



Summary of Financial Statement Audit and Management Assurances

The following tables provide a summary of audit-related or management-identified material weaknesses outlined in the FY 2008 Performance and Accountability Report.

The title of each material weakness is consistent throughout this section and in the entire document.

During 2008, VA developed remediation plans and is taking actions to correct the material weaknesses “Financial Management System Functionality,” “Information Technology Security Controls,” and “Financial Management Oversight.” During 2008, VA resolved “Retention of Computer Generated Detail Records in Benefits Delivery Network (BDN) System - VBA.” Material weaknesses were identified by VA’s independent auditors or by VA management.

Table 1 - Summary of Financial Statement Audit

Audit Opinion	Unqualified				
Restatement	No				
	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Material Weaknesses					
Financial Management Oversight	✓				✓
IT Security Controls	✓				✓
Financial Management System Functionality	✓				✓
Retention of Computer Generated Detail Records in Benefits Delivery Network (BDN) System - VBA	✓		✓		
<i>Total Material Weaknesses</i>	4	0	1	0	3

Table 2 - Summary of Management Assurances

Effectiveness of Internal Control over Financial Reporting (FMFIA – 2)						
Statement of Assurance	Qualified					
	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Material Weakness						
<i>Total Material Weaknesses</i>	0	0	0	0	0	0



Effectiveness of Internal Control over Operations (FMFIA – 2)						
Statement of Assurance	Qualified					
Material Weakness	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Financial Management Oversight *	✓					✓
<i>Total Material Weaknesses</i>	1	0	0	0	0	1
Conformance with Financial Management System Requirements (FMFIA – 4)						
Statement of Assurance	Qualified					
Material Non-Conformances	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
IT Security Controls *	✓					✓
Financial Management System Functionality *	✓					✓
Retention of Computer Generated Detail Records in Benefits Delivery Network (BDN) System - VBA *	✓		✓			
<i>Total Material Non-Conformances</i>	3	0	1	0	0	2
Compliance with Federal Financial Management Improvement Act (FFMIA)						
	Agency			Auditor		
Overall Substantial Compliance	No			No		
1. System Requirements				No		
2. Accounting Standards				Yes		
3. USSGL at Transaction Level				Yes		

*Note: Material weaknesses and their associated remediation plans are the same as audit-related material weaknesses.