

Federal Trade Commission Office of Inspector General



Audit of Federal Trade Commission Interagency Agreement Processes

OIG Report No. A-20-11 September 30, 2020



FINAL REPORT – REDACTED FOR PUBLIC RELEASE



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Office of Inspector General

September 30, 2020

MEMORANDUM

FROM: Andrew Katsaros
Inspector General

A handwritten signature in black ink, appearing to read "Andrew Katsaros".

TO: David B Robbins
Executive Director

SUBJECT: Audit of Federal Trade Commission Interagency Agreement Processes

The Office of Inspector General (OIG) conducted a performance audit to assess the effectiveness of Federal Trade Commission (FTC) processes and procedures for approving, acquiring, and monitoring interagency acquisition agreements (IAA), and to determine whether these processes were conducted in accordance with federal regulations, agency policies, and available best practices.

Our audit found that the FTC's Budget Division generally has effective controls over the IAA process. We identified several additional opportunities for the Budget Division to improve the administration of interagency acquisitions.

Our recommendations invite management to develop a mitigation practice for acquiring updated information on all interagency agreements when this information is not available from the Department of Treasury's Administrative Resource Center, identify the universe of open assisted acquisitions, and finalize existing drafts or develop internal written policies and procedures to guide it in administering interagency acquisitions

The FTC's response to the draft report's findings and recommendations is included as Appendix F. The response reflects that the FTC concurred with the report's recommendations. Within 60 calendar days, please submit to us an action plan that addresses the recommendations in this report.

A public version of this report will be posted on the OIG's website pursuant to sections 4 and 8M of the Inspector General Act of 1978, as amended (5 U.S.C. App., §§ 4 and 8M).

The OIG greatly appreciates the cooperation and courtesies extended to us by the Budget Division and the Financial Systems and Reporting Division throughout the audit. If you have any questions or concerns regarding this report, please contact me at (202) 326-3527, or by email at akatsaros@ftc.gov.

Final Report - Redacted for Public Release



OFFICE OF INSPECTOR GENERAL

AUDIT OF FEDERAL TRADE COMMISSION INTERAGENCY AGREEMENT PROCESSES

September 30, 2020
Report No. A-20-11

IN SUMMARY

Why We Performed This Audit

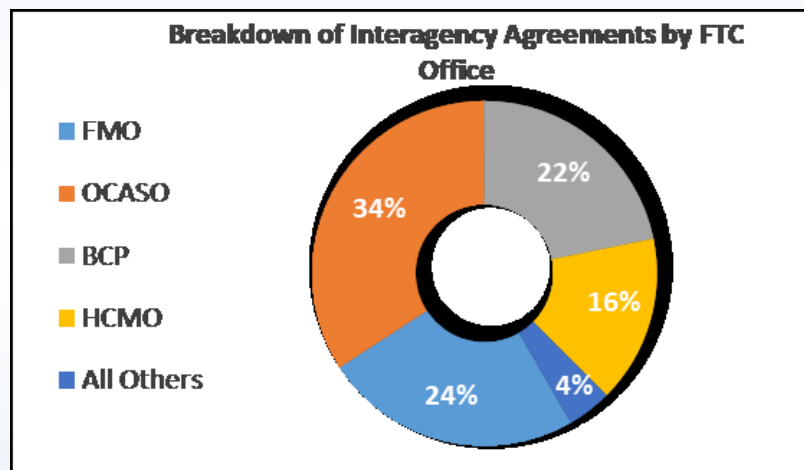
We conducted a performance audit to assess the effectiveness of FTC processes and procedures for approving, acquiring, and monitoring interagency acquisition agreements (IAA), and to determine whether these processes were conducted in accordance with federal regulations, agency policies, and available best practices.

Our audit scope included FTC IAAs in place during fiscal year 2019.

During FY 2019, The FTC obligated approximately \$10 million against 45 IAAs for services provided by 13 federal trading partners.

What We Found

Our audit found that the FTC's Budget Division generally has effective controls over the IAA process. The results of our audit also show that opportunities exist to improve the overall administration of interagency acquisitions. Our report includes recommendations designed to enhance the FTC's policies over the interagency agreement process, and provide greater structure to interagency acquisition data.



