**Court Services and Offender Supervision Agency**
**Pretrial Services Agency**
**for the District of Columbia**
**Office of Financial Management**
**Office of Finance and Administration**

# POLICY STATEMENT

Agency Financial Report
Number: 6002
Effective Date: 3/25/2026
Review Due Date: 3/25/2028

X MARCUS HODGES

Digitally signed by MARCUS HODGES
Date: 2026.03.20 15:51:23 -04'00'

Marcus Hodges
Interim Director, CSOSA

X Leslie C. Cooper

Digitally signed by LESLIE COOPER
DN: c=US, o=U.S. Government, ou=Pretrial Services Agency, cn=LESLIE COOPER, 0.9.2342.19200300.100.1.1=95951002719513
Date: 2026.03.19 11:17:40 -04'00'

Leslie C. Cooper
Director, PSA

Table of Contents

# Overview

**Background**

The Court Services and Offender Supervision Agency (CSOSA) appropriation is comprised of two program entities: a) Community Supervision Program (CSP), and b) the Pretrial Services Agency for the District of Columbia (PSA). Appropriation-level financial reporting includes consolidated information from both program entities.

The Office of Management and Budget (OMB) Circular A-136 provides guidance for Executive Branch entities required to submit audited financial statements, interim financial statements, and Performance and Accountability Reports (PARs) or Agency Financial Reports (AFRs) under the Chief Financial Officers Act of 1990 (CFO Act), as amended; the Government Management Reform Act of 1994 (GMRA); and the Accountability of Tax Dollars Act of 2002 (ATDA).

This Policy Statement (PS) establishes CSP's and PSA's (collectively, the Agency) policy for preparing and submitting the Agency's AFR, including annual and interim financial statements, financial audits, and other associated appropriation-level financial reporting submissions, reviews, and reconciliations that are required for the AFR.

**Summary of Changes**

- Assignment of a new policy number.
- Separation of policy from procedures.
- Expansion and clarification of roles and responsibilities.

**Coverage**

This policy statement applies to all CSOSA and PSA employees.

*Continued on next page*

## **Overview**, Continued

**Authorities**

- Federal Managers Financial Integrity Act (FMFIA) of 1982 - revised December 2004 (Public Law (PL) 97-255)
- Chief Financial Officers Act of 1990 (PL 101-576)
- Government Performance and Results Act (GPRA) of 1993 (PL 103-62) as superseded by the Government Performance and Results Modernization Act of 2010 (PL 111-352)
- Federal Financial Management Improvement Act (FFMIA) of 1996 (PL 104-208)
- Accountability of Tax Dollars Act of 2002 (PL 107-289)
- Office of Management and Budget (OMB) Circular No. A-136 (As Revised)
- OMB Bulletin 24-02, Audit Requirements for Federal Financial Statements, July 29, 2024
- Payment Integrity Information Act (PIIA) of 2019 (PL 116-117)
- OMB Bulletin 01-09, Form and Content of Agency Financial Statements, September 25, 2001

**Disclaimer**

The contents of this guidance do not have the force and effect of law and are not meant to bind the public in any way. This document is intended only to provide clarity to the public regarding existing requirements under the law or agency policies.

**Supersedes**

This Policy Statement supersedes PS 5206, Agency Financial Report *dated September 2, 2011.*

*Continued on next page*

## **Overview**, Continued

**References**

- Federal Accounting Standards Advisory Board. Statement of Federal Financial Accounting Standards (SFFAS) No.1, *Accounting for Selected Assets and Liabilities* Federal Accounting Standards Advisory Board. SFFAS No.4, *Managerial Cost Accounting Concepts and Standards for the Federal Government*
- Federal Accounting Standards Advisory Board. SFFAS No. 5, *Accounting for Liabilities of the Federal Government*
- Federal Accounting Standards Advisory Board. SFFAS No. 7, *Accounting for Revenue and Other Financing Sources*
- Federal Accounting Standards Advisory Board. SFFAS No. 15, *Management's Discussion and Analysis*
- Federal Accounting Standards Advisory Board. SFFAS No. 21, *Reporting Corrections of Errors and Changes in Accounting Principles*
- Federal Accounting Standards Advisory Board. SFFAS No.54, *Leases*
- Federal Accounting Standards Advisory Board. SFFAS No. 55, *Amending Inter-Entity Cost Provisions*
- Federal Accounting Standards Advisory Board. Interpretation No. 6, *Accounting for Imputed Intra-departmental Costs*
- Federal Accounting Standards Advisory Board. Statement of Federal Standards and Concepts No. 3, *Management's Discussion and Analysis*

**Administrator**

The CSOSA Office of Financial Management (OFM) and the PSA Office of Finance and Administration (OFA) are responsible for the content and administration of this PS.

