



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
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Contact: OMB Communications, (202) 395-7254

**All Major Agencies Meet Accelerated Financial Reporting Deadline for Second Consecutive Year**

WASHINGTON -- For the second straight year, every major Federal agency completed its Performance and Accountability Report just 45 days after the end of fiscal year (FY) 2006. This marks the second time in history every audit was completed by the accelerated deadline that was originally established by the Office of Management and Budget in 2001 and became effective in FY 2004.

Before the Bush Administration came to office, Federal agencies took as long as five months to complete their financial reports. By comparison, the Securities and Exchange Commission's accelerated deadline for private-sector filers is 60 days after the year's end. The timely reporting by Federal agencies reflects the Administration's commitment to strengthening government transparency and accountability.

This year, 18 Federal agencies received "clean" audit opinions. This represents the same number of agencies that reported the achievement of a "clean" opinion last year on November 15, 2005. During this past year, the General Services Administration (GSA) not only improved their audit result to regain its "clean" opinion, but also successfully implemented corrective actions to resolve the previous year's material weakness. GSA accomplished this as well as completing its Performance and Accountability Report by November 10<sup>th</sup>, days before the already accelerated deadline. The Department of Housing and Urban Development achieved a clean audit opinion, and for the first time since audited financial statements were required by law, reported no material weaknesses. However, the Department of Transportation declined relative to last year and has active efforts underway to address the reason for the decline.

"One of the primary responsibilities of government is to act as an effective steward of the taxpayers' money," said Dr. Linda Combs, OMB Controller and head of the Office of Federal Financial Management. "Today's results provide further evidence of the important progress this Administration is making in meeting our responsibility to properly account for taxpayer resources and make smart decisions when spending Federal dollars." Dr. Combs went on to say, "We are holding agencies accountable with high standards and greater transparency and are extremely proud of the 18 agencies who received clean audits."

These achievements are especially noteworthy in today's climate, where audit scrutiny continues to increase for all organizations in the wake of corporate scandals in the private sector and the Sarbanes-Oxley Act. In addition, this past fiscal year marked the first time that Federal managers implemented new requirements under OMB Circular A-123 to evaluate the effectiveness of internal controls over financial reporting. The A-123 requirements add to, and complement, the increased rigor from auditors by ensuring that Federal managers do their part to root out and address financial management problems that may have gone undiscovered in the past. Some auditor identified issues this year were also identified by the agencies as a result of their work to comply with internal control requirements in the A-123.

The release of the Performance and Accountability Reports is required under the Chief Financial Officers Act of 1990. The Department of Treasury will issue the consolidated *Financial Report of the United States Government* on December 15, one month after the report submissions.

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