What We Recommend

We recommend that the FTC Executive Director:

1. In coordination with the Financial Systems and Reporting Division, develop a mitigation practice for acquiring updated information on all interagency agreements when this information is not available from the Department of Treasury's Administrative Resource Center.
2. In coordination with the Budget Division and the Acquisition Division, identify the universe of open assisted acquisitions and, if needed, prepare the required documentation, including the Determination and Finding. Develop and formalize, in policy, a structured program for contractor site visits for both IT System Security and operational site visits.
3. Finalize existing drafts or develop internal written policies and procedures to guide it in administering interagency acquisitions.

FTC management concurred with our report recommendations.

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AUDIT RESULTS SUMMARY

We conducted a performance audit to assess the effectiveness of the FTC’s processes and procedures for approving, acquiring, and monitoring interagency acquisition agreements (IAA), and to determine whether these processes were conducted in accordance with federal regulations, agency policies, and available best practices. As background for our audit, we researched and reviewed pertinent authorities, including federal laws, and agency guidance, policies, and procedures covering the interagency acquisition process.¹

Our audit scope included FTC IAAs in place during fiscal year 2019 (the period covering October 1, 2018 through September 30, 2019).²

We found that the FTC’s Budget Division generally has effective controls over the IAA process. Specifically, we found that quarterly reconciliations of interagency balances are accomplished on a timely basis and comply with applicable federal guidance. Also, written agreements exist for every interagency acquisition,³ and there are no material unreconciled differences (defined as greater than \$10 million) with the FTC’s federal trading partners.⁴

The results of our audit also show that opportunities exist to improve the overall administration of interagency acquisitions. Our audit found that the FTC either had not developed or updated internal written policies and procedures to guide its administration of IAAs. We found that the FTC (1) encountered limitations in readily producing quality information on interagency agreements for management decision-making; (2) was unable to identify the universe of open assisted acquisitions and determine if the required documentation was included; and (3) would benefit from a formal control structure around its agreement processes. Our report includes recommendations designed to enhance the FTC’s policies over the interagency agreement process, and to provide greater structure to interagency acquisition data.

¹ See Appendix B: Background.

² See Appendix A: Objective, Scope, and Methodology.

³ According to 31 U.S.C. § 1501 (the Recording Statute), an amount shall be recorded as an obligation of the United States Government only when supported by documentary evidence, which may consist of a binding agreement between an agency and another person (including an agency).

⁴ The Treasury Financial Manual, *Part 2, Central Accounting and Reporting; Chapter 4700, Agency Reporting Requirements for the Financial Report of the United States Government*, identifies federal requirements for reconciliation and establishes “material differences” as intragovernmental balances equal to or greater than \$10 million.

