



UNITED STATES GOVERNMENT
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF INSPECTOR GENERAL

MEMORANDUM

DATE: November 8, 2019

TO: Chairman

FROM: Inspector General *For RM*

SUBJECT: Audit of Federal Communications Commission's Compliance with the Digital Accountability and Transparency Act of 2014 (Project No. 19-AUD-08-05)

In accordance with Office of Management and Budget (OMB) guidance 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), enacted May 9, 2014¹ the Federal Communications Commission (FCC) Office of Inspector General (OIG) submits the final Fiscal Year (FY) 2019 FCC DATA Act audit report.

OIG contracted with Kearney & Company, P.C. (Kearney) to audit the FCC's first quarter (Q1) FY 2019 spending data submitted under the DATA Act 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.

The audit was performed in accordance with the Council of the Inspectors General on Integrity and Efficiency's Federal Audit Executive Council *Inspectors General Guide to Compliance under the DATA Act*, which presents a common methodological and reporting approach for the Inspector General community to use to meet this mandated audit.

The objectives of this performance audit were to assess the completeness, accuracy, timeliness, and quality of the FCC's Q1 FY 2019 financial and spending data submitted for publication on USAspending.gov, in accordance with the DATA Act, and to assess the FCC's implementation of Government-wide data standards.

Kearney found that the FCC had implemented the Government-wide data standards and submitted the Q1 FY 2019 DATA Act submission to the U.S. Treasury in advance of the reporting deadline; however, the submission was incomplete. Specifically, the FCC did not submit transaction-level component spending data for the Universal Service Fund and the Telecommunications Relay Service fund.² Further, Kearney found that the financial and

¹ 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.

² The FCC is comprised of three reporting components. The primary component consists of the FCC headquarters and field offices. The two additional components are Universal Service Fund (USF) and the North American Numbering Plan (NANP).

spending data the FCC submitted in Q1 FY 2019 contained accuracy and timeliness errors. In the attached report, dated November 8, 2019, Kearney reported three findings and made five recommendations to FCC's Senior Accountable Official.

The OIG monitored Kearney's performance throughout the audit and reviewed their audit report and related documentation. Kearney is wholly responsible for the attached audit 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.

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

Attachment

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

The USF component reports the results of four support mechanisms: High Cost, Lifeline, Rural Health Care, and Schools and Libraries (the USF programs), and the Telecommunications Relay Service (TRS) Fund. The FCC's Office of General Counsel (OGC) issued a legal opinion on May 23, 2017, which concluded, "USF and TRS disbursements are likely Federal awards for purposes of Federal Funding Accountability and Transparency Act and should be reported, to the extent technically possible, to USAspending.gov."