



Office of Inspector General

U.S. Consumer Product Safety Commission

Audit of the CPSC's Compliance with the Digital Accountability and Transparency Act

October 31, 2019

Vision Statement

We are agents of positive change striving for continuous improvements in our agency's management and program operations, as well as within the Office of Inspector General.

Statement of Principles

We will:

Work with the Commission and the Congress to improve program management;

Maximize the positive impact and ensure the independence and objectivity of our audits, investigations, and other reviews;

Use our investigations and other reviews to increase government integrity and recommend improved systems to prevent fraud, waste, and abuse;

Be innovative, question existing procedures, and suggest improvements;

Build relationships with program managers based on a shared commitment to improving program operations and effectiveness;

Strive to continually improve the quality and usefulness of our products; and

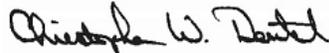
Work together to address government-wide issues.



Office of Inspector General
U. S. Consumer Product Safety Commission

October 31, 2019

TO: Robert S. Adler, Acting Chairman
Elliot F. Kaye, Commissioner
Dana Baiocco, Commissioner
Peter A. Feldman, Commissioner

FROM: Christopher W. Dentel, Inspector General 

SUBJECT: Audit of CPSC's Compliance with the DATA Act

This report contains the results of our audit of the U.S. Consumer Product Safety Commission's (CPSC) compliance with the Digital Accountability and Transparency Act (DATA Act). The DATA Act requires that federal agencies report financial and award data in accordance with data standards established by the U.S. Department of the Treasury (Treasury) and Office of Management and Budget (OMB). Making federal spending data accessible, searchable, and reliable provides opportunities not only to have an open, public-facing dialogue on how federal dollars are spent, but also to serve as a tool for better oversight, management decision-making, and innovation both inside and outside of government.

This audit was conducted in accordance with Government Auditing Standards.

The objectives of the audit were to assess: the completeness, accuracy, timeliness, and quality of fiscal year 2019 first quarter financial and award data submitted for publication on [USAspending.gov](https://www.usaspending.gov); and the CPSC's implementation and use of the government-wide financial data standards established by OMB and Treasury.

We note the agency has closed our two recommendations from the last audit and continues to maintain a high level of data accuracy. We make no additional recommendations at this time.

We provided management with a copy of this report. Management indicated they had no comments and did not wish to hold a formal exit conference.

Thank you for the courtesy and cooperation extended to my staff during the audit.



**Audit of the CPSC’s Compliance
with the DATA Act
Summary**

October 31, 2019

<p>Objective</p> <p>This audit had two objectives. The first objective of the audit was to assess the completeness, accuracy, timeliness, and quality of fiscal year 2019, first quarter (October 1, 2018 – December 31, 2018) financial and award data submitted for publication on USAspending.gov. The second objective was to assess the U.S. Consumer Product Safety Commission’s (CPSC) implementation and use of the government-wide financial data standards established by the Office of Management and Budget (OMB) and Department of the Treasury’s Program Management Office (Treasury).</p> <p>Background</p> <p>The Digital Accountability and Transparency Act of 2014 (DATA Act) was enacted May 9, 2014, and, among other things, requires that federal agencies report financial and award data in accordance with data standards established by OMB and Treasury.</p> <p>In addition, the DATA Act requires agency Inspectors General to audit statistical samples of the data submitted by the agency under the DATA Act and report on the completeness, accuracy, timeliness, and quality of the data sampled and the use of the data standards by the agency.</p> <p>The report addresses:</p> <p>CPSC strategic goal #4:</p> <p><i>Communication</i></p> <p>OIG Management Challenge #1:</p> <p><i>Internal Control System</i></p>	<p>Results</p> <p>Overall, we concluded that the CPSC continues to make progress in its efforts to comply with the DATA Act by performing activities consistent with the government-wide guidance issued by OMB and Treasury. While progress continues, we identified minor errors with the completeness, accuracy, and timeliness of data submitted for publication. These errors have minimally affected the quality and usefulness of this information.</p> <p>While some of the issues referred to above are attributable to root causes within the CPSC’s control, we identified additional issues beyond the CPSC’s control. These issues are a result of how the Treasury’s DATA Act Broker extracts data from external award reporting systems and are third-party issues that must be resolved by those parties.</p> <p>Overall, we found that the CPSC implemented the government-wide data standards in accordance with the implementation guidance provided by OMB and Treasury.</p> <p>Recommendation</p> <p>We found that the CPSC had fully implemented the two recommendations we made when we reviewed this program in 2017. We do not make any additional recommendations at this time.</p>
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Table of Contents

