

**UNITED STATES MARSHALS SERVICE  
ANNUAL FINANCIAL STATEMENT  
FISCAL YEAR 2009**

**OFFICE OF THE INSPECTOR GENERAL  
COMMENTARY AND SUMMARY**

This audit report contains the Annual Financial Statement of the United States Marshals Service (USMS) for the fiscal years (FY) ended September 30, 2009, and September 30, 2008. Under the direction of the Office of the Inspector General (OIG), Cotton & Company LLP performed the USMS's audit in accordance with U.S. generally accepted government auditing standards. The audit resulted in an unqualified opinion on the FY 2009 financial statements. An unqualified opinion means that the financial statements present fairly, in all material respects, the financial position and the results of the entity's operations in conformity with U.S. generally accepted accounting principles. For FY 2008, the USMS also received an unqualified opinion on its financial statements (OIG Report No. 09-13).

Cotton & Company LLP also issued reports on internal control and on compliance and other matters. For FY 2009, the *Independent Auditors' Report on Internal Control over Financial Reporting* identified one material weakness and one significant deficiency. The material weakness related to inadequate fund management controls. Financial and compliance controls are not adequate to ensure that obligation transactions are executed and recorded in accordance with laws and regulations, and that related undelivered orders and accounts payable balances are accurate and complete. Additionally, a significant deficiency was reported for the USMS's information system controls. The auditors reported that improvements are needed in the areas of configuration management (previously referred to as change control and system software controls) and access controls.

In the *Independent Auditors' Report on Compliance and Other Matters*, the auditors concluded that the USMS's financial management systems did not substantially comply with federal financial management system requirements and applicable federal accounting standards as required by the *Federal Financial Management Improvement Act of 1996 (FFMIA)*.

The OIG reviewed Cotton & Company LLP's reports and related documentation and made necessary inquiries of its representatives. Our review, as differentiated from an audit in accordance with U.S. generally accepted government auditing standards, was not intended to enable us to

express, and we do not express, an opinion on the USMS's financial statements, conclusions about the effectiveness of internal control, conclusions on whether the USMS's financial management systems substantially complied with the FFMIA, or conclusions on compliance with laws and regulations. Cotton & Company LLP is responsible for the attached auditors' reports dated November 2, 2009, and the conclusions expressed in the reports. However, our review disclosed no instances where Cotton & Company LLP did not comply, in all material respects, with U.S. generally accepted government auditing standards.