

From: cftn1@hotmail.com
To: lamaya@nbpc2554.org;
CC:
Subject: Imperial Valley Press e-Edition Article
Date: Saturday, September 15, 2007 10:51:20 AM
Attachments:

cftn1@hotmail.com sent you this article.

Imperial Valley Press 09/15/2007, Page
A05

Defense, DHS fail audits

STANDARDS: Agencies fail to meet even the basics.

The ASSOCIATED PRESS
Ten years after Congress ordered federal agencies to have outside auditors review their books, neither the Defense Department nor the newer Department of Homeland Security has met

Maxwell School.

The Federal Financial Management Improvement Act of 1996 requires, among other things, that the financial systems of major federal agencies “comply substantially” with generally accepted accounting standards. Each year, those agencies are required to release results of outside audits.

The AP review of financial statements from the federal government’s 15 executive departments shows that most pass their audits, although many agencies — including

even basic accounting requirements, leaving them vulnerable to waste, fraud and abuse.

An Associated Press review shows that the two departments' financial records are so disorganized and inconsistent that they have repeatedly earned "disclaimer" opinions, meaning that they simply cannot be fully audited.

"It means we really can't put any faith in the numbers they use," said Ross Rubenstein, who teaches public administration at Syracuse University's

NASA, the Coast Guard and FEMA — have been frequently cited for serious accounting errors.

The entire Homeland Security Department, with a \$35 billion budget this fiscal year, passed its first audit in 2003 with strong stipulations, but has failed every one since.