

## E-Mail ALSPO H/10

### Subj: SPO AUDITOR SEGREGATION OF DUTIES

Ref: (a) [OMB Circular No. A-123](#)  
(b) Pay & Personnel Center Online Servicing Personnel Office (SPO) Manual

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**Purpose** This E-Mail ALSPO message announces interim procedures for improved internal controls for the processing of pay transactions.

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**Background** Direct Access (DA) pay transaction software functionality, policies and procedures were reviewed as part of the USCG management's internal control assessment. An outcome of the review was a recommendation to segregate the user roles for certain pay transactions so that a person who initiates the transaction is not the person that reviews and approves the transaction.

- Reference (a) mandates the segregation of duties, which is the practice of dividing the steps in a critical function among different individuals.

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**Direct Access review and approval programming changes** Commandant (CG-1, CG-6 and CG-8), PSC and PPC are developing requirements and software changes that, when complete, will incorporate improved controls such as segregation of duties and individual accountability into DA.

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**Pay transactions requiring segregation of duties.** DA transactions used to process the entitlements listed below should include a natural segregation of duties (i.e. the person initiating the transaction should be different from the person approving the transactions).

- Advanced Pay\*
- Basic Allowance for Housing\*
- Overseas Housing Allowance\*
- Basic Allowance for Subsistence\*
- OCONUS COLA\*
- Permanent Change of Station\*
- Responsibility Pay
- Hardship Duty Pay Location
- Imminent Danger (Hostile Fire) Pay
- CONUS COLA

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**Pay transactions requiring segregation of duties.**  
(continued)

- Clothing and Uniform Allowances
- Combat Tax Exclusion
- Aviation Career Incentive Pay (ACIP)
- Aviation Crew/Non Crew Hazardous Duty Incentive Pay
- Diving Duty Pay
- Flight Deck Hazardous Duty Incentive Pay
- Hazardous Duty Incentive Pay for High Pressure Chamber
- Hazardous Duty Incentive Pay for Visit, Board, Search and Seizure (HDIP VBSS) Boarding
- Personal Monetary Allowance
- Family Separation Allowance
- Special Duty Assignment Pay
- Foreign Language Proficiency Pay
- Combat SGLI Allowance

\* Indicates those transaction types that directly support 95% of military payroll expenditures and are critical to providing an ICOFR assertion

While some transactions in DA — Advances, Aviation Career Incentive Pay (ACIP), Aviation Crew/Non Crew Hazardous Duty Incentive Pay, Basic Allowance for Housing (BAH), Overseas Housing Allowance (OHA), and Permanent Change of Station — already include proper segregation of duties, the software does not prevent an individual CGHRSUP role user from both entering and approving the transaction. In addition, the software does not facilitate review and approval by another user because transactions default to an approved status when saved by a CGHRSUP role user.

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**SPO Action**

Until such time as DA is able to provide sufficient segregation of duties for the pay transactions listed above, individual SPOs must follow the procedures in this message.

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**Procedure** Follow these steps to document review and approval for the pay entitlement/event transactions listed above.

