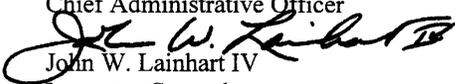


John W. Lainhart IV
Inspector General

Office of Inspector General
U.S. House of Representatives
Washington, DC 20515-9990

MEMORANDUM

TO: James M. Eagen III
Chief Administrative Officer

FROM: 
John W. Lainhart IV
Inspector General

DATE: November 4, 1998

SUBJECT: Followup Review Of Prior Recommendations In The Office Of The Chief
Administrative Officer (Report No. 98-CAO-12)

This is our final report on the followup review of prior recommendations within the Office of the Chief Administrative Officer. The objectives of this review were to (1) update the status of the open recommendations as of December 31, 1997, (2) consolidate related recommendations as much as practical, and (3) prioritize the recommendations for management's action based on appropriate risk ranking criteria. Specifically, we reviewed the actions taken, through July 21, 1998, to implement the 353 recommendations that were open as of December 31, 1997, and determined the current status of each recommendation. For those recommendations we considered open as of July 21, 1998, we identified the actions completed to date, actions needed for closure, the priority for management's action, and a target date for closure. For recommendations we considered closed, we provided justification for the closure.

As a result of our review, we determined that your office took sufficient action to close 243 recommendations. In addition, your office had made some to substantial progress towards implementing most of the remaining 110 recommendations. You and your staff should be commended for the relentless efforts shown in both implementing and making tremendous progress towards implementation of such a significant number of recommendations.

We appreciate the courtesy and cooperation extended to us by your staff. If you have any questions or require additional information regarding this report, please call me or Robert B. Frey III at (202) 226-1250.

cc: Speaker of the House
Majority Leader of the House
Minority Leader of the House
Chairman, Committee on House Oversight
Ranking Minority Member, Committee on House Oversight
Members, Committee on House Oversight

Followup Review of Prior Recommendations in the Office of the Chief Administrative Officer

*Report No. 98-CAO-12
November 4, 1998*

I. INTRODUCTION

Background

The Chief Administrative Officer (CAO) is responsible for the operational and financial functions of the U.S. House of Representatives (House) as assigned by the Speaker and the Committee on House Oversight. These functions are carried out by five operating units and coordinated by the Immediate Office of the CAO (IO). The five operating units include: Office of Finance, House Information Resources, Human Resources, Media and Support Services, and Office of Procurement and Purchasing. The responsibilities of these units are as follows:

Office of Finance (OF) is responsible for managing the financial records of the House. This includes processing payments to vendors and the preparation of financial statements.

House Information Resources (HIR) is responsible for supporting the information systems needed in the operation of the House. The organization is composed of the Client Services Group, Communications Group, Enterprise Computing Group, and Integration Group.

Human Resources (HR) is responsible for the overall human resources management of House employees including employee assistance, benefits, hiring, payroll processing, terminating, and training.

Media and Support Services (MSS) is responsible for support activities for the House. These include office equipment acquisition and maintenance, day care facilities, office supplies, office furnishings supply and maintenance, recording and photography services, and special events planning.

Office of Procurement and Purchasing (OPP) is responsible for procuring goods and services for the House and ensuring fair, open, and competitive procurement practices.

The 103rd Congress created the Office of Inspector General (OIG) to conduct periodic audits of the financial and administrative functions of the House. As of December 31, 1997, the OIG issued 49 reports to the CAO containing 543 recommendations. (Exhibit 1 lists the full title, number, and issuance date of each report.) As of December 31, 1997, the CAO had completed

corrective actions on 190 of the 543 recommendations. The remaining 353 recommendations remained open as of that date, since corrective actions had not been completed.

The CAO requested that the OIG conduct a followup review on the 353 open recommendations to identify the current status of the recommendations and to offer assistance to facilitate closure.

The followup review began in January 1998 and was conducted using five teams:

(1) PricewaterhouseCoopers System Development Consultants; (2) PricewaterhouseCoopers Financial Audit Group; (3) OIG Information Systems Audits; (4) OIG Performance and Financial Audits; and (5) OIG Investigations.

Objectives, Scope, And Methodology

The objectives of this review were to (1) update the status of the open recommendations, (2) consolidate related recommendations, as much as practical, and (3) prioritize the recommendations based on appropriate risk ranking criteria. Our review was conducted in the various offices of the CAO and was completed on July 21, 1998.

This review was conducted in accordance with the *Government Auditing Standards* issued by the Comptroller General of the United States and included such tests as we considered necessary under the circumstances. Our review included interviews with CAO staff, observations of operations, and analyses of data, procedures, and various CAO documents and management reports.

The recommendations were evaluated to identify the level of implementation as of June 30, 1998. The open recommendations were placed in four categories as described below:

Substantial Progress – The CAO has substantially addressed the more significant aspects of the recommendation.

Some Progress – The CAO has partially addressed the more significant aspects of the recommendation.

Limited Progress – The CAO has made progress on the less significant aspects of the recommendation.

Not Started – The CAO has taken no action to implement the recommendation.

The closed recommendations were categorized by the reason for closure. These reasons are described as follows:

Action Completed – The CAO fully implemented the recommended actions.

Merged – The recommendation was merged with a similar recommendation.

Superseded – The recommendation was closed because a subsequent recommendation required a similar action.

Otherwise Resolved – The recommendation was closed due to changes in circumstances and a detailed explanation for the closure has been footnoted.

II. RESULTS OF REVIEW

After reviewing and following up on the 353 open CAO recommendations, we determined that 110 recommendations remain open and 243 recommendations are closed. The table below shows the progress the CAO has made on the open recommendations while also showing the number and status of recommendation by operating unit.

Office	Total Recommendations	Open Recommendations				Closed
		Not Started	Limited Progress	Some Progress	Substantial Progress	
CAO	353	4	20	47	39	243
IO	18	2	0	1	2	13
OF	123	2	6	13	8	94
HIR	137	0	7	16	12	102
HR	13	0	5	4	2	2
MSS	47	0	2	10	11	24
OPP	15	0	0	3	4	8

The details pertaining to each of the 353 open recommendations reviewed are contained in Exhibits 2 and 3 that follow. Exhibit 2 contains all recommendations remaining open at the end of our field work and Exhibit 3 contains all recommendations that were closed.

More specifically, Exhibit 2 lists each recommendation remaining open, the actions completed to date, and the actions needed for closure. As mentioned above, the status of each open recommendation was categorized according to the progress made by the CAO toward full recommendation implementation. In coordination with CAO managers, we determined and mutually agreed upon what actions were needed to close each recommendation. Furthermore, each open recommendation was evaluated and ranked according to the priority of actions needed for closure. Each recommendation was then designated as HIGH, MEDIUM, or LOW priority within each CAO operating unit to indicate which recommendations CAO managers needed to act on immediately and which were of a lesser priority. In order to determine the priority level for each recommendation remaining open, we assessed the organizational impact of not fully implementing the actions needed for closure. Also, CAO managers assigned a target date for full implementation for all open recommendations.

Exhibit 3 lists the recommendations that were closed as a result of this review. Each of these recommendations was closed because the recommendation was implemented, merged with another recommendation, superseded by a subsequent recommendation, or otherwise resolved. We verified and tested CAO actions to ensure that the corrective actions were taken before the recommendation was closed. If the recommendation was merged with or superseded by another recommendation, the standing recommendation is indicated in the table and can be found in Exhibit 2. If the recommendation was otherwise resolved, a footnote is included specifying the circumstances that warranted closure.

For the confidential recommendations, additional information is provided in Exhibit 4 for the open recommendations and Exhibit 5 for those closed. The information contained in these Exhibits is structured the same as Exhibits 2 and 3, respectively. Due to the sensitivity of these recommendations, the distribution of these Confidential Exhibits is restricted.

EXHIBIT 1**OIG Reports**

- *Member Computer Systems Security Weaknesses* (Report No. 95-CAO-01, dated May 3, 1995).
- *Proposed New Financial Management System Will Not Meet The House's Needs And Should Be Terminated* (Report No. 95-CAO-02, dated May 12, 1995).
- *Internet Security Weaknesses* (Report No. 95-CAO-03, dated July 18, 1995).
- *Changes In Operating Practices Could Save Publications & Distribution \$5.5 Million Annually* (Report No. 95-CAO-04, dated July 18, 1995).
- *The House Gift Shop's Internal Controls Need To Be Improved* (Report No. 95-CAO-05, dated July 18, 1995).
- *Changes In Operating Practices Could Save Media Services \$1.7 Million Annually* (Report No. 95-CAO-06, dated July 18, 1995).
- *Changes In Operating Practices Could Save Office Supply Store And Gift Shop \$1.3 Million Annually* (Report No. 95-CAO-07, dated July 18, 1995).
- *Continuation Of Member Services Operations Threatened By High Operating Costs And Numerous Internal Control Deficiencies* (Report No. 95-CAO-08, dated July 18, 1995).
- *Storage Space Occupied By Old, Outdated Items Costs The House \$170,000 Annually* (Report No. 95-CAO-09, dated July 18, 1995).
- *Lack Of Sound Personnel Policies And Procedures Could Cost The House Millions* (Report No. 95-CCS-10, dated July 18, 1995).
- *Standardized Processes Are Needed To Create An Efficient And Effective Procurement System* (Report No. 95-CAO-11, dated July 18, 1995).
- *The House Needs To Integrate Planning And Financial Management To Improve Productivity, Performance, And Accountability* (Report No. 95-CCS-12, dated July 18, 1995).
- *Changes In Operating Practices Could Save Office Furnishings \$1 Million Annually* (Report No. 95-CAO-15, dated July 18, 1995).
- *Problems Plagued The House's Financial Operations* (Report No. 95-CAO-16, dated July 18, 1995).
- *Split Responsibility For Equipment Leasing And Maintenance Cost The House Almost \$2.0 Million Annually In Payments For Outdated Equipment* (Report No. 95-CAO-17, dated July 18, 1995).
- *House Computer Systems Were Vulnerable To Unauthorized Access, Modification, And Destruction* (Report No. 95-CAO-18, dated July 18, 1995).
- *The Management And Control Of The House's Information Systems Operations Should Be Improved To Better Meet Members' Needs* (Report No. 95-CAO-19, dated July 18, 1995).
- *The House Needs To Follow A Structured Approach For Managing And Controlling System Development Life Cycle Activities Of Its Computer Systems* (Report No. 95-CAO-20, dated July 18, 1995).
- *The House Beauty Shop's Management Controls Do Not Adequately Safeguard Assets Or Ensure Compliance With The Law* (Report No. 95-CAO-21, dated July 18, 1995).
- *U.S. House Of Representatives Audit Of Financial Statements For The 15-Month Period Ended December 31, 1994* (Report No. 95-HOC-22, July 18, 1995)

EXHIBIT 1

- *Improved Controls Could Prevent Abuse Of The House Restaurant System Unemployment Compensation Program* (Report No. 95-CAO-26, dated August 11, 1995).
- *Followup On Outstanding Issues From The Comprehensive House Audit* (Report No. 96-HOC-01, dated January 2, 1996).
- *House Experiencing Problems With The Implementation Of The Core Federal Financial System* (Report No. 96-CAO-02, dated March 1, 1996).
- *The House Is Ready To Implement The Core Federal Financial System* (Report No. 96-CAO-04, dated June 3, 1996).
- *Audit Of Financial Statements For The Year Ended December 31, 1995* (Report No. 96-HOC-05, dated July 30, 1996).
- *Additional Vendor Guidelines Are Needed To Ensure Integrity Of HIR's Operating System* (Report No. 96-CAO-06, dated July 31, 1996).
- *House Information Resources Policies And Procedures Related To Electronic Mail Need To Be Improved* (Report No. 96-CAO-07, dated September 3, 1996).
- *Internal Controls Over House Furnishings Need Improvement* (Report No. 96-CAO-08, dated September 10, 1996).
- *Advance Payments to Vendors -- Flagship Data Offerings Project* (Report No. 96-INV-05, dated December 10, 1996).
- *Stronger Controls Needed Over The Data Processing Environment At The U.S. Geological Survey, Reston General Purpose Computer Center* (Report No. 96-CAO-09, dated December 17, 1996).
- *The House Needs To Take Steps To Implement Standard Financial Management Systems, Processes, And Policies* (Report No. 96-CAO-10, dated December 23, 1996).
- *Opportunities Exist To Improve The House's Payment Process* (Report No. 96-CAO-11, dated December 23, 1996).
- *The House Struggles With The Management Of The New Financial Management System* (Report No. 96-CAO-12, dated December 23, 1996).
- *Improvements Are Needed In The Management And Operations Of The Office Of The Chief Administrative Officer* (Report No. 96-CAO-15, dated December 31, 1996).
- *Procurement Irregularities Office of Communications Media* (Report No. 97-INV-01, dated February 13, 1997).
- *Improvements Are Needed In The Creation And Distribution Of Documents Within The House* (Report No. 97-CCS-02, dated March 17, 1997).
- *Weak Telecommunications And Information Systems Security Controls Compromise House Information Resources* (Report No. 97-CAO-04, dated March 24, 1997).
- *Opportunities Exist For The House To Save Over \$1 Million Annually Through Better Telecommunications Cost Management* (Report No. 97-CAO-05, dated March 24, 1997).
- *Changes In Operating Practices Needed to Improve The Economy, Efficiency, And Effectiveness Of House Telecommunications Functions* (Report No. 97-CAO-06, dated March 24, 1997).
- *Improvements Needed In The House's Contingency And Disaster Recovery Planning For Telecommunications* (Report No. 97-CAO-07, dated March 24, 1997).
- *Proactive Management Approach Can Improve House Telecommunications Services And Operations* (Report No. 97-CAO-08, dated March 24, 1997).

EXHIBIT 1

- *HIR Management Practices Undermine The House's Ability To Keep Pace With Technological Changes* (Report No. 97-CAO-09, dated May 8, 1997).
- *Direct Access Storage Device Management Can Be Improved* (Report No. 97-CAO-10, dated May 8, 1997).
- *Internal Controls Over Equipment Inventory Systems Can Be Improved* (Report No. 97-CAO-11, dated July 28, 1997).
- *Unauthorized Procurement – House Information Resources* (Report No. 97-INV-03, dated September 5, 1997).
- *Management And Financial Irregularities In The Office Of The Chief Administrative Officer* (Report No. 97-HOC-12, dated September 24, 1997).
- *House Needs To Refocus Its Efforts To Meet The Year 2000 Deadline* (Report No. 97-CAO-13, dated September 29, 1997).
- *Audit Of Financial Statements For The Year Ended December 31, 1996* (Report No. 97-HOC-14, dated December 1, 1997).
- *Despite CHO And CAO Mandates, HIR Has Not Begun Development Of A Mainframe Migration Plan* (Report No. 97-CAO-15, dated December 12, 1997).

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EXHIBIT 2

OPEN RECOMMENDATIONS

Entity Report and Recommendation Number	RECOMMENDATION ACTIONS COMPLETED TO DATE ACTIONS NEEDED FOR CLOSURE	PRIORITY STATUS TARGET DATE
CHIEF ADMINISTRATIVE OFFICER:		
96-INV-05 1	RECOMMENDATION: Confidential--See Confidential Exhibit 4 for additional information.	HIGH Not Started 9/30/98
96-INV-05 2	RECOMMENDATION: Confidential--See Confidential Exhibit 4 for additional information.	HIGH Not Started 9/30/98
96-CAO-15 A.3	<p>RECOMMENDATION: Strengthen the annual Chief Administrative Officer goal setting and monitoring process by: (1) Linking initial Chief Administrative Officer goals and objectives with lower level, functional objectives, plans, and resource requirements; (2) Continuously reviewing and monitoring of goals, objectives, and assigning priorities set by the Committee on House Oversight; and (3) Reporting quarterly to the Committee on House Oversight on the status of all goals and objectives.</p> <p>ACTIONS COMPLETED TO DATE: The Chief Administrative Officer has implemented an operational plan that links Chief Administrative Officer goals and objectives with functional projects, plans, and resource requirements. The Chief Administrative Officer also meets weekly with Committee on House Oversight staff to discuss the status of priority projects. Complete reporting is accomplished through the Semiannual Report of the Chief Administrative Officer.</p> <p>ACTIONS NEEDED FOR CLOSURE: The Chief Administrative Officer must implement a process to continually monitor and review the status of goals, objectives, and assignment of priorities set by the Committee on House Oversight.</p>	MEDIUM Substantial Progress 12/15/98
96-CAO-15 B.2	<p>RECOMMENDATION: Establish target dates for all unimplemented prior audit recommendations.</p> <p>ACTIONS COMPLETED TO DATE: The Chief Administrative Officer has established target dates for the majority of unimplemented audit recommendations.</p> <p>ACTIONS NEEDED FOR CLOSURE: After assessing priorities, the Chief Administrative Officer must establish target dates for any remaining, unimplemented audit recommendations.</p>	LOW Substantial Progress 8/30/98
96-CAO-15 C.4	RECOMMENDATION: Ensure that all systems development and other automation efforts are coordinated through	LOW

EXHIBIT 2

Entity Report and Recommendation Number	RECOMMENDATION ACTIONS COMPLETED TO DATE ACTIONS NEEDED FOR CLOSURE	PRIORITY STATUS TARGET DATE
	<p>House Information Resources.</p> <p>ACTIONS COMPLETED TO DATE: The House Information Resources reorganization “foundation” group is defining a charter for House Information Resources, which will more clearly identify House Information Resources’ authority, roles and responsibilities in development projects.</p> <p>ACTIONS NEEDED FOR CLOSURE: Coordinate all systems development and automation projects through House Information Resources according to roles and responsibilities defined in the organization’s charter.</p>	<p>Some Progress</p> <p>10/31/98</p>
OFFICE OF FINANCE:		
97-HOC-14 1.6	<p>RECOMMENDATION: Complete the implementation of the core Federal Financial System components, and develop work plans and procedures to accurately and completely reconcile transactions processed by the Federal Financial System to the U.S. Treasury on a monthly basis.</p> <p>ACTIONS COMPLETED TO DATE: A level of effort analysis was performed by the Office of Finance and Office of Inspector General to define the remaining tasks to be performed in Phases II and III of the Federal Financial System implementation. This level of effort analysis identified tasks that required a requirements analysis to be developed. The following requirements analysis tasks have been performed as part of the Phase II implementation of the Federal Financial System: development and implementation of the National Finance Center interface for the Capitol Police payroll, Electronic Funds Transfer, duplicate vendor records, duplicate payments, and data entry accuracy. In addition, functional and technical requirements for the following projects within Phase III have been developed: Procurement Desktop, Fixed Assets/Inventory Management Implementation Project, and Human Resources/Payroll Implementation Project. The Office of Finance has formed a Members user group to gather Member Office Accounting and Personnel system requirements. The Office of Finance plans to also form users groups for Committees and other House offices to gather their Accounting and Personnel system requirements.</p> <p>ACTIONS NEEDED FOR CLOSURE: Some components of the system have not been implemented, and the corresponding Office of Finance records do not yet constitute a full accrual basis system and do not fully comply with the Joint Financial Management Improvement Program (JFMIP) requirements. Specifically, the system implementation efforts need to address accounts receivable and executive reporting. Finally, the system implementation efforts need to include the implementation of the reporting and information requirements of all House offices. The Office of Finance needs to finish carrying out the plan which includes a task which addresses “future initiatives of the Federal Financial System.” This includes Member Access, Enhanced Financial Reporting, and Requirements Analysis for Internal and External Reports.</p>	<p>HIGH</p> <p>Substantial Progress</p> <p>10/31/98</p>
97-HOC-14 10.9	RECOMMENDATION: Ensure that transactions relating to a) purchase of equipment; b) lease of equipment; c)	HIGH

EXHIBIT 2

Entity Report and Recommendation Number	RECOMMENDATION ACTIONS COMPLETED TO DATE ACTIONS NEEDED FOR CLOSURE	PRIORITY STATUS TARGET DATE
	<p>maintenance of equipment; and d) purchase of non-equipment items such as supplies, training, and other services, are properly processed in the correct Budget Object Classes (BOCs), i.e., the correct expense accounts, in the Federal Financial System.</p> <p>ACTION COMPLETED TO DATE: Effective January 1, 1998, the Accounting and Budget Departments implemented a revised BOC code structure. The revision also includes a cross walk of BOCs to the appropriate general ledger accounts. The BOC structure is available in the Chief Administrative Officer's public folder.</p> <p>ACTIONS NEEDED FOR CLOSURE: Testing completed during the 1997 Financial Statement Audit provided evidence that the BOCs were not being used in a consistent manner, and that expenses were still being processed against inappropriate BOCs. Accordingly, the Office of Finance should reinforce the need to use the proper BOCs with all service-providers.</p>	<p>Some Progress</p> <p>9/30/98</p>
97-HOC-14 12.1	<p>RECOMMENDATION: Develop standard procedures for all service-providers requiring formal reconciliation between obligations established in the service provider systems with those recorded by the Federal Financial System. These monthly reconciliations should be reviewed and approved and forwarded to Office of Finance.</p> <p>ACTION COMPLETED TO DATE: In March, 1998, the House developed draft procedures for reconciling the obligations in the service provider systems to those in the Federal Financial System. These procedures specify that Miscellaneous Order Documents (MOs) will be entered for each Purchase Order. When invoices are processed for payment, the MO is liquidated by the Federal Financial System. Each service providing entity is responsible for ensuring that obligations recorded in the service provider systems are reconciled on a monthly basis to obligation amounts recorded in the Federal Financial System.</p> <p>ACTIONS NEEDED FOR CLOSURE: The Office of Finance should ensure that service provider reconciliations are completed on a regular basis and that actions are taken to resolve unliquidated/outstanding obligations.</p>	<p>MEDIUM</p> <p>Substantial Progress</p> <p>9/01/98</p>
<p>OFFICE OF FINANCE Accounting</p>		
95-CAO-16 A.3	<p>RECOMMENDATION: Develop proposals, for approval by the Committee on House Oversight, to implement a cost accounting system that properly allocates or attributes costs to end users.</p> <p>ACTIONS COMPLETED TO DATE: None.</p> <p>ACTIONS NEEDED FOR CLOSURE: The House should develop a proposal to implement a cost accounting system that properly allocates or attributes costs of appropriate Chief Administrative Officer operations to end users.</p>	<p>MEDIUM</p> <p>Not Started</p> <p>7/31/99</p>
95-CAO-17 C.3	<p>RECOMMENDATION: Ensure that the new financial management system is configured to prompt Member offices</p>	<p>MEDIUM</p>

