



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

Financial Management Office

December 30, 1999

Office of Management and Budget
Office of Federal Financial Management
Management Integrity Branch
6025 New Executive Office Building
725 17th Street, N. W.
Washington DC 20503

Re: Federal Managers' Financial Integrity Act, 1999 Report

I am pleased to provide your office with 10 copies of our Chairman's 1999 FMFIA report to the President. Separate copies have been transmitted to the Congressional leadership.

Should you have any questions, I can be reached at 202-326-2664.

Sincerely,

A handwritten signature in black ink, appearing to read "H. Hoffman", written in a cursive style.

Henry Hoffman
Chief Financial Officer



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

Office of the Chairman

December 30, 1999

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

Dear Mr. President:

I am pleased to report that the Federal Trade Commission (FTC) management control and financial management systems, taken as a whole, provide reasonable assurance that the objectives of the Federal Managers' Financial Integrity Act (FMFIA), Section 2 and Section 4, are being achieved. The content of the enclosed FMFIA report is based on information provided by the FTC's managers, as well as the results of the audits of FTC's Financial Statements which produced an unqualified opinion for both fiscal 1997 and 1998. The 1999 audit is underway.

Management officials have evaluated their programs and attested that their management controls comply with the Office of Management and Budget Circular A-123, Management Accountability and Control. The responsible systems managers and financial management officials have certified that all of FTC's financial management systems conform in all material respects to the Office of Management and Budget Circular A-127, Financial Management Systems.

Internal Control Reviews

In the spring of 1999, the FTC's Office of Inspector General (OIG) completed its second comprehensive audit of the Commission's financial structure, policies, systems, and operations, under the requirements of the Chief Financial Officers Act. The independent audit resulted in an unqualified opinion-- the highest audit opinion available. The full audit identified no material weaknesses or material non-conformance. This second full audit produced comparative Commission financial statements based upon OMB Bulletin 97-01, *Form and Content of Financial Statements*.

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

Accounting System Review


The ongoing fiscal year 1999 OIG audit included reviews of the Commission's accounting systems in use during the fiscal year. Separately, the Department of Interior's National Business Center, which provides payroll, personnel and accounting services to the FTC, performs compliance reviews of each of its applicable systems. Each review was reportedly 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 ongoing 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

Statistical Summary of Performance

Section 2. Internal Control

Material Weaknesses			
	Number reported for the first time in:	For that year, number that have been corrected:	For the year number still pending:
Prior Years	NONE	N/A	N/A
1997 Report	NONE	N/A	N/A
1998 Report	NONE	N/A	N/A
1999 Report	NONE	N/A	N/A
Total	NONE	N/A	N/A

Of the total number corrected, how many were corrected in 1999 N/A

Section 4. Financial Management Systems

Material Non-Conformance Issues			
	Number reported for the first time in:	For that year, number that have been corrected:	For the year, number still pending:
Prior Years	NONE	N/A	N/A
1997 Report	NONE	N/A	N/A
1998 Report	NONE	N/A	N/A
1999 Report	NONE	N/A	N/A
Total	NONE	N/A	N/A

Of the total number corrected, how many were corrected in 1999 N/A