



OFFICE OF INSPECTOR GENERAL

MEMORANDUM

DATE: May 27, 2005

TO: Chairman

FROM: Inspector General

SUBJECT: Report on the Audit of the Integrated Spectrum Auctions System (ISAS)

The Office of Inspector General (OIG) has completed an Audit of the Integrated Spectrum Auctions System (ISAS) application of the Wireless Telecommunications Bureau (WTB). A copy of our Audit Report, entitled "Audit of the Integrated Spectrum Auctions System (ISAS)" (Audit Report No. 04-AUD-03-11), is attached. The objective of this audit was to assess and report upon the status of the Commission's development of the ISAS system with respect to the SDLC.

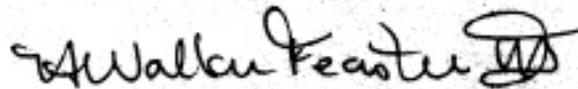
To accomplish the objectives of this audit, we contracted with the public accounting firm of KPMG, LLP (KPMG). Under our supervision, the KPMG audit team interviewed staff, reviewed documentation, and performed other tests deemed necessary. Finally, KPMG measured compliance of the ISAS project to the: (1) Commission's SDLC; (2) Computer security regulations such as FCC Instruction 1479.2, "Computer Security Program Directive"; and (3) Federal laws and regulations, including the Clinger-Cohen Act and Circular A-130.

Overall, we determined that the ISAS project is compliant with the requirements outlined in the FCC's SDLC methodology. However, the ISAS project is not compliant with the budget and cost provisions of the Clinger-Cohen Act and Circular A-130.

The audit identified (2) conditions. Appendix A, Detailed Findings and Observations, contains the detailed results both of our audit and information about the findings. Appendix B, Acronyms, list definitions of specialized terms used in the report.

On April 25, 2005, we provided a draft to the Acting Chief, WTB, for review and comments. On May 19, 2005, the Managing Director, OMD responded. The response indicated concurrence with the two (2) conditions identified in the report. We have included a copy of the response to

this report from OMD in its entirety as Appendix C, Management Response.



H. Walker Feaster III
Inspector General

Attachment

cc: Chief of Staff
Chief, Wireless Telecommunications Bureau
Spectrum Management Resources and Technologies (SMaRT), Division, WTB
Managing Director
AMD-PERM