# Policy

**Requirements**

- The Agency must:
  - Prepare and report an AFR comprised of consolidated annual financial, performance, control, and required supplementary information from the CSP and PSA; and
  - Prepare and submit un-audited, interim financial statements and audited, annual financial statements and disclosures within the timeframes specified in OMB Circular A-136: Financial Reporting Requirements.
- The format, content, and due date of the AFR must conform to the requirements outlined in OMB Circular A-136. The AFR must include:
  - Agency Head Transmittal Letter;
  - Section I: Management's Discussion and Analysis (MD&A);
  - Section II: Financial (including audited annual financial statements and auditor reports); and
  - Section III: Other Accompanying Information.
- The Agency’s financial statements must be:
  - Prepared following accounting standards identified by the Federal Accounting Standards Advisory Board (FASAB) and use information submitted to the Government-wide Treasury Account Symbol Adjusted Trial Balance System (GTAS) as the basis for the financial statements and disclosures: and
  - Audited by an independent public accountant, determined by the Agency. To the extent practical, financial auditor findings and recommendations must differentiate the CSP and PSA programs.
- The Agency Audit Managers oversee the annual financial audit, with information and responses for the financial audit, and information and data provided in the Financial Audit and AFR Liaisons.
- CSP performs appropriation-level financial reconciliations and compiles and submits Agency-level financial reporting data for CSOSA CSP and PSA. However, CSP and PSA are each responsible for the controls, quality, completeness, and timeliness of their financial and performance data, financial audit responses, corrective actions, and other AFR data requirements.

*Continued on next page*

# **Policy,** Continued

**Requirements**, Continued

- CSP and PSA must each ensure:
  - All AFR information is accurate;
  - AFR reports and associated Agency financial reporting and audit activities are completed within the required timeframes;
  - All financial statement audit control or compliance findings identified in the AFR or other auditor reports are properly addressed and corrected; and
  - All significant Agency financial reporting irregularities and/or non-reconciled items are properly identified and corrected.

**Submissions and Other AFR Activities**

The Agency must prepare, perform, and submit the following financial reports, reviews, reconciliations, and other information within specified timeframes in support of the AFR:

| Requirement | Submit To | Deadline |
|---|---|---|
| Un-audited, interim financial statements | Internal Only | No later than 30 calendar days after the end of the first, second, and third quarters of the fiscal year. |
| Draft un-audited, interim AFR | OMB | No later than 31 calendar days after the end of the third quarter of the fiscal year. |
| Financial audit supporting information (information provided by the Agency) | Financial Auditor | According to the Auditor's audit plan schedule |
| Legal Representation Letter | Financial Auditor | Per the Auditor's audit plan schedule |

*Continued on next page*

## **Policy**, Continued

**Submissions and Other AFR Activities**, Continued

| Requirement | Submit To | Deadline |
|---|---|---|
| AFR (Including audited annual financial statements and disclosures) | • OMB;<br>• Department of Treasury;<br>• Government Accountability Office (GAO);<br>• Congress; and Public | No later than 45 calendar days after the end of each fiscal year. |
| Government-wide Treasury Account Symbol Adjusted Trial Balance System (GTAS) | Department of Treasury | Monthly (11 months per year) following Treasury timelines published annually. |
| Fund Balance with Treasury (FBWT) Reconciliation | Internal Only | Monthly (11 months per year). Informal timeline (typically within 45 days after the month end). |
| Payment Integrity Reviews | OMB | Annually by October 15th |
| Internal Control Assessments | Internal Only | Annually, following the QIU timeline published annually. |
| Open Obligation Reviews | Internal Only | No later than 5 business days after the end of each quarter. |
| Quarterly PP&E Reviews | Internal Only | No later than 15 calendar days after the end of each quarter. |

*Continued on next page*

## Policy, Continued

**Financial Audit Manager Designations**

Positions designated as Financial Audit Managers for the Agency:

| Agency | Designated by |
|---|---|
| CSOSA/CSP | Associate Director (AD), Office of Financial Management (OFM) |
| PSA | Deputy Assistant Director (DAD), Office of Finance and Administration (OFA) |

