

Waves 2-4 Assertion Tasks- TI-97 Audits/Examinations
 Assertion Package Review Workplan and Results (2015)

Assertion Task Category	Assertion Task Number	Assertion Task	DoD Designated Examinations		Open Comments (Y/N)
			Due Date	Actual Date	
REPORTING ENTITY					
Pre-Assertion Milestones and Deliverables, including Assertion Strategy	1.A	<p>Present Assertion Strategy and Schedule to the FIAR Directorate for Addressing:</p> <p>(1) SBR Balances Brought Forward</p> <p>(2) All Open Appropriations on SBR</p> <p>(3) Any Remaining Budgetary Resources on SBR</p> <p>(4) Critical Financial Statement Line Items (Fund Balance with Treasury; Inventory and Related Property (Note 2); General Property, Plant, and Equipment (GPP&E) (Note 3); and Environmental and Disposal Liabilities);</p> <p>(5) Remaining (“Non-Critical”) Material Financial Statement Line Items on the Full Financial Statements (e.g., Accounts Receivable, Other Assets, Accounts Payable, Other Liabilities, Gross Costs, Earned Revenue).</p> <p><i>The assertion strategy should present the planned approach for addressing the items in Tasks 1.A.1 – 1.A.14.</i></p>	See Dates in Tasks 1.A.1 – 1.A.14 Below		
	1.A.1	<p>CRITICAL PATH TASK (Fund Balance with Treasury): Perform Aging Analysis on Total Budgetary Resources and Provide to the FIAR</p>	2/20/2015		

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		Directorate, Along with Plan for Reconciling Fund Balance with Treasury (FIAR Meth. 1.4.4)			
	1.A.2	CRITICAL PATH TASK (Fund Balance with Treasury): Plan for performing complete reconciliation (including all controls in place to support, age, and resolve differences) for Outlays/Fund Balance with Treasury/ unobligated balances between general ledger (G/L), and disbursing systems, and Treasury for all material active/expired appropriations	2/20/2015		
	1.A.3	CRITICAL PATH TASK (Universe of Accounting Transaction): Plan for producing a universe of transactions from accountable property systems of record (APSRs) reconciled from universe to the accounting system to the financial statements	2/20/2015		
	1.A.4	CRITICAL PATH TASK (Historical Property Existence, Completeness, and Valuation): Plan for identifying all historical property valuation (existence and completeness) and establishing historical property values (including Inventory and Related Property and G-PP&E)	2/20/2015		
	1.A.5	CRITICAL PATH TASK (Sustaining Property Existence, Completeness, and Valuation): Plan for sustaining processes to identify all property (existence and completeness) and processes to value property (including inventory and Related Property and G-PP&E)	2/20/2015		

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1.A.6	CRITICAL PATH TASK (Environmental Liabilities): Plan for identifying and valuing environmental liabilities	2/20/2015		
1.A.7	CRITICAL PATH TASK (Universe of Accounting Transactions): Plan for producing a universe of accounting transactions and details for line items with balances brought forward, including sensitive activities, reconciled from the universe to the general ledger (G/L) trial balances produced by the accounting systems to all financial statement lines	2/20/2015		
1.A.8	CRITICAL PATH TASK (Feeder System Reconciliations): Plan for performing complete reconciliations (including all controls in place to support, age, and resolve differences) for:	2/20/2015		
1.A.8.a	CRITICAL PATH TASK (Feeder System Reconciliations): Funding between accounting system and funds distribution systems	2/20/2015		
1.A.8.b	CRITICAL PATH TASK (Feeder System Reconciliations): Obligations between accounting system and obligating systems (e.g., contract writing)	2/20/2015		
1.A.8.c	CRITICAL PATH TASK (Feeder System Reconciliations): Accounting system to feeder systems	2/20/2015		
1.A.9	CRITICAL PATH TASK (Journal Vouchers): (1) Plan for analyzing Journal Vouchers, performing root cause analysis of Journal Vouchers, and implementing corrective actions to address root causes (2) Plan for implementing processes and controls to review, approve, and	2/20/2015		

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		support remaining Journal Vouchers			
	1.A.10	Plan for aligning applicable financial reporting objectives (FROs) to assertion strategy and how those FROs will be address	3/31/2015		
	1.A.11	Plan for aligning Service Provider roles and systems with the Reporting Entity's assertion in a coordinated plan to document, test, and remediate controls	3/31/2015		
	1.A.12	Plan for integration of tie-points between budgetary and proprietary accounts	3/31/2015		
	1.A.13	Plan for addressing effectiveness of information technology (FISCAM) controls over all relevant systems meeting FISCAM criteria (including APSRs and systems relevant to working capital funds (working capital fund accounting systems, working capital fund feeder systems, etc.)) (<i>FIAR Meth. 1.2.5</i>)	3/31/2015		
	1.A.14	Plan for developing a sufficient audit infrastructure to respond to auditors' requests (requirements for human capital, tools, etc.), including being able to provide key supporting documents (KSDs), including Journal Vouchers, supporting: <ul style="list-style-type: none"> (1) SBR balances brought forward, (2) All open appropriations on SBR, (3) Any remaining budgetary 	3/31/2015		

