

Independent Auditor's Report on the U.S. Department of State FY 2019 and FY 2018 Consolidated Financial Statements (AUD-FM-20-18, January 2020)

Summary of Review

An independent external auditor, working on behalf of and under the direction of the Office of Inspector General, audited the U.S. Department of State's (Department) annual consolidated financial statements as of, and for the years ended, September 30, 2019 and 2018. The auditor found the consolidated financial statements present fairly, in all material respects, the financial position of the Department as of September 30 for both 2019 and 2018, and its net cost of operations, changes in net position, and budgetary resources for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The auditor found certain reportable deficiencies in internal control. Specifically, the auditor found significant deficiencies in the internal control over property and equipment, budgetary accounting, validity and accuracy of unliquidated obligations, intragovernmental revenue, financial reporting, and information technology. The auditor also found three instances of reportable noncompliance with laws, regulations, contracts, and grant agreements tested—specifically, the Antideficiency Act, the Prompt Payment Act, and the Federal Financial Management Improvement Act of 1996.