

Internal Control Assessment
Reconciling FSA's Un-disbursed Appropriation Account Ledger FMS
6653 with FSA's Accounts 1010

Purpose

To ensure that proper internal controls exist regarding FSA's expenditure accounts, including the report of the fund balance with Treasury and its adherence to policy, procedures, regulations and laws.

Background

In accordance with the Treasury Financial Manual (Public Law 31 United States Code 3513) FSA is required to submit a monthly Un-disbursed Appropriation Account Ledger FMS 6653 report to Treasury. Therefore, Treasury requires that FSA reconcile its Fund Balance with Treasury (FBWT) accounts on a regular and recurring basis to assure the integrity and accuracy of its internal and Government-wide financial report data.

FMS 6653 provides information about the appropriation warrants issued, non-expenditure transfers, transactions reported by agencies on the Statement of Transactions and those reported by other agencies as well as certain centrally processed FMS documents. FMS 6653 is arranged to report the opening Fund Balance for the month, current month transactions, net disbursements and the closing balance at the end of the accounting month. FSA must reconcile the FBWT account to the closing balance presented on FMS 6653 and Federal Agencies Central Trial Balance System II (FACTS II).

Reconciling FBWT accounts is a key internal control process. It assures the reliability of the Government's receipt and disbursement data reported by agencies. FSA must reconcile SGL 1010 accounts to Treasury's FMS 6653. FSA must also document its reconciliation and make it available to management, auditors and Treasury if requested. FSA also should ensure that all adjustments are researched and traceable to supporting documents.

Internal Control Standard

FSA must perform timely reconciliation of its SGL 1010 account balance for each of its appropriations to Treasury's FMS 6653 balance.

Assessment of FSA's Compliance*

Upon review of FMS 6653s for each of FSA's appropriations during FY 2001 we report the following:

FMS 6653s

Appropriations	FMS 6653 Balance	FSA SGL 1010	Difference	
XXXXXXXXXX	XX,XXX	X,XXX	X	
XXXXXXXXXX	XX,XXX	X,XXX		
XXXXXXXXXX	XX,XXX	X,XXX	X	
XXXXXXXXXX	XX,XXX	X,XXX		

Although each of the reviewed appropriations has differences, the differences primarily represent timing differences and the remaining differences are immaterial and will be corrected in the subsequent reporting month. Adjusting journal voucher entries will be posted.

* The actual testing phase including interviews and examination of sampled records has not yet occurred. This write-up is only a sample of what may be discovered during the testing phase of the FMFIA process.