EXHIBIT 2

Entity Report and Recommendation Number	RECOMMENDATION ACTIONS COMPLETED TO DATE ACTIONS NEEDED FOR CLOSURE	PRIORITY STATUS TARGET DATE
	<p>when payments are being made on equipment over a specified age.</p> <p>ACTIONS COMPLETED TO DATE: The recording and tracking of equipment maintenance information is being addressed as a requirement for the new fixed assets and inventory management system, a subsidiary to the accounting system. A Needs Analysis and Requirements Definition document has been prepared to outline the requirements for the new fixed assets and inventory management system. These requirements include the following: Requirement 2.5.4, Capability to generate, via workflow, an automated alert indicating when equipment maintenance costs exceed the original costs of the asset over a specified age and Requirement 2.5.5, Capability to generate, via workflow, an automated alert indicating when an item's warranty period ends. A Request for Proposals was issued in March 1998 and bids were received in April 1998 for the selection of a vendor to provide a commercial-off-the-shelf application. A decision on the selection of a vendor is pending.</p> <p>ACTIONS NEEDED FOR CLOSURE: Select and implement a commercial-off-the-shelf fixed assets and inventory management system that is configured to prompt Member offices when payments are being made on equipment over a specified age. The House should ensure that this functionality is implemented and utilized.</p>	<p>Some Progress</p> <p>6/30/99</p>
97-HOC-14 1.7	<p>RECOMMENDATION: Eliminate the practice of holding accounting periods open for indefinite periods of time. Work plans and procedures should be developed to close out each month in a timely manner.</p> <p>ACTION COMPLETED TO DATE: Policies and procedures for the monthly closing process have been developed. This document discusses two types of closings--temporary and permanent. Under these procedures, accounting periods are temporarily closed at the close of business on the last business day of the calendar month. Temporarily closed accounting periods can be reopened to allow for electronic transfers and interfaces from other House agencies, adjustments resulting from external/internal review of the Monthly Financial Statement (MFS) and Statement of Disbursement (SOD), and posting of prior fiscal or legislative year payments, obligations, and budget transactions. Permanent closing for the third month of each quarter takes place only after the SOD has been forwarded to Printing Services for publication.</p> <p>ACTIONS NEEDED FOR CLOSURE: The temporary closing of an accounting period is accomplished through a manual process rather than through the Federal Financial System off-line jobs. This allows accounting periods to be reopened for purposes of posting adjustments. In addition to the risk of data entry errors, the manual closing of accounting periods prohibits the production of the Federal Financial System monthly trial balances. The ability to agree the MFS to the year-to-date totals is also lost because when transactions are posted to a prior accounting period, the historical balance file supporting the MFS report is rebuilt. The House should develop and fully implement policies and procedures that close accounting periods within the Federal Financial System and prohibit reopening them.</p>	<p>MEDIUM</p> <p>Substantial Progress</p> <p>11/30/98</p>
96-CAO-12 B.5	<p>RECOMMENDATION: Expeditiously complete policies and operating procedures associated with the Phase II</p>	<p>MEDIUM</p>

EXHIBIT 2

Entity Report and Recommendation Number	RECOMMENDATION ACTIONS COMPLETED TO DATE ACTIONS NEEDED FOR CLOSURE	PRIORITY STATUS TARGET DATE
	<p>implementation.</p> <p>ACTIONS COMPLETED TO DATE: User procedures have been completed for the following areas: Budget Execution/Project Cost Accounting System/Planning, Imprest Fund, Closing (including the monthly, fiscal year, and legislative year closes), Accounts Payable, Entering Manual Checks, Printing Checks, Canceling Checks, Entering Cash Receipts, Cash Reconciliations with Treasury, Custom House Financial Reports, National Finance Center interface for the Capitol Police payroll, user support processes to resolve user questions and problems for the subsystems, and options for handling no-year with carryover appropriation. The payroll interface process policies and procedures have been drafted.</p> <p>ACTIONS NEEDED FOR CLOSURE: The payroll interface policies and procedures should be finalized. Also, policies and procedures should be developed for the following subsystems and associated tasks in Phase II implementation: General Ledger subsystem, and Electronic Funds Transfer processing.</p>	<p>Substantial Progress</p> <p>12/31/98</p>
<p>OFFICE OF FINANCE Financial Counseling</p>		
<p>96-CAO-12 B.6</p>	<p>RECOMMENDATION: Modify existing policies and operating procedures to add steps that will help minimize the errors experienced to date.</p> <p>ACTIONS COMPLETED TO DATE: Modifications to the existing operating policies and procedures are being developed. The Office of Finance has formulated a training outline for the revised user manuals and plans to address the majority of the problems experienced to date with errors.</p> <p>ACTIONS NEEDED FOR CLOSURE: The Office of Finance should include the following items in the operating policies and procedures: checks issued without information on the check stub explaining the reasons for payment; custom interfaces executed with the wrong parameters; recurring payment program executed days after recurring payments were due; recurring payment program executed with the wrong date parameters; multiple checks issued to the same payee instead of combining payments into one check; and payments recorded without the full description of the purpose of the expense.</p>	<p>HIGH</p> <p>Some Progress</p> <p>7/31/98</p>
<p>96-CAO-11 A.6</p>	<p>RECOMMENDATION: Develop a proposal, for approval by the Committee on House Oversight to adopt a sampling methodology for performing compliance reviews of expense transactions. This proposal should address modifying the audit function within Finance by establishing an audit threshold that considers both the risk of non-compliance associated with the type of expense and dollar amount of the expense transaction.</p> <p>ACTIONS COMPLETED TO DATE: A study is underway that will form the basis of a proposal to the Committee on</p>	<p>MEDIUM</p>

EXHIBIT 2

Entity Report and Recommendation Number	RECOMMENDATION ACTIONS COMPLETED TO DATE ACTIONS NEEDED FOR CLOSURE	PRIORITY STATUS TARGET DATE
	<p>House Oversight to use a sampling technique for auditing vouchers. The Chief Administrative Officer has submitted a sampling methodology for performing compliance reviews of travel vouchers. The initial plan is to use sampling for travel vouchers only (about 30 percent of all vouchers) for six months. Once the sampling strategy has been tested and revised, if necessary, the Office of Finance will review it to determine whether auditing thresholds should also be considered.</p> <p>ACTIONS NEEDED FOR CLOSURE: The sampling study should be completed and the results used to prepare a proposal for approval by the Committee on House Oversight.</p>	<p>Substantial Progress</p> <p>12/31/98</p>
96-CAO-11 D.2	<p>RECOMMENDATION: Develop a proposal, for approval by the Committee on House Oversight to require that Members establish a new lease once the original lease expires or submit a memo to Finance communicating their approval of a month-to-month commitment until a new lease is established.</p> <p>ACTIONS COMPLETED TO DATE: The Office of Finance wrote a SAS program that searches the Recurring Payment Voucher Table in the Federal Financial System for lease expirations. This program was initially run in June 1997 and produced an Expiring Leases Report. This report is used by the Financial Counselor to identify leases that are expiring. In addition, two standard letters were developed to inform Members of impending lease expirations for the following month. One letter addresses leases for commercial office space and the second letter addresses automobile leases. The letter addressing automobile leases included a brief description of the House rules governing long-term automobile leases and a blank copy of the Long-Term Vehicle Lease Attachment. The above procedure has been incorporated within Recurring Payment Voucher procedures. This procedure outlines the Expiring Leases Report and the responsibilities of the Financial Counselor(s) within the Office of Finance.</p> <p>ACTIONS NEEDED FOR CLOSURE: The proposal requiring Members to take the action of submitting a new lease or memo should be formalized and submitted to the Committee on House Oversight for approval.</p>	<p>MEDIUM</p> <p>Substantial Progress</p> <p>7/31/98</p>
96-CAO-11 A.8	<p>RECOMMENDATION: Redesign the payment process to streamline the process and eliminate unnecessary steps. In redesigning the payment process, the Chief Administrative Officer should consider implementing the following practices employed by many Federal and private entities: Either: Eliminate the House's voucher form for vendor expenses. Use the vendor invoice to document additional data needed to record items into the Federal Financial System, such as service period, purpose of expense, and payment approval. The House should continue to use the voucher form for travel reimbursements. Or: Require all vendor invoices to be mailed directly to Finance. Finance would then need to validate the payment by matching it to the purchase order or obligation and receiving report online, using the Federal Financial System.</p> <p>ACTIONS COMPLETED TO DATE: The Office of Finance has incorporated, within its 1998 Operational Business Plans, a project to reengineer and streamline the voucher process.</p>	<p>LOW</p> <p>Limited Progress</p>

EXHIBIT 2

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	ACTIONS NEEDED FOR CLOSURE: The Office of Finance should conduct an analysis to identify cost beneficial ways to reduce inefficiencies in the payment process.	9/30/98
OFFICE OF FINANCE Financial Systems		
95-CAO-16 C.2	<p>RECOMMENDATION: Develop proposals, for approval by the Committee on House Oversight, to provide information to Members, Committees, and other House offices on how much money they have spent versus what they were budgeted.</p> <p>ACTIONS COMPLETED TO DATE: The Office of Finance has issued more detailed monthly financial statements that take into account obligations for purchases of office supplies, one-year equipment purchases, and mass mailings. The reports also include a detail listing of commitments and expenditures. The obligation function of the Federal Financial System has successfully been used since June 1996 and the Statement of Obligations currently accompanies the Monthly Financial Statement. Fund control features exist to ensure that an obligation can only be recorded if proper funds are available. Mass mailings were not required to be obligated during 1997. However, the Committee on House Oversight approved a proposal requiring obligation of mass mailings in August 1997 and the formal policy requiring the obligation of mass mailings became effective on January 3, 1998.</p> <p>ACTIONS NEEDED FOR CLOSURE: Although purchases, such as office supplies, one year purchases of equipment, and mass mailings are reported as obligations, other major spending commitments, such as rent and payroll, are not taken into account. Obligation accounting should be fully implemented for a material portion of the House's annual appropriations/expenditures. For example, postage, rent and payroll for Members, Committees, and other House offices should be obligated. This capability could be provided through the Federal Financial System and Procurement Desktop. In addition, information for these obligated items should be provided to Members, Committees, and other House offices.</p>	<p>HIGH</p> <p>Substantial Progress</p> <p>10/31/98</p>
95-HOC-22 2.2	<p>RECOMMENDATION: In conjunction with acquiring a new financial management system, ensure it has the capability to: compare orders against the available budget by office, and prompt offices when orders have not been received or when bills have not been paid after a specified period of time.</p> <p>ACTIONS COMPLETED TO DATE: The Federal Financial System is capable of comparing orders to available funds with the implementation of the Purchasing Subsystem in June 1996. This new capability is now being used by Office Systems Management and Office Supply Services to track their spending against respective obligations. Procurement Desktop, a software application designed for purchasing goods and services, also has this functionality. Procurement Desktop is being piloted in House Information Resources and will be implemented in other Chief Administrative Officer offices after Procurement Desktop is tested and validated in House Information Resources.</p> <p>ACTIONS NEEDED FOR CLOSURE: Untimely submission of expense vouchers by Members whose expenditures are</p>	<p>HIGH</p> <p>Some Progress</p>

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	not obligated may still result in late payments. Receiver documents will allow the House to identify voucher information that has not yet been submitted to Finance for payment which directly addresses the identified problem of Members' untimely submission of vouchers. Both the Federal Financial System Purchasing Subsystem and Procurement Desktop have the functionality to create receiver documents but neither is currently used by the House. The House should implement this functionality and ensure that offices are prompted when orders have not been received or when bills have not been paid after a specified period of time.	6/30/99
95-HOC-22 4.1	<p>RECOMMENDATION: Ensure the new financial management system is capable of accumulating and providing information with respect to property and equipment including: cost or value information, description and acquisition date, useful life, depreciation method and amount, scheduled replacement, and location.</p> <p>ACTIONS COMPLETED TO DATE: The following activities have been performed to date: Needs Analysis/Requirements Definition document, Concept Plan/Business Process Reengineering Document, and a Request for Proposals for a new Fixed Assets/Inventory Management System. The House has included the requirements to capture cost/value information, asset description, acquisition date, useful life, depreciation method, depreciation amount, scheduled replacement, and location within the Needs Analysis/Requirements Definition document. The Request for Proposals was issued to vendors in March 1998. Vendors submitted bids in April 1998 and a decision is pending.</p> <p>ACTIONS NEEDED FOR CLOSURE: The House should select a fixed assets and inventory management system for implementation. The House should ensure that the new fixed assets and inventory management system along with the financial management system is capable of providing information with respect to property and equipment including: cost/value information, asset description, acquisition date, useful life, depreciation method, depreciation amount, scheduled replacement, and location.</p>	<p>HIGH</p> <p>Some Progress</p> <p>6/30/99</p>
96-CAO-10 A.1	<p>RECOMMENDATION: Continue to take steps to implement a single, integrated financial management system that all offices can use to support the House's central financial management activities.</p> <p>ACTIONS COMPLETED TO DATE: The House has made progress on certain aspects of developing an integrated financial system. Procurement Desktop is currently being piloted in House Information Resources and plans exist to implement Procurement Desktop in other offices. The House has also initiated the procurement of Human Resources/Payroll and Fixed Assets/Inventory Management systems. These new systems will help centralize the House's financial data by feeding financial information into the Federal Financial System through interfaces.</p> <p>ACTIONS NEEDED FOR CLOSURE: The House should continue to integrate the financial systems by implementing financial systems such as Procurement Desktop, Human Resource/Payroll, and Fixed Assets/Inventory Management, that will interface with the Federal Financial System. Although the Federal Financial System is a House-wide, integrated financial management system, it has not been fully-implemented in offices other than the Office of Finance. Therefore,</p>	<p>HIGH</p> <p>Some Progress</p> <p>1/01/99</p>

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	other House offices track financial data using methods that are not compatible with the Federal Financial System. The House should provide access to the Federal Financial System data.	
96-CAO-10 A.2	<p>RECOMMENDATION: Perform further analysis and review of the Member, Committee, and other House offices' high-level financial management systems requirements. This analysis should be used to: develop a comprehensive, detailed list of requirements for the Member, Committee, and other House offices; assess whether or not the functions of the core Federal Financial System components implemented on June 4, 1996, can meet the Member, Committee, and other House offices' requirements; assess if additional Federal Financial System features to be implemented in the future, the Federal Financial System add-on systems, or custom enhancements to the Federal Financial System can meet the Member, Committee, and other House offices' requirements; and develop alternatives for the requirements where solutions are not currently known.</p> <p>ACTIONS COMPLETED TO DATE: The Office of Finance is currently conducting further analysis and review of its users' financial management systems requirements. To achieve this goal, the Office of Finance has formed a user group made up of representatives from Member offices. The group will identify additional system requirements in the Member offices' accounting operation. This list will be reviewed by the Office of Finance and incorporated in the requirements for future financial management systems at the House. The Office of Finance has also established user groups for Committees and other House offices to identify their systems requirements. Furthermore, the Office of Finance reviewed the system requirements for the Procurement Desktop, Payroll, and Fixed Assets/Inventory Management systems. The Office of Finance has assisted the House implementation teams in defining the interfaces between these systems and the Federal Financial System. Also, Chief Administrative Officer offices were involved in helping to define requirements for the new Fixed Assets/Inventory Management system and the Human Resources/Payroll system. The Chief Administrative Officer has determined that the core components of the Federal Financial System do not meet the needs of the various offices within the House community. This has led to the current study to both replace the Federal Financial System in the long term and as a stop gap measure, replace internal financial activity tracking systems for Members, Committees, and House offices.</p> <p>ACTIONS NEEDED FOR CLOSURE: Requirements of Members, Committees, Chief Administrative Officer, and other House offices should be compared with existing system requirements in the Gap Analysis to develop a complete list of requirements. After the list of system requirements for users has been compiled, the Office of Finance should assess if any enhancements to the Federal Financial System can meet the Member, Committee, Chief Administrative Officer, and other House offices' system requirements, as identified within the user groups. Where enhancements to the Federal Financial System cannot meet identified system requirements, or are not cost effective, alternatives to meet these requirements should be developed.</p>	<p>HIGH</p> <p>Limited Progress</p> <p>10/31/98</p>
96-CAO-10 A.4	RECOMMENDATION: Develop a proposal, for approval by the Committee on House Oversight, to prohibit the development and implementation of any new financial management systems without the review and approval of the	MEDIUM

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	<p>Federal Financial System Steering Committee.</p> <p>ACTIONS COMPLETED TO DATE: None</p> <p>ACTIONS NEEDED FOR CLOSURE: The Chief Administrative Officer should develop a proposal, for approval by the Committee on House Oversight, to ensure the development and implementation of any new financial management systems for the House has been reviewed and approved by a Chief Administrative Officer designated body within the House.</p>	<p>Not Started</p> <p>12/31/98</p>
96-CAO-11 A.3	<p>RECOMMENDATION: Use Federal Financial System reports depicting receiving information to identify instances where initiating offices have possession of vendor invoices that have not yet been submitted for payment to Finance.</p> <p>ACTIONS COMPLETED TO DATE: The House is considering the development of capabilities to track data at the point when goods are received. The Federal Financial System and Procurement Desktop have the functionality to capture receipt of goods data. The House is also considering the use of the new Fixed Assets/Inventory Management system which may have the functionality to capture receipt of goods data.</p> <p>ACTIONS NEEDED FOR CLOSURE: The House should implement the capability to create receiving documents through the Federal Financial System, Procurement Desktop, or the new Fixed Assets/Inventory Management system so that this information can be used to identify instances where goods or services have been received by the House but an invoice has not been submitted to Finance and payment has not been made. After the House is able to produce this information, they should make it available to House offices through reports or through access to financial data for House offices.</p>	<p>MEDIUM</p> <p>Limited Progress</p> <p>10/31/99</p>
96-CAO-11 A.12	<p>RECOMMENDATION: Move towards a more paperless environment. This can be achieved by the following: electronic matching of expenses against obligations or purchase orders and receiving reports; and take advantage of opportunities to use Electronic Funds Transfer. Develop adequate policies and procedures to use the Federal Financial System's Electronic Funds Transfer feature. Determine which types of payments would be good candidates for Electronic Funds Transfer processing, for example, recurring payments and reimbursements to Members, Committees, and other House employees.</p> <p>ACTIONS COMPLETED TO DATE: The House has implemented the functionality to electronically match expenses against obligations through the Federal Financial System. The implementation of Electronic Funds Transfer has been contracted to Delta Solutions and Signal Corporation through the Washington Administrative Service Center. Per the task order, implementation of the Electronic Funds Transfer includes determining project requirements, developing the implementation plan, designing the Electronic Funds Transfer process, testing the production jobs containing changed modules, and completing documentation related to the process.</p>	<p>MEDIUM</p> <p>Some Progress</p>

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	<p>ACTIONS NEEDED FOR CLOSURE: The House should implement the Federal Financial System capabilities to process payments such as recurring payment and employee reimbursements via Electronic Funds Transfer. This entails the completion of the task order relating to the development and implementation of Electronic Funds Transfer. The receiving report portion of the recommendation will be addressed with the implementation of Recommendation 2.1 in Report 95-HOC-22.</p>	1/01/99
96-CAO-11 C.3	<p>RECOMMENDATION: In a next phase of the Federal Financial System implementation project, expeditiously provide Member, Committee and House offices with automated access to the Federal Financial System information that would allow for information inquiries more often than monthly.</p> <p>ACTIONS COMPLETED TO DATE: A planned future enhancement to provide Members' access, and set up and train an initial group of Committee and Member office users on Infopac in fiscal years 1998 and 1999 is awaiting approval. Infopac is a commercial off-the-shelf product that provides on-line access and searching of secure report format data.</p> <p>ACTIONS NEEDED FOR CLOSURE: The Chief Administrative Officer should conduct an analysis to determine whether Infopac is a viable means of delivering financial data directly to Member, Committee, and House offices on a timely basis. If Infopac is determined not to meet the House's needs, the House should conduct an analysis into the use of other tools to provide the Members, Committees, and other House offices with timely automated access to financial information. Once the analysis is completed and the proper tool identified, it should be implemented.</p>	<p>MEDIUM</p> <p>Limited Progress</p> <p>1/01/99</p>
96-CAO-11 D.3	<p>RECOMMENDATION: Develop a report from the new system which lists and ages obligations and unpaid bills. Followup should be done on items that remain open beyond a pre-defined period of time.</p> <p>ACTIONS COMPLETED TO DATE: The Office of Finance and the Office of Procurement and Purchasing have finalized the procedures on outstanding (unliquidated) obligations. These procedures state that Office of Procurement and Purchasing shall by the 10th business day of each month provide a report of unliquidated obligations to all Chief Administrative Officer offices with purchasing responsibility and to the Office of Finance's Accounting Department. This report can be used to identify obligations that remain unliquidated. Followup is currently being performed on items that remain open beyond a predefined period of time. This followup has been included in the procedures that were developed by the Office of Finance and Office of Procurement and Purchasing. These procedures state that all Chief Administrative Officer offices with purchasing responsibility shall review the monthly report and identify, research, and resolve obligations that are in excess of six months (180 days).</p> <p>ACTIONS NEEDED FOR CLOSURE: The monthly report produced by the Office of Procurement and Purchasing includes an effective date field which can be used by the Chief Administrative Officer offices to determine the age of the unliquidated obligation. However, this report may not be the most effective and efficient report to use when tracking the aging of obligations or unpaid bills since the Chief Administrative Officer offices must review the effective date for each</p>	<p>MEDIUM</p> <p>Some Progress</p> <p>9/30/98</p>

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	obligation to determine the age. The Federal Financial System has the functionality to produce aging reports which will provide the Chief Administrative Officer offices with obligations/payables by date in the following categories: under 30 days, 31-60 days, 61-90 days, and over 90 days. As such, the Office of Finance should review the aging reports that the Federal Financial System can provide, and implement the necessary reports into production so that Chief Administrative Officer offices have a more efficient and effective means of monitoring the unliquidated obligations and unpaid bills.	
97-HOC-14 1.8	<p>RECOMMENDATION: Review existing system requirements to ensure that all required fields within the Federal Financial System are completed and edited by the system or the Federal Financial System users whenever possible, before the transactions are accepted by the Federal Financial System. This would include the use of service dates and legislative year information.</p> <p>ACTIONS COMPLETED TO DATE: In July 1997, the Office of Finance issued a delivery order to the Washington Administrative Service Center, to address issues related to acceptable and required codes for critical data elements. In addition, the Washington Administrative Service Center was tasked to address controls on input that can be used to develop overall system and reporting controls. An estimate of the costs and time to perform an analysis of these issues, to propose actions to be taken in the Federal Financial System, and to develop procedures for the House has been developed. In their analysis, the Washington Administrative Service Center recommended alternative actions which can be taken to improve the current financial processes in the area of data entry accuracy. These alternative actions included recommendations for improving data accuracy for custom House reports, online edits to beginning and ending service dates, descriptions, the House Description Table, document identification numbers, and clear all capabilities. In addition, the House is in the process of implementing the commercial off-the-shelf product, Star Flashpoint, in its test environment. This application is a Windows based data entry front end product which may increase ease of use for entering and querying the Federal Financial System data.</p> <p>ACTIONS NEEDED FOR CLOSURE: The House should complete the analysis and if applicable, implementation of Star Flashpoint to ensure that all required fields in the Federal Financial System are established and edited by the system or Federal Financial System users, whenever possible, prior to the processing of the document in the Federal Financial System. If Star Flashpoint is not the solution, the House should conduct additional analysis and then, implementation of the proper solution.</p>	<p>MEDIUM</p> <p>Some Progress</p> <p>7/31/98</p>
97-HOC-14 13.1	<p>RECOMMENDATION: Develop and implement management policies and procedures to ensure that managers/supervisors: (1) assign Federal Financial System access capabilities only to those users whose defined access does not conflict with the user's primary business function; (2) restrict assignments of levels of access which have potentially incompatible functions (e.g., no individual should have both PASS1 and PASS2 capabilities); (3) limit update capabilities to the Vendor Table to a few users with a business need; and (4) require user request forms to be complete, consistent with assigned access, and properly authorized for all Federal Financial System users.</p>	<p>MEDIUM</p>

