

Independent Accountant's Report on the Application of Agreed-Upon Procedures

To: Chief Financial Officer, FMS, GAO and OMB

We have performed the procedures described in the Attachment I, which were based on the procedures stated in the U.S. Department of the Treasury's (Treasury) *Treasury Financial Manual*, Transmittal Letter No. _____, dated _____, 2006, solely to assist the [Name of Agency]'s Office of Inspector General and the Government Accountability Office in evaluating the [Name of Agency]'s assertion that it properly reported intragovernmental activity and balances in the [Name of Agency]'s consolidated financial statements as of and for the year ended September 30, 2006, and in its *2006 Financial Report of the United States Government Closing Package (Closing Package)* submission to Treasury. The [Name of Agency] management is responsible for the proper accounting, presentation and reporting of its intragovernmental activity and balances, consolidated financial statements, and *Closing Package*.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the *Government Auditing Standards*, issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of FMS, GAO and OMB. Consequently, we make no representations regarding the sufficiency of the procedures described in Attachment I either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our associated findings are presented below in Attachment I.

We were not engaged to, and did not perform an audit of the matters addressed herein, the objective of which would be the expression of an opinion on such information. 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 information and use of the [Name of Agency], OMB, FMS and GAO and is not intended to be, and should not be, used by anyone other than these specified parties.

Signed

[Name of agency] Inspector General

Date

Attachment I: Fiscal 2006 IG Agreed-Upon Procedures (AUPs) Report for Federal Intragovernmental Activity and Balances

Note: Agencies are encouraged to complete the following IG Agreed-Upon Procedures for Fiscal Year 2006 reporting. The IG Agreed-Upon Procedures are optional for Fiscal Year 2006 but will be required for Fiscal Year 2007 and thereafter.

Agency Name	
2-Digit Agency Code	

<p>INSTRUCTIONS: Indicate the findings upon completion of each procedure. Deliver this IG AUPs Report on the Closing Package Intragovernmental Activity and Balances, as well as copies of any internal control findings, to the agency’s CFO, FMS, and GAO no later than January 16, 2007. (Refer to the requirements stated in subsection 4705.80, IG AUPs for Federal Intragovernmental Activity and Balances.)</p>	<p>Findings</p>
<p><u>Procedure 1</u></p> <p>Obtain the agency’s policies and procedures that describe the agency’s activities to record, process, summarize, reconcile, and report intragovernmental activity/balances by trading partner. Determine if the items identified in the CFO-provided reconciliation schedule were properly recorded at yearend in accordance with the agency’s policies and procedures.</p>	

<p><u>Procedure 2</u></p> <p>In the event of nonreporting by trading partners, report those differences and indicate that the difference is due to nonreporting by the trading partner. Cooperation between IG offices of the trading partners is encouraged.</p> <p>Review items related to the balances identified by FMS in Step 1 of the CFO procedures recorded after yearend to determine if they were recorded in the proper year.</p>	
<p><u>Procedure 3</u></p> <p>Identify and include copies of audit findings related to the transactions identified in Procedures 1 and 2, such as reasons for disclaimer and/or qualification, material weaknesses, reportable conditions, noncompliance with laws and regulations, and items cited in the management letter. Also identify and report auditor-proposed intragovernmental adjustments that were waived by the agency relating to these transactions.</p>	

Deliver the IG Agreed Upon Procedures Report on Closing Package Intragovernmental Activity and Balances to the agency's CFO, FMS, and GAO no later than January 16, 2007.