



UNITED STATES GOVERNMENT  
FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF INSPECTOR GENERAL

## MEMORANDUM

**DATE:** November 7, 2017

**TO:** Chairman

**FROM:** Inspector General *for RM, AIGA*

**SUBJECT:** Audit of Federal Communications Commission's Implementation of the Digital Accountability and Transparency Act of 2014 (Project No. 17-AUD-08-04)

In accordance with Office of Management and Budget (OMB) guidance provided in OMB Bulletin 15-12, *Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable*, dated May 8, 2014, and the Digital Accountability and Transparency Act of 2014 (DATA Act), (Public Law 113-101),<sup>1</sup> the Federal Communications Commission (FCC) Office of Inspector General (OIG) submits the final FCC DATA Act Implementation report.

OIG contracted with Kearney & Company, P.C. (Kearney) to audit the FCC's fiscal year 2017 second quarter financial and award data submitted to Department of Treasury for publication on USAspending.gov. The audit was conducted in accordance *Government Auditing Standards*, 2011 Revision, issued by the Comptroller General of the United States. Those standards require that Kearney plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives.

Kearney found that the FCC's financial and award data submission was incomplete because it did not include transaction-level component spending data for the Universal Service Fund or the Telecommunications Relay Service fund. Kearney also found that FCC's spending data contained inaccuracies and did not meet quality requirements outlined by OMB. An incomplete submission and inaccurate data hinders the reliability of Federal data used to populate USAspending.gov. In the attached report, dated November 8, 2017, Kearney reported two findings and made six recommendations to the Senior Accountable Official assigned by the Office of the Managing Director to improve the FCC's DATA Act reporting.

The OIG monitored Kearney's performance throughout the audit and reviewed their report and related documentation. Kearney is wholly responsible for the attached auditor report and the conclusions expressed therein. Our review disclosed no instances where Kearney did not comply in all material respects with generally accepted government auditing standards.

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<sup>1</sup> The DATA Act, (Public Law 113-101), was enacted May 9, 2014, to expand the reporting requirements pursuant to the Federal Funding Accountability and Transparency Act of 2006.

Questions regarding this report may be directed to Robert McGriff, Assistant Inspector General for Audit, at (202) 418-0483 or [robert.mcgriff@fcc.gov](mailto:robert.mcgriff@fcc.gov); or Sophie Jones, Deputy Assistant Inspector General for Audit, at (202) 418-1655 or [sophila.jones@fcc.gov](mailto:sophila.jones@fcc.gov).

Attachment

cc: Managing Director  
Chief Financial Officer/Senior Accountable Official  
Chief of Staff  
Chief Procurement Executive  
Chief Information Officer