



**FEDERAL COMMUNICATIONS COMMISSION**

**OFFICE OF INSPECTOR GENERAL**

**OFFICE OF AUDITS**

**Work Plan for  
Calendar Years 2024 and 2025**



**As of March 4, 2024**

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## Message from the Assistant Inspector General for Audits

I am pleased to present the Federal Communications Commission (FCC) Office of Inspector General (OIG) Office of Audits Work Plan for calendar years (CY) 2024 and 2025. We prepared this workplan to document our determination of audits, inspections, evaluations, and other reviews that would provide impactful oversight of FCC programs. The work plan includes projects we plan to complete or initiate in CY 2024 and 2025.

During the spring of 2023, the Office of Audits (OA) underwent a reorganization. We restructured the dedicated Universal Service Fund (USF) audit division and the division that handled mandates and all other FCC program areas into two audit divisions that each handle mandates, USF, and other FCC programs. OA now consists of the following three divisions: the Financial and Program Audit Division (FPAD), the Information Technology and Program Audit Division (IPAD), and the Quality Assurance and Policy Audit Division (QPAD). We believe the new organizational structure will give us the agility we need to better respond to the challenges that face the FCC and its components.

We developed our first OA mission statement to help the teams identify and focus on our collective purpose. The mission of OA is to conduct audits, inspections, and evaluations to assess the integrity, efficiency, and effectiveness of the programs administered by the FCC and its components. The results of the work we perform assist the FCC in providing reasonable assurance and promoting accountability and transparency for the agency's operations and programs. We believe our work plan fully supports the OA mission and the OIG mission, which is to detect and prevent fraud, waste, abuse, and violations of law; and to promote economy, efficiency, and effectiveness in the operations of the FCC.

Finally, we modified our planning process for the calendar years 2024-2025 planning cycle to ensure a more uniform planning approach for OA. All divisions utilized the same audit planning guidelines and templates in considering risks to major FCC programs that may prevent the FCC from achieving strategic goals and objectives.

This work plan considers the mandatory audits, inspections, and evaluations required by law or regulation. The work plan also considers the resources required for mandatory internal OIG peer reviews and external peer reviews of other federal agencies. After resources are committed to these mandatory projects, the remaining resources will be allocated to the discretionary projects included in this work plan that have been ranked using a risk-based approach. This work plan is subject to change as a result of unanticipated work that may come from new legislative mandates, congressional, FCC, Office of Management and Budget (OMB), Government Accountability Office (GAO) requests, and emerging programmatic issues or allegations of fraud, waste, and abuse from various sources.

*Sophila Jones*

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Assistant Inspector General for Audits  
Federal Communications Commission



## Projects at a Glance



### Mandated Projects for CY 2024-2025

- Audit of FCC Consolidated Financial Statements
- Audit of Compliance with Payment Integrity Information Act
- Federal Information Security Modernization Act (FISMA) Evaluation

### Ongoing Projects from CY 2023 and prior periods

- Fiscal Year (FY) 2022 Audit of the Federal Communications Commission's Compliance with the Affordable Connectivity Program (ACP) (Project No. 23-AUD-01-04) (Mandated)
- FY 2021 Privacy and Data Protection Inspection (Project No. 21-INSP-10-01) (Mandated)
- USAC's Oversight USF Contributions Process Audit (Project No. 23-AUD-05-01)
- FY 2019 & 2020 Audit of New River Valley Community Services (Project No. 23-A-02-01)
- FY 2019 & 2020 Audit of Mt. Rogers Community Services (Project No. 23-AUD-02-02)

### Planned Discretionary projects for CY 2024-2025

- Audit of USF Lifeline Outreach
- Audit of Supply Chain Reimbursement Program (SCRCP)
- Review of FCC's Remediation of Data Act Audit Findings
- Audit of FCC's Fraud Risk Management in the Affordable Connectivity Program
- Audit of FCC's Broadband Data Collection (BDC) Program
- Audit of FCC's Implementation of Personal Identity Verification (PIV) Card Access Controls
- Audit of Universal Service Administration Company (USAC's) Administration of the Rural Health Care (RHC) Program
- Inspection of Licensing Processes and Controls for Commission Registration System (CORES) and Universal Licensing System (ULS)
- Audit of High-Cost Universal Broadband (HUBB) Portal Data
- FY 2024 Information Technology (IT) and Operational Technology (OT) Asset Management



# CY 2024 and 2025 Projects with Related Management Challenges and FCC Strategic Goals and Objectives

Below you will find planned and ongoing projects presented in FCC OIG’s CY 2024-2025 Audit Plan with the related management challenges and FCC strategic goals. Not all mandated projects have a related [management challenge](#) or [FCC strategic goal and objective](#) .

