



## OFFICE OF INSPECTOR GENERAL

### MEMORANDUM

**DATE:** July 12, 2018

**TO:** Chief, Wireline Competition Bureau  
Managing Director

**FROM:** Inspector General *FOR RM*

**SUBJECT:** Referral of Final Audit Report of West Baton Rouge Parish Central Office

The Office of Inspector General (OIG) is providing the final audit report for our performance audit of West Baton Rouge Parish Central Office (Central Office), Beneficiary No. 16037846. The OIG conducted this performance audit consistent with its authority under the Inspector General Act of 1978, as amended, including but not limited to sections 2(1) and 4(a)(1). It is not intended as a substitute for any agency regulatory compliance review or regulatory compliance audit.

This audit was conducted in accordance with the Government Accountability Office's *Government Auditing Standards* (GAO-12-331G). Our objective was to determine if the beneficiary was in compliance with the FCC rules and orders for the E-rate program, codified in Title 47 of the Code of Federal Regulations (47 C.F.R.), for funding year 2015 (July 1, 2015 through June 30, 2016). We also reviewed applicable internal controls to determine if the controls were adequate and effective for safeguarding Universal Service Funds (USF).

The audit concluded that the Central Office generally complied with applicable E-rate program laws, rules and regulations. However, our audit found internal control weaknesses in the invoicing process and competitive bidding procedures. We noted two findings and made three recommendations. Two recommendations were made to the Central Office to improve their internal controls over their invoicing processes and competitive bidding and procedures. We also recommend that the Universal Service Administrative Company (USAC) recover unallowable USF reimbursements made to the Central Office totaling \$47,286. The attached report incorporates your response to the draft audit report findings and recommendations, as well as the response received from USAC.

Please coordinate with our office during the six-month resolution period, as specified by OMB Circular A-50 to develop a mutually agreeable resolution of the audit findings. Also, the findings should not be closed until FCC determines that all recommendations have been adequately addressed and the proposed corrective actions have been satisfactorily implemented.

If you have any questions or concerns regarding this audit report, please contact Sharon Spencer, Deputy Assistant Inspector General for Audit at (202) 418-0477 or Robert McGriff, Assistant Inspector General for Audit at (202) 418-0483.

Attachment: 17-AUD-05-02 Final Audit Report dated July 12, 2018

cc Chief Financial Officer  
Chief of Staff, Office of Managing Director