**Financial Audit and AFR Liaison Designations**

Positions designated as Financial Audit and AFR Liaisons for the Agency:

| Offices | Financial Audit & AFR Liaisons |
|---|---|
| **CSOSA/ CSP** | |
| Office of Human Resources (OHR) | Associate Director (AD) |
| Office of Information Technology (OIT) | Chief Information Officer (CIO) |
| Office of Legislative, Intergovernmental, and Public Affairs (OLIPA) | AD |
| Office of Research and Evaluation (ORE) | AD |
| Quality Improvement Unit (QIU) | Director |
| **PSA** | |
| Office of Finance and Administration (OFA) | Deputy Assistant Director (DAD) |
| Office of Finance and Administration (OFA) | Lead Accountant |
| Office of Finance and Administration (OFA) | Finance Unit Chief |

*Continued on next page*

## **Policy**, Continued

**Reporting and Data Submission Timeframes**

The table below lists responsible positions and offices, required data, information or reports, descriptions of the requirement(s), and timeframes for submission to various financial management platforms and systems as part of the AFR process.

| Positions/ Offices | Requirements | Frequency | Timeframes |
|---|---|---|---|
| Financial/ Payroll Service Providers | Agency approved SF-224 (Statement of Transactions) | Monthly | Draft due to Agency 1st week of each month. Final to Treasury at end of month. |
| OFM, CSOSA & OFA, PSA | FBWT Reconciliation, to include CSOSA/PSA reviews/ edits of SOT provided to IBC | Monthly | Reviewed and approved by the CSP AD OFM and PSA DAD OFA, or designees, Approved by ADs, OFM & OFA within 3 business days of submission. |
| OFM, CSOSA | GTAS | Monthly | • Within approximately a 2-week window each month starting the 3$^{rd}$ business day of the month.<br>• Annual certification by OFM Deputy Associate Director (DAD) in November. |
| OFM, CSOSA | Un-audited financial statements | Quarterly | Within 30 business days after the Agency formally closes the last month of the quarters ending December 31, March 31, and June 30 in the financial management system. |

*Continued on next page*

## Policy, Continued

**Reporting and Data Submission Timeframes**, Continued

| Positions/ Offices | Requirements | Frequency | Timeframes |
|---|---|---|---|
| OFM, CSOSA | Statement of Budgetary Resources (SBR) and SF 133 (Report on Budget Execution and Budgetary Resources) Variance Analysis Reconciliation. | Quarterly | Within 45 calendar days after the quarter is closed in the financial management system. |
| OFM, CSOSA & OFA, PSA | Conduct a formal review of all open obligation balances for all Treasury Account Fund Symbols (TAFS) and open fiscal years. | Quarterly | Within 5 business days after the end of a quarter |
| OFM, CSOSA | Intra-Governmental Eliminations. | Quarterly | Within 21 business days after the end of a quarter |
| Corrective Action Plan (CAP) Managers | Submit a proposed CAP for approval to Audit Managers, CSOSA OFM, and PSA OMA ADs. | Annually | Within 60 calendar days after issuance of the annual audit reports. |
| OFM, CSOSA | Publish the approved AFR to the CSOSA website. | Annually | Within 5 days of submitting AFR to the OMB MAX website. |

## Definitions

| | |
|---|---|
| **Annual Financial Report (AFR)** | The AFR provides high-level financial analyses and highlights performance results through assessments of internal controls, agency challenges, and stewardship information. The Agency prepares the report in line with various laws that apply to federal financial reporting and guidance issued by OMB. The report details the Agency's progress toward achieving the goals and objectives described in the Agency's Strategic Plan(s) and Annual Performance Plan(s), including progress on the strategic objectives, performance goals, and Agency priority goals. Executive Branch entities are required to submit audited financial statements, and Performance and Accountability Reports (PARs) or Agency Financial Reports (AFRs) under the Chief Financial Officers Act of 1990 (CFO Act), as amended; the Government Management Reform Act of 1994 (GMRA); and the Accountability of Tax Dollars Act of 2002 (ATDA). |
| **Central Accounting Reporting System (CARS)** | The electronic system of record for the government's financial data, which provides streamlined agency reporting and supports government-wide standardization.<br>CARS Includes:<br>• Financial management and accounting information across federal program agencies;<br>• Bureau of the Fiscal Service processes related to ledger accounting for each appropriation, fund, and receipt account's fund balance with the Treasury;<br>• General ledger accounting for government cash and monetary assets; and<br>• Monthly Treasury statements and the U.S. Government Combined Statement and Appendix. |
| **Corrective Action Plan (CAP)** | A plan that documents a step-by-step process for addressing and resolving problems, non-compliance, or underperformance within the organization. A CAP identifies the problem, analyzes its root cause, outlines specific, measurable, achievable, relevant, and time-bound actions to resolve it, assigns responsibility, sets deadlines, and describes how to verify the effectiveness of the corrections. |

