

Analysis of Systems, Controls, and Legal Compliance

Internal Control Program in the Department of Justice

The objective of the Department of Justice's internal control program is to provide reasonable assurance that operations are effective, efficient, and comply with applicable laws and regulations; financial reporting is reliable; and assets are safeguarded against waste, loss, and unauthorized use. The Department identifies issues of concern through a strong network of oversight councils, internal review teams, and external auditors. These include the Department's Senior Assessment Team, the Justice Management Division's Internal Review and Evaluation Office and Quality Control and Compliance Group, Departmental component internal review teams, and the OIG.

The Department of Justice's internal controls have significantly improved through the corrective actions implemented by senior management. The Department's commitment to management excellence, accountability, and compliance with applicable laws and regulations shows in our efforts to establish reasonable controls, make sound determinations on corrective actions, and verify and validate the results. This commitment is further evidenced by the many control improvements and significant management actions taken by Departmental leadership in response to the President's Management Agenda, OMB initiatives, and OIG recommendations. For example, during FY 2006, to ensure Departmental compliance with the new requirements of OMB Circular A-123, *Management's Responsibility for Internal Control*, Appendix A, Internal Control Over Financial Reporting, the Department:

- established a top-down governance structure to implement, direct, and oversee the process for assessing internal control over financial reporting;
- evaluated and documented key business processes and controls;
- established a framework and process to continue assessing internal control over financial reporting; and
- established a corrective action framework and process to facilitate stakeholder oversight and ensure prompt and proper implementation of corrective actions to resolve deficiencies in internal control.

The Department also continues to support and commit resources to Departmental component internal review programs. Details on additional actions taken by Departmental leadership to build and sustain a strong internal control program are provided later in this section.