



United States Department of the Interior

OFFICE OF THE SECRETARY

Washington, DC 20240

DEC 17 2014

FINANCIAL MANAGEMENT MEMORANDUM 2015 – 003 (VI.A)

To: Assistant Secretaries
Bureau and Office Directors
Bureau Assistant Directors for Administration
Chief Financial Officers
Internal Control Coordinators

Through: Douglas A. Glenn *D.A. Glenn*
Deputy Chief Financial Officer and Director
Office of Financial Management

From: Olivia B. Ferriter *Olivia B. Ferriter*
Deputy Assistant Secretary - Budget, Finance, Performance and Acquisition

Subject: Guidance for Fiscal Year 2015 Internal Control Program

This memorandum transmits the Department of the Interior's (DOI) guidance for the fiscal year (FY) 2015 Internal Control Program. As part of the Agency Financial Report, the DOI Secretary (Secretary) is required by law to provide the President and Congress an assurance statement on the state of the DOI's internal controls. The Office of Financial Management (PFM) coordinates the process to support the Secretary's annual assurance statement; however, ensuring and reporting on proper internal controls is a responsibility of all bureaus, Departmental lines of business, and managers.

Bureaus must submit their final assurance statement dated September 30, 2015, to PFM by **October 5, 2015**. Bureaus and offices must follow the Office of Management and Budget (OMB) Circular No. A-123, *Management's Responsibility for Internal Control* (A-123), as revised December 21, 2004, when conducting their evaluations. Offices within the Office of the Secretary must submit their final assurance statement by **October 16, 2015**.

Based on audit findings, new requirements, and/or previous internal control assessment efforts, PFM has identified four areas that present significant risk to DOI. As such, PFM is requiring bureaus to perform targeted assessments of the following areas in FY 2015:

- Controls over financial reporting (see Attachment A, *Assessment of Internal Control over Financial Reporting*, for further information);
- Controls over the use of the Government charge card;
- Controls over coding and reconciliation of Government Printing Office (GPO) billing for Federal Register publishing costs; and
- Controls over reporting on conference related activities and spending.

These targeted assessments were determined based on the following: 1) the FY 2014 financial statement audit report which noted one material weakness in DOI's entity-level controls and the impact on DOI-wide financial reporting in which numerous Notices of Findings and Recommendations were issued; 2) OMB M-13-21, *Implementation of the Government Charge Card Abuse Prevention Act of 2012*, which requires all agencies to provide assurance over proper Government charge card use; 3) the implementation of DOI-wide controls to monitor GPO billing for Federal Register publishing costs; and 4) the forthcoming revised conference guidance in FY 2015 Financial Management Memorandum, *Authorizing and Reporting on Conference-Related Activities and Spending*.

A significant deficiency in controls over property, plant and equipment and the related liability for asbestos-related cleanup costs was a repeat finding from the prior year in the financial statement audit report. Bureaus must continue to improve controls over property, plant and equipment, as per previously issued Office of Acquisition and Property Management guidance. Specifically, bureaus must validate real property asset code classification, gross square footage, and construction completion date, as well as review property records to ensure supporting documentation is available. The PFM will use contractor support to conduct statistical sampling to project an accurate liability in FY 2015.

Attachment A, in conjunction with Sections 1 and 2 of the DOI's *Internal Control and Audit Follow-up (ICAF) Handbook* (Handbook), provides additional information on the internal control program. This Handbook includes activities and timeframes necessary to comply with the Federal Managers' Financial Integrity Act and A-123, including the related appendices. Guidance related to the DOI's Audit Follow-Up Program and compliance with OMB Circular A-50, *Audit Followup*, was issued under a separate cover.

If you have internal control training needs, you may contact PFM regarding those particular needs (e.g., overview of the internal control program for managers, training on how to use the risk rating tool (Integrated Risk Rating Tool), or training on how to conduct a review). The PFM holds lessons-learned discussions at the end of each FY cycle.

We look forward to your continued cooperation and assistance as we continue to fulfill DOI's Internal Control Program responsibilities this FY. The *Handbook* containing Sections 1 and 2 can be found on PFM's Share Point site by selecting this link: [ICAF Handbook - All Documents](#). If you have questions or would like to discuss the requirements set forth in this memorandum, please contact Teresa Taber, Deputy Director, Office of Financial Management, at (202) 208-3439 or via e-mail at Teresa_Taber@ios.doi.gov or Alexandra Lampros, Financial Specialist, Internal Control and Audit Follow-Up Division, at (202) 208-4427 or via e-mail at Alexandra_Lampros@ios.doi.gov.

Attachments

cc: Finance Officers Partnership
Assistant Inspector General for Audits

The Internal Control Program

Internal controls must be established and maintained in order to achieve the objectives of effective and efficient operations, reliable financial reporting, and compliance with applicable laws and regulations. Safeguarding assets is a subset of these objectives. Internal control activities should encompass the following categories: control environment, risk assessment, control activities, information and communication, and monitoring.

