



U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
Washington, D.C. 20507

Office of Inspector General

November 7, 2018

MEMORANDUM

TO: Victoria A. Lipnic
Acting Chair

FROM: Milton A. Mayo, Jr.
Inspector General

A handwritten signature in black ink, appearing to read "Milton Mayo, Jr.", written over the printed name.

SUBJECT: Fiscal Year 2018 Agency Compliance with the Federal Managers' Financial Integrity Act (OIG Report No. 2018-06-SPOIG)

The *Federal Managers' Financial Integrity Act* (FMFIA), P.L. 97-255, as well as the *Office of Management and Budget's* (OMB) *Circular No. A-123, Management Accountability and Control*, establish specific requirements for management controls. Each agency head must establish controls to reasonably ensure that: (1) obligations and costs are in compliance with applicable laws; (2) funds, property and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation; and (3) revenues and expenditures applicable to agency operations are properly recorded and accounted for in order to permit the preparation of reliable financial and statistical reports, as well as to maintain accountability over the assets. FMFIA further requires each executive agency head, based on an evaluation conducted in accordance with applicable guidelines, to prepare and submit a signed statement to the President disclosing whether the agency's system of internal accounting and administrative control fully complies with requirements established in FMFIA.

EEOC Order 195.001, Management Accountability and Controls, requires the Office of Inspector General (OIG) to annually provide a written advisory to the Chair on whether the management control evaluation process complied with OMB guidelines. On October 31, 2018, the Office of Enterprise Data and Analytics (OEDA) submitted EEOC's Fiscal Year 2018 FMFIA Assurance Statement to the Chair and to the OIG for review. The OIG reviewed: (1) assurance statements submitted by headquarters and district directors attesting that their systems of management accountability and control were effective and that resources under their control were used consistent with the agency's mission and complied with FMFIA; (2) all functional area summary tables, and functional area reports; and (3) OEDA's Fiscal Year 2018 Federal Managers' Financial Integrity Act Assurance Statement and attachments. Based on our limited independent assessment of this year's process, the Agency's management control evaluation was conducted in accordance with

OMB Circular No. A-123, Management's Responsibility for Enterprise Risk Management and Internal Control (revised July 13, 2016).

OMB Circular No. A-123, as revised, requires management to conduct its evaluation of internal controls based on *Standards for Internal Control in the Federal Government* (the Green Book). We recommend that the agency take the necessary steps to ensure that future internal control evaluations are performed in accordance with the latest OMB guidance.

As of this memorandum date, our auditors, Harper, Rains, Knight & Co. (HRK), did not identify any material weaknesses resulting from their audit of EEOC's Fiscal Year 2018 financial statements.

The OIG concurs with OEDA's reporting of four financial non-conformances where a corrective action plan has been implemented to resolve it in Fiscal Year 2018.