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		<p>resources on SBR,</p> <p>(4) Existence, completeness, and rights assertions, and</p> <p>(5) All remaining financial statement line items.</p>			
	1.B	<p>Present Test Results to the FIAR Directorate from Initial Controls/KSD Testing for:</p> <p>Remaining Assertions for SBR Balances Brought Forward, All Open Appropriations on SBR, and Any Remaining Budgetary Resources on SBR (<i>FIAR Meth. 1.3.4 & 1.4.6</i>)</p> <p>Remaining Assertions for All Non-Critical, Material Financial Statement Line Items (Full Financial Statements—including material line items such as Accounts Receivable, Other Assets, Accounts Payable, Other Liabilities, Gross Costs, Earned Revenue) (<i>FIAR Meth. 1.3.5. & 1.4.6</i>)</p> <p>Present All Corrective Action Plans to the FIAR Directorate (<i>FIAR Meth. 2.2</i>)</p>	6/30/2015		

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<p>Corrective Actions Completed and Reporting Entity Assertion</p>	<p>1.C</p>	<p>Implement Procedures, Processes, and Controls (from Tasks 1.A.1 – 1.A.9) Related to Critical Financial Statement Line Items (<i>FIAR Meth. 2.1.1 & 2.1.2</i>)</p> <p>Implement Corrective Action Plans (from Task 1.B) Related to Non-Critical, Material Financial Statement Line Items (All remaining items from Task 1.A (Tasks 1.A.10-1.A.14))</p> <p>Verify Corrective Action Plans have been implemented and confirm Audit Readiness Dealbreakers have been addressed (<i>FIAR Meth. 2.4</i>)</p> <p>Assert on Audit Readiness of full financial statements to the FIAR directorate</p>	<p>9/30/2015</p>		
<p>Validation</p>	<p>1.D</p>	<p>FIAR Validation/IPA Validation (Audit Readiness Examination) of Full Financial Statements</p> <p>For Reporting Entities progressing straight to audit readiness examinations, IPAs performing audit readiness examinations will validate the Reporting Entities’ assertions** <i>DISA, USTRANSCOM, and the Reporting Entities included in the DoD Designated Examination category will undergo IPA validation.</i></p> <p><i>“As of Date” for Balance Sheet Covered by IPA Audit Readiness Examination</i></p> <p><i>Period of SBR, Statement of Net Cost, and Statement of Changes in Net Position Covered by IPA Audit Readiness Examination</i></p>	<p>10/1/15-3/31/16</p> <p>12/31/2015</p> <p>10/1/2015 – 12/31/2015</p>		

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		For Reporting Entities included in the DoD Designated Examinations category (WHS, MDA, DSCA, DoDEA, Other TI-97 Funds Provided	10/1/2016 – 3/31/2017		
		to the Army, DARPA, CBDP, DTRA, DCMA, JCS), IPAs will perform a second audit readiness examination of the SBR, Balance Sheet, Statement of Net Cost, and Statement of Changes in Net Position to determine whether deficiencies identified during the previous audit readiness examination have been remediated.			
		<i>“As of Date” for Balance sheet Covered by IPA Audit Readiness Examination</i>	12/31/2016		
		<i>Period of SBR, Statement of Net Cost, and Statement of Changes in Net Position Covered by IPA Audit Readiness Examination</i>	10/1/2016 – 12/31/2016		
Corrective Actions	1.E	Reporting Entity Implements Corrective Actions (as a result of FIAR/IPA Validation completed in Task 1.D), Conducts Regular Briefings to FIAR Directorate on Plan and Progress for Addressing Corrective Actions, and Resubmits Assertion to FIAR Directorate once Corrective Actions are Complete	6/30/2017		
Audit Start	1.F	Perform “Dry Runs” in Preparation for Start of Audit	7/1/2017 – 9/30/2017		
Audit Start	1.G	Full, Stand-Alone Financial Statement Audit Readiness Examination	10/1/2017- 6/30/18		
	1.G	The Reporting Entities included in the DoD Designated Examinations category (WHS, MDA, DSCA,	10/1/2017- 6/30/18 3/31/2018		

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		DoDEA, Other TI-97 Funds Provided to the Army, DARPA, CDBP, DTRA, DCMA, JCS) will continue undergoing annual audit readiness Examinations while also being audited as a part of the DoD agency-wide financial statement audit.			
		“As of Date” for Balance Sheet Covered by Audit Readiness Examination	3/31/2018		
		Period of Statement of Budgetary Resources Covered by Audit Readiness Examination	10/1/2017 – 3/31/2018		