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	<p>ACTIONS COMPLETED TO DATE: When a request is received for a new user to be assigned Federal Financial System capabilities, the Office of Finance matches the individual to their business processes to determine if there is a difference in the request for a specific Federal Financial System capability and the normal profile for an individual performing this business process. If a difference exists, the Office of Finance will request a justification from the user's office for the type of access requested. Prior to approval of the access, the Office of Finance will review the justification to determine whether it is sufficient.</p> <p>A task order was issued to the Washington Administrative Service Center in July 1997 to address the cleanup and ongoing management of vendor records including the addition of new vendors, archiving of unused vendor records, and ongoing process to control and eliminate duplicate vendor records. The Washington Administrative Service Center prepared an analysis document and delivered it to the House in October 1997. While this analysis did not specifically address limiting the access to the Vendor Table, it did provide a recommendation for streamlining the data entry process to ensure that control of the Vendor Table is centralized. In January 1998, the Office of Finance prepared Vendor Table management procedures to be used when entering information into the Federal Financial System Vendor Table. These procedures state that the number of personnel having data entry access to the Vendor Table has been greatly reduced. The Office of Finance expects that this reduction will assist in reducing the number of errors within the Vendor Table, and assist in reducing the number of duplicate payments that are made.</p> <p>ACTIONS NEEDED FOR CLOSURE: The management policies and procedures should be finalized and include the following items: assign Federal Financial System access capabilities only to those users whose defined access does not conflict with the user's primary business function; restrict assignment of levels of access which have potentially incompatible functions; limit update capabilities to the Vendor Table to a few users with a business need; and require user request forms to be complete, consistent with assigned access, and properly authorized for all Federal Financial System users.</p>	<p>Some Progress</p> <p>7/31/98</p>
<p>97-HOC-14 13.2</p>	<p>RECOMMENDATION: Approve the <i>Federal Financial System Security Administrator Policies and Procedures Manual</i> after the following additional procedures to enhance controls are added: (1) provide oversight over the proper implementation of the management policies and procedures identified in Recommendation 1; (2) perform a review at least every 90 days to determine the existence of obsolete or inactive login IDs. (Based on this review, follow up with user management to determine whether access is still required. User IDs no longer requiring access should be eliminated); and (3) identify specific roles and responsibilities the Washington Administrative Service Center provides in maintaining the Federal Financial System security.</p> <p>ACTIONS COMPLETED TO DATE: Actions to complete this recommendation have been included in a security transition plan. One of the actions on the security transition plan is the revision of the <i>Federal Financial System Security Administration Policies and Procedures Manual</i>. The House is currently revising this manual to incorporate the additional</p>	<p>MEDIUM</p> <p>Some Progress</p>

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	<p>procedures as noted in this recommendation.</p> <p>ACTIONS NEEDED FOR CLOSURE: Finalize the <i>Federal Financial System Security Administrator Policies and Procedures Manual</i> and ensure that the following additional procedures to enhance controls have been incorporated and implemented: provide oversight over the proper implementation of the management policies and procedures in Report 97-HOC-14, Recommendation 13.1; perform a review at least every 90 days to determine the existence of obsolete or inactive login IDs, follow up with user management to determine whether access is still required, and eliminate user IDs no longer requiring access; and identify specific roles and responsibilities that the Washington Administrative Service Center provides in maintaining Federal Financial System security.</p>	<p>7/31/98</p>
97-HOC-14 13.3	<p>RECOMMENDATION: Require security administrators to obtain appropriate security clearances.</p> <p>ACTIONS COMPLETED TO DATE: Actions to complete this recommendation are included in the security transition plan under task 13.3, Clearances for Security Administrators.</p> <p>ACTIONS NEEDED FOR CLOSURE: Management should establish a policy regarding security clearances for the Federal Financial System security administrators, which are highly sensitive positions with wide access to all Federal Financial System capabilities. The House should ensure that this policy is being followed by security administrators.</p>	<p>MEDIUM</p> <p>Limited Progress</p> <p>9/30/98</p>
97-HOC-14 13.4	<p>RECOMMENDATION: Correct the functionality of the Federal Financial System audit log and use it to perform security monitoring.</p> <p>ACTIONS COMPLETED TO DATE: Actions to complete this recommendation are included in the security transition plan under task 13.4, Correct Functionality of Audit Log. The Office of Finance has indicated that work to complete this recommendation is ongoing.</p> <p>ACTIONS NEEDED FOR CLOSURE: Implement the use of the Federal Financial System audit log so that it functions properly and identifies Federal Financial System access violations by mainframe users. The House should implement the use of the log for performing security monitoring.</p>	<p>MEDIUM</p> <p>Limited Progress</p> <p>7/31/98</p>
95-HOC-22 8.9	<p>RECOMMENDATION: Develop policies and procedures to, in conjunction with the overall action plan for systems upgrade and integration, improve data entry controls with respect to weaknesses in entering data such as incomplete data for purchasing equipment and a lack of approved vendor codes.</p> <p>ACTIONS COMPLETED TO DATE: The Washington Administrative Service Center prepared an analysis outlining recommendations for improving data entry accuracy in the Federal Financial System and related software modifications. The memo addresses issues in data entry accuracy, duplicate payments, and vendor record management. The Office of Finance has taken steps to remove duplicate vendor records and has prepared procedures providing guidelines for maintaining vendor records. The House has prepared Vendor Table Management Procedures, which outline acceptable</p>	<p>LOW</p> <p>Some Progress</p>

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	<p>methods of inputting vendor information. The Office of Finance has also defined training requirements and is preparing a training plan, which includes policies and procedures for data entry.</p> <p>ACTIONS NEEDED FOR CLOSURE: The Office of Finance should take steps to implement controls and procedures to improve the accuracy of data entered in the Federal Financial System and to prevent the issuance of duplicate payments. Controls and procedures should also be implemented to ensure the accuracy of data entered in systems used by other Chief Administrative Officer offices, such as the payroll system. The Office of Finance should also ensure that system users will be trained on the policies and procedures. The House should complete the planned implementation of Star Flashpoint, a commercial off-the-shelf product, and use its functionality to assist the Office of Finance in improving data entry controls with respect to weaknesses in entering incomplete data.</p>	<p>7/31/98</p>
96-CAO-10 D.3	<p>RECOMMENDATION: Offer training to staff when new policies, procedures, and systems are instituted as is currently done with budget preparation.</p> <p>ACTIONS COMPLETED TO DATE: The project to analyze the Federal Financial System training requirements was completed in October 1997. A kickoff meeting was held on February 2, 1998, to begin developing training materials with additional functional and data accuracy requirements. Procedures and new accounting requirements approved prior to March 3, 1998, will be included in the training. The training manual will become a part of the Federal Financial System configuration management plan to be updated on a version/release basis in the future when a group of enhancements to the Federal Financial System or accounting practices changes. A draft outline and plan for development of the training materials has been completed. Training was conducted on the following areas: disbursements, general ledger, checks, cash receipts, and budget. Training relating to new policies, procedures, and systems has occurred for system enhancements such as the Capital Police Payroll Interface and the Federal Financial System Release 5.1.4D.</p> <p>ACTIONS NEEDED FOR CLOSURE: The House should ensure the policies and procedures developed from the training materials are finalized.</p>	<p>LOW</p> <p>Substantial Progress</p> <p>7/31/98</p>
96-CAO-11 A.1	<p>RECOMMENDATION: Develop a proposal, for approval by the Committee on House Oversight, to modify the Federal Financial System to automatically generate an expense description upon input of expense classification code.</p> <p>ACTIONS COMPLETED TO DATE: When submitting vouchers to Finance for payment, Members, Committees, and Officers are allowed to specify expense descriptions, if they wish. The Office of Finance has started a project that will allow for standard descriptions to be used where Members, Committees and Officers do not request specific descriptions. A commercial off-the-shelf product called Star Flashpoint has been installed in a test environment to determine how its features can be utilized to improve data entry accuracy. This product will be analyzed to determine whether pulldown menus of descriptions and other information such as budget object classes and program codes can be used to improve data entry accuracy. Three options exist for improving data accuracy: 1) header description fields that are left blank can be</p>	<p>LOW</p> <p>Some Progress</p>

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	<p>defaulted to lines in the document which the user may then modify; 2) a Standard Description table can be developed that would be accessible on-line so the user can easily assign standard descriptions to the document; and 3) a spell-check function can be added to improve data entry accuracy for descriptions.</p> <p>ACTIONS NEEDED FOR CLOSURE: The House should continue to pursue available options for increasing the efficiency and consistency of descriptions used for payment documents. For example, the House should determine whether Star Flashpoint can be used to automatically generate expense descriptions. Once the appropriate option is determined, the House should develop a proposal, for approval by the Committee on House Oversight, to modify the financial system to automatically generate an expense description upon input of the expense classification code.</p>	<p>12/31/98</p>
<p>HOUSE INFORMATION RESOURCES: Planning:</p>		
<p>97-CAO-09 A.1</p>	<p>RECOMMENDATION: Develop a detailed House Information Resources strategic and operational plan based on the Information Technology Strategic Plan vision. These plans should project future issues on a three-year basis and should be updated annually.</p> <p>ACTIONS COMPLETED TO DATE: A December 1997 strategic assessment study called for developing an Information Technology Strategic Plan based on the Chief Administrative Officer strategic plan currently under development and a House Information Resources charter that is not yet defined. The new Information Technology Strategic Plan will guide operational planning on a three-year basis and it will be reviewed and updated annually.</p> <p>ACTIONS NEEDED FOR CLOSURE: Finalize and implement the Information Technology Strategic Plan based on the original Information Systems Program Plan vision.</p>	<p>HIGH</p> <p>Some Progress</p> <p>1/31/99</p>
<p>HOUSE INFORMATION RESOURCES: General Administration:</p>		
<p>96-CAO-15 C.5</p>	<p>RECOMMENDATION: Review the overall House Information Resources management structure to ensure that all major projects are properly planned, organized and coordinated effectively, and approved by the Committee on House Oversight.</p> <p>ACTIONS COMPLETED TO DATE: During December 1997, a private consultant provided House Information Resources with the results of a strategic assessment study. This study gave House Information Resources a basis for implementing a management structured reorganization using a matrix project model and a project management methodology. The proposed change in House Information Resources' organization would be required for House</p>	<p>HIGH</p> <p>Some Progress</p>

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	<p>Information Resources to effectively accomplish its strategic goals. As a result of this study, the Chief Administrative Officer submitted a request to the Committee on House Oversight to expeditiously approve the first phase, the immediate office reorganization and a comprehensive reorganization plan is being developed.</p> <p>ACTIONS NEEDED FOR CLOSURE: Develop a complete reorganization plan that provides for sound project management and coordination. Forward the plan to the Committee on House Oversight for approval.</p>	<p>8/31/98</p>
96-CAO-15 E.2	<p>RECOMMENDATION: Adopt an implementation plan that balances the need for an aggressive timeline with user needs, and hardware, software, personnel and budget requirements.</p> <p>ACTIONS COMPLETED TO DATE: House Information Resources has recently formed a mainframe migration team which will validate recommendations from the Office of Inspector General's "Mainframe Migration Options Study," select an implementation plan, and prepare contingency plans and budget requirements. The migration is tentatively scheduled to occur in the third quarter FY99.</p> <p>ACTIONS NEEDED FOR CLOSURE: Complete the review of the "Mainframe Migration Options Study" and adopt an implementation plan that includes budget requirements and contingency plans.</p>	<p>HIGH</p> <p>Some Progress</p> <p>10/31/98</p>
97-CAO-13 1	<p>RECOMMENDATION: Establish formal project management controls and techniques as follows:</p> <ul style="list-style-type: none"> a. Define the role of the Year 2000 project leader and establish it as a full-time position. b. Prepare a Year 2000 charter which formally assigns the authority and responsibilities for the Year 2000 initiative to the project leader and staff within House Information Resources, and defines the project leader roles and responsibilities with respect to organizations/activities outside House Information Resources whose systems may be affected by the Year 2000 problem. c. Institute a status reporting mechanism to inform upper management of Year 2000 progress. d. Conduct a detailed level of effort analysis which estimates the resources needed to complete the initiative. e. Purchase software tools and secure a contractor, as necessary, to assist with conversions and testing. f. Determine whether all systems are needed and on which platform they will reside. g. Attend the Chief Information Officer Council Subcommittee on Year 2000, as appropriate. <p>ACTIONS COMPLETED TO DATE: Recommendation parts a., c., and g. are completed.</p>	<p>HIGH</p> <p>Substantial Progress</p> <p>3/31/99</p>

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	<p>ACTIONS NEEDED FOR CLOSURE: Complete the establishment of formal project management controls and techniques as follows:</p> <ul style="list-style-type: none"> • Detail House Information Resources staff responsibilities and delegate the authority for the Year 2000 project to the project manager. • Complete a detailed level of effort analysis to estimate the needed resources. • Complete the process of determining the status of all systems and on which platform they will reside. • Secure a contractor, as necessary, to assist with conversions and testing. 	
97-CAO-13 2	<p>RECOMMENDATION: Revise and prepare follow-on document(s) to the Year 2000 plan which include the following activities:</p> <ol style="list-style-type: none"> a. Prepare a schedule of Year 2000 tasks (e.g., PERT chart concept) showing milestones and interdependencies of issues/organizations. b. As necessary, re-prioritize and accelerate out-year projects in the Year 2000 plan to meet remaining government milestones. c. Develop detailed implementation plans for each system to be converted. d. Expeditiously develop a follow-on document to the Year 2000 plan which addresses, in detail, the last three phases of the Year 2000 effort for review and approval by the Committee on House Oversight. e. In preparing the follow-on document, as recommended in 2.d. above, develop testing strategies, plans, milestones, and ensure testing capacity is available, and quality assurance is an integral element. <p>ACTIONS COMPLETED TO DATE: A Year 2000 program assessment was prepared and will be updated quarterly.</p> <p>ACTIONS NEEDED FOR CLOSURE: Prepare a schedule of Year 2000 tasks showing milestones and interdependencies, develop testing strategies, plans, and milestones, re-prioritize and accelerate out-year projects in the Year 2000 plan to meet remaining government milestones, develop detailed implementation plans for each system converted, and develop and submit to the Committee on House Oversight a Year 2000 follow-on document that addresses the last three phases of the Year 2000 effort.</p>	<p>HIGH</p> <p>Some Progress</p> <p>3/31/99</p>
97-CAO-13 4	<p>RECOMMENDATION: Coordinate data exchange issues with the external organizations that interact with the House's</p>	<p>HIGH</p>

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	<p>systems.</p> <p>ACTIONS COMPLETED TO DATE: The Year 2000 project manager is maintaining contact with the Legislative branch throughout all phases of the Year 2000 project.</p> <p>ACTIONS NEEDED FOR CLOSURE: Continue to coordinate with the Legislative branch and other applicable external organizations throughout the Year 2000 compliance efforts.</p>	<p>Some Progress</p> <p>12/31/99</p>
96-CAO-15 D.2	<p>RECOMMENDATION: Develop and provide training for Directors and technical staff in order to implement the newly developed project management policies and procedures.</p> <p>ACTIONS COMPLETED TO DATE: House Information Resources conducted some preliminary project management training during March 1998. In addition, an automated tracking tool, Microsoft Project 98, has been selected for all House Information Resources project planning. Those individuals on the Year 2000 project have already received the software and training from the Year 2000 project leader, a contractor from SAIC. Formal training in project management policies and procedures will be offered to personnel after the reorganization is complete.</p> <p>ACTIONS NEEDED FOR CLOSURE: Provide Directors and technical staff with training on newly developed project management policies and procedures.</p>	<p>MEDIUM</p> <p>Some Progress</p> <p>9/30/98</p>
97-CAO-09 C.2	<p>RECOMMENDATION: Direct the Associate Administrator, House Information Resources to formalize a plan for developing and/or revising policies, standards, procedures, and guidelines, which includes the following actions:</p> <ol style="list-style-type: none"> a. Formalize a listing of the minimum policies that House Information Resources will initially schedule for development along with timelines, delegations of responsibility, and submit it to the Committee on House Oversight, through the Chief Administrative Officer, for approval. b. Focus the initial policy development on House Information Resources issues and overall standardization of system policies across the House. c. Revise and update the existing standards, procedures, and guidelines as they correspond to the existing and new policies. d. Formalize the approval and comment process for policies. <p>ACTIONS COMPLETED TO DATE: House Information Resources plans to establish policies where they are lacking. It will begin by formalizing a list of minimum topics which need policy development including the areas of project management, planning and budgeting, service requests, quality assurance, change control, file-naming conventions for Chief Administrative Officer production computer systems, and security awareness training for Chief Administrative Officer</p>	<p>MEDIUM</p> <p>Some Progress</p>

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	<p>employees. House Information Resources' project plans will include expected completion dates and appropriate delegations of responsibility. House Information Resources will initially focus on providing policies and procedures for House Information Resources activities, projects that provide Chief Administrative Officer-wide support, and Chief Administrative Officer production systems that provide House support. Where appropriate, House Information Resources will provide input or guidance in the standardization of system policies across the House. House Information Resources will also review and revise existing standards, procedures, etc. that correspond to existing and new policies. They will work with the Chief Administrative Officer to establish formal procedures for commenting on policies. Currently, policies are submitted to the Committee on House Oversight through the Chief Administrative Officer.</p> <p>ACTIONS NEEDED FOR CLOSURE: Formalize a plan for developing and/or revising policies, standards, procedures, and guidelines which includes the following actions:</p> <ul style="list-style-type: none"> • Determine what policies need to be developed and/or revised; • Establish project plans for policy development that include timelines and appropriate delegations of authority; • Prioritize initial policy development on House Information Resources issues and then address policy issues that affect the House; • Formalize the comment process for policy review and approval; • Develop detailed standards, procedures, and guidelines where appropriate; and • Establish control mechanisms to ensure that newly developed policies are followed. 	<p>3/31/99</p>
<p>97-CAO-09 D.1</p>	<p>RECOMMENDATION: Direct the Associate Administrator, House Information Resources to develop and submit to the Chief Administrative Officer and Committee on House Oversight for approval, an House Information Resources-wide position management plan prior to any reorganization to adequately staff House Information Resources based on the above criteria. The plan should be reviewed on an annual basis and changes made when and where appropriate.</p> <p>ACTIONS COMPLETED TO DATE: House Information Resources is utilizing input from a private consultant's strategic assessment as a guide for the current reorganization effort. The private consultant's assessment included a review of certain elements in a position management plan such as minimum organizational and staffing levels and existing workloads. The study also recommended a review of the grade levels and salary structure. House Information Resources incorporated a review of the technical mix of staff skills in light of operational goals during its FY99 budget submission.</p>	<p>MEDIUM</p> <p>Some Progress</p>

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	<p>House Information Resources projected it will continue to map out the short-term and long-term staffing needs as part of the annual budget preparation cycle.</p> <p>ACTIONS NEEDED FOR CLOSURE: Develop and submit a position management plan to the Chief Administrative Officer and Committee on House Oversight for approval. The plan should:</p> <ul style="list-style-type: none"> • Require an annual review by the House Information Resources Associate Administrator; • Identify short-term and long-term staffing needs; • Determine the technical mix of staff skills needed to perform the organization's mission; • Delineate the salary structure and grade levels; • Update position descriptions; • Implement an improved personnel evaluation process that provides a meaningful basis for individual evaluations and career development; and • Restructure House Information Resources' personnel hiring and retention practices to better attract and retain qualified, experienced personnel. 	<p>12/31/98</p>
95-HOC-22 8.10	<p>RECOMMENDATION: Develop policies and procedures to update user manuals for all the House's significant systems in any action plan for systems improvement.</p> <p>ACTIONS COMPLETED TO DATE: Currently, all systems have a basic set of system/user documentation. System enhancements or improvements are expected to be minimal through 12/31/99 because of the Year 2000 and mainframe migration efforts. Those systems that remain at the House will be required to have updated documentation manuals.</p> <p>ACTIONS NEEDED FOR CLOSURE: Update system/user manuals for all systems that remain at the House after the mainframe migration and Year 2000 efforts are substantially complete.</p>	<p>LOW</p> <p>Limited Progress</p> <p>9/30/99</p>
97-CAO-09 A.6	<p>RECOMMENDATION: Direct the Associate Administrator, House Information Resources to formalize the process and improve the information and reports provided to top management to facilitate more informed decision-making.</p> <p>ACTIONS COMPLETED TO DATE: As part of the current reorganization effort, House Information Resources will be evaluating the usefulness of reports submitted to upper management. Many of the existing reports could be changed to communicate more meaningful information.</p> <p>ACTIONS NEEDED FOR CLOSURE: Document the basis for key decisions and formally communicate them throughout the organization.</p>	<p>LOW</p> <p>Limited Progress</p> <p>11/30/98</p>
97-CAO-09 C.3	<p>RECOMMENDATION: Direct the Associate Administrator, House Information Resources, to establish and maintain a central repository in House Information Resources for all approved information systems policies, standards, procedures, and guidelines.</p>	<p>LOW</p>

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	<p>ACTIONS COMPLETED TO DATE: The House Information Resources strategic planning officer will be responsible for the central repository of all policies, standards, procedures, and guidelines.</p> <p>ACTIONS NEEDED FOR CLOSURE: Establish a central repository for all policies, standards, procedures, and guidelines.</p>	<p>Limited Progress</p> <p>3/31/99</p>
97-CAO-09 E.1	<p>RECOMMENDATION: Through the Associate Administrator, House Information Resources, instruct the Integration Group Director to develop a comprehensive, standing inventory of all application systems in operation and under development which must adhere to a minimum set of documentation standards. These standards apply to all systems regardless of whether they were developed by House Information Resources staff, contract staff or purchased off-the-shelf.</p> <p>ACTIONS COMPLETED TO DATE: Although applications have been inventoried as part of the Year 2000 effort, minimum documentation standards were not specifically addressed in the inventory effort. Management plans to define these standards for House applications.</p> <p>ACTIONS NEEDED FOR CLOSURE: Define the minimum set of documentation standards for all application systems that will be maintained after mainframe applications are migrated.</p>	<p>LOW</p> <p>Limited Progress</p> <p>4/30/99</p>
<p>HOUSE INFORMATION RESOURCES: Budgeting:</p>		
95-CAO-19 D.1	<p>RECOMMENDATION: Prepare proposals, for approval by the Committee on House Oversight, to develop chargeback rates that reflect current processing costs.</p> <p>ACTIONS COMPLETED TO DATE: House Information Resources is evaluating the current billing rate charged to internal customers for selected services. External Legislative Branch customers (CBO, GAO, and MedPac) reimburse the House for services provided based on negotiated rates.</p> <p>ACTIONS NEEDED FOR CLOSURE: Complete a chargeback analysis and propose necessary changes to billing rates charged to internal and external customers.</p>	<p>HIGH</p> <p>Limited Progress</p> <p>9/01/98</p>
95-CAO-19 D.2	<p>RECOMMENDATION: Prepare proposals, for approval by the Committee on House Oversight, to establish policies and detailed procedures covering the maintenance, administration, and documentation of equitable chargeback rates and billing processes for internal and external customers.</p> <p>ACTIONS COMPLETED TO DATE: A House Information Resources task force is analyzing chargebacks.</p> <p>ACTIONS NEEDED FOR CLOSURE: Submit a chargeback policy to the Committee on House Oversight for approval</p>	<p>HIGH</p> <p>Some Progress</p>

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	and develop detailed procedures to ensure that users are charged in accordance with the policy.	9/01/98
97-CAO-08 B	<p>RECOMMENDATION: Develop detailed guidance and procedures, for approval by the Committee on House Oversight, to require House Information Resources to perform cost-benefit analyses, in accordance with its recently approved system development life cycle policy, for major information systems, which includes major telecommunications acquisitions, upgrades, and services to justify decisions and expenditures.</p> <p>ACTIONS COMPLETED TO DATE: House Information Resources conducts cost studies and expected system life charges for major projects. House Information Resources also works with the Office of Procurement and Purchasing to ensure beneficial procurement practices.</p> <p>ACTIONS NEEDED FOR CLOSURE: Develop cost-benefit analysis policies and procedures for major information systems.</p>	<p>MEDIUM</p> <p>Limited Progress</p> <p>10/31/98</p>
97-CAO-13 3	<p>RECOMMENDATION: As necessary, revise the Year 2000 cost estimates and prepare revised budget requests based on new figures.</p> <p>ACTIONS COMPLETED TO DATE: The Year 2000 methodology (per the May 1997 Year 2000 plan) included budget and resource estimates. House Information Resources' Fiscal Year 1998 and 1999 budget requests include estimates for the Year 2000 project.</p> <p>ACTIONS NEEDED FOR CLOSURE: Complete the Year 2000 project plan update including a revised cost estimate for the entire Year 2000 project. Incorporate Year 2000 project figures in House Information Resources' Fiscal Year 2000 budget request.</p>	<p>HIGH</p> <p>Substantial Progress</p> <p>11/30/98</p>
<p>HOUSE INFORMATION RESOURCES: Security:</p>		
95-CAO-18 B.4	<p>RECOMMENDATION: Implement procedures for the ongoing maintenance of the business impact analysis and business recovery plan as well as comprehensive, routine (e.g., minimum once a year) testing of the plan. Additionally, a full data center 'power-down' test should be included in the business recovery plan.</p> <p>ACTIONS COMPLETED TO DATE: A statement of work was drafted for a contractor to perform a disaster recovery effort for House Information Resources and for telecommunications including the private branch exchange (PBX) platforms. Troy Systems provided a proposal for the scope of work. The Committee on House Oversight approved the award of the risk assessment and disaster recovery effort to Troy Systems, but directed that the scope of work be adjusted to focus on House 'mission critical' systems and to include the Clerk, Sergeant at Arms, and Parliamentarian offices. A</p>	<p>HIGH</p> <p>Some Progress</p>