Adequate oversight of the internal control program by senior management, including the Senior Management Council or Senior Assessment Team, remains an important element of the internal control program. Bureaus and offices are urged to maintain a strong “tone at the top” that promotes strong internal control as well as programmatic and financial integrity. The internal control program is enhanced by employing relevant performance measures applicable to senior managers and those with responsibility for resources.

The guidance and DOI’s *Internal Control and Audit Follow-up Handbook* (Handbook) require that bureaus and offices do the following:

- Planning
 - Verify component inventories and assessable units.
 - Identify and verify risks.
 - Integrate and coordinate internal control review activities.
- Evaluating Entity-Level Controls
 - Document and assess bureau/office-wide design of controls (including controls relating to financial reporting and information technology).
- Evaluating Process-Level Controls
 - Document key processes and controls.
 - Update the annual, risk-based Internal Control Review Plan, with a 3-year cycle.
- Testing Operating/Transaction-Level Controls
 - Perform control assessments and internal control reviews.
 - Document operating effectiveness of controls.
- Concluding, Correcting, and Reporting
 - Conclude on control effectiveness, suitability of compensating controls, and whether any control gap is a material weakness.
 - Prepare and track corrective action plans as necessary.
 - Prepare a Statement of Assurance on Internal Controls over Financial Reporting.
 - Prepare an Annual FMFIA Assurance Statement.

The Handbook Attachments 1 through 8 provide templates regarding risk assessment and internal control review for programs and operations, while Attachment 9 through 19 pertain to assessment of internal controls over financial reporting. The FY 2015 specific deadlines and timelines are contained in the *Schedule of Key Actions* (Attachment 1) and the *Monthly Status Report on A-123, Appendix A* (Attachment 17). The Office of Financial Management (PFM) will work with the bureaus to apply the Internal Control Program guidance, as needed. In general, PFM encourages consistency in approach to assessing risk and use of PFM’s templates for risk management and assessment of internal control.

Risk-Based Internal Control over Programs and Operations

When assessing programs and operations, a risk-based approach provides greater efficiency and reduces unnecessary redundancy. Bureaus and offices should assess risk in a consistent manner using the Integrated Risk Rating Tool (IRRT) and specifically consider inherent risk, control risk, and fraud risk. Internal control reviews should cover inherent high-risk areas. The IRRT is Attachment 04C to the Handbook and can be found using the following link: ICAF Handbook - All Documents.

In implementing a risk-based internal control program, bureau senior management should direct the planning, reviewing, and reporting for internal control over all programs and operations. Bureau senior management should coordinate among the various programs, including finance, budget, acquisition, and information technology, to successfully meet the requirements for maintaining, testing, and reporting on internal controls. Bureaus are advised to integrate the necessary expertise and skills using senior management teams to serve as bureau Senior Management Councils for internal controls. Each bureau's team should periodically review the internal control program, annually approve methodology and plans, discuss the results of risk assessments and subsequent testing in high-risk areas, and ensure that all deficiencies found are addressed in a timely manner.

The PFM anticipates receiving the draft revision to the Office of Management and Budget (OMB) Circular A-123 in December 2014. Once OMB receives all the comments from the agencies, the updated circular is scheduled to be implemented in FY 2016. The revised circular will include application of the revised Committee of Sponsoring Organizations' standards as well as incorporate the concept of enterprise risk management with the designation of a chief risk officer for each agency.

Assessment of Internal Control over Financial Reporting

The Department of the Interior (DOI) uses a top-down approach focusing on assurance at the DOI-wide level supported by assurance statements from bureaus/offices. Internal control reviews include documentation of business processes, identification of key controls for identified consolidated material line items and assessment of design and operation of key controls. This approach focuses resources on the items most material and most at risk to DOI's financial reporting and operations.

Section 2 of DOI's *Handbook* provides guidelines to evaluate the internal controls over financial reporting. In addition, as previously noted, the *Handbook* Attachments 9 through 19 provides templates for the FY 2015 Appendix A review. The planning materiality for FY 2015 is \$208 million. The PFM determined materiality using the Financial Audit Manual guidance (Section 230) and calculated based on total assets. This materiality level is subject to change in the unlikely event that the Deputy Operating Group does not approve it. Based on this materiality level, we have assigned financial statement line items to each bureau, and they are provided with this guidance (See Attachment 9).

The process and methodology for applying the standards when assessing internal control over financial reporting should be well-documented. The DOI Secretary's annual assurance statement on the effectiveness of internal control over financial reporting is a subset of the assurance

statement required under the Federal Managers Financial Integrity Act of 1982 (FMFIA) on the overall internal control of the agency.

