

FY 2004
Illustrative Independent Accountant's Report on the
Application of Agreed-Upon Procedures

To: Chief Financial Officer, [Department] (or FMS, GAO and OMB)

We have performed the procedures described below (or in the attachment), which were agreed to by the Department of the Treasury's Financial Management Service (FMS), the U. S. General Accounting Office (GAO), and the Office of Management and Budget (OMB) as stated in the *FMS Agency Reporting Requirements for the Financial Report of the United States Government* guidance, solely to assist FMS in the preparation of, and GAO in the audit of the consolidated financial statements of the U.S. Government as of and for the year ended September 30, 2004. The [Department's] management is responsible for the proper accounting, presentation and reporting of its consolidated financial statements and reporting of information to FMS.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the *Government Auditing Standards*, issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of FMS, GAO and OMB. Consequently, we make no representations regarding the sufficiency of the procedures described below (or in Attachment I) either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our associated findings are presented below (or in Attachment I).

The procedures we performed and our associated findings are presented in Attachment I (or insert procedures and findings)

We were not engaged to, and did not perform an audit of the matters addressed herein, the objective of which would be the expression of an opinion on such information. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the [Department], OMB, FMS and GAO and is not intended to be, and should not be, used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

[Signature] (Independent Public Accountant or IG)
[Date]

FY 2004
Illustrative Attachment I to the IG Agreed-Upon Procedures Report
For Federal Intragovernmental Activities and Balances

Procedure 1

Obtain all Closing Package trading partner data for intragovernmental activity/balances supporting the Closing Package Reclassified Balance Sheet's Federal Assets and Liabilities, Reclassified Statement of Net Cost's Federal Gross Cost and Federal Earned Revenue, and Reclassified Statement of Change in Net Position's Federal Nonexchange Revenue and Budgetary and Other Financing Sources.

Findings: Provide the results of Procedure 1.

Procedure 2

Trace the intragovernmental transactions Closing Package trading partner data by Federal line item totals and/or trading partner activity/balances to the agency general ledger and the audited financial statements. Identify any differences.

Findings: Provide the results of Procedure 2.

Procedure 3

Trace trading partner activities/balances from the intragovernmental transactions Closing Package trading partner data to the agency's supporting schedules (Agency Fourth Quarter Intragovernmental Reconciliation and CFO Representations using Closing Package data). For items where agency reporting differences exist, trace the explanations to supporting documentation and identify any discrepancies.

Findings: Provide the results of Procedure 3.

Procedure 4

Obtain FMS' *Comparative Closing Package Explanation of Differences Report* for intragovernmental activities/balances.

- Trace the differences between the agency and its trading partners by reciprocal category/line-item from FMS' comparative reports to explanations from agency supporting documentation.
- Identify any inconsistencies in amounts or explanations between FMS' comparative reports and agency supporting documentation.

In the event of nonreporting by trading partners, as indicated in the footer section of FMS' comparative reports, identify that the difference is due to a nonreporting partner and do not proceed further with the review of the differences.

Findings: Provide the results of Procedure 4.

Procedure 5

Identify and include copies of internal control findings related to intragovernmental activities from the financial statements audit. Also, identify and report auditor-proposed intragovernmental adjustments that were waived by the agency, including items cited in the management letter.

Findings: Provide the results of Procedure 5.

Deliver the separate Agreed-Upon Procedures Report on Closing Package Intragovernmental Activity and Balances, as well as copies of any internal control findings, to the agency's CFO, FMS, and GAO by December 2, 2004.