

Federal Election Commission
Office *of the* Inspector General

FY 2021 Work Plan

October 8, 2020



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Message from the Inspector General

It is with great pleasure that I present the Federal Election Commission (FEC) Office of Inspector General (OIG) Fiscal Year (FY) 2021 Annual Work Plan. This work plan was developed based on the results of the OIG annual risk assessment and staff planning sessions.

This plan provides the OIG's formal strategy for identifying and prioritizing issues and managing its workload and resources for FY 2021. Successful execution of this plan will enable the OIG to provide high quality work products to its stakeholders and assist the FEC to ensure its resources are expended in a responsible and reasonable manner.

In accordance with the Inspector General Act of 1978, as amended (IG Act), OIG's are required to report to Congress, as applicable, results of any peer reviews it received or conducted during the reporting period. Peer reviews are required for OIG audit operations, are voluntary for investigative operations, and are scheduled on three-year cycles. The FEC OIG was scheduled for an audit peer review in FY 2020 but due to the coronavirus (COVID-19) pandemic, the review was extended to the end of the 2020 calendar year. Additionally, the FEC OIG is scheduled to conduct an audit and investigative peer review in FY 2021.

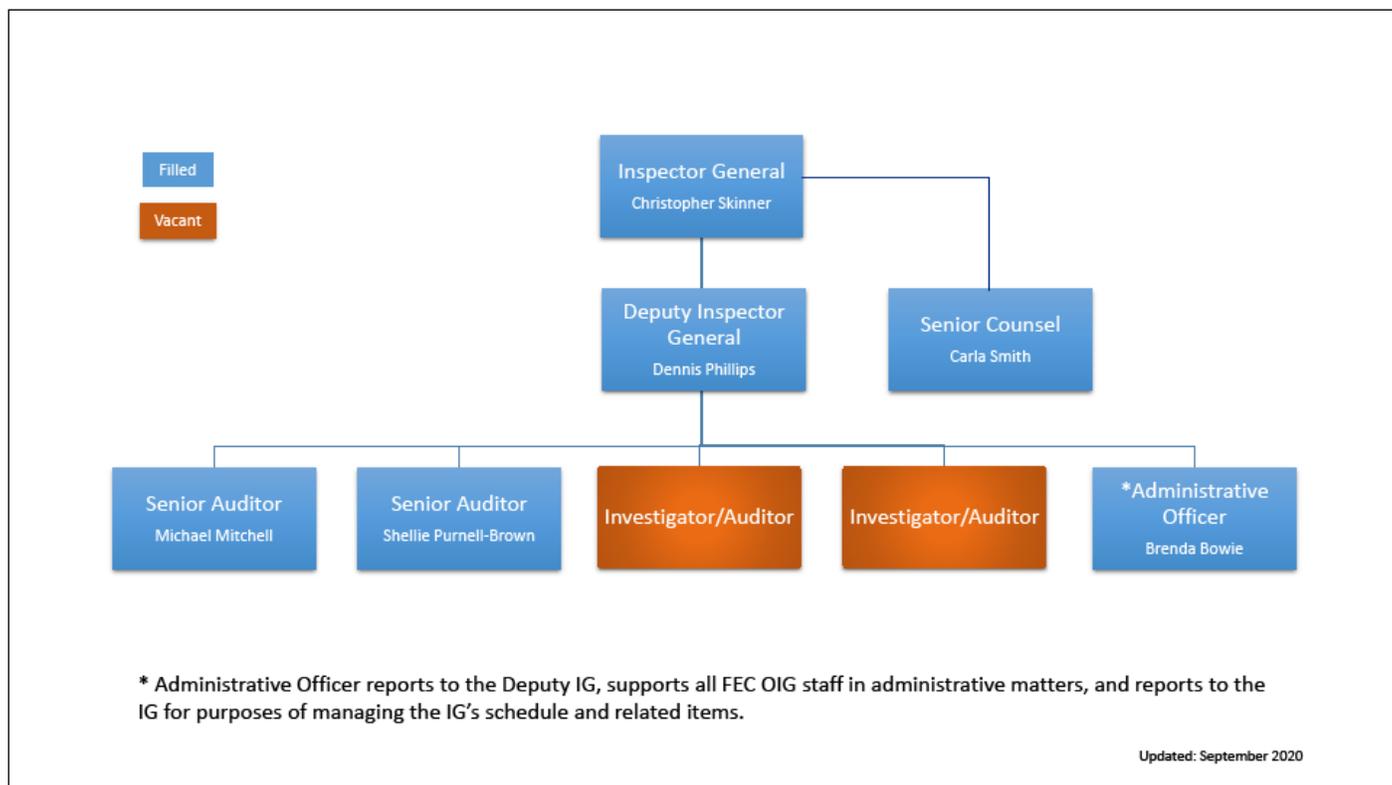
The OIG audit and investigative program accomplished much of the work it had planned in FY 2020, which included conducting value added audits and reviews, responding to hotline complaints, investigating allegations of wrongdoing, and implementing an electronic case management system (CMS) and hotline portal to better manage the OIG's hotline service. In FY 2021, we plan to conduct four audits/special review projects as well as respond to hotline complaints and investigate allegations of wrongdoing.