Abbreviations and Short Titles	3
Objective	4
Background.....	4
Assessment of CPSC’s Data Submission	5
Summary–Level Data and Linkages	7
Statistical Sampling Results.....	7
Completeness, Accuracy, and Timeliness of Data Elements	8
Quality.....	8
Supplemental Reporting	8
Data Element Analysis	9
Analysis of the Accuracy of Dollar Value-Related Data Elements	10
Analysis of Errors in Data Elements	10
Internal Controls	11
Implementation and Use of the Data Standards	11
Prior Recommendations	11
Appendix A: Scope and Methodology	12
Scope	12
Methodology	12
Appendix B: Internal Control Results Table.....	13
Appendix C: Agency Response.....	14

Abbreviations and Short Titles

Broker	Treasury’s DATA Act Broker
CIGIE	Council of the Inspectors General on Integrity and Efficiency
CPSC	U.S. Consumer Product Safety Commission
DAIMS	DATA Act Information Model Schema
DATA Act	Digital Accountability and Transparency Act of 2014
DE	Data Element
FAEC	Federal Audit Executive Council
FPDS-NG	Federal Procurement Data System - Next Generation
FY	Fiscal Year
IG	Inspector General
OIG	Office of Inspector General
OMB	Office of Management and Budget
PIID	Procurement Instrument Identifier Numbers
SAM	System for Award Management
SAO	Senior Accountable Official
Treasury	U.S. Department of the Treasury

Objective

This audit had two objectives. The first objective of the audit was to assess the completeness, accuracy, timeliness, and quality of fiscal year (FY) 2019, first quarter (October 1, 2018 – December 31, 2018) financial and award data submitted for publication on USA Spending.gov. The second objective was to assess the U.S. Consumer Product Safety Commission's (CPSC) implementation and use of the government-wide financial data standards established by the Office of Management and Budget (OMB) and Department of the Treasury's Program Management Office (Treasury).

Background

The Digital Accountability and Transparency Act of 2014 (DATA Act) was enacted May 9, 2014, and, among other things, requires that federal agencies report financial and payment data in accordance with data standards established by OMB and Treasury. In May 2015, OMB and Treasury published 57 data definition standards (commonly referred to as data elements (DE)). Treasury began displaying federal agencies' standardized data on USA Spending.gov¹ for taxpayers and policy makers in May 2017. In addition, the DATA Act requires agency Inspectors General (IGs) to audit statistical samples of the data submitted by the agency under the DATA Act and report on the completeness, accuracy, timeliness, and quality of the data sampled and the use of the data standards by the agency.

The IG community, through the Federal Audit Executive Council (FAEC), stood up the FAEC DATA Act Working Group. On December 3, 2015, the FAEC DATA Act Working Group issued the Inspectors General Guide to Compliance under the DATA Act. The guide was updated February 14, 2019, to reflect lessons learned from the prior audit cycle. The guidance provides a common methodological and reporting approach for the IG community to use in performing its mandated work.

