

### FMFIA SECTION 2 – PROGRAM MATERIAL WEAKNESS

<b>U.S. DEPARTMENT OF JUSTICE</b> <b>Corrective Action Plan</b> <b>Issue and Milestone Schedule</b>		<b>Date Report Submitted and Corresponding FY and Quarter</b> October 2, 2006 FY 2006 4 <sup>th</sup> Quarter	
<b>Issue Title</b> Prison Crowding		<b>Issue ID</b> 06BOP001	<b>Component Name</b> Bureau of Prisons
<b>Issue Category (Please check appropriate box.)</b> FMFIA, Section 2 <input type="checkbox"/> Reportable Condition <input checked="" type="checkbox"/> Material Weakness FMFIA, Section 4 <input type="checkbox"/> Non-conformance OMB A-123, Appendix A <input type="checkbox"/> Reportable Condition <input type="checkbox"/> Material Weakness			
<b>Issue Category – SAT Concurrence or Recategorization (components are to leave blank)</b> Concur			
<b>Issue Description</b> <p>As of September 30, 2006, the BOP crowding rate at facilities housing federal inmates was 36 percent over the rated capacity. To date, the BOP continues to manage the growing federal inmate population by contracting with the private sector and using State and local facilities for certain groups of low security inmates, expanding existing institutions (where programmatically appropriate and cost effective to do so), and building new facilities. Effective use of these approaches will allow BOP to keep pace with the growing inmate population and gradually reduce the crowding rate, thereby ensuring safe and secure operations in facilities housing federal inmates.</p> <p>The Bureau's (owned and operated) institution-based population was 162,514 as of September 30, 2006, an increase of 3,013 inmates over the 159,501 inmates housed on September 30, 2005. It should be noted that the total Bureau population (including contract facilities) increased by 5,190 during FY 2006. The population projections were revised during August 2006 based on the Office of Research's analysis of data provided by the Administrative Office of the United States Courts.</p> <p>We project the population will continue to grow and is projected to reach 226,379 by September 30, 2012. Through the construction of new facilities, expansion of existing institutions, and acquisition of additional low security contract bed space, our Long Range Capacity Plan projects a rated capacity of 122,496 by September 30, 2007. Should new construction and expansion plans continue through FY 2012 as planned, crowding is projected to be 29 percent over the projected rated capacity.</p>			
<b>Business Process Area (complete for Appendix A issues only; N/A for Section 2 and Section 4 issues)</b> Not Applicable			
<b>Date First Identified</b> 2006	<b>Original Target Completion Date</b> 09/30/2012	<b>Current Target Completion Date</b>	<b>Actual Completion Date</b>
<b>Issue Identified By</b> Bureau of Prisons		<b>Source Document Title</b> Self-identified	
<b>Description of Remediation</b> Increase the number of federal inmate beds to keep pace with projected increases in the inmate population. Efforts to reach this goal include expanding existing institutions, acquiring surplus properties for conversion to correctional facilities, constructing new institutions, utilizing contract facilities, and exploring alternative options of confinement for appropriate cases.			
<b>Milestones</b>		<b>Original Target Date</b>	<b>Current Target Date</b>
1. As of September 30, 2006, the Bureau's institution population reached 162,514 and was housed in capacity of 119,510, resulting in a crowding rate of 36 percent.		09/30/2006	09/30/2006

