



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) 2010 First Quarter Financial Statements. We did so to assist EPA in evaluating whether its quarterly Financial Statements were compiled in a manner consistent 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 (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/2010/20100519-10-2-0131.pdf

Agreed-Upon Procedures on EPA's Fiscal Year 2010 First Quarter Financial Statements

What We Found

We performed certain agreed-upon procedures on the Agency's First Quarter FY 2010 Financial Statements. We compared the statements with EPA's crosswalk, recomputed them for mathematical accuracy, and compared them with balances separately generated by us. We identified differences between our computed general ledger account adjusted trial balance and the Agency's adjusted trial balance.

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

- The FY10 Cumulative Results of Operations Beginning of Period does not agree with the FY09 Cumulative Results of Operations Ending Balance.
- The Agency's Combined Statement of Budgetary Resources and Statement of Custodial Activity agreed with the amounts on the Agency's support.
- The Agency identified 14 fluctuations in its financial statements and submitted them to OMB.
- Two items should be updated based on our comparison of EPA's Financial Statement Preparation Guide for the 2010 Financial Statements to OMB Circular A-136.
- We identified discrepancies in the Statement of Custodial Activity, Statement of Net Position, and Statement of Budgetary Resources in our review of Treasury's financial statement crosswalk to the Agency's financial statement crosswalk.
- We identified four differences in our comparison of Treasury's Closing Instructions to EPA's Closing Instructions.
- We found that EPA's Treasury Symbols were in compliance with Statement of Federal Financial Accounting Standards No. 27.
- We found that the on-top entry to record child agency balances agreed with the support.
- We found three items were not reversed based on the Agency's designation of the type of adjustment. There were differences between the FY 2010 Report of General Ledger Balance by Treasury Symbol beginning balances and FY 2009 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.