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process does not include overseas allotments, transactions related to employee and annuitant compensation, and transactions under a certain dollar threshold. The Department has not formally established justification for excluding certain allotment overrides from its review process. Additionally, for the overrides that were reviewed, the Department did not adequately confirm whether the override was consistent with Department policy, including whether the allotment holder determined if sufficient funds were available and obtained approval from authorized officials. Overriding allotment controls could lead to a violation of the Antideficiency Act and increases the risk of fraud, misuse, and waste.

III. Validity and Accuracy of Unliquidated Obligations

Unliquidated obligations (ULO) represent the cumulative amount of orders, contracts, and other binding agreements for which the goods and services that were ordered have not been received or the goods and services have been received but for which payment has not yet been made. The Department's policies and procedures provide guidance related to the periodic review, analysis, and validation of the ULO balances posted to the general ledger. We identified a significant number of invalid ULOs that had not been identified by the Department's review process. The internal control structure was not operating effectively to comply with existing policy or facilitate the accurate reporting of ULO balances in the financial statements. The Department's internal controls were also not effective to ensure that ULOs were consistently and systematically evaluated for validity and deobligation. As a result of invalid ULOs identified by our audit, the Department adjusted its financial statements. In addition, funds that could have been used for other purposes may have remained in unneeded obligations. Weaknesses in controls over ULOs were initially reported in the audit of the Department's FY 1997 consolidated financial statements and subsequent audits.

IV. Information Technology

The Department's information systems and sensitive information rely on the confidentiality, integrity, and availability of the Department's comprehensive and interconnected information systems utilizing various technologies around the globe. Thus, it is critical that the Department manage information security risk effectively throughout the organization. The Department uses several financial management systems to compile information for financial reporting purposes. The Department's general support system, a component of its information security program, is the gateway for all of the Department's systems, including its financial management systems. Generally, control deficiencies noted in the information security program are inherited by the systems that reside in it.

In accordance with the Federal Information Security Modernization Act of 2014 (FISMA), the Office of Inspector General (OIG) is responsible for the audit of the Department's information security program. In the FY 2017 FISMA report,[1] OIG reported security weaknesses that significantly impacted the Department's information security program. Specifically, OIG reported weaknesses in all seven FY 2017 Inspector General FISMA metric domains, which

[1] OIG, *Audit of the Department of State Information Security Program* (AUD-IT-18-12, October 2017).