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Assertion Task Category:	Pre-Assertion Milestones and Deliverables, including Assertion Strategy
Assertion Task and Number:	<p>1.A Present Assertion Strategy and Schedule to the FIAR Directorate for Addressing (<i>FIAR Meth. 1.2.5</i>):</p> <ul style="list-style-type: none"> (1) SBR Balances Brought Forward; (2) All Open Appropriations on SBR; (3) Any Remaining Budgetary Resources on SBR; (4) Critical Financial Statement Line Items (Fund Balance with Treasury; Inventory and Related Property (<i>Note 2</i>); General Property, Plant, and Equipment (GPP&E) (<i>Note 3</i>); and Environmental and Disposal Liabilities); (5) Remaining (“Non-Critical”) Material Financial Statement Line Items on the Full Financial Statements (e.g., Accounts Receivable, Other Assets, Accounts Payable, Other Liabilities, Gross Costs, and Earned Revenue). <p><i>The assertion strategy should present the planned approach for addressing the items in Tasks 1.A.1 – 1.A.14. Reporting Entity WBS 1.2.5; Service Provider WBS 1.3.5</i></p>
Assertion Task Description:	<p>The assertion strategy should document the Reporting Entity's planned approach for addressing audit readiness dealbreakers critical to an assertion on full financial statements.</p> <p>The assertion strategy format should generally be a detailed written narrative document that identifies the critical path/milestones that need to be met to achieve the assertion tasks and specifies roles and responsibilities for achieving the assertion tasks. The assertion strategy should be presented to the FIAR Directorate in two parts:</p> <ul style="list-style-type: none"> (1) The first part of the assertion strategy will focus on critical financial statement line items (Fund Balance with Treasury; Inventory and Related Property; General Property, Plant, and Equipment; Environmental and Disposal Liabilities). When presenting the strategy for these items, the Reporting Entity must specify dates for periodic follow up with the FIAR Directorate to review progress. (2) The second part of the assertion strategy will include all remaining (“non- critical”) material financial statement line items (e.g., Accounts Receivable, Other Assets, Accounts Payable, Other Liabilities, Gross Costs, Earned Revenue). <p><i>The assertion strategy for critical and non-critical financial statement line items, detailed in Tasks 1.A.1 – 1.A.14 below, is implemented in Task 1.C.</i></p> <p>By documenting the assertion strategy and providing it to the FIAR Directorate for review early in the process, the FIAR Directorate will be able to provide feedback on the proposed approach for achieving the assertion. For critical issues (e.g., aging of balances brought forward, methodology for historical property valuation), FIAR will consolidate strategies and facilitate discussions with the DoD Office of Inspector General and Government Accountability Office for feedback/concurrence.</p>

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Procedures:	<p>Review the Assertion Strategy and Schedule ensuring that it:</p> <ol style="list-style-type: none"> 1. Clearly defines the scope of the assertion; If anything is considered immaterial or out of scope, it should be documented why 2. Documents the Reporting Entity's planned approach for addressing audit readiness dealbreakers critical to an assertion including critical and non-critical balances on the SBR, Balance Sheet, and Statement of Net Cost. Dealbreakers and tasks that must be addressed include: <ol style="list-style-type: none"> a. FBwT Aging Analysis (1.A.1) b. Plan for providing universe of transactions and reconciliations- Feeder System to G/L and G/L to DDRS-AFS Financial Statements, including beginning balances and FBWT (1.A.2, 1.A.3, 1.A.7, 1.A.8-1.A.8.c) <ol style="list-style-type: none"> i. Including all controls in place to support, age, and resolve differences c. Plan for identifying historical property, establishing values, and plan for sustainment (1.A.4 and 1.A.5) d. Plan for identifying and valuing environmental liabilities (1.A.6) e. Plan for analyzing JVs, analyzing root cause, corrective actions, and implementing processes and controls to review, sort, and approve JVs (1.A.9) f. Plan for aligning FROs to assertion strategy and how those FROs will be addressed (1.A.10) g. Plan for aligning Service Provider roles and systems with the Reporting Entity's assertion in a coordinated plan to document, test, and remediate controls (1.A.11) h. Plan for integration of tie points between budgetary and proprietary accounts (1.A.12) i. Plan for addressing effectiveness of information technology (FISCAM) controls over all relevant systems (A.1.13) j. Plan for developing an audit infrastructure to respond to auditor's requests including providing KSDs and JVs (1.A.14) 3. Specifies the roles and responsibilities, critical path/milestones, and timeline for achieving assertion tasks
Results of Procedures:	
Follow-up:	

Assertion Task Category:	Pre-Assertion Milestones and Deliverables, including Assertion Strategy
Assertion Task and Number:	<p>1.A.1 CRITICAL PATH TASK (<i>Fund Balance with Treasury</i>): Perform Aging Analysis on Total Budgetary Resources and Provide to the FIAR Directorate, Along with Plan for Reconciling Fund Balance with Treasury.</p> <p><i>FIAR Meth. 1.4.4.</i></p>
Assertion Task Description:	<p>Determine how many past years of supporting documentation are needed to support balances brought forward on the SBR by aging current total budgetary resources by budget fiscal year, going back as far as necessary to get 99% coverage of the total balance.</p> <p><i>See Section 5.C.1 of the FIAR Guidance for further information related to balances brought forward, and see Section 5.D.1.1 of the FIAR Guidance for further information related to Fund Balance with Treasury.</i></p>

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Procedures:	<ol style="list-style-type: none"> 1) Determine whether the reporting entity/service provider performed an aging analysis for FBWT and brought forward balances. 2) If reporting entity has completed an aging analysis review it to determine if: <ol style="list-style-type: none"> a) The detail used in the aging analysis reconciles to the corresponding total on the trial balance and/or financial statement line item within 99% b) The reporting entity has determined to which fiscal year each line item relates c) The reporting entity summarized the detail amounts by fiscal year to determine how many years of electronic data and supporting documentation are needed to support the audit readiness assertion d) The analysis appears reasonable based on the reporting entity's typical appropriation life (years) e) The reporting entity determined how long to retain documentation based on the fiscal years in the analysis
Results of Procedures:	
Follow-up:	

Assertion Task Category:	Pre-Assertion Milestones and Deliverables, including Assertion Strategy
Assertion Task and Number:	1.A.2 CRITICAL PATH TASK (<i>Fund Balance with Treasury</i>): Plan for performing complete reconciliation (including all controls in place to support, age, and resolve differences) for Outlays/Fund Balance with Treasury/ unobligated balances between general ledger (G/L), disbursing systems, and Treasury for all material active/expired appropriations.
Assertion Task Description:	Describe plan for implementing reconciliation from accounting system (G/L) to source feeder system for disbursements and to Treasury records for Fund Balance with Treasury, ensuring that--for all open appropriations and all available budgetary resources--disbursements recorded in the accounting system exist, that all disbursements are recorded accurately in the accounting system, and that Fund Balance with Treasury amounts recorded in the accounting system reconcile to Treasury records.

