



U.S. Department of Housing and Urban Development

**Departmental Policy on the Implementation of
OMB Circular A-123, Management's Responsibility for
Enterprise Risk Management (ERM) and Internal Control**

Policy No. 1841

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TABLE OF CONTENTS

1. Introduction	3
Purpose.....	3
Policy	3
Authority and Guidance.....	3
Applicability	4
2. Technical Requirements	4
Introduction.....	4
Establishing Enterprise Risk Management in Management Practices.....	4
Implementing and Operating an Effective System of Internal Control.....	5
Assessing the Implementation of Internal Controls	5
Correcting Internal Control Deficiencies	6
Reporting on Internal Controls.....	6
Additional Considerations	6
A-123 Appendices.....	6
3. Governance Structure – Roles and Responsibilities	7
Office of the Chief Financial Officer.....	8
HUD Component Teams	10
Other Offices	11
HUD Management and Staff.....	11
4. Appendices	13
Glossary	13
Applicable Laws and Regulations.....	14
Abbreviations.....	17

1. INTRODUCTION

Purpose

The purpose of this document is to document the U.S. Department of Housing and Urban Development's (HUD) policy for ensuring compliance with Office of Management and Budget (OMB) Circular A-123, Management's Responsibility for Enterprise Risk Management (ERM) and Internal Control, which provides government-wide requirements for risk, internal control, and accountability in accordance with the Federal Managers' Financial Integrity Act of 1982 (FMFIA), 31 United States Code (U.S.C.) § 3512 (b) and (c). This policy defines the integrated, efficient, and compliant program that HUD uses to complete OMB Circular A-123 requirements.

Policy

It is HUD's policy to implement and execute the risk management and internal control activities defined within OMB Circular A-123 and corresponding appendices.

The Office of the Chief Financial Officer (OCFO) is responsible for establishing a governance structure through which HUD implements the Circular's requirements. The OCFO coordinates internally, with other executive-level offices, the program offices, and other HUD components to monitor the effectiveness of risk management and internal control activities. HUD management is responsible for ensuring that proper internal controls and risk management activities are embedded into their operations. OCFO is responsible for overseeing the validation of the operating effectiveness of the controls. OCFO will report on HUD's implementation and execution of the Circular's requirements to help inform the Secretary's statement of assurance.

Authority and Guidance

1. OMB Circular A-123, Management's Responsibility for ERM and Internal Control (July 15, 2016), including:
 - a. Appendix A, Management of Reporting and Data Integrity Risk;
 - b. Appendix B, Improving the Management of Government Charge Card Programs;
 - c. Appendix C, Requirements for Payment Integrity Improvement;
 - d. Appendix D, Compliance with the Federal Financial Management Improvement Act of 1996; and
 - e. Conducting Acquisition Assessments under OMB Circular A-123.
2. Federal Managers' Financial Integrity Act of 1982 (FMFIA), 31 U.S.C. § 3512 (b) and (c).
3. Chief Financial Officers Act of 1990, 31 U.S.C. § 901-903.
4. Government Performance and Results Act of 1993 (GPRA), 31 U.S.C. § 1115 et seq.
5. Clinger-Cohen Act of 1996, 40 U.S.C. § 11101 et seq.
6. Federal Financial Management Improvement Act of 1996 (FFMIA), 31 U.S.C. § 3512.

7. Federal Information Security Management Act (FISMA) of 2002, 44 U.S.C. § 3541 et seq. including the Federal Information Security Modernization Act of 2014.
8. Digital Accountability and Transparency Act of 2014 (DATA Act), 31 U.S.C. 6101 note.
9. OMB Circular A-130, Managing of Federal Information as a Strategic Resource.
10. Government Accountability Office (GAO) Standards for Internal Control in the Federal Government (Green Book).
11. Information and Communication Technology Standards and Guidelines, 36 Code of Federal Regulations (CFR), part 1194.
12. Payment Integrity Information Act of 2019 (PIIA), 31 U.S.C. § 3351 et seq.
13. OMB Circular A-11, Preparation, Submission and Execution of the Budget (08/06/2021).
14. OMB Circular A-136, Financial Reporting Requirements – Revised (08/10/2021).

