



**Federal Election Commission**  
**Office of Inspector General**

**Final Report**

**Review of Outstanding  
Recommendations as of  
February 2016**

**March 2016**

**Assignment No. OIG-16-03**

# Office of Inspector General's Review of Outstanding Recommendations as of February 2016

The Office of Inspector General (OIG) semiannually provides to the Federal Election Commission (FEC) a report on the status of outstanding recommendations. The OIG provides these status reports as of February and August of each year.

For this reporting period, we continued our review of the previous 6 audits and inspections that were outstanding as of August 2015. The 6 previous assignments had a total of 79 outstanding recommendations. Based on management's progress in implementing corrective actions, the OIG was only able to close 1 of the 79 recommendations this reviewed period. (See table on page 2).

---

## Noteworthy Accomplishments

The Office of the Chief Financial Officer (OCFO) through the establishment of the FEC A-123 task force has made significant progress with addressing corrective actions needed to comply with the new Office of Management and Budget (OMB) A-123 guidance as outlined in the *Inspection of FEC's Compliance with FMFIA/OMB Circular A-123 Report*.

---

## OIG Concerns

With the agency's position to operate with two Co-Chief Privacy Officers (the Deputy Chief Information Officer (CIO) of Operations and Deputy General Counsel for Administration) to oversee the agency's privacy program, the OIG has not seen an improvement in resolving the agency's Privacy issues identified in our 2011 audit report. Many of the critical outstanding recommendations from the *2010 Follow-up Audit of Privacy and Data Protection* have not been implemented since the release of the report in March 2011, leaving the agency at high risk of not being current with required government privacy requirements, ensuring that proper privacy protocols and processes are enforced within the agency, and meeting deadlines for privacy reporting requirements.

## Table Summary of Results

The table below summarizes the progress made by FEC management since the OIG's last reporting period and the total outstanding recommendations as of February 2016.

<i>Title &amp; Report Date of OIG Audits/Inspection</i>	<i>Total Outstanding Recommendations as of August 2015</i>	<i>Total Closed and Verified by OIG</i>	<i>Total Open as of February 2016<sup>1</sup></i>
Audit of the Commission's Property Management Controls (3/2010)	1	0	1
2010 Follow-up Audit of Privacy and Data Protection (3/2011)	28	0	28
2010 Follow-up Audit of Procurement and Contract Management (6/2011)	2	1	1
Inspection of the FEC's Disaster Recovery Plan and Continuity of Operations Plans (1/2013)	29	0	29
Audit of the FEC's Office of Human Resources (7/2013)	11	0	11
Inspection of FEC's Compliance with FMFIA/OMB A-123 (6/2014)	8	0	8
<b>Total Outstanding Recommendations</b>			<b>78</b>

<sup>1</sup> Column numbers include recommendations that management has disagreed with or has not adequately implemented, and the OIG concludes that these recommendations are still open.

# Audit Follow-up Meetings/Communications

---

## Closed Audits/Inspections

The OIG did not close any audits or inspections this review period.

## Open Audits/Inspections

### A. Audit of the Commission's Property Management Controls

The remaining outstanding recommendation for the Property audit is related to the Office of the Chief Information Officer's (OCIO)<sup>2</sup> inventory records for cellular devices. According to the Acting Deputy CIO of Operations, OICO has started testing new iPhones to be distributed to FEC staff in fiscal year 2016. As the inventory records are expected to be updated to reflect the new devices, the OIG postponed the follow-up of the open recommendation for this review period to ensure the most current and relevant agency data is reviewed, and to accurately assess management's implementation of the OIG's recommendation.

### B. 2010 Follow-up Audit of Privacy and Data Protection

For the *2010 Follow-up Audit of Privacy and Data Protection*, the OIG's August 2015 report identified 28 open recommendations. For this review period, management provided the OIG with an updated Corrective Action Plan (CAP), noting that 16 of the 28 open recommendations had been closed. The OIG requested supporting documentation for the 16 recommendations to verify management's corrective actions. Management provided the OIG with documentation for 7 of the 16 items that were noted as closed. The OIG reviewed the supporting documentation, but required further explanation and information in order to conclude that the recommendations were properly implemented. Management has not yet provided the additional information to the OIG to complete our review. Therefore, all the recommendations remain open for this follow-up review period.