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	<p>letter has been sent from the Chief Administrative Officer to the other House officers soliciting their involvement.</p> <p>ACTIONS NEEDED FOR CLOSURE: Complete coordinated effort between the Clerk, Sergeant at Arms, Chief Administrative Officer, and Parliamentarian offices to rank the systems that will be submitted to the Committee on House Oversight for disaster recovery priority. Execute the contract and implement the business recovery plan.</p>	<p>6/30/99</p>
<p>95-CAO-18 A.7</p>	<p>RECOMMENDATION: Immediately prepare proposals, for approval by the Committee on House Oversight, to review staff positions to determine the associated level of risk and need for employee security clearances; incorporate security clearance requirements into each staff position description; and implement security clearances as required for Executive Branch employees under FPMR.</p> <p>ACTIONS COMPLETED TO DATE: House Information Resources has written HISPOL 7.0, which is awaiting Committee on House Oversight approval. This policy provides the security categories to be used by the Chief Administrative Officer and examples of the staff positions that would be associated with each category. This policy also states the extent of the background investigation that is associated with each security category. The Chief Administrative Officer has sent a letter to the Sergeant at Arms, asking for an estimate of the resources necessary to perform the background investigations of staff in security related positions. As a result, a meeting was held with the U.S. Capitol Police and Detective staff regarding resources required to implement the proposed clearance policy.</p> <p>ACTIONS NEEDED FOR CLOSURE: Implement background investigations for personnel in security related positions.</p>	<p>HIGH</p> <p>Some Progress</p> <p>8/31/98</p>
<p>95-CAO-18 C.4</p>	<p>RECOMMENDATION: Establish the following controls to improve House Information Resources' management and implementation of Access Control Facility 2 (ACF2) security:</p> <ol style="list-style-type: none"> a. Implement ACF2 over all online mainframe applications, including the Financial Management System (FMS); b. Remove the online access to the CICS password file; c. Administer all passwords through ACF2; d. Justify the need for all special ACF2 access privileges; e. Limit the 'Non-Cncl' privilege to only those users who require access; f. Create an ACF2 emergency logon ID for occasions that require sensitive access; g. Record and review detail activities during use of emergency logon Ids; h. Remove the Account privilege for divisional security administrators; and 	<p>MEDIUM</p>

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	<p>i. Review and restrict, where appropriate, ACF2 access privileges to production libraries.</p> <p>ACTIONS COMPLETED TO DATE: Recommendation subparts d., e., f., g., h., and i. were reviewed and implemented during the ACF2 management review and are therefore completed. Subparts a., b., and c. covering ACF2 password control and ACF2 control over all mainframe applications are pending completion of the application migration review.</p> <p>ACTIONS NEEDED FOR CLOSURE: Complete the ACF2 migration review to determine which systems are critical to access through ACF2. Then migrate the identified systems.</p>	<p>Substantial Progress</p> <p>12/31/98</p>
97-CAO-04 F.3	RECOMMENDATION: Confidential --See Confidential Exhibit 4 for additional information.	<p>MEDIUM</p> <p>Substantial Progress</p> <p>12/31/98</p>
97-CAO-04 A.1	RECOMMENDATION: Confidential --See Confidential Exhibit 4 for additional information.	<p>LOW</p> <p>Substantial Progress</p> <p>12/31/98</p>
HOUSE INFORMATION RESOURCES: Integration:		
95-HOC-22 8.7	<p>RECOMMENDATION: Develop policies and procedures to prohibit programmers from accessing actual data and ensure they have access, in a non-production environment, only to the programs they are responsible for changing.</p> <p>ACTIONS COMPLETED TO DATE: House Information Resources developed program change control procedures for some applications. Also, the House Information Resources Security Office biannually reviews ACF2 access rules for production libraries and applications.</p> <p>ACTIONS NEEDED FOR CLOSURE: Implement proper change control procedures for all programming efforts. Require Quality Assurance approval of change control procedures.</p>	<p>HIGH</p> <p>Substantial Progress</p> <p>3/31/99</p>
97-CAO-13 6	<p>RECOMMENDATION: Expedite decisions regarding Office Systems Management and the Financial Management System Payroll replacement efforts, closely monitor these activities to ensure timely completion, and prepare contingency plans, as necessary.</p> <p>ACTIONS COMPLETED TO DATE: Project managers have been assigned to Office Systems Management and Payroll replacement tasks and contractors have been retained to complete the requirements analysis for each project. The</p>	<p>HIGH</p> <p>Substantial Progress</p>

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	<p>Office of Inspector General is also providing assistance regarding these acquisitions. Additional funding has been obtained for both projects.</p> <p>ACTIONS NEEDED FOR CLOSURE: Closely monitor Office Systems Management and Payroll replacement activities to ensure timely completion. As necessary, develop contingency plans.</p>	12/31/99
<p>HOUSE INFORMATION RESOURCES: Telecommunications:</p>		
97-HOC-15 2	<p>RECOMMENDATION: Present results of the assessment developed in Recommendation 1 to the Committee on House Oversight with recommendations as to how to proceed.</p> <p>[Recommendation 1: Assign a project leader with sufficient resources and appropriate authority to determine what has been done and what still needs to be done with respect to the directive from the Committee on House Oversight regarding development of a mainframe migration plan.]</p> <p>ACTIONS COMPLETED TO DATE: The actions recommended in the Office of Inspector General Report "Mainframe Migration Options Study at the U.S. House of Representatives" are still being evaluated. The Mainframe Migration Task Force is in the process of verifying details of the study, determining key components, and establishing a schedule for the migration plan. The emphasis will be on transitioning the users.</p> <p>ACTIONS NEEDED FOR CLOSURE: Although Committee on House Oversight staff were informally briefed by House Information Resources on the preliminary recommendations in April 1998, the Committee on House Oversight should also be briefed when the high-level recommendations in the study have been evaluated, and the activities to implement the necessary migrations have been determined. There is a significant amount of work that should be done to determine the validity of the recommendations in the Office of Inspector General study. The Committee on House Oversight and Chief Administrative Officer should be routinely informed of the status throughout the effort.</p>	<p>HIGH</p> <p>Substantial Progress</p> <p>12/31/98</p>
97-HOC-15 3	<p>RECOMMENDATION: Direct the Year 2000 project leader to incorporate specific mainframe migration issues for consideration into the current Year 2000 plan.</p> <p>ACTIONS COMPLETED TO DATE: Two mainframe migration task forces were recently formed. One group is comprised of staff involved in the mainframe migration effort (Mainframe Migration Implementation Team), and the other is comprised of a high-level management group (Mainframe Migration Task Force). This high-level management group includes the technical leader of the Year 2000 project providing a link between these two high-priority projects.</p> <p>ACTIONS NEEDED FOR CLOSURE: When the mainframe migration plan is complete, it should be used as one of the inputs into the Year 2000 project. Depending upon what actions come out of the mainframe migration plan, the Year 2000</p>	<p>HIGH</p> <p>Some Progress</p> <p>12/31/98</p>

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	technical leader should work with the appropriate project leaders or managers to resolve conflicts or to remove impediments before either project is impacted.	
97-HOC-15 4	<p>RECOMMENDATION: In concert with existing Year 2000 planning and implementation efforts, develop a mainframe migration plan and present it to the Committee on House Oversight for approval, supported by a comprehensive, in-depth needs analysis, that reflects the wishes of the House--as elaborated in the ISPP, the Committee on House Oversight November 1995 directive, and/or feedback from recommendation 2 above.</p> <p>ACTIONS COMPLETED TO DATE: The "Mainframe Migration Options Study at the U.S. House of Representatives" report has recently been issued, and the recommendations are being incorporated into the Mainframe Migration Plan, which is now under development. The recently formed Mainframe Migration Task Force which oversees the activities of the Mainframe Migration Implementation Team is putting together the details of the plan. Once the plan is completed, it will be presented to the Committee on House Oversight for approval.</p> <p>ACTIONS NEEDED FOR CLOSURE: Complete the Mainframe Migration Plan and forward it to the Committee on House Oversight for approval. The Mainframe Migration Plan should be supported by a comprehensive, in-depth analysis that reflects the wishes of the House, as elaborated in the House Information Resources Program Plan, the Committee on House Oversight November 1995 directive, and/or feedback from Recommendation 2 of Report No. 97-HOC-15.</p>	<p>HIGH</p> <p>Some Progress</p> <p>12/31/98</p>
97-CAO-05 F	<p>RECOMMENDATION: Actively pursue receipt of billings via CD-ROM with each vendor as it becomes available.</p> <p>ACTIONS COMPLETED TO DATE: House Information Resources learned from the House's primary interexchange carrier, MCI, that they currently do not provide billing via CD-ROM. House Information Resources is working with contracting staff to include the CD-ROM billing option in a new long distance voice contract.</p> <p>ACTIONS NEEDED FOR CLOSURE: Language should be added to the new long distance contract which includes the option for billing via CD-ROM. House Information Resources should work with other telecommunication service providers to the House to determine the availability of billing via CD-ROM and adopt a CD-ROM billing policy when available.</p>	<p>MEDIUM</p> <p>Some Progress</p> <p>10/01/98</p>
97-CAO-05 G.1	<p>RECOMMENDATION: Establish policies and procedures for the Client Services Group to reconcile all time and materials activity on the monthly reports as well as conduct periodic inspections.</p> <p>ACTIONS COMPLETED TO DATE: Client Services currently examines all of the time and materials activity, and reconciles billings with issued purchase orders for all respective invoices. The procedures they follow are not yet completely documented, but plan to be as part of the upcoming House Information Resources reorganization, when the telecommunications staff members now in Client Services will be moved to the Communications Services Group.</p> <p>ACTIONS NEEDED FOR CLOSURE: House Information Resources should document the policies and procedures to</p>	<p>MEDIUM</p> <p>Limited Progress</p>

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	reconcile all time and materials activity on the monthly reports as well as conduct periodic inspections.	1/31/99
97-CAO-06 B.2	<p>RECOMMENDATION: Develop and implement a plan to fully utilize the newly installed network management system, including addressing the following areas. (This requires an investment in additional resources—i.e., time and personnel, hardware and software.)</p> <ul style="list-style-type: none"> • Define thresholds and alarm conditions, then configure automated alarms within the network management system. • Develop and document procedures and policies for reacting to the alarms. <p>ACTIONS COMPLETED TO DATE: House Information Resources developed a House Network Management Plan to focus on fault and performance management.</p> <p>ACTIONS NEEDED FOR CLOSURE: Implement the Network Management Plan.</p>	<p>MEDIUM</p> <p>Some Progress</p> <p>3/01/99</p>
97-CAO-04 H.5	RECOMMENDATION: Confidential --See Confidential Exhibit 4 for additional information.	<p>LOW</p> <p>Substantial Progress</p> <p>12/31/98</p>
97-CAO-05 C.2	<p>RECOMMENDATION: Fully document the operations management policies and procedures and other information in the Operations Manual. This manual should address specific policies and procedures to maintain all systems, sub-systems, and networks, including the following: accounting management policies and procedures; description of standard operating and analysis procedures for PBX systems and backbone; network management policies and procedures; maintenance policies and procedures; and most recent network diagrams.</p> <p>ACTIONS COMPLETED TO DATE: The House Information Resources Communications Operations Manual was updated. The Manual contains current network diagrams, a description of standard operating and analysis procedures for PBX systems and backbone, and network management policies and procedures.</p> <p>ACTIONS NEEDED FOR CLOSURE: The manual still lacks comprehensive accounting management policies and procedures. The manual does include a limited description of accounting policies for the Management of Network, Income, Expense, Services application, but a more detailed description of Communication’s accounting policies and procedures is needed. Additionally, Volume II, procedure 23 of the manual (Maintenance for Network Hardware and Software) does not include the referenced procedures. Finally, the manual is not clearly organized. If the manual was organized by the “category” column listed in the manual’s index, it would be easier to locate specific policies or procedures and the manual would be more useful. House Information Resources should document and include within the</p>	<p>LOW</p> <p>Substantial Progress</p> <p>12/31/99</p>

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	operations management policies and procedures, the following items: accounting management policies and procedures, and maintenance policies and procedures.	
97-CAO-06 A.1	<p>RECOMMENDATION: Define, identify, and prioritize all of the key points in the House network and implement agents for those points.</p> <p>ACTIONS COMPLETED TO DATE: Completed the definition, identification, and prioritization of key points in the House network. Agents have been implemented for 90 percent of the network.</p> <p>ACTIONS NEEDED FOR CLOSURE: Complete the implementation of the network management agent for Cabletron workgroup hubs.</p>	<p>LOW</p> <p>Substantial Progress</p> <p>8/01/98</p>
97-CAO-06 B.1	<p>RECOMMENDATION: Replace the House Information Resources Client Support system, ensuring that the replacement:</p> <ul style="list-style-type: none"> • Contains a user-friendly means of inputting data; • Provides “help desk” statistics; • Facilitates the easy detection of problem trends; • Includes trends and open issues information in its reports; • Interfaces problem management information with the installed NMS; and • Contains security safeguards to prevent unauthorized access. <p>ACTIONS COMPLETED TO DATE: Recommendation requires House Information Resources to replace the Client Support system. House Information Resources has issued a Request for Proposals to solicit bids for a new client support system. The Request for Proposals was issued in the Commerce Business Daily on 4/20/98.</p> <p>ACTIONS NEEDED FOR CLOSURE: Choose and install a Client Support system based on the Request for Proposals that was issued on 4/20/98.</p>	<p>LOW</p> <p>Substantial Progress</p> <p>12/31/98</p>
<p>HOUSE INFORMATION RESOURCES: Enterprise Computing</p>		
96-CAO-06 2	<p>RECOMMENDATION: Confidential--See Confidential Exhibit 4 for additional information.</p>	<p>HIGH</p> <p>Some Progress</p> <p>12/31/98</p>

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HUMAN RESOURCES:		
95-CAO-08 A.1	<p>RECOMMENDATION: We recommend that the Chief Administrative Officer develop a proposal, for approval by the Committee on House Oversight to implement one of the following corrective actions:</p> <ul style="list-style-type: none"> Option 1: If the Office of Finance elects to procure a commercial off-the-shelf package to run Members' payroll in-house, ensure that a system of internal controls as embodied in the recommendations contained in this report are in place and functioning, or Option 2: If the Office of Finance elects to contract for Members' payroll: a) require certification from the selected vendor that an appropriate system of internal controls exists in the vendor's payroll processing operations, and b) at a minimum, include specific language in the contract that acknowledges the Inspector General's right to audit and/or review the selected vendor's payroll processing operations. <p>ACTIONS COMPLETED TO DATE: The House contracted Booz-Allen and Hamilton to produce a requirements document and business process reengineering (BPR) study for a new House (Member Services) Human Resources/Payroll system. The BPR will identify and document applicable internal controls.</p> <p>ACTIONS NEEDED FOR CLOSURE: Select, procure and implement a new House (Member Services) Human Resources/Payroll system that contains effective internal controls as discussed in the audit report.</p>	<p>HIGH</p> <p>Some Progress</p> <p>12/01/99</p>
95-CAO-08 D.1	<p>RECOMMENDATION: Review and evaluate the entire security administration functions of the AS/400 (platform that supports the Members' Payroll System).</p> <p>ACTIONS COMPLETED TO DATE: According to Member Services personnel, IBM reviewed and certified the completeness of the administration functions of the AS/400 during December 1995. Member Services, however, cannot locate documented evidence of the review.</p> <p>ACTIONS NEEDED FOR CLOSURE: Request an AS/400 security administration recertification and retain documented evidence of the review.</p>	<p>HIGH</p> <p>Limited Progress</p> <p>8/01/98</p>
95-CAO-08 E.2	<p>RECOMMENDATION: Evaluate current and future system requirements and upgrade system software to meet the requirements of the House of Representatives. [Refers to House Members' Payroll System.]</p> <p>ACTIONS COMPLETED TO DATE: The House contracted Booz-Allen and Hamilton to produce a requirements document and BPR study for a new House (Member Services) Human Resources/Payroll system.</p> <p>ACTIONS NEEDED FOR CLOSURE: Select, procure, and implement the new House (Member Services) Human</p>	<p>HIGH</p> <p>Some Progress</p>

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Entity Report and Recommendation Number	RECOMMENDATION ACTIONS COMPLETED TO DATE ACTIONS NEEDED FOR CLOSURE	PRIORITY STATUS TARGET DATE
	Resources/Payroll system.	12/01/99
97-HOC-14 11.4	<p>RECOMMENDATION: Replace current House payroll and human resources systems for Officers' employees, ensuring that requirements to control and account for annual leave are met by the systems and new procedures are prepared for those systems. In addition, use the financial information to monitor and manage the cost to the House for annual leave.</p> <p>ACTIONS COMPLETED TO DATE: The House and Booz-Allen and Hamilton have prepared a requirements document, business process reengineering document, and systems application recommendation for a new House staff and Member Human Resources/Payroll system. An automated "attendance and leave" module has been included in both the high-level and detailed system requirements. Although use of such a module may be mandatory for House Officers and the Office of Inspector General, use by Member and Committee offices would be voluntary. Usage of the financial information provided by the system will enable the House to monitor and manage the cost of annual leave to the House.</p> <p>ACTIONS NEEDED FOR CLOSURE: The House should replace the current payroll and human resources systems and ensure that requirements to control and account for annual leave are met. New procedures should be prepared for the system, and the financial information should be used to monitor and manage the cost to the House for annual leave.</p>	<p>HIGH</p> <p>Some Progress</p> <p>12/01/99</p>
95-CAO-08 C.1	<p>RECOMMENDATION: Instruct the Associate Administrator, Office of Finance, to establish a business resumption and contingency plan and assign responsibilities to appropriate individuals. [Refers to Members' Payroll System.]</p> <p>ACTIONS COMPLETED TO DATE: The Office of Member Services did a full system backup as of January 1996. The payroll master file is backed up monthly.</p> <p>ACTIONS NEEDED FOR CLOSURE: Coordinate with House Information Resources to be included in the Chief Administrative Officer's risk reduction and contingency study to develop and maintain disaster recovery policies and procedures and provide needed services.</p>	<p>MEDIUM</p> <p>Limited Progress</p> <p>9/30/99</p>
95-CAO-16 G.2	<p>RECOMMENDATION: Develop proposals, for approval by the Committee on House Oversight, to do away with the "real-time" payroll and institute a lag between the end of the pay period and the date the payroll is processed and paychecks are distributed.</p> <p>ACTIONS COMPLETED TO DATE: The House and Booz-Allen and Hamilton have prepared a requirements document, business process reengineering document, and systems application recommendation for a new House staff and Member Human Resources/Payroll system. The institution of a lag between the end of the pay period and the date payroll is processed has been brought to the attention of the appropriate House decision-makers and is pending their review and action.</p>	<p>MEDIUM</p> <p>Limited Progress</p>

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Entity Report and Recommendation Number	RECOMMENDATION ACTIONS COMPLETED TO DATE ACTIONS NEEDED FOR CLOSURE	PRIORITY STATUS TARGET DATE
	<p>ACTIONS NEEDED FOR CLOSURE: The House is in the process of finalizing its requirements for a new House staff and Member Human Resources/Payroll application system. The specific recommendation to institute a lag between the end of the pay period and the date payroll is processed should be approved by the appropriate House decision-makers and implemented. The House should also enforce published payroll submission deadlines to mitigate the risk of salary overpayments being processed.</p>	12/01/99
96-HOC-01 F	<p>RECOMMENDATION: Direct the Chief Administrative Officer to establish a policy to require that completed Certificates of Relationship/Non-Relationship be submitted to the Office of Human Resources for retention in employees' personnel files.</p> <p>ACTIONS COMPLETED TO DATE: The Office of Payroll has drafted a policy direction memorandum, to be submitted to the Committee on House Oversight for approval, to require completed Certificates of Relationship/Non-Relationship be submitted to Human Resources for retention in employees' personnel files.</p> <p>ACTIONS NEEDED FOR CLOSURE: The Chief Administrative Officer must submit a request to the Committee on House Oversight to require completed Certificates of Relationship/Non-Relationship be submitted to the Office of Human Resources for retention in employees' personnel files.</p>	<p>MEDIUM</p> <p>Some Progress</p> <p>7/31/98</p>
95-CAO-08 B.3	<p>RECOMMENDATION: Direct the Associate Administrator, Office of Finance, to implement a vendor preventive maintenance schedule to reduce potential equipment failure or interruption which may delay monthly distribution of Members' paychecks.</p> <p>ACTIONS COMPLETED TO DATE: IBM performs annual preventative maintenance on the entire AS/400 system; however, Member Services did not retain a copy of the IBM maintenance agreement.</p> <p>ACTIONS NEEDED FOR CLOSURE: Obtain a copy of the IBM maintenance agreement for the AS/400 system and review the contract terms to ensure adequacy and compliance.</p>	<p>LOW</p> <p>Substantial Progress</p> <p>8/01/98</p>
95-CAO-26 A.1	<p>RECOMMENDATION: Resolve the audit adjustments identified in this report with Department of Labor (DOL). [The audit identified \$481,363 in adjustments resulting from benefits paid to employees who were not entitled, unresolved charges from other States, excessive benefits paid, payments not applied, and benefits paid to employees not meeting earnings requirements.]</p> <p>ACTIONS COMPLETED TO DATE: The House has received \$23,700 in credits resulting from the overpayments to employees. District of Columbia Department of Employment Services has stated that they have completed their review of the audit items forwarded for their review and possible adjustments. DOL indicated that the House Restaurant Service agency account will remain open in anticipation of future credits.</p>	<p>LOW</p> <p>Substantial Progress</p>