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Procedures:	<p>Review the plan to ensure that it addresses the following:</p> <ol style="list-style-type: none"> 1) The plan for implementing processes and controls to support complete reconciliations from source feeder systems for disbursements (entitlement systems such as CAPS-W and MOCAS) to the accounting system (G/L) and to Treasury records for FBWT <ol style="list-style-type: none"> a. differences between the G/L accounts (proprietary and budgetary) and Treasury’s Government Wide Accounting (GWA) account statement, b. transactions posted to budget clearing accounts (“suspense” accounts), and c. transactions reported on Treasury’s Statement of Differences (e.g., deposits, EFT, and checks issued). d. The timeline for full implementation of the DRRT reconciliation should be identified 2) Strategy/plan for implementing a full FBWT reconciliation on a go-forward basis including processes to identify differences, track and age those differences, and resolve the differences
Results of Procedures:	
Follow-up:	

Assertion Task Category:	Pre-Assertion Milestones and Deliverables, including Assertion Strategy
Assertion Task and Number:	1.A.3 CRITICAL PATH TASK (<i>Universe of Accounting Transactions</i>): Plan for producing a universe of transactions from accountable property systems of record (APSRs) reconciled from universe to the accounting system to the financial statements
Assertion Task Description:	Describe process for producing a universe of APSR details. The universe must reconcile to the accounting system. Implement processes and controls to identify differences, track and age those differences, and resolve the differences. <i>See Section 2.C.3 of the FIAR Guidance for further information on this assertion task. .</i>
Procedures:	<p>Review the plan to ensure that it addresses the following:</p> <ol style="list-style-type: none"> 1) Processes and controls to support complete reconciliations from the APSR to the accounting system (G/L) and financial statements. This includes: <ol style="list-style-type: none"> a) All APSR systems b) Process for producing a universe of APSR details c) Process for reconciling the universe to the accounting system d) Parties responsible for performing individual reconciliations 2) Strategy/plan for implementing a full APSR to G/L to F/S reconciliation on a go-forward basis including processes to identify differences, track and age those differences, and resolve the differences
Results of Procedures:	

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Follow-up:	
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Assertion Task Category:	Pre-Assertion Milestones and Deliverables, including Assertion Strategy
Assertion Task and Number:	1.A.4 CRITICAL PATH TASK (<i>Historical Property Existence, Completeness, and Valuation</i>): Plan for identifying all historical property (existence and completeness) and establishing historical property values (including Inventory and Related Property and G-PP&E)
Assertion Task Description:	Document strategy/methodology for identifying all historical property (existence and completeness) and validating/supporting original acquisition cost, depreciation method and accumulated depreciation, placed-in-service date, and useful life of historical assets.
Procedures:	Review the plan to ensure that it addresses the following: <ol style="list-style-type: none"> 1) The methodology or steps to be taken to ensure that all historical property is identified 2) Description of the processes and controls for ensuring all identified historical property is recorded (Completeness) 3) Description of the processes and controls for ensuring that all recorded historical property is placed in service, serviceable, and retained by the entity (Existence/Valuation) 4) Strategy/plan for validating/determining acquisition cost, depreciation method and accumulated depreciation, placed-in-service date, and useful life of existing assets. 5) Plan should include rationale for depreciation methods, useful life, and determination of acquisition cost of existing assets
Results of Procedures:	
Follow-up:	

Assertion Task Category:	Pre-Assertion Milestones and Deliverables, including Assertion Strategy
Assertion Task Number and Description:	1.A.5 CRITICAL PATH TASK (<i>Sustaining Property Existence, Completeness, and Valuation</i>): Plan for sustaining processes to identify all property (existence and completeness) and processes to value property (including inventory and Related Property and G-PP&E)
Assertion Task Description:	Document the strategy/methodology for supporting and sustaining business processes to identify all property (existence and completeness) and business processes to support asset valuation, including determination of acquisition cost, appropriate depreciation method, placed-in-service date, and useful life of assets, on a go-forward basis.

