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Fiscal Service

U.S. DEPARTMENT OF THE TREASURY

Intragovernmental Eliminations: Completing the Governmentwide Intragovernmental Transaction (IGT) Model

Kirstie Pottmeyer

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Agenda

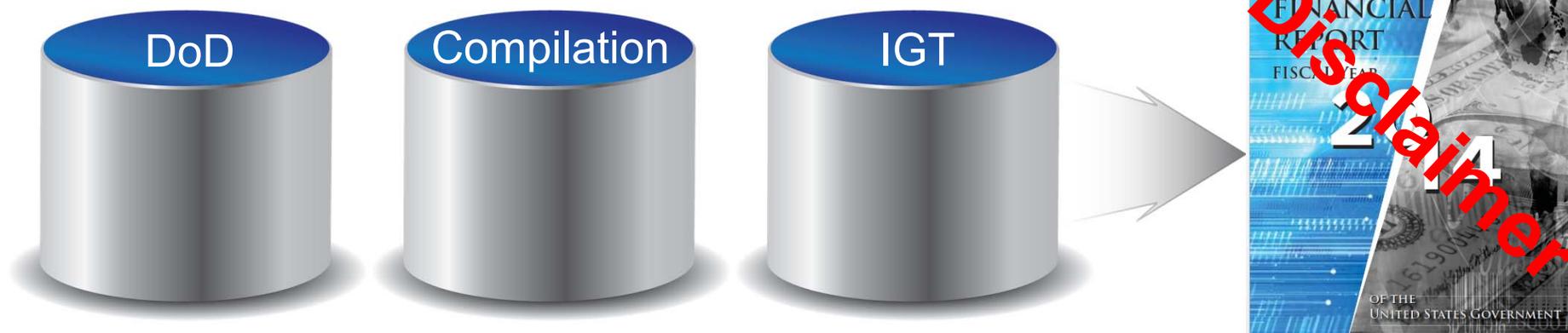
- IGT Material Weakness
- Completing the Governmentwide IGT Model
 - Where have we been?
 - Where are we now?
 - What's on the horizon?
- Questions

IGT Material Weakness

History of Material Weakness for the U.S. Government

- As it has for each of the past **18 fiscal years**, the U.S. Government Accountability Office (GAO) issued a disclaimer of opinion on the FY2014 Financial Report of the U.S. Government. In its report, GAO cited the government's difficulty to "***adequately account for and reconcile intra-governmental activity and balances between Federal entities***" as a material weakness and a major impediment to expressing an opinion.

Three Primary Impediments



WHERE HAVE WE BEEN?

Completing the Governmentwide IGT Model

Completing the IGT Model

IGT Accomplishments

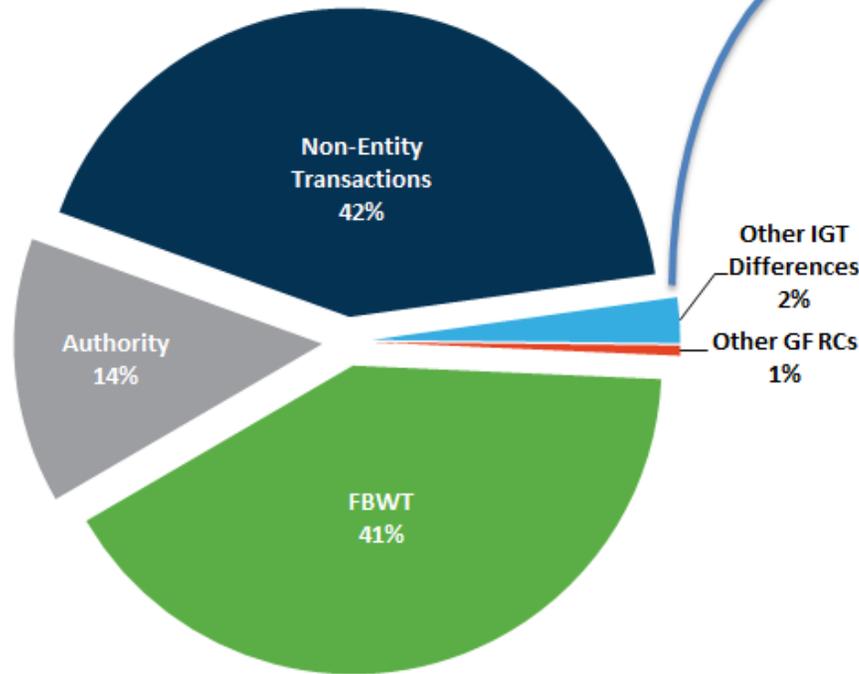
- Treasury has taken the lead in developing a plan to mitigate and eliminate the IGT material weakness finding. Key efforts include:
 - IGT Metrics and Scorecards
 - Journal Vouchers (JVs)
 - General Fund Scorecard
 - Root cause analysis and corrective action implementation monitoring
- Preventative controls to identify and prevent agency misstatements during the closing package reporting process.
 - Dispute Resolution process improvements
 - IGT Chapter in the Treasury Financial Manual (TFM) – TFM Chapter 4700 and Appendices 7 and 10 updates
 - Transfer logic model publication

