

OFFICE OF THE INSPECTOR GENERAL, AUDIT DIVISION
ANALYSIS AND SUMMARY OF ACTIONS NECESSARY
TO CLOSE THE REPORT

Department management was provided a draft of the Report of Independent Accountants on Internal Controls for their review and concurrence on the findings and recommendations. Their comments are incorporated into the body of the independent accountants' report following the recommendations. Since management concurred with all of the recommendations, this report is being issued resolved; however, additional corrective actions need to be completed in order for the OIG to close the recommendations and the report. The following describes those actions necessary for closure.

Internal Control Recommendation Number:

1. **Closed.** We will continue to follow up on this recommendation through our monitoring of the status of recommendation number 1 in our prior financial statement audit report for fiscal year 2000, OIG Report Number 01-07.
2. **Closed.** We will continue to follow up on this recommendation through our monitoring of the status of recommendation number 2 in our prior financial statement audit report for fiscal year 2000, OIG Report Number 01-07.
3. **Closed.** We will follow up on general control weaknesses and security issues by monitoring the status of the recommendations noted in the audit reports of the Department data centers and the individual components.
4. **Resolved.** This recommendation can be closed when subsequent audit testing confirms that the Department's components are following the *U.S. Department of Justice Financial Statement Requirements and Preparation Guide (Guide)* and the Chief Financial Officer has provided us with a revised *Guide* that includes the items listed below:
 - a) new accounting and reporting requirements of the OMB and/or the FASAB,
 - b) accelerated financial statement submission deadlines,
 - c) requirements to prepare and submit interim financial statements,
 - d) requirements to perform accrual-based accounting throughout the fiscal year, instead of the current dependency to perform them at the end of the fiscal year, and
 - e) improved controls over the Department's elimination entry process, its intra-governmental trading partner reconciliation, and preparation and reporting in the MD&A.

5. **Resolved.** This recommendation can be closed when the Department's plans to acquire a Unified Financial Management System have been finalized and systems requirements have been assessed. In the meantime, please provide the OIG with updates on the Unified Financial Management System project.