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Procedures:	<ol style="list-style-type: none"> 1) Review the strategy/plan to make sure it includes rationale for the following: <ol style="list-style-type: none"> a) Processes and controls in place to ensure that retired or expired assets are properly removed from the accounting records on a go-forward basis b) Processes and controls in place to ensure that newly acquired assets are recorded completely and timely on a go-forward basis c) Valuation of new asset acquisitions, including determining an asset's acquisition cost, appropriate depreciation method, placed-in-service date, and useful life on a go-forward basis d) Plan for retention, storage, and retrieval of KSDs supporting the valuation of property on a go-forward basis
Results of Procedures:	
Follow-up:	

Assertion Task Category:	Pre-Assertion Milestones and Deliverables, including Assertion Strategy
Assertion Task and Number:	1.A.6 CRITICAL PATH TASK (<i>Environmental Liabilities</i>): Plan for identifying and valuing environmental liabilities
Assertion Task Description:	Document strategy/methodology for ensuring all environmental liabilities pertaining to the Reporting Entity are properly valued and included on the Reporting Entity's financial statements.
Procedures:	<ol style="list-style-type: none"> 1) Review the strategy/plan to identify, value, and record all existing environmental and disposal liabilities. <ol style="list-style-type: none"> a) Validate that the plan addresses completeness
Results of Procedures:	
Follow-up:	

Assertion Task Category:	Pre-Assertion Milestones and Deliverables, including Assertion Strategy
Assertion Task and Number:	1.A.7 CRITICAL PATH TASK (<i>Universe of Accounting Transactions</i>): Plan for producing a universe of accounting transactions and details for line items with balances brought forward, including sensitive activities, reconciled from the universe to the general ledger (G/L) trial balances produced by the accounting systems to all financial statement

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	lines
Assertion Task Description:	<p>Describe planned process for producing a universe of accounting transaction details and details for line items with balances brought forward, including sensitive activities. The universe details must reconcile to the G/L trial balances produced by the accounting systems and to all lines on the SBR, Balance Sheet, Statement of Net Cost, and Statement of Changes in Net Position. Discuss plan for implementing processes and controls to identify differences, track and age those differences, and resolve the differences.</p> <p>For transaction-based lines, plan to produce a listing of accounting transactions for a period of time (e.g., a complete fiscal year). For line items with balances brought forward, plan to produce a listing of open balances that comprise the balances brought forward as of a point in time (e.g., end of the fiscal year).</p> <p><i>See Section 2.C.2 of the FIAR Guidance for further information on this assertion task.</i></p>
Procedures:	<p>Verify that the plan:</p> <ol style="list-style-type: none"> 1) Includes processes and controls to support complete reconciliations of balances brought forward going from the universe of transactions (detail from the feeder system) to the accounting system (G/L) and financial statements. This includes: <ol style="list-style-type: none"> a) All applicable systems b) Process for producing a universe of transactions (both for a period of time and a point in time) c) Process for reconciling the universe of transactions to the accounting system d) Parties responsible for generating the universe of transactions and performing individual reconciliations 2) Includes the strategy for implementing processes and controls for full feeder system to G/L to F/S reconciliation on a go-forward basis including processes to identify differences, track and age those differences, and resolve the differences
Results of Procedures:	
Follow-up:	

Assertion Task Category:	Pre-Assertion Milestones and Deliverables, including Assertion Strategy
Assertion Task and Number:	<p>1.A.8, & 1.A.8a-8c CRITICAL PATH TASK (<i>Feeder System Reconciliations</i>):</p> <p>Plan for performing complete reconciliations (including all controls in place to support, age, and resolve differences) for:</p> <ol style="list-style-type: none"> a) 1.A.8.a Funding between accounting system and funds distribution systems b) 1.A.8.b Obligations between accounting system and obligating systems (e.g., contract writing) c) 1.A.8.c Accounting system to feeder systems
Assertion Task Description:	Describe plan for implementing processes and controls to support complete reconciliations from accounting system (G/L) to feeder systems and financial statements. A complete reconciliation should include processes to identify differences, track and age those differences, and resolve the differences. Responsibility for performing individual reconciliations should be determined through coordination between the

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	<p>Reporting Entity and any Service Providers. Included in the plan, describe the plan for implementing reconciliations from:</p> <ul style="list-style-type: none"> a) Accounting system (G/L) to source feeder system for funds distribution, ensuring that--for all open appropriations and all available budgetary resources--appropriations recorded in the accounting system exist and that all appropriations received are recorded accurately in the accounting system. b) Accounting system (G/L) to source feeder system for obligations, ensuring that--for all open appropriations and all available budgetary resources--obligations recorded in the accounting system exist and that all obligations are recorded accurately in the accounting system. c) Accounting system (G/L) to all relevant feeder systems
Procedures:	<p>For each of the task areas above, the plan should include:</p> <ul style="list-style-type: none"> 1) Processes and controls to support complete reconciliations from feeder systems to accounting system (G/L) and financial statements <ul style="list-style-type: none"> a) A complete reconciliation should include processes to identify differences, track and age those differences, and resolve the differences and the timeframe for doing so. 2) Identification of key systems (feeder, G/L, financial reporting) for which reconciliations are needed. Examples may include: <ul style="list-style-type: none"> a) Funding distribution- PBAS b) Obligation- SPS, DTS, AXOL c) Outlays- CAPS-W, MOCAS, DCPS d) Accounting system (G/L)- DAI, WAAS, DBMS e) Financial reporting- DDRS-B, DDRS-AFS 3) Responsibility Parties for: <ul style="list-style-type: none"> a) Performing individual reconciliations- this should be determined through coordination between the Reporting Entity and any Service Providers. b) Gathering detail transactions from systems to perform the reconciliations 4) Timeline for completing all key reconciliations and plan for sustainment on a go-forward basis (i.e. monthly, quarterly, annual reconciliations)
Results of Procedures:	
Follow-up:	

Assertion Task Category:	Pre-Assertion Milestones and Deliverables, including Assertion Strategy
Assertion Task and Number:	<p>1.A.9 CRITICAL PATH TASK (<i>Journal Vouchers</i>):</p> <ul style="list-style-type: none"> 1) Plan for analyzing Journal Vouchers, performing root cause analysis of Journal Vouchers, and implementing corrective actions to address root causes. 2) Plan for implementing processes and controls to review, approve, and support remaining Journal Vouchers.

