



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) 2011 First Quarter Financial Statements. We did so to assist EPA in evaluating whether its quarterly financial statements were compiled consistently with the Treasury United States Standard General Ledger 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 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.

The full report is at:
www.epa.gov/oig/reports/2011/20110502-11-2-0213.pdf

Agreed-Upon Procedures on EPA's Fiscal Year 2011 First Quarter Financial Statements

What We Found

We performed certain agreed-upon procedures on the Agency's FY 2011 First Quarter Financial Statements. We compared the statements with EPA's crosswalk, recomputed them for mathematical accuracy, and compared them with balances separately generated by us.

Below are the results of our performing the agreed-upon procedures:

- The financial statements generated by the Office of Inspector General agreed with EPA's FY 2011 First Quarter Financial Statements for the Consolidated Balance Sheet, Consolidated Statements of Net Cost, Net Cost by Goal, Consolidating Statement of Changes in Net Position (including Earmarked Funds), Combined Statement of Budgetary Resources, and Statement of Custodial Activity.
- EPA's Financial Statement Preparation Guide for the 2011 financial statements needed to be updated in two places.
- General ledger account discrepancies were identified in our comparison of Treasury's financial statement crosswalk to the Agency's financial statement crosswalk.
- No differences were identified during our comparison of Treasury's Closing Instructions to EPA's Closing Instructions.
- EPA's Treasury Symbols were in compliance with Statement of Federal Financial Accounting Standards 27.
- The on-top entry to record child agency balances agreed with the support.
- The Agency properly reversed the FY 2010 on-tops in FY 2011.
- There were differences between the FY 2011 first quarter beginning balances and FY 2010 ending balances.
- 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.