

**Internal Control Assessment  
FSA's Statement of Transactions SF 224 Preparation**

**Purpose**

To ensure that proper internal controls exist regarding FSA's timely submission of the monthly statement of transactions SF 224 to FMS, and timely clearing of any statement of differences.

**Background**

In accordance with the provision of 31 U.S.C. 3512 and 3513, FSA is required to furnish a monthly Statement of Transactions (SF 224) to treasury for each of its Agency Location Codes, hereafter referred to as accounting stations. After preparation and submission of a SF 224, FSA can submit one supplemental FMS Form 224 to make adjustment to the original FMS Form 224, in the event the statement of differences exceed X million.

Each month, Treasury compares disbursement and receipt amounts reported by FSA on its monthly SF 224 to amounts reported by Treasury Regional Financial Centers, Federal Reserve Banks and other Treasury designated depositories. If a difference exists, Treasury issues to FSA a Statement of Difference Report, SF 6652. The SF 6652 separately identifies differences for disbursements and deposits for each FSA accounting station. Differences identified in this report must be reconciled on a monthly basis by FSA and cleared on future SF 224 report submissions (ideally the following month). This process validates monthly disbursement and receipt data and determines the accuracy of Treasury's operating cash. Unresolved differences potentially compromise Treasury's reliability of its disbursement and receipt data that it reports monthly to Congress and the General Public. If disbursing office (undistributed) differences are not reconciled within six months of the accomplished date as reported on FMS Form 6652, FMS will automatically charge back the difference to FSA's budget clearing account.

**Internal Control Standard**

FSA is required to submit timely the monthly statement of transactions SF 224, and timely clear any differences by the X business day of each month.

**Assessment of FSA's Compliance\***

We examined FSA's monthly statement of transactions (SF 224) for a twelve-month period beginning October ...to September ...for the following accounting stations and determined that FSA has submitted timely SF 224's. In addition, we reviewed the statement of differences to determine if differences were resolved in a timely manner.

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\* 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.