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United States Government **Department of Energy**

Memorandum

DATE: **November 13, 2008**

REPLY TO
ATTN TO: IG-30 (A08FN002)

SUBJECT: Federal Energy Regulatory Commission's Fiscal Year 2008 Financial Statement Audit
Report No.: DOE/OAS-FS-09-02

TO: Chairman, Federal Energy Regulatory Commission

The attached report presents the results of the independent certified public accountants' audit of the Federal Energy Regulatory Commission (Commission) Fiscal Year 2008 and 2007 balance sheet and the related statements of net cost, changes in net position, budgetary resources, and custodial activity.

The 2008 financial statement audit was made under the provisions of the Inspector General Act of 1978 as amended (5 U.S.C. App. 3), the Government Management Reform Act (31 U.S.C. 3515), and Office of Management and Budget implementing guidance. To fulfill the Office of Inspector General's (OIG) audit responsibilities, we contracted with the independent public accounting firm of KPMG LLP (KPMG) to conduct the audit, subject to our review. KPMG is responsible for expressing an opinion on the Commission's financial statements and reporting on applicable internal controls and compliance with laws and regulations. The OIG monitored audit progress and reviewed the audit report and related documentation. This review disclosed no instances where KPMG did not comply, in all material respects, with generally accepted Government auditing standards. The OIG did not express an independent opinion on the Commission's financial statements.

KPMG concluded that the financial statements present fairly, in all material respects, the Commission's financial position as of September 30, 2008 and 2007, its net costs and changes in custodial activities for the years then ended and its changes in net position and budgetary resources in conformity with accounting principles generally accepted in the United States of America.

The auditors' review of the Commission's internal control structure and compliance with certain laws and regulations disclosed no material weaknesses or instances of noncompliance required to be reported under generally accepted Government auditing standards or applicable Office of Management and Budget guidance.

Rickey R. Hass
Deputy Inspector General
for Audit Services
Office of Inspector General

Attachment

cc w/attachment:
Executive Director, FERC
Deputy Chief Financial Officer, FERC
Director, Internal Audits Division, FERC
Chief Financial Officer, CF-1
Director, Office of Financial and Accounting, CF-10
Director, Energy Finance and Accounting Service Center, CF-11
Team Leader, Audit Liaison, CF-1.2

http://www.ferc.gov/about/strat-docs/perf-rev.asp