

E-Mail ALSPO K/10

Subj: SERVICING PERSONNEL OFFICE (SPO) SELF ASSESSMENTS

- Ref: (a) [COMDT COGARD WASHINGTON DC 122115Z JUL 10/ALCOAST 369, CG1/8, COMDTNOTE 1080](#)
(b) [E-Mail ALSPO H/10; SPO Auditor Segregation of Duties](#)
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Purpose This E-mail ALSPO publishes procedures for select SPOs to conduct a self assessment related to the implementation of enhanced internal controls contained in references (a) and (b).

Background Office of Management and Budget (OMB) Circular A-123 establishes requirements for internal controls within Federal Agencies. Internal controls are necessary to prevent or detect material misstatement on agency financial statements and/or fraud, waste, or abuse. Though internal controls cannot prevent these things on their own, they are critical in helping manage the risk associated with them.

As part of the Coast Guard's on-going audit remediation activities an assessment of the internal controls within the military Human Resources (HR) and Payroll systems was performed in FY10 leading to the signing of a joint CG-1/8 Decision Memo on June 21, 2010 directing the implementation of 25 internal control enhancements necessary to support CFO Audit readiness.

References (a) and (b) implemented a number of critical internal control enhancements related to SPO operations. Specifically, a number of worksheets previously held as temporary documents within the SPO Personnel Data Record (PDR) must now be retained for the period of entitlement plus six years and three months. Additionally, procedures were put in place to ensure an appropriate segregation of duties exists over a number of transactions.

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Current status Recently completed tests of effectiveness across the Coast Guard indicate that our internal controls are not operating effectively. Additional tools and guidance (e.g. expanded access to the WebNOW application, automated segregation of duties, etc) have either been deployed, or are under development, to give Yeomen in the field the resources necessary to effectively execute and ***document*** military human resources and payroll transactions. The lack of effective documentation, among other gaps, will prevent the Coast Guard from achieving audit readiness as required by law.

Outcomes The self assessment serves three major purposes:

First and foremost, it will help prepare the SPOs for testing to be conducted by the Coast Guard's external auditor in the spring of 2011. Ensuring each SPO has effectively implemented these controls is crucial to our successful completion of the financial statements audit. ***The number of data calls and intrusive audit activities decrease significantly when the auditors can rely on our internal controls.***

Second, the self assessment will provide SPO Supervisors clear situational awareness for their SPOs as to their level of compliance with these newly established controls. This will allow SPO Supervisors to take appropriate action at the local level through training, additional oversight, etc., to ensure the controls are implemented effectively.

Third, the self assessment will provide CG-1, CG-8, and PPC with a snapshot to determine if the controls are working as designed. If there are specific concerns regarding the design of the controls, the level of effort required to execute them, or any other comments, they should be directed to the CG-85 point of contact listed at the end of this E-Mail ALSPO message.

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Units impacted The following SPOs have been selected to conduct the self assessment; SPO's were selected based on their materiality on military payroll:

PSSU Alameda	Sector Key West
PSSU Boston	Sector Lake Michigan
PSSU Honolulu	Sector Long Island Sound
PSSU Ketchikan	Sector Miami
PSSU Portsmouth	Sector Mobile
PSSU Seattle	Sector New York
Sector Charleston	Sector San Diego
Sector Corpus Christi	Sector San Francisco
Sector Delaware Bay	Sector St Petersburg
Sector Jacksonville	SFO Galveston

Personnel required to complete the self assessment

SPO Supervisors shall complete the self assessment. This will ensure they have a clear understanding of how well their SPO complies with applicable standards. SPO supervisors will then take corrective action as required, based on results of the self assessment. Personnel other than the SPO Supervisor **SHALL NOT** conduct the self assessment.

SPO Action

The SPOs listed above shall complete the self assessment utilizing the procedures outlined below and return the results, their plans for correcting transactions which failed any of the tests, and all comments or feedback to LCDR Alex Foos at (202) 372-3431 or Alexander.C.Foos@uscg.mil no later than **October 29, 2010**.

SPOs which are not listed above are **highly** encouraged to contact LCDR Foos if they wish to conduct their own self assessments.

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Procedure The SPO supervisor shall follow these steps to conduct and document the self assessment.