During the financial statement audit, it was determined that DOI has a material weakness in entity-level controls which impacted internal controls over financial reporting. The auditors issued many Notice of Findings and Recommendations to the bureaus and the Department resulting in this material weakness. As such, each bureau is required to review its business process memo on financial reporting to ensure that all key controls are identified. In addition, all key controls in this process must be tested during FY 2015 regardless of where this process is in the bureau's rotation cycle.

Other areas for suggested improvement from the audit include: 1) ensuring that the test of design is documented, and 2) ensuring that the level of deficiency for each finding is documented and the determination whether, in aggregate, the findings constitute a material weakness in the bureau. As such, bureaus are required to provide their analysis of their deficiencies when submitting their issue log to PFM. In addition, PFM requires that each bureau fill out a standard template showing which business processes/sub-processes are being tested over a two-year period (previous FY and current FY, see Attachment 10a).

Appendix B, Improving the Management of Government Charge Card Programs

Appendix B requires agencies to maintain internal controls in Government charge card programs. Significant requirements of this appendix include: agencies must perform credit checks on all new purchase and travel card applicants; agencies must have risk management controls, policies, and practices in implementing charge card management programs; it incorporated a requirement for charge cardholders, approving officials, or both to reimburse the Government for any unauthorized transactions or erroneous purchase card transactions that were not disputed; and it incorporated guidance on disciplinary actions for fraud and other egregious abuse of a Government charge card. The Office of Acquisition and Property Management is implementing a new automated Review and Approve online process, is currently updating the DOI Integrated Charge Card policy, and has issued a charge card management plan, located at www.doi.gov/pam for reference. However, each agency is also required to maintain a bureau-specific charge card policy and management plan. In addition, each bureau procurement office is responsible for maintaining and testing internal controls in this area.

Appendix C, Requirements for Effective Measurement and Remediation of Improper Payments

Appendix C aims to improve the integrity of the Government's payments and the efficiency of its programs and activities. On July 22, 2010, the President signed the *Improper Payments Elimination and Recovery Act (IPERA) of 2010* into law. The IPERA amends the Improper Payments Information Act of 2002 and repeals the Recovery Auditing Act (Section 831 of the FY 2002 Defense Authorization Act). The IPERA expands the requirements of all agencies to periodically perform risk assessments of their programs and activities and identify those programs and activities that are susceptible to significant erroneous payments. Significant erroneous payments are defined by OMB Circular A-123 Appendix C as annual erroneous payments in a program exceeding both 1.5 percent of program outlays and \$10 million of all program or activity payments, or \$100 million.

During FY 2013, the President signed into law the *Improper Payment Elimination and Recovery Improvement Act (IPERIA) of 2012*. The IPERIA enhances efforts to combat improper payments by reinforcing IPERA and includes *Do Not Pay* (DNP) efforts into the legislation. The IPERIA expands the requirement of all agencies to periodically perform risk assessments of its programs and activities and identify those programs and activities that are susceptible to significant improper payments. In implementing the DNP Solution, DOI consulted with available databases with the results showing a zero probability of improper payments. Overall, DOI's improper payment rate is significantly less than one/half of one percent.

Appendix C was issued in October 2014, to accomplish the following: 1) consolidate reporting requirements for agencies and Inspector General; 2) establish new categories for reporting improper payments; 3) introduce a new internal control framework; and 4) provide guidance to agencies to strengthen the statistical validity of estimates and include payments to Federal employees in the definition of improper payments. To comply with the new requirements, DOI took the following steps: 1) reviewed all programs and activities to identify those that are susceptible to significant improper payments; 2) obtained a statistically valid estimate of the annual amount of improper payments for those programs identified in Step 1; 3) determined that a plan to reduce improper payments was not necessary and not cost-effective; and 4) reported the results of the recovery audits in the FY 2014 annual financial report.

Appendix D, Compliance with the Federal Financial Management Improvement Act of 1996

Appendix D to OMB Circular A-123 became effective on October 1, 2013, as memorandum M-13-12. Appendix D rescinds all previously issued versions of OMB Circular No. A-127, *Financial Management and Systems*. This circular defines new requirements for determining compliance with the Federal Financial Management Improvement Act (FFMIA). The FFMIA requires agencies to establish and maintain financial management systems that substantially comply with the following three FFMIA Section 803(a) requirements: Federal financial management system requirements, applicable accounting standards, and the U.S. standard general ledger at the transaction level. An FFMIA compliance determination framework was developed to assist agencies in determining whether they are in compliance with the Section 803 (a) requirements of FFMIA. The appendix and corresponding framework can currently be found on OMB's website at: <http://www.whitehouse.gov/sites/default/files/omb/memoranda/2013/m-13-23.pdf>.

