GTAS and Closing Package Update

Jaime M. Saling
April 18, 2018
Since 1997, the Bureau of the Fiscal Service has compiled agency financial data to prepare the consolidated Financial Report of the U.S. Government, and has consecutively received a disclaimer from GAO.

The Issue: A Disclaimer of Opinion

Three Primary Impediments

- DoD
- Compilation
- IGT

Disclaimer
GTAS Update

• FY 2018 Reporting
  o No changes to closing package process
• FY 2019 Reporting
Current State

Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS)

 Modules 6-8 Manual Entry

Governmentwide Financial Reporting System (GFRS)

Disclaimer

Current State

Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS)

 Modules 6-8 Manual Entry

Governmentwide Financial Reporting System (GFRS)

Disclaimer
Phase 1 Objectives:
- Gap analysis between GFRS/Cognos
- Compare production FR to FR produced from the parallel process
- Identify back office changes needed to support the new process (agency certifications and closing package procedures)
System Environment for FR Compilation - FY 2019

Phase 2 Objectives:
- Position FA to decommission GFRS
- Single point of entry for agency users
- Modernize certifications for Closing Package approvers
- Continue to support traceability between agency audited financial statements and governmentwide statements
### What Does this Mean to You?

<table>
<thead>
<tr>
<th>FY 2018</th>
<th>FY 2019</th>
</tr>
</thead>
</table>
| **No Changes** to the Closing Package Process | • No more GFRS!  
• Is a full financial audit needed on the Closing Package? (AUPs or Examination) |
Disclaimer of Opinion

12 Remain...

We need your help!

HELP WANTED
Progress: Compilation Impediment

• Preparation of the Financial Report
  o Legal Letters – Usage of Unable to Determine
  o Criminal Debt
  o Risk Assumed
  o System User Accounts
Plans: Compilation Impediment

- Preparation of the Financial Report
  - Legal Representation Letters - Aggregate
    - Management Schedules
    - Four agencies with higher thresholds
  - Treaties
    - TFM 2-4700 Section 4705.65
      - Category 1 – No commitment to spend money
      - Category 2 – Commitment to spend money
      - Category 3 – Potential obligation to spend money
Reporting Entity

• Determining the organizations and entities included in the consolidated reporting entity for the Financial Report
  o Effective October 1, 2017
  o TFM 2-4700 Appendix 5b
  o Agency review and concurrence annually
  o Auditor preliminary review by July 2018
Progress: Compilation Impediment

• Budget Statements
  o Document the “why” behind each reconciling line
  o Analyze the “other” lines
  o Line analysis to tie to audited financial statements
  o Audit assurance over the Budget Deficit
Intragovernmental Impediment

IGT Data Quality
Completing the IGT Model
IGT Accomplishments – Trend Analysis

Pre-JV Differences between FY16 and FY17 reduced by 23% or $321Billion.

<table>
<thead>
<tr>
<th>FISCAL YEAR</th>
<th>TOTAL IGT DIFFERENCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$163,589,925,945,410.00</td>
</tr>
<tr>
<td>2015</td>
<td>$12,399,948,566,047.10</td>
</tr>
<tr>
<td>2016</td>
<td>$1,369,805,741,908.21</td>
</tr>
<tr>
<td>2017</td>
<td>$1,048,461,073,065.37</td>
</tr>
</tbody>
</table>
Agency Name (Agency Acronym) Intragovernmental Transactions (IGT) Scorecard - DRAFT

Source Data: FY20XX, QX

Objective: To highlight Intragovernmental differences requiring attention, identify root causes, and monitor agency progress on implementing corrective action plans for addressing the differences.

Summary:
Below is a snapshot of the agency’s Intragovernmental Transactions (IGT) scorecard:
- Ranking: Agency Acronym ranks as the X-largest contributor for total IGT differences.
- Reconciliation items:
  - Buy/Sell total IGT differences of $XXX Million.
  - Transfers total IGT differences of $XXX Million.
- Agency was compliant with X out of 2 Treasury Authoritative Sources.
- Agency was in balance with X out of 2 Non-Treasury Authoritative Sources.
- There were minimal or no reported differences in the following sub-categories:
  - Investments and Borrowings
  - Non-Verifying/Non-Reporting differences:

<table>
<thead>
<tr>
<th>Judiciary/Legislative</th>
<th>Office of Administration</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,223,430,212.12</td>
<td>$91,173,623,650.77</td>
</tr>
</tbody>
</table>

*Note: Judiciary/Legislative entity differences are excluded from the reported IGT difference amounts in this scorecard. However, these differences are being monitored accordingly.

