

Federal Information Security Management Act

The Federal Information Security Management Act (FISMA) provides the framework for securing the federal government's information technology. All agencies covered by the Paperwork Reduction Act must implement the requirements of FISMA and report annually to the Office of Management and Budget and Congress on the effectiveness of the agency's security programs. The reports must also include independent evaluations by the agency Inspector General.

VA is aware of the vulnerability of its assets and financial data to error or fraud and is in the process of correcting the information security controls material weakness. Implementation plans are in place to address this significant deficiency, as well as associated reportable conditions, which were identified in the FY 2004 Annual FISMA Report.

IG Act Amendments of 1988

VA collected \$16.7 million in disallowed costs from VA-contracted suppliers in 2004.

The Inspector General (IG) Act requires management to complete all final actions on recommendations within 1 year of the date of the IG's final report. Departmentwide, there are five reports that have been pending final action for over 1 year. Since 1997, there has been a reduction in the number of unimplemented reports pending final action. Delays were incurred in implementing recommendations as a result of the development and implementation of new regulations or directives, collection and/or write-off activities, and system changes. Per the IG Act reporting requirements, the following table is a summary of the Office of Inspector General reports with the management dollar value of Disallowed Costs and Funds to Be Put to Better Use.

Disallowed Costs and Funds to Be Put to Better Use Reporting Period October 1, 2003–September 30, 2004 (dollars in millions)				
	Disallowed Cost		Funds to Be Put to Better Use	
	Reports	Value	Reports	Value
Balance 9/30/03	5	\$0.1	11	\$176.3
New Reports	26	\$16.9	112	\$1,389.2
Total	31	\$17.0	123	\$1,565.5
Completed	26	\$16.7	104	\$822.2
Balance 9/30/04	5	\$0.3	19	\$743.3

Source: *Compliance with the IG Act Amendments of 1988* section reported by Office of Inspector General, Operational Support Division.