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Entity Report and Recommendation Number	RECOMMENDATION ACTIONS COMPLETED TO DATE ACTIONS NEEDED FOR CLOSURE	PRIORITY STATUS TARGET DATE
	ACTIONS NEEDED FOR CLOSURE: The Chief Administrative Officer should request the results of the District of Columbia Department of Employment Services investigation and the amount identified for collection.	7/31/98
95-CCS-10 C.2	<p>RECOMMENDATION: In conjunction with the Clerk of the House and the Sergeant at Arms, develop a proposal, for approval by the Committee on House Oversight, to amend the Classification Guidelines to revise the Payroll Authorization Form to include such information as the type of pay increase (e.g., promotion, reclassification).</p> <p>ACTIONS COMPLETED TO DATE: The Payroll Authorization Form has been modified to correctly reflect changes made in the Administrative Reform Technical Corrections Act (P.L. 104-186).</p> <p>ACTIONS NEEDED FOR CLOSURE: After the selection of a new House Human Resources/Payroll system, the Chief Administrative Officer must further revise the Payroll Authorization Form and obtain the approval of all Officers and the Committee on House Oversight.</p>	<p>LOW</p> <p>Limited Progress</p> <p>12/01/99</p>
96-CAO-15 Q.3	<p>RECOMMENDATION: Develop a proposal, for approval by the Committee on House Oversight to establish a payroll service agreement between the Office of Human Resources and Finance.</p> <p>ACTIONS COMPLETED TO DATE: Human Resources and the Office of Finance currently process payroll compensation information as a joint effort. However, project leads have been assigned in both Human Resources and the Office of Finance for completion of joint Human Resources/Finance procedural guidelines which will outline the roles and responsibilities of each office for the payroll interface. Since both departments are within the Office of the Chief Administrative Officer, Human Resources believes procedure documents are more appropriate than an actual "service agreement." Data collection efforts as well as discussions with appropriate staff regarding processes and procedures have been initiated.</p> <p>ACTIONS NEEDED FOR CLOSURE: The House should complete the documentation of current procedures and should distribute them as appropriate. These procedures should document the expectations and requirements of both the Offices of Finance and Human Resources. The policies and procedures should be reviewed to verify that they are in place and are disseminated.</p>	<p>LOW</p> <p>Limited Progress</p> <p>8/15/98</p>
<p>MEDIA AND SUPPORT SERVICES: Office Systems Management</p>		
95-CAO-17 B.1	<p>RECOMMENDATION: Develop and propose system requirements, policies, and procedures, for approval by the Committee on House Oversight, to track office equipment inventory by operable units, rather than component parts.</p> <p>ACTIONS COMPLETED TO DATE: Office Systems Management is working on determining minimum inventory</p>	HIGH

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Entity Report and Recommendation Number	RECOMMENDATION ACTIONS COMPLETED TO DATE ACTIONS NEEDED FOR CLOSURE	PRIORITY STATUS TARGET DATE
	<p>threshold values. Currently, Office Systems Management tracks equipment as operable units and subsequent purchases are tracked as component parts.</p> <p>ACTIONS NEEDED FOR CLOSURE: The Chief Administrative Officer must submit a policy proposal, for Committee on House Oversight approval, for determining minimum inventory threshold values to include the treatment of component parts installed subsequent to the original equipment purchase.</p>	<p>Some Progress</p> <p>8/30/98</p>
96-CAO-15 K.2	<p>RECOMMENDATION: Consolidate the physical inventory of all House equipment owned and maintained by Members, Committees, Officers, and others.</p> <p>ACTIONS COMPLETED TO DATE: Media and Support Services initiated a needs analysis and business process reengineering analysis to assess how inventory responsibilities can be consolidated.</p> <p>ACTIONS NEEDED FOR CLOSURE: The Chief Administrative Officer must select and implement an appropriate inventory approach for furniture and equipment after completing the needs and process analysis.</p>	<p>HIGH</p> <p>Substantial Progress</p> <p>9/30/99</p>
97-CAO-11 A.1	<p>RECOMMENDATION: Develop a proposal, for approval by the Committee on House Oversight, to implement an inventory tracking process for House equipment that contains all information necessary to prepare financial statements in accordance with the Generally Accepted Accounting Principles and adequately identify and account for all assets on a House-wide basis.</p> <p>ACTION COMPLETED TO DATE: A Needs Analysis Document, a Business Process Reengineering Document, and Request for Proposals to procure a new Fixed Assets/Inventory Management system have been prepared. The Request for Proposals was approved by the Committee on House Oversight, and subsequently sent to vendors in March 1998. In April 1998, the House received bids from vendors on the work proposed in the Request for Proposals and a decision is pending.</p> <p>ACTIONS NEEDED FOR CLOSURE: The House should ensure that the chosen system has the functionality to prepare financial statements in accordance with Generally Accepted Accounting Principles and adequately identify and account for all assets on a House-wide basis. Finally, the new system and functionality should be implemented and utilized by the House.</p>	<p>HIGH</p> <p>Limited Progress</p> <p>6/30/99</p>
97-CAO-11 B.1	<p>RECOMMENDATION: Develop a proposal, for approval by the Committee on House Oversight, to establish House-wide written policies and procedures in accordance with prudent business practices which ensure the accountability of all assets, including: (a) conducting a timely physical inventory by technically qualified personnel; notifying the responsible Member, Committee, or other House office of missing, damaged, or stolen equipment; and inventorying items by operable unit, (b) reconciling the assets to the inventory records on a timely basis and adjusting and investigating any differences where appropriate, (c) requiring supporting documentation and proper authorization of transactions by appropriate personnel, (d) establishing depreciation rates and capitalization thresholds, and (e) identifying property to be written off</p>	<p>HIGH</p>

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Entity Report and Recommendation Number	RECOMMENDATION ACTIONS COMPLETED TO DATE ACTIONS NEEDED FOR CLOSURE	PRIORITY STATUS TARGET DATE
	<p>due to obsolescence or loss and authorizing appropriate personnel to periodically write off the property.</p> <p>ACTIONS COMPLETED TO DATE: The draft prepared by Office of Finance and submitted as supporting documentation by Office Systems Management addresses the components of the recommendation. The draft states that Independent Professional Accountants will monitor the technique and personnel of periodic physical inventory, the inventory records should be reconciled on a timely basis with the physical count, depreciation rates and capitalization thresholds should be established for different kinds of fixed assets, and policies related to damaged, obsolete or missing fixed assets should be implemented. The Chief Administrative Officer is currently awaiting Committee on House Oversight's approval of the draft.</p> <p>ACTIONS NEEDED FOR CLOSURE: Once the Committee on House Oversight has approved the draft, Office Systems Management should ensure that the approved policies and procedures are clearly disseminated and implemented throughout the House. Finally, Office Systems Management should ensure that the policies and procedures are consistently and uniformly applied by House management.</p>	<p>Substantial Progress</p> <p>9/30/98</p>
97-CAO-11 C.1	<p>RECOMMENDATION: Periodically review and adjust the inventory records where appropriate, or establish a suspense account and periodically review the account to ensure that only authorized items are being transferred in.</p> <p>ACTIONS COMPLETED TO DATE: Office Systems Management has created a suspense account for inventory records. Office Systems Management continues to use the suspense account, the Audit Holding account, for inventory reconciliation purposes in March 1996. Office Systems Management has been using this suspense account to investigate and reconcile its inventory records to the periodic physical inventory. As a result of the two-year inventory cycle, only part of the fixed assets inventory at the House has been performed as of the end of 1997. The remaining Office Systems Management controlled fixed assets accounts at the House will gradually be inventoried by December 31, 1998, the end of the House's two-year physical inventory cycle. The inventory results will later be used to reconcile the inventory records.</p> <p>ACTIONS NEEDED FOR CLOSURE: Office Systems Management should complete the physical inventory for the remaining fixed assets accounts at the House and investigate and reconcile the inventory records with the physical inventory results. Office Systems Management should ensure that the fixed assets at the House are inventoried periodically and the results of the physical inventory are used to reconcile the fixed assets records.</p>	<p>HIGH</p> <p>Some Progress</p> <p>12/31/98</p>
97-CAO-11 D.1	<p>RECOMMENDATION: Develop procedures that limit access authority to J010 and J020 transactions to authorized personnel only.</p> <p>ACTIONS COMPLETED TO DATE: Office Systems Management indicated that there are two "pages" in screen J020. Only the users with access level 3 are able to access J020's second "page," the area where employee access level is set and/or changed. Similarly, only these level 3 users can access screen J010 which leads to screen J015, the screen where the password to execute certain protected transactions can be set or changed.</p>	<p>HIGH</p> <p>Substantial Progress</p>

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Entity Report and Recommendation Number	RECOMMENDATION ACTIONS COMPLETED TO DATE ACTIONS NEEDED FOR CLOSURE	PRIORITY STATUS TARGET DATE
	<p>ACTIONS NEEDED FOR CLOSURE: In the original audit report, the assignment of access to screen J010 and J020 to employees of House Information Resources was cited as a possible threat to the security of the system. However, in a screen print of J015 received from Office Systems Management, an employee of House Information Resources currently has an access level of 3 which allows the employee to access J010 and J020. Office Systems Management should investigate this inconsistency to ensure access to the system by House Information Resources employees is eliminated. Office Systems Management should ensure that only individuals whose official position entails the need that they have access to screens J010 and J020 are granted the access level of 3. Finally, as indicated in the recommendation, Office Systems Management should formulate and implement operating procedures that will be used to limit the access authority to J010 and J020 transactions to authorized personnel.</p>	<p>11/02/98</p>
<p>95-CAO-17 C.2</p>	<p>RECOMMENDATION: Develop proposals, for approval by the Committee on House Oversight, to implement a policy for terminating maintenance agreements as equipment becomes outdated.</p> <p>ACTIONS COMPLETED TO DATE: The Chief Administrative Officer submitted a proposal to the Committee on House Oversight on April 14, 1997 to implement a process to compare equipment maintenance cost with the equipment's usefulness.</p> <p>ACTIONS NEEDED FOR CLOSURE: Office Systems Management must create a report to identify and produce listings of obsolete equipment in order to identify and terminate maintenance agreements on outdated equipment and make recommendations to Members to terminate the agreements.</p>	<p>MEDIUM</p> <p>Substantial Progress</p> <p>9 months after CHO approval of policy</p>
<p>96-CAO-15 P</p>	<p>RECOMMENDATION: Develop a proposal, for approval by the Committee on House Oversight, to streamline and restructure processes related to the purchase of computers and related equipment.</p> <p>ACTIONS COMPLETED TO DATE: On January 29, 1998, the Chief Administrative Officer submitted Interim Equipment Process Improvement Recommendations to the Committee on House Oversight. To assist offices with equipment purchases, Office Systems Management has also included additional information on its WEB page.</p> <p>ACTIONS NEEDED FOR CLOSURE: The Chief Administrative Officer should implement Media and Support Services' business process reengineering in conjunction with the selection and implementation of the new fixed assets and inventory management and Procurement Desktop systems.</p>	<p>MEDIUM</p> <p>Some Progress</p> <p>12/31/99</p>
<p>97-CAO-11 A.2</p>	<p>RECOMMENDATION: Develop a proposal, for approval by the Committee on House Oversight, to appoint a qualified project manager to oversee and report on the progress of the consolidation effort described below.</p> <p>ACTIONS COMPLETED TO DATE: In September 1997, the Acting Associate Administrator of Media and Support Services sent the House's Chief Administrative Officer, a letter nominating a Project Manager representing Media and Support Services on the Technology Coordination Task Force. Since the time of this memo, this person has been acting in</p>	<p>MEDIUM</p> <p>Substantial Progress</p>

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	<p>the capacity of the Project Manager.</p> <p>ACTIONS NEEDED FOR CLOSURE: The Chief Administrative Officer should review the nomination of the current acting project manager, and either appoint this person or another qualified individual for the Project Manager position.</p>	<p>10/31/98</p>
<p>97-CAO-11 C.3</p>	<p>RECOMMENDATION: Review purchase orders which were recorded at greater than the actual amount paid. Determine whether vendors who invoiced the House for an amount less than the purchase order amount will be submitting an invoice for the difference at a later date. If they are not, adjust the obligations for the differences between the obligations previously recorded and actual outlays to liquidate these obligations and adjust the requester's account accordingly.</p> <p>ACTIONS COMPLETED TO DATE: Office Systems Management has begun using a report provided by the Office of Finance which reflects information on unliquidated obligations in the Federal Financial System. After comparing the amounts of outstanding obligations and partial payments with the original purchase order amount on these reports, Office Systems Management will document the information and take the necessary actions.</p> <p>ACTIONS NEEDED FOR CLOSURE: Office Systems Management should fully and consistently implement the process described above.</p>	<p>MEDIUM</p> <p>Some Progress</p> <p>8/30/98</p>
<p>97-CAO-11 C.4</p>	<p>RECOMMENDATION: Review accounts payable periodically to determine whether they are being timely paid.</p> <p>ACTIONS COMPLETED TO DATE: Office Systems Management monitors the timeliness of its accounts payable payments by using the Purchase Order tracking report and the Finance office report. The Purchase Order tracking report is created on an Excel spreadsheet and is used to track the progress made on purchase orders from the time the purchase requests are received by Office Systems Management to the time the vouchers are sent to the Office of Finance to pay the corresponding invoices. To facilitate the monitoring of the purchase orders, the Purchase Order tracking report contains columns that show information relating to purchases as well as the dates that the purchase orders, invoices, and vouchers flow through the processing system. The Finance report shows the date that the Office of Finance obligates the funds to an account in the Federal Financial System.</p> <p>ACTIONS NEEDED FOR CLOSURE: Office Systems Management should compare the payment date of its accounts payable to the invoice due date to assess the timeliness of its payment activity. To do this, Office Systems Management should include the invoice due date on the Purchase Order Tracking Report. Once this field has been incorporated on the Purchase Order Tracking Report, Office Systems Management should use the report to review accounts payable on a periodic basis to determine whether they are being timely paid.</p>	<p>MEDIUM</p> <p>Substantial Progress</p> <p>9/01/98</p>
<p>97-CAO-11 C.5</p>	<p>RECOMMENDATION: Evaluate the validity of current Office Systems Management procedures used to process vendor invoices whose amounts differ from the original purchase order amounts.</p>	<p>MEDIUM</p>

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Entity Report and Recommendation Number	RECOMMENDATION ACTIONS COMPLETED TO DATE ACTIONS NEEDED FOR CLOSURE	PRIORITY STATUS TARGET DATE
	<p>ACTIONS COMPLETED TO DATE: Office Systems Management has begun using a report provided by the Office of Finance which reflects unliquidated obligations in the Federal Financial System to reconcile partial payments to vendors. The Finance report contains the amounts of outstanding obligations. After comparing the amounts of outstanding obligations or partial payments with the original purchase order amount on these reports, Office Systems Management plans to document the information and take the necessary actions.</p> <p>ACTIONS NEEDED FOR CLOSURE: Office Systems Management should fully document the procedures to be used when vendor invoices differ from the original purchase order amounts. These procedures should be followed when processing vendor invoices.</p>	<p>Some Progress</p> <p>8/30/98</p>
97-CAO-11 D.2	<p>RECOMMENDATION: Develop monitoring procedures that require continuous review of password protected transactions and require follow-up and documented review of activity against such transactions.</p> <p>ACTIONS COMPLETED TO DATE: Office Systems Management periodically reviews the transactions' audit trail on-line report which was implemented in July 1997. This on-line report displays information such as the transaction type, the time that the transaction occurred, the description of the transaction, user identification number, and terminal identification number. The review of password protected transactions is performed by the manager of Office Systems Management's Acquisition Management division.</p> <p>ACTIONS NEEDED FOR CLOSURE: Office Systems Management should develop monitoring procedures to serve as a guideline in the review process. Specifically, information about the frequency of the review, items that need to be reviewed, etc., should be clearly stated. Moreover, since the audit trail on-line report is used for inquiry purposes only, a manual log is needed to serve as supporting documentation that confirms the performance of the review process. Also, recording exceptions discovered during the review will help direct Office System Management's attention to the transactions that need further investigation. Followup should be performed by Office Systems Management on the exceptions.</p>	<p>MEDIUM</p> <p>Substantial Progress</p> <p>11/02/98</p>
97-CAO-11 D.4	<p>RECOMMENDATION: Review and update employee information via transaction J020 on a periodic basis and verify employee access levels for each Resource Identification Code and mainframe application screen they can access.</p> <p>ACTIONS COMPLETED TO DATE: Office Systems Management began the periodic review and update of employee information via transaction J020 as of June 1997. Office Systems Management plans to implement a new screen, J030 which was developed by House Information Resources to replace and simplify the review and update process. According to Office Systems Management, screen J030 will be used monthly by the Indicators/Budget Analyst to monitor the accuracy of the information and access level of Office Systems Management employees. The Indicators/Budget Analyst will also be responsible for the update of employee access level information.</p>	<p>MEDIUM</p> <p>Some Progress</p>

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Entity Report and Recommendation Number	RECOMMENDATION ACTIONS COMPLETED TO DATE ACTIONS NEEDED FOR CLOSURE	PRIORITY STATUS TARGET DATE
	<p>ACTIONS NEEDED FOR CLOSURE: Office Systems Management should complete the development and testing for screen J030 and put this screen into operation. Office Systems Management should also ensure that the Indicators/Budget Analysts that have authority to monitor and update employees' access levels are at the same level or higher in comparison with the application owner. Finally, a log of the review and update process should be kept as evidence of the implementation of the recommended procedures.</p>	11/02/98
97-CAO-11 D.5	<p>RECOMMENDATION: Require House Information Resources personnel be restricted from making changes to the inventory production system without appropriate testing and authorized documentation from designated Office System Management management.</p> <p>ACTIONS COMPLETED TO DATE: Office Systems Management has formulated a procedure that requires that any change in the information system at Office Systems Management be initiated by a written memo or e-mail from the Director of Office Systems Management to the Director of House Information Resources. This authorization is to be followed by the creation of a new program or modification of the existing system or information. The new program is then tested by House Information Resources employees before being demonstrated to Office Systems Management. When the appropriate Office Systems Management staff has inspected and approved the new program or the change, House Information Resources will make them permanent in the system within 24 hours.</p> <p>ACTIONS NEEDED FOR CLOSURE: Office Systems Management should incorporate the new procedure into its operating policies and disseminate this information to House Information Resources and Office Systems Management employees. To ensure compliance of the procedure, subsequent testing regarding future changes in the system should be carried out by Office Systems Management to validate that the procedure is operating as expected. However, because of the way that the logical access controls are set up, House Information Resources can theoretically implement changes, whether intentionally or mistakenly, without Office Systems Management's knowledge. At present, there is no quality assurance function and programmers at House Information Resources have complete access to production. Thus, adequate quality assurance must be established.</p>	<p>MEDIUM</p> <p>Substantial Progress</p> <p>11/01/98</p>
97-CAO-11 E.1	<p>RECOMMENDATION: Assign an independent staff member to perform a reconciliation of physical inventories of equipment in Office Systems Management's custody such as House inventory, surplus sales, and the General Services Administration.</p> <p>ACTIONS COMPLETED TO DATE: A physical inventory of Office Systems Management was completed by a staff member of the Furniture Resource Center and an Office Systems Management employee in February 1998.</p> <p>ACTIONS NEEDED FOR CLOSURE: Office Systems Management should investigate and reconcile all the differences between the inventory records of the fixed assets in its custody with the results of the physical inventory.</p>	<p>MEDIUM</p> <p>Some Progress</p> <p>12/31/98</p>

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Entity Report and Recommendation Number	RECOMMENDATION ACTIONS COMPLETED TO DATE ACTIONS NEEDED FOR CLOSURE	PRIORITY STATUS TARGET DATE
97-CAO-11 A.4	<p>RECOMMENDATION: Develop a proposal, for approval by the Committee on House Oversight, to periodically evaluate inventory consolidation efforts to determine if, and at what point, optimum consolidation has been achieved.</p> <p>ACTIONS COMPLETED TO DATE: A Needs Analysis/Requirements Definition Document, Business Process Reengineering Document, and Request for Proposals to procure a new Fixed Assets/Inventory Management System has been prepared. According to the Request for Proposals, the proposed new system will replace all current fixed assets and inventory management systems at the House. The planned new system environment will be comprised of the Federal Financial System for core financial data, Procurement Desktop for purchasing and receiving, the new asset management system for tracking of fixed assets and inventory, and the Management of Network Income, Expense, and Services for phone line charges. Joint Requirements Planning sessions were conducted to accumulate the needs of different entities that maintain their own fixed assets inventory system.</p> <p>ACTIONS NEEDED FOR CLOSURE: Office Systems Management should ensure that the implementation of the new Fixed Assets/Inventory Management System results in a consolidated House-wide system enabling the House to adequately identify and account for all of its fixed assets and inventory. Consequently, during the implementation of the new system, the House should periodically review the consolidation effort to determine whether the optimal level of consolidation has been achieved.</p>	<p>LOW</p> <p>Substantial Progress</p> <p>10/31/98</p>

MEDIA AND SUPPORT SERVICES: Communications Media		
96-CAO-15 L	<p>RECOMMENDATION: Develop a proposal, for approval by the Committee on House Oversight, for improving Media Services operations, addressing the hours of service required by Members, assessing technology needs, analyzing the cost of providing these services to Members, and restructuring the fee schedule accordingly.</p> <p>ACTIONS COMPLETED TO DATE: The Chief Administrative Officer is in the final stages of drafting a Member office survey to address the hours and level of service required, technology needs, and other customer satisfaction issues.</p> <p>ACTIONS NEEDED FOR CLOSURE: The Chief Administrative Officer must develop a proposal for Committee on House Oversight approval, addressing the results of the Member office survey, the related costs of providing these services to the Members, and the appropriate fee schedule.</p>	<p>MEDIUM</p> <p>Some Progress</p> <p>8/30/98</p>

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MEDIA AND SUPPORT SERVICES: Office Supply Service		
96-CAO-15 M.1	<p>RECOMMENDATION: Conduct a cost of service study for the Supply Store and develop a proposal, for approval by the Committee on House Oversight, to cover all the costs of the store.</p> <p>ACTIONS COMPLETED TO DATE: In September 1995, Office Supply Service completed a proposal, including a break-even analysis, to mark up the price of items sold in the Supply Store and the Gift Shop.</p> <p>ACTIONS NEEDED FOR CLOSURE: The Chief Administrative Officer must develop and submit an updated proposal, for approval by the Committee on House Oversight, to cover the costs of the Supply Store and Gift Shop.</p>	<p>HIGH</p> <p>Substantial Progress</p> <p>8/01/98</p>
96-CAO-15 M.2	<p>RECOMMENDATION: Expeditiously conduct the competitive procurement for the privatization of the Gift Shop.</p> <p>ACTIONS COMPLETED TO DATE: The Chief Administrative Officer prepared and submitted a Request for Proposals, for approval by the Committee on House Oversight, for the privatization of the Gift Shop on November 22, 1996.</p> <p>ACTIONS NEEDED FOR CLOSURE: The Chief Administrative Officer must update and resubmit a Request for Proposals, for approval by the Committee on House Oversight, which addresses the Committee's concern for ample competition.</p>	<p>MEDIUM</p> <p>Some Progress</p> <p>8/01/98</p>
95-CAO-07 B	<p>RECOMMENDATION: Prepare a proposal, for approval by the Committee on House Oversight, to modify the pricing policy to recover the full cost of flags sold to the public</p> <p>ACTIONS COMPLETED TO DATE: Office Supply Service prepared a proposal in January 1998 for the Chief Administrative Officer recommending that the price of the flags sold be marked up 23% above the original cost.</p> <p>ACTIONS NEEDED FOR CLOSURE: The Chief Administrative Officer must submit a proposal, for approval by the Committee on House Oversight, to modify the price policy to recover the full cost of flags sold to the public.</p>	<p>MEDIUM</p> <p>Some Progress</p> <p>8/01/98</p>
MEDIA AND SUPPORT SERVICES: Furniture Resource Center		
95-CAO-15 A.5	<p>RECOMMENDATION: Implement, within the future financial management system, an automated cost accounting module that includes all relevant overhead costs, and supports furnishings acquisition decisions and management reporting needs.</p>	<p>HIGH</p>

