

From: Goebels, Elizabeth J [REDACTED]
Sent: Thursday, October 17, 2013 8:32 AM
To: GreenBook
Subject: Comments on Green Book Exposure Draft

2. Are there any internal control concepts unique to the government environment that should be in the Green Book that are not currently included?

The Green Book, pg.4, discusses three categories of internal control objectives. These categories include:

1. Operations - Effectiveness and efficiency of operations
2. Reporting - Reliability of reporting for internal and external use
3. Compliance - Compliance with applicable laws and regulations

The 2011 Government Auditing Standards (GAS) mirrors the categories in the Green Book except for that GAS clarifies that the compliance category includes compliance with laws and regulations, but also compliance with contract and agreements.

Federal agencies should have internal controls to ensure they and awardees comply with the terms of their contracts and agreements. Anytime a federal agency enters into a contract or agreement it creates obligations the government and the awardee should meet. As such, I believe this clarification would be useful in the Green Book as well.

8. Are the documentation requirements included in the Green Book clear, understandable, and adequate?

Sections 04.08 and 3.12-3.14 in the Green Book discuss documentation requirements for an agency's internal control system. However, while the Green Book states agencies should maintain internal control documentation it does not state for how long. If an agency changes systems, and is still relying on records or processes from the previous system, the agency should maintain internal control documentation from the previous system. For example, comparative financial statements cover two years so the agency, in the event of a system change, should maintain internal control documentation to cover both years. I believe the Green Book should clarify for how long an agency should maintain internal control documentation.

Thanks, Elizabeth Goebels