*Continued on next page*

## **Definitions**, Continued

| | |
|---|---|
| **Federal Accounting Standards Advisory Board (FASAB)** | A board established to develop accounting standards and principles for the US Government, which takes into consideration the information needs of the public, Congress, managers, and other users of federal financial information. |
| **Financial Audit & AFR Liaisons** | A bridge between the internal accounting team and the external auditors, facilitating communication and ensuring compliance with reporting requirements. They aid in preparing supporting documentation by reviewing draft reports and working with auditors to address any issues or findings. |
| **Financial Management System (FMS)** | An integrated system that performs all financial functions, including general ledger management, funds management, payment management, receivable management, and cost management. The Agency uses FMS for collecting, processing, maintaining, transmitting, and reporting data regarding financial events. Oracle Federal Financials serves as the Agency’s FMS and is the primary data source for all the Agency's financial reporting, including the financial statements. |
| **Financial Services Provider** | An external entity that provides access, support, and maintenance of an integrated FMS. The Department of Interior's National Business Center (NBC) is the Agency’s financial services provider. |

*Continued on next page*

## **Definitions**, Continued

| | |
|---|---|
| **Fund Balance with Treasury (FBWT)** | The amount in the Agency's account balance with the Treasury that is available for the purposes and periods for which the funds were appropriated. FBWT represents the aggregate amount from which the Agency is authorized to make expenditures and pay liabilities. FBWT includes deposits made for which the Agency has a confirmed deposit ticket. Non-confirmed disbursements (disbursements in transit) do not reduce FBWT until the payments are processed/confirmed by the Treasury. 31 USC 3513 requires the Secretary of the Treasury to prepare reports that inform the President, Congress, and the public on the financial operations of the US Government based on reports that were provided to the Secretary by the head of each executive agency; therefore, the Treasury requires that agencies reconcile their FBWT accounts on a regular and recurring basis (at a minimum monthly) to ensure the integrity and accuracy of their internal and government-wide financial report data.<br>The Agency must perform timely reconciliations of the Agency's US Standard General Ledger (USSGL) account 101000 to the Treasury Fiscal Service CARS Account Statement, by TAS, and implement effective and efficient reconciliation and corrective processes that include reviewing and editing the SOT/SF-224 that is prepared and submitted to Treasury by the agencies financial shared services provider, IBC. Within federal accounting, CARS is the primary accounting system, while GTAS provides trial balance data, and TAS identifies specific financial accounts. |
| **General Ledger (GL)** | A uniform listing of proprietary and budgetary accounts used to record financial events, which supports the preparation of standard external reports. The General Ledger is reported from the Agency's FMS. |
| **Government-wide Treasury Account Symbol Adjusted Trial Balance System (GTAS)** | Governmentwide TAS ATB System. A system used by agencies to report budget execution information and proprietary financial reporting information to the Department of the Treasury. |

*Continued on next page*

## **Definitions**, Continued

| | |
|---|---|
| **Journal Vouchers (JV)** | Manual adjustments made to the General Ledger (GL) within the financial management system. All JVs must be reviewed and approved, electronically in OFF, by one authorized person before posting to the General Ledger. Authorized JV approving officials include:<br>• CSOSA:<br>– AD, OFM;<br>– Deputy Associate Director (DAD), OFM; and<br>– AD, Office of Administration (OA).<br>• PSA:<br>– Lead Accountant, OFA;<br>– DAD, OFA; and<br>– Finance Unit Chief, OFA. |
| **Management's Discussion and Analysis (MD&A)** | A required major section of the AFR for communicating insights and increasing the readers' understanding of the financial information of the Agency that includes information about the entity, its operations, service levels, successes, challenges, and future. MD&A must include a summary of organizational performance goals, objectives, and results (including output and outcome measures). MD&A must be readable to a non-technical audience and provide an assessment of the Agency's key program and financial performance items. |
| **Material Weakness** | A reportable condition, or combination of reportable conditions, that results in more than a remote likelihood that a material misstatement of the financial statements, or other significant financial reports, will not be prevented or detected. |
| **Payroll Services Provider** | A third-party entity that helps agencies manage employee payroll and fulfill their tax obligations, including calculating wages, deductions, processing direct deposits, and handling tax filings. CSOSA uses the Department of Agriculture's National Finance Center (NFC) as its PSP, which provides comprehensive HR services and payroll management. |