The Council of the Inspectors General on Integrity and Efficiency (CIGIE) identified a timing anomaly with the oversight requirements contained in the DATA Act of 2014. That is, the first IG reports were due to Congress November 8, 2016; however, federal agencies were not required to report spending data until May 2017. On December 22, 2015, CIGIE's chair issued a letter detailing the strategy for dealing with the IG reporting date anomaly and communicated the strategy to the Senate Committee on Homeland Security and Governmental Affairs

¹ Prior to March 2, 2018, agency data were published on Beta.USA Spending.gov, a beta version of the new USA Spending.gov website.

and the House Committee on Oversight and Government Reform. Thus, the IGs provided Congress with their first required reports by November 8, 2017, one-year after the statutory due date, with two subsequent reports to be submitted in 2019 and 2021.

Assessment of CPSC's Data Submission

Overall, we concluded that the CPSC continues to make progress in its efforts to comply with the DATA Act by performing activities consistent with the government-wide guidance issued by OMB and Treasury. While progress continues, we identified minor errors with the completeness, accuracy, and timeliness of data submitted for publication. These errors have minimally affected the quality and usefulness of this information.

While some of the issues referred to above are attributable to root causes within the CPSC's control, we identified additional issues beyond the CPSC's control. These issues are a result of how the Treasury's DATA Act Broker (Broker)² extracts data from external award reporting systems and are third-party issues that must be resolved by those providers.

The Office of Financial Management, Planning and Evaluation is responsible for the implementation of the DATA Act at the CPSC. In accordance with DATA Act Information Model Schema (DAIMS),³ the agency submission must contain the following files:

- File A: Appropriations Account
- File B: Object Class and Program Activity
- File C: Award Financial
- File D1: Award and Awardee Attributes – Procurement Awards
- File D2: Award and Awardee Attributes – Financial Assistance Awards
- File E: Highly Compensated Officer Data
- File F: Subaward Attributes

Files A, B, and C were prepared and submitted by the agency's shared service provider, Department of Transportation's Enterprise Services Center, using data from the CPSC's financial system. File D1 is provided to USAspending.gov from the Federal Procurement Data System-Next Generation (FPDS-NG). The information in FPDS-NG is entered by CPSC and imported from third-party sources. File D2 is

² A system that collects and validates agency-submitted and government-wide data and prepares it for publication.

³ The DAIMS includes technical guidance for federal agencies about what data to report to Treasury including the authoritative sources of the data elements and the submission format.

generated by the Financial Assistance Broker System. It is the responsibility of the CPSC to process and submit grant awards.

File E contains additional awardee attribute information the Broker extracts from the System for Award Management (SAM). File F contains sub-award attribute information the Broker extracts from the Federal Funding Accountability and Transparency Act Subaward Reporting System. Files E and F data remains the responsibility of the awardee in accordance with terms and conditions of federal agreements; and the quality of this data remains the legal responsibility of the recipient. Therefore, the agency Senior Accountable Official (SAO) is not responsible for certifying the quality of Files E and F data reported by awardees, however, they are responsible for assuring controls are in place to verify that financial assistance awardees register in SAM at the time of the contract award. As such, we did not assess the completeness, accuracy, timeliness, and quality of the data extracted from SAM and the Federal Funding Accountability and Transparency Act Subaward Reporting System via the Broker.

To determine the extent to which the CPSC's data was complete, accurate, timely, and of quality, and to assess the CPSC's implementation and use of data standards, we performed various data assessments. Specifically, we assessed:

1. the completeness and timeliness of the submission as a whole
2. summary-level financial data and linkages between Files A, B, and C
3. detail-level award data from File C
4. linkages between Files C and D1

We evaluated CPSC's DATA Act submission to the Broker and determined that the submission was complete and submitted timely. The submission was deemed to be complete because transactions and events that should have been recorded were recorded in the proper period. The submission was deemed to be timely because reporting of the agency DATA Act submission to the Broker was in accordance with the schedule established by Treasury.

