



BUREAU OF THE
Fiscal Service
U.S. DEPARTMENT OF THE TREASURY

CFOC Audit and Reporting Working Group Update

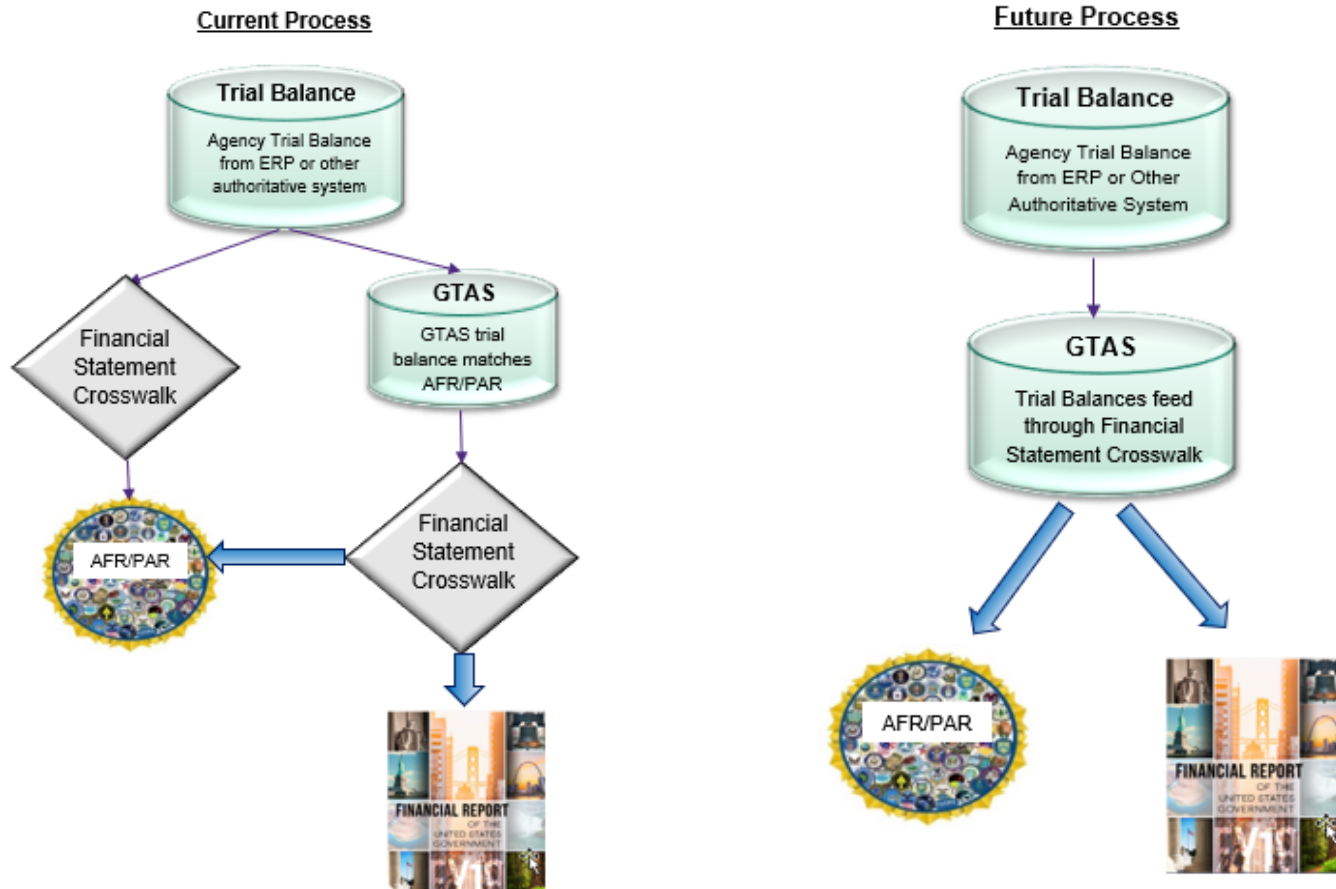
May 2021

Background

- CFOC Audit and Reporting Working Group
 - Past Projects
 - Eliminate Closing Package and Full Financial Statement Audit for 40 Significant Entities
 - Current Projects
 - Further Leverage Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS) Data (Focused for 40 Significant Entities)
 - Streamlining Financial Reporting and Audit for Small Entities (122+ Other Entities)

Can We Leverage GTAS for Agency Financial Statements?

Today federal entities produce financial statements from trial balances residing in their core financial systems. Those trial balances are also cross-walked into GTAS trial balances used to produce the Financial Report of the U.S. Government. The result is a bifurcated reporting process. Could these two reporting streams be merged for a more cost-effective, less burdensome, and more consistent approach across the Executive Branch?

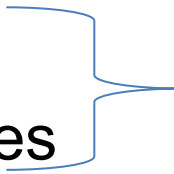


What Would It Take?

- Standardize Financial Statements and Footnotes
- Obtain appropriate level of detail needed in GTAS for agencies (e.g., level and types of financial statement and footnote breakouts)
- Obtain Statement on Standards for Attestation Engagement (SSAE) No. 18 System and Organization Controls (SOC) 1 needed for agencies assurance to rely on the GTAS process as a reporting tool
- Implement various reports and drill down capabilities needed in GTAS to make the agency financial statements useful

Can We Streamline Reporting & Audit for Small Entities?

- Reporting entity for the Financial Report of the U.S. Government 165 agencies
 - 24 CFO Act Agencies
 - 16 Additional Significant Entities
 - 125 Small Entities
- Should the financial reporting and audit requirements of all 165 be the same?
- In May 2020 a small agency working group was established to identify options and recommend ways to streamline financial reporting and audit for small agencies



Over 99% of
Assets, Liabilities,
Revenue, Expenses

What Are Some Options?

- Recommendation from working group
 - Short-term – Exempt small agencies from financial reporting requirements that are only needed for Financial Report
 - Mid-term – Eliminate or streamline MD&A for small agencies (FASAB change)
 - Long-term – Explore/pilot consolidating small agencies financial statements and audits (legislation change)
- Next Steps
 - Socialize with all 165 agencies in the Financial Report
 - Set up working group to develop a plan for the long-term recommendation