



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) 2008 first quarter Financial Statements. We did so to assist EPA in evaluating whether its quarterly Financial Statements were compiled consistent with the Treasury Standard General Ledger Crosswalk, and to identify significant fluctuations in financial line 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 of assets, liabilities, costs, revenues, obligations, and outlays, along with the submitted statements.

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

To view the full report, click on the following link:
www.epa.gov/oig/reports/2008/20080428-08-2-0142.pdf

Agreed-Upon Procedures on EPA's Fiscal Year 2008 First Quarter Financial Statements

What We Found

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

- The Financial Statements generated by the Office of Inspector General (OIG) agreed with EPA's FY 2008 first quarter Financial Statements for the Consolidated Balance Sheet, Consolidated Statements of Net Cost and Changes in Net Position, Combined Statement of Budgetary Resources and Statement of Custodial Activity, Statement of Changes in Net Position for Earmarked Funds, and Consolidated Statement of Net Cost by Goal.
- We found differences between the ending balances for the FY 2008 ProSystem prepared adjusted trial balance and EPA's prepared trial balance. The differences stemmed from an adjustment done by the Department of Health and Human Services at the end of FY 2007 that was either not sent to or received by the Agency.
- EPA's Financial Statement Preparation Guide for the FY 2008 Financial Statements complies with Office of Management and Budget Circular A-136 in its entirety. We identified three items that should be updated.
- We identified two differences between EPA's Financial Statement Crosswalk and the Treasury United States Standard General Ledger Crosswalk guidance. There is no financial impact from these differences.
- EPA's FY 2007 post-closing instructions do not agree with EPA's Year End Closing Table and Treasury's Closing Instructions.
- The reversal process did not follow the Agency's Financial Statement Preparation Guide for the FY 2008 first quarter Financial Statements.

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.