



DEPARTMENT OF THE TREASURY
BUREAU OF THE FISCAL SERVICE
PARKERSBURG, WV 26106

March 3, 2020

To Whom It May Concern:

We are writing to provide you information regarding material changes in internal controls related to the accounting and procurement processing and general computer controls the Bureau of the Fiscal Service, Administrative Resource Center (ARC) used for processing (financial management services) customer agencies transactions. KPMG, LLP prepared the latest Statement on Standards for Attestation Engagements (SSAE) 18 (Service Organization Control (SOC) 1, Type II) report dated August 30, 2019, which reflects their opinion on the description and suitability of the applicable internal controls as well as their operating effectiveness to achieve the related control objectives for the period July 1, 2018 to June 30, 2019.

ARC recognizes the need to maintain an appropriate internal control environment and report upon the effectiveness, as well as material changes to its internal controls. During the quarter, a manual control was not properly executed upon notification of an issue with the PRISM and Oracle interface. ARC has performed an analysis of the manual control and determined that the control failure only negatively affected one agency, which has been notified. ARC has put in place additional controls to mitigate future risks. To the best of our knowledge, as of December 31, 2019, ARC is not aware of any other material changes to the internal controls described in the aforementioned SSAE 18 SOC 1 report that would adversely affect the design or effectiveness of internal controls subsequent to the date of the SSAE 18 SOC 1 report.

The controls for ARC were designed with certain responsibilities required by the user entity (Complementary Customer Agency Controls in the SSAE 18 SOC 1 report). ARC's controls should be evaluated in conjunction with an assessment of the strength of the user controls. In order to conclude upon the design and operating effectiveness of internal controls for ARC, the current SSAE 18 SOC 1 report must be reviewed. This letter is not intended to be a substitute for the SSAE 18 SOC 1 report.

Sincerely,

Matthew J. Miller,
Deputy Commissioner,
Fiscal Accounting and Shared Services