

Fw: A-123; Reconciliation...

LarryF Fisher to: Lee, Mike S

Cc: LisaP Jackson, Maryann Froehlich, Raffael Stein, Douglas Barrett

04/03/2009 02:22 PM

Hi Mike,

This is a follow-up to your email regarding the documentation that has been provided to both you and Elisa. As you know, during KPMG's review of our accounting controls, I was very candid in expressing the lack of accounting controls regarding EPA's property process (see KPMG audit file below). I also provided concrete examples of those (many) accounting and financial system weaknesses and you followed up with very good questions regarding those issues.

During a subsequent conversation with Elisa, another KPMG auditor, I asked her a question regarding KPMG's overall findings. I was surprised to learn that there were "no audit findings" simply because the point of KPMG's OMB A-123 review was to determine if I could explain the property process and support my adjustments. Not only would these VERY SERIOUS DEFICIENCIES not be reported to EPA's OCFO managers but that, if they were, they had the option of never reporting these deficiencies to Congress or to anyone else. The fact that the majority of EPA's OCFO managers lack their 4 year accounting degrees and CPA certificates is another real problem and a real incentive for hiding problems that they do not understand and cannot address.

I am providing copies of this email to EPA's OCFO managers and to the EPA Administrator. The obvious point is that EPA and this government cannot address our government's accounting and financial system-related deficiencies if we fail to acknowledge that such problems do, in fact, exist.

If you have any questions regarding this email or want to clarify any of the above points please let me know. Thanks.

Larry



KPMG Audit.pdf

LarryF Fisher/RTP/USEPA/US



LarryF  
Fisher/RTP/USEPA/US

04/01/2009 08:11 AM

To "Lee, Mike S" <mslee@KPMG.com>

cc

Subject Re: A-123; Reconciliation...

Hi Mike,

Items 1 and 2 requires a table update to process. I processed but it kept rejecting so I just included as an AV ADJ on the worksheet as a reminder to contact the people in WDC.

Item 3 involving the \$52,349 was skipped because it involved the Working Capital Fund (WR)