**Schedule of Key Actions
FY 2015 Internal Control Program**

Action	Responsible Organization	Due Date
Issue Integrated Internal Control Program Guidance	PFM	12/19/2014
PAM and OCIO Issue Additional Guidance on Internal Control Program	PAM and OCIO	12/31/2014
Submit Summary and Analysis of Current Fiscal Year Risk Assessments Conducted for Select Assessable Units	Bureaus/Offices	2/27/2015
Submit Current Fiscal Year Component Inventory and Priority Plan Based on a Three-Year Cycle	Bureaus/Offices	2/27/2015
Concur or Provide Guidance on Bureau Plans	PFM	3/13/2015
Provide to PFM Appendix A Status of Key Milestones	Bureaus/Offices	End of each month beginning Dec. 2014
Complete Entity-Level Evaluations	Bureaus/Offices	3/6/2015
Conduct Mid-year ICAF Progress Meeting With Bureaus/Offices, OIG, ICAF Work Group Members and PMB Staff.	Bureaus/Offices	5/11/2015 to 5/22/2015
Complete Testing and Submit Appendix A Assurance Statement over Financial Reporting as of June 30 and Issue Log with Analysis of Deficiencies	Bureaus/Offices	8/14/2015
Submit to PFM the OCIO Consolidated Mid-Year Assurance Statement of Financial Systems as of June 30	OCIO	8/14/2015
Submit Appendix A Issue Log to PFM	Bureaus/Offices	8/14/2015
Complete All Current FY ICRs and AICRs	Bureaus/Offices	8/31/2015
Submit Corrective Action Plans for Identified FMFIA Material Weaknesses or Noncompliance Issues	Bureaus/Offices	30 days after identification
Submit Sampling of Test Results for ICRs Conducted and Submit Results of All Targeted Reviews using Attachment 3	Bureaus/Offices	9/18/2015
Submit Summary (High-Level) of Corrective Actions for internal control review deficiencies found	Bureaus/Offices	9/18/2015
Submit Final FY FMFIA Assurance Statement as of September 30, 2015 to PFM (not to be dated before September 30)	Bureaus/Offices	10/5/2015
Offices Submit Consolidated FMFIA Assurance Statements to PFM	Departmental Offices	10/16/2015
Conduct Year-End ICAF Issue Resolution Meeting	Bureaus/Offices, PAM, OCIO, PFM, OIG	10/13/2015 to 10/23/2015

Key to Colors reference of the Five-Step Approach to Assessing Internal Controls:

Planning

Evaluating Entity-Level Controls

Evaluating Process-Level Controls

Testing Controls

Concluding, Correcting, and Reporting

**Quantitative Significant Line Items by Bureau
FY 2015 Assessment (Based on FY 2014 Financial Statement Data)
FY 2015 Design Materiality - \$208 million**

Attachment 9

Note: Approval of DOI materiality level and assignment of financial statement line items is subject to approval by the Department's Deputies Operating Group (DOG). The DOG is the DOI Senior Assessment Team.

Indian Affairs

Consolidated Balance Sheet

Intragovernmental Assets: Fund Balance with Treasury
General Property, Plant and Equipment, Net
Other: Contingent Liabilities

Statement of Net Cost

Intragovernmental Costs
Public Costs
Intragovernmental Earned Revenue

Statement of Budgetary Resources

Budgetary Resources: Unobligated balance brought forward, beginning of fiscal year
Budgetary Resources: Total Appropriations (discretionary & mandatory)
Budgetary Resources: Total Spending authority from offsetting collections (discretionary & mandatory)
Status of Budgetary Resources: Obligations Incurred
Status of Budgetary Resources: Unobligated balance, end of year, Apportioned
Change in Obligated Balance: Unpaid obligations, brought forward, beginning of fiscal year
Change in Obligated Balance: Obligations incurred
Change in Obligated Balance: Outlays (gross)
Change in Obligated Balance: Obligated balance, start of year
Budget Authority and Outlays, Net: Budget authority, gross (discretionary and mandatory)
Budget Authority and Outlays, Net: Total Actual offsetting collections (discretionary and mandatory)
Budget Authority, Net (discretionary and mandatory): Outlays, gross (discretionary and mandatory)
Budget Authority, Net (discretionary and mandatory): Actual offsetting collections (discretionary and mandatory)

**Quantitative Significant Line Items by Bureau
FY 2015 Assessment (Based on FY 2014 Financial Statement Data)
FY 2015 Design Materiality - \$208 million**

Attachment 9

Bureau of Land Management

Consolidated Balance Sheet

Intragovernmental Assets: Fund Balance with Treasury
Intragovernmental Assets: Investment, Net
General Property, Plant and Equipment, Net
Other Assets
Other: Other Liabilities
Other Liabilities: Advances and Deferred Revenue
Other Liabilities: Other