Applicability

The requirements defined in this policy apply to all HUD employees and all activities carried out by HUD to the extent that the above cited authorities apply.

2. TECHNICAL REQUIREMENTS

HUD management has responsibility for implementing the technical requirements outlined within each section and appendix of OMB Circular A-123 as follows:

Introduction

HUD management is responsible for establishing and achieving goals and objectives, seizing opportunities to improve effectiveness and efficiency of operations, providing reliable reporting, and maintaining compliance with relevant laws and regulations. Additionally, HUD management is responsible for implementing management practices that effectively identify, assess, respond, and report on risks.

Establishing Enterprise Risk Management in Management Practices

All HUD employees from staff level to executive leadership have responsibility for managing risk to ensure successful mission delivery. HUD's Chief Risk Officer (CRO) leads the Department-wide ERM efforts and advises the Risk Management Council (RMC) and senior leadership on the risks HUD faces in delivering its mission. The CRO leads HUD's Enterprise and Fraud Risk Management (EFRM) Program Management Organization (PMO), which serves as the working body of HUD's RMC. The RMC oversees the CRO guided development of the Department's Risk Appetite, Risk Thresholds, and Risk Profiles. The EFRM PMO performs regular assessments of enterprise-level risks arising from mission and mission-support operations, guides the development of the appropriate risk response and considers those risks as part of the annual strategic

review process, among other enterprise-risk related activities.¹

Implementing and Operating an Effective System of Internal Control

HUD management is responsible for designing, implementing, and operating an effective internal control environment. Management's controls serve to mitigate the risk of fraud in federal programs and provide reasonable assurance that HUD's operational, reporting and compliance objectives will be achieved. HUD management's responsibility is to develop and maintain effective internal control that is consistent with its established risk appetite and risk tolerance levels and establishing and integrating internal control into its operations in a risk-based and cost-effective manner. In addition, HUD's Senior Management Council (SMC) has responsibility for the assessment and monitoring of internal control deficiencies and ensuring that timely corrective action is taken to address internal control deficiencies and weaknesses consistent with the established risk appetite.

Assessing the Implementation of Internal Controls

HUD management is responsible for continually monitoring, assessing, and improving the effectiveness of the Agency's internal control environment. Management's internal control assessment includes the documentation and continuous monitoring of the internal control environment performed by program office leadership, as well as the independent internal control evaluations performed by the various internal control assessment teams across HUD. The internal control assessment teams include OCFO-Financial Management responsible for evaluating controls over HUD's critical business processes, OCFO-Systems responsible for evaluating controls over HUD's information systems; the OCIO Office of IT Security (OITS), responsible for establishing and maintaining a security program to ensure compliance with security requirements and to manage security risks; the Office of the Chief Procurement Officer responsible for establishing and executing a standard approach for assessing acquisition activities and programs; the Privacy Office responsible for establishing a privacy program to ensure compliance with privacy requirements and management of privacy risks; and HUD's Component Internal Control Assessment Teams responsible for evaluating internal controls over the critical business processes at the Federal Housing Administration (FHA) and Ginnie Mae.

Management's continuous monitoring and internal control evaluations provide the basis for the Secretary's annual assessment and report on internal control as required by the FMFIA.

¹ Risks that can be managed at the Program Office level will be managed by individual Program risk offices.

Correcting Internal Control Deficiencies

HUD management is responsible for the timely identification and implementation of corrective actions required to correct control deficiencies and improve internal controls. HUD's corrective action plan process establishes management's framework for developing and tracking corrective action plans to remediate deficiencies. Deficiencies are identified by management's internal control evaluations and other external reviews by oversight bodies.

