

UNITED STATES CAPITOL POLICE

Fiscal Year 2012 Management Letter

Report No. OIG-2013-02



CliftonLarsonAllen



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Fiscal Year 2012 Management Letter

Inspector General
United States Capitol Police

Chief of Police
United States Capitol Police

United States Capitol Police Board

We have completed our audit of the United States Capitol Police (USCP) financial statements as of and for the year ended September 30, 2012, and have issued our report dated November 29, 2012 (Report No. OIG-2013-01). In connection with our audit, we noted matters that present opportunities for strengthening internal control, compliance control, and operating efficiency. We summarized these comments and recommendations and USCP's responses and also present the FY 2012 status of prior year management letter comments in Appendix A.

We previously issued our opinion on USCP's internal control as of September 30, 2012 in our report dated November 29, 2012. This letter does not affect our report dated November 29, 2012 on USCP's fiscal year 2012 financial statements.

We have discussed these comments and suggestions with USCP personnel and, if necessary, we will be pleased to discuss them in further detail at your convenience.

~~This report is intended solely for the information and the use of the management of USCP and the USCP Inspector General and is not intended to be and should not be used by anyone other than these specified parties.~~

CLIFTONLARSONALLEN LLP

Arlington, Virginia
November 29, 2012

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United States Capitol Police
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I. Introduction

We provided USCP management a Notice of Findings and Recommendations (NFR) matrix with 14 findings related to the fiscal year (FY) 2012 financial statements audit. A finding is a written communication to management of an issue identified during the audit. Each finding includes a description of the finding or issue, criteria, cause(s), and recommendation(s). Each finding has a section for management response and its concurrence or non-concurrence with the finding and recommendation(s). The NFR matrix was provided to USCP management for their review and response.

A finding is categorized as a material weakness (MW), a significant deficiency (SD) or a management letter comment (MLC). A finding that is categorized as MW or SD is included in our separate report titled Independent Auditor's Report on Internal Control over Financial Reporting dated November 29, 2012. Eight of the 14 findings in the NFR matrix were categorized as MWs, two as SDs, and four as MLCs (see Section II).

A summary of the FY 2012 status of our prior year MLCs is in section III.

II. Management Letter Comments

1. [REDACTED] Audit Logging and Monitoring (Modified Repeat Finding) (Reported as SD in Prior Year Findings 3.1 and 3.2)

The USCP was not monitoring [REDACTED] user accounts to ensure password changes were occurring and inactive accounts were identified. Through discussions with the Office of Financial Management (OFM) personnel, we noted that USCP has the ability to determine last password change dates and last login dates; however, this can only be done on an account by account basis. The effort required to verify every account did not permit OFM to dedicate resources for full review. In addition, USCP did not have controls in place to ensure [REDACTED] Financial Management System audit logs are reviewed for privileged user activity. Furthermore, audit logging had been turned off for vendor table after the [REDACTED] upgrade during FY 2012.

Federal best practices noted in the *National Institute of Standards and Technology (NIST) Special Publication 800-53 Revision 3 Recommended Security Controls for Federal Information Systems and Organizations*, control AC-2 states – "The organization manages information system accounts, including:

- a. Identifying account types (i.e., individual, group, system, application, guest/anonymous, and temporary);
- b. Establishing conditions for group membership;
- c. Identifying authorized users of the information system and specifying access privileges;
- d. Requiring appropriate approvals for requests to establish accounts;
- e. Establishing, activating, modifying, disabling, and removing accounts;

- f. Specifically authorizing and monitoring the use of guest/anonymous and temporary accounts;
- g. Notifying account managers when temporary accounts are no longer required and when information system users are terminated, transferred, or information system usage or need-to-know/ need-to-share changes;
- h. Deactivating:
 - i. temporary accounts that are no longer required; and
 - ii. accounts of terminated or transferred users;
- i. Granting access to the system based on:
 - i. a valid access authorization;
 - ii. intended system usage; and
 - iii. other attributes as required by the organization or associated missions/business functions; and
- j. Reviewing accounts”

NIST Special Publication 800-53 Revision 3, control AU-6, Audit Review, Analysis and Reporting, states: “The organization:

- a. Reviews and analyzes information system audit records [Assignment: organization-defined frequency] for indications of inappropriate or unusual activity, and reports findings to designated organizational officials; and
- b. Adjusts the level of audit review, analysis, and reporting within the information system when there is a change in risk to organizational operations, organizational assets, individuals, other organizations, or the Nation based on law enforcement information, intelligence information, or other credible sources of information.”

