



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240



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FINANCIAL MANAGEMENT MEMORANDA 2011-014 (Vol. II.A)

To: Bureau Assistant Directors for Administration
Bureau Chief Financial Officers

From: Douglas A. Glenn *Edward King*
for Deputy Chief Financial Officer and Director
Office of Financial Management

Subject: FY 2011 Audit and Reporting Requirements for the Consolidated Audit Approach

In support of the Fiscal Year (FY) 2011 financial statement audit, Office of Management and Budget (OMB) A-136 requirements, and to facilitate familiarity with recorded financial activity, the Office of Financial Management (PFM) is requesting that all bureaus shall prepare individual internal control documentation including the annual assessment of internal controls over financial reporting, annual reviews of information technology and operational controls, and the annual assurance statement per the Federal Manager's Financial Integrity Act.

Bureaus shall also submit financial reporting packages that include principal financial statement work papers, certain note disclosures, Required Supplementary Information (RSI), Required Supplementary Stewardship Information (RSSI), and Other Accompanying Information (OAI), as applicable, to facilitate the preparation and audit of the consolidated Agency Financial Report (AFR).

The bureaus shall record financial transactions in accordance with generally accepted accounting principles and shall prepare financial reporting packages summarizing those transactions using prescribed financial reporting templates. If a bureau would like to recommend changes to the financial reporting templates, identifies new reporting requirements, or believes that the financial reporting templates are not in accordance with generally accepted accounting principles, feel free to contact Ed King at (202) 208-3425 or via e-mail at Ed_King@ios.doi.gov. Bureaus shall complete an auditable draft of their 3rd and 4th quarter financial reporting packages to include financial statement work papers, footnotes, RSI, RSSI, and OAI (as applicable) and provide to PFM and the bureau audit team in accordance with due dates established in the PFM Milestones Schedule.

In addition, bureaus shall work with the Office of Planning and Performance Management to provide bureau information to be included in the Department's Management Discussion and Analysis and performance information.

Each bureau will be required to provide the following deliverables, as applicable:

New Requirements Effective FY 2011

- Bureaus are to report current year information only in the Financial Statement work papers and footnote schedules following the required monthly, quarterly/year-end financial reporting formats listed below. Prior Year (PY) information will be reported at the consolidated level. Bureaus shall notify PFM if an adjustment/correction to PY ending balances is needed. PFM will evaluate the requested adjustments/corrections requested by all bureaus collectively to determine appropriate treatment at the consolidated level.
- Bureaus will provide a Statement of Net Cost (SNC) work paper using the FY 2011 standard template that now excludes a column for intra-bureau eliminations. This requirement changes bureau presentation on the SNC work paper. An elimination column will no longer be required on the face of the work paper. Bureaus shall continue to perform the necessary intra-bureau elimination adjusting entries. The intra-bureau elimination adjusting entries enable PFM to accurately perform eliminations for the consolidated SNC.

Monthly Requirements

- Hyperion data load
- Elimination Entries, detail files, and unbilled/advance reports
- Child trial balance report to non-Interior parents, as applicable
- Financial Statement work papers following the required financial reporting formats (work papers in the form of a balance sheet, statement of net cost, statement of changes in net position, statement of budgetary resources, and statement of custodial activity), as applicable

Quarterly/Year-End Requirements

Quarterly/year-end requirements are to include monthly requirements in addition to the following items listed below.

- Quarterly Federal Employee Compensation Act, Office of Personnel Management, and Unemployment accruals and/or adjusting entries;
- Footnote schedules, following the required financial reporting formats and following the same presentation as the consolidated AFR, as applicable, (required for quarters 2-4 – see attached table. The Stewardship Assets Note is exempt from 2nd quarter reporting; it is only required in the 3rd and 4th quarter packages)
- Footnote narrative text, when specific or unique information is disclosed related to the specific bureau in the consolidated AFR, as applicable (required for quarters 2-4 – see attached table)
- RSI and RSSI when specific or unique information is disclosed related to the specific bureau in the consolidated AFR, (e.g., deferred maintenance; stewardship/heritage asset condition information (required 3rd and 4th quarters)
- Other accompanying information when specific or unique information is disclosed related to the specific bureau in the consolidated AFR (required 3rd and 4th quarters)
- Financial Statement variance analysis (quarter to quarter) following the required format in Hyperion (required every quarter)

- Financial Statement edit checklist following the required format (required every quarter)
- Non-GAAP Analysis (required for quarters 2-4)
- FACTS II Analysis (Statement of Budgetary Resources (SBR) to SF-133 Reconciliation) following the required format (required every quarter)
- Management Representation Letter following the required format (required for 4th quarter)
- SBR to SF-133 reconciliation for applicable accounts following the required format (required every quarter)
- Financial Manager's checklist following the required format (required for 4th quarter)
- Government Financial Reporting System Templates following the required format (required for 4th quarter); and,
- Trial Balance verification following the required format (required for 4th quarter).

