

5.D.3.3 APPROPRIATIONS RECEIVED

The Appropriations Received balance on the SCNP reflects amounts appropriated from Treasury general fund receipts that are not earmarked by law for a specific purpose. The balance will not necessarily agree with the Appropriations Received balance reported on the SBR because of differences between proprietary and budgetary accounting concepts and reporting. For example, certain dedicated and earmarked receipts are recorded as Appropriations Received on the SBR, but are recognized as exchange or non-exchange revenue for the SCNP and are reported in accordance with SFFAS No. 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*.

Audit Readiness Considerations

The following table presents financial reporting risks, outcomes demonstrating audit readiness and KSDs specific to Appropriations Received. 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 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 Appropriations Received, 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
Appropriations Received			
AD.1	Recorded Appropriations Received may not exist at a given date, do not pertain to the reporting entity, or may be improperly classified and summarized (E) (Wave 4 – SCNP, ROMM #3)	Recorded Appropriations Received represent amounts actually received by the reporting entity and are properly classified (Wave 4 – SCNP, FRO #9)	<p>General ledger account reconciliations for USSGL account 310100 – Unexpended Appropriations – Appropriations Received</p> <p>General ledger account detail for USSGL account 310100 – Unexpended Appropriations – Appropriations Received</p> <p>Reconcile Appropriations Received per the SBR to Appropriations Received per the SCNP</p> <p>Identify the general ledger account detail comprising the balance of any differences between Appropriations Received per the SBR and Appropriations Received per the SCNP (universe of transactions)</p>
AD.2	Valid Appropriations Received may be omitted from financial statements or may be improperly classified and summarized (C) (Wave 4 – SCNP, ROMM #7)	All Appropriations Received are recorded in the proper accounting period and are accurately classified and summarized (Wave 4 – SCNP, FRO #10)	<p>Posting logic for transactions that impact USSGL account 310100 – Unexpended Appropriations – Appropriations Received</p> <p>Select a sample of journal vouchers from the universe of transactions and:</p>
AD.3	Appropriations Received included in the financial statements are recorded at incorrect amounts or valued on an inappropriate basis (V) (Wave 4 – SCNP, ROMM #11)	Appropriations Received included in the financial statements are valued correctly, using an appropriate valuation basis (Wave 4 – SCNP, FRO #11)	<p>Other documentation to support journal vouchers posted to USSGL account 310100 – Unexpended Appropriations – Appropriations Received</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
AD.4	The reporting entity does not have rights to recorded Appropriations Received at a given date (R) (Wave 4 – SCNP, ROMM #15)	The reporting entity has rights to recorded Appropriations Received at a given date (Wave 4 – SCNP, FRO #12)	

	Financial Reporting Risks	Outcomes Demonstrating Audit Readiness	Key Supporting Documents	Suggested Test Procedures
Appropriations Received				
AD.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 Received 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.3.4 OTHER ADJUSTMENTS

Because the Other Adjustments 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. This account includes adjustments to unexpended appropriations. Examples of adjustments include rescissions, capital transfers and cancellations of expired appropriations

Audit Readiness Considerations

The following table presents financial reporting risks, outcomes demonstrating audit readiness and KSDs specific to Other Adjustments. 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 Adjustments, 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 Adjustments				
OT.1	Other Adjustments 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 #4)	Recorded Other Adjustments represent amounts of transactions actually entered into by the reporting entity and are properly classified (Wave 4 – SCNP, FRO #13)	General ledger account reconciliations for USSGL account 310600 – Unexpended Appropriations – Adjustments General ledger account detail for USSGL account 310600 – Unexpended Appropriations – Adjustments	Review the posting logic within the general ledger and determine whether transactions impacting the Other Adjustments line item on the SCNP map to the correct accounts in accordance with the USSGL Reconcile the balance of Other Adjustments per the