

FCC OIG'S HIGHLIGHTS

Information Technology (IT) and Operational Technology (OT) Asset Management Evaluation Report

Background

Office of Management and Budget Memorandum (OMB) M-24-04, FY 2024 Guidance on Federal Information Security and Privacy Management Requirements, mandates that each agency have a clear understanding of the devices connected to its information systems to gauge cybersecurity risks to its mission and operations. These devices include IT, Internet of Things (IoT), and OT assets.

IT assets consist of any hardware, software, and digital resources that an organization uses or owns. This includes physical items like computers, servers, and networking equipment, as well as digital assets such as software licenses, cloud subscriptions, and data.

IoT assets consist of devices that have at least one transducer for interacting directly with the physical world and at least one network interface for interfacing with the digital world.

OT assets consist of interconnected devices that interact with the physical world (i.e., building maintenance systems and environmental sensors).

Overview

FCC OIG initiated this evaluation to:

- Determine if FCC's key processes and internal controls for identifying, tracking, prioritizing and reporting IT and OT hardware and software assets were effective,
- Validate whether FCC assets met the OMB M-24-04 definitions of IT and OT assets, and
- Validate that the processes and controls in place for these hardware/software and OT assets were in compliance with federal laws, regulations and guidelines related to inventory asset management, continuous monitoring, asset discovery, vulnerability scanning, continuous diagnostic mitigation, and licensing.

FCC OIG contracted with Kearney & Company, P.C. (Kearney), which performed the evaluation in accordance with the Council of Inspectors General on Integrity and Efficiency (CIGIE) Quality Standards for Inspection and Evaluation. These standards provide OIGs with a flexible and effective mechanism for oversight and empowers inspection, evaluation, and multidisciplinary staff to produce timely, credible reports to improve agency operations. Kearney is wholly responsible for the evaluation report and the conclusions expressed therein. FCC OIG monitored Kearney's performance throughout the evaluation and reviewed related documentation. Our review disclosed no instances where Kearney did not comply in all material respects with CIGIE's quality standards.

Results in Brief

Kearney concluded that FCC had effective processes and controls in place for continuous monitoring, vulnerability scanning and continuous diagnostic mitigation. However, Kearney found that processes and controls for asset discovery, licensing, and inventory asset management could be improved. Specifically, processes and controls in place during FY 2024 for identifying, tracking, prioritizing, and reporting IT and OT hardware and software assets were insufficient and not always in compliance with Federal laws, regulations, and guidelines.

Kearney issued three findings pertaining to:

1. Ineffective Network Access Controls for Unauthorized Assets (*Asset Discovery*)
2. Inadequate Software License Management (*Licensing*)
3. Inadequate Management of Unsupported Software Processes (*Inventory Asset Management*)

Recommendations

The evaluation offered three recommendations which, if implemented, will aid FCC in operating more effective IT and OT asset management controls. FCC stated it will work to resolve the evaluation findings through enhancements of the Commission's IT posture.