

# Federal Election Commission

## Office *of the* Inspector General

### FY 2025 Work Plan

January 17, 2025



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## ***Introduction***

The Federal Election Commission (FEC) Office of the Inspector General (OIG) implements an annual work plan to ensure its resources are effectively and efficiently utilized throughout the performance year. We recognize that priorities and resources may shift throughout the performance year, but provide this plan as a baseline for our stakeholders.

We have divided the work plan into the following sections:

- Mandatory work and reporting;
- Discretionary audits, evaluations, and reviews;
- Internal projects; and
- Other planned work.

### **Standards for Work**

The professional standards that apply to an OIG project depend on the type of activity. OIG audits are subject to the *Generally Accepted Government Auditing Standards* issued by the Government Accountability Office (GAO), more commonly known as the Yellow Book. OIG evaluations are subject to the *Quality Standards for Inspection and Evaluation* issued by the Council of the Inspectors General on Integrity and Efficiency (CIGIE), known as the Blue Book. All OIG investigative activities are subject to CIGIE's *Quality Standards for Investigations*. Additionally, the OIG may also conduct other special reviews or oversight activities that are not technically audits, evaluations, or investigations. Those special reviews and oversight activities are conducted in accordance with CIGIE's *Quality Standards for Federal Offices of Inspector General* or other applicable Federal standards.

## *Annual Planning and Methodology*

The planning methodology adopted by the OIG is based on a formal risk assessment process, which this year was completed in August 2024. The purpose of the annual risk assessment is to better align OIG resources to areas that will provide the most value to the FEC.<sup>1</sup>

A risk assessment is a process to identify, assess, and report on opportunities and threats that affect the achievement of objectives. The risk assessment considers agency operations and performance data, employee interviews, agencywide surveys, and results of past work conducted by the OIG to identify agency risk and develop a risk-based approach to conducting audits, inspections, and evaluations. The OIG solicits feedback and ideas from stakeholders throughout the year and during the risk assessment through agencywide surveys.

The OIG identifies and assesses agency risks in accordance with GAO's *Standards for Internal Control* (known as the Green Book), the Office of Management and Budget's (OMB's) Circular A-123, and guidance issued by the American Institute of Certified Professional Accountants (AICPA) and the Institute of Internal Auditors (IIA).

The OIG's work plan is risk-based and designed to incorporate projects that will identify opportunities to improve economy, efficiency and effectiveness in FEC programs and operations, and detect and prevent fraud, waste, abuse and mismanagement. The following factors are considered when prioritizing project assignments:

- Mandatory work required by law or regulation;
- Issues identified by the President, Congress, and the Commission;
- Management needs identified through consultation with primary organization heads;
- Dollar magnitude of resources involved in the proposed area;
- A program's susceptibility to fraud, manipulation, or other irregularities;
- Changed conditions or sensitivity of a program or operation;
- The extent of outstanding issues resulting from prior oversight or review by the OIG or other external entity; and
- The adequacy of internal control systems in place for the program or other factors.

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<sup>1</sup> We note that while many agency programs do not meet the thresholds mandating an audit or other oversight work, such as the agency's charge card and travel card programs, the OIG consistently monitors and assesses the associated risks and conducts oversight of these programs as appropriate.

## ***Mandatory Work and Reporting***

The following mandatory work is planned for FY 2025:

### **Audit of the Federal Election Commission's FY 2025 Financial Statements**

In accordance with the Accountability of Tax Dollars Act of 2002, the FEC is required to prepare annual financial statements in accordance with OMB Circular A-136, Financial Reporting Requirements. The Chief Financial Officers Act of 1990, as amended, requires the FEC Inspector General or an independent external auditor selected by the Inspector General to audit the agency's financial statements.

An independent professional accounting firm, Brown & Company PLLC, conducted the FY 2024 Financial Statement Audit, and the FEC OIG anticipates using them for the FY 2025 Financial Statement Audit as well.<sup>2</sup> The OIG is responsible for, among other things, (1) reviewing the auditor's approach and planning of the audit; (2) evaluating the qualifications and independence of the auditors; (3) monitoring the work of the auditors; (4) examining audit documents and reports to ensure compliance with government auditing standards, and OMB Bulletin No.17-03, Audit Requirements for Federal Financial Statements; and (5) other procedures the OIG deems necessary to oversee the contract and audit.

### **Semiannual Reports to Congress**

In accordance with the Inspector General Act of 1978 (IG Act), the OIG prepares and submits semiannual reports to Congress summarizing the work completed for the reporting period. Semiannual reports summarize OIG activities during the immediately preceding six-month periods ending March 31 and September 30 of each year. As required by the IG Act, semiannual reports are provided to the Commission for comment prior to being delivered to Congress.