EXHIBIT 2

Entity Report and Recommendation Number	RECOMMENDATION ACTIONS COMPLETED TO DATE ACTIONS NEEDED FOR CLOSURE	PRIORITY STATUS TARGET DATE
	<p>ACTION COMPLETED TO DATE: A Needs Analysis/Requirements Definition Document, a Business Process Reengineering Document, and a Request for Proposals to procure a new Fixed Assets/Inventory Management system have been prepared. Included in the Request for Proposals are the components of an automated activity-based cost accounting system that has the capability to capture all relevant operating costs at the Office of Furnishings and to perform cost analysis to support repair vs. replacement decisions. The Request for Proposals was approved by the Committee on House Oversight and subsequently sent to vendors in March 1998. Bids were received by the House in April 1998 and a decision is pending.</p> <p>ACTIONS NEEDED FOR CLOSURE: In the selection of a contractor, the House should ensure that the chosen system has the functionality of an automated cost accounting module, as specified in the recommendation. Finally, the new system and functionality should be implemented.</p>	<p>Limited Progress</p> <p>6/30/99</p>
96-CAO-08 1	<p>RECOMMENDATION: Clarify the proposed policy change with respect to assignment of accountability and financial responsibility and perform a detailed, quantified analysis of the need for assigning accountability and financial responsibility for lost or damaged furnishings to Members, Committee Chairs, and Officers of the House, and submit this clarification and analysis to the Committee on House Oversight.</p> <p>ACTIONS COMPLETED TO DATE: Chief Administrative Officer staff has been meeting in preparation for the 106th Congress transition. The accountability and financial responsibility for furnishings is one of the issues being addressed at these meetings.</p> <p>ACTIONS NEEDED FOR CLOSURE: The Chief Administrative Officer must develop and submit a proposal to the Committee on House Oversight addressing the issues of accountability and financial responsibility for furnishings.</p>	<p>MEDIUM</p> <p>Substantial Progress</p> <p>9/01/98</p>
OFFICE OF PROCUREMENT AND PURCHASING:		
95-CAO-11 B	<p>RECOMMENDATION: Develop a proposal, for approval by the Committee on House Oversight, to include integrated procurement information specifications, in accordance with the Joint Financial Management Improvement Program guidance, and remote access to administrative office users in the new financial management system specifications.</p> <p>ACTIONS COMPLETED TO DATE: The integration of procurement specifications has been partially satisfied through the implementation of the Federal Financial System Purchasing Subsystem which was implemented in June 1996. The Office of Finance, Office of Procurement and Purchasing, House Information Resources, Office of Systems Management, Office of Supply Services, Furniture Resource Center, Office of Telecommunications, and Postal Operations have access to the Federal Financial System.</p> <p>ACTIONS NEEDED FOR CLOSURE: The House should ensure that the procurement information specifications, in</p>	<p>HIGH</p> <p>Substantial Progress</p>

EXHIBIT 2

Entity Report and Recommendation Number	RECOMMENDATION ACTIONS COMPLETED TO DATE ACTIONS NEEDED FOR CLOSURE	PRIORITY STATUS TARGET DATE
	accordance with the Joint Financial Management Improvement Program guidance, is met through the implementation of Procurement Desktop.	12/31/98
95-HOC-22 2.1	<p>RECOMMENDATION: Initiate a system of accounting and control that captures data and tracks transactions by vendor and ordering office when goods and services are: 1) ordered, 2) received, and 3) paid for.</p> <p>ACTIONS COMPLETED TO DATE: The Accounts Payable Subsystem of the Federal Financial System has the capability to record payment transactions, including data such as vendor, type of expense, service dates, amount of payment, and the payment date. Also, the Purchasing Subsystem can record obligation information for goods ordered and is currently being used to maintain and track transactions as they are ordered and paid. These new capabilities were installed in June 1996, and are now being used by the Office Systems Management and Office Supplies Service to track their respective obligations. Currently, the Federal Financial System is used to capture expense data at the point of obligation. However, not all expenses are obligated. Procurement Desktop and the Fixed Assets/Inventory Management system to be acquired by the House should be capable of capturing data on receipt of goods. Procurement Desktop has the capability to produce receiving documents through a receipt of goods module, but the House has no formal plans to implement that module. Payments are currently made in the Federal Financial System which employs P1 payments for purchases not obligated prior to purchase and P2 payments for those obligated prior to purchase.</p> <p>ACTIONS NEEDED FOR CLOSURE: The House should finalize its decision on how it will track data regarding receipt of goods and services. The Federal Financial System is capable of tracking, in real-time, all goods received. Procurement Desktop can capture contract, purchase order, and receipt of goods data. It can also assist in standardizing documentation prepared by procuring divisions and can standardize the authorization/approval process for these documents. Once the House decides how transactions will be tracked, the House should implement these capabilities. If transactions are tracked in Procurement Desktop and/or in the Fixed Assets/Inventory Management system, the House should ensure that the information is passed to the Federal Financial System.</p>	<p>HIGH</p> <p>Some Progress</p> <p>10/31/99</p>
95-CAO-11 A.3	<p>RECOMMENDATION: Develop proposals, for approval by the Committee on House Oversight, to include definitional requirements for the information needed to integrate a procurement budgeting and planning process in the new financial management system specifications.</p> <p>ACTIONS COMPLETED TO DATE: The Office of Procurement and Purchasing has drafted a proposal on definitional requirements. The Chief Administrative Officer requires that a detailed statement from each Chief Administrative Officer office be provided to the Office of Finance's budget department regarding the status of planned and budgeted expenditures 180 days after the beginning of the fiscal year. If a planned expenditure has not been obligated in the Federal Financial System, the respective office must provide a complete explanation of its intentions, including whether all the budgeted funds will be spent as planned before the close of the fiscal year. The funding codes and organization codes of the respective House units have been defined and are utilized along with budget object codes by Office of Procurement and</p>	<p>MEDIUM</p> <p>Substantial Progress</p>

EXHIBIT 2

Entity Report and Recommendation Number	RECOMMENDATION ACTIONS COMPLETED TO DATE ACTIONS NEEDED FOR CLOSURE	PRIORITY STATUS TARGET DATE
	<p>Purchasing and by the Office of Finance to coordinate budget review and reprogramming activities.</p> <p>ACTIONS NEEDED FOR CLOSURE: The Office of Procurement and Purchasing should ensure that the proposal on definitional requirements is finalized and sent to the Committee on House Oversight for approval. Once approved, the definitional requirements for integrating a procurement budgeting and planning process should be implemented.</p>	10/31/98
95-CAO-11 A.5	<p>RECOMMENDATION: Develop proposals, for approval by the Committee on House Oversight, to implement: (a) a standardized vendor selection and monitoring process that includes procedures to systematically gather and use ongoing performance information on vendors; and (b) a computerized vendor database system to manage a vendors list and provide vendor specific performance information.</p> <p>ACTIONS COMPLETED TO DATE: The Chief Administrative Officer submitted a proposal to the Committee on House Oversight on February 3, 1997 to implement a vendor monitoring process and database for Office Systems Management. In addition, all Chief Administrative Officer organizations will monitor purchase order performance with Procurement Desktop as it is implemented and a separate Contract Tracking System has been developed to track vendor contracts.</p> <p>ACTIONS NEEDED FOR CLOSURE: The Chief Administrative Officer must consolidate existing databases or implement standard procedures to manage a major vendors list and provide specific performance information, in a consistent manner, for all major vendors used by Chief Administrative Officer organizations.</p>	<p>MEDIUM</p> <p>Substantial Progress</p> <p>12/31/99</p>
96-CAO-15 T.1	<p>RECOMMENDATION: Develop procedures to ensure that each contract issued is covered with a purchase order in the Federal Financial System Purchasing Subsystem.</p> <p>ACTIONS COMPLETED TO DATE: The Office of Procurement and Purchasing has instituted undocumented procedures to enter the accounting document record for a purchase order for each new contract into the Federal Financial System Purchasing Subsystem. The Office of Procurement and Purchasing currently maintains a record of the Federal Financial System miscellaneous document number in its Contract Tracking System, and the Office of Procurement and Purchasing Contracts Administrator produces a monthly summary report which is distributed to the Procurement Specialists. The report identifies any contracts for which the Federal Financial System document number is missing. The Procurement Specialists are individually responsible for updating the fields, including a missing Federal Financial System number, if appropriate. Contracts entered into by the House which do not obligate the House for any future payments will be so categorized in order to differentiate them.</p> <p>ACTIONS NEEDED FOR CLOSURE: The draft procedures should be finalized and Chief Administrative Officer staff should become familiar with them. The recommendation will be accomplished through the implementation of the procedures which require that a miscellaneous order for each new contract is entered into the Federal Financial Purchasing Subsystem. A key element in the draft procedures is the provision for entering a miscellaneous order number for legacy</p>	<p>MEDIUM</p> <p>Substantial Progress</p> <p>7/31/98</p>

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Entity Report and Recommendation Number	RECOMMENDATION ACTIONS COMPLETED TO DATE ACTIONS NEEDED FOR CLOSURE	PRIORITY STATUS TARGET DATE
	contracts which predate the use of the Federal Financial System, and for more recent contracts for which, through error or oversight, no obligation was created. These procedures should be reviewed, after they are implemented, to determine if they are functioning as intended.	
96-CAO-15 T.2	<p>RECOMMENDATION: Develop comprehensive management policies and procedures with respect to contracts within the purview of the Chief Administrative Officer.</p> <p>ACTIONS COMPLETED TO DATE: The Office of Procurement and Purchasing completed a draft outline of contract administration procedures, but the process is still ongoing and further revisions are expected.</p> <p>ACTIONS NEEDED FOR CLOSURE: The Chief Administrative Officer must develop final contract management policies and procedures and incorporate them in the Interim Procurement Instructions for the House.</p>	<p>MEDIUM</p> <p>Some Progress</p> <p>7/31/98</p>
96-CAO-15 U	<p>RECOMMENDATION: Upon the successful implementation of Procurement Desktop, prepare a proposal, for approval by the Committee on House Oversight, to revise procurement approval authorities to reduce review levels and distribute small purchase authority to users in accordance with a set schedule.</p> <p>ACTIONS COMPLETED TO DATE: The House is currently conducting system acceptance testing and plans to put Procurement Desktop into production in House Information Resources shortly. The House plans to implement Procurement Desktop in other Chief Administrative Officer offices after it has been tested and validated in House Information Resources. While this recommendation is based on the implementation of Procurement Desktop, which has not been completed, several actions have been taken to reduce the review levels of purchase orders within the Chief Administrative Officer offices. Delegations were issued in 1997 for individuals to sign purchase orders up to \$500 within the Office of Furniture Resources, Office of Systems Management, and Office of Supply Services. Additionally, on March 3, 1998, full authority to approve Single Drop Mass Mail Obligations (which have been cleared by the Franking Commission) was delegated to the Office of Postal Operations. These actions have and will continue to significantly reduce the number of purchase orders routed through the Office of Procurement and Purchasing. Finally, a proposal to further delegate approval authority, including raising most program offices to a \$2,500 small purchase threshold and delegating approval of Chief Administrative Officer offices purchases, is currently under consideration by the Chief Administrative Officer.</p> <p>ACTIONS NEEDED FOR CLOSURE: The Chief Administrative Officer should (1) implement his 1998 proposal to further delegate approval authority, and, upon the successful implementation of Procurement Desktop in all Chief Administrative Officer offices, (2) conduct a comprehensive review of procurement approvals within his purview with the goal of effecting further reduced review levels and distribution of approval authority, and (3) develop a proposal, for approval by the Committee on House Oversight, on raising the current \$100,000 threshold for purchases requiring approval by the Committee on House Oversight.</p>	<p>LOW</p> <p>Some Progress</p> <p>3/31/99</p>

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EXHIBIT 3

CLOSED RECOMMENDATIONS

Report and Recommendation Number	RECOMMENDATIONS	Reason for Closure
95-CAO-01 4	Confidential --See Confidential Exhibit 5 for additional information.	Action Completed
95-CAO-01 5	Confidential --See Confidential Exhibit 5 for additional information.	Action Completed
95-CAO-02 A.2	Develop a comprehensive set of functional requirements for a new FMS, taking into consideration the information and processing needs of the House, the U.S. Standard General Ledger, JFMIP's Federal Financial Management System Requirements, Generally Accepted Accounting Principles, Statement of Federal Financial Accounting Standards, and all applicable House regulations.	Merged with 97-HOC-14 1.6
95-CAO-06 A.1	<p>Prepare proposals, for approval by the Committee on House Oversight, to reduce the cost of House radio and TV production services, duplication services, and floor coverage by selecting and implementing one of the following options:</p> <p>Option 1: Contract out for House radio and TV production, duplication services, and floor coverage. (The House could establish a contract with one or more commercial vendors in the Washington, D.C. area. A help desk could be established to assist Members in scheduling appointments, or Members could purchase required services directly on an as-needed basis.)</p> <p>Option 2: Close two to three radio studios and one TV studio and reduce staffing to reflect Member demand for radio and TV production, duplication services, and floor coverage. (The House could reduce in-house costs by eliminating excess studio capacity and reducing staffing. It would be more cost-effective to maintain a minimum level of resources necessary to satisfy routine demand. Unusual or peak demand could be contracted for from local commercial vendors.)</p> <p>Option 3: Continue to provide in-house radio and TV production, duplication services, and floor coverage, and take steps to align in-house costs, user charges, and market value, through a combination of cost reductions and price increases. (Staff scheduling could be improved using split shifts and part-time workers to reduce idle time.)</p>	Superseded by 96-CAO-15 L
95-CAO-06 B.1	Develop proposals, for approval by the Committee on House Oversight, to implement improvements in efficiency and effectiveness of in-house photography services by: (1) charging Members and committees to take pictures based on an hourly basis; (2) utilizing part-time photographers; (3) establishing inventory controls for keeping cameras and film locked, monitoring photographer's film usage, and counting inventory each month; and (4) establishing an accounting and management reporting system to provide accurate and timely management information.	Action Completed
95-CAO-06 B.2	Develop proposals, for approval by the Committee on House Oversight, to implement improvements in efficiency and	Action Completed

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Report and Recommendation Number	RECOMMENDATIONS	Reason for Closure
	effectiveness of photo lab services by selecting and implementing one of the following options: Option 1: Improve in-house photo lab services by: (1) eliminating the distribution of free prints and set prices to process film based on unit production costs; (2) using part-time lab technicians; (3) establishing performance measures to monitor and control lab supply waste; and (4) establishing inventory controls for film processing supplies. Option 2: Contract with a vendor for photo lab services.	
95-CAO-07 A	Prepare a proposal, for approval by the Committee on House Oversight, for closing the Supply Store and replacing it with a contractor.	Action Completed
95-CAO-08 A.2	Immediately implement those recommendations in Exhibit B that involve serious integrity exposures, as an interim measure, independent of the payroll options being deliberated. [These recommendations related to the Members' Payroll System and Exhibit B outlined the recommendations specifically identified as requiring the highest priority.]	Merged with 95-CAO-08 A.1
95-CAO-08 B.2	Direct the Associate Administrator, Office of Finance, to establish and implement adequate environmental controls and procedures to ensure the safety of office personnel and to minimize potential loss of equipment, data, and Member information. [Refers to Members' Payroll System.]	Action Completed
95-CAO-08 B.4	Direct the Associate Administrator, Office of Finance, to establish and implement backup and recovery procedures to ensure that computer operations for significant hardware processes can continue uninterrupted. [Refers to Members' Payroll System.]	Action Completed
95-CAO-08 C.2	Instruct the Associate Administrator, Office of Finance, to ensure that Member Services disaster recovery policies and procedures are developed, routinely tested, and adequately maintained. [Refers to Members' Payroll System.]	Merged with 95-CAO-08 C.1
95-CAO-08 E.1	Instruct the Associate Administrator, Office of Finance, to obtain technical assistance to help Member Services staff review the payroll process and application documentation in order to implement application program changes to eliminate the processing on parallel systems. [Refers to Members' Payroll System.]	Merged with 95-CAO-08 A.1
95-CAO-08 F.1	Instruct the Associate Administrator, Office of Finance, to obtain qualified assistance to help Member Services staff review the source code and related data for tax withholding to ensure the accuracy and reliability of the formulas and data related to tax deductions. [Refers to Members' Payroll System.]	Action Completed
95-CAO-08 G.5	Instruct the Associate Administrator, Office of Finance, to implement procedures so that an independent review of checks may be performed to ensure the accuracy of the check log and integrity of checks processed. [Refers to Members' Payroll System.]	Action Completed
95-CAO-08 H.1	Instruct the Associate Administrator, Office of Finance, to obtain technical assistance to help Member Services staff review the responsibilities between the data entry, hardware operations, and application programming, and security	Merged with

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Report and Recommendation Number	RECOMMENDATIONS	Reason for Closure
	administration functions for the AS/400 computer system and Liberty application software. [Refers to Members' Payroll System.]	95-CAO-08 E.2
95-CAO-09 2	Prepare proposals, for approval by the Committee on House Oversight, for a formal, written policy to establish guidelines for the removal of obsolete and outdated items.	Action Completed
95-CAO-11 A.2	Develop proposals, for approval by the Committee on House Oversight, to implement a systematic and coordinated planning process for procurement activities.	Action Completed
95-CCS-12 A	In conjunction with the Clerk of the House and the Sergeant at Arms, develop a proposal, for approval by the Committee on House Oversight, to implement policies and procedures to establish a coordinated, strategic planning, and performance measurement process.	Otherwise Resolved ¹
95-CCS-12 B	In conjunction with the Clerk of the House and Sergeant at Arms, develop a proposal, for approval by the Committee on House Oversight, to integrate budget formulation and financial management into the planning process.	Otherwise Resolved ²
95-CAO-15 A.4	Develop proposals, for approval by the Committee on House Oversight, to take into consideration the first three recommendations and specifically address the continued need for Office Furnishing in-house resources, and reduce staffing to minimum levels, supplementing staff levels with overtime, temporary staff, or contractors during peak periods; or eliminate and contract out the Office Furnishing functions.	Action Completed
95-CAO-15 B.1	Identify Office of Furnishings' work order system needs.	Action Completed
95-CAO-15 B.2	Develop a proposal, for approval by the Committee on House Oversight, to procure a commercially available computer package with capabilities to adequately meet the needs identified in B1.	Action Completed
95-CAO-16 A.1	Develop proposals, for approval by the Committee on House Oversight, to ensure that the integrated financial management system, which the Chief Administrative Officer already committed to implement, complies with JFMIP requirements and is coordinated with the efforts and needs of other House offices.	Merged with 97-HOC-14 1.6
95-CAO-16 A.2	Develop proposals, for approval by the Committee on House Oversight, to implement accrual basis accounting and accounting principles and standards generally accepted in the Federal government and the private sector.	Merged with 97-HOC-14 1.6

¹ The recommendation is closed with respect to the CAO. Subsequent audits of the Clerk and Sergeant at Arms will follow-up with respect to the implementation of this recommendation by these House Officers.

² The recommendation is closed with respect to the CAO. Subsequent audits of the Clerk and Sergeant at Arms will follow-up with respect to the implementation of this recommendation by these House Officers.

EXHIBIT 3

Report and Recommendation Number	RECOMMENDATIONS	Reason for Closure
95-CAO-16 A.4	Develop proposals, for approval by the Committee on House Oversight, to provide staff with training on the new financial management system and standard accounting methods.	Action Completed
95-CAO-16 A.5	Develop proposals, for approval by the Committee on House Oversight, to redesign internal and external management reports based on user requirements.	Merged with 96-CAO-10 A.2
95-CAO-16 B.1	Develop proposals, for approval by the Committee on House Oversight, to take advantage of the implementation of the new financial management system to redesign and streamline Finance processes. For example, by integrating payroll, general ledger, and funds control, the House can eliminate much of the work Finance performs in entering transactions more than once and reconciling manual and automated systems.	Action Completed
95-CAO-16 B.2	Develop proposals, for approval by the Committee on House Oversight, to as a means of enhancing accountability, develop a system for measuring Finance's performance that is integrated with the financial management system.	Action Completed
95-CAO-16 C.1	Develop proposals, for approval by the Committee on House Oversight, to institute budget controls to obligate, or reserve, funds before ordering goods and services and verify that funds are available before they are obligated.	Merged with 95-CAO-16 C.2
95-CAO-16 D.5	Develop proposals, for approval by the Committee on House Oversight, to provide Members with more detailed financial information about the status of their allowances based on both commitments they have made and money they have spent.	Merged with 95-CAO-16 C.2
95-CAO-16 G.1	Develop proposals, for approval by the Committee on House Oversight, to enforce <i>Congressional Handbook</i> rules and require Members, committees, and House offices to submit Payroll Authorization Forms on time. (If payroll changes are submitted beyond the stated deadline, they should not be processed.)	Action Completed
95-CAO-16 G.3	Develop proposals, for approval by the Committee on House Oversight, to assign responsibility to Finance for pursuing collection of salary overpayments if the employing office's efforts prove unsuccessful after one month.	Action Completed
95-CAO-17 C.1	Develop proposals, for approval by the Committee on House Oversight, to implement formal policies and procedures to compare equipment's maintenance cost to its usefulness.	Action Completed
95-CAO-17 D.1	Develop a proposal, for approval by the Committee on House Oversight, to implement formal policies and procedures to monitor lease agreements on outdated equipment.	Action Completed
95-CAO-17 D.2	Alert House offices when equipment becomes outdated.	Action Completed
95-CAO-18 A.1	Immediately prepare proposals, for approval by the Committee on House Oversight, to implement a formal, comprehensive data security program.	Action Completed

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Report and Recommendation Number	RECOMMENDATIONS	Reason for Closure
95-CAO-18 A.3	Immediately prepare proposals, for approval by the Committee on House Oversight, to establish a plan for expanding the data security function to include broader authority to address security on all office-level systems including LANs, personal computer systems, and other TCP/IP based systems connected to the House network. (The data security function should be granted the authority to set minimum data security requirements and to monitor and enforce adherence to such requirements on a regular basis.).	Action Completed
95-CAO-18 A.4	Immediately prepare proposals, for approval by the Committee on House Oversight, to implement an information security awareness program to communicate employee and vendor security responsibilities.	Action Completed
95-CAO-18 A.5	Immediately prepare proposals, for approval by the Committee on House Oversight, to implement a data security compliance structure and enforcement mechanism.	Action Completed
95-CAO-18 A.6	Immediately prepare proposals, for approval by the Committee on House Oversight, to implement a formal risk assessment model and data classification scheme.	Merged with 95-CAO-18 B.4
95-CAO-18 A.8	Immediately prepare proposals, for approval by the Committee on House Oversight, to establish vendor contracts that include provisions to support House security standards, policies, and procedures.	Action Completed
95-CAO-18 B.1	Immediately prepare a proposal, for approval by the Committee on House Oversight, to implement a comprehensive disaster recovery plan that outlines specific disaster recovery procedures and responsibilities for both House Information Resources operations (including the identification and coordination of a backup arrangement for the NCC), and office-level systems.	Merged with 95-CAO-18 B.4
95-CAO-18 B.2	Immediately prepare a proposal, for approval by the Committee on House Oversight, to implement and update the business impact analysis identifying those business processes and systems that are critical to the business continuity of the organizations supported by House Information Resources, as well as office-level systems and telecommunications links supporting Member, committee, and other House operations currently not addressed by the existing mainframe data center disaster recovery plan. (Member, Committee, and other House offices should be included in this re-evaluation.)	Merged with 95-CAO-18 B.4
95-CAO-18 B.3	Evaluate backup and business recovery alternatives that would facilitate recovery of those critical business processes and systems identified by the business impact analysis and select the most appropriate alternative.	Merged with 95-CAO-18 B.4
95-CAO-18 C.3	Immediately prepare proposals, for approval by the Committee on House Oversight, to implement appropriate physical and environmental controls surrounding microcomputers, servers, printers, communications equipment, and other computing facilities for Member, committee, and other House offices.	Action Completed
95-CAO-18 C.6	Immediately prepare proposals, for approval by the Committee on House Oversight, to enhance controls surrounding	Action Completed