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Assertion Task Description:	Describe the plan for: <ol style="list-style-type: none"> 1) Performing root cause analysis of Journal Vouchers; 2) Identifying categories of causes for material Journal Vouchers (e.g., Fund Balance with Treasury, elimination entries, tie-points); 3) Assigning responsibilities and timelines for addressing root cause of Journal Vouchers; 4) Implementing corrective actions to address root causes; and 5) Implementing processes and controls to ensure Journal Vouchers are reviewed, approved, and supported.
Procedures:	Review the Reporting Entity’s plan to ensure it includes: <ol style="list-style-type: none"> 1) A process to determine the root cause and responsible party for performing the analysis 2) How the categories of causes for material Journal Vouchers will be identified 3) Identification of the parties responsible for performing the analysis of Journal Vouchers and the establishment of a timeline that allows for Journal Vouchers to be analyzed on a regular go-forward basis 4) Steps to be taken to correct issues identified by the root cause analysis on a current and go-forward basis 5) Processes and operational controls to ensure Journal Vouchers are processed timely and accurately with proper supporting documentation, approval and review processes <ol style="list-style-type: none"> a. This should also include plan for the retention, storage and retrieval of Journal Voucher supporting documents
Results of Procedures:	
Follow-up:	

Assertion Task Category:	Pre-Assertion Milestones and Deliverables, including Assertion Strategy
Assertion Task and Number:	1.A.10 Plan for aligning applicable financial reporting objectives (FROs) to assertion strategy and how those FROs will be addressed
Assertion Task Description:	Identify FROs relevant to an assertion including: <ol style="list-style-type: none"> (1) SBR balances brought forward, including open obligations (which should be substantiated through recurring triannual reviews of open obligations); (2) all open appropriations on the SBR; (3) any remaining budgetary resources on the SBR (e.g., unobligated balances from prior periods remain available for obligation and pertain to the reporting entity); (4) existence and completeness for Inventory and Related Property and G-PP&E; and (5) all remaining assertions for all financial statement lines (e.g., G-PP&E balances and all the transactions they accumulate are recorded at correct amounts, and are properly classified and described in the financial statements).

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	Map relevant FROs to the tasks in the assertion strategy; describing how each of those FROs will be addressed. All relevant FROs must be achieved through a combination of control activities and/or key supporting documents (KSDs).
Procedures:	<p>Ensure that the plan:</p> <ol style="list-style-type: none"> 1) Identifies FROs relevant to an assertion including: <ol style="list-style-type: none"> a. SBR balances brought forward (Section 5.C.1 of the FIAR Guidance), b. All open appropriations on the SBR, and c. Any remaining budgetary resources on the SBR d. Inventory and related property (Section 5.D.1.4 of the FIAR Guidance) e. GPP&E (Section 5.D.1.5 of the FIAR Guidance) f. All remaining assertions for all financial statement lines 2) Maps relevant FROs to the tasks in the assertion strategy, describing how each of the FROs will be addressed. All relevant FROs must be achieved through a combination of control activities and/or key supporting documents (KSDs). Determine if: <ol style="list-style-type: none"> a. End to end processes are covered, including service provider roles/FROs; identifies who is responsible (reporting entity, service provider) for each FRO
Results of Procedures:	
Follow-up:	

Assertion Task Category:	Pre-Assertion Milestones and Deliverables, including Assertion Strategy
Assertion Task and Number:	1.A.11 Plan for aligning Service Provider roles and systems with the Reporting Entity's assertion in a coordinated plan to document, test, and remediate controls
Assertion Task Description:	Identify all Services Providers performing a role in assertion processes/systems/controls, identify processes/systems/controls in assertion affected by each Service Provider, and determine level/types of support in audit readiness efforts. Ensure there is a strategy to document, test, and remediate processes/systems/controls either by the Service Provider or by the Reporting Entity.
Procedures:	<p>Ensure that the plan identifies:</p> <ol style="list-style-type: none"> 1) All Services Providers performing a role in assertion processes/systems/controls 2) The FROs that each Service Provider is responsible for 3) The level/types of support in audit readiness efforts 4) Timeline for developing Service Level Agreements/Memo of Understanding (SLAs/MOUs) 5) A strategy to document, test, and remediate processes/systems/controls either by the Service Provider or by the Reporting Entity.
Results of Procedures:	