WHY WE PERFORMED THIS AUDIT

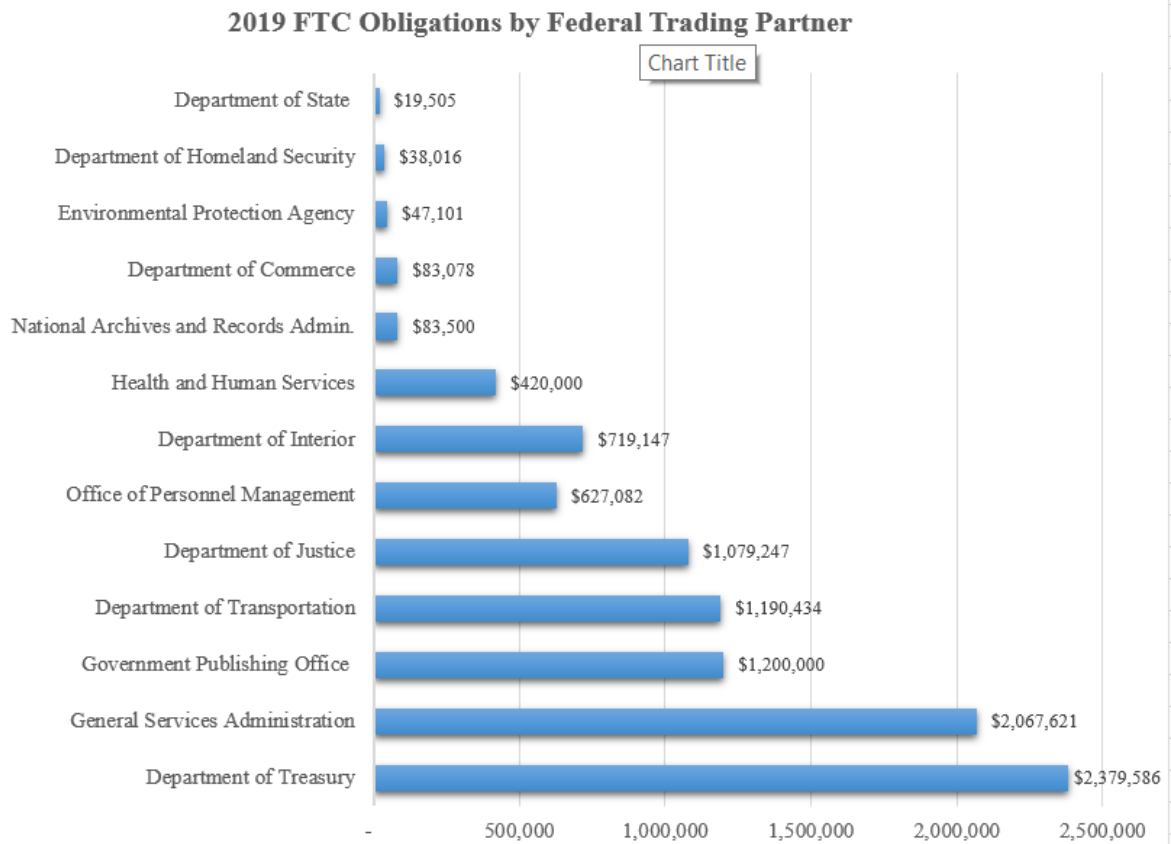
Federal agencies, including the FTC, use Interagency Agreements (IAAs) to obtain needed supplies or services from other agencies. During FY 2019, the FTC obligated approximately \$10 million against 45 IAAs for services provided by 13 federal trading partners. These services included activities like building maintenance, records storage, litigation support, and administration of transit benefits (Table 1). The FTC also provided an additional one million in services to other federal agencies.

Table 1: Services Provided to the FTC, by Federal Trading Partner

Federal Trading Partner	Services Provided to FTC
Department of Commerce	Detail of Personnel
Department of Homeland Security	Protective Guard Services
Environmental Protection Agency	Federal Docket Management System
Government Publishing Office	Bulk Distribution Services
General Services Administration	Building Services, Metered Electric, Preventative Maintenance, HVAC, Building Repairs, Fire Alarm Shop, Guard Services, Relocation Services, Space Rental, and Shared Services Database
Health and Human Services	Health Clinics
Department of Interior	Financial Mgmt. System Support, Personnel, Payroll, Human Resources Related Systems & Services, and Employee Surveys
Department of Justice	Procurement of Conference Venue and Litigation Support
National Archives and Records Administration	Records Storage
Office of Personnel Management	Credit Monitoring, Hosting and Maintenance to Support the Electronic Official Personnel Folder, Background Investigation, and Presidential Rank Awards
Department of State	Passports Service, and Computer-Based Training for Security & Privacy Awareness Training
Department of Transportation	Transit Benefits
Department of Treasury	Migration of Treasury ARC Financial System, Financial Management, Procurement, and Travel & Administrative Services

Source: OIG Analysis of FTCTFY 2019 IAAs for Purchasing Services

Chart 1: 2019 FTC Obligations, by Federal Trading Partner



The federal government is migrating to an updated approach for managing interagency agreement processes, branded as Government Invoicing (G-Invoicing). G-Invoicing will replace the current paper-based reimbursable agreement process with an electronic origination, review, and approval application for interagency agreements.⁵

Not having conducted any recent audit or evaluation work on interagency agreements, the OIG conducted a retroactive look at this process to inform the FTC's establishment of effective controls and processes for the new G-Invoicing platform.

⁵ The U.S. Department of Treasury, pursuant to its authority under 31 U.S.C. § 3512(b), *Executive Agency Accounting and Other Financial Management Reports and Plans*, and 31 U.S.C. § