



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 second 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 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 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/2008/20080827-08-2-0241.pdf

Agreed-Upon Procedures on EPA's Fiscal Year 2008 Second 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 agreed with EPA's FY 2008 second 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.
- For FY 2007 we noted that the Agency's Cumulative Results of Operations for Earmarked Funds on the balance sheet did not agree with the Agency's Statement of Changes in Net Position for Earmarks. While the total cumulative results reported on the balance sheet is correct, the breakout between Earmarks and Other Funds is not correct.
- EPA's FY 2007 post-closing instructions do not agree with EPA's Year End Closing Table and Treasury's Closing Instructions.
- We found the first and the second quarter FY 2008 Report of General Ledger Balance by Treasury Symbol beginning balances were different for seven budgetary accounts. The Agency stated these beginning balance changes were due to the child agencies. The adjustments in accounts 4221 and 4251 are for the differences we found in the first quarter stemming from the U.S. Department of Health and Human Services. The other adjustments were to move Child Trial Balances from reimbursable to direct. Therefore, Total Obligations Incurred shows no activity for unfilled customer orders. Other than line 3 (Budgetary Authority) on the Combined Statement of Budgetary Resources there is no financial statement impact.

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.