



UNITED STATES GOVERNMENT
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF INSPECTOR GENERAL

MEMORANDUM

DATE: July 31, 2015

TO: Bureau Chief, Wireline Competition Bureau
Deputy Bureau Chief, Wireline Competition Bureau

CC: Chief of Staff, Wireline Competition Bureau

FROM: Inspector General *DM for*

SUBJECT: Audit of the Federal Communication Commission (FCC) Wireline Competition Bureau (Audit Number AUD 13-12-29)

The Office of Inspector General (OIG) is providing the final report on their contracted Audit of the FCC Wireline Competition Bureau (WCB or the Bureau). Brown & Company Certified Public Accountants and Management Consultants, PLLC (Brown & Company), the OIG's contracted auditors, conducted this audit consistent with the OIG's authority under the Inspector General Act of 1978, as amended, including but not limited to sections 2(1)(2) and 4(a)(1). The audit is not intended as a substitute for any agency regulatory compliance review or regulatory compliance audit.

The objectives of the audit were to evaluate the:

1. effectiveness of the Bureau in accomplishing its assigned mission;
2. economy and efficiency of the Bureau in accomplishing its assigned mission; and
3. adequacy and effectiveness of the Bureau's policies and procedures.

Our audit was conducted from April 2, 2014 through January 30, 2015.

The audit found that improvements were needed in some areas. Specifically, the audit identified the following conditions:

1. The Bureau-specific risk assessments should be more comprehensive in order to mitigate the risks associated with Federal programs and operations.
2. WCB could benefit from documenting additional Bureau-specific internal control activities.
3. The Bureau needs to respond to the Universal Service Administrative Company's (USAC) request for guidance.
4. The Bureau has not addressed pending USAC audit appeals.

Management concurred with the audit conclusions and their response to the report was incorporated into the report in Appendix C. Brown & Company is wholly responsible for the attached report and the conclusions expressed therein.

This report contains FCC controlled unclassified information and is intended for internal use only by the FCC. Due to the sensitive nature of the information contained in this report, it has been marked "Non-Public for Internal Use Only." This report has a limited distribution, and those persons receiving it are requested not to photocopy or otherwise distribute it unless authorized by the OIG.

If you have any questions regarding the audit, please contact Sophila Jones, Deputy Assistant Inspector General for Audit at (202) 418-1655 or Robert McGriff Acting Assistant Inspector General for Audit at (202) 418-0483.

Attachment