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Report and Recommendation Number	RECOMMENDATIONS	Reason for Closure
	correspondence management systems to ensure that users can only access data through the designed application features and not by other means that circumvent the application system.	
95-CAO-19 B	Develop a proposal for a reorganization of House Information Resources, for approval by the Committee on House Oversight, to streamline systems development into one group; implement an independent quality assurance function; and staff the Change Control Administrator position.	Superseded by 97-CAO-09 C.2
95-CAO-20 B.2	Perform a cost-benefit analysis to determine whether existing House Information Resources systems that compete with commercially available off-the-shelf packages should continue to be maintained by House Information Resources, and if not, present a migration plan to the Committee on House Oversight.	Superseded by 96-CAO-15 E.1
95-HOC-22 3.1	Develop a proposal, for approval by the Committee on House Oversight, to establish cost accounting policies and procedures that define how costs will be accounted for and fully allocated to end users.	Merged with 95-CAO-16 A.3
95-HOC-22 4.2	Establish a policy stipulating the dollar level and types of purchases that should be capitalized.	Action Completed
95-HOC-22 4.3	Require an analysis of all leases over a specified dollar amount to determine whether the leases effectively convey ownership and it is cost-beneficial to enter into the leasing arrangement.	Action Completed
95-HOC-22 4.4	Establish a policy for periodically counting assets with high dollar values.	Action Completed
95-HOC-22 8.3	Develop policies and procedures to prepare and provide a document and computer security awareness training to all employees stating the password policies, logging off, checking for viruses, and prohibiting the use of unauthorized software.	Action Completed
95-HOC-22 8.4	Develop policies and procedures to freeze access after three attempts at unauthorized access are made from any one terminal, individual, account, or file.	Merged with 95-CAO-18 C.4
95-HOC-22 8.6	Develop policies and procedures to establish controls to validate all dial-in access.	Action Completed
95-HOC-22 8.8	Develop policies and procedures to enhance systems within the House that transfer data to one another so that they automatically reconcile the data sent and received.	Action Completed
95-HOC-22 12.1	Develop proposals, for approval by the Committee on House Oversight, to establish formal policies and procedures to evaluate cost and service considerations in deciding whether to lease or buy equipment.	Action Completed
95-CAO-26 A.2	Reimburse Department of Labor the outstanding unemployment compensation liability for the period July 1, 1992 through March 31, 1995.	Action Completed

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Report and Recommendation Number	RECOMMENDATIONS	Reason for Closure
96-HOC-01 A	Direct the Chief Administrative Officer to pursue and resolve the remaining 55 outstanding potential duplicate travel payments.	Action Completed
96-HOC-01 B	Direct the Chief Administrative Officer to resolve the remaining 17 outstanding catering receivables.	Otherwise Resolved ³
96-HOC-01 C.1	Direct the Chief Administrative Officer to continue to pursue and resolve the remaining 31 outstanding delinquent charge card balances.	Otherwise Resolved ⁴
96-HOC-01 C.2	Direct the Chief Administrative Officer to request the cardholders' statements from the charge card companies and reconcile accounts in those cases where the cardholders did not have adequate records.	Otherwise Resolved ⁵
96-HOC-01 E.1	Direct the Chief Administrative Officer to continue to pursue and resolve the remaining 17 outstanding salary overpayments.	Action Completed
96-HOC-01 E.2	Direct the Chief Administrative Officer to establish and implement a policy requiring that the debts of individuals who do not respond to the House's initial efforts to collect salary overpayments be referred to a collection agency.	Action Completed
96-CAO-02 A.2	Identify, analyze, and document functional requirements for the implementation of the Federal Financial System.	Merged with 97-HOC-14 1.6
96-CAO-02 B.1	Continue to thoroughly perform all activities related to system testing, certification, and accreditation.	Action Completed
96-CAO-02 B.2	Document and maintain the results of verifying reference tables and testing activities.	Action Completed
96-CAO-02 B.3	Ensure the formal certification of the Federal Financial System verification and testing activities by the Federal Financial System Implementation Team members, who are responsible for overseeing the execution of the Federal Financial System testing tasks.	Action Completed

³ Strong efforts were made to collect catering receivables with adequate documentation. However, some of the outstanding catering receivables could not be resolved due to insufficient documentation attributed to the lack of adequate controls when the services were performed.

⁴ Due to the age of the accounts and the unavailability of pertinent records, the credit card company wrote off the outstanding account balances if the delinquent charges were not otherwise resolved.

⁵ Since the credit card company did not retain records for charges made prior to the 1996 November election, the Chief Administrative Officer was unable to obtain the cardholders' statements needed to reconcile the accounts.

EXHIBIT 3

Report and Recommendation Number	RECOMMENDATIONS	Reason for Closure
96-CAO-02 C.3	Align present staff to satisfy new roles and responsibilities (e.g., reassigning present staff to new positions because they have the experience and skills necessary to perform the required duties) and hire new staff, if necessary.	Action Completed
96-CAO-02 C.4	Establish financial management policies and procedures to complement the use of the Federal Financial System prior to March 4, 1996, and to support the implementation of additional functionality in future phases. Procedural changes needed as of March 4, 1996, included the following: document numbering schemes for each type of Federal Financial System transaction; review and resolution of documents not accepted by the Federal Financial System; determine revenue source codes and funds to which cash receipts should be recorded; determine correct budget object codes for recording expenses; determine correct budget fiscal and legislative years for recording transactions. Procedural changes needed for future phases include the following: redesign of the voucher form; implement obligation-based accounting through the Purchasing Subsystem and Procurement Desktop; establish policies and detailed procedures for recording accounts receivables; establish policies and detailed procedures covering the maintenance, administration, and documentation of equitable House Information Resources chargeback rates and billing processes for all customers; change payroll policies to implement a lag between the end of the pay period and the date the payroll is processed and paychecks are distributed.	Otherwise Resolved ⁶
96-CAO-04 1	Prioritize and assign adequate resources to execute the remaining steps in the work plan to assure all Phase II tasks are completed no later than the end of July 1996.	Action Completed
96-CAO-04 2	Adopt and follow a formal System Development Life Cycle methodology for Phase III activities that applies proper procedures for defining user and functional requirements, detailed planning and work plan preparation, system verification, validation and testing, user procedures development, and user training.	Otherwise Resolved ⁷
96-HOC-05 5.3	Establish controls to ensure that the House adheres to any provisions of law requiring the remittance of funds to the U.S. Treasury. These policies and procedures should also address the review of inactive cash accounts that may need to be returned to the U.S. Treasury.	Action Completed

⁶ Since the House is developing requirements for a new financial system, future Federal Financial System phases will not be implemented. However, procedural changes not yet completed are being addressed through standing recommendations: redesign of the voucher form (see 96-CAO-11 A.8); establish policies and procedures covering the maintenance, administration, and documentation of equitable House Information Resources chargeback rates and billing processes for all customers (see 95-CAO-19 D.1 and D.2); and change payroll policies to implement a lag between the end of the pay period and the date the payroll is processed and paychecks are distributed (see 95-CAO-16 G.2).

⁷ Since the House is developing requirements for a new financial system, Phase III will not be implemented. Therefore, this recommendation is no longer applicable.

EXHIBIT 3

Report and Recommendation Number	RECOMMENDATIONS	Reason for Closure
96-HOC-05 6.7	Office of Finance should work with Members' offices to establish obligations for estimated postage, printing, and folding costs for mass mailings and other costs, such as rent, that will recur throughout the year. Obligations for mail-related costs should be done before the August 7, 1996 deadline for mailings before the general election.	Merged with 95-CAO-16 C.2
96-HOC-05 6.9	Work with the U.S. Postal Service to ensure that U.S. Postal Service reports are timely, accurate, and provide meaningful presentation and summarization of official mail usage. Once cumulative U.S. Postal Service information is available, Office of Finance should reconcile net transfers monthly. Additionally, Office of Finance should ensure that accurate transfer and available spending data are included on the Members monthly statements.	Action Completed
96-HOC-05 15.1	Identify the nature of the \$3.9 million net unidentified difference by appropriation year and report a reduction in budget authority to the U.S. Treasury or clear significant differences on reports to the Treasury.	Action Completed
96-HOC-05 15.2	Perform monthly reconciliations between the new FMS and the U.S. Treasury and identify and document any difference and resolutions.	Action Completed
96-CAO-06 1	Confidential --See Confidential Exhibit 5 for additional information.	Merged with 96-CAO-06 2
96-CAO-07 2	Ensure that the Associate Administrator of House Information Resources develops and implements formal procedures addressing responsibilities for tracking, escalating and resolving e-mail problems, and the manner and content of follow-up communications with the individual reporting the problem. The procedures should also require timely supervisory review of staff's handling and resolution of e-mail and other information systems-related problems.	Action Completed
96-CAO-08 2	Implement formal written policies to: <ol style="list-style-type: none"> a. Determine which items should be included in the Furniture Resource Center's (FRC) inventory. b. Assign responsibility to the FRC to maintain the inventory for <u>all</u> House furnishings, regardless of the source of funds used for their purchase. c. Require a physical inventory of both Washington, D.C. and District Office furnishings biannually, in a timeframe which ensures that all items are included in the physical count. d. Establish a cost-effective methodology for inventorying District Office furnishings. 	Action Completed

EXHIBIT 3

Report and Recommendation Number	RECOMMENDATIONS	Reason for Closure
	<p>e. Establish segregation of duties or compensating controls in the FRC materials and supplies storeroom. If compensating controls are established, they should include:</p> <ul style="list-style-type: none"> (1) reconciling purchases to the inventory records, and (2) limiting the capability to delete and change transactions to the Asset Management supervisor. 	
96-CAO-09 4	Confidential --See Confidential Exhibit 5 for additional information.	Action Completed
96-CAO-09 7A	Confidential --See Confidential Exhibit 5 for additional information.	Otherwise Resolved
96-CAO-10 A.3	Perform further analysis and review of the Chief Administrative Officer offices' high-level financial management systems requirements presented in Exhibit E. This analysis should be used to: develop a comprehensive, detailed list of requirements for the Chief Administrative Officer offices; assess whether the functions of the core Federal Financial System components implemented on June 4, 1996, can meet the Chief Administrative Officer offices' requirements; assess if additional Federal Financial System features to be implemented in the future, Federal Financial System add-on systems, or custom enhancements to the Federal Financial System can meet Chief Administrative Officer offices' requirements; and develop alternatives for the requirements where solutions are not currently known.	Merged with 96-CAO-10 A.2
96-CAO-10 B.1	Redesign and streamline the financial management procedures of the House to minimize the number of steps in the House's financial management processes.	Action Completed
96-CAO-10 B.2	Expand the use of the Federal Financial System to all House offices to minimize the redundant data entry into duplicate systems and to support new streamlined procedures.	Merged with 96-CAO-10 A.1
96-CAO-10 C.1	Direct the Federal Financial System Implementation Team to expeditiously grant Member, Committee, and other House offices online access to the financial information in the Federal Financial System that directly relates to their offices.	Merged with 96-CAO-11 C.3
96-CAO-10 C.2	Direct the Federal Financial System Implementation Team to provide purchasing and disbursement reports to Member, Committee, and other House offices on a daily or weekly basis until online access is provided. At a minimum, the purchasing reports should include information on purchase orders (obligations) processed and unliquidated obligations. These reports should include at least the following items: obligation document number, transaction date, vendor name, expense type, and obligated amount. At a minimum, the disbursement reports should include information on payments made to vendors, reimbursements made to employees, and transfers between offices. Information on payment vouchers that have been approved by Finance and entered into the Federal Financial System but for which no check has been cut should also be provided. The reports should include at least the following items: document number, transaction date, vendor or employee name, expense type, expense amount, check number, and payment date. The standard reports	Merged with 96-CAO-11 C.3

EXHIBIT 3

Report and Recommendation Number	RECOMMENDATIONS	Reason for Closure
	available from the Federal Financial System should be utilized to provide these interim reports. However, if a standard report is not available through the Federal Financial System, a custom report should be developed and implemented.	
96-CAO-10 D.1	Conduct user requirements analyses prior to implementing any future financial management policies, procedures, and phases of the Federal Financial System or any other House information systems.	Action Completed
96-CAO-10 D.2	Establish a financial users' group and meet regularly to provide an avenue for users to contribute to and be updated about the implementation of the Federal Financial System or any other new systems. Such a group should include representatives from Member, Committee, and other House offices and could also serve as an ongoing forum for exchanging information and ideas concerning financial management.	Action Completed
96-CAO-11 A.2	Use the Federal Financial System receiving document to ensure the receipt of goods and services prior to payment.	Merged with 96-CAO-11 A.3
96-CAO-11 A.4	Use the Federal Financial System obligation or purchase order system to ensure adequacy of funds prior to payment.	Merged with 95-CAO-16 C.2
96-CAO-11 A.5	Use the Federal Financial System obligation system to identify unliquidated obligations.	Action Completed
96-CAO-11 A.7	Maintain statistics on the number and types of errors identified during the compliance and data entry review stages. Use these statistics in assessing the efficiency/effectiveness of the payment process.	Action Completed
96-CAO-11 A.9	Reduce the number of systems used in the payment process. In order to accomplish this, the House should expand the use of the Federal Financial System to all House offices so they can: (a) query payment data in the Federal Financial System, and (b) enter payment data directly into the Federal Financial System and Finance can approve payment data online in the Federal Financial System.	Merged with 96-CAO-10 A.1
96-CAO-11 A.10	Modify the Federal Financial System to prompt Finance to provide online approval, of those expenses deemed as requiring compliance review, at the obligation stage.	Action Completed
96-CAO-11 A.11	Empower staff with more authority, thus allowing for streamlining of the current multiple review process. If necessary, obtain resources with the necessary skills to support tasks that require more authority.	Action Completed
96-CAO-11 B.1	Devote sufficient resources to the voucher process to ensure that Audit Counselors can effectively perform their primary duties.	Action Completed
96-CAO-11 B.2	Perform a workload analysis and prepare a written plan for Full-Time Equivalent and contractor usage over periods of fluctuating activity.	Action Completed

EXHIBIT 3

Report and Recommendation Number	RECOMMENDATIONS	Reason for Closure
96-CAO-11 B.3	Prepare a goal and budget for compensation time over the next year.	Action Completed
96-CAO-11 C.1	Define information needs and sources to report more information in periodic reports. In addition, design reports, in a conceptual or "strawman" format, that incorporates information about unprocessed vouchers and, to the extent possible, unfilled orders for goods and services. Include the production of these reports in the next phases of the Federal Financial System implementation project.	Merged with 96-CAO-10 A.2
96-CAO-11 C.2	In a next phase of the Federal Financial System implementation project, utilize the Federal Financial System or other software packages in establishing an automated means of tracking unpaid vouchers.	Otherwise Resolved ⁸
96-CAO-11 D.1	Implement policies and procedures to notify Member offices of impending lease expirations. This could probably be done using the new system to identify such leases, perhaps one month in advance of lease expiration.	Action Completed
96-CAO-11 D.4	Identify the various types of recurring monthly payments and ensure that such payments are issued timely every month.	Action Completed
96-CAO-11 D.5	Assign responsibility for blank checks to an individual other than one who operates the check signing machine.	Action Completed
96-CAO-11 D.6	Keep unmailed checks stored and attended at all times.	Action Completed
96-CAO-11 E.1	Prepare a written plan, including an implementation time frame, specifying which performance goals and measures will be used for the payment process.	Action Completed
96-CAO-11 E.2	Define the information requirements, whether the Federal Financial System or other sources, to prepare performance measures.	Action Completed
96-CAO-11 E.3	Incorporate into the next phase of the system development life cycle project, those performance measures that are available from the Federal Financial System.	Action Completed
96-CAO-11 E.4	Develop a reporting format and time frame for its implementation through which payment performance information is compared to performance goals and benchmarks and made publicly available.	Action Completed
96-CAO-12 A.1	Establish an infrastructure in the Office of Finance to support the new tasks associated with the day-to-day operations of the Federal Financial System. Take the necessary steps to ensure that adequate resources with the proper qualifications are available in the Office of Finance to fill the roles and responsibilities under the new infrastructure.	Action Completed

⁸ Since the House is developing requirements for a new financial system, no other phases of the Federal Financial System will be implemented. Therefore, this recommendation is no longer applicable.

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Report and Recommendation Number	RECOMMENDATIONS	Reason for Closure
96-CAO-12 B.1	Fully document requirements for changes to the Monthly Financial Statement and the Statement of Disbursement.	Merged with 96-CAO-10 A.2
96-CAO-12 B.2	When planning to make changes to reports, prepare a level of effort analysis to determine how much time is needed to identify and document requirements (i.e., the changes), make the changes, and test the changes. Using information on available resources, identify realistic completion dates that support issuing reports by the expected issuance dates.	Action Completed
96-CAO-12 B.3	Devote more resources from Finance to produce and review the Monthly Financial Statement and the Statement of Disbursements.	Action Completed
96-CAO-12 B.7	Identify and use standard Federal Financial System reports, such as the daily Federal Financial System transaction report, to monitor the accuracy of data entered into the Federal Financial System.	Otherwise Resolved ⁹
96-CAO-12 B.8	Establish an organization structure within the Office of Finance to review transactions processed in the Federal Financial System on a regular basis.	Action Completed
96-CAO-15 A.1	Encourage regular communications between Members, Committees, and other customers and Chief Administrative Officer operational units.	Action Completed
96-CAO-15 A.2	Develop, for Committee on House Oversight approval, a standard planning and decision-making package addressing all aspects of policy and operational reviews.	Action Completed
96-CAO-15 B.1	Take lead responsibility for coordinating with the Clerk and Sergeant at Arms to establish a consistent system for tracking and managing the implementation of prior audit recommendations.	Otherwise Resolved ¹⁰
96-CAO-15 C.1	Update the Plan strategy and establish a conceptual direction based on the most current needs analysis, for approval by the Committee on House Oversight.	Superseded by 97-CAO-09 A.1
96-CAO-15 C.2	Communicate Plan objectives and related goals and priorities to all House Information Resources employees.	Superseded by 97-CAO-09 D.1
96-CAO-15 C.3	Assess and re-align House Information Resources staffing in order to ensure that a current needs analysis is prepared as a basis for the technical strategy of the Plan.	Superseded by 97-CAO-09 D.1

⁹ The Chief Administrative Officer developed an alternate system for tracking the accuracy of data entered by Financial Counselors.

¹⁰ The recommendation is closed with respect to the CAO. Subsequent audits of the Clerk and Sergeant at Arms will follow-up with respect to the implementation of this recommendation by these House Officers.

EXHIBIT 3

Report and Recommendation Number	RECOMMENDATIONS	Reason for Closure
96-CAO-15 D.1	Develop, for approval by the Committee on House Oversight, detailed project management policies and procedures based on a formal system development life cycle methodology which establishes a structured approach for managing and implementing information systems projects. These policies and procedures should also address change management.	Superseded by 97-CAO-09 C.2
96-CAO-15 D.3	Ensure that all systems development projects are managed according to these project management policies and procedures.	Superseded by 97-CAO-09 C.2
96-CAO-15 E.1	Conduct a comprehensive needs analysis and costs/benefits analysis to determine the best approach to mainframe migration.	Otherwise Resolved ¹¹
96-CAO-15 F	Prepare a comprehensive strategy addressing the potential impact of the Year 2000 issue, for review and approval by the Committee on House Oversight. The strategy should include the requirements discussed in this finding.	Action Completed
96-CAO-15 G.1	Establish realistic performance measures for key Office of Finance processes with quantitative indicators and track actual performance against those indicators.	Action Completed
96-CAO-15 G.2	Establish realistic milestones and targeted completion dates for financial systems projects and process implementations, and track actual performance and accomplishments accordingly.	Action Completed
96-CAO-15 G.3	Track and report qualitative outcomes (efficiencies and effectiveness) of key performance indicators for financial operations.	Action Completed
96-CAO-15 G.4	Provide the Committee on House Oversight with sufficient detailed information in order to make informed decisions regarding Office of Finance operations.	Action Completed
96-CAO-15 J	Establish a single point of contact within the Office of Finance for documentation, retention, and distribution of all financial operating policies and procedures.	Action Completed
96-CAO-15 K.1	Consolidate responsibility for inventory control activities within the Asset Management unit of the Furniture Resource Center.	Merged with 96-CAO-15 K.2
96-CAO-15 K.3	Develop appropriate inventory control policies and procedures, including the minimum inventory threshold value for capital equipment, to ensure accurate inventory management.	Action Completed
96-CAO-15 N	Combine the ONECall unit with the Food Services' Meeting, Press Conference, and Special Events team to fully utilize	Action Completed

¹¹ A costs/benefits analysis was conducted and reported as part of the Office of Inspector General's Mainframe Migration Options Study. (Report No. 97-CAO-15 dated December 12, 1997.)

EXHIBIT 3

Report and Recommendation Number	RECOMMENDATIONS	Reason for Closure
	available staff.	
96-CAO-15 O	Develop service and quality tracking systems for Food Services' Meeting, Press Conference, and Special Events operations and survey customers regularly.	Action Completed
96-CAO-15 T.3	Develop and implement a comprehensive tracking system with respect to contracts within the purview of the Chief Administrative Officer.	Actions Completed
96-CAO-15 T.4	Develop and deliver Contracting Officer's Representative training programs.	Action Completed
96-CAO-15 V	Submit a revised delivery service policy, for approval by the Committee on House Oversight, to collect a uniform fee, per periodical, for delivering all unsolicited newspapers, magazines, and publications received in bulk.	Action Completed
97-CCS-02 F	Develop a proposal, for approval by the Committee on House Oversight, that would move the responsibility for processing special order printing requests from the Office of Printing and Mailing Services to the Office Supply Service.	Action Completed
97-CCS-02 OM	After a permanent selection is made, review the feasibility of realigning Postal Operations with the Office of Media and Support Services and closing the Office of Publications and Distribution and, if determined feasible, develop a proposal, for approval by the Committee on House Oversight, to reorganize these functions.	Action Completed
97-CAO-04 A.2	Confidential --See Confidential Exhibit 5 for additional information.	Merged with 95-CAO-18 B.4
97-CAO-04 B.1	Confidential --See Confidential Exhibit 5 for additional information.	Action Completed
97-CAO-04 B.2	Confidential --See Confidential Exhibit 5 for additional information.	Action Completed
97-CAO-04 B.6	Confidential --See Confidential Exhibit 5 for additional information.	Action Completed
97-CAO-04 C.2	Confidential --See Confidential Exhibit 5 for additional information.	Action Completed
97-CAO-04 D.1	Confidential --See Confidential Exhibit 5 for additional information.	Action Completed
97-CAO-04 D.2	Confidential --See Confidential Exhibit 5 for additional information.	Action Completed
97-CAO-04 E.1	Confidential --See Confidential Exhibit 5 for additional information.	Action Completed
97-CAO-04 E.2	Confidential --See Confidential Exhibit 5 for additional information.	Action Completed
97-CAO-04 F.2	Confidential --See Confidential Exhibit 5 for additional information.	Action Completed

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Report and Recommendation Number	RECOMMENDATIONS	Reason for Closure
97-CAO-04 F.4	Confidential --See Confidential Exhibit 5 for additional information.	Action Completed
97-CAO-04 F.5	Confidential --See Confidential Exhibit 5 for additional information.	Action Completed
97-CAO-04 F.6	Confidential --See Confidential Exhibit 5 for additional information.	Action Completed
97-CAO-04 F.7	Confidential --See Confidential Exhibit 5 for additional information.	Action Completed
97-CAO-04 H.1	Confidential --See Confidential Exhibit 5 for additional information.	Action Completed
97-CAO-04 H.6	Confidential --See Confidential Exhibit 5 for additional information.	Merged with 97-CAO-04 H.5
97-CAO-04 I	Confidential --See Confidential Exhibit 5 for additional information.	Action Completed
97-CAO-04 J	Confidential --See Confidential Exhibit 5 for additional information.	Action Completed
97-CAO-05 A.2	Develop a proposal, for approval by the Committee on House Oversight, that entails an option for consideration of local exchange carrier frame relay services compared to other viable alternatives in the upcoming frame relay competitive procurement.	Action Completed
97-CAO-05 B.1	Conduct an analysis to compare the alternatives for local exchange services, including negotiations for improved rates with the current provider. Upon conclusion of this analysis, if justified, House Information Resources should establish a plan and schedule for initiating a competitive process for procuring these services.	Action Completed
97-CAO-05 B.2	Conduct an analysis of alternatives for voice conferencing services that compares the use of alternate service providers as well as the use of the Definity Private Branch Exchange systems and/or stand alone conferencing equipment.	Action Completed
97-CAO-05 E.1	Develop a proposal, for approval by the Committee on House Oversight, to establish and implement a new chargeback structure that eliminates the incentive-oriented program for providing "soft lines" at no charge and provides rates that reasonably and equitably distribute costs among both Direct Inward Dial and "soft line" users.	Action Completed
97-CAO-05 E.2	Develop a proposal, for approval by the Committee on House Oversight, to establish and implement a new chargeback structure that recovers the total cost of district local line service and eliminates the subsidy included in the House Information Resources budget.	Action Completed
97-CAO-06 A.2	Initiate a proactive performance monitoring plan for each of the identified key points in the network, utilizing the network management system to automate the process, and collect historical data for trending and forecasting analysis.	Merged with 97-CAO-06 B.2

EXHIBIT 3

Report and Recommendation Number	RECOMMENDATIONS	Reason for Closure
97-CAO-06 A.3	Implement and execute a monthly switch analysis process to establish benchmarks and grade the health of the entire House switching platform.	Action Completed
97-CAO-06 A.4	Establish formal processes and procedures for implementing trending and forecasting analyses by transferring relevant switch measurements, such as the information from the switch analysis process, into a software tool that will allow them to forecast and better manage the growth of the House environment.	Action Completed
97-CAO-06 B.3	Require Lucent Technologies to provide a more detailed monthly Quality Assurance Report that will provide the necessary detail to conduct effective problem trend analyses.	Action Completed
97-CAO-06 C.1	Develop and implement formal maintenance policies and procedures that include: <ul style="list-style-type: none"> • Preventive maintenance schedules, based on vendor recommendations. • Hours when maintenance can occur. • How end users are notified of upcoming maintenance. • Delineation of maintenance responsibilities. • Pricing for common procedures not covered under warranty or contract. • Approved billing cycles for maintenance contracts. • Periodic analyses of maintenance contracts to determine the most cost-effective options. 	Action Completed
97-CAO-06 C.2	Conduct a cost-benefit analysis to determine whether it would be more economical to pay for service for district office voice equipment (i.e., small electronic key systems) on a time and materials basis rather than continue with the full service maintenance agreement. Based on the results of this study, if warranted, make a recommendation for change to the Committee on House Oversight.	Action Completed
97-CAO-06 D	Follow a system development life cycle methodology, including a user needs analysis, for identifying and implementing Computer Telephony Integration (CTI) within the House. Specifically, the user needs analysis should focus on those areas that receive a large number of calls, in particular, the House/Senate operators and House Information Resources.	Otherwise Resolved ¹²
97-CAO-07 A.1	Modify the current Telecommunications Contingency/Disaster Recovery Plan to encompass a proactive, detailed methodology that would encompass a distributed network topology and incorporate it in the overall, House-wide contingency/disaster recovery plan.	Merged with 95-CAO-18 B.4
97-CAO-07 A.2	Given the current resource constraints, the Communications Group should assess the benefits to be derived from utilizing the capabilities of software-based development tools (executed by in-house staff or contractor) that would best meet the	Merged with 95-CAO-18 B.4

¹² Since the CTI initiative has been discontinued, this recommendation is no longer applicable.

