

# Office of Inspector General

## **Audit Report**

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### **Electronic Funds Transfer**

### **Report No. 7-6-H-005-003**

**December 20, 1996**

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#### **Summary**

#### **Controls over Electronic Disbursements Need Improvement**

Internal controls for a new system to disburse disaster loans electronically were generally appropriate, but some required procedures had not been adopted. Disaster disbursements are being converted from the issuance of checks to electronic transfer in accordance with the Omnibus Consolidated Rescission and Appropriations Act of 1996.

An audit survey of the conversion found that improvements were needed relating to: certain physical security measures, separation of duties, documentation of certain EFT procedures, data protection (encryption), password renewal, dual controls for setting up new users, written procedures for rejected transmissions to Treasury, and the keeping of troubleshooting logs. The survey also found a need for a contingency plan for emergencies, computer security training, and a computer security recertification of the ODA's Automated Loan Control System.

The Associate Administrator for Disaster Assistance, who requested the survey, agreed to consider these issues in the overall development of a security plan involving the system.

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