Reporting on Internal Controls

HUD delivers various forms of reporting on internal controls on an annual basis:

1. HUD issues an "Analysis of Entity's Systems, Controls and Legal Compliance" in the annual Agency Financial Report (AFR). This outlines HUD's process for assessing internal control effectiveness and lists any identified material weaknesses, significant deficiencies, and corrective action plans. It also includes HUD's assessment as to whether their financial management systems comply with the requirements set forth in the FFMIA.
2. The HUD Secretary issues a Statement of Assurance (SOA) which represents his or her informed judgment as to the overall adequacy and effectiveness of internal controls within HUD related to operations, reporting, and compliance.

Additional Considerations

HUD management is responsible for additional risk management and internal control considerations in federal programs including the following:

1. Managing privacy risks;
2. Conducting acquisition assessments;
3. Managing grant risks; and
4. Managing Anti-Deficiency Act risks.

A-123 Appendices

Appendix A, Management of Reporting and Data Integrity Risk

HUD management is responsible for utilizing an integrated approach to assess, document, and report on internal controls over reporting, while considering the current legislative and regulatory environment in which Federal entities operate. HUD management determines which internal controls activities are necessary to achieve reasonable assurances over internal controls and processes.

Appendix B, Risk Management Framework for Government Charge Card Programs

HUD management is responsible for establishing standard minimum requirements and implementing risk management practices and internal control activities for HUD’s government charge card programs.

Appendix C, Requirements for Payment Integrity Improvement

HUD management is responsible for establishing initiatives to help programs develop comprehensive solutions to reduce improper payments and meet Payment Integrity standards in accordance with OMB Circular A-123 Appendix C.

Appendix D, Compliance with the Federal Financial Management Improvement Act

HUD management is responsible for ensuring the financial management systems initiate, record, process, and report transactions to support the Department’s mission in making business decisions and providing transparency to the public. HUD financial management systems help the Department ensure the effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations.

3. GOVERNANCE STRUCTURE – ROLES AND RESPONSIBILITIES

Specific responsibilities for maintaining compliance with each section of the Circular are outlined in Figure 1 and defined below.