Related Work Plan Projects	Management Challenge(s)	Strategic Goal(s) & Objective(s)
<b>Mandated Projects</b>		
Audit of the FCC FY 2024 and 2025 Consolidated Financial Statements (Mandated)		Strategic Goal 6: Foster Operational Excellence
FY 2023 and 2024 Audit of Compliance with Payment Integrity Information Act (PIIA) (Mandated)	Ensuring that the Commission is compliant with the requirements of PIIA is considered a significant management challenge.	Strategic Goal 6: Foster Operational Excellence
FY 2024 and 2025 Federal Information Security Modernization Act of 2014 Evaluation (Mandated)	<p>Information Security</p> <p>Demonstrating compliance with FISMA legislation, OMB memoranda and other applicable guidance continues to be a significant challenge. The most significant areas impacting FISMA compliance include: the cybersecurity Identity and Access Management domain, Risk Management, and Information Security Continuous Monitoring. Management should prioritize OIG recommendations in all these areas to limit the risk of unauthorized access and to ensure consistent governance and compliance.</p> <p>Further, the Commission’s reliance on roughly 40 legacy systems increases the risks of exposure to security threats, as many legacy systems lack patch updates or supported technology and may not be in compliance with changing standards.</p>	Strategic Goal 6: Foster Operational Excellence
<b>Ongoing Projects</b>		
FY 2022 Audit of the FCC’s Compliance with the Affordable Connectivity Program (Project No. 23-AUD-01-04) (Mandated)	<p>Affordable Connectivity Program</p> <p>The FCC must continue to devote significant resources to monitor the ACP over the long-term to ensure that program service providers comply with program requirements.</p> <p>The ACP faces critical challenges, including issues with subscriber eligibility verification, unauthorized benefit transfers, and inaccuracies in enrollment data. Vulnerabilities in the manual review process and potential abuses in the Alternative Verification Process further complicate compliance efforts.</p>	Strategic Goal 1: Pursue a “100 Percent” Broadband Policy
FY 2021 Privacy and Data Protection Inspection (Project No. 21-INSP-10-01) (Mandated)		<p>Strategic Goal 6: Foster Operational Excellence.</p> <p>Strategic Objective 6.2</p>
Universal Service Administrative Company’s (USAC) Oversight USF Contributions Process Audit (Project No. 23-AUD-05-01)	<p>Universal Service Fund Contributions Reform</p> <p>Contribution reform is needed because, although the marketplace has shifted to new services and new technologies, businesses are not required to finance the</p>	<p>Strategic Goal 1: Closing the Digital Divide</p> <p>Strategic Goal 3: Public Health</p>





	USF based on revenues from these new sources. Only revenues from interstate and international telecommunications services and certain other telecommunications are subject to assessment. The telecommunications companies providing these services include wireline phone companies, wireless phone companies, paging service companies, and certain Voice over Internet Protocol (VoIP) providers. Reforming USF contributions remains a significant management challenge.	Strategic Objective 3.1
Fiscal Year 2019 & 2020 RHC Beneficiary Audits of New River Valley Community Services (Project No. 23-A-02-01) and Mt. Rogers Community Services (Project No. 23-AUD-02-02)	USF Rural Health Care (RHC) Program Competitive Bidding  Diligent agency enforcement of both the newer rules and the existing rules for the RHC competitive bidding process, as well as general oversight of the program, remain a significant management challenge.	Strategic Goal 6: Foster Operational Excellence
Fiscal Year 2019 & 2020 Audit of Mt. Rogers Community Services (Project No. 23-AUD-02-02)	USF Rural Health Care (RHC) Program Competitive Bidding  Diligent agency enforcement of both the newer rules and the existing rules for the RHC competitive bidding process, as well as general oversight of the program, remain a significant management challenge.	
<b>Planned Discretionary Projects</b>		
Audit of USF Lifeline Outreach	The Lifeline Program is currently facing the following challenges: <ul style="list-style-type: none"> <li>• Program Integrity</li> <li>• Low participation rates</li> <li>• Intersecting benefits with the FCC's Affordable Connectivity Program</li> <li>• Halted plans to phase out subsidies for voice-only services.</li> </ul>	Strategic Goal 1: Pursue a "100 Percent" Broadband Policy
Audit of Supply Chain Reimbursement Program	Ensuring available SCRP program funds are allocated equitably, determining whether an extended disbursement process is managed properly, and ensuring that the execution and implementation of the program are monitored appropriately, are significant, emerging management challenges to the FCC.  Other challenges are (1) determining whether the cost is typically incurred when transitioning from covered communications equipment or services to a replacement, comparing the cost relative to alternative equipment and services, and (2) comparing the capabilities and functions performed by the replacement equipment and services to determine whether they are comparable to the equipment and services removed.	Strategic Goal 4: Enhance Public Safety and National Security
Review of FCC's Remediation of the Digital Accountability and Transparency (DATA) Act Audit Findings	The FCC continues to face significant challenges in implementing the requirements of the DATA Act. Specifically, the FCC has not submitted transaction-level Telecommunications Relay Services (TRS) fund component spending data for three consecutive audit cycles. Additionally, although the FCC submitted USF spending data in 2020, it did not comply with the DATA Act requirements because of significant deficiencies in the quality of the reported data.	Strategic Goal 1: Empower Consumers
Audit of FCC's fraud risk management of the ACP	Affordable Connectivity Program  The FCC must continue to devote significant resources to monitor the ACP over the long-term to ensure program service providers comply with program requirements.	Strategic Goal 1: Pursue a "100 Percent" Broadband Policy