Each reporting agency's SAO must provide quarterly assurance⁴ that their agency's internal controls support the reliability and validity of its data submitted for display on USAspending.gov and that the linkages among Files A through F are valid.⁵ We viewed the submission dashboard to confirm the first quarter FY 2019 submission was timely in accordance with the reporting schedule.⁶ The CPSC submission was

⁴ In general, an assurance is a statement of accountability to confirm an agency's efforts to support data quality.

⁵ OMB Memorandum-17-04 Memorandum for Agency Senior Accountable Officials, *Additional Guidance for DATA Act Implementation: Further Requirements for Reporting and Assuring Data Reliability*, November 4, 2016.

⁶ Treasury, DATA Act Reporting Submission Dates FY19, <https://fiscal.treasury.gov/data-transparency/resources.html>.

completed timely on March 18, 2019, prior to the due date of March 20, 2019. We reviewed the certification statement for each file and noted acknowledgement of the validation warnings by the SAO.

Summary–Level Data and Linkages

We reconciled Files A and B to determine if they were accurate. Additionally, we reconciled the linkages between Files A, B, and C to determine if the linkages were valid and to identify any significant variances between the files. Files C and D1 are linked through the Procurement Instrument Identifier Numbers (PIID).⁷ We matched the PIIDs between the files to determine the completeness of File C for sampling. Through our test work, we determined that Files A and B were accurate, File C was complete, and there were no variances between Files A, B, and C.

Statistical Sampling Results

In our assessment of File C, we found that the financial and award data included in the CPSC’s FY 2019 first quarter DATA Act submission was not error free. However, we did note significant improvement over the FY 2017 second quarter data submission.

We tested 67 sample records⁸ from File C,⁹ each of which included up to 46 applicable data elements.¹⁰ Each DE was tested for completeness, accuracy, and timeliness. We tested a total of 8,403 data points.¹¹

A data element was considered complete if it was reported in the appropriate file. A data element was considered accurate when amounts and other data relating to recorded transactions were recorded in accordance with OMB and Treasury guidance, and agreed with the authoritative source records. The timeliness of data elements was based on the reporting schedules defined by the procurement requirements.

⁷ Procurement Instrument Identifier Numbers, or PIIDs, are the Award identification for procurement awards.

⁸ The sample size is based on a 95 percent confidence level; the population size, the expected error rate, and a desired sampling precision of 5 percent. As a small OIG, we used the following formula to determine the recommended sample size: $385/[1+(385/N)]$, where “N” represents the population size.

⁹ No transactions were selected associated with File D2, *Financial Assistance Awards*.

¹⁰ These elements were selected by determining which of the 57 standard data elements are applicable to Files C and D1 based on the DAIMS. The remaining 11 elements are tested in Files A and B, or unique to Files D2, E, or F.

¹¹ We tested each of the 46 elements for 3 attributes (completeness, accuracy, and timeliness), or 138 possible data points per sample. Of the resulting 9,246 data points (67 samples x 138), 843 data points were not applicable, leaving 8,403 tested.

Completeness, Accuracy, and Timeliness of Data Elements

The overall error rates were calculated taking the average rates of error by record and averaging them over the total number of sample items tested. The sample size is based on a 95 percent confidence level, the population size, the expected error rate, and a desired sampling precision of five percent.

Table 1: Error Rates¹²

Sample Record #	Incomplete	Inaccurate	Untimely
Total Errors	2	34	2
Error Rate	0.07%	1.15%	0.07%

Source: OIG analysis of CPSC data.

Quality

The quality of the data sampled was defined as data that was complete and accurate and provided timely. The quality of the data elements was determined using the midpoint of the range of the proportion of errors (error rate) for completeness, accuracy, and timeliness. The highest of the three error rates was used as the determining factor of quality. The following table provides the range of error in determining the quality of the data elements.

Table 2: Quality Level

Highest Error Rate	Quality Level
0% - 20%	Higher
21% - 40%	Moderate
41% and above	Lower

Source: OIG analysis of CPSC data.