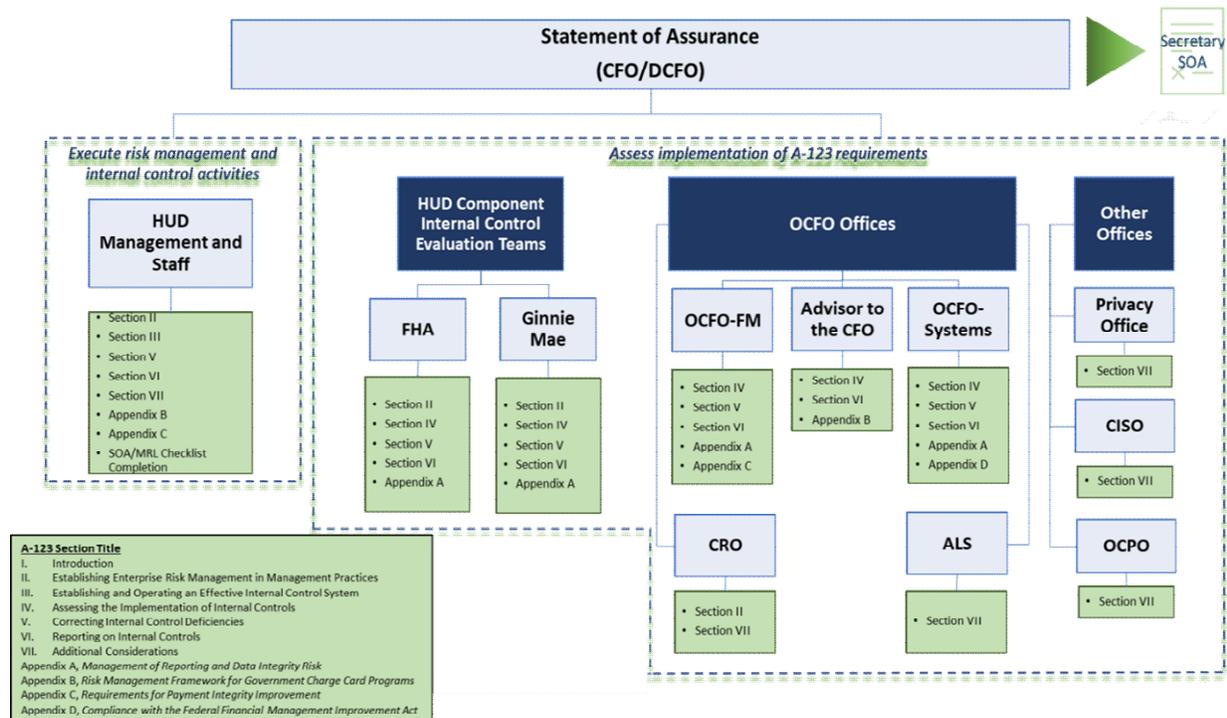


Figure 1 -- Note: FHA and Ginnie Mae have control evaluation teams that collaborate with HUD’s OCFO for consolidated agency reporting.

Office of the Chief Financial Officer

Chief Financial Officer (CFO) / Deputy Chief Financial Officer (DCFO)

The CFO and DCFO are ultimately accountable for oversight and reporting of the status of management's implementation of the requirements contained within the circular, including:

- Establish and execute a governance structure to ensure robust processes of risk management and internal control are in place across the department;
- Oversee the execution of risk management and internal control assessment activities performed to inform management's assurances;
- Prepare and submit the annual Statement of Assurance to the Secretary; and
- Establish a government charge card management program to oversee and control the use of HUD's travel cards.

Assistant Chief Financial Officer for Financial Management (ACFO-FM)

The ACFO-FM oversees the execution of HUD's A-123 internal control assessments and reporting. Responsibilities include:

- Execute the internal control evaluation program over HUD proper's critical business processes, including:
 - Perform quantitative and qualitative scoping activities to establish a rotational internal control testing plan;
 - Evaluate the design and operating effectiveness of business process internal controls; and
 - Evaluate the design and operating effectiveness of business process complimentary user entity controls (CUECs) prescribed by HUD proper's third-party service providers.
- Integrate internal control activities with enterprise risks as prescribed by OMB Circular A-123;
- Coordinate with Program Offices to develop and monitor plans to strengthen controls for deficiencies identified through OCFO-FM's internal control evaluations;
- Monitor and report on the status of management's remediation of deficiencies identified by external reviews by oversight bodies;
- Coordinate the collection of program office input into the assurance statement and management representations;
- Perform risk assessments, conduct testing, develop estimates, and report the necessary metrics for Payment Integrity Improvement in accordance with requirements in A-123 Appendix C; and
- Oversee the consolidation of A-123 compliance activity to inform HUD's SOA.

Advisor to the CFO

HUD's Advisor to the CFO carries out the Controller function and has the responsibility to:

- Perform the assessment of HUD's entity level controls to determine if there is reasonable assurance that HUD's entity level controls are operating effectively as of a given fiscal year end;
- Evaluate HUD's compliance with financially relevant laws and regulations to support management's assurances; and
- Perform annual assessments over the risk management and internal control activities over HUD's Purchase, Fleet and Travel Card programs.

Assistant Chief Financial Officer for Systems (ACFO-Systems)

The ACFO-Systems is responsible for evaluating the internal controls over HUD's financial information systems, maintaining compliance with the Digital Accountability and Transparency Act (DATA Act), and reporting in accordance with FFMIA and A-123 Appendices A and D. Responsibilities include:

