



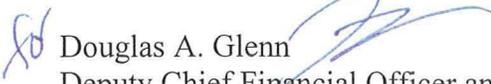
United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

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FINANCIAL MANAGEMENT MEMORANDUM 2015 – 022 (Vol. II.E)

To: Bureau Chief Financial Officers
Bureau Senior Asset Management Officers

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

Debra E. Sonderman
Director 
Office of Acquisition and Property Management

Subject: Asbestos Liability Sampling

The Federal Accounting Standards Advisory Board Technical Bulletin 2006-1, *Recognition and Measurement of Asbestos-Related Cleanup Costs*, requires that Federal agencies estimate the cost to remove asbestos containing materials and record a liability for those costs in financial statements. The *Department of the Interior (DOI) Asbestos Liability Reporting Methodology and Guidance*, dated May 2014, and Financial Management Memorandum 2013-023 (Vol. II.B), dated July 2013, *Accounting Guidance for the Recognition of Liability and Related Expenses for Asbestos-Related Cleanup Costs Associated with Real Property*, outlines DOI's approach and methodology for estimating accrued and disclosed asbestos-related cleanup costs.

The DOI's methodology to estimate its asbestos liability leverages data elements, e.g., legal interest, user status, construction completion date, DOI asset code, gross square footage, etc., which reside in the real property module of DOI's Financial and Business Management System (FBMS). The asbestos liability estimate depends heavily on the accuracy of the data elements used in the methodology. To test the accuracy of the data elements and the related controls in FBMS, DOI independent auditors KPMG LLP (KPMG), have selected the attached sample from DOI's real property population as of March 31, 2015. The auditors have also selected some assets in the sample set for site visits and additional guidance on site visits are provided to bureaus separately. Note that the KPMG audit sampling process is different from Fiscal Year (FY) 2013 and FY 2014, in which samples were selected from the PricewaterhouseCoopers LLP statistical sample as a smaller subset.

The Office of Financial Management (PFM) will coordinate with bureaus on submitting supporting documentation for the samples. For each item in the sample, reviewers should electronically submit adequate documentation validating the critical data elements to their bureau audit points of contact (POC) listed below. Bureaus will submit samples via PFM's SharePoint site in accordance with the attached instructions. Bureaus may begin uploading documents immediately and must submit the completed samples by no later than **June 26, 2015**. Each

sampled item must be submitted with the Asbestos Liability Sampling Form (see attached template). Please note that the form asks bureaus to identify the person who prepares the sample and provide his/her e-mail and phone number. This person should be able to answer questions about the assets and information submitted. The table below lists bureau audit POCs who may be able to assist with bureau-level questions.

Bureau	Point of Contact	E-mail
Bureau of Land Management	Luis Coppa	LCoppa@blm.gov
Bureau of Reclamation	Linda Griswold	LGriswold@usbr.gov
Bureau of Reclamation	Henri Kaplan	HKaplan@usbr.gov
Indian Affairs	Chantal Dobbins	Chantal.Dobbins@bia.gov
Indian Affairs	Jaime Rullan	Jaime.Rullan@bia.gov
National Park Service	Elizabeth Withers	Elizabeth_Withers@nps.gov
U.S. Geological Survey	Matthew Coulby	MCoulby@usgs.gov
U.S. Geological Survey	Debbie Sykes	Dasykes@usgs.gov
U.S. Fish and Wildlife Service	Moe Kabiri	Moe_Kabiri@fws.gov
U.S. Fish and Wildlife Service	Carlton Morris	Carlton_Morris@fws.gov

In addition to the KPMG audit sample, PFM has engaged Kearney & Company, P.C. to assess the accuracy of real property attributes in FBMS and the associated controls to validate and project the asbestos liability estimate generated through the DOI methodology. Bureaus should utilize the forms attached to this memo when submitting documentation for the statistical sample as well.

If you have any questions concerning the contents of this memorandum, please feel free to contact Sherry Lee, Staff Accountant in PFM, at (202) 219-4096 or via e-mail at Sherry_Lee@ios.doi.gov.

Attachments

Asbestos Liability Sampling Form and Instructions
 Instructions for Uploading Documents to SharePoint
 KPMG Asbestos Liability Samples