Agency Contribution to IGT Difference:

<table>
<thead>
<tr>
<th>Change Rank</th>
<th>Agency Name</th>
<th>Total Differences</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Department of Homeland Security</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>General Services Administration</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Department of the Army</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Department of Justice</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Railroad Retirement Board</td>
<td></td>
</tr>
</tbody>
</table>

As of QX, the agency has approximately $XXX in IGT differences and is the X-largest contributor to total IGT differences.

Agency Sub-Category Breakout:

<table>
<thead>
<tr>
<th>DIFFERENCES BY IGT SUB-CATEGORY IN Q2 FY15</th>
<th>DIFFERENCES BY GENERAL FUND SUB-CATEGORY IN Q2 FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers 15%</td>
<td>FRMT 4%</td>
</tr>
<tr>
<td>Investments 6%</td>
<td>Authority 0%</td>
</tr>
<tr>
<td>Borrowings 0%</td>
<td>Other GF RCs 2%</td>
</tr>
<tr>
<td>Benefits 5%</td>
<td>Non-Entity Transactions 98%</td>
</tr>
<tr>
<td>Buy/Sell 88%</td>
<td></td>
</tr>
</tbody>
</table>

Differences by IGT Sub-Category:

<table>
<thead>
<tr>
<th>Investments</th>
<th>Borrowings</th>
<th>Benefits</th>
<th>Buy/Sell</th>
<th>Transfers</th>
</tr>
</thead>
<tbody>
<tr>
<td>$116,884,824.62</td>
<td>$9,050,242.86</td>
<td>$4,174,056.26</td>
<td>$2,230,596,940.07</td>
<td>$358,343,140.44</td>
</tr>
</tbody>
</table>

Differences by General Fund Sub-Category:

<table>
<thead>
<tr>
<th>Fund Balance With Treasury (FDWT)</th>
<th>Authority</th>
<th>Non-Entity Transactions</th>
<th>Other GF RCs</th>
</tr>
</thead>
<tbody>
<tr>
<td>$39,859,229.29</td>
<td>$1,835,586,196.73</td>
<td>$23,712,766.86</td>
<td></td>
</tr>
</tbody>
</table>

- The largest differences were reported in the __________ sub-category.
- XX% of differences in the __________ sub-category are located in __________.
- Minimal or no differences were reported in the Investments and Borrowings sub-categories.

Quarter-to-Quarter Snapshot:

IGT Differences Trend Analysis

Change in Differences from Previous Quarter:

<table>
<thead>
<tr>
<th>Investments</th>
<th>Borrowings</th>
<th>Benefits</th>
<th>Buy/Sell</th>
<th>Transfers</th>
</tr>
</thead>
<tbody>
<tr>
<td>($2,125,106,296.50)</td>
<td>($36,010,351.50)</td>
<td>($206,325,869.66)</td>
<td>($22,531,281.73)</td>
<td>($3,526,628,934.71)</td>
</tr>
</tbody>
</table>

- Total IGT differences increased by $X from the previous quarter.
- The OPM Benefits and Transfers sub-categories experienced a _____ in reported differences.
- The _____ ($X) _____ was the largest contributor to the overall _____.

Findings presented on this scorecard are generated using unadjusted data reported to Fiscal Service, quarterly.

FS Form TP Code=20XX QX-______ DEPARTMENT OF THE TREASURY FISCAL SERVICE
Intradepartmental (Intra-entity) IGT Data

Why do we care about the “immaterial” Intradepartmental data that isn’t eliminated on the agency financial statements?
Future IGT Plans

- Continue the following initiatives:
  - Intragovernmental Scorecard Program
  - Monitor the Root Cause Analysis and Corrective Action Plan documentation provided by the agencies
  - Material Difference Reporting and Certification
- Evaluate the usage of “non-reciprocating” USSGL accounts
- Enhance TFM 2-4700 guidance (Appendix 10) on Intragovernmental Business Rules
- Improve or develop USSGL guidance impacting IGT
- Support the G-Invoicing Initiative aimed at improving communication and reducing differences in the Buy/Sell Sub-Category
How you can help...

- Reevaluate the thresholds set by the agency and auditors for Legal Representation letters if it is close to governmentwide
- Include Treaties and Other International Agreements as part of audit procedures
- Perform a preliminary review of the reporting entity by July 2018
- Become familiar with the top level journal vouchers that Treasury does on audited data and try to address at the agency level
- Ensure there are valid reasons that Intradepartmental (Intra-entity) Data is on Agencies Audited Financial Statements.
- Ensure valid and supported reasons for manual adjustments needed to reconcile GTAS data to Agencies Audited Financial Statements
- Provide input through FSAN on future audit model for Closing Package in FY 2019
Contact Information

Jaime M. Saling
Department of the Treasury
Bureau of the Fiscal Service
(304) 480-5129
Jaime.Saling@fiscal.treasury.gov