- Maintain HUD's Data Quality Plan and coordinate DATA Act activities across HUD to ensure reliable and consistent data is used for financial, programmatic, and operational purposes.
- Execute the internal control evaluation program over HUD proper's financial systems, including:
 - Coordinate with OCFO-FM to establish a rotational internal control testing plan,
 - Evaluate the design and operating effectiveness of IT relevant internal controls,
 - Evaluate the design and operating effectiveness of IT relevant CUECs prescribed by HUD proper's third-party service providers, and
 - Ensure system controls related to financial reporting follow the assessment methodology provided in Appendix A.
- Coordinate with Program Offices to develop and monitor plans to strengthen controls for deficiencies identified through OCFO-Systems' internal control evaluations.
- Monitor and report on the status of management's remediation of IT related deficiencies identified by oversight bodies.
- Provide an assurance statement and summary information related to Section II and Section IV of the FFMIA in a single report section of the annual AFR or other management reports.
- Provide a report on whether the financial management systems comply with government-wide requirements in compliance with Section IV of FFMIA.
- Verify compliance with Appendix D to OMB Circular A-123, *Compliance with the Federal Financial Management Improvement Act of 1996*.

Chief Risk Officer (CRO)

The CRO is responsible for leading HUD's Enterprise and Fraud Risk Management activities, which includes:

- Support the RMC as its Project Management Organization.
- Develop HUD's Departmental Risk Appetite and Risk Tolerances.
- Develop HUD's risk profile in coordination with the program offices, including:
 - Update the risk profile on an annual basis to align with the risk appetite.
 - Facilitate the prioritization of the most significant risks that senior management should monitor and mitigate; and
 - Capture decisions on risk tolerance, risk response, and risk monitoring.
- Integrate ERM and internal control activities prescribed by OMB Circular A-123 and its appendices with the ACFO-FM and ACFO-Systems.
- Coordinate the RMC's regular ERM activities to include the establishment and review of risk appetite, risk tolerances, risk profiles, risk analytics and other enterprise risk related activities as determined by the RMC.
- Develop an enterprise-level fraud risk management policy and coordinate with program offices to detect, prevent and manage fraud, waste, abuse, and mismanagement in HUD programs.
- Report to HUD senior leadership on enterprise-risk mitigation activities, including fraud risk mitigation.
- Comply with the risk management requirements and timelines prescribed by OMB Circular A-11, and other OMB guidance as needed; and
- Coordinate with program offices to manage enterprise-wide program risk.

Director of the Office of Appropriations Law Staff

The Director of the Office of Appropriations Law Staff is responsible for investigating potential and actual violations of the Antideficiency Act (ADA) and reporting ADA violations to the President, Congress, and GAO in accordance with 42 U.S.C. 3549 and OMB Circular No. A-11, Section 145, *Requirements for Reporting Antideficiency Act Violations*.

HUD Component Teams

A-123 is applicable to HUD, and its consolidated reporting will comply with the Circular's requirements. As government corporations covered by the Government Corporation Control Act, FHA and Ginnie Mae adhere to internal control reporting requirements established by Section 306 of the Chief Financial Officers Act. Both entities have control evaluation teams that collaborate with HUD's OCFO for consolidated agency reporting. In addition, both submit an annual management report that includes, among other items, a statement on control systems

by the head of the management of the corporation consistent with the requirements of the FMFIA.

Other Offices

Chief Privacy Officer

The Chief Privacy Officer has the responsibility to:

- Establish a privacy program to ensure compliance with privacy requirements and manage privacy risks; and
- Conduct Privacy Impact Assessments (PIAs) over information systems that contain Personally Identifiable Information (PII).

Chief Information Security Officer

The Chief Information Security Officer has the responsibility to:

- Perform an independent review or audit of the security controls in each application at least every three years in accordance with Appendix I of OMB Circular No. A-130, Responsibilities for Protecting and Managing Federal Information Resources;
- Perform annual reviews of HUD's systems as part of its Information Security Continuous Monitoring (ISCM) program; and
- Manage privacy risk throughout the information system development life cycle in accordance with OMB Circular A-130.

Chief Procurement Officer

The Chief Procurement Officer has the responsibility to:

- Establish and execute a standard approach for assessing acquisition activities and programs in accordance with OMB's Office of Federal Procurement Policy (OFPP) issued guidelines and GAO's Framework for Assessing the Acquisition Function at Federal Agencies; and
- Establish a government charge card management program to oversee and control the use of HUD's purchase and fleet cards.