EXHIBIT 3

Report and Recommendation Number	RECOMMENDATIONS	Reason for Closure
	needs of the House for comprehensive telecommunications contingency/disaster recovery planning.	
97-CAO-07 A.3	Implement formal telecommunications contingency/disaster recovery policies and procedures, routinely test the plan, and ensure that the plan is adequately maintained and updated on a regular basis.	Merged with 95-CAO-18 B.4
97-CAO-07 B.2	Modify existing procedures to ensure backup tapes for Private Branch Exchange (PBX) system processes and for telecommunications system software are rotated off-site to a secure location.	Action Completed
97-CAO-07 C.1	Conduct a contingency-based risk assessment, including threat and vulnerability analyses, for the PBX platforms located in the Longworth building.	Merged with 95-CAO-18 B.4
97-CAO-07 C.2	Use the results of the risk assessment to determine the appropriate course of action, which would involve: <ul style="list-style-type: none"> • Taking no action at all, formally documenting the level of risk as being acceptable, or • Conducting a cost-benefit analysis to determine the most cost-effective mix of risk reduction measures to implement, and then implementing them. 	Merged with 95-CAO-18 B.4
97-CAO-07 C.3	Modify the current House Information Resources House-wide contingency plan to add the PBX platforms and include them in cyclical testing.	Merged with 95-CAO-18 B.4
97-CAO-07 D.1	Modify the current room cleaning contract to include the House's demarcation rooms.	Action Completed
97-CAO-07 D.2	Develop and/or review contract monitoring procedures to ensure that a monitor is designated to oversee the contract; agreed upon work is being completed and rooms are being cleaned; random inspections are conducted to determine contract compliance; and appropriate, corrective action is taken for non-compliance.	Action Completed
97-CAO-07 D.3	Request the Architect of the Capitol review procedures for monitoring temperature readings within the demarcation rooms. If procedures already exist, review them for compliance to determine if the facts presented in this report were anomalous or occur routinely.	Action Completed
97-CAO-07 D.4	Initiate deliberations with the Architect of the Capitol regarding the feasibility of transferring responsibility for the demarcation rooms to the House Information Resources Communications Group, and evaluate points of responsibility for all demarcation rooms as well as procedures governing access to these areas.	Action Completed
97-CAO-07 D.5	Conduct a risk assessment and/or benefit-cost analysis to determine the viability of adopting a diverse path protection scheme for voice services.	Merged with 95-CAO-18 B.4
97-CAO-07 D.6	Develop a Communications policy that establishes rigid conduit as a de facto standard with justified exceptions made for use of innerduct conduit.	Action Completed

EXHIBIT 3

Report and Recommendation Number	RECOMMENDATIONS	Reason for Closure
97-CAO-08 C	<p>Develop a position management plan, for approval by the Committee on House Oversight, to adjust the staffing resources and/or salary levels for Communications Group positions, as appropriate, by:</p> <ul style="list-style-type: none"> • Conducting an in-depth review of the existing staffing resources, including a detailed workload analysis for positions within the Communications Group. The review should also identify essential positions (e.g., video operation, PBX system administration function, voice mail administration function, and telecommunications administration) requiring sufficiently trained back-ups. • Evaluating House Information Resources' hiring and retention practices and exploring options for improving the Communications Group's ability to attract and retain qualified, experienced staff. • Evaluating House Information Resources' promotion practices and bringing practices in line with House procedures and practices. <p>Reviewing the salaries for the Communications Group's positions against those in the telecommunications field for reasonableness. In comparing the House salary structure with the private sector, Communications Group salaries should take into account any disparities between House and private sector fringe benefits.</p>	Superceded by 97-CAO-09 D.1
97-CAO-08 OM	Establish or update target dates for all unimplemented prior audit recommendations.	Merged with 96-CAO-15 B.2
97-CAO-09 A.2	Direct the Associate Administrator, House Information Resources to re-evaluate the House Information Resources organization based on the needs identified in the short- and long-term plans that come out of recommendation 97-CAO-09, A.1.	Merged with 97-CAO-09 D.1
97-CAO-09 A.3	<p>Direct the Associate Administrator, House Information Resources to, in concert with recommendation 97-CAO-09, A.2:</p> <ol style="list-style-type: none"> a. Update position descriptions and formally document the authority and responsibility of key management staff; b. Develop adequate performance measurement indicators that incorporate all House Information Resources activities and provide a meaningful basis for individual evaluations and career advancement; and c. Submit a formal proposal to the Chief Administrative Officer containing full justification for any proposed changes and a complete documentation package suitable for presentation to the Committee on House Oversight for review and approval. 	Merged with 97-CAO-09 D.1
97-CAO-09 A.4	Direct the Associate Administrator, House Information Resources to adopt a more proactive leadership approach that requires formal communication and documentation of key decisions.	Merged with 97-CAO-09 A.6
97-CAO-09 A.5	Direct the Associate Administrator, House Information Resources to develop and implement a mix of effective control mechanisms as outlined in this report that ensure compliance with management-approved plans and policies. This should include, but not be limited to:	Merged with 97-CAO-09 C.2

EXHIBIT 3

Report and Recommendation Number	RECOMMENDATIONS	Reason for Closure
	<ul style="list-style-type: none"> a. establishing a project management tracking system; b. developing project management standards and procedures; c. developing comprehensive results-oriented performance measures; and d. redefining and upgrading the quality assurance function to ensure controls are exercised at key points throughout the system's life cycle. 	
97-CAO-09 A.7	Direct the Associate Administrator, House Information Resources to develop and implement a policy for receiving requests for services and prioritize requests on some logical basis.	Merged with 97-CAO-09 C.2
97-CAO-09 A.8	Direct the Associate Administrator, House Information Resources to develop a proposal for the creation of a Deputy Associate Administrator in House Information Resources whose primary responsibility would be to assist the Associate Administrator in day-to-day management of House Information Resources operations.	Action Completed
97-CAO-09 A.9	<p>Direct the Associate Administrator, House Information Resources to develop a proposal to re-establish the Cyber Congress Project Manager function within House Information Resources:</p> <ul style="list-style-type: none"> a. As a distinct, organizational entity at the Administrator-level, with the requisite responsibilities and authority to carry out the duties of the CCPM as originally envisioned, or b. As a collateral duty of the Deputy Associate Administrator position, created in response to Recommendation 97-CAO-09, A.8. 	Merged with 97-CAO-09 D.1
97-CAO-09 B.1	<p>Direct the Associate Administrator, House Information Resources to establish a formal, integrated planning and budgeting policy that requires management involvement at all levels. At a minimum, this process should include procedures that require:</p> <ul style="list-style-type: none"> a. The development and maintenance of a strategic plan based on the Information Systems Program Plan vision and the accompanying operational plan (as outlined in 97-CAO-09, Finding A). b. Development and implementation of an action plan to accomplish House Information Resources information systems planning and budgeting. c. House Information Resources groups to develop operational plans that link to the strategic plan and are derived from, as well as support, the House Information Resources operational plan. These plans should anticipate program and mission needs, reflect budget constraints, and form the basis for budget requests. Operational planning should have a one to five year focus for information systems activities and projects. d. Formulation of a comprehensive House Information Resources budget package that links individual Groups' budgets and operational plans according to the strategic objective(s). e. Delegating staff the authority and responsibilities to develop, implement, and oversee the comprehensive information systems planning/budgeting process. In addition, the resources management function should require life cycle costing for major systems over their estimated useful life. 	Merged with 97-CAO-09 C.2

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Report and Recommendation Number	RECOMMENDATIONS	Reason for Closure
97-CAO-09 C.1	Direct the Associate Administrator, House Information Resources to develop and implement a standard methodology that outlines the minimum requirements that a policy must contain, including the elements of a policy, as stated in the finding.	Merged with 97-CAO-09 C.2
97-CAO-09 D.2	Direct the Associate Administrator, House Information Resources to evaluate House Information Resources hiring and retention practices and explore additional options that include a comparison of House Information Resources salaries and benefits with private industry for improving House Information Resources' ability to attract and retain qualified, experienced personnel.	Merged with 97-CAO-09 D.1
97-CAO-09 D.3	Direct the Associate Administrator, House Information Resources to, based upon the results of the evaluation recommended in 97-CAO-09, D.2 above, develop a proposal for submission to the Chief Administrative Officer and Committee on House Oversight, to restructure House Information Resources' hiring and retention practices and salaries and benefits as appropriate.	Merged with 97-CAO-09 D.1
97-CAO-09 E.2	Through the Associate Administrator, House Information Resources, instruct the Integration Group Director to develop a comprehensive operational plan covering from 1 to 3 years, which corresponds to the House Information Resources operational plan. Include within the plan a description of all scheduled projects, key milestones (or system implementations and significant upgrades), project scope, key stakeholders, and an assessment of costs and benefits. These projects should be prioritized based on mission critical factors.	Merged with 97-CAO-09 A.1
97-CAO-09 E.3	Through the Associate Administrator, House Information Resources, instruct the Integration Group Director to adopt a leadership role that embraces the management techniques discussed in this report and require formal communication and documentation of key decisions.	Merged with 97-CAO-09 A.6
97-CAO-09 E.4	Through the Associate Administrator, House Information Resources, instruct the Integration Group Director to develop and implement effective control mechanisms as outlined in this report that ensure compliance with management approved plans and policies. Utilize the House Information Resources project management tracking system, project management standards, and performance measures, once these controls are in place, to monitor staff activities and effectiveness.	Merged with 97-CAO-09 C.2
97-CAO-09 E.5	Through the Associate Administrator, House Information Resources, instruct the Integration Group Director to improve the information and reports provided to top management to facilitate prioritization and improve effectiveness for decision-making purposes.	Merged with 97-CAO-09 A.6
97-CAO-10 A.1	Establish enterprise-wide dataset naming convention standards which require, at a minimum: uniquely identified datasets; the identification of the owner of each dataset; and data management and security controls that distinctly identify the category, system, subsystem, environment, function, type, and content of each dataset in the system.	Merged with 97-CAO-09 C.2
97-CAO-10 A.2	Require compliance with the dataset naming convention standards for all newly created datasets.	Merged with

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Report and Recommendation Number	RECOMMENDATIONS	Reason for Closure
		97-CAO-09 C.2
97-CAO-10 A.3	Establish and commence execution of a plan, including interim target dates, to systematically convert all dataset names in a phased approach, to comply with the new naming convention standards. Consideration should also be given to starting this exercise with the scheduled maintenance process that is already in place.	Merged with 97-CAO-09 C.2
97-CAO-10 A.4	Establish standards and procedures that require each ACF2 dataset rule to comply with naming convention standards.	Merged with 97-CAO-09 C.2
97-CAO-10 B.1	Establish a formal storage management policy that economically and effectively addresses Direct Access Storage Device (DASD) resources, to include, but is not limited to: <ul style="list-style-type: none"> a) management reports relating to performance, availability, and space utilization of the DASD environment. b) procedures to determine the appropriate mix of DASD technology to best meet processing requirements. c) the capacity planning process that projects future DASD needs, but requires effective utilization of DASD resources as a precursor to future acquisition. 	Action Completed
97-CAO-10 B.2	Develop oversight procedures to ensure site compliance with the data retention standards as recommended in 97-CAO-10, Finding C, to include: <ul style="list-style-type: none"> a) determining that a retention period has been assigned for all production datasets. b) ensuring that Storage Management Subsystem (SMS) management classes have been created to ensure compliance with established retention periods. c) generation of user retention expiration reports, as well as the corresponding distribution and reporting procedures. 	Otherwise Resolved ¹³
97-CAO-10 B.3	Establish a storage administration function whose duties and responsibilities will be to oversee the development, implementation and enforcement of the House Information Resources storage management policy; the administration and control of Data Facility Product (DFP); and the: <ul style="list-style-type: none"> a) development of a methodology for conducting trend analysis of data storage utilization, which will present management with a reliable predictor, to include performance, availability, and space utilization of the DASD environment. b) establishment of and compliance with application on-line purge procedures. c) establishment and maintenance of effective and efficient SMS data classes. d) establishment and maintenance of effective and efficient SMS management classes, as discussed in 97-CAO- 	Otherwise Resolved ¹³

¹³ The recommendation is platform specific to the mainframe environment. Given the mainframe migration effort, it is not cost effective to implement this recommendation.

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Report and Recommendation Number	RECOMMENDATIONS	Reason for Closure
	10, C.2. e) implementation of procedures to monitor to what extent House Information Resources datasets have been converted to DFP control as discussed in 97-CAO-10, C.3. f) implementation of procedures for the systematic monitoring and migration of datasets to tape as discussed in 97-CAO-10, C.5. g) establishment and implementation of a storage management awareness program.	
97-CAO-10 B.4	Ensure the storage administration function identified in 97-CAO-10, B.3 above will oversee the implementation of security controls to ensure enforcement of established DASD policy that includes the integration of: a) dataset naming conventions. b) ACF2 dataset rules. c) SMS management classes. d) SMS data classes. e) SMS storage classes.	Otherwise Resolved ¹⁴
97-CAO-10 C.1	Establish a data retention policy that ensures all datasets have a defined retention period as determined by the owner.	Action Completed
97-CAO-10 C.2	Establish House Information Resources-defined SMS management classes that define dataset availability, space, and retention attributes.	Otherwise Resolved ¹⁴
97-CAO-10 C.3	Use SMS management classes that incorporate the factors discussed in 97-CAO-10, Finding C, to implement the retention period recommended in 97-CAO-10, C.1.	Otherwise Resolved ¹⁴
97-CAO-10 C.4	Establish standards and procedures that require each ACF2 dataset rule to be linked to a corresponding SMS management class.	Otherwise Resolved ¹⁴
97-CAO-11 A.3	Develop a proposal, for approval by the Committee on House Oversight, to comply with recommendation A.1 by implementing a System Development Life Cycle approach to maximize inventory consolidation by: (1) Identifying all inventory systems, (2) Conducting a modified requirements analysis of those inventory systems at the data element level to identify any changes needed to optimize compatibility with one another, (3) Determining which inventory systems can be readily consolidated; that would serve as temporary subsidiary feeder systems; and those, if any, that must stand-alone, and (4) reviewing available off-the shelf software and/or contacting other government entities to determine availability of consolidated inventory systems.	Action Completed

¹⁴ The recommendation is platform specific to the mainframe environment. Given the mainframe migration effort, it is not cost effective to implement this recommendation.

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Report and Recommendation Number	RECOMMENDATIONS	Reason for Closure
97-CAO-11 B.2	Develop a proposal, for approval by the Committee on House Oversight, to ensure that established policies and procedures are clearly disseminated, and consistently and uniformly applied by House management.	Merged with 97-CAO-11 B.1
97-CAO-11 C.2	Determine what is needed to resolve the "not billed/ not paid" report and use it as a management tool to identify and investigate reasons for outstanding, unpaid purchase orders and the status of the assets they represent.	Action Completed
97-CAO-11 D.3	Redesign the J010 transaction screen so that a separate path is required to access the password function and transaction prompt function. Modify the password prompt to require confirmation of the current password before allowing a password change.	Action Completed
97-CAO-11 E.2	Require that the Office of Finance mails all checks to the payee or the vendor receives checks directly from the Office of Finance.	Action Completed
97-CAO-11 F.1	Ensure that assets are secured at all times.	Action Completed
97-CAO-11 F.2	Determine whether used pagers should be excessed to GSA.	Action Completed
97-CAO-11 F.3	Develop and implement procedures to bulk erase or reformat hard drives in all computers excessed to GSA.	Action Completed
97-HOC-12 1	A secondary authorization be required to process vouchers for reimbursement to an Officer of the House.	Action Completed
97-HOC-12 2	The Chief Administrative Officer attempt to recover from the former Chief Administrative Officer the sum of \$1,366.59 for improper telephone charge reimbursements.	Action Completed
97-HOC-12 3	The Chief Administrative Officer establish and implement specific procedures pertaining to lost checks. At a minimum, no check should be reissued without first attempting to track and/or stop payment on the lost check.	Action Completed
97-HOC-12 5	The Chief Administrative Officer direct the new Associate Administrator, Procurement and Purchasing, when appointed, to thoroughly review the performance of the staff and take whatever measures are necessary to ensure that: (a) established policies and procedures (including, but not necessarily limited to, the Procurement Guidelines) are followed; and (b) all procurement files are properly documented and required records are maintained.	Action Completed
97-HOC-14 1.9	Until the Federal Financial System is fully implemented and supported by subsidiary systems, establish work plans and procedures to, on an interim basis, calculate and maintain balances such as interoffice receivables and payables, inventory, property, capital leases, accrued annual leave, unfunded workers' compensation, and depreciation expense in subsidiary ledgers. In addition, identify interim software solutions needed to prepare the annual consolidated financial statements.	Action Completed
97-HOC-14 1.10	Perform a resources needs assessment in the Office of Finance, obtain staffing level approvals, and fill needed positions	Action Completed

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Report and Recommendation Number	RECOMMENDATIONS	Reason for Closure
	with qualified employees.	
97-HOC-14 2.3	Identify and obtain specific information needed from the Federal Financial System to reconcile monthly activity within the manual records and the Federal Financial System before monthly data is reported to Treasury. Differences identified between the manual records and the Federal Financial System should be corrected appropriately within the Federal Financial System or the manual records and then the correct information for the month should be reported to Treasury.	Action Completed
97-HOC-14 2.4	Investigate the reconciling differences to ensure that all information has been reported to Treasury and entered into the Federal Financial System. Identify the nature of the net unreconciled difference to determine proper treatment.	Action Completed
97-HOC-14 2.5	With urgency, establish and implement formal procedures to perform reconciliations of the Federal Financial System, Financial Management System, and manual subsidiary records to Treasury.	Actions Completed
97-HOC-14 2.6	Establish policies and procedures to establish the foreign currency account balance and the related activity in the House's financial statements.	Actions Completed
97-HOC-14 4.9	Establish consistent policies and procedures to proactively monitor and contact Members' district offices to encourage adherence to the deadline for submitting "Certifications of Franked Mail" as established in the <i>Members' Congressional Handbook</i> .	Actions Completed
97-HOC-14 4.10	Ensure that the 102 Members' LY96 MRAs are charged for their district office mail usage costs by obtaining missing district office forms or through committee-authorized estimation techniques.	Action Completed
97-HOC-14 4.11	Office of Finance should continue with the planned modification to the Federal Financial System to allow for the recordation of transfers between the Members Representational Allowance programs, Mail, and Other.	Action Completed
97-HOC-14 4.12	Work with the U.S. Postal Service to ensure the U.S. Postal Service monthly invoices contain complete and accurate information by reconciling the U.S. Postal Service reports to the data entered into the Federal Financial System. In addition, Office of Finance and the U.S. Postal Service should minimize the amount of additional charges contained on the year-end revision statements, thereby reducing the amount of time needed by the U.S. Postal Service to complete and submit reports to the Office of Finance.	Action Completed
97-HOC-14 4.13	Continue to perform a detailed analysis of 1997 MRA spending and obligations before the legislative year end to: (1) ensure that Members have complete information about their 1997 MRA status, and (2) identify and contact Members that are at a high risk of overspending their allowances. This information will help prevent Members from incurring significant costs near legislative year end, such as for equipment or mass mailings, that might cause them to exceed their MRA limitation.	Action Completed

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Report and Recommendation Number	RECOMMENDATIONS	Reason for Closure
97-HOC-14 4.14	House service-providing entities should design and implement controls, such as analytical procedures, to ensure the completeness and accuracy of charges to Member, Committee, and Officer accounts.	Action Completed
97-HOC-14 8.4	Establish controls to ensure that the House inputs warrant amounts timely and in the proper amount to the Federal Financial System, and performs a full reconciliation between the Federal Financial System and reports from the U.S. Treasury.	Action Completed
97-HOC-14 12.2	Develop a standard aging report identifying outstanding the Federal Financial System obligations by entity, which should be distributed to the individual service-providers. Service providers should investigate and assess the validity of those obligations which have been outstanding greater than 60 days.	Merged with 96-CAO-11 D.3
97-HOC-15 1	Assign a project leader to determine what has been done and needs to be done with respect to the directive from the Committee on House Oversight regarding development of a mainframe migration plan.	Action Completed
97-INV-01 2	Confidential --See Confidential Exhibit 5 for additional information.	Action Completed
97-INV-01 3	Confidential --See Confidential Exhibit 5 for additional information.	Action Completed
97-INV-01 4	Confidential --See Confidential Exhibit 5 for additional information.	Action Completed
97-INV-03 1	Confidential --See Confidential Exhibit 5 for additional information.	Action Completed
97-INV-03 2	Confidential --See Confidential Exhibit 5 for additional information.	Action Completed