



At a Glance

Catalyst for Improving the Environment

Why We Performed These Agreed-Upon Procedures

We performed agreed-upon procedures on the U.S. Environmental Protection Agency (EPA) Fiscal Year (FY) 2009 first quarter Financial Statements. We did so to assist EPA in evaluating whether its quarterly Financial Statements were compiled consistent with the Treasury United States Standard General Ledger (USSGL) Crosswalk, and to identify significant fluctuations in financial line item balances from the previous year.

Background

Agencies submit unaudited interim Financial Statements to the Office of Management and Budget (OMB) 21 days after the end of each of the first three quarters of the fiscal year. Agencies should include management's explanation of significant variances in types or amounts of assets, liabilities, costs, revenues, obligations, and outlays, along with the submitted statements.

For further information, contact our Office of Congressional, Public Affairs and Management at (202) 566-2391.

To view the full report, click on the following link:
www.epa.gov/oig/reports/2009/20090608-09-2-0161.pdf

Agreed-Upon Procedures on EPA's Fiscal Year 2009 First Quarter Financial Statements

What We Found

We performed certain agreed-upon procedures on the Agency's first quarter FY 2009 Financial Statements. We compared the statements with EPA's crosswalk, recomputed them for mathematical accuracy, and compared them with balances separately generated by us. Except for immaterial rounding differences, the amounts agreed. Below are the results of our performing the agreed-upon procedures:

- The support for Lines 1 and 19c did not agree with the Agency's Combined Statement of Budgetary Resources.
- The Agency could provide a clearer explanation of the quarterly analysis provided to OMB regarding changes in the Statement of Budgetary Resources.
- Two items should be updated based on our comparison of EPA's Financial Statement Preparation Guide for the FY 2009 Financial Statements to OMB Circular A-136.
- There were two differences between EPA's Financial Statement Crosswalk and the Treasury USSGL Crosswalk guidance.
- We identified eight differences between EPA's Year End Closing Table and Treasury's Closing Instructions.
- We found that EPA's Treasury Symbols were in compliance with Statement of Federal Financial Accounting Standards 27.
- We found that the on-top entry to record child agency balances agreed with the support.
- One item was not reversed properly based on the Agency's designation of the type of adjustment. The FY 2009 Financial Statement Preparation Guide states that entry type "E. Nominal Account Only" should not be reversed. The Agency will make the change in the second quarter.
- There was a difference between the FY 2009 Report of General Ledger Balance by Treasury Symbol beginning balances and FY 2008 ending balances in general ledger account 4201. The net difference of \$43,627 was the result of account 4165 incorrectly closing to account 4201.
- The elimination and consolidation entries appear reasonable and complete.

The agreed-upon procedures do not constitute an audit of the quarterly Financial Statements or any part thereof, the objective of which would be the expression of an opinion on the quarterly Financial Statements or any part thereof.