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Password Management

How do you secure the logins and passwords to the numerous websites that every organization needs in order to conduct business these days? An Excel spreadsheet filed on your local drive? Google password saver? Post-it notes framing your monitor screen?



Not too long ago, the Huffington Post published an [article](#) about how anyone using your computer can see all your passwords stored in Chrome with just a few clicks.

Everyone knows about this risk and many of us have just ignored doing something about it. Luckily, there have been some good advances in technology that can help. You can do your own research on Google for password management systems. Most are inexpensive and completely secure. Of course, some have more bells and whistles than you might need. So do a little advance work first by asking yourself:

- How many logins will I be using?
- How many different (and secured) users will I need?
- What is my budget for this system?

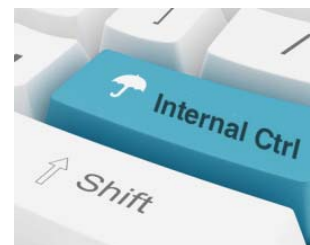
In evaluating the system, look for these features:

- Handles multiple users – each one separately secure
- Works on multiple devices
- App available for multiple devices
- Uses common browsers
- Import feature (for all those logins on your Excel sheet!)
- Ease of navigation
- Cost
- Reviewers' ratings of the system
- Secure backup and syncing features

Beware of “free” apps. Like Chrome, they may be easy to use, but security is the largest concern. Plus many of the free apps are embedded with annoying advertisements that can be avoided in purchased systems.

Internal Controls: What is Really Necessary?

As auditors, when we are investigating internal controls over a specific procedure, we ask our clients, “What controls are in place to prevent you committing this possible fraud?” Very commonly we receive the response, “My good ethical conduct!” It’s hard to argue that point, but that is NOT the correct answer.



There are three basic factors in the common fraud:

- Pressure – either perceived or real
- Rationalization – the feeling that the person is “owed” or “no one will notice”
- Opportunity

While an organization cannot do much about an individual’s pressure or rationalization, it has a deep responsibility to eliminate the opportunity to commit a fraud.

The first step in establishing good internal controls is to set the proper tone at the top. Take internal controls seriously. You've established them for a reason; adhere to them! Have the Audit Committee or other designee come in from time to time and review a few key controls.




In general, strong internal controls separate the custody of the asset from the recording of the asset. For example, someone who has custody of donor checks received in the mail should not be the same person who records the donations in the accounting system. Another example is that a person who has check signing authority should not have the ability to record the transaction in the accounting system.

Commonly, nonprofit organization leadership focuses on the efficiency of the process at hand, but does not always look at the procedure from a strong internal control standpoint. A simple way to add controls to any procedure is to add these characteristics:

- Define when and who is responsible for each part of the procedure
- Ensure there is no conflict of interest between the custody and the recording of the assets involved in the procedure
- Establish who will monitor this procedure periodically and report any findings to the appropriate level

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Should you have any questions about the content of anything in this newsletter, please contact us.

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