



United States Department of the Interior

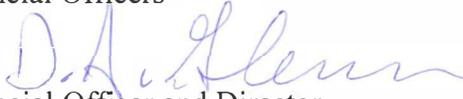
OFFICE OF THE SECRETARY

Washington, DC 20240

APR 17 2013

FINANCIAL MANAGEMENT MEMORANDA 2013- 017 (Vol. II.A)

To: Bureau Assistant Directors for Administration
Bureau Chief Financial Officers

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

Subject: FY 2013 Requirements for the Consolidated Audit

As required by the Chief Financial Officer's Act of 1990, all bureaus shall prepare sufficient documentation to support the compilation and successful audit of the Department of the Interior's Agency Financial Report (AFR) and Government-wide Financial Report System (GFRS) submissions. This includes the documentation, review, approval, and submission of bureau specific internal control, performance, financial reporting, and stewardship data. Fiscal Year (FY) 2013 bureau submission requirements are outlined in this memorandum. Please feel free to contact Diane Washington at (202) 208-6225 or via e-mail at Diane_Washington@ios.doi.gov or Paul McEnrue at (202) 208-3425 or via e-mail at Paul_McEnrue@ios.doi.gov, to discuss these requirements further.

Bureaus shall work with the Office of Planning and Performance Management to provide bureau performance information to be included in the Management Discussion and Analysis (MD&A) of the AFR.

All bureaus shall prepare individual internal control documentation including the annual assessment of internal controls over financial reporting, annual reviews of information technology and operational controls, and the annual assurance statement per the Federal Manager's Financial Integrity Act.

The bureaus shall record financial transactions in accordance with generally accepted accounting principles and upload summary trial balance data reflecting these transactions to Hyperion on a monthly basis. Documentation of the review, approval, and submission of bureau specific data shall be accomplished via the submission of a financial reporting package. The components of the required financial reporting package vary depending on the period of submission. Please see specifics as provided below. All submissions are to be provided in the prescribed financial reporting templates. Template formats are provided to the bureaus for comment via the Financial Statement Guidance Team (FSGT). Concerns or questions specific to templates should be addressed via the FSGT workgroup. Bureaus shall not individually modify or edit the template formats.

There are several Financial Accounting Standards Advisory Board Statements of Federal Financial Accounting Standards (SFFAS) and reporting requirements effective for FY 2013. In accordance with SFFAS 38, *Accounting for Federal Oil and Gas Resources*, the Office of Natural Resource Revenue will be providing the schedules of estimated Federal oil and gas petroleum royalties and Federal oil and gas petroleum royalties to be distributed to others. We have implemented the requirements of Technical Bulletin 2006-1, *Recognition and Measurement of Asbestos-Related Cleanup Costs*, and are now recording a liability and the related expense for asbestos-related cleanup costs for non-friable asbestos. SFFAS 43, *Funds from Dedicated Collections* was issued on June 1, 2012, which amends SFFAS 27, *Identifying and Reporting Earmarked Funds*. The amendments centered on a new term for “earmarked funds”, which changed to “funds from dedicated collections”. The standard further modified the definition of “funds from dedicated collections” by clarifying that a least one source of funds external to the Federal government must exist for a fund to qualify and by adding explicit exclusion for any fund established to account for pensions, other retirement benefits, other post-employment or other benefits provided for Federal employees. We will be issuing guidance to validate that the funds we have disclosed in the footnotes continue to meet the amended reporting requirements.

Also, with this memo, the Office of Financial Management (PFM) is reissuing the *Program Managers Guide to Financial Audits*, which was previously distributed in 2003. During this time of decreasing budgets it is important to remember that completing the financial statement audit process is not just the responsibility of finance office staff; it requires staff throughout the Department of the Interior (DOI) to work together. One critical group’s participation necessary for the process to be successful is bureau program managers. The *Program Managers Guide to Financial Audits* will be beneficial in communicating to program managers their responsibilities in completing the financial statement audit process on a timely basis.

As a reminder, note disclosures do not require work paper submission when the supporting data is purely Standard General Ledger driven. The majority of note disclosures will continue to require completion of data entry to the FOOT_008 Chart of Accounts in Hyperion and the completion of a note template. These templates will include the Hyp Data tab and the Draft Data tab. See the attached table for specific requirements relative to each disclosure.

Each bureau shall provide the following deliverables, as applicable:

Monthly Requirements

- Hyperion data load;
- Elimination Entries, detail files, and unbilled/advance reports;
- Child trial balance report to non-DOI parents, as applicable; and
- Trial Balance Relationship Template.

Quarterly Requirements

Quarterly Requirements include the Monthly requirements listed above in addition to the items listed below. Please see the attached table for detailed information.

- Applicable accruals and/or adjusting entries to include those provided by the Department of Labor and the Office of Personnel Management;
- Financial Statement Variance Analysis Template (quarter to quarter);

- Financial Manager's Checklist Template (see attached);
- Designated Footnote Templates, (required 3rd and 4th quarters. The Stewardship Assets Note is required in the 3rd and 4th quarter packages);
- Designated narrative text, when specific or unique information is disclosed related to the specific bureau in the consolidated AFR (required 3rd and 4th quarters);
- Required Supplementary Information and Required Supplemental Stewardship Information, when specific or unique information is disclosed related to the specific bureau in the consolidated AFR, (e.g., deferred maintenance; stewardship/heritage asset condition information (required 3rd and 4th quarters);
- Other accompanying information when specific or unique information is disclosed related to the specific bureau in the consolidated AFR (required 3rd and 4th quarters);
- Non-Generally Accepted Accounting Principles Analysis;
- Statement of Budgetary Resources to Standard Form 133 Reconciliation - as requested by PFM; and
- Distributed Offsetting Receipts Reconciliation Template as applicable.

Year-End Requirements

Year-End Requirements include the Monthly and Quarterly requirements listed above in addition to the items listed below.

- Trial Balance Verification Letter following the required format;
- Management Representation Letter following the required format; and
- GFRS Templates following the required format.

Refer to the 2013 Bureau Financial Statement Folder on the X Drive for the required templates.

Attachment

cc: Financial Statement Guidance Team
Finance Officers Partnership

Cancelled FMMs: n/a

Additional FMMs on the Subject: 2011 – 014