



December 2, 2005

RICHARD J. STRASSER, JR.
CHIEF FINANCIAL OFFICER AND EXECUTIVE VICE PRESIDENT

SUBJECT: Audit Report – Agreed-upon Procedures Report for Federal
Intragovernmental Transactions (Report Number FT-AR-06-006)

Attached is a copy of the report provided to the Department of the Treasury's Financial Management Service (FMS) and the Government Accountability Office (GAO) (Project Number 05BM008FT000). The report is provided for information only and requires no management action.

At the request of FMS, we performed the agreed upon procedures to assist them in the preparation of, and GAO in the audit of, the consolidated financial statements of the U.S. Government as of and for the year ended September 30, 2005.

If you have any questions, please contact Lorie Siewert, Director, Financial Statements, or me at (703) 248-2300.

E-Signed by Gordon Milbourn 
VERIFY authenticity with Approved
Gordon C. Milbourn III

Gordon C. Milbourn III
Assistant Inspector General
for Audit

Attachments

cc: Lynn Malcolm
Vincent H. DeVito
Margaret A. Weir
Steven R. Phelps



December 2, 2005

FAYE McCREARY
FINANCIAL MANAGEMENT SERVICE, DEPARTMENT OF THE TREASURY

LYNDA DOWNING
GOVERNMENT ACCOUNTABILITY OFFICE

SUBJECT: Agreed-upon Procedures Report on Closing Package
Intragovernmental Activity and Balances

We have performed the procedures described in the attachment, which were agreed to by the Department of the Treasury's Financial Management Service (FMS), the Government Accountability Office (GAO), and the Office of Management and Budget (OMB) as stated in the *FMS Agency Reporting Requirements for the Financial Report of the United States Government* guidance, solely to assist FMS in the preparation of, and GAO in the audit of, the consolidated financial statements of the U.S. Government as of and for the year ended September 30, 2005. Postal Service management is responsible for the proper accounting, presentation, and reporting of its consolidated financial statements and reporting of information to FMS.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the *Government Auditing Standards*, issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of FMS, GAO, and OMB. Consequently, we make no representations regarding the sufficiency of the procedures described in the attachment either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our associated findings are presented in the attachment.

We were not engaged to, and did not perform an audit of, the matters addressed herein, the objective of which would be the expression of an opinion on such information. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Postal Service, FMS, GAO, and OMB and is not intended to be, and should not be, used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

If you have any questions, please contact me at (703) 248-2300.

E-Signed by Gordon Milbourn 
VERIFY authenticity with ApproveIt
Gordon C. Milbourn III

Gordon C. Milbourn III
Assistant Inspector General
for Audit

Attachment

AGREED-UPON PROCEDURES

Procedure	Finding
<p>Evaluated intragovernmental activity and balances as follows:</p> <ol style="list-style-type: none"> 1. Obtain all <i>Intragovernmental Closing Package Line Item</i> reports from Module 4 of GFRS for intragovernmental activity/balances supporting the Closing Package Reclassified Balance Sheet Federal Assets and Liabilities, Reclassified Statement of Net Cost's Federal Gross Cost and Federal Earned Revenue, and Reclassified Statement of Changes in Net Position's Federal Nonexchange Revenue and Budgetary and Other Financing Sources. 2. Compare the <i>Intragovernmental Closing Package Line Item</i> reports from Module 4 of GFRS for intragovernmental activity/balances by Federal line item totals and/or trading partner activity/balances to the agency's general ledger and the RSI data from the audited financial statements. Identify any differences. 3. Compare trading partner activity/balances from Intragovernmental RSI schedules in agency's audited financial statements to the agency's <i>Intragovernmental Closing Package vs 4th Quarter Submission Comparative Data Report</i> and the <i>Intragovernmental Closing Package Material Differences/ Status of Disposition Certification Report</i> (Section II of the CFO Representations). For items where agency reporting differences exist, 	<p>Obtained all data.</p> <p>No differences were found in comparing to the audited general ledger account balances. No comparison was made to RSI data because the Postal Service was not required to submit RSI data.</p> <p>This step was not applicable – RSI data was not submitted.</p>

<p>compare the explanations to supporting documentation and identify any discrepancies.</p>	
<p>4. On November 23, 2005, FMS will generate and distribute the <i>Intragovernmental Comparative Closing Package Explanation of Differences Report</i> for Intragovernmental activity/balances to agency IGs. Agency IGs/Auditors will use this report to:</p> <ol style="list-style-type: none"> 1. Compare the differences between the agency and its trading partners by reciprocal category/line-item from FMS' <i>Intragovernmental Comparative Closing Package Explanation of Differences Report</i> to explanations from the agency supporting documentation. For items where agency reporting differences exist, compare the explanations to supporting documentation and identify any discrepancies. 2. Identify any inconsistencies in amounts or explanations between FMS' <i>Intragovernmental Comparative Closing Package Explanation of Differences</i> reports and agency's supporting documentation. 3. In the event of non-reporting by trading partners, as indicated in the footer section of FMS' <i>Intragovernmental Comparative Closing Package Explanation of Differences</i> reports, identify whether 	<p>The explanations and amounts reported in the <i>Intragovernmental Comparative Closing Package Explanations of Differences Report</i> were adequately supported. There were no non-reporting trading partners in the report.</p>

the difference is due to a non-reporting partner and do not proceed further with the review of the differences.

5. Identify and include copies of internal control findings related to intragovernmental activities from the financial statements audit, including items cited in the management letter. Also, identify and report auditor-proposed intragovernmental adjustments that were waived by the agency.

There were no internal control findings related to intragovernmental activities from the financial statements audit, and there were no waived adjustments related to intragovernmental activities from the audit.