Going forward, the FEC OIG remains committed to conducting audits and special reviews to strengthen the agency's internal controls, addressing hotline complaints, resolving outstanding audit recommendations, and ensuring that the FEC and OIG programs evince a high level of integrity, which is fundamental to who we are as an agency. Additionally, the OIG is dedicated to improving and streamlining its internal processes to improve the overall support to the agency. I look forward to a successful year of providing the highest quality support and service to all OIG stakeholders.

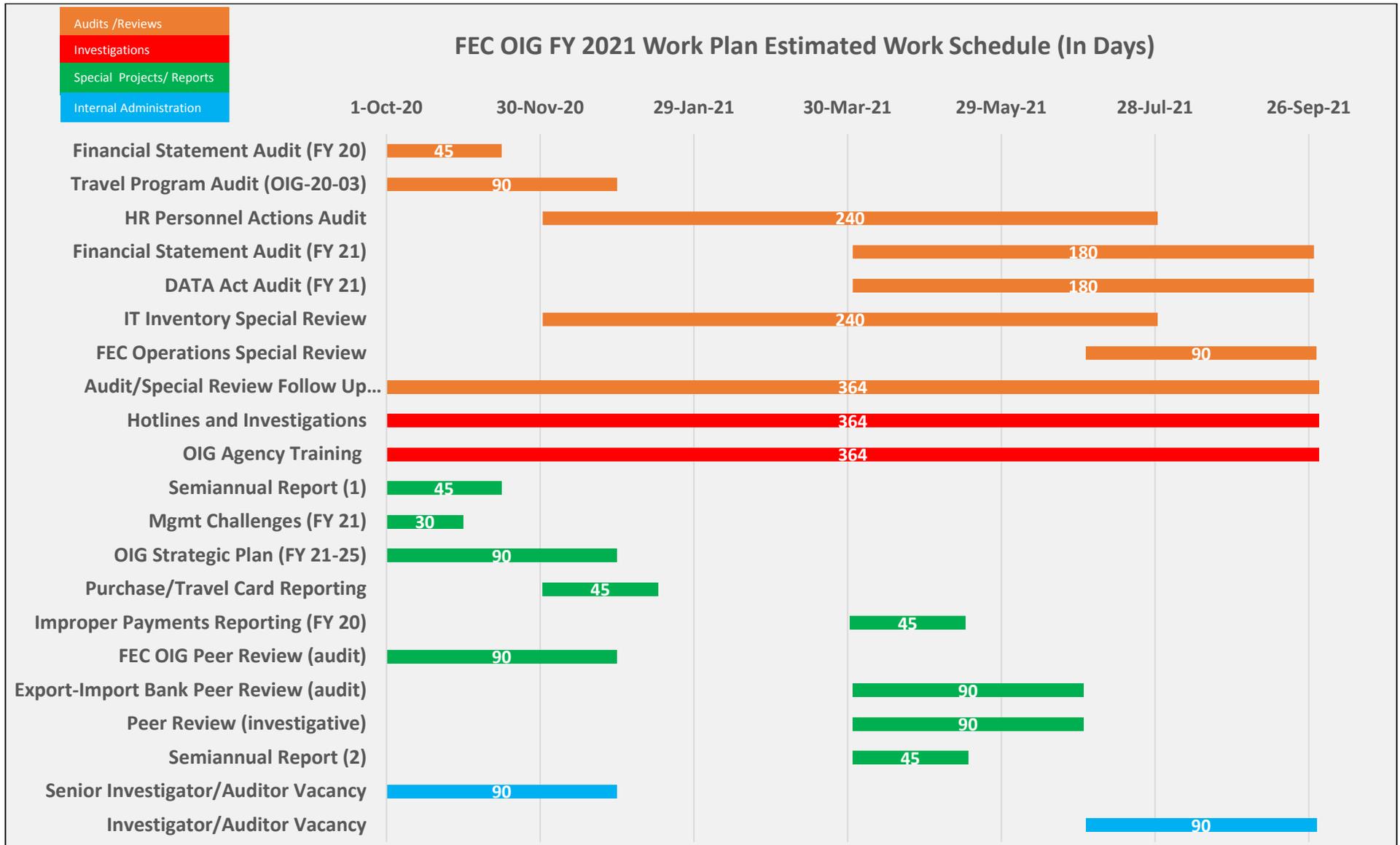
A handwritten signature in black ink, appearing to read 'C. Skinner'.