Statement of Net Cost

Intragovernmental Costs
Public Costs
Public Earned Revenue

Statement of Budgetary Resources

Budgetary Resources: Unobligated balance brought forward, beginning of fiscal year
Budgetary Resources: Other Changes in unobligated balance
Budgetary Resources: Total Appropriations (discretionary & mandatory)
Budgetary Resources: Spending authority from offsetting collections (discretionary & mandatory)
Status of Budgetary Resources: Obligations incurred
Status of Budgetary Resources: Unobligated balance, end of year, Apportioned
Status of Budgetary Resources: Unobligated balance, end of year, Unapportioned
Change in Obligated Balance: Unpaid obligations, brought forward, beginning of fiscal year
Change in Obligated Balance: Obligations incurred
Change in Obligated Balance: Outlays (gross)
Change in Obligated Balance: Obligated balance, start of year
Budget Authority and Outlays, Net: Budget authority, gross (discretionary and mandatory)
Budget Authority and Outlays, Net: Actual offsetting collections (discretionary and mandatory)
Budget Authority, Net: Outlays, gross (discretionary and mandatory)
Budget Authority, Net: Actual offsetting collections (discretionary and mandatory)
Budget Authority, Net: Distributed offsetting receipts

Bureau of Reclamation

Consolidated Balance Sheet

Intragovernmental Assets: Fund Balance with Treasury
Intragovernmental Assets: Accounts and Interest Receivable
Investments, Net
General Property, Plant and Equipment, Net
Intragovernmental Liabilities: Other: Resources Payable to Treasury
Intragovernmental Liabilities: Other Liabilities
Other: Advances and Deferred Revenue

Statement of Net Cost

Intragovernmental Costs
Public Costs
Intragovernmental Earned Revenue
Public Earned Revenue

Statement of Budgetary Resources

Budgetary Resources: Unobligated balance brought forward, beginning of fiscal year
Budgetary Resources: Total Appropriations (discretionary & mandatory)
Budgetary Resources: Spending authority from offsetting collections (discretionary & mandatory)
Status of Budgetary Resources: Obligations incurred
Status of Budgetary Resources: Unobligated balance, end of year, Apportioned
Change in Obligated Balance: Unpaid obligations, brought forward, beginning of fiscal year
Change in Obligated Balance: Obligations incurred
Change in Obligated Balance: Outlays (gross)
Change in Obligated Balance: Total Change in uncollected payments from Federal sources
Change in Obligated Balance: Obligated balance, start of year
Budget Authority and Outlays, Net: Budget authority, gross (discretionary and mandatory)
Budget Authority and Outlays, Net: Actual offsetting collections (discretionary and mandatory)
Budget Authority and Outlays, Net: Total Change in uncollected customer payments from Federal sources
Budget Authority, Net: Outlays, gross (discretionary and mandatory)
Budget Authority, Net: Actual offsetting collections (discretionary and mandatory)
Budget Authority, Net: Distributed offsetting receipts

**Quantitative Significant Line Items by Bureau
FY 2015 Assessment (Based on FY 2014 Financial Statement Data)
FY 2015 Design Materiality - \$208 million**

Attachment 9

Bureau of Ocean Energy Management

Consolidated Balance Sheet

None

Statement of Net Cost

None

Statement of Budgetary Resources

None

**Quantitative Significant Line Items by Bureau
FY 2015 Assessment (Based on FY 2014 Financial Statement Data)
FY 2015 Design Materiality - \$208 million**

Attachment 9

Bureau of Safety and Environmental Enforcement

Consolidated Balance Sheet

Intragovernmental Assets: Fund Balance with Treasury

Statement of Net Cost

None

Statement of Budgetary Resources

Status of Budgetary Resources: Obligations incurred

Change in Obligated Balance: Obligations incurred

Change in Obligated Balance: Total Outlays (gross)

Budget Authority and Outlays, Net: Budget authority, gross (discretionary and mandatory)

Budget Authority, Net: Outlays, gross (discretionary and mandatory)

**Quantitative Significant Line Items by Bureau
FY 2015 Assessment (Based on FY 2014 Financial Statement Data)
FY 2015 Design Materiality - \$208 million**

Attachment 9

National Park Service

Consolidated Balance Sheet

Intragovernmental Assets: Fund Balance with Treasury
General Property, Plant and Equipment, Net
Federal Employee and Veteran Benefits
Other: Asbestos Cleanup Liability
Other: Other Liabilities