*Continued on next page*

## **Definitions**, Continued

| | |
|---|---|
| **Report on Budget Execution and Budgetary Resources (SF 133)** | Reports Budgetary Resources, Status of Budgetary Resources (SBR), Change in Obligated Balances, and Net Outlays. SF-133 is based on data submitted quarterly by the Agency to the Treasury via GTAS for all open (unexpired/expired) Agency Treasury Appropriation Fund Symbols (TAFS). The compilation of all Agency SF-133s must be tied to SBR. |
| **Significant Deficiency** | A weakness in an Agency's overall information systems security program, within the management control structure, or within one or more information systems that significantly restricts the Agency's capacity to carry out its mission or compromises the security of its information, information systems, personnel, other resources, operations, or assets. |
| **Statement of Transaction (SOT) - (SF 224)** | The central accounting document used by Federal agencies to report their monthly cash accounting activity to the Treasury. SF 224 provides the Treasury with information on agency deposits and disbursements. The report captures data by appropriation, funds, and receipt accounts. |
| **Treasury Account Fund Symbol (TAFS)** | A specific account identifier issued by the Treasury that represents, by agency, individual appropriations, receipts, and other fund accounts. These symbols are used to report to the Treasury and OMB appropriations received and expended. |

# Roles and Responsibilities

| | |
|---|---|
| **Financial Audit Managers** | • Perform overall audit project management functions by:<br>– Monitoring the status of the implementation of the approved CAP against established timelines and milestones;<br>– Attending all audit meetings, including entrance conferences, status meetings, etc.; and<br>– Ensuring all auditor requests and questions are processed in a timely and accurate manner.<br>• Ensure interim and annual financial statements and notes are complete, accurate, and prepared within required timeframes.<br>• Review and coordinate responses to draft audit findings.<br>• Develop and report on the progress of correcting audit findings identified in annual auditor reports through Corrective Action Plans (CAP).<br>• Ensure CAPs are implemented and properly completed.<br>• Submit quarterly CAP monitoring reviews to CSOSA OFM AD & PSA OFA DAD. |
| **Financial Audit and AFR Liaisons** | • Attend audit meetings that involve their functional area, including entrance conferences and status meetings.<br>• Assist Audit Managers and serve as the auditors' points of contact for issues relating to their respective organization's functions.<br>• Monitor, track, and respond to auditor questions, issues, and audit findings relating to their respective organization's function within required timeframes.<br>• Assist Audit Managers with the CAP development and implementation by:<br>– Reviewing and responding to draft audit findings relating to their functional area, and<br>– Developing and reporting on CAP items relating to audit findings within their functional areas. |
| **Office of General Counsel (OGC), CSOSA** | Submits interim and final legal representation letters to the auditor and Agency audit managers. |

*Continued on next page*

## Roles and Responsibilities, Continued

| | |
|---|---|
| **Office of Finance and Administration (OFA), PSA** | • Serves as PSA’s lead office in preparing PSA’s portion of the CSOSA AFR.<br>• Coordinates with internal stakeholders to secure data related to PSA’s performance and budget.<br>• Compiles data and the corresponding narrative.<br>• Oversees PSA’s annual financial statement audit within PSA and with CSOSA OFM and Auditor (IPA contract).<br>• Coordinates with PSA’s Office of Human Capital Management (OHCM) and PSA’s Office of Information Technology (OIT) to gather all necessary data, reports, and supporting documentation required to support the auditor-provided by the client (PBC) requests.<br>• Performs quarterly reconciliations and follows proper accounting operations control procedures to ensure the Agency's General Ledger is accurately reporting the financial position of the Agency.<br>• Reviews and approves JVs, via signature, before posting to the General Ledger.<br>• Maintains supporting documentation for all approved JVs, sequentially numbered in a log and available for review.<br>• Oversees the development and implementation of CAP for the Agency. |
| **CSOSA Director** | • Approves and signs the AFR transmittal letter for the Agency.<br>• Approves financial and other resources to complete AFR and related activities.<br>• Sets the Agency’s policy on AFR.<br>• Provides signed Management Assurances related to the FMFIA and FFMIA that must be included in the MD&A section of the AFR. |