



United States
**Office of
Personnel Management** Washington, DC 20415-0001

April 29, 2004

Dear Carrier:

President Bush's Management Agenda articulates the Administration's strategy for improving the management and performance of government. The President has included in his Management Agenda a requirement that Federal agencies improve their financial performance by publishing accurate and timely financial information.

Prior to the release of the President's Management Agenda, the Office of Personnel Management and many other Federal agencies issued their audited financial statements well after the end of the Federal fiscal year. Although we and many other agencies have received unqualified ("clean") audit opinions, such aged financial information is clearly not as useful as it might be to stakeholders. To address this, the U.S. Office of Management and Budget (OMB), beginning with Federal fiscal year 2004, requires all Federal agencies to publish their financial statements no later than 45 days following the end of the Federal fiscal year.

To meet OMB's deadline and retain a clean audit opinion, we are dependent upon the timely receipt of financial information from the carriers and, where required, the results of audit procedures performed by independent auditors. To receive a clean audit opinion, we must publish our 2004 financial statements within OMB's 45-day deadline --- OMB will grant no exceptions or extensions!

Working with our own independent auditor and many of the carriers, we have developed the enclosed *FEHBP Financial Reporting and Audit Guide* ["Guide"]. The Guide provides carriers with authoritative guidance for Federal fiscal year 2004 reporting and auditing. By applying the Guide, carriers will help us ensure that we can meet OMB's November 15, 2004 deadline.

We thank you in advance for your assistance in this important endeavor and look forward to working with you. Should you have any questions or comments on the Guide, OPM's staff-level contact is Michael Long of OPM's Financial Policy Staff at (202) 606-3357 or michael.long@opm.gov.

Sincerely,

Frank D. Titus, Assistant Director
for Insurance Service Programs
Center for Retirement and Insurance Services

Enclosure