

Memoranda 01-10 -- Upcoming Statutory Requirements for Financial Management Reporting

February 14, 2001

M-01-10

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES SUBJECT TO THE CHIEF FINANCIAL OFFICERS (CFO) ACT

FROM: Mitchell E. Daniels, Jr.

Director

SUBJECT:Upcoming Statutory Requirements for Financial Management Reporting

Among your other duties, the Government Management Reform Act of 1994 requires that your agency's FY 2000 financial statements be issued by **March 1, 2001**.

This puts you in the awkward position of having to make representations and assurances about a financial statement that reflects the activities of the previous Administration. These representations and assurances are similar to those required in the preparation and issuance of financial statements in the private sector.

On such a short notice, you probably will need to rely heavily on your CFO or Acting CFO if you want your agency to comply with all statutory requirements and adhere to all due dates. In order to obtain a "clean" opinion on its financial statement, your agency will need to comply with these statutory requirements and deadlines.

I ask that you take the steps necessary to comply with the law without compromising your assessment of the financial condition of your agency during the previous year. Your transmittal letter accompanying the financial statement can be used for making it clear that these statements are for the prior year ended under the previous Administration.

There are a number of other requirements related to your agency's financial management activities, including a statutory responsibility that requires OMB to advise on CFO appointments in your agency and to approve agency CFO organizational structures. If you have any questions or would like

additional information on these matters, I encourage you to consult with your agency's CFO or call Joe Kull, Deputy Controller of OMB, at 202-395-3993.