2. Planning estimates call for a rated capacity of 122,496 to be reached by close of FY 2007. The crowding rate is projected to be 36 percent at that time, which is the same as the close of FY 2006.	09/30/2007		
3. Planning estimates call for a rated capacity of 123,712 to be reached by close of FY 2008. The crowding rate is projected to be 38 percent at that time, an increase of 2 percent for the year.	09/30/2008		
4. Planning estimates call for a rated capacity of 125,168 to be reached by close of FY 2009. The crowding rate is projected to be 40 percent at that time, an increase of 2 percent for the year.	09/30/2009		
5. Planning estimates call for a rated capacity of 126,400 to be reached by close of FY 2010. The crowding rate is projected to be 42 percent at that time, an increase of 2 percent for the year.	09/30/2010		
6. Planning estimates call for a rated capacity of 130,315 to be reached by close of FY 2011. The crowding rate is projected to be 39 percent at that time, a decrease of 3 percent for the year.	09/30/2011		
7. Planning estimates call for a rated capacity of 141,387 to be reached by close of FY 2012. The crowding rate is projected to be 29 percent at that time, a decrease of 10 percent for the year.	09/30/2012		
<b>Reason for Not Meeting Original Target Completion Date</b>			
Not Applicable			
<b>Status of Funding Available to Achieve Corrective Action</b>			
The Administration is currently developing FY 2008 funding requirements. The FY 2008 and subsequent budgets will be structured to address the Bureau's long-term capacity needs in the most cost effective manner possible.			
<b>Planned Measures to Prevent Recurrence</b>			
We will ensure future budget requests reflect population increases.			
<b>Validation Indicator</b>			
Results are measured as a new institution or expansion project is activated and resulting increases in rated capacity are established. A corresponding decrease in the crowding percentage rate will also be a tangible measurement of the results. Progress on construction projects at new and existing facilities will be validated via on-site inspections of each facility or by review of monthly construction progress reports.			
<b>Organization Responsible for Corrective Action</b>			
BOP Program Review Division			

**OMB CIRCULAR A-123, APPENDIX A – FINANCIAL REPORTING MATERIAL WEAKNESS**

<b>U.S. DEPARTMENT OF JUSTICE</b> <b>Corrective Action Plan</b> <b>Issue and Milestone Schedule</b>		<b>Date Report Submitted and Corresponding FY and Quarter</b> October 16, 2006 FY 2006 4 <sup>th</sup> Quarter	
<b>Issue Title</b> Accounting and Financial Reporting Procedures		<b>Issue ID</b> 06IRE001	<b>Component Name</b> Departmental
<b>Issue Category (Please check appropriate box.)</b> <b>FMFIA, Section 2</b> <input type="checkbox"/> Reportable Condition <input type="checkbox"/> Material Weakness <b>FMFIA, Section 4</b> <input type="checkbox"/> Non-conformance <b>OMB A-123, Appendix A</b> <input type="checkbox"/> Reportable Condition <input checked="" type="checkbox"/> Material Weakness			
<b>Issue Category – SAT Concurrence or Recategorization (components are to leave blank)</b> Concur			
<b>Issue Description</b> <p>In FY 2006, the Department made progress in correcting previously reported accounting standards compliance and financial reporting deficiencies. While progress has been made, the Department’s assessment of internal control over financial reporting identified that deficiencies still exist in these areas. Specifically, the assessment identified reportable conditions in the Department’s Procurement and Financial Reporting business processes. In addition, the assessment identified control deficiencies in other key business processes, such as Revenue, Treasury, and Grants Management. Individually, the reportable conditions and deficiencies are not significant enough to be categorized as material weaknesses. Collectively, however, management believes these control deficiencies, coupled with the risks to financial reporting resulting from the Department’s information systems non-conformances, represent a material weakness.</p> <p>The Department and components are remediating the reportable conditions and control deficiencies through both formal component-developed corrective action plans and informal methods. In addition, the Department has increased its oversight of Departmental implementation of OMB Circular A-123, Appendix A; performed validation tests; and initiated actions to improve the overall assessment process by modifying existing internal review programs to test additional controls and expanding the monitoring program.</p>			
<b>Business Process Area (complete for Appendix A issues only; N/A for Section 2 and Section 4 issues)</b> Budget, Revenue, Procurement, Property Management, Treasury, Human Resources, Grants Management, Seized Property, Financial Reporting, and Advances and Prepayments.			
<b>Date First Identified</b> 09/30/2002 (Previously reported under FMFIA Section 4)	<b>Original Target Completion Date</b> 09/30/2005	<b>Current Target Completion Date</b> 09/30/2007	<b>Actual Completion Date</b>
<b>Issue Identified By</b> DOJ Components and Justice Management Division (JMD) Internal Review and Evaluation Office (IREO)		<b>Source Document Title</b> FY 2006 OMB A-123, Appendix A Testing	
<b>Description of Remediation</b> Correct deficiencies found during FY 2006 OMB A-123, Appendix A testing and establish monitoring mechanisms to ensure adequate actions have been taken to correct deficiencies.			
<b>Milestones</b>	<b>Original Target Date</b>	<b>Current Target Date</b>	<b>Actual Completion Date</b>
1. Responsible DOJ component managers to review controls, corrective action plans, and monitoring mechanisms for adequacy and enhance, as necessary.	Not Applicable. Milestones updated October 2006.	11/30/2006	
2. IREO to review and ensure component corrective action plans and monitoring mechanisms are adequate, providing guidance as necessary.	Not Applicable. Milestones updated October 2006.	12/31/2006	