### **Management and Performance Challenges Facing the FEC for FY 2025**

In accordance with the Reports Consolidation Act of 2000, the OIG identifies the most serious management and performance challenges facing the Commission and provides a brief assessment of the Commission's progress in addressing those challenges. By statute, this report is required to be included in the FEC's FY 2025 Agency Financial Report.

### **Improper Payment Review**

The OIG is required to conduct an annual review of improper payments. The FY 2025 review will be performed in accordance with the Payment Integrity Information Act of 2019 (PIIA).<sup>3</sup> The PIIA requires each agency to periodically review all programs and activities that it administers, identify those susceptible to significant improper payments, estimate the amount of improper payments for those programs that are deemed susceptible to significant improper payments, and publish the accompanying information with the annual financial statement. The OIG is required to annually assess agency compliance with the PIIA and OMB M-18-20, as amended, and to report the results to Congress, the Comptroller General, and OMB.

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<sup>2</sup> The FY 2024 report is available at: [https://www.fec.gov/resources/cms-content/documents/FEC\\_Independent\\_Auditor\\_Report\\_for\\_FY\\_2023-24.pdf](https://www.fec.gov/resources/cms-content/documents/FEC_Independent_Auditor_Report_for_FY_2023-24.pdf)

<sup>3</sup> The PIIA supersedes the Improper Payments Information Act of 2002 (IPIA) and repeals the Improper Payments Elimination and Recovery Act of 2010 (IPERA).

## ***Discretionary Audits, Evaluations, and Reviews***

Below is a description of the potential discretionary audits, evaluations, and reviews that the FEC OIG will strive to undertake in FY 2025. Additional special projects/work assignments may be undertaken during FY 2025 based on FEC's needs, available OIG resources, and stakeholder input. Priorities may be adjusted to reflect emerging issues during the year.

We note that for FY 2025, the FEC is facing an unprecedented budgetary situation, and the OIG's ability to complete this work will depend heavily on availability of funds.

### **Audit of FEC's Information Security and Patch Management Programs (Ongoing)**

An independent professional accounting (IPA) firm, Brown & Company, PLLC, is conducting this audit engagement. The primary objective of the audit is to assess the operating effectiveness of FEC's system security patch and vulnerability management programs. The IPA will also determine if vulnerabilities are patched in a timely manner and/or if alternate mitigating controls are implemented and sufficient.

The OIG anticipates that this audit will be completed and a report issued during the third quarter of FY 2025.

### **Evaluation of FEC's Reporting on USASpending**

The OIG will evaluate the data reported by FEC on the USASpending website to determine its completeness, timeliness, accuracy, and overall quality. The goal is to ensure that the FEC's reported spending data provides transparency and accountability in federal spending. This review will identify any gaps or discrepancies in the data and recommend improvements to enhance the integrity of financial reporting.

### **Evaluation of FEC's Circular A-123 Internal Control and Risk Management Programs**

The OIG will evaluate the FEC's implementation of OMB Circular A-123 requirements. This will be a follow-up engagement to the *Inspection of FEC's Compliance with FMFIA/OMB Circular A-123* that was conducted in FY 2014 before the new OMB Circular A-123 guidance became effective in June 2016. The engagement will assess FEC's compliance with OMB Circular A-123 and determine the effectiveness of its internal control and Enterprise Risk Management (ERM) programs.

### **Pandemic Benefits Review**

For this project the OIG will work with CIGIE's Pandemic Response Accountability Committee (PRAC) and the U.S. Department of Labor (DOL) OIG to (1) identify whether any FEC staff improperly received pandemic benefits under the Small Business Administration's (SBA's) Economic Injury Disaster Loan Program, SBA's Paycheck Protection Program, or DOL's Unemployment Insurance Program during the COVID-19 pandemic, and (2) assess whether any FEC staff were the victims of identity theft by individuals defrauding these programs.

## ***Internal Projects***

The FEC OIG has the following internal projects planned for FY 2025:

### **Implementation of Project Management Software**

The OIG is currently in the process of implementing new Project Management Software. It is critical to have a project management system to ensure that the OIG continues to comply with the government audit and inspection standards, as well as maintain the necessary documentation to pass peer reviews. The information system will streamline the management of current FEC OIG engagements, including audits, evaluations, and other reviews, and provide a secure, efficient way to demonstrate that our quality assurance controls are operating effectively. Moreover, the new software will allow the OIG to more easily track the status and resolution of recommendations.

At the time of publication, the Project Management System has been created in a test environment. We are currently working with the vendor on configuration and customization to ensure that the system meets our specific needs. Once configuration is complete, we will create projects and conduct testing to verify the system functions as expected. After the system is fully operational, the OIG staff will receive training on its use.

### **Revision of the OIG Audit Manual**

GAO recently instituted important modifications to the *Generally Accepted Government Auditing Standards*, known as the Yellow Book, which go into effect in December 2025. One significant change is that the Yellow Book now requires each OIG to implement a defined Quality Management Program that must include a process for conducting internal risks assessments of OIG operations.

