Background: Financial statement audits performed by NOAA's contract auditors, KPMG, have highlighted errors and other deficiencies in financial information included in NOAA's financial statements. Much of the information included in NOAA's consolidated financial statements is provided by NOAA's Line, Staff, and Field Offices.

Purpose: The purpose of this checklist is to help ensure that financial information provided to the Finance Office from NOAA's Line, Staff, and Field Offices, is stated fairly and supports management's assertions. Assertions are made by the act of submitting financial information to the Finance Office for inclusion in NOAA's consolidated financial statements. This checklist should be completed by NOAA's Line, Staff, and Field Offices who submit financial information to the Finance Office to be included in NOAA's consolidated financial statements.

Assertions:
1. Completeness--All financial information submitted is properly recorded and classified. All economic events that occurred in the current period should be recorded in the current period. The summarization of recorded transactions should not be understated.

2. Existence or Occurrence-- Recorded assets and liabilities, at a given date, should exist and be supported by appropriate detailed records. Recorded transactions should represent events that actually occurred and should be classified properly.

3. Rights and Obligations--Transactions are reported in the proper period and authorized properly. Assets and liabilities should be the entities rights and obligations, respectively, at a given date. Transactions recorded in the current period should represent economic events that occurred during the current period. Recorded assets should be owned by the entity.

4. Valuation and Allocation--Financial information is accurate and reliable. Transactions should be recorded at correct amounts. Assets and liabilities included in the financial statements should be valued on an appropriate valuation basis.

5. Presentation and Disclosure--Financial information is exhibited properly in the financial statements in accordance with applicable laws and regulations. Accounts should be properly classified and described in the financial statements. The financial statements or footnotes should contain all information required to be disclosed.

NOAA's Line, Staff, and Field Offices personnel should use judgment when completing the attached checklist. The checklist procedures are not an all- inclusive list or may not be applicable for all types of information submitted. Although the checklist was developed to provide the applicable procedures for each assertion, many procedures provide support for several assertions. Where procedures involve sampling, the number of items reviewed and methodology of choosing the sample (i.e., statistical, judgmental, or haphazard sample) is at the discretion of the appropriate management. If any procedures are not applicable to the financial information provided by your office, write "N/A" in the explanations column. Users of this checklist may modify the procedures with approval of their management.

Checklist for Data Submissions to the Finance Office
for NOAA's Consolidated Financial Statements

Assertion and Procedure	Procedure Completed Yes No	Explanations
Completeness		
1. Perform analytical procedures--compare quantities, amounts or other information to prior year balances and investigate any unusual fluctuations. Obtain explanations for large differences.		
2. If subsidiary records and support are maintained, trace (1) all or a sample of subsidiary items to summary records, and (2) all or a sample of items on summary schedule to subsidiary records to ensure completeness of all schedules.		
Existence or Occurrence		
1. Inspect and count all or a sample of items reported.		
2. Choose a sample of items in the summary schedules and agree to supporting documentation. For example, trace inventory items on supporting schedules to physical counts of inventory, or individual costs to vendor invoices.		

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Assertion and Procedure	Procedure Completed Yes No	Explanations
3. For information such as property, plant, and equipment, review subsidiary records for unrecorded retirements.		
Rights and Obligations		
1. Review cutoffs at the end of the reporting period. For example, at 9/30 review subsequent receiving reports (after 9/30) for inventory to ensure that inventory received on or before the cutoff date is included as inventory held, and any inventory received after the cutoff date is not included in inventory.		
2. Also see procedures for existence.		
Valuation and Allocation		
1. Foot and crossfoot summary schedules.		
2. Reconcile summary schedules to financial management systems, if possible.		
3. Where information being submitted involves calculations, re-calculate items on a test basis. For example, re-calculate monthly or annual depreciation expense for a sample of property items.		

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Assertion and Procedure	Procedure Completed Yes	No	Explanations
4. Foot and crossfoot subsidiary schedules.			
5. Review information for overall reasonableness. For example, if write-offs of receivables have averaged $6,000 for the past 10 years, and the allowance for doubtful accounts is valued at $15,000, investigate the cause of the unusually high allowance.			
Presentation and Disclosure			
1. Review disclosure requirements such as OMB Bulletin 01-09, as amended, or the SFFAS's for the areas which your office is submitting financial information to ensure all information has been provided to Finance.			
2. Review the information to be submitted for adequacy. Is information submitted sufficient to meet reporting and disclosure requirements? If not, obtain necessary information to be included in the data submission.			
3. Are there any liens or restrictions on assets being reported to Finance? For example, NOAA owns property or other assets, but there are 3rd party claims against the property. Is this information disclosed?			

Checklist for Data Submissions to the Finance Office
for NOAA's Consolidated Financial Statements

Assertion and Procedure	Procedure Completed Yes No	Explanations
3. If there are any questions concerning the adequacy of the information submitted to the Finance Office, contact the FO and discuss your concerns.		