Refer to the attached table for a complete listing of reporting requirements.

Refer to the 2011 Bureau Financial Statement Folder in Hyperion for monthly, quarterly/year-end required formats for financial statements, footnotes, certain footnote disclosures, RSI, RSSI, and Other Accompanying Information.

Should you have concerns regarding this request, please contact Ed King at (202) 208-3425 or via e-mail at Ed_King@ios.doi.gov or Eric Eisenstein at (202) 208-3417 or via e-mail at Eric_Eisenstein@ios.doi.gov.

Attachment

cc: Financial Statement Guidance Team
Finance Officers Partnership

Cancelled FMMs: n/a

Additional FMMs on the Subject: 2010-009

Fiscal Year 2011 Bureau Reporting Requirements

	OSM	BOE	BLM	FWS	NPS	BOR	USGS	BIA	DO
<p>Appropriations will be shown separately in the footnote schedule. All other Earmarked Appropriations will be included in aggregate as Other Earmarked.</p> <p>14075005 NPS – Land and Water Conservation Fund</p> <p>14075140 NPS – Historical Preservation Fund</p> <p>14075000 BOR – Reclamation Fund</p> <p>14060680 BOR – Water and Related Resources Fund</p> <p>14064079 BOR – Lower Colorado River Basin Fund</p> <p>14064081 BOR – Upper Colorado River Basin Fund</p> <p>14060681 BOR – American Recovery and Reinvestment Fund (Water & Related Resource Recovery Act)</p> <p>14185015 OSM – Abandoned Mine Reclamation Fund</p> <p>14115232 Various – Southern Nevada Public Land Management Fund</p> <p>14165029 FWS – Federal Aid and Wildlife Restoration Fund</p> <p>14168151 FWS – Sport Fish Restoration Fund</p> <p>14175425 BOE – Environmental Improvement and Restoration Fund</p> <p><i>Note: Any Interior Bureau that is a child under 5232 – Southern Nevada Public Land Management Fund will also have to separate these amounts in its own column on the Earmarked Schedule</i></p>									
Note 21: Liability for Capital Transfer to the General Fund of the Treasury						X		X	X
Note 22: Fiduciary Activities (Foot_06 data)		X						X	X

Fiscal Year 2011 Bureau Reporting Requirements

	OSM	BOE	BLM	FWS	NPS	BOR	USGS	BIA	DO
RSI/RSSI/OAI: refer to FMM 2011-008 for more information	X	X	X	X	X	X	X	X	X
RSI: Combining Statement of Budgetary Resources For FY2011 reporting the Department has determined that the following Appropriations will be shown separately in the Combining schedule. All other Budgetary Appropriations will be included in aggregate as Other Budgetary: BA01_4529 Departmental Offices Franchise Fund BA04_4523 Departmental Offices Working Capital Fund BA06_0680 Water and Related Resources BA07_1036 National Park Service Operations BA11_1109 Management of Land and Resources BA01_1125 Departmental Offices Wildland Fire Management BA11_9926 Bureau of Land Management Permanent Operations Funds BA16_1611 Fish and Wildlife Resource Management BA17_5003 Minerals Leasing and Associated Payments BA20_2100 Operation of Indian Programs BA08_0804 Survey, Investigation and Research BA06_RA Recovery Act: Bureau of Reclamation BA07_RA Recovery Act: National Park Service BA08_RA Recovery Act: U.S. Geological Survey BA11_RA Recovery Act: Bureaus of Land Management BA16_RA Recovery Act: U.S. Fish & Wildlife Service BA20_RA Recovery Act: Indian Affairs <i>Note: Any Interior Bureau that is a Child under 1125 – DO Wildland Fire Management will also have to separate these amounts in its own column in the Combining SBR.</i>	X	X	X	X	X	X	X	X	X
RSI: Deferred Maintenance			X	X	X	X	X	X	
RSI: BOE/ONRR Compliance Assessments and Pre-assessment Work in Process		X							
RSI: Condition of Stewardship Lands and Heritage Assets		X	X	X	X	X	X	X	X
RSSI: Investments in Research and Development		X	X		X	X	X		

Fiscal Year 2011 Bureau Reporting Requirements

	OSM	BOE	BLM	FWS	NPS	BOR	USGS	BIA	DO
RSSI: Investments in Human Capital								X	
RSSI: Investments in Non-Federal Physical Property		X		X	X	X		X	
GFRS Data Requirements									
Property, Plant, and Equipment (Foot_06 data)	X	X	X	X	X	X	X	X	X
Inventory (Foot_06 data)			X				X		X

NOTES:

“X” notation means footnote language, footnote template, and FOOT_06 data are required, if applicable to bureau.

Provide language for footnotes, RSI, and RSSI based on the prior year consolidated AFR disclosures.