

Internal Control Assessment
FSA's preparation of the FMS-2108 Year-End Closing Statement

Purpose

To ensure that proper internal controls exist regarding FSA's preparation of its Year-end Closing Statement, FMS-2108.

Background

In accordance with the Treasury Financial Manual, FSA is required to submit a Year-end Closing Statement, FMS-2108, to Treasury once a year. The FMS-2108 contains information on fund balance with Treasury, fund resources, and fund equities for each appropriation. FMS-2108 is used to prepare Treasury's pre-closing trial balance of consolidated Federal agency appropriation and fund accounts. It reflects the pre-closing unexpended balances of appropriation and fund accounts and balances of un-funded contract authority, borrowing authority, investments held (at par), unrealized discounts, un-amortized premium and discounts, and funds held outside Treasury. Transactions to support the unexpended balance on FMS-2108 are provided to FSA monthly on the FMS Form 6653, Un-disbursed Appropriation Accounts - Ledger.

Each quarter, the Financial Management Operations staff prepares the FMS 2108 for each of the appropriations. Reports are required according to the schedule of reporting dates furnished annually in the TFM Year-end Closing bulletin. FSA's FMS-2108 reports should be transmitted using the Government On-line Accounting Link System. After resolving differences and prior to transmitting the FMS-2108, FSA must first obtain a certification from the ED CFO that the data on this report is in conformity with 31 U.S.C. 1501 and is correct.

Internal Control Standard

FSA must prepare and submit to Treasury its Year-end Closing Statement, FMS-2108, for each of its appropriations, in accordance with schedule time frames dictated by Treasury.

Assessment of FSA's Compliance*

We examined each of FSA's FMS-2108s for the fiscal year ending 2001 and determined that FSA adequately and timely prepares a FMS-2108 for each of its appropriations.

* 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.