HUD Management and Staff

All HUD employees are responsible for ensuring that both operational and financial internal controls are in place to mitigate risks that could impact program mission, goals, and objectives

or may pose an adverse financial impact. Specifically, HUD management has the responsibility to:

- Implement and execute risk management practices and collaborate with the CRO to compile the enterprise-level risk profile and perform risk management activities as part of the Department-wide enterprise and fraud risk management processes;
- Design, implement, and operate processes with embedded internal controls that:
 - Support achievement of their financial, operational and compliance related objectives; and
 - Mitigate the risk of fraud, waste, and abuse in grant programs.
- Maintain readily available documentation to describe and support all processes and key control activities within the Office;
- Support internal controls assessment activities and perform internal control self-assessments as appropriate within their respective programs;
- Serve as the accountable official for the results of their internal control assessment and audit activities;
- Design, execute, and monitor plans to strengthen controls where necessary;
- Submit a statement on whether their program's processes and controls can be relied upon to achieve their intended purpose and a report on material weaknesses in the program's controls; and
- Oversee government charge card purchases for their staff.

Program Office General Deputy Assistant Secretary (GDAS) or equivalent

The Program Office GDAS (or equivalent official) has the responsibility to:

- Assign a liaison who is responsible for coordinating AIR activities within the relevant organizational unit; and
- Lead major activities within their respective programs and serving as the signatory for the results.

4. APPENDICES

Glossary

- **Audit.** An official inspection of an organization's accounts, typically by an independent body.
- **Controls.** Policies or procedures that are part of a system of internal control.
- **Control Deficiencies.** A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.
- **Corrective Action.** An action used to correct any negative element of a risk management program.
- **Deficiency.** A deficiency in internal control exists when the design, implementation, or operation of a control does not allow management or personnel, in the normal course of performing their assigned functions, to achieve control objectives and address related risks. Deficiencies are evaluated both on an individual basis and in the aggregate.
- **Enterprise Risk Management.** An effective agency-wide approach to addressing the full spectrum of the organization's significant risks by considering the combined array of risks as an interrelated portfolio, rather than addressing risks only within silos. ERM provides an enterprise-wide, strategically aligned portfolio view of organizational challenges that provides improved insight about how to help achieve the agency's mission.
- **Internal Control.** A process used by an organization's management to help an entity achieve its objectives.
- **HUD Proper.** Relating exclusively to HUD operations, excluding FHA and Ginnie Mae.
- **Process.** A series of actions or steps taken in order to achieve a particular end.
- **Risk.** The effect of uncertainty on achievement of objectives. An effect is a deviation from the desired outcome—which may present positive or negative results.
- **Risk Appetite.** The amount of risk the organization is willing to accept in pursuit of value.
- **Risk Assessment.** A documented review by management of a program or function's susceptibility to breakdowns in controls.
- **Risk Management.** The forecasting and evaluation of risks together with the identification of procedure to avoid or minimize their impact.
- **Risk Profile.** A prioritized inventory of an organization's most significant risks.
- **Risk Tolerance.** The acceptable level of variance in performance relative to the achievement of objectives.
- **Strengthening Control Plan.** A step-by-step plan of action that is developed to achieve targeted outcomes for resolution.

Applicable Laws and Regulations

History of Internal Control in the Federal Government

The Sarbanes-Oxley Act of 2002 (SOX) requires Management of publicly traded companies to strengthen their processes for assessing and reporting on their Internal Controls over Financial Reporting (ICOFR). The passage of SOX served as an impetus for the Federal government to re-evaluate its current policies relating to ICOFR and Management's related responsibilities². While SOX created a new requirement for managers of publicly traded companies to report on the ICOFR, Federal managers have been subject to internal control reporting requirements for many years. Major Federal internal control related laws and regulations include:

- **Federal Managers Financial Integrity Act of 1982 (Public Law (P.L.) 97-255) and OMB Circular A-123** requires agencies to establish and maintain internal control. The agency head must annually evaluate and report on the control and financial systems protecting the integrity of Federal programs. The requirements of FMFIA serve as an umbrella under which other reviews, evaluations and audits should be coordinated and considered to support Management's assertion about the effectiveness of internal control over operations (ICOOPS), financial reporting, and compliance with laws and regulations. The revisions to OMB A-123 included the addition of Internal Control over Financial Reporting SOA for Internal Control over Financial Reporting, which requires a specific documentation and evaluation methodology for assessing ICOFR; Appendix B, Improving the Management of Government Charge Cards; Appendix C, Requirements for Effective Measurement and Remediation of Improper Payments; and Appendix D, Compliance with the Federal Financial Management Improvement Act of 1996.
- **The Chief Financial Officers Act of 1990 (P.L. 101-576)** requires agency CFOs to develop and maintain an integrated agency accounting and financial management system, including financial reporting and internal controls, which complies with applicable internal control standards.
- **The Government Performance and Results Act of 1993 (P.L. 103-62)** promotes results-oriented managing by requiring agencies to develop strategic plans, set performance goals, and report annually on actual performance compared to goals.
- **The Government Management Reform Act of 1994 (P.L. 103-356)** expanded the CFO Act by establishing requirements for the preparation and audit of agency wide financial statements and consolidated financial statements for the Federal Government as a whole.
- **Federal Financial Management Improvement Act of 1996 (P.L. 104-208)** instructs agencies to maintain integrated financial management systems complying with Federal system requirements, Federal financial accounting standards, and the United States Standard General Ledger (USSGL) at the transaction level.

² OMB Circular A-123, page 20.

- **The Federal Information Security Management Act of 2002 (P.L. 107-347)** provides a comprehensive framework for ensuring the effectiveness of information security controls over information resources supporting Federal operations and assets. Agencies are required to provide information security controls proportionate with the risk and potential harm of not having those controls in place.
- **The Improper Payments Information Act of 2002 (P.L. 107-300)** requires agencies to review and identify programs and activities that may be susceptible to significant improper payments. Agencies must annually submit estimates of improper payments, remediation actions to reduce the improper payments, and statements as to whether its current information systems and infrastructure can support the effort to reduce improper payments.
- **Improper Payments Elimination and Recovery Act (P.L. 111-204)** requires agencies to periodically review all programs and activities that the relevant agency head administers and identify all programs and activities that may be susceptible to significant improper payments.
- **Improper Payments Elimination and Recovery Improvement Act of 2012 (P.L. 112-248)** requires federal agencies to review prepayment and pre-award procedures and available databases to determine program or award eligibility and prevent improper payments before releasing any federal funds. Agencies must report annually to their Inspectors General on any high-dollar improper payments identified.
- **Payment Integrity Information Act of 2019 (PIIA) (P.L. 116-117)** requires government agencies to identify, report, and reduce improper payments in the government's programs and activities.
- **The Clinger-Cohen Act of 1996 (P.L. 104-106)** requires agencies to use a disciplined capital planning and investment control process to maximize the value of and assess and manage the risks of the Information Technology (IT) acquisitions.
- **The American Recovery and Reinvestment Act of 2009 (P.L. 111-5)** requires agencies that receive Recovery Act funds to comply with transparency and accountability requirements that support the taxpayer's ability to know how, when, and where tax dollars are being spent.
- **Digital Accountability and Transparency Act of 2014 (P.L. 113-101)** requires agencies to establish internal controls that support the reliability and validity of the agency's account-level and award-level data reported for display on USASpending.gov.
- **American Institute of Certified Public Accountants (AICPA) AU Section 322, The Auditors Consideration of the Internal Audit Function in an Audit of Financial Statements** provides guidance to agencies on considering the work of internal auditors and on using internal auditors to provide direct assistance to the auditor in an audit performed in accordance with generally accepted auditing standards.
- **Statement on Auditing Standards No. 130, An Audit of Internal Control Over Financial Reporting That Is Integrated with an Audit of Financial Statements** establishes requirements and provides guidance that applies only when an auditor is engaged to perform an audit of ICOFR that is integrated with an audit of financial statements (*integrated audit*).
- **GAO Financial Audit Manual (FAM)** provides guidance and procedures for performing financial statement audits of federal entities in accordance with professional standards.