	The ACP faces significant challenges, including issues with subscriber eligibility verification, unauthorized benefit transfers, and inaccuracies in enrollment data. Vulnerabilities in the manual review process and potential abuses in Alternative Verification Processes further complicate compliance efforts.	
Audit of FCC's Broadband Data Collection Program — Mapping Deployment (High-Cost program)	Inaccurate broadband deployment data is a management challenge with potentially large ramifications to the allocation of Broadband Equity, Access, and Deployment (BEAD) program funding to foster build-out in underserved areas to further bridge the digital divide. Challenges include: 1) outdated geolocation data used to develop the Broadband Location Fabric (Fabric) 2) the reliability of accurate provider-reported data 3) the Commission's Challenge process	Strategic Goal 1: Pursue a "100 percent" Broadband Policy Strategic Objectives 1.1, 1.2, 1.4  Strategic Goal 3: Empower Consumers  Performance Goal 3.1.3
Audit of FCC's Implementation of Personal Identity Verification (PIV) Card Access Controls	The most significant areas impacting FISMA compliance include: the cybersecurity Identity and Access Management domain, Risk Management, and Information Security Continuous Monitoring. Management should prioritize OIG recommendations in all these areas, to limit the risk of unauthorized access and to ensure consistent governance and compliance.	Strategic Goal 6: Foster Operational Excellence  Strategic Objective 6.2  Performance Goal 6.2.1, 6.2.2, and 6.2.3
Audit of USAC's Administration of the RHC Program	USF Rural Health Care Program Competitive Bidding  Diligent agency enforcement of both the newer rules and the existing rules for the RHC competitive bidding process, as well as general oversight of the program, remain significant management challenges.	Strategic Goal 6: Foster Operational Excellence  Strategic Objective 6.3
Inspection of Licensing Processes and Controls for Commission Registration System (CORES) and Universal Licensing System		Strategic Goal 5: Advance America's global competitiveness  Performance Goals 5.1.2, 5.1.3, and 5.1.4  Strategic Goal 6: Foster Operational Excellence  Strategic Objective 6.1.1  Performance Goal 6.2.2
Audit of High-Cost Universal Broadband (HUBB) Portal Data	Continued significant challenges in the High-Cost Program include ensuring that the FCC and USAC are: 1) implementing funding reforms specific to carriers 2) managing fraud risks for the High-Cost program in accordance with leading practices 3) ensuring program funds paid to Eligible Telecommunications Carriers (ETCs) do not replace or duplicate other funding sources 4) monitoring the ETCs' progress on a timely basis to ensure that broadband build-out milestones are being met.	Strategic Goal 1: Pursue a "100 Percent" Broadband Policy
FY 2024 Information Technology and Operational Technology Asset Management	The Commission's reliance on roughly 40 legacy systems increases the risks of exposures to security threats, since many legacy systems lack patch updates or supported technology and may not be in compliance with changing standards. Until the Commission has developed a focused approach to strengthening the controls in all of these areas, demonstrating compliance with FISMA legislation, OMB memoranda and other applicable guidance will continue to be a significant challenge moving forward.	Strategic Goal 4: Enhance Public Safety and National Security Performance Goals 4.2.2, 4.2.3, 4.3.2  Strategic Goal 6: Foster Operational Excellence  Performance Goal 6.2.2



## Ongoing projects from CY 2023 and prior periods



### **FY 2022 Audit of the Federal Communications Commission’s Compliance with the Affordable Connectivity Program (Project No. 23-AUD-01-04) (Mandated)**

As required by the Infrastructure Investment and Jobs Act (IIJA), OIG engaged a contractor to audit the FCC’s implementation of ACP. The overall objective of the audit is to determine if the FCC implemented the ACP in accordance with the requirements of the IIJA.