Based on our test work and the highest error rate of 1.15%, we determined that the quality of the CPSC's data is considered **Higher**.

Supplemental Reporting

We found 45 of 67 samples contained no errors. We found 38 errors in the 22 samples with one or more errors. Of the errors we found, 17 errors were directly attributable to CPSC actions and 21 were related to data elements supplied by systems outside CPSC control. These non-CPSC issues are a result of how the Broker extracts data from external award reporting systems and are third-party issues. The supplemental (non-projected) reporting of the results of the sample

¹² The projected error rate for the completeness of the data elements is between 0% and 5.07%, accuracy 0% and 6.15%, and timeliness 0% and 5.07%.

testing illustrates which data elements may be more reliable than others and instances where errors are caused by an entity other than the agency. The errors are also included in the statistical results at Table 1.

Data Element Analysis

Each data element is tested for completeness, accuracy, and timeliness of the data entry. Below is the analysis of the results of the completeness, accuracy, and timeliness testing for the CPSC’s data submission, by data element.

Table 3: Error Rates by Data Element (Descending order by accuracy)¹³

No.	Data Element Name	Completeness	Accuracy	Timeliness
4	Ultimate Parent Legal Entity Name	0%	9%	0%
28	Period of Performance Potential End Date	0%	7%	0%
5	Legal Entity Address	0%	6%	0%
6	Legal Entity Congressional District	3%	6%	3%
50	Object Class	0%	4%	0%
27	Period of Performance Current End Date	0%	3%	0%
1	Awardee/Recipient Legal Entity Name	0%	3%	0%
25	Action Date	0%	3%	0%
26	Period of Performance Start Date	0%	3%	0%
3	Ultimate Parent Unique Identifier	0%	1%	0%
22	Award Description	0%	1%	0%
30	Primary Place of Performance Address	0%	1%	0%
43	Funding Office Code	0%	1%	0%
2	Awardee/Recipient Unique Identifier	0%	0%	0%
7	Legal Entity Country Code	0%	0%	0%
8	Legal Entity Country Name	0%	0%	0%
11	Federal Action Obligation	0%	0%	0%
14	Current Total Value of Award	0%	0%	0%
15	Potential Total Value of Award	0%	0%	0%
16	Award Type	0%	0%	0%
17	NAICS Code	0%	0%	0%
18	NAICS Description	0%	0%	0%
23	Award Modification / Amendment Number	0%	0%	0%
24	Parent Award ID Number	0%	0%	0%
29	Ordering Period End Date	0%	0%	0%
31	Primary Place of Performance Congressional District	0%	0%	0%
32	Primary Place of Performance Country Code	0%	0%	0%
33	Primary Place of Performance Country Name	0%	0%	0%
34	Award ID Number (PIID/FAIN)	0%	0%	0%
36	Action Type	0%	0%	0%
38	Funding Agency Name	0%	0%	0%
39	Funding Agency Code	0%	0%	0%
40	Funding Sub Tier Agency Name	0%	0%	0%
41	Funding Sub Tier Agency Code	0%	0%	0%
42	Funding Office Name	0%	0%	0%
44	Awarding Agency Name	0%	0%	0%
45	Awarding Agency Code	0%	0%	0%
46	Awarding Sub Tier Agency Name	0%	0%	0%
47	Awarding Sub Tier Agency Code	0%	0%	0%
48	Awarding Office Name	0%	0%	0%
49	Awarding Office Code	0%	0%	0%
51	Appropriations Account	0%	0%	0%
53	Obligation	0%	0%	0%
56	Program Activity	0%	0%	0%
52	Budget Authority Appropriated	0%	0%	0%
54	Unobligated Balance	0%	0%	0%
55	Other Budgetary Resources	0%	0%	0%
57	Outlay	0%	0%	0%

Source: OIG analysis of CPSC data.