With these foundational elements in place, Treasury is well positioned to measure IGT accountability and compliance

Completing the IGT Model

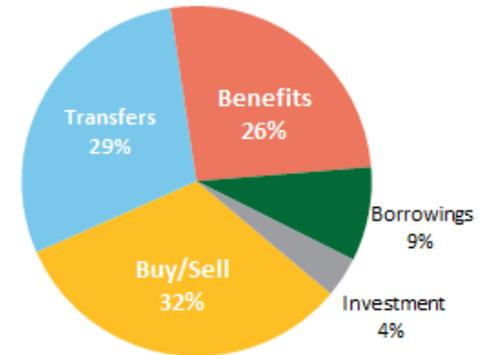
IGT Accomplishments – FY2015

**Total IGT Differences
FY15 Q3
\$9.3 Trillion**



preliminary Q3 differences

Other IGT Differences Breakdown



IGT Differences	Dollar value
General Fund	\$9,077,295,373,765.05
Buy/Sell	\$ 71,630,039,251.21
Transfers	\$ 64,930,037,474.80
Benefits	\$ 57,999,093,883.46
Borrowings	\$ 19,255,363,449.39
Investments	\$ 8,262,070,218.66

Completing the IGT Model

IGT Accomplishments – Trend Analysis

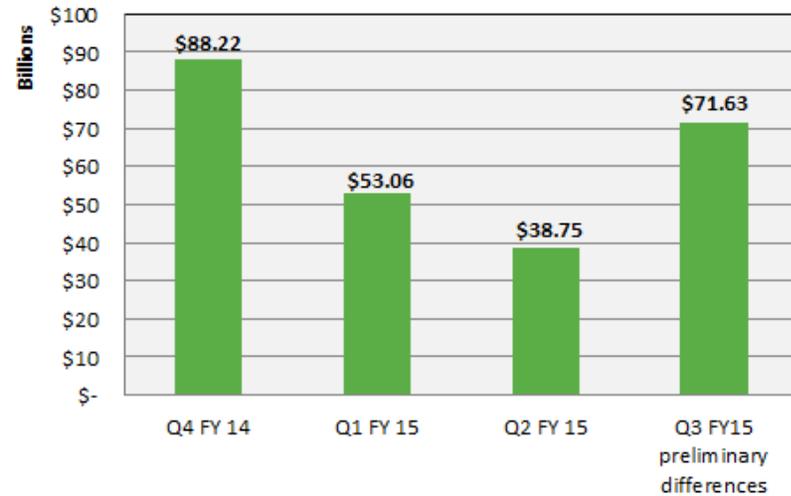
Total Trend in IGT Differences



Trend in Total General Fund Differences



Trend in Buy/Sell Differences



WHERE ARE WE NOW?

Completing the IGT Model

Completing the IGT Model

FY2015 Requirements

- TFM 2-4700 Root Cause and Corrective Action Plan requirements
- IGT Metrics and Scorecards
- CFO Sign-off (Material Difference Reports)
- GFRS Module GF004 *Federal Trading Partner Note* assertion
- Treasury monitoring Corrective Action Plan implementation

Completing the IGT Model

Tools to Reduce IGT Differences

- **Policy and Procedures:** Updated TFM Chapter 4700, including Appendix 7 and Appendix 10; TFM 2-4700 Root Cause and Corrective Action Plan Policy
- **IGT Metrics and Scorecards:** Quarterly scorecards to measure progress government-wide and by agency
- **Audit Requirements:** CFO Sign-off (Material Difference Reports); Assertion over GFRS Module GF004 *Federal Trading Partner Note*

Completing the IGT Model

How Agencies Can Help

- Audit coverage for all components of GFRS Module GF 004 *Federal Trading Partner Note*
- Actively collaborate with trading partners to explain IGT Root causes and to develop CAPs
- Reconcile General Fund activity and balances
- Continue to monitor significant IGT balances, regardless of differences with significant entities

WHAT'S ON THE HORIZON?

Summary & Timeline

What's on the Horizon?

What to Expect in FY2016 and Beyond

- New USSGLs and RCs will start showing up on agency scorecards beginning Q1 FY2016 – **Be proactive in reconciling your agency's General Fund differences.**
- IGT Scorecards will be made public to the financial management community Q1 FY 2016.
- Transactions with the General Fund should be reconciled to reduce IGT differences and support FR audit target of FY2017.
- Interest Receivable (RC 02) will be split between investments and borrowings.
- Additional scrutiny on trading partner information in closing package (specifically GFRS Module GF004).
- Continued phase in of the TP Main Account Code until FY 2019.

Contact Information



Kirstie Pottmeyer

Branch Manager

Financial Reports Division

Governmentwide Accounting

(304) 480-5304

Kirstie.Pottmeyer@fiscal.treasury.gov