

DOCUMENT RESUME

06516 - [B2087096] (Restricted)

[Examination of Financial Statements of the Government National Mortgage Association for Fiscal Year 1977]. July 21, 1978. 1 pp.

Report to John H. Dalton, President, Government National Mortgage Association; by Richard J. Woods, Associate Director, Community and Economic Development Div.

Contact: Community and Economic Development Div.

Authority: Government Corporation Control Act (P.L. 93-604).

An audit of the Government National Mortgage Association's financial statements for the fiscal year ended September 30, 1977, was completed, but, because it was not feasible to carry out certain audit procedures, issuance of an audit report was not planned. This does not imply a disclaimer or adverse opinion of the financial statements. GAO audits are no longer required to be performed annually since the Government Corporation Control Act requires audits of Government corporations' financial transactions at least once every 3 years. (HTW)



UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

JUL 21 1978

COMMUNITY AND ECONOMIC
DEVELOPMENT DIVISION

Mr. John H. Dalton, President
Government National Mortgage
Association
Department of Housing and
Urban Development

Dear Mr. Dalton:

We have completed our audit of the Government National Mortgage Association's (GNMA) financial statements for the fiscal year ended September 30, 1977. However, because it was not feasible to carry out certain audit procedures relative to the financial data provided GNMA by the Federal National Mortgage Association, we do not plan to issue an audit report. This decision in no way implies a disclaimer or adverse opinion on GNMA's financial statements.

The Government Corporation Control Act (P.L. 93-604) requires that financial transactions of each wholly owned Government Corporation be audited at least once every 3 years. This is a change from the prior requirement that such transactions be audited annually. It provides our Office the flexibility, where warranted, to report to the Congress less often than annually. In our future years' audits, we will be making appropriate arrangements to validate the financial data provided by FNMA.

If you have any questions, please contact Mr. Morton Solomon of my staff on 426-1506.

Sincerely yours,

A handwritten signature in cursive script that reads "Richard J. Woods".

Richard J. Woods
Associate Director