



U.S. Department of Agriculture



**Office of Inspector General
Financial Audit Operations**

**Statement on Auditing Standards No. 70
Report on the National Information Technology
Center General Controls Review**

**Report 88501-14-FM
September 2010**



U.S. Department of Agriculture
Office of Inspector General
Washington, D.C. 20250



DATE: September 2, 2010

REPLY TO
ATTN OF: 88501-14-FM

TO: Christopher L. Smith
Chief Information Officer
Office of the Chief Information Officer

ATTN: Sherry Linkins
Office of the Chief Information Officer
Information Resources Management

FROM: Gil H. Harden /s/
Assistant Inspector General
for Audit

SUBJECT: Statement on Auditing Standards No. 70 Report on the National Information
Technology Center General Controls Review

This report presents the results of our Statement on Auditing Standards (SAS) No. 70 audit at the Office of the Chief Information Officer/National Information Technology Center (OCIO/NITC) as of June 30, 2010. The audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and the American Institute of Certified Public Accountants Standards that are commonly referred to as a SAS No. 70 audit. This report contains an unqualified opinion on the general control environment and does not contain recommendations. The projection of any conclusions based on our audit findings to future periods are subject to the risk that changes may alter the validity of such conclusions. This report is intended solely for the management of OCIO/NITC, its customer agencies, and their auditors.

We appreciate the courtesies and cooperation extended to us during this review.

Table of Contents

Executive Summary.....	1
Independent Auditors' Report	2
Abbreviations Used in This Report	4

Executive Summary

Statement on Auditing Standards No. 70 Report on the National Information Technology Center General Controls Review (Report 88501-14-FM)

Results in Brief

This report presents the results of our Statement on Auditing Standards No. 70 audit of the Office of the Chief Information Officer/National Information Technology Center's (OCIO/NITC) internal controls as of June 30, 2010. Our review was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States including American Institute of Certified Public Accountants Professional Standards as amended by applicable statements on auditing standards.

Our objectives were to perform procedures necessary to express opinions about whether (1) OCIO/NITC's description of controls in exhibit A presents fairly, in all material respects, the aspects of OCIO/NITC's controls that may be relevant to a customer agency's internal control as it relates to an audit of financial statements; (2) the controls included and/or referenced were placed in operation and suitably designed to achieve the control objectives specified in the description, if those controls were complied with satisfactorily and customer agencies applied the controls contemplated in the design of OCIO/NITC's controls; and (3) the controls we tested were operating with sufficient effectiveness to provide reasonable, but not absolute, assurance that the control objectives specified were achieved during the period from July 1, 2009, through June 30, 2010.

Our audit disclosed that the control objectives and techniques identified in exhibit A presented fairly, in all material respects, the relevant aspects of OCIO/NITC's controls. Also, in our opinion, the controls included in the description were suitably designed and operating with sufficient effectiveness to provide reasonable assurance that associated control objectives would be achieved if the described policies and procedures were complied with satisfactorily and customer agencies applied the controls specified in the OCIO/NITC description of controls.

Recommendation Summary

We do not make any recommendations in this report.

Independent Auditors' Report

To: Christopher L. Smith
Chief Information Officer
Office of the Chief Information Officer

We have examined the accompanying description of controls, referenced in exhibit A, related to the U.S. Department of Agriculture's Office of the Chief Information Officer/National Information Technology Center (OCIO/NITC). Our examination included procedures to obtain reasonable assurance about whether (1) the accompanying description presents fairly, in all material respects, the aspects of OCIO/NITC's controls that may be relevant to a customer agency's internal control as it relates to an audit of financial statements; (2) the controls included in the description were suitably designed to achieve the control objectives specified in the description, if those controls were complied with satisfactorily and customer agencies applied the controls contemplated in the design of OCIO/NITC's controls; and (3) such controls had been placed in operation as of June 30, 2010. OCIO/NITC uses the services of an alternate data center facility, off-site media storage organization, hosting support services, and telecommunication services. The accompanying description includes only those controls and related control objectives of OCIO/NITC. Our examination did not extend to controls of the sub-service organizations noted above. The control objectives were specified by the management of OCIO/NITC.

Our audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and the standards established by the American Institute of Certified Public Accountants and included those procedures we considered necessary in the circumstances to obtain a reasonable basis for rendering our opinion.

In our opinion, OCIO/NITC's description of controls in exhibit A of this report presents fairly, in all material respects, the relevant aspects of OCIO/NITC's controls that had been placed in operation as of June 30, 2010. Also, in our opinion, the controls, as described in exhibit A, are suitably designed to provide reasonable assurance that the specified control objectives would be achieved if the described controls were complied with satisfactorily and customer agencies applied the controls contemplated in the design of OCIO/NITC's controls.

In addition to the procedures we considered necessary to render our opinion as expressed in the previous paragraph, we applied tests to specific controls, which are presented in exhibit B of this report, to obtain evidence about their effectiveness in meeting the related control objectives described in exhibit A during the period from July 1, 2009, through June 30, 2010. The specific controls and the nature, timing, extent, and results of our tests are listed in exhibit B. This information will be provided to customer agencies and their auditors to be taken into consideration, along with information about the internal control at customer agencies, when making assessments of control risk for customer agencies. In our opinion, the controls that were tested, as described in exhibit B, were operating with sufficient effectiveness to provide reasonable, but not absolute, assurance that the control objectives specified in exhibit A were achieved during the period from July 1, 2009, through June 30, 2010.

The relative effectiveness and significance of specific controls at OCIO/NITC and their effect on assessments of control risk at user organizations are dependent on their interaction with the controls and other factors present at individual customer organizations. We have performed no procedures to evaluate the effectiveness of controls at individual customer agencies.

The description of controls at OCIO/NITC is as of June 30, 2010, and information about tests of the operating effectiveness of specific controls covers the period from July 1, 2009, through June 30, 2010. Any projection of such information to the future is subject to the risk that, because of change, the description may no longer portray the controls in existence. The potential effectiveness of specific controls at OCIO/NITC is subject to inherent limitations and, accordingly, errors or fraud may occur and not be detected. Furthermore, the projection of any conclusions, based on our findings, to future periods is subject to the risk that (1) changes made to the system or controls, (2) changes in processing requirements, or (3) changes required because of the passage of time may alter the validity of such conclusions.

This report is intended solely for use by the management of OCIO/NITC, its users, and the independent auditors of its users.

Gil H. Harden /s/
Assistant Inspector General
for Audit

August 30, 2010

Abbreviations Used in This Report

C&A.....	Certification and Accreditation
EIMS.....	Enterprise Identity Management System
ID.....	Identification
IS.....	Information System
ISS.....	Infrastructure Support System
IT.....	Information Technology
NIST.....	National Institute of Standards and Technology
NITC.....	National Information Technology Center
OCIO.....	Office of the Chief Information Officer
PIA.....	Privacy Impact Assessment
POA&M.....	Plan of Action & Milestones
RA.....	risk assessments
SSP.....	System Security Plan
SNCC.....	System Network Control Center
USDA.....	U.S. Department of Agriculture

The subsequent sections of the report exhibit A (pages 5 through 49) and exhibit B (pages 50 through 68), are not being publicly released due to the sensitive security content.