Recommendation:

We recommend that USCP develop and implement a methodology to ensure that user activity is routinely reviewed through logs generated by the [REDACTED] application.

Management Response:

Management generally concur with this finding. Management plans to obtain/create a report of all user IDs with the last log date of the user. From this, accounts will be placed in an inactive status for users who have not logged in within the last 60 days. Management will also conduct a 100% review of all vendor changes made by the System Accountants, who have extra roles as required by their positions, to ensure controls are implemented and maintained.

2. Untimely Vendor Payments (Prior Year MLC Finding 1.2)

During the internal control testing of non-payroll disbursements, we noted 19 of 45 invoices tested were not paid in a timely manner (within 30 days from receipt of the invoice). Payments ranged between 31-168 days following invoice receipt.

It is a best business practice to adopt procedures to ensure timely payment of invoices.

Recommendation:

We repeat our prior year recommendation that USCP enhance procedures for ensuring the timely payment of invoices.

Management Response:

We generally concur with this finding. However, only 3 of the 19 exceptions were due to accounts payable (AP) processing delays. The other 16 exceptions were due to the program office extended time frame for entering receiving documents in the [REDACTED] system without which, AP cannot process.

The Chief Administrative Officer (CAO) will issue formal notification of the responsibilities for entering and receiving documentation into [REDACTED] and direct the Executive Management Team to ensure compliance within their respective organization.

OFM will continue to send out weekly notifications to program offices regarding outstanding receiving documents. OFM will also create reports for management review of the timeliness of receiving documents (for Bureau/Office management) and for timeliness of payments after receiving the documents (for OFM management).

3. Purchase Card Used Prior to Completion of Required Training (New Finding)

For 3 purchase card transactions tested, the GSA Certification of Training is dated after the cardholder made a purchase.

USCP SOP [REDACTED] requires the cardholder to complete the GSA web-based training prior to using the card.

Recommendation:

We recommend USCP ensure all USCP purchase cardholders that have not completed the GSA web-based training do so within 60 days.

Management Response:

We generally concur with this finding. USCP will review all cardholder's records and those who do not have the completed GSA Web Based training certificate will be required to take the training to receive a GSA certificate within 60 days of the issuance of the final audit report. The certificate will be placed in their file for examination.

4. Untimely Purchase Card Statement Reconciliation (New Finding)

For 3 purchase card transaction tested, the cardholder did not complete the Cardholder Certification Report within 7 business days the Statement of Account became available. USCP SOP [REDACTED] requires the cardholder to compare and reconcile Statement of Account to source documents within 7 days that the Statement of Account becomes available.

Recommendation:

We recommend USCP ensure timely completion of the Statement of Account reconciliations by the cardholder. Frequent violators should be identified and reported to his/her supervisor.

Management Response:

We concur with this finding. USCP will continue to monitor and work with cardholders to ensure that reconciliation is performed timely. The CAO will issue formal notification of the responsibilities for reconciling Statements of Accounts in a timely manner and direct the Executive Management Team to ensure compliance within their respective organization.

III. FY 2012 Status of Prior Year Management Letter Comments

USCP's FY 2011 management letter identified a total of nine management letter comments. Eight of the MLC were closed and one was a repeat finding as shown in the table below.

FY 2011 Finding No.	Finding	FY 2012 Status
1	Untimely Review of Fund Balance With Treasury (FBWT) Related Reconciliation and Reports	Closed
2	Untimely vendor payments	Repeat Finding – Open – Included in FY 2012 MLC II.2
3	Incomplete Government Purchase Card Certification Form	Closed
4	Lack of Fleet Card Program Training	Closed
5	Lack of Justification for Vendor Additions and Modifications in [REDACTED]	Closed
6	Unsupported Cost Allocation Percentages	Closed
7	Lack of [REDACTED] Configuration Management Procedures	Closed
8	Lack of Vendor Support for Asset Management Application	Closed
9	Insufficient Oversight of External Information Systems	Closed