Christopher Skinner
Inspector General

FEC Office of Inspector General Organization Chart



OIG FY 2021 Work Plan Estimated Work Schedule



Introduction

The FEC Office of Inspector General (OIG) prepares and 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 to our stakeholders. As a result, the FY 2021 OIG work plan is divided into four broad categories:

- (1) Audits and Special Reviews;
- (2) Investigations;
- (3) Special Projects and Reports; and
- (4) Internal Administration

Audits and special reviews of FEC programs and operations determine if programs and operations are compliant, efficient, and effective. Audits and reviews can be narrow in scope or broadly defined depending on the topic. The OIG provides a final report to the Commission and senior leaders that recommends improvements to agency operations. Final reports are public documents and are available on the OIG website (<https://www.fec.gov/oig/>).

OIG investigations analyze complaints that concern FEC personnel, programs, and operations, to prevent and detect fraud, waste, abuse, mismanagement, and related misconduct. OIG investigators analyze complaints from employees, contractors, and concerned members of the public to determine if the complaints allege violations of law, regulation, or policy and whether they impact FEC programs or operations. The subjects of OIG investigations may include agency employees, FEC contractors, consultants, and any persons or entities involved in alleged wrongdoing affecting FEC programs and operations. OIG investigations may address administrative, civil, and criminal violations of laws, regulations, and policies.

Special projects and reports may include, but are not limited to, projects the agency head has requested the OIG look into, mandated reporting requirements (*i.e.*, semiannual reports, improper payments reporting, purchase and travel card reporting, and management challenges reporting), review of agency legislation, peer reviews, and miscellaneous assignments and requests from the OIG community.

Internal administration includes, among other things:

- ***CIGIE Community and professional certifications***: Actions including, but not limited to, participation in CIGIE training events, working groups, and committees/sub-committees. Topics include, among other things, information technology, legislation, audits, enterprise risk management, and investigations. Each plays a vital role in the accomplishment of the OIG mission.
- ***OIG vacancies***: These remain a top priority to fill FY 2021. The OIG plans to fill at least one of the two OIG vacant positions (pending budget requirements) in FY 2021 to ensure the OIG is fully staffed to implement this Work Plan, as well as continue to increase effectiveness and efficiency within the office.

Audits and Special Reviews

The term “audit” is used to describe work performed by auditors in examining financial statements, as well as work performed in reviewing compliance with applicable laws and regulations, the economy and efficiency of operations, and the effectiveness in achieving program results. Audits are prepared in accordance with generally accepted government auditing standards and vary in scope and complexity. In addition, the OIG may elect to conduct audits which emphasize root cause analysis in addition to compliance. The FEC OIG is currently staffed with two senior auditors with plans to hire an additional auditor in late FY 2021 or FY 2022 pending budget approval.

