

Financial Reporting Risks	Outcomes Demonstrating Audit Readiness	Key Supporting Documents	Suggested Test Procedures
Appropriations Used			
AU.3	Appropriations Used included in the financial statements are recorded at incorrect amounts or valued on an inappropriate basis (V) (Wave 4 – SCNP, ROMM #9)	Appropriations Used included in the financial statements are valued correctly, using an appropriate valuation basis (Wave 4 – SCNP, FRO #3)	Select a sample of journal vouchers from the universe of transactions and: <ul style="list-style-type: none"> • Obtain appropriate documentation that adequately supports the journal voucher • Review the nature of the journal voucher for reasonableness • Determine whether the transaction has been appropriately classified in the SCNP
AU.4	The reporting entity does not have rights to recorded Appropriations Used at a given date (R) (Wave 4 – SCNP, ROMM #13)	The reporting entity has the rights to the recorded Appropriations Used at a given date (Wave 4 – SCNP, FRO #4)	
AU.5	IT General and Application Controls may not be appropriately designed or operating effectively (FISCAM)	All material systems achieve the relevant FISCAM IT general- and application-level general control objectives	See FIAR Guidance Section 3.D.2, "Systems (IT) Controls," for additional details related to IT General and Application Controls audit readiness activities

Footnote Disclosures

In addition to ensuring the audit readiness of its own Appropriations Used balance, a reporting entity must provide data that is complete and accurate to OUSD(C) for the preparation of the Disclosures Related to the Statement of Changes in Net Position included in Note 19 of the FY 2014 DoD Agency Financial Report. OMB Circular A-136, *Financial Reporting Requirements*, also specifies requirements for SCNP footnote disclosures that reporting entities must consider for standalone and consolidated reporting purposes.

5.D.3.2 OTHER FINANCING SOURCES - OTHER

Because the Other Financing Sources – Other account balance is material to the DoD Consolidated SCNP, reporting entities must be able to reconcile this account balance and ensure that adequate documentation exists to support transactions recorded to the account. Per OMB Circular A-136, *Financial Reporting Requirements*, this account should include financing sources that do not represent budgetary resources and are not otherwise classified in other line items on the SCNP.

Audit Readiness Considerations

The following table presents financial reporting risks, outcomes demonstrating audit readiness and KSDs specific to Other Financing Sources - Other. In order to assert audit readiness for this line item, reporting entities must demonstrate that effective controls are in place to achieve the audit readiness outcomes relative to the risk associated with the assertion (as noted in the table). The suggested test procedures can be used to test key controls operating within the business processes affecting Other Financing Sources - Other, and assess the availability of KSDs that support the controls and amounts recorded.

Financial Reporting Risks	Outcomes Demonstrating Audit Readiness	Key Supporting Documents	Suggested Test Procedures
Other Financing Sources - Other			
OT.1	Other Financing Sources - Other may not pertain to the reporting entity, may not be representative of amounts of transactions entered into by the reporting entity, or may be improperly classified and summarized (E) (Wave 4 – SCNP, ROMM #2)	Recorded Other Financing Sources - Other represent amounts of transactions actually entered into by the reporting entity and are properly classified (Wave 4 – SCNP, FRO #5)	<p>General ledger account reconciliations for USSGL accounts with activity included in Other Financing Sources – Other (e.g., 719000 – Other Gains, 729000 – Other Losses, etc.)</p> <p>General ledger account detail for USSGL accounts with activity during the period included in Other Financing Sources – Other</p>
OT.2	Recorded Other Financing Sources - Other may not include all amounts used by the reporting entity, or may not be summarized accurately in the financial statements (C) (Wave 4 – SCNP, ROMM #6)	All Other Financing Sources - Other are recorded in the correct period and are properly summarized (Wave 4 – SCNP, FRO #6)	<p>Posting logic for transactions that impact USSGL accounts included in Other Financing Sources – Other</p> <p>Reconcile the balance of Other Financing Sources – Other per the SCNP to the underlying the general ledger account detail for USSGL accounts with activity during the period included in the Other Financing Sources – Other balance on the SCNP (universe of transactions)</p>
OT.3	Other Financing Sources - Other included in the financial statements are recorded at incorrect amounts or valued on an inappropriate basis (V) (Wave 4 – SCNP, ROMM #10)	Other Financing Sources - Other included in the financial statements are valued correctly, using an appropriate valuation basis (Wave 4 – SCNP, FRO #7)	<p>Select a sample of journal vouchers from the universe of transactions and:</p> <ul style="list-style-type: none"> Obtain appropriate documentation that adequately supports the journal voucher Review the nature of the journal voucher for reasonableness Determine whether the transaction has been appropriately classified in the SCNP
OT.4	The reporting entity does not have rights to or obligations for amounts posted to Other Financing Sources – Other at a given date (R) (Wave 4 – SCNP, ROMM #14)	The reporting entity has rights to or obligations for amounts posted to Other Financing Sources – Other at a given date (Wave 4 – SCNP, FRO #8)	
OT.5	IT General and Application Controls may not be appropriately designed or operating effectively (FISCAM)	All material systems achieve the relevant FISCAM IT general- and application-level general control objectives	See FIAR Guidance Section 3.D.2, "Systems (IT) Controls," for additional details related to IT General and Application Controls audit readiness activities

Footnote Disclosures

In addition to ensuring the audit readiness of its own Other Financing Sources - Other balance, a reporting entity must provide data that is complete and accurate to OUSD(C) for the preparation of the Disclosures Related to the Statement of Changes in Net Position included in Note 19 of the FY 2014 DoD Agency Financial Report. OMB Circular A-136, *Financial Reporting Requirements*, also specifies requirements for SCNP footnote disclosures that reporting entities must consider for standalone and consolidated reporting purposes.