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Follow-up:	
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Assertion Task Category:	Pre-Assertion Milestones and Deliverables, including Assertion Strategy
Assertion Task and Number:	1.A.12 Plan for integration of tie-points between budgetary and proprietary accounts
Assertion Task Description:	Identify key budgetary to proprietary tie-points and plan for validation.
Procedures:	<p>Review the plan to ensure that it:</p> <ol style="list-style-type: none"> 1) Tie-point analyses are conducted on trial balances that are produced by reporting entity accounting systems before they are input into the Defense Departmental Reporting System (DDRS). 2) In instances where a reporting entity encounters a tie-point relationship that does not balance, the root cause should be determined and corresponding corrective actions should be implemented in a timely manner. Corrective actions should be adequately documented to ensure the existence of a sufficient audit trail. 3) Covers all of the tie-points laid out in the FIAR Guidance: <ol style="list-style-type: none"> a) Tie-point reconciliations related to FBWT should include: $4221 + 4251 + 4450 + 4510 + 46X0 + 4700 + 4720 + 48X1 + 49X1 = 1010$ b) Tie-point reconciliations related to Accounts Receivable should include: $1310 + 1320 + 1340 + 1360 = 4251$ c) Tie-point reconciliations related to Other Assets should include: $48X2 = 14XX$ (i.e., Budgetary Undelivered Orders Prepaid = Proprietary Advances to Vendors) d) Tie-point reconciliations related to Accounts Payable should include: $49X1 = 21XX, 221X$ e) Tie-point reconciliations related to Other Liabilities should include: $4222 = 2310$ (i.e., Budgetary Unfilled Customer Orders with Advances = Proprietary Advances from Customers) f) Tie-point reconciliations related to Revenue should include: <ol style="list-style-type: none"> i) $(4901, \text{Ending Balance} - 4901, \text{Beginning Balance}) + 4902 + 4971 + 4972 + 4981 + 4982 = 6100 + 63X0 + 6400 + 6900 + 8802$ ii) $5200 = (4251, \text{Ending Balance} - 4251, \text{Beginning Balance}) + 4252$ g) Tie-point reconciliations related to Gross Costs should include: $6100 + 6400 + 6610 = (4901, \text{Ending Balance} - 4901 \text{ Beginning Balance}) + 4902$
Results of Procedures:	
Follow-up:	

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Assertion Task Category:	Pre-Assertion Milestones and Deliverables, including Assertion Strategy
Assertion Task and Number:	1.A.13 Plan for addressing effectiveness of information technology (FISCAM) controls over all relevant systems meeting FISCAM criteria (including APSRs and systems relevant to working capital funds (working capital fund accounting systems, working capital fund feeder systems, etc.)) (FIAR Meth. 1.2.5)
Assertion Task Description:	Describe plan for assessing effectiveness of information technology (FISCAM) controls (e.g., APSRs, working capital fund-specific accounting systems, working capital fund-specific feeder systems).
Procedures:	Review the Reporting Entity's plan to ensure: <ul style="list-style-type: none"> 1) All key systems are identified 2) The relevant FIAR Guidance FISCAM objectives/SSAE 16 control objectives are documented <ul style="list-style-type: none"> a) The plan for testing (and where applicable, remediating) IT controls b) Responsible Parties are identified (i.e. Reporting Entity, Service Provider)
Results of Procedures:	
Follow-up:	

Assertion Task Category:	Pre-Assertion Milestones and Deliverables, including Assertion Strategy
Assertion Task and Number:	1.A.14 Plan for developing a sufficient audit infrastructure to respond to auditors' requests (requirements for human capital, tools, etc.), including being able to provide key supporting documents (KSDs), including Journal Vouchers, supporting: <ul style="list-style-type: none"> (1) SBR balances brought forward, (2) All open appropriations on SBR, (3) Any remaining budgetary resources on SBR, (4) Existence, completeness, and rights assertions, and (5) All remaining financial statement line items.
Assertion Task Description:	Describe plan to put resources in place to build and maintain audit infrastructure. Identify organizations responsible for supporting responses to auditors' requests, and document roles and responsibilities among those organizations. Describe plan for testing ability to provide all major types of KSDs, including Journal Vouchers, in response to auditor requests. Plan should document strategy for developing and implementing an automated/IT solution for a KSD repository (in order to maintain KSDs that do not currently have a central storage and retrieval location, which will help the Reporting Entity respond to auditor requests for KSDs in a timely manner).

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	<i>The line item tables in Section 5 of the FIAR Guidance identify KSD requirements for material financial statement line items.</i>
Procedures:	<p>Ensure that plan includes:</p> <ol style="list-style-type: none"> 1) Organization structure, including overall audit POCs, and support POCs <ol style="list-style-type: none"> a) Identify POCs for each business process and IT systems and Service Providers 2) List of POCs responsible for supporting documentation retrieval to respond to auditors' requests <ol style="list-style-type: none"> a) Method for easy document retrieval (i.e. central repository) b) Identify the documentation review structure within the Reporting Entity, if any, prior to it being provided to the auditor 3) Roles and responsibilities among different areas of the Reporting Entity and Service Providers 4) Provides complete listing of all major types of KSDs including Journal Vouchers 5) Documents strategy for developing and implementing an automated/IT solution for a KSD repository (in order to maintain KSDs that do not currently have a central storage and retrieval location, which will help the Reporting Entity respond to auditor requests for KSDs in a timely manner). <ol style="list-style-type: none"> a) Identifies the points of contacts (POCs) at these various locations to resourcefully and successfully request the KSDs during testing.
Results of Procedures:	
Follow-up:	