Statement of Net Cost

Intragovernmental Costs
Public Costs
Public Earned Revenue

Statement of Budgetary Resources

Budgetary Resources: Unobligated balance brought forward, beginning of fiscal year
Budgetary Resources: Total Appropriations (discretionary & mandatory)
Status of Budgetary Resources: Obligations incurred
Status of Budgetary Resources: Unobligated balance, end of year, Apportioned
Status of Budgetary Resources: Unobligated balance, end of year, Unapportioned
Change in Obligated Balance: Unpaid obligations, brought forward, beginning of fiscal year
Change in Obligated Balance: Obligations incurred
Change in Obligated Balance: Outlays (gross)
Change in Obligated Balance: Obligated balance, start of year
Budget Authority and Outlays, Net: Budget authority, gross (discretionary and mandatory)
Budget Authority, Net: Outlays, gross (discretionary and mandatory)
Budget Authority, Net: Distributed offsetting receipts

**Quantitative Significant Line Items by Bureau
FY 2015 Assessment (Based on FY 2014 Financial Statement Data)
FY 2015 Design Materiality - \$208 million**

Attachment 9

Office of Surface Mining

Consolidated Balance Sheet

Intragovernmental Assets: Fund Balance with Treasury
Intragovernmental Assets: Investments, Net

Statement of Net Cost

Public Costs

Statement of Budgetary Resources

Budgetary Resources: Total Appropriations (discretionary & mandatory)
Status of Budgetary Resources: Obligations incurred
Change in Obligated Balance: Unpaid obligations, brought forward, beginning of
fiscal year
Change in Obligated Balance: Obligations incurred
Change in Obligated Balance: Outlays (gross)
Change in Obligated Balance: Obligated balance, start of year
Budget Authority and Outlays, Net: Budget authority, gross (discretionary and
mandatory)
Budget Authority, Net: Outlays, gross (discretionary and mandatory)

U.S Fish and Wildlife Service

Consolidated Balance Sheet

Intragovernmental Assets: Fund Balance with Treasury
Intragovernmental Assets: Investments, Net
Intragovernmental Assets: Accounts and Interest Receivable
General Property, Plant and Equipment, Net
Intragovernmental Liabilities: Accounts Payable
Other: Grants Payable
Other: Other Liabilities

Statement of Net Cost

Intragovernmental Costs
Public Costs
Intragovernmental Earned Revenue

Statement of Budgetary Resources

Budgetary Resources: Unobligated balance brought forward, beginning of fiscal year
Budgetary Resources: Recoveries of prior year unpaid obligations
Budgetary Resources: Total Appropriations (discretionary & mandatory)
Budgetary Resources: Spending authority from offsetting collections (discretionary & mandatory)
Status of Budgetary Resources: Obligations incurred
Status of Budgetary Resources: Unobligated balance, end of year, Apportioned
Change in Obligated Balance: Unpaid obligations, brought forward, beginning of fiscal year
Change in Obligated Balance: Obligations incurred
Change in Obligated Balance: Outlays (gross)
Change in Obligated Balance: Recoveries of prior year unpaid obligations
Change in Obligated Balance: Uncollected customer payments from Federal Sources, brought forward, October 1
Change in Obligated Balance: Uncollected customer payments from Federal sources, end of year
Change in Obligated Balance: Obligated balance, start of year
Budget Authority and Outlays, Net: Budget authority, gross (discretionary and mandatory)
Budget Authority and Outlays, Net: Actual offsetting collections (discretionary and mandatory)
Budget Authority, Net: Outlays, gross (discretionary and mandatory)
Budget Authority, Net: Actual offsetting collections (discretionary and mandatory)

**Quantitative Significant Line Items by Bureau
FY 2015 Assessment (Based on FY 2014 Financial Statement Data)
FY 2015 Design Materiality - \$208 million**

Attachment 9

U.S. Geological Survey

Consolidated Balance Sheet

Intragovernmental Assets: Fund Balance with Treasury
General Property, Plant and Equipment, Net

Statement of Net Cost

Intragovernmental Costs
Public Costs
Intragovernmental Earned Revenue

Statement of Budgetary Resources

Budgetary Resources: Unobligated balance brought forward, beginning of fiscal year
Budgetary Resources: Total Appropriations (discretionary & mandatory)
Budgetary Resources: Spending authority from offsetting collections (discretionary & mandatory)
Status of Budgetary Resources: Obligations incurred
Status of Budgetary Resources: Unobligated balance, end of year, Apportioned
Change in Obligated Balance: Unpaid obligations, brought forward, beginning of fiscal year
Change in Obligated Balance: Obligations incurred
Change in Obligated Balance: Outlays (gross)
Change in Obligated Balance: Uncollected customer payments from Federal sources, brought forward, beginning of fiscal year
Change in Obligated Balance: Change in Uncollected Customer Payments from Federal sources
Budget Authority and Outlays, Net: Budget authority, gross (discretionary and mandatory)
Budget Authority and Outlays, Net: Actual offsetting collections (discretionary and mandatory)
Budget Authority, Net: Outlays, gross (discretionary and mandatory)
Budget Authority, Net: Actual offsetting collections (discretionary and mandatory)

