



Attestation Report



OIG-05-023

FINANCIAL MANAGEMENT: Department of the Treasury
Payments for Water and Sewer Services Provided by the District
of Columbia Were Made Timely for the Second Quarter of
Fiscal Year 2005

January 14, 2005

Office of
Inspector General

Department of the Treasury

Contents

Report of the Office of Inspector General.....	1
---	----------

Appendix

Report Distribution.....	5
--------------------------	---

Abbreviations

BEP	Bureau of Engraving and Printing
DC	District of Columbia
DC WASA	District of Columbia Water and Sewer Authority
DO	Departmental Offices
FMS	Financial Management Service
IPAC	Intra-Governmental Payment and Collection System
OIG	Office of Inspector General
OTS	Office of Thrift Supervision
U.S.	United States



Report of the Office of Inspector General

The Department of the Treasury
Office of Inspector General

The Honorable Ted Stevens
Chairman
The Honorable Robert C. Byrd
Ranking Minority Member
Committee on Appropriations
United States Senate

The Honorable Jerry Lewis
Chairman
The Honorable David R. Obey
Ranking Minority Member
Committee on Appropriations
U.S. House of Representatives

The District of Columbia (DC) Public Works Act of 1954 (Public Law 83-364), as amended, requires: (1) each Federal department, independent establishment, or agency receiving water and sewer services from DC to make payments on the first day of each quarter for these services; and (2) the inspector general of each Federal department, establishment, or agency receiving water and sewer services from DC to submit a quarterly report to the Committees on Appropriations of the House of Representatives and Senate analyzing the promptness of payment with respect to the water and sewer services furnished to such department, establishment, or agency. Management of the Treasury bureaus that utilize DC water and sewer services is responsible for timely payment of such services.

Treasury has three bureaus that receive water and sewer services from DC and are billed directly by the DC Water and Sewer Authority (DC WASA): Bureau of Engraving and Printing (BEP), the Office of Thrift Supervision (OTS), and Departmental Offices (DO). The DC WASA provides each bureau with a projected billing estimate for the fiscal year, and the Financial Management Service (FMS) collects quarterly payments via the Intra-Governmental

Payment and Collection (IPAC) system from the bureau. FMS is required to remit the amounts it collects from the Treasury bureaus and other Federal agencies to DC WASA on the first day of each quarter.

Agreed-Upon Procedures and Findings

We performed four agreed-upon procedures to assist you in evaluating Treasury's compliance with the Act for the second quarter of fiscal year 2005. The overall objective of the agreed-upon procedures was to analyze the Treasury's promptness in making payments for the water and sewer services received from DC for the second quarter of fiscal year 2005.

We performed the procedures in accordance with generally accepted government auditing standards, which incorporate the attestation standards established by the American Institute of Certified Public Accountants. These standards provide guidance when performing and reporting the findings of agreed-upon procedures for evaluating compliance with specified requirements. The procedures and our findings are enumerated below:

Procedure 1

Through inquiry of FMS officials, determine if there were changes to the process by which FMS collects for water and sewer services since October 15, 2004, the date of our report for the first quarter of fiscal year 2005.

Finding

We determined, through inquiry of an FMS official, that there were no changes to the process by which FMS collects for water and sewer services since October 15, 2004, the date of our report for the first quarter of fiscal year 2005.

Procedure 2

Through inquiry of FMS officials, determine if there were any amendments to the projected billing estimate for fiscal year 2005 issued by DC WASA on April 15, 2003.

Finding

We determined, through inquiry of an FMS official, that there was an amendment to the projected billing estimate for fiscal year 2005 issued by DC WASA on April 15, 2003.

Procedure 3

Obtain documentation from FMS supporting the payments made by the Treasury entities for DC water and sewer services for the second quarter of fiscal year 2005.

Finding

We obtained IPAC records from FMS supporting the payments made by the Treasury entities for DC water and sewer services for the second quarter of fiscal year 2005. The payments totaled \$68,301.85 for the three Treasury bureaus, and were for the correct amounts in accordance with the billing estimate by DC WASA.

Procedure 4

Inspect the documentation provided by FMS for the second quarter of fiscal year 2005 to determine if payments were made in full (equal to one-fourth of the annual estimate) on the first day of the fiscal quarter in accordance with the DC WASA's projected billing estimate.

Finding

We compared the amount and date paid from the IPAC records to the projected billing estimate and determined that the payments for the second quarter water and sewer services were made in full (equal to one-fourth of the annual estimate) on January 3, 2005, the first business day of the fiscal quarter, in accordance with the DC WASA's projected billing estimate. The receipt of the payment was also confirmed by DC WASA. The total payment to DC WASA was \$6,190,513.25

The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures either for the purpose for which this report has been prepared or for any other purpose.

We were not engaged in and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Congress, Treasury, BEP, DO, FMS, and OTS, and is not intended to be and should not be used by anyone other than these specified parties.

* * * * *

Should you have any questions, please contact me at (202) 927-5792, or a member of your staff may contact Donald R. Kassel, Director, Banking and Fiscal Service Audits, at (202) 927-6512. The major OIG contributors to this report were Mr. Kassel and Gerald Kelly, Auditor.

Robert A. Taylor, Jr.
Deputy Assistant Inspector General for Program Audits

Bureau of Engraving and Printing

Director

Departmental Offices

Deputy Chief Financial Officer

Financial Management Service

Commissioner
Assistant Commissioner, Financial Operations

Office of Thrift Supervision

Director