### C. 2010 Follow-up Audit of Procurement and Contract Management

The *2010 Follow-up Audit of Procurement and Contract Management* was issued in June 2011. The OIG's *Review of Outstanding Recommendations as of August 2015* report identified two open recommendations. In accordance with the OIG's follow-up review

---

<sup>2</sup> At the time of the original report, the OCIO was known by its former name, the Information Technology Division, or ITD.

process, in January 2016 the OIG contacted OCFO to determine if any corrective action had occurred for the two remaining outstanding recommendations. The OCFO submitted documentation and an explanation to support closing one of the recommendations. Based on the OIG's review, it was determined that the corrective action was sufficient to address and close the recommendation. As a result of follow-up performed, there is only one open audit recommendation for this follow-up review period.

#### **D. Inspection of the FEC's Disaster Recovery Plan and Continuity of Operations Plans**

The *Inspection of the FEC's Disaster Recovery Plan and Continuity of Operations Plans* (COOP) report was released in January 2013. One of the OIG's open recommendations, number 24, reads:

*“Develop and implement a COOP exercise plan. The functional exercise should include all COOPs points of contact and be facilitated by the system owner or responsible authority. Exercise procedures should be developed to include an element of system recovery from backup media.”*

The OCIO conducted its first test of the draft COOP plan in September 2015 to attempt to implement corrective action for recommendation 24. The OIG assessed the test plan and results provided by OCIO to determine if its test of the COOP was adequately executed to close the OIG's recommendation. The OIG's review determined:

- participation in the testing of the COOP was optional, rather than mandatory, for key COOP essential personnel;
- COOP testing assessments were derived from some people using their Dell laptops, which are not part of the COOP plan;
- all essential personnel had not been issued a tablet, preventing full participation in the COOP testing;
- testing results cannot be reliable for assessing if the agency has an effective COOP plan if all COOP personnel could not physically participate; and
- the COOP testing summary is not accurate in that it contains statements such as *“COOP personnel were able to log on to VPN without incident”* and *“VPN was able to handle the entire COOP team,”* but the supporting documentation shows that COOP personnel encountered issues with login and connectivity, and all COOP personnel could not be accounted for during testing (as stated in the bullets above).

Therefore, the OIG concluded that the testing conducted in September 2015, was not adequate to close recommendation 24 regarding testing the agency's COOP, and all 29 outstanding recommendations from the COOP report remain open.

## **E. Audit of the FEC's Office of Human Resources**

The *Audit of the Federal Election Commission's Office of Human Resources (OHR)* report was issued in July 2013. The OIG's *Review of Outstanding Recommendations as of August 2015* report identified 11 open recommendations for the OHR audit report.

In accordance with the OIG's follow-up review process, in January 2016 the OIG contacted the Director of OHR to initiate the follow-up process and to determine if any additional progress had been made on the 11 remaining audit recommendations. The Director of OHR, who started working for the FEC in September 2015, informed the OIG that OHR would not be able to provide follow-up status at this time due to competing priorities facing the OHR. Therefore, no follow-up work was completed by the OIG. The Director of OHR stated that the CAP will be updated to reflect current corrective actions planned/completed by the time the OHR is required to submit the next semiannual report to the Commission which is due in May 2016. As a result, the OHR audit still has 11 open audit recommendations for this follow-up review period.

## **F. Inspection of FEC's Compliance with FMFIA/OMB Circular A-123**

The *Inspection of FEC's Compliance with FMFIA/ OMB Circular A-123 (A-123 Inspection)* was released in June 2014. The OIG's *Review of Outstanding Recommendations as of August 2015* report identified eight open recommendations for the A-123 Inspection report. Although no open audit recommendations have been closed, OCFO has made significant progress to address the remaining audit recommendations. The FEC A-123 task force, which was created in September 2015, is in full effect and meets regularly. The purpose of the A-123 Task Force is to develop recommendations for implementing and/or revising FEC's internal control framework to comply with the new OMB A-123 guidance and the Government Accountability Office's (GAO) Green Book. Corrective actions include creating detailed procedures, templates, and training for the FY 2016 annual internal review process.