¹³ DE 9 and 10 are only present in Files E and F which were not tested. File E and F data remains the responsibility of the awardee in accordance with terms and conditions of Federal agreements. DE 21 is tested with DE 51. DE 12, 13, 19, 20, 35, and 37 are only applicable to File D2. No records from File D2 were selected in the sample.

Analysis of the Accuracy of Dollar Value-Related Data Elements

We performed non-statistical testing of accuracy over dollar value-related data elements to test the linkages between Files C and D1. The dollar-value related data elements tested are Federal Action Obligation (DE 11), Current Total Value of Award (DE 14), Potential Total Value of Award (DE 15), and Transaction Obligation (DE 53). No instances existed where the Transaction Obligation Amount in File C did not equal the inverse of the Federal Action Obligation in File D1. Additionally, there were no exceptions related to the dollar-value of these elements.

Analysis of Errors in Data Elements

There are instances where errors are caused by an entity other than the agency. In this instance, the error is still included in the agency’s statistical results. The tables below provide detail on the errors and the source.

Table 4: Errors in Data Elements Not Attributable to the Agency

DE No.	Data Element Name	Attributed To	Completeness	Accuracy	Timeliness
1	Awardee/Recipient Legal Entity Name	Broker Extracting from SAM	0	2	0
3	Ultimate Parent Unique Identifier	Broker Extracting from SAM	0	1	0
4	Ultimate Parent Legal Entity Name	Broker Extracting from SAM	0	6	0
5	Legal Entity Address	Broker Extracting from SAM	0	4	0
6	Legal Entity Congressional District	FPDS-NG Extracting from SAM	2	4	2
Total			2	17	2

Source: OIG analysis of CPSC data.

Table 5: Errors in Data Elements Attributable to the Agency¹⁴

DE No.	Data Element Name	Completeness	Accuracy	Timeliness
22	Award Description	0	1	0
25	Action Date	0	2	0
26	Period of Performance Start Date	0	2	0
27	Period of Performance Current End Date	0	2	0
28	Period of Performance Potential End Date	0	5	0
30	Primary Place of Performance Address	0	1	0
43	Funding Office Code	0	1	0
50	Object Class	0	3	0
Total		0	17	0

Source: OIG analysis of CPSC data.

¹⁴ The DAIMS defines the Period of Performance Start Date as the date on which, for the award referred to by the action being reported, awardee effort begins or the award is otherwise effective. For modifications of procurement awards, it is not clear whether “the award referred to” is the initial award or the modification and neither OMB nor Treasury has issued guidance with specific instructions on this. Thus, for procurement awards with modifications, if agencies recorded the initial award date or the date of the modification as the start date, it is not an error for DATA Act reporting purposes. The CPSC uses the date of the modification as the start date.

Internal Controls

We reviewed policies and procedures related to procurement data entry, approvals, and processing in the CPSC's source system. Additionally, we performed interviews of finance and procurement personnel. We reviewed Broker validation results, applicable corrective action plans, and assurance statements to verify adequate oversight of the process. Further, we reviewed the results of work performed by an independent public accountant who examined the controls over the CPSC's Federal Shared Service Provider's financial management services used for processing customer agency transactions, as well as the suitability of the design and operating effectiveness of the provider's controls.

Overall, we found the CPSC has data management policies, procedures, and internal controls in place to ensure that data are entered into its financial and procurement systems completely, accurately, and timely.

Implementation and Use of the Data Standards

The CPSC fully implemented, and is using, the data standards as defined by OMB and Treasury. All of the applicable data elements in the agency's financial, procurement, and grants systems, are linked by the common identifiers.¹⁵ The CPSC's implementation and use of the government-wide financial data standards for spending information is consistent with those developed by OMB and Treasury.

Prior Recommendations

We made two recommendations in our FY 2017 report, [CPSC Compliance with the Digital Accountability and Transparency Act](#). As of the beginning of our fieldwork all prior recommendations were implemented. We make no additional recommendations as a result of this audit.