- **GAO Standards for Internal Control in the Federal Government** requires agencies to design, implement, and operate internal controls to achieve its objectives related to operations, reporting, and compliance.
- **Federal Acquisition Regulation** outlines the regulations for use by all Federal Executive agencies in their acquisition of supplies and services with appropriated funds.
- **Federal Travel Regulation** outlines regulations which implements statutory requirements and Executive branch policies for travel by Federal civilian employees and others authorized to travel at Government expense.

Laws, Directives and Criteria applicable to Information Technology Controls

Listed below are some of the laws, directives and criteria agencies must adhere to with regards to IT controls. These references are not intended to be all-inclusive:

- **Federal Information Security Modernization Act of 2014** requires an annual independent evaluation of the information security program and practices of each agency. The OIG or the independent evaluator performing the evaluation will use an audit, relating to programs or practices of the applicable agency in accordance with government auditing standards.
- **OMB Circular A-130, Managing Information as a Strategic Resource** establishes policy for the management of Federal information resources. Specifically, the circular requires a Management official to authorize, in writing, the use of each IT system based on implementation of its system security plan before beginning or significantly changing processing. Also, OMB Circular A-130 requires all individuals be appropriately trained in how to fulfill their security responsibilities before allowing them access to a system.
- **Presidential Decision Directive 63, Protecting America's Critical Infrastructures** specifies agency responsibilities for protecting the nation's infrastructure; assessing vulnerabilities of public and private sectors; and eliminating vulnerabilities.
- **Presidential Decision Directive 67, Ensuring Constitutional Government and Continuity of Government** ensures constitutional government, Continuity of Operations Planning (COOP), and Continuity of Government (COG) operations.
- **The Yellow Book** provides guidance to auditors in evaluating general controls over the confidentiality, integrity, and availability of data maintained in computer-based information systems.

Abbreviations

Acronym	Definition
ACFO	Assistant Chief Financial Officer
ADA	Anti-Deficiency Act
AICPA	American Institute of Certified Public Accountants
AIR	Accountability, Integrity, and Risk
CFO	Chief Financial Officer
CFR	Code of Federal Regulation
COG	Continuity of Government
COTS	Commercial Off-The-Shelf
COOP	Continuity of Operations Planning
CRO	Chief Risk Officer
CUEC	Complimentary User Entity Control
DATA Act	Digital Accountability and Transparency Act
DCFO	Deputy Chief Financial Officer
EFRM	Enterprise and Fraud Risk Management
ERM	Enterprise Risk Management
FAM	Financial Audit Manual
FFMIA	Federal Financial Management Improvement Act
FHA	Federal Housing Administration
FISMA	Federal Information Security Management Act
FM	Financial Management
FMC	Financial Management Council
FMFIA	Federal Managers Financial Integrity Act
FSIO	Financial Systems Integration Office
FY	Fiscal Year
GAO	Government Accountability Office
GDAS	General Deputy Assistant Secretary
Ginnie Mae	Government National Mortgage Association
GPRA	Government Performance and Result Act
HUD	Department of Housing and Urban Development
ICOFR	Internal Controls over Financial Reporting
ICOOPS	Internal Control over Operations
ISCM	Information Security Continuous Monitoring
IT	Information Technology
OCFO	Office of the Chief Financial Officer
OFPP	Office of Federal Procurement Policy

Acronym	Definition
OIG	Office of Inspector General
OITS	Office of Information Technology Security
OMB	Office of Management and Budget
PIA	Privacy Impact Assessments
PII	Personally Identifiable Information
PIIA	Payment Integrity Information Act
PMO	Program Management Organization
RMC	Risk Management Council
SMC	Senior Management Council
SOA	Statement of Assurance
SOX	Sarbanes-Oxley Act
USSGL	United States Standard General Ledger