Additionally, the OIG may conduct special reviews, which can be limited scope or short-term reviews, evaluations, and studies of FEC programs or operations. Similar to an audit, the objective of a special review is to provide management a value-added report that identifies systemic deficiencies and opportunities for improvement. Special reviews are conducted in accordance with the quality standards issued by the federal IG community and the authority of the IG Act.

The OIG plans to conduct the following audits and special reviews in FY 2021:

1. Audit of the Federal Election Commission’s FY 20 and FY 21 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 Office of Management and Budget (OMB) Circular No. A-136, Financial Reporting Requirements. The Chief Financial Officers Act of 1990, as amended, requires the FEC IG or an independent external auditor selected by the IG to audit the agency's financial statements.

The FEC OIG will contract and provide oversight to the FY 2020 and 2021 financial statement audits. An independent accounting firm, Brown & Company, is conducting the FY 2020 Financial Statement Audit and is in the second year of its contract.¹ 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.

2. Travel Program Audit (OIG-20-03)

The primary objective of the ongoing travel audit, as previously reported in the *OIG Fiscal Year 2020 Work Plan*, is to assess the FEC travel program policies and procedures to ensure that current internal controls are adequate to comply with Federal Travel Regulations (FTR), OMB Circular A-123 – Appendix B, and the Government Charge Card Abuse Prevention Act of 2012.

¹ Due to the coronavirus (COVID-19) pandemic, all audits are being conducted remotely.
FY 2021 OIG Work Plan

3. Audit of FEC Human Resource (HR) Personnel Actions (Selections & Recruitments, Transfers, Promotions, Details, and Terminations)

As a result of the 2021 OIG annual risk assessment, we have determined to review and assess the processes and controls around personnel actions (hiring selections, details, promotions, step increases, etc.) as well as to ensure personnel actions are executed in compliance with applicable personnel-related policies, laws, regulations, and guidance.

4. Audit of the FEC's Compliance with the *Digital Accountability and Transparency Act* (DATA Act) Audit for FY 21

In accordance with the Digital Accountability and Transparency Act of 2014 (the DATA Act), the FEC OIG, or an independent auditor designated by the IG, is required to conduct its third review of the agency data on USA spending. The DATA Act requires the establishment of government-wide standards for information on spending by federal agencies, and tasks agency IG's with reviewing and assessing the completeness, timeliness, accuracy, and quality of the FEC's reported spending data. In FY 2021, the OIG will contract with Brown & Company to conduct the DATA Act audit.

5. Information Technology (IT) Inventory Management Special Review

IT systems play a vital role in the agency's ability to continue its mission objectives. As a result of the 2021 annual OIG risk assessment, we will assess IT inventory management primarily due to the potential impact on the agency's mission and strategic goals. The objective of this review is to evaluate the controls involving IT inventory management and identify process enhancements as applicable.

6. FEC Operations Special Review

The mission of the FEC is to provide oversight of campaign fundraising and spending, both of which have increased dramatically in recent years. The objective of the special review will be to evaluate the extent to which that increase in campaign activity has impacted the FEC's effectiveness and efficiency in monitoring compliance and enforcing campaign finance laws.

7. Audit/Special Review Follow Up (Recommendations)

A critical responsibility of the OIG is to follow-up on previously issued audit reports to ensure outstanding audit recommendations are resolved. The OIG previously provided the Commission with a semiannual report of outstanding audit and inspection recommendations that contained details of the follow-up work conducted by the OIG and the status of each recommendation. In March 2020, the OIG issued the *Review of Outstanding Recommendations as of February 2020* report. We continue to communicate and work with management regarding the five open audits and inspections, which entail a total of 21 outstanding recommendations as of September 30, 2020.

Audit follow up in FY 21 involve the following responsibilities:

- 1) Review implemented audit recommendations to ensure the audit findings have been resolved;
- 2) Review and comment on management's corrective action plans that detail plans for resolving outstanding audit recommendations;
- 3) Conduct periodic meetings with management to discuss progress in implementing audit recommendations; and

- 4) Provide an annual report to the Commission detailing progress made by management and any ongoing OIG concerns.