To ensure our audit manual is in compliance with these changes to the Yellow Book, this year the OIG will undertake a detailed review to identify and address necessary revisions. This project also provides the OIG the opportunity to ensure that any new processes adopted as a result of the implementation of the OIG's new Project Management Software are incorporated into the audit manual.

### **Drafting a New Strategic Plan**

The OIG's current Strategic Plan covers FY 2021 through FY 2025. Therefore, before the end of FY 2025, the OIG will reexamine its Strategic Plan and issue a new one for FY 2026 through FY 2030.

The OIG's current Strategic Plan identifies five goals and objectives:

1. Provide value-added support to FEC strategic operations and initiatives through independent oversight, including audits, special reviews, and investigations.
2. Foster trust and strengthen relationships with stakeholders to ensure effective collaboration towards improving FEC strategic operations and initiatives.
3. Maximize the OIG's organizational effectiveness by employing a high-performing, flexible, trusted, diverse, and engaged workforce.
4. Leverage modern technology to improve and expand OIG operations, validate data integrity, and improve transparency.
5. Promote a healthy work environment.

## *Other Planned Work*

### **Investigations**

The OIG's investigative program adds value to the agency's programs and operations by objectively investigating allegations of fraud, waste, abuse, misconduct, and mismanagement. The subject of an OIG investigation may range from any agency employee, FEC contractor, consultant, or a person or entity involved in alleged wrongdoing affecting FEC programs and operations. The OIG pursues facts related to allegations of wrongdoing to determine if a violation of law, regulation, or policy occurred. OIG investigations may address administrative, civil, and criminal violations and in some cases, investigative results may lead to administrative, civil, and criminal penalties and monetary recoveries. The OIG issues Reports of Investigation to the Commission reporting the conclusions of its investigations. Additionally, if operational concerns are identified during an investigation, the OIG will separately issue a public report with any associated recommendations.

The following investigative activities are planned for FY 2025:

#### *Manage Hotline Complaints and Investigation Caseload*

The OIG Hotline Portal provides a means for FEC employees, FEC contractors, and the public to communicate directly and confidentially with the OIG. The identities of complainants and witnesses are protected pursuant to the IG Act.

All allegations and referrals of fraud, waste, abuse, misconduct, and mismanagement involving FEC employees, contractors, agency programs, operations, and property, are termed "hotline complaints" per OIG policy. The OIG takes all complaints seriously; as such, we carefully analyze all complaint details to determine whether an investigation is warranted. Other courses of action may include, but are not limited to, a referral to management for action, referral to another existing program/process (e.g., FEC's Equal Employment Opportunity Office or Office of Human Resources), referral to another agency, referral to the audit or evaluation process, or closed and dismissed with no further action.

The OIG will continue to thoroughly analyze each complaint and respond accordingly. Additionally, we will continue to research and address with FEC outstanding recommendations from prior investigations until they are resolved.

#### *OIG Agency Training*

The OIG will continue to participate in the FEC new employee orientation program to educate all new employees about the mission of the OIG. Additionally, the OIG will provide at least one hybrid (in-person and virtual) training event for all FEC staff in FY 2025. We will continue to update and revise the OIG's website to better educate the public on our mission.

### **Peer Reviews**

As part of its statutory mission to ensure that OIGs meet professional standards, the Council of the Inspectors General on Integrity and Efficiency (CIGIE) coordinates peer reviews of each OIG's audit, inspection & evaluation, and investigations programs. Through the peer review process, an OIG's program activities are reviewed by another OIG to assess compliance with applicable federal standards.



In December 2024, the Farm Credit Administration OIG began a peer review of our investigations program. In September 2025, the Election Assistance Commission OIG is scheduled conduct a peer review of our audit program.<sup>4</sup>

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<sup>4</sup> The FEC OIG implemented its evaluations program in 2024 and will be required to undergo a peer review during the FY 2027-FY 2029 peer review cycle. For the FY 2023-FY 2025 investigations peer review cycle, we conducted a peer review of the Architect of the Capitol OIG's investigations program in FY 2023. For the FY 2023-FY 2025 audit peer review cycle, we conducted a peer review of the Federal Trade Commission OIG's audit program in FY 2024.

# Federal Election Commission

## Office *of the* Inspector General



## REPORT FRAUD, WASTE, & ABUSE

### OIG Hotline Portal



**<https://fecoig.ains.com>**

\*Also accessible via: **<http://www.fec.gov/oig>**

### OIG Hotline Phone



**202-694-1015**

\* Available from 9:00 a.m. to 5:00 p.m. Eastern Standard Time, Monday through Friday, excluding federal holidays.

Or you may call toll free at 1-800-424-9530 (press 0; then dial 1015). You may also file a complaint by completing the Hotline Complaint Form (<http://www.fec.gov/oig>) and mailing it to: 1050 First Street, N.E., Suite 1010, 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/oig>

**Together we can make a difference!**