

SECTION 2
EXHIBIT 4
ILLUSTRATIVE TEMPLATE FOR A DESIGNATED SENIOR OFFICIAL TO THE
AGENCY HEAD

Memorandum

To: Assistant Secretary - Policy, Management and Budget
Attention: Director, Office of Financial Management

Through: Assistant Secretary

From: Bureau/Office Head

Subject: FY 200X Annual Assurance Statement on Internal Control over Financial Reporting

In accordance with your delegation of responsibilities to me, I have directed an evaluation of the internal control over financial reporting of [bureau/office] in effect during the year ended June 30, 200X. This evaluation was conducted in accordance with departmental guidance and OMB Circular A-123, *Management's Responsibility for Internal Control*, dated December 21, 2004.

In evaluating internal control over financial reporting at [bureau/office], I directed my staff to:

- Identify the financial reports that have a material effect on [bureau/office's] financial decisions
- Identify the accounts in each selected report that are material to the report
- Identify the transaction cycles that generate the information for these accounts
- Document and obtain an understanding of those transaction cycles
- Evaluate the agency's control environment, risk assessment process, information and communication processes, and monitoring process
- Identify the control activities in each transaction cycle
- Assess the design of the controls to determine whether they would prevent or detect errors or misstatements in the selected financial statements
- Test the controls that are considered suitably designed and assess whether they are functioning as designed.

Based on the results of this evaluation, the [bureau/office] may provide reasonable assurance that internal control over financial reporting as of June 30, 2xxx, was operating effectively, **with the exception of the following material weakness(es) that was (were) found in the design or operation of the internal controls over financial reporting.**

- **Insert title(s) and description(s) of material weakness(es)**

[Or, if an unqualified assurance statement may be made, replace the bolded statement above with the following: "and no material weaknesses were found in the design or operation of the internal controls over financial reporting."]

Name of Designated Senior Official