The OIG anticipates expending its resources to the audit functions for the following time periods of performance in FY 21:

- **Financial Statement Audit FY 20:**² October 2020 – November 2020 (45 + days)
- **Travel Program Audit (OIG-20-03):** October 2020 – December 2020 (90 + days)
- **HR Personnel Actions Audit:** December 2020 – July 2021 (240 days)
- **Financial Statement Audit FY 21:** April 2021 – September 2021 (180 + days)
- **DATA Act Audit FY 21:** April 2021 – September 2021 (180 + days)
- **IT Inventory Special Review:** December 2020 – July 2021 (240 days)
- **FEC Operations Special Review:** July 2021 – September 2021 (90 + days)
- **Audit/Special Review Follow Up:** October 2020 – September 2021 (364 days).

² The timelines associated are limited to the FY 2021 schedule. For instance, the FY 2020 Financial Statement Audit was initiated in April 2020 and will require 180 days to complete.

Investigations

The OIG's investigative program aims to add value to the agency's programs and operations by objectively investigating allegations of fraud, waste, abuse, misconduct, and mismanagement. The subjects of OIG investigation may include agency employees, FEC contractors, consultants, and persons or entities 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 investigative results may lead to administrative, civil, and criminal penalties and recoveries.

1. Manage Hotline Complaints and Investigation Caseload

The newly implemented OIG Hotline Portal provides a means for FEC employees, FEC contractors, and the public to communicate directly and confidentially with the OIG. 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, OIG personnel carefully analyze all complaint details to determine if an investigation is warranted. Other courses of action include, but are not limited to, referral to FEC management for action, referral to another existing program/process (i.e., EEO, HR), referral to another agency, referral to the audit or special review process, or closure and dismissal with no further action.

The OIG will continue to thoroughly analyze each complaint and respond accordingly. Additionally, we plan to continue to address open investigations until a resolution is determined. The identities of complainants and witnesses will be protected pursuant to The IG Act.

2. 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 an in-person/virtual training event for all FEC staff in FY 2021. We continue to update and revise the public web page to better educate the public on our mission objectives.

The OIG anticipates expending its resources to address all investigation initiatives for the time periods of performance as follows:

- **Hotlines and Investigations:** October 2020 – September 2021 (364 days).
- **OIG Agency Training:** October 2020 – September 2021 (364 days).

Special Projects and Reports

To enhance the effectiveness of the OIG and to ensure effective audit and investigative coverage of the Commission's programs and operations, the OIG aims to operate within the objectives identified in its FY 2016 – FY 2020 Strategic Plan. Additionally, the OIG is required to complete and submit mandated reporting assignments throughout the year.

The following strategic plan initiatives and additional reporting requirements are planned for FY 2021:

1. Semiannual Reporting

In accordance with the IG Act, the OIG will prepare and submit 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.

2. Management Challenges for FY 21

The OIG submits an annual Management Challenges report highlighting the current challenges facing the agency, which is provided in the annual Agency Financial Report.

3. Strategic Plan for FY 21-25

The FY 2016 – FY 2020 OIG Strategic Plan identifies three (3) essential OIG mission elements to abide by in the completion of all OIG work products.

- **Impact**: OIG products and services will be designed to positively impact FEC policies, programs, and operations by promoting integrity, efficiency, and effectiveness.
- **Quality**: OIG products and services provided to the FEC will be of the highest quality and meet or exceed applicable standards.
- **Excellence**: OIG will maintain a skilled and motivated work force and empower employees to maximize their professional and personal potential by fostering accountability, communication, teamwork, and constant growth and development.

The strategic plan will expire at the end of FY 2020; thus, the OIG will set aside time in FY 2021 to create its FY 2021-2025 Strategic Plan.

4. Purchase and Travel Card Reporting

The OIG conducts an annual risk assessment of FEC purchase and travel cards pursuant to the Charge Card Abuse Prevention Act of 2012 and OMB Memorandum M-13-21. The OIG is required to file a report with OMB by January 31st of each year, reporting on any audit recommendations from the previous FY concerning audits of purchase or travel card programs.