3. Components to conduct tests to ensure controls are in place and operating as designed and deficiencies have been corrected.	Not Applicable. Milestones updated October 2006.	06/30/2007	
4. IREO to review planned component testing and results of testing; supplement with additional testing, as necessary.	Not Applicable. Milestones updated October 2006.	08/30/2007	
<b>Reason for Not Meeting Original Target Completion Date</b> Not Applicable			
<b>Status of Funding Available to Achieve Corrective Action</b> Not Applicable			
<b>Planned Measures to Prevent Recurrence</b> Increase component and IREO oversight.			
<b>Validation Indicator</b> Component and IREO testing results.			
<b>Organization Responsible for Corrective Action</b> DOJ Components (respective OMB A-123, Appendix A managers) and JMD IREO			

**FMFIA SECTION 4 – FINANCIAL MANAGEMENT SYSTEMS NON-CONFORMANCES**

<b>U.S. DEPARTMENT OF JUSTICE</b>		<b>Date Report Submitted and Corresponding FY and Quarter</b>	
<b>Corrective Action Plan</b>		October 19, 2006	
<b>Issue and Milestone Schedule</b>		FY 2006 4 <sup>th</sup> Quarter	
<b>Issue Title</b>		<b>Issue ID</b>	<b>Component Name</b>
General Controls over Information Systems Supporting Financial Processes		06CIO001	Departmental
<b>Issue Category (Please check appropriate box.)</b>			
FMFIA, Section 2		<input type="checkbox"/> Reportable Condition	<input type="checkbox"/> Material Weakness
FMFIA, Section 4		<input checked="" type="checkbox"/> Non-conformance	
OMB A-123, Appendix A		<input type="checkbox"/> Reportable Condition	<input type="checkbox"/> Material Weakness
<b>Issue Category – SAT Concurrence or Recategorization (components are to leave blank)</b>			
Concur			
<b>Issue Description</b>			
In FY 2006, the Department made progress in correcting prior year information technology-related deficiencies. While progress has been made, the Department’s testing of general controls over information systems supporting financial processes continues to identify significant deficiencies related to access controls and the lack of baseline security configurations within several components. The most significant deficiencies involve management of accounts and system-level patches.			
<b>Business Process Area (complete for Appendix A issues only; N/A for Section 2 and Section 4 issues)</b>			
Not Applicable			
<b>Date First Identified</b>	<b>Original Target Completion Date</b>	<b>Current Target Completion Date</b>	<b>Actual Completion Date</b>
10/01/2004	03/31/2005	09/30/2007	
<b>Issue Identified By</b>		<b>Source Document Title</b>	
DOJ Management and Audit/Review Teams		Annual Financial Statement Audits and Management Reviews (since FY 2004) and OMB A-123 Controls Testing (FY 2006)	
<b>Description of Remediation</b>			
Progress has been made by Departmental components since FY 2004 in addressing information technology-related deficiencies identified in annual financial statement audits and management reviews. In addition, the Department has strengthened its oversight of component remediation activities. For example, in FY 2005 and FY 2006, the JMD Office of the Chief Information Officer (OCIO):			
<ul style="list-style-type: none"> <li>• established a Financial Audit Information Technology Oversight Program to oversee component remediation activities and implementation of policies, processes, and workflow methods designed to ensure successful financial statement audits;</li> <li>• developed and deployed throughout the Department an Information Technology Security Management Scorecard for reporting the status, progress, schedule, management issues, and risk areas related to component corrective action plans; and</li> <li>• assessed component progress in addressing information technology-related deficiencies.</li> </ul>			
While progress has been made, the Department recognizes the need to accelerate efforts to remediate longstanding as well as newly identified deficiencies to ensure the integrity of information systems supporting the Department’s financial processes. The milestones for FY 2007 are focused on:			
<ul style="list-style-type: none"> <li>• establishing corrective actions that appropriately address root causes,</li> <li>• ensuring corrective actions are sufficiently and completely implemented as soon as practicable,</li> <li>• ensuring controls are institutionalized within components,</li> <li>• expanding component OMB A-123 annual assessments to ensure they are adequate to detect and timely correct information technology-related control deficiencies, and</li> <li>• intensifying the Department’s monitoring and validation of component corrective actions and OMB A-123 assessments.</li> </ul>			

