.

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

Richard L. Skinner
Inspector General



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February 19, 2008

Ms. Anne Richards
Assistant Inspector General for Audits
Office of the Inspector General
U.S. Department of Homeland Security
1120 Vermont Avenue, NW
Washington, DC 20005

Dear Ms. Richards:

We were engaged to review the Table of Prior Year Drug Control Obligations and related disclosures, and the accompanying management's assertions of the Department of Homeland Security's (DHS) U.S. Coast Guard (Coast Guard) for the year ended September 30, 2007. Coast Guard management is responsible for the Table of Prior Year Drug Control Obligations and related disclosures, and the assertions.

The Office of National Drug Control Policy (ONDCP) Circular: *Drug Control Accounting* (May 1, 2007), requires management to disclose any material weaknesses or other findings affecting the presentation of data reported. Management reported that it "cannot provide assurances as to the integrity of the financial data contained" in its Table of Prior Year Drug Control Obligations and related disclosures.

In accordance with applicable professional standards, without a positive assertion provided by management we are unable to complete our review of Coast Guard's Table of Prior Year Drug Control Obligations, and related disclosures, and management's assertion. Accordingly, we are unable to provide an Independent Accountants' Report on the Table of Prior Year Drug Control Obligations and related disclosures, and management's assertions pursuant to the requirements of ONDCP Circular: *Drug Control Accounting* (May 1, 2007).

Sincerely,

KPMG LLP

Scot G. Janssen,
Partner

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