¹⁵ Files A, B, and C are linked through Treasury Account Symbols, and Files C and D1 are linked through the PIID. While Files C and D2 are linked through the Financial Assistance Instrument Identifier Numbers.

Appendix A: Scope and Methodology

Scope

The scope of this audit is FY 2019, first quarter financial and award data that the CPSC submitted for publication on USAspending.gov and any applicable procedures, certifications, documentation, and controls utilized to implement the data standards. Fieldwork for this audit was performed from May 2019 to September 2019 at the CPSC headquarters in Bethesda, Maryland. Throughout the audit, auditors were aware of the possibility or existence of fraud, waste, or abuse in the program under review.

Methodology

To accomplish the objectives, we:

- reviewed applicable laws and regulations
- interviewed the CPSC personnel responsible for program management and oversight to gain an understanding of the program
- reviewed internal controls, including CPSC directives and standard operating procedures
- reviewed prior audits to determine the status of recommendations
- randomly selected a statistically valid sample of certified spending data from the reported records included in the agency's certified data submission for File C

We conducted this audit in accordance with Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix B: Internal Control Results Table

The Government Accountability Office, *Standards for Internal Control in the Federal Government*, is the primary criteria used for internal control testing purposes. These are the standards federal agencies must follow to maintain effective internal controls for both financial and non-financial programs. Internal control is a process used by management to help a program achieve its goals. There are five internal control components and 17 principles.

	Internal Control Components and Principles	Met	Partially Met	Not Met
<i>Control Environment</i>				
1	The oversight body and management should demonstrate a commitment to integrity and ethical values	x		
2	The oversight body should oversee the entity's internal control system	x		
3	Management should establish an organizational structure, assign responsibilities, and delegate authority to achieve the entity's objectives.	x		
4	Management should demonstrate a commitment to recruit, develop and retain competent individuals	x		
5	Management should evaluate performance and hold individuals accountable for their internal control responsibilities.	x		
<i>Risk Assessment</i>				
6	Management should define objectives clearly to enable the identification of risks and define risk tolerances	x		
7	Management should identify, analyze and respond to risks related to achieving the defined objectives.	x		
8	Management should consider the potential for fraud when identifying, analyzing and responding to risks	x		
9	Management should identify, analyze and respond to significant changes that could impact the internal control system.	x		
<i>Control Activities</i>				
10	Management should design control activities to achieve objectives and respond to risks	x		
11	Management should design the entity's information system and related control activities to achieve objectives and respond to risks	x		
12	Management should implement control activities through policies	x		
<i>Information and Communication</i>				
13	Management should use quality information to achieve the entity's objectives.	x		
14	Management should internally communicate the necessary quality information to achieve the entity's objectives.	x		
15	Management should externally communicate the necessary quality information to achieve the entity's objectives.	x		
<i>Monitoring</i>				
16	Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.	x		
17	Management should remediate identified internal control deficiencies on a timely basis.	x		
Totals				
Source: CPSC OIG analysis based on interviews and document reviews.				

Appendix C: Agency Response

The OIG presented agency management with the draft report on October 22, 2019. Management provided their concurrence to the results of the audit via email on October 29, 2019. Management also indicated they did not wish to hold a formal exit conference.

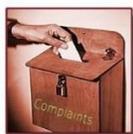
CONTACT US

If you want to confidentially report or discuss any instance of misconduct, fraud, waste, abuse, or mismanagement involving CPSC's programs and operations, please contact the CPSC Office of Inspector General.



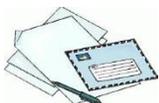
Call:

301-504-7906
1-866-230-6229



On-line complaint form:

Click [here](#) for complaint form.
Click [here](#) for CPSC OIG Website.



Write:

Office of Inspector General
Consumer Product Safety Commission
4330 East-West Highway, Room 702
Bethesda MD 20814