5. Improper Payments Reporting for FY 20

The OIG is required to conduct an annual review of improper payments. The FY 2020 review will be performed in accordance with the *Payment Integrity Information Act of 2019* (PIIA). The PIIA supersedes the *Improper Payments Information Act of 2002* (IPIA), as amended and repeals the *Improper Payments Elimination and Recovery Act of 2010* (IPERA). 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 the Office of Management and Budget's (OMB) M-18-20, as amended, and to report the results to Congress, the Comptroller General, and to OMB.

6. Peer Review Program

Audit programs of Federal OIG's are required to be peer-reviewed once every three years. Under the program that the CIGIE has developed to ensure compliance with this requirement, each OIG undertakes a peer review of another Federal OIG. The Election Assistance Commission (EAC) was scheduled to conduct a peer review of the FEC OIG audit program in FY 2020. Due to the Coronavirus (COVID-19) Pandemic, the FEC OIG audit peer review was extended to the end of the 2020 calendar year. Additionally, the FEC OIG is scheduled to conduct an audit peer review and an investigative peer review in FY 2021.

Additional special projects/work assignments may be undertaken during FY 2021 based on available OIG resources, the benefit to the agency, and other relevant factors. Priorities may be adjusted to reflect emerging issues during the performance year.

The OIG anticipates expending its resources to complete the special projects and work reporting requirements for the following time periods of performance:

- **Semiannual Report to Congress (1):** October 2020 – November 2020 (45 days)
- **Management Challenges for FY 21:** October 2020 (30 days)
- **OIG Strategic Plan (FY 21-25):** October 2020 – December 2020 (90 days)
- **Purchase and Travel Card Reporting:** December 2020 – January 2021 (45 days)
- **Improper Payments Reporting (FY 20):** March 2021– April 2021 (45 days)
- **FEC OIG Peer Review (audit):** October 2020 – December 2020 (90 days)
- **Export-Import Bank OIG Peer Review (audit):** April 2021 – June 2021 (90 days)
- **Architect of the Capitol OIG Peer Review (investigative):** April 2021 – June 2021 (90 days)
- **Semiannual Report to Congress (2):** April 2021 – May 2021 (45 days)

Internal Administration

1. Council of Inspectors General on Integrity and Efficiency (CIGIE) Community and Professional Certifications

In addition to the OIG's audit and investigative responsibilities, the OIG participates in numerous CIGIE activities and completes professional certifications. The OIG will participate in several Federal Inspectors General community working groups on topics related to legislation, audits, and investigations. FEC OIG staff prioritize OIG mission requirements prior to attending any non-mandatory meetings or participating in OIG community working groups.

The following are examples of the CIGIE activities and commitments planned by the OIG for FY 2021:

a. Participate in/Attend Professional Working Group and Other Meetings

The IG, Deputy IG, or OIG staff will regularly attend and participate on the following CIGIE professional working group meetings, which include but are not limited to: Executive Council of CIGIE; CIGIE Professional Development Committee; Budget Committee; Council of Counsels to the Inspector General; Assistant Inspector General for Investigations; Technology committee meetings, Federal Audit Executive Council (FAEC); CIGIE Enterprise Resource Management (ERM) Working Group; FAEC DATA Act Working Group; and Financial Statement Audit Network Group.

Additionally, OIG staff will attend the FEC director and town-hall meetings and other meetings associated with the Association of Certified Fraud Examiners and the Institute of Internal Auditors (IIA). FEC OIG staff always prioritize OIG mission requirements prior to attending any non-mandatory meetings or participating in OIG community working groups.

b. Professional Certifications, Development, and Training

The objective of the OIG's training program is to provide cost-effective training to enhance professional understanding and proficiency, and ensure staff meet continuing professional educational requirements. As a result, the OIG staff will attend professional training courses in FY 2021 to continue to develop OIG knowledge, skills, and abilities.

No timelines are attached to CIGIE and professional certifications, as a majority of these tasks are not mandatory.