*OCFO created an A-123 task force to implement and maintain strong internal controls.*

The OIG cannot close any recommendations until the OMB issues its A-123 guidance in its final form, as only then can the OIG confirm that all corrective actions have been fully implemented and are in compliance with the new guidance. Therefore, all eight recommendations remain open for this follow-up review period.

## Background

---

As required by the Inspector General Act of 1978, as amended, the OIG is responsible for conducting audits of the FEC's programs and operations. In addition to conducting and supervising audits, the OIG also has the responsibility to conduct audit follow-ups to ensure that management has effectively implemented OIG recommendations. Audit follow-up, including the timely implementation of audit recommendations by FEC management, is required by Office of Management and Budget Circular A-50, *Audit Follow-up*, as revised, and FEC Directive 50: *Audit Follow-up*.

At the conclusion of each OIG audit and inspection, it is management's responsibility to develop a corrective action plan. The CAP identifies the plan management has developed to address the OIG's findings and recommendations. The CAP should detail the following:

1. assignment of Audit Follow-up Official, who is responsible for overseeing the corrective action;
2. OIG finding(s);
3. OIG recommendation(s);
4. detailed corrective action to implement the OIG's recommendation(s);
5. FEC staff person with responsibility to implement each task; and
6. expected completion dates.

Once management drafts the CAP, the OIG then reviews the CAP and provides comments to management regarding the sufficiency of their planned corrective actions to address the OIG's findings. Management reviews the OIG's comments, finalizes the CAP, and then provides the final CAP to the Commission with a courtesy copy to the OIG.

FEC Directive 50 requires management to:

*(3) Conduct regular meetings with the Inspector General throughout the year to follow-up on outstanding findings and recommendations, and include reports of these meetings in the written corrective action plan and semi-annual reports required to be presented to the Commission....;*

In order to work effectively with FEC management in adhering to FEC Directive 50, and to ensure continuous monitoring and adequate and timely audit resolution, the OIG communicates with management at least semiannually to discuss the status of outstanding OIG recommendations. If management has implemented any corrective action(s), the OIG schedules a meeting with management to discuss the implementation of the corrective action(s), and the OIG then reviews evidence of the corrective action (i.e., new/updated policies, procedures, and processes to improve internal controls).

To provide management with timely feedback and the results of our review prior to

management's reporting deadlines to the Commission in May and November, the OIG reports on our review of outstanding recommendations as of February and August of each year. The semiannual meetings are also intended to assist the audit follow-up official in following provisions 4 through 6 of Directive 50, which are listed as follows:

- (4) Respond in a timely manner to all audit reports;*
- (5) Engage in a good faith effort to resolve all disagreements; and*
- (6) Produce semi-annual reports that are submitted to the agency head.*

The official status (open/closed) of OIG recommendations is determined by the OIG once the OIG has verified that management has adequately implemented the corrective actions. The Inspector General can also make a decision to close recommendations or seek resolution from the Commission for recommendations where the OIG and management disagree. Lastly, the number of outstanding recommendations is also reported to the Commission and Congress in the OIG's Semiannual Reports to Congress.



# Federal Election Commission Office of Inspector General



## Fraud Hotline 202-694-1015

or toll free at 1-800-424-9530 (press 0; then dial 1015)

Fax us at 202-501-8134 or e-mail us at [oig@fec.gov](mailto:oig@fec.gov)

Visit or write to us at 999 E Street, N.W., Suite 940, Washington DC 20463

**Individuals including FEC and FEC contractor employees are encouraged to alert the OIG to fraud, waste, abuse, and mismanagement of agency programs and operations.** Individuals who contact the OIG can remain anonymous. However, persons who report allegations are encouraged to provide their contact information in the event additional questions arise as the OIG evaluates the allegations. Allegations with limited details or merit may be held in abeyance until further specific details are reported or obtained. Pursuant to the Inspector General Act of 1978, as amended, the Inspector General will not disclose the identity of an individual who provides information without the consent of that individual, unless the Inspector General determines that such disclosure is unavoidable during the course of an investigation. To learn more about the OIG, visit our Website at: <http://www.fec.gov/fecig/fecig.shtml>

**Together we can make a difference.**