### **FY 2021 Privacy and Data Protection Inspection (Project No. 21-INSP-10-01) (Mandated)**

The objective of this inspection is to determine whether the FCC has implemented effective privacy and data protection policies and procedures in accordance with applicable federal laws, regulations, and policies, with a focus on the FCC’s implementation of the nine requirements identified in 42 USC § 2000ee-2, Privacy and Data Protection Policies and Procedures.

### **USAC’s Oversight USF Contributions Process Audit (Project No. 23-AUD-05-01)**

The objective of this audit is to evaluate whether the internal controls over the USF payment process via the E-file system are effective, timely, and include all providers of telecommunications required to make contributions per FCC and USAC guidelines.

### **FY 2019 & 2020 Audit of New River Valley Community Services (Project No. 23-A-02-01)**

The objective of this performance audit is to determine whether New River Valley Community Services complied with 47 CFR §§ 54.601 - 54.607, 54.619 - 54.633. Additionally, the audit evaluates the beneficiary's compliance with FCC rules and orders for RHC providers relevant to the audit objective.

### **FY 2019 & 2020 Audit of Mt. Rogers Community Services (Project No. 23-AUD-02-02)**

The objective of this performance audit is to determine whether Mt. Rogers Community Services complied with 47 CFR §§ 54.601-54.607, 54.619-54.633. Additionally, the audit evaluates the beneficiary's compliance with FCC rules and orders for RHC providers relevant to the audit objective.





## Planned discretionary projects for CY 2024 – 2025



### Audit of USF Lifeline Outreach

The audit of USF Lifeline Outreach will determine whether the outreach efforts for the Lifeline program effectively raise awareness of the program to promote enrollment among eligible low-income consumers.

An audit in this area could identify causes for the low participation rate and provide recommendations for improving outreach and enhancing program management to increase enrollment rates among eligible low-income demographics, ensuring that appropriated Lifeline funds are fully disbursed as intended to close the digital divide.

### Audit of Supply Chain Reimbursement Program

The audit will determine whether Supply Chain Reimbursement Program (SCRCP) funds were spent appropriately to replace communications equipment and services that pose a threat to the nation’s communications network and related supply chain.

This is a new FCC program, with a \$1.9 billion budget. The demand for the program exceeded the \$1.9 billion budget and the program is expected to have a relatively short turnaround. Expedited execution of federal programs with a material budget has a higher risk of fraud, waste, and abuse of funds. Since this is the first audit engagement for the SCRCP, we would like to test the key controls with the highest risk of noncompliance to reduce fraud, abuse, or waste within the program. Audit results may serve as a foundation for planning future audits of similar programs.

### Review of FCC’s Remediation of DATA Act Audit Findings

The review of FCC’s remediation of DATA Act audit findings will determine whether the FCC adequately addressed prior year audit findings regarding compliance with the DATA Act of 2014.

The purpose of this engagement is to evaluate whether the FCC implemented its corrective action plans to remediate DATA Act reporting issues noted in the fiscal year



2021 audit. Remediation of the outstanding audit issues will improve the quality of FCC's data accessible to the American people.

### **Audit of FCC's Fraud Risk Management in the Affordable Connectivity Program**

The audit of FCC's fraud risk management in the Affordable Connectivity Program will examine the extent to which the FCC has implemented leading fraud risk management practices for the ACP.

The purpose of this audit is to examine this program that provides over \$14 billion in federal funds for discounted broadband services and 1) to ensure effective fraud controls; 2) monitor raised concerns about integrity and fraud risks in ACP's rapid enrollment growth; and 3) monitor prior GAO audit identified deficiencies in the FCC's fraud management practices.

### **Audit of FCC's Broadband Data Collection Program — Mapping Deployment**

The audit of FCC Broadband Data Collection Program — Mapping Deployment will assess FCC's BDC efforts to determine program effectiveness.

### **Audit of FCC's Implementation of Personal Identity Verification Card Access Controls**

The audit of FCC's Implementation of PIV Card Access Controls will determine whether FCC implemented personal identity verification card access controls in accordance with federal requirements and effectively secures access to FCC assets.

### **Audit of USAC's Administration of the Rural Health Care (RHC) Program**

The audit of USAC's administration of the RHC Program will determine whether USAC is administering the RHC program in accordance with 47 CFR § 54, as it relates to: 1) determining eligibility of Health Care Providers to participate in the RHC program; 2) ensuring beneficiaries conduct a fair and open competitive bidding process; and 3) approving and processing payment of RHC program invoices.

