

ADDENDUM C RISK FACTORS FOR FINANCIAL REPORTING

Financial categories that have political, public impact, or cause embarrassment to the administration [e.g. hazardous waste sites (environmental clean-up), prison conditions, poor education at Indian schools, inadequate safeguarding of stewardship and heritage assets, etc.]

Diverse, decentralized, and remote (12 Regions throughout the United States including Alaska) operations ranging from law enforcement and hospitals to power and irrigation projects.

Lack of technology (internet)

- Impedes accuracy and timeliness of financial reporting to Treasury and OMB
- Impacts compliance or ability to transition to internet based only systems
- Forces manual work processes and the use of applications that affect accuracy and timeliness of data

Existence/reliance of third party data

- National Business Center
- Environmental Clean-Up estimates from Regions
- Contingent Liabilities
- Stewardship and Heritage Assets

Antiquated accounting/information systems

- Lack sufficient interfaces with FFS to minimize errors
- Reliance on data from independent/off-line systems [Loans (LOMAS), Trust systems]