Departmental Offices

Consolidated Balance Sheet

Intragovernmental Assets: Fund Balance with Treasury
Intragovernmental Assets: Investments, Net
Intragovernmental Assets: Accounts and Interest Receivable
Accounts and Interest Receivable, Net
General Property, Plant and Equipment, Net
Intragovernmental Liabilities: Other: Resources Payable to Treasury
Intragovernmental Liabilities: Other: Advances and Deferred Revenue
Intragovernmental Liabilities: Other: Custodial Liability
Accounts Payable
Other: Payments Due to States

Statement of Net Cost

Intragovernmental Costs
Public Costs
Intragovernmental Earned Revenue

Statement of Budgetary Resources

Budgetary Resources: Unobligated balance brought forward, beginning of fiscal year
Budgetary Resources: Recoveries of prior year unpaid obligations
Budgetary Resources: Total Appropriations (discretionary & mandatory)
Budgetary Resources: Spending authority from offsetting collections (discretionary & mandatory)
Status of Budgetary Resources: Obligations incurred
Status of Budgetary Resources: Unobligated balance, end of year, Apportioned
Change in Obligated Balance: Unpaid obligations, brought forward, beginning of fiscal year
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Change in Obligated Balance: Outlays (gross)
Change in Obligated Balance: Recoveries of prior year unpaid obligations
Change in Obligated Balance: Uncollected customer payments from Federal Sources, brought forward, October 1
Change in Obligated Balance: Uncollected customer payments from Federal sources, end of year
Change in Obligated Balance: Obligated balance, start of year
Budget Authority and Outlays, Net: Budget authority, gross (discretionary and mandatory)
Budget Authority and Outlays, Net: Actual offsetting collections (discretionary and mandatory)
Budget Authority, Net: Outlays, gross (discretionary and mandatory)
Budget Authority, Net: Actual offsetting collections (discretionary and mandatory)

**Quantitative Significant Line Items by Bureau
FY 2015 Assessment (Based on FY 2014 Financial Statement Data)
FY 2015 Design Materiality - \$208 million**

Attachment 9

Departmental Offices (continued)

Statement of Budgetary Resources

Budget Authority and Outlays, Net: Distributed offsetting receipts

Departmental Offices – Office of Natural Resources Revenue - Subset

Consolidated Balance Sheet

Intragovernmental Assets: Investments, Net
Intragovernmental Assets: Accounts and Interest Receivable
Accounts and Interest Receivable, Net
Intragovernmental Liabilities: Other: Custodial Liability
Other: Payments Due to States

Statement of Net Cost

Public Costs

Statement of Budgetary Resources

Budgetary Resources: Appropriations (discretionary and mandatory)
Status of Budgetary Resources: Obligations incurred
Change in Obligated Balance: Obligations incurred
Change in Obligated Balance: Outlays (gross)
Budget Authority and Outlays, Net: Distributed offsetting receipts

Put an X in each box for those processes/sub-processes tested at your bureau for the applicable year.					
Process/Sub-process	Bureau Name				
	FY 2014	FY 2015			
<u>Financial Reporting</u>					
Account Analysis and Reconciliations					
CFO Reporting					
External Financial Reporting					
SF-133 Reconciliation					
<u>Funds Management</u>					
Budget Formulation					
Budget Execution					
<u>Revenue Management</u>					
Miscellaneous Income					
Billings and Collections					
Services Provided					
Collect Advances					
Interagency Agreements					
Reconcile Unfilled Customer Orders					
<u>Fund Balance and Investments Management</u>					
Cash Receipts and Disbursements					
Fund Balance with Treasury Reconciliation					
Investments					
<u>Financial Assistance</u>					
Grants					
Cooperative Agreements					
<u>Inventory Management</u>					
Acquisition Requests/Purchases					
Distribution Sales					
Consumption of Inventory					
<u>Environmental Management</u>					
Evaluation and Reporting of Exposure					
Calculate Liability					
Mitigation					
Prevention					
<u>Custodial Collections</u>					
<u>Custodial Distributions</u>					
<u>Human Capital Management</u>					
Personnel					
Time and Attendance					
Processing Payroll					
Pension and Post-retirement Benefits					
<u>Acquisition and Payables (Procurement)</u>					
Charge Cards					
Requisitions					
Award and Obligate					
Receive and Pay Invoices					
Contract Monitoring					
Contract Closeouts					
<u>Credit Program Management</u>					
Extending Credit					
Loan Servicing					

Put an X in each box for those processes/sub-processes tested at your bureau for the applicable year.						
Process/Sub-process	Bureau Name					
	FY 2014	FY 2015				
Estimate Modeling						
Property Management						
Stewardship and Heritage Assets						
Capital Acquisition Requests						
Manage and Maintain Capital Assets						
Inventory						
Maintenance						
Depreciation						
Dispose of Assets						
Leases (Operating or Capital)						
Information Technology (Applicable to Above Processes)						
General Control Environment						
Program Development						
Program Changes						
Access and Security						
Systems Support and Operation						

