



UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580

Financial Management Office

December 30, 2000


Office of Management and Budget  
Integrity Report Library  
Financial Stands, Reporting, and Management Integrity Branch  
New Executive Office Building, Room 6025H  
725 17<sup>th</sup> Street, N. W.  
Washington, DC 20503

Re: Federal Managers' Financial Integrity Act, 2000 Report

I am pleased to provide your office with the original and three copies of our Chairman's 2000 FMFIA report to the President.

Should you have any questions, you may reach me at 202-326-2664, or [hhoffman@ftc.gov](mailto:hhoffman@ftc.gov).

Sincerely,



Henry Hoffman  
Chief Financial Officer



UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580

Office of the Chairman

December 30, 2000

The President  
The White House  
Washington, D.C. 20500

Dear Mr. President:

I am pleased to report that the Federal Trade Commission's ("FTC") management control and financial management systems, taken as a whole, provide reasonable assurance that the Section 2 and Section 4 objectives of the Federal Managers' Financial Integrity Act ("FMFIA") are being achieved. The FTC has no high risk areas and no material weaknesses or material non-conformance to report. The content of the attached FMFIA statistics is based on information provided by FTC managers, Office of Inspector General ("OIG") audits, and by consistent unqualified audit opinions on the FTC's Financial Statements.

The FTC's management officials have evaluated their programs and attested that their management controls comply with guidance found in Office of Management and Budget ("OMB") Circular A-123, Management Accountability and Control, and in the General Accounting Office November 1999 release of "Standards for Internal Control in the Federal Government." Further, the FTC's financial system managers and management officials have certified that each of the related systems under their control conforms in all material respects with the requirements issued by OMB in Circular A-127, Financial Management Systems.

### **Internal Control Reviews**

The FTC's OIG has completed three consecutive annual audits of the Commission's compliance with the financial reporting requirements of the Chief Financial Officers Act. These independent audits of the Commission's financial structure, policies, systems, and operations, resulted in unqualified opinions-- the highest audit opinion available. The audits identified no material weaknesses or material non-conformance. Comparative Commission financial statements based upon OMB Bulletin 97-01, "Form and Content of Financial Statements," are available on the Internet at [www.ftc.gov/oighome.htm](http://www.ftc.gov/oighome.htm).

These audit results, along with the assurances given by agency officials, indicate that pursuant to Section 2 of the FMFIA that our internal accounting and administrative controls generally conform to the principles and standards developed by the Comptroller General of the United States ("CG"), OMB, Joint Financial Management Improvement Program ("JFMIP"), and the Treasury Department.

## Accounting System Review

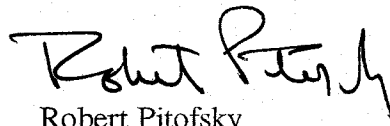
Pursuant to Section 4 of the Federal Managers' Financial Integrity Act, OIG audits included reviews of selected Commission accounting and financial systems in use during the fiscal year. Separately, each financial management system manager performed a review of systems under their control. Each review was made in accordance with related guidance provided by the JFMIP, the principles and standards developed by the CG, and regulations implemented through OMB Circular A-127.

## Concluding Remarks

The FTC is effectively managing its programs, policies, organization structure and administrative procedures with the goal of better serving its customers at less cost. The FTC internal control review program, along with Inspector General audits and other independent reviews, play a significant role in ensuring effective and responsive agency operations. Our on-going strategic and performance planning efforts further enables us to identify continually where efficiencies may be obtained.

In summary, the Commission has no high risk areas and no material weaknesses or material non-conformance to report. The enclosure with this letter provides a statistical summary of performance.

Sincerely,



Robert Pitofsky  
Chairman

Enclosure

**Federal Trade Commission FMFIA Statistics**

<b>Section Two: Integrity Act Statistics</b>						
<b>Agency</b>	<b>Adequate and Effective Management Controls</b>		<b>Number of Material Weaknesses</b>			
	<b>Yes</b>	<b>No</b>	<b>Pending as of 12/31/99</b>	<b>Newly Reported in 2000</b>	<b>Corrected in 2000</b>	<b>Pending as of 12/31/00</b>
FTC	X		None	None	None	None

<b>Section Four: Integrity Act Statistics</b>						
<b>Agency</b>	<b>Compliance of Financial Management Systems with Government-wide Requirements</b>		<b>Number of Material Non-Conformances</b>			
	<b>Yes</b>	<b>No</b>	<b>Pending as of 12/31/99</b>	<b>Newly Reported in 2000</b>	<b>Corrected in 2000</b>	<b>Pending as of 12/31/00</b>
FTC	X		None	None	None	None