Milestones	Original Target Date	Current Target Date	Actual Completion Date
1. The OCIO will conduct a year-end review of component and Departmental remediation progress in FY 2006 and any related audits, reviews, and assessments; identify and disseminate to components best practices and lessons learned; and establish and disseminate FY 2007 Departmental priorities, validation testing guidance, and strategy to detect, correct, and prevent deficiencies in general controls over information systems supporting financial processes.	11/30/2006	11/30/2006	
2. Components will develop a corrective action plan for each new and previously identified reportable condition and material weakness not yet corrected and submit to OCIO for approval. Components are to ensure that corrective action plans adequately address root causes, promote prompt and sustained remediation, and include appropriate validation indicators and measures to prevent recurrence of deficiencies.	11/30/2006	11/30/2006	
3. OCIO, in coordination with the JMD IREO, will review and approve component-developed corrective action plans, providing guidance as necessary.	12/15/2006	12/15/2006	
4. Components with reportable conditions and material weaknesses will have implemented actions sufficient to correct deficiencies or will be on track to complete such actions prior to the validation by OCIO and IREO.	1/15/2007	1/15/2007	
5. IREO will assist components with expanding OMB A-123 assessments to ensure they are adequate to detect and timely correct information technology-related control deficiencies.	3/31/2007	3/31/2007	
6. The OCIO and IREO will monitor component validation testing, review results, and conduct supplemental testing, as necessary, to determine whether required controls have been institutionalized.	9/30/2007	9/30/2007	
<b>Reason for Not Meeting Original Target Completion Date</b> Scope of deficiencies.			
<b>Status of Funding Available to Achieve Corrective Action</b> Ongoing			
<b>Planned Measures to Prevent Recurrence</b> Departmental and component management will accelerate efforts to remediate deficiencies through corrective action plans. In addition, the Department will intensify its monitoring of component progress in implementing corrective actions and validate such actions to ensure successful remediation of identified deficiencies.			
<b>Validation Indicator</b> Testing at individual components.			
<b>Organization Responsible for Corrective Action</b> DOJ Components (respective information systems managers), JMD OCIO, and JMD IREO			