Bureau/Office:

No.	Activities	Due Date	12/31/14	01/30/15	02/27/15	03/31/15	04/30/15	05/29/15	06/30/15	07/31/15	08/31/15	09/30/15	10/30/15
1	Hold Senior Management Council, Senior Assessment Team, and/or Bureau/Office Management Group meetings.	As Necessary											
2	Participate in workgroup meetings.	As Necessary											
3	Determine scope of significant reports covered.	1/30/15											
4	Review/update significant financial service locations.	1/30/15											
5	Review/update list of 3rd party service providers who are expected to provide a SSAE16 report.	1/30/15											
6	For each significant report, determine quantitative materiality.	2/13/15											
7	Review PFM provided quantitative materiality of financial statement line items and determine lines for your bureau/office.	2/13/15											
8	Determine qualitative materiality of financial statement items.	2/13/15											
9	Complete Crosswalk from Business Line Items to Business Process.	2/13/15											
10	Complete a Risk Assessment of business processes and determine the risk rating for each business process	2/13/15											
11	Review/update business process list showing what processes/sub-processes are being tested in current FY using new template (Attachment 10a).	2/13/15											
12	Document business process that will be tested in the current fiscal year (if not previously documented).	2/13/15											
13	Complete Entity-Level IRRT	3/6/15											
14	Finalize business process documentation, including narratives and flowcharts.	2/13/2015 - 5/29/2015											
15	Complete business process control matrixes that identify risk, control objectives, control activities and key controls.	2/13/2015 - 5/29/2015											
16	Complete testing of the key control design in selected business processes and identify any deficiencies.	2/13/2015 - 5/29/2015											
17	Complete testing of key control operation in selected business process and identify any deficiencies.	4/1/15 - 7/31/15											
18	Develop corrective action plans for any control deficiencies identified in the design or operational testing.	4/1/15 - 7/31/15											
19	Review control deficiencies and determine impact on financial reporting.	7/31/15											
20	Submit Assurance Statement as of June 30, 2015.	8/14/15											
21	Submit analysis of issues identified during testing, both individually and collectively to determine if, stand-alone or in aggregate, a material weakness exists. Each deficiency should be identified as Material, Significant, Control, etc.	8/14/15											
22	Verify that key controls have no reportable changes from 6/30 through 9/30 or material weaknesses were corrected.	10/5/15											
23	Submit documentation of review of SSAE 16 reports as needed (attachment 15).	As reports are received.											

Complete
At Least 2/3 Complete
Less than 2/3 Complete but Started
Incomplete, Late
Not Started and Not Late
N/A - Not Applicable



United States Department of the Interior

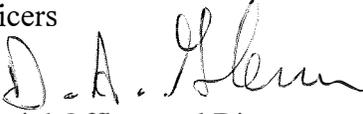
OFFICE OF THE SECRETARY

Washington, DC 20240

MAY 21 2013

Memorandum

To: Bureau Chief Financial Officers
Bureau Budget Officers

From: Douglas A. Glenn 
Deputy Chief Financial Officer and Director
Office of Financial Management

Subject: Government Printing Office Policy

There has been a history of issues surrounding the Government Printing Office (GPO) billing the Department of Interior (Interior) for Federal Register publishing costs. The GPO is often not provided complete or accurate Interior billing codes. Therefore when GPO bills Interior, neither GPO nor Interior can determine which office is responsible for invoice payment, and this has resulted in a large unpaid balance covering several fiscal years.

To remedy this issue, each publishing request (and Federal Register Notices in particular) must include a specific accounting code to enable GPO to bill the appropriate office. To this end, each office preparing a publishing request must include:

- The appropriate accounting code in the document's heading;
- A complete "Line of Accounting" field in the SF-1; and
- A current publishing point of contact in the "Additional Information" section of the SF-1 form (attached).

GPO will then be able to enter this line of accounting information in the description field on Intra-Governmental Payment and Collection (IPAC) transactions and will allow Interior to identify who is responsible for, and can approve, the IPAC transaction.

The appropriate accounting code data elements are bureau specific and will include a combination of: Fund, Functional Area, Fund Center, and Work Breakdown Structure (appearing in that order-sample attached). The line of accounting information should be secured from your budget office to ensure it is complete and that sufficient funding is available.

Continued use of additional information for bureau internal use is encouraged.

If you should have any questions, please feel free to contact Stephen Mattingly, Financial Systems Division Chief in the Office of Financial Management, at (202) 208-5785 or via e-mail at Stephen_Mattingly@ios.doi.gov.

cc: Finance Officers Partnership

Attachment: Sample SF-1 Billing Information Section