Assertion Task Category:	Pre-Assertion Milestones and Deliverables, including Assertion Strategy
Assertion Task and Number:	<p>1.B Present Test Results to the FIAR Directorate from Initial Controls/KSD Testing for:</p> <p>Remaining Assertions for SBR Balances Brought Forward, All Open Appropriations on SBR, and Any Remaining Budgetary Resources on SBR (FIAR Meth. 1.3.5 & 1.4.6)</p> <p>Remaining Assertions for All Non-Critical, Material Financial Statement Line Items (Full Financial Statements—including material line items such as Accounts Receivable, Other Assets, Accounts Payable, Other Liabilities, Gross Costs, Earned Revenue) (FIAR Meth. 1.3.5 & 1.4.6)</p> <p>Present All Corrective Action Plans to the FIAR Directorate (FIAR Meth. 2.2)</p>
Assertion Task Description:	<p>Perform tests of controls for all controls in the “as-is” environment that will be relied on for assertion in Task 1.C. These tests only relate to the non-critical items and do not include processes, procedures, and controls related to the critical line items identified in Tasks 1.A.1 – 1.A.6. Also, perform tests of existence of KSDs.</p> <p>Summarize results for both tests of controls and tests of existence of KSDs and present test results to the FIAR Directorate. For tests of</p>

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	<p>controls, determine whether testing exceptions are the result of design deficiencies or operating deficiencies.</p> <p>Present all detailed corrective action plans (reflecting the “to-be” environment) that will remediate identified internal controls and KSD deficiencies to the FIAR Directorate. Corrective action plans must include timelines for implementing the “to-be” solution and describe how the "to-be" solution will be implemented, such as by updating policies and procedures, preparing systems design documents, or drafting documentation templates.</p>
Procedures:	<ol style="list-style-type: none"> 1) At a minimum, test plans should include the following: <ol style="list-style-type: none"> a) risk, b) financial statement assertion, c) description of control activity, d) test objective, e) testing period, f) test method (inquiry, walkthrough/observation, examination, re-performance), g) control type (manual or automated), h) control frequency, i) population and sample size j) criteria for effectiveness / tolerable exceptions, k) location of testing, l) test description/procedures, and m) contact information of person performing test. 2) Ensure the sample size selected was in accordance with Financial Improvement Audit Readiness (FIAR) Guidance/FAM requirements. 3) Review test results to verify that the test description/procedures were followed, supporting documentation was obtained and evaluated, the location and source of supporting documentation was assessed, and document retention periods were verified. Note that supporting documentation does not need to be included in the assertion documentation; however, it should be available upon request. 4) Do the test results support management's assertion whether: <ol style="list-style-type: none"> a) The control is operating effectively? (e.g., testing pass rates are consistent with Financial Improvement Audit Readiness (FIAR) Guidance / GAO’s FAM. b) The transactions and balances are appropriately supported with adequate supporting documentation? (e.g., extrapolated errors are immaterial as compared to materiality, consistent with the FIAR Guidance Appendix D, Figure 8. 5) For failed controls, has management appropriately demonstrated how they were able to overcome the control failure? (e.g., through redundant or mitigating controls, additional substantive procedures, etc.) 6) For areas where insufficient supporting documentation was noted, has management appropriately demonstrated how they were able to overcome the lack of documentation? e.g., a) Through corrective action and retesting, or b) through alternative procedures to demonstrate that the risk of unsupported transactions/balances is immaterial, or c) through secondary documentation that provides sufficient indirect support to satisfy relevant financial statement assertions. 7) Are there risks where no controls have been identified to mitigate the risk? If yes, have other procedures been identified that demonstrate the risk is immaterial? 8) Review test results and if deficiencies were found in testing, verify all deficiencies were identified, and that sufficient corrective actions were developed and a timeline has been identified for remediation
Results of	

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Procedures:	
Follow-up:	

Assertion Task Category:	Corrective Actions Completed and Reporting Entity Assertion
Assertion Task and Number:	<p>1.C Implement Procedures, Processes, and Controls (from Tasks 1.A.1 – 1.A.9) Related to Critical Financial Statement Line Items (FIAR Meth. 2.1.1 & 2.1.2)</p> <p>Implement Corrective Action Plans (from Task 1.B) Related to Non-Critical, Material Financial Statement Line Items (All Remaining Items from Task 1.A (Tasks 1.A.10 – 1.A.14))</p> <p>Verify Corrective Actions Plans Have Been Implemented and Confirm Audit Readiness Dealbreakers Have Been Addressed (FIAR Meth. 2.4)</p> <p>Assert on Audit Readiness of Full Financial Statements to the FIAR Directorate</p>
Assertion Task Description:	<p>After incorporating feedback received from the FIAR Directorate on the proposed assertion strategy for critical financial statement line items (Tasks 1.A.1 – 1.A.9 above), implement all procedures, processes, and controls that will be relied on for assertion.</p> <p>Implement corrective action plans (from Task 1.B) to remediate identified internal controls and KSD deficiencies for material financial statement line items.</p> <p>Once all corrective actions have been completely implemented and are verified to be operating as designed for both critical and non-critical items, individual Reporting Entities assert on the audit readiness of their full financial statements (including SBR balances brought forward, all open appropriations on SBR, any remaining budgetary resources on SBR not previously asserted, existence and completeness for Inventory and Related Property and G-PP&E, and any remaining assertions for all financial statement line items).</p>
Procedures:	<ol style="list-style-type: none"> 1) Verify corrective action plans have been implemented 2) Verify that audit readiness “dealbreakers” have been addressed. 3) Review assertion letter to determine if the Reporting Entity has asserted audit readiness on full financial statements
Results of Procedures:	
Follow-up:	