<b>U.S. DEPARTMENT OF JUSTICE Corrective Action Plan Issue and Milestone Schedule</b>		<b>Date Report Submitted and Corresponding FY and Quarter</b> October 17, 2006 FY 2006 4 <sup>th</sup> Quarter		
<b>Issue Title</b> Integrated Financial Management System		<b>Issue ID</b> 06UFM001	<b>Component Name</b> Departmental	
<b>Issue Category (Please check appropriate box.)</b> <b>FMFIA, Section 2</b> <input type="checkbox"/> Reportable Condition <input type="checkbox"/> Material Weakness <b>FMFIA, Section 4</b> <input checked="" type="checkbox"/> Non-conformance <b>OMB A-123, Appendix A</b> <input type="checkbox"/> Reportable Condition <input type="checkbox"/> Material Weakness				
<b>Issue Category – SAT Concurrence or Recategorization (components are to leave blank)</b> Concur				
<b>Issue Description</b> The Department continues to recognize the lack of a single integrated financial management system as a non-conformance. Financial systems performance and data availability for leadership decision-making is made more difficult because of the fragmented systems environment across the Department. Replacing the seven individual financial reporting systems with a standardized core financial system that meets federal standards is a priority of the Attorney General.				
<b>Business Process Area (complete for Appendix A issues only; N/A for Section 2 and Section 4 issues)</b> Not Applicable				
<b>Date First Identified</b> 02/28/2001	<b>Original Target Completion Date</b> Ongoing	<b>Current Target Completion Date</b> 09/30/2012	<b>Actual Completion Date</b>	
<b>Issue Identified By</b> DOJ Management and Audit Teams		<b>Source Document Title</b> Management Reviews and Annual Financial Statement Audits (since FY 2001)		
<b>Description of Remediation</b> Progress has been made by the Department in implementing a single integrated financial management system that meets core federal financial management systems requirements. For example, in FY 2005, the Department's Unified Financial Management System (UFMS) Program Management Office (PMO), JMD, gathered core financial requirements, awarded a commercial-off-the-shelf (COTS) system contract, and developed reengineered business processes. Progress in FY 2006 included the following: <ul style="list-style-type: none"> <li>• In December 2005, the UFMS PMO awarded an Integration and Implementation Services (I&amp;I) contract to support the deployment of UFMS, to include overall project management, project familiarization, analyses of existing business processes, and development and delivery of appropriate system implementation plans.</li> <li>• In June 2006, the UFMS PMO awarded an Independent Verification and Validation Services (IV&amp;V) contract.</li> <li>• In June and July 2006, the contractor began the tasks required to extend the baseline configuration and provide technical environment and architecture support.</li> <li>• In August, the contractor was awarded task orders to provide familiarization training to Departmental components and began to address business transformation activities in the areas of Business Process Reengineering and Organizational Change Management.</li> <li>• In August and September 2006, the UFMS PMO awarded the DEA and Asset Forfeiture Program (AFP) planning task orders. Work has commenced at both DEA and AFP.</li> </ul> The Department remains resolute in its goal to timely implement the unified system across all Departmental components. Milestones for FY 2007 are focused on ensuring the phased-in implementation begins the first quarter of FY 2008 (for AFP and DEA) and Department-wide implementation progresses to meet the target completion date of FY 2012.				
<b>Milestones</b>		<b>Original Target Date</b>	<b>Current Target Date</b>	<b>Actual Completion Date</b>
1. Implement COTS UFMS software for designated program/component.		10/01/2004 through FY 2007	AFP and DEA 1 <sup>st</sup> Qtr FY 2008	
2. Issue a task order to fully develop and implement the UFMS architecture in accordance with identified specifications and critical design architecture elements.		2 <sup>nd</sup> Qtr FY 2007		
3. Issue task order to fully develop and deploy UFMS for AFP.		2 <sup>nd</sup> Qtr FY 2007		
4. Issue task order to fully develop and deploy UFMS for		2 <sup>nd</sup> Qtr FY 2007		

DEA.			
5. Complete planning and evaluation for FBI implementation; issue task order.	1 <sup>st</sup> Qtr FY 2007	3 <sup>rd</sup> Qtr FY 2007	
6. Issue task order to fully develop the standard processes that will serve as the baseline for the system configuration to be implemented across all components.	3 <sup>rd</sup> Qtr FY 2007		
<b>Reason for Not Meeting Original Target Completion Date</b>			
Funding			
<b>Status of Funding Available to Achieve Corrective Action</b>			
Ongoing			
<b>Planned Measures to Prevent Recurrence</b>			
Not Applicable			
<b>Validation Indicator</b>			
Testing of individual components.			
<b>Organization Responsible for Corrective Action</b>			
DOJ Components (respective financial systems managers), JMD UFMS PMO, and JMD Finance Staff			



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