Step	Action															
1	Enter and save the transaction in DA.															
	<table border="1"> <thead> <tr> <th data-bbox="297 625 560 657">If user is a</th> <th data-bbox="560 625 1157 657">And the transaction is for</th> <th data-bbox="1157 625 1414 657">Then</th> </tr> </thead> <tbody> <tr> <td data-bbox="297 657 560 1623">CGHRS role user/ SPO Data Entry Tech.</td> <td data-bbox="560 657 1157 982"> <ul style="list-style-type: none"> <li>• Advance (Pay, BAH or OHA)</li> <li>• Aviation Career Incentive Pay (ACIP)</li> <li>• Aviation Crew/Non Crew Hazardous Duty Incentive Pay</li> <li>• Basic Allowance for Housing (BAH)</li> <li>• Overseas Housing Allowance (OHA)</li> <li>• Permanent Change of Station (PCS)</li> </ul> </td> <td data-bbox="1157 657 1414 982">Use the existing DA functionality to route the transaction to a CGHRSUP role user for approval. No additional steps are necessary.</td> </tr> <tr> <td data-bbox="297 982 560 1623"></td> <td data-bbox="560 982 1157 1623"> <ul style="list-style-type: none"> <li>• Basic Allowance for Subsistence</li> <li>• OCONUS COLA</li> <li>• Responsibility Pay</li> <li>• Hardship Duty Pay Location</li> <li>• Imminent Danger (Hostile Fire) Pay</li> <li>• CONUS COLA</li> <li>• Clothing and Uniform Allowances</li> <li>• Combat Tax Exclusion</li> <li>• Diving Duty Pay</li> <li>• Flight Deck Hazardous Duty Incentive Pay</li> <li>• Hazardous Duty Incentive Pay for High Pressure Chamber</li> <li>• Hazardous Duty Incentive Pay for Visit, Board, Search and Seizure</li> <li>• Personal Monetary Allowance</li> <li>• Family Separation Allowance</li> <li>• Special Duty Assignment Pay</li> <li>• Foreign Language Proficiency Pay</li> <li>• Combat SGLI Allowance</li> </ul> </td> <td data-bbox="1157 982 1414 1623">Complete the remainder of this procedure (Steps 2 to 6)</td> </tr> <tr> <td data-bbox="297 1623 560 1690">CGHRSUP role user/SPO Auditor</td> <td data-bbox="560 1623 1157 1690"> <ul style="list-style-type: none"> <li>• Any of the transactions listed above</li> </ul> </td> <td data-bbox="1157 1623 1414 1690"></td> </tr> </tbody> </table>	If user is a	And the transaction is for	Then	CGHRS role user/ SPO Data Entry Tech.	<ul style="list-style-type: none"> <li>• Advance (Pay, BAH or OHA)</li> <li>• Aviation Career Incentive Pay (ACIP)</li> <li>• Aviation Crew/Non Crew Hazardous Duty Incentive Pay</li> <li>• Basic Allowance for Housing (BAH)</li> <li>• Overseas Housing Allowance (OHA)</li> <li>• Permanent Change of Station (PCS)</li> </ul>	Use the existing DA functionality to route the transaction to a CGHRSUP role user for approval. No additional steps are necessary.		<ul style="list-style-type: none"> <li>• Basic Allowance for Subsistence</li> <li>• OCONUS COLA</li> <li>• Responsibility Pay</li> <li>• Hardship Duty Pay Location</li> <li>• Imminent Danger (Hostile Fire) Pay</li> <li>• CONUS COLA</li> <li>• Clothing and Uniform Allowances</li> <li>• Combat Tax Exclusion</li> <li>• Diving Duty Pay</li> <li>• Flight Deck Hazardous Duty Incentive Pay</li> <li>• Hazardous Duty Incentive Pay for High Pressure Chamber</li> <li>• Hazardous Duty Incentive Pay for Visit, Board, Search and Seizure</li> <li>• Personal Monetary Allowance</li> <li>• Family Separation Allowance</li> <li>• Special Duty Assignment Pay</li> <li>• Foreign Language Proficiency Pay</li> <li>• Combat SGLI Allowance</li> </ul>	Complete the remainder of this procedure (Steps 2 to 6)	CGHRSUP role user/SPO Auditor	<ul style="list-style-type: none"> <li>• Any of the transactions listed above</li> </ul>				
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CGHRSUP role user/SPO Auditor	<ul style="list-style-type: none"> <li>• Any of the transactions listed above</li> </ul>															
2	Print the transaction screen(s).															
3	Attach the source document(s).															

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Procedure (continued)

Step	Action
4	Forward transaction screen print(s) and source document(s) to a CGHRSUP role user (not the user who entered the transaction).
5	The CGHRSUP role user reviews the transaction screen print(s) and the source document(s). Any errors should be immediately corrected by the person originally submitting the transaction. When the transaction and supporting documentation is deemed appropriate and accurate, the CGHRSUP role user must sign (include printed name and date) the screen print(s) and source document(s).
6	File the signed screen print(s) and source document(s) in Part 3 of the SPO-PDR for the period of eligibility of a benefit or entitlement plus six years and three months.

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**Directives affected**

The contents of this E-Mail ALSPO message will be incorporated into the applicable sections of reference (b). This E-Mail ALSPO message provides interim guidance which shall expire one year from the date of issuance unless it is incorporated into an appropriate PPC publication, reissued, or cancelled.

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**Questions**

Questions regarding the content of this E-Mail ALSPO message may be directed to PPC Customer Care at:



(866) 772-8724/(785) 339-2200



<http://www.uscg.mil/ppc/ccb/> (Online Trouble Ticket/Inquiry Form)



[PPC-DG-CustomerCare@uscg.mil](mailto:PPC-DG-CustomerCare@uscg.mil) (E-Mail)

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**Released by**

Internet release authorized.

/s/

J. D. PHILLIPS, CAPT, USCG  
Commanding Officer