2. OIG Vacancies

The FEC OIG currently has two (2) vacant positions:

- Investigator/Auditor (FY 2021)
- Investigator/Auditor (FY 2021/22)

The OIG anticipates expending its resources to fill the approved vacant positions for the following time periods of performance:

- **Investigator/Auditor:** October 2020 – December 2020 (90 days)
- **Investigator/Auditor:** July 2021 – September 2021 (90 days)

Appendix A: Annual Planning and Methodology Strategies

The planning methodology adopted by the OIG is based on a formal risk assessment process, which was conducted in August 2020. The purpose of the annual risk assessment process is to better align OIG resources to areas that will provide the most value to the FEC. A risk assessment is a process to identify, assess, respond to, and report on opportunities and threats that affect the achievement of objectives. The OIG also solicits feedback and ideas from stakeholders throughout the year. The annual work plan will require periodic updates to reflect changes, such as new priorities, as well as any changes in OIG resources.

In addition to risk base planning, the OIG's work plan is also designed to yield work assignments that will identify opportunities for economy, efficiency and effectiveness in FEC programs and operations, and detect and prevent fraud, waste, abuse and mismanagement. The priority for conducting work assignments is based on:

1. mandatory legislative requirements;
2. emphasis by the President, Congress, and the Commission;
3. a program's susceptibility to fraud, manipulation, or other irregularities;
4. dollar magnitude of resources involved in the proposed area;
5. management needs identified through consultation with primary organization heads;
6. changed conditions, or sensitivity of a program or operation;
7. the extent of outstanding issues resulting from prior audit coverage or review by the OIG or other oversight body; and
8. the adequacy of internal control systems in place for the program or other factors.

Appendix B: Mission Statements

The Federal Election Commission

To protect the integrity of the federal campaign finance process by providing transparency and fairly enforcing and administering federal campaign finance laws.

In 1975, Congress created the FEC to administer and enforce the *Federal Election Campaign Act of 1971*, as amended. The duties of the FEC, an independent regulatory agency, are to disclose campaign finance information, enforce the provisions of the law, and oversee the public funding of Presidential elections.

The Commission consists of six members who are appointed by the President and confirmed by the Senate. Each member serves a six-year term, and two seats are subject to appointment every two years. By law, no more than three Commissioners can be members of the same political party, and at least four votes are required for any official Commission action. The Chairmanship of the Commission rotates among the members each year, with no member serving as Chairman more than once during his or her term.

Currently, the FEC has three Commissioners and three vacant positions – James (“Trey”) E. Trainor III (Chair), Steven T. Walther (Vice Chair), and Ellen L. Weintraub.

Office of Inspector General

The FEC OIG is committed to detect and prevent fraud, waste, and abuse, violations of law, and to promote economy, efficiency and effectiveness in the operations of the FEC. The OIG strives, as an agent of positive change, to promote improvements in the management of FEC programs and operations by independently conducting audits, reviews, and investigations. Our overriding objective is excellence and continuous improvement.

CORE



VALUES

Commitment

We are committed to continually seek personal and operational growth opportunities to preserve the positive reputation of the OIG. We pledge our dedication to persistently enhance our skillsets in efforts to uphold the integrity of the FEC.

Respect

We are devoted to creating a professional and positive work environment in which all colleagues and stakeholders are treated with the utmost respect. We welcome, value, and embrace the diversity of everyone and behave respectfully to all with whom we interact.

Service

We pride ourselves in providing a non-confrontational, value-added service to customers through objective, accurate, and timely evaluations of OIG inquiries in support of FEC operations and procedures.

Honesty

We are honest, fair, and true to ourselves, to each other, and to our customers, which is reflected in our reputation. We behave with the highest levels of integrity, which is fundamental to who we are as a team.

Collaboration

We strive to collaborate and build key relationships within the OIG community and the FEC in order to improve program operations, efficiencies, and effectiveness. We universally work together to identify potential opportunities to partner with OIG stakeholders in efforts to resolve Government wide concerns and maximize the value to the citizens of the United States.

Balance

We aim to balance customer needs with the mission of the OIG and FEC while assuring all endeavors of our work reflect transparent and unbiased processes. We apply this practice through our application of due regard for our peers, our beliefs, our family, and our stakeholders.

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!