

## SUMMARY OF FINANCIAL STATEMENT AUDIT

Audit Opinion	<b>Unqualified</b>				
Restatement	<b>Yes</b>				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Key Applications Need Security Controls	0	1	0	0	1
Physical Security of Critical IT Assets	0	1	0	0	1
<i>Total Material Weaknesses</i>	0	2	0	0	2

## SUMMARY OF MANAGEMENT ASSURANCES

<b>Effectiveness of Internal Control over Financial Reporting (FMFIA § 2) (A-123 Appendix A)</b>						
Statement of Assurance	<b>Unqualified</b>					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
<i>Total Material Weaknesses</i>	0	0	0	0	0	0
<b>Effectiveness of Internal Control over Operations (FMFIA § 2)</b>						
Statement of Assurance	<b>Unqualified</b>					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Not Applicable (N/A)	0	0	0	0	0	0
<i>Total Material Weaknesses</i>	0	0	0	0	0	0
<b>Conformance with Financial Management System Requirements (FMFIA § 4)</b>						
Statement of Assurance	Systems Do Not Conform to Financial Management System Requirements					
Non-Conformances	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Key Applications Lack Security Requirements	0	1	0	0	0	1
Physical Security of Critical IT Assets	0	1	0	0	0	1
<i>Total Non-Conformances</i>	0	2	0	0	0	2
<b>Compliance with Federal Financial Management Improvement Act (FFMIA)</b>						
	Agency			Auditor		
Overall Substantial Compliance	<b>No</b>			<b>No</b>		
1. System Requirement				<b>No</b>		
2. Accounting Standards				<b>Yes</b>		
3. USSGL at Transaction Level				<b>Yes</b>		

Overall, EPA has a qualified statement of assurance, as described in the Administrator's Fiscal Year 2007 Assurance Statement on page 41 of *Section 1 – Management's Discussion and Analysis*. The table above represents three components of management assurances:

1. In FY 2007 EPA found no material weaknesses based on its annual assessment on the effectiveness of the non-systems-related internal controls over financial reporting (FMFIA section 2, A-123 Appendix A).

2. In FY 2007 EPA found no material weaknesses based on its review of the effectiveness of non-systems-related programmatic internal controls over operations (FMFIA section 2).
3. During the Agency's FY 2007 Financial Statements Audit, the OIG identified two systems-related significant deficiencies, which the Agency is required to report as non-conformances and material weaknesses under FMFIA section 4 and as non-compliances under FFMA.