Step	Action																				
1	<p>Download the <i>Samples and Test Results Form</i> (MS Excel 2007 spreadsheet (.xlsx) format) from the CG-852 CG Portal site by clicking the link for your SPO in the table below:</p> <table border="1" data-bbox="300 724 1079 1108"><tbody><tr><td>PSSU Alameda</td><td>Sector Key West</td></tr><tr><td>PSSU Boston</td><td>Sector Lake Michigan</td></tr><tr><td>PSSU Honolulu</td><td>Sector Long Island Sound</td></tr><tr><td>PSSU Ketchikan</td><td>Sector Miami</td></tr><tr><td>PSSU Portsmouth</td><td>Sector Mobile</td></tr><tr><td>PSSU Seattle</td><td>Sector New York</td></tr><tr><td>Sector Charleston</td><td>Sector San Diego</td></tr><tr><td>Sector Corpus Christi</td><td>Sector San Francisco</td></tr><tr><td>Sector Delaware Bay</td><td>Sector St Petersburg</td></tr><tr><td>Sector Jacksonville</td><td>SFO Galveston</td></tr></tbody></table> <p>Note: The CG-852 CG Portal Site can be accessed using this link: https://cgportal.uscg.mil/lotus/mypoc?uri=dm:0c65e380443d54bc946bd469552ccd6c&verb=view</p>	PSSU Alameda	Sector Key West	PSSU Boston	Sector Lake Michigan	PSSU Honolulu	Sector Long Island Sound	PSSU Ketchikan	Sector Miami	PSSU Portsmouth	Sector Mobile	PSSU Seattle	Sector New York	Sector Charleston	Sector San Diego	Sector Corpus Christi	Sector San Francisco	Sector Delaware Bay	Sector St Petersburg	Sector Jacksonville	SFO Galveston
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Sector Charleston	Sector San Diego																				
Sector Corpus Christi	Sector San Francisco																				
Sector Delaware Bay	Sector St Petersburg																				
Sector Jacksonville	SFO Galveston																				
2	Insert your name as the SPO Supervisor at the top of the Test Results Form.																				
3	Review each sample item in the Test Results Form, there are 20 entries for each SPO, and answer “Yes” or “No” as appropriate for each question, based on the following:																				

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Procedure (continued)

Step	Action	
3	(continued)	
Existence of Supporting Documentation Test	Test Results From Column	Question
	I	<p>Are ALL of the documents required to be included in the SPO-PDR (as amended by reference (a)) to support each transaction, including the authorizing documents and supporting worksheets, in the SPO-PDR?</p> <p><i>Indicate “Yes” or “No” in the “Existence of Supporting Documentation,” Column I of the Test Results Form.</i></p>
	J	<p>Supporting documentation includes source documents from Parts 1, 2, & 4 of the SPO-PDR (e.g., PCS Orders, Divorce Decree, etc.). In addition, the following forms and worksheets were added to Part 3 of the SPO-PDR by reference (a):</p> <ul style="list-style-type: none"> • CG-2000 – PCS Departing • CG-2001 – Departing TDY for PCS/TEM DUINS to “A” School • CG-2005 – PCS Reporting • CG-2020 – Dependency • CG-2025 – BAH/Housing • CG-2025A – Housing Allowance Protection • CG-2025B – Member-Married-to-Member BAH • CG-2035 – Family Separation • CG-2045 – Career Intentions • CG-5102 – Officer Uniform Allowance Claim • CG-5131—Standard Travel Order for Military Personnel • CG-5150 – Civilian Clothing Monetary Allowance • CG-5155A – Enlisted Supplementary Clothing Allowance <p><i>List all documents contained in the SPO –PDR that support this transaction in Column J of the Test Results Form.</i></p>

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Procedure (continued)

Step	Action	
3	(continued)	
	Test Results From Column	Question
Segregation of Duties Test	K	Have the segregation of duties requirements been followed per ALSPO H/10 for each supporting document listed in column J of the Test Results Form? <i>Record "Yes" or "No" in the Segregation of Duties, Column K, of the Test Results Form.</i>
Data Accuracy Test	L	Does the information entered into Direct Access match the relevant information on the supporting documents, listed in Column J, for this transaction? <i>Record "Yes" or "No" in the "Data Accuracy," Column L, of the Test Results Form.</i>
Comments / Explanations	M	Insert any comments, explanations and corrective action plans for any failed tests in Column M of the Test Results Form.
4	Send the completed Test Results Form to CG-852 via email to Alexander.C.Foos@uscg.mil .	

Directives affected

The contents of this E-Mail ALSPO message provide 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 the following CG-852 point of contact: LCDR Alex Foos at (202) 372-3431 or Alexander.C.Foos@uscg.mil

Your feedback is ***HIGHLY*** encouraged. As you execute the assessment for your SPO, please note any areas of improvement and/or other suggested changes.

Released by Internet release authorized.


J. D. PHILLIPS, CAPT, USCG
Commanding Officer