### **Inspection of Licensing Processes and Controls for CORES and ULS**

The inspection of Licensing Processes and Controls for Commission Registration System and Universal Licensing System will determine if the FCC has sufficient internal controls to handle licensing applications processed within CORES and ULS licensing systems, including the IT environment and risks.



## **Audit of High-Cost Universal Broadband Portal Data**

The audit of the HUBB portal data will determine the appropriateness of USAC's verification reviews of carriers participating in the Connect America Fund (CAF) programs with defined broadband deployment obligations. The audit will also determine the appropriateness of USAC's performance measures testing of carriers' speed and latency to ensure compliance with the FCC's Performance Measures Testing Framework.

## **FY 2024 Information Technology and Operational Technology Asset Management**

The review of the IT and OT Asset Management Evaluation is to determine if the FCC's processes and internal controls for managing hardware and software are effective. The evaluation will assess asset management processes and controls for IT assets such as servers, workstations, routers, switches, firewalls, intrusion detection systems and mobile devices and OT assets, such as programmable systems and other devices, connected to the FCC network at various locations.



## Abbreviations & Acronyms

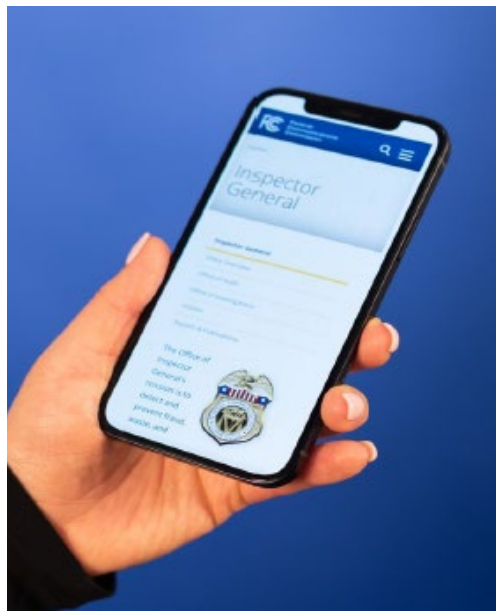
ACP	Affordable Connectivity Program
BDC	Broadband Data Collection
BEAD	Broadband Equity, Access, and Deployment
CFR	Code of Federal Regulations
CGB	Consumer & Governmental Affairs Bureau
CORES	Commission Registration System
CY	Calendar Year
DATA	Digital Accountability and Transparency Act of 2014
ETC	Eligible Telecommunications Carriers
Fabric	Broadband Serviceable Location Fabric
FCC	Federal Communications Commission
FISMA	Federal Information Security Modernization Act of 2014
FPAD	Financial and Program Audit Division
FY	Fiscal Year
GAO	Government Accountability Office
HUBB	High Cost Universal Broadband
IPAD	IT and Program Audit Division
IT	Information Technology
OA	Office of Audits
OIG	Office of Inspector General
OMB	Office of Management and Budget
OT	Operational Technology
PIIA	Payment Integrity Information Act
PIV	Personal Identity Verification
QPAD	Quality Assurance, Policy and Audit Division
RHC	Rural Health Care
SCRIP	Supply Chain Reimbursement Program/Secure and Trusted Network
TRS	Telecommunications Relay Services
USC	United States Code
ULS	Universal Licensing System
USAC	Universal Service Administrative Company
USF	Universal Service Fund
VoIP	Voice over Internet Protocol



## Office of Inspector General Hotline

The FCC OIG maintains a Hotline to facilitate the reporting of allegations of fraud, waste, abuse, mismanagement, or misconduct in FCC programs or operations. Commission employees and concerned citizens are encouraged to report such allegations. OIG's Hotline is available 24 hours a day, seven days a week, via a recorded messaging system.

Consumers who have general questions, consumer complaints, or issues not related to fraud, waste, and abuse, should contact the FCC's Consumer & Governmental Affairs Bureau (CGB) at [www.fcc.gov/cgb](http://www.fcc.gov/cgb), or contact the FCC's Consumer Center by calling 1-888-CALL-FCC (1-888-225-5322) voice or 1-888-TELL-FCC (1-888-835-5322).



**Report fraud, waste, and abuse**

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Call Hotline: 202-418-0473

Toll free: 888-863-2244

**Whistleblower Disclosure Hotline**

800-872-9855 or [info@osc.gov](mailto:info@osc.gov)

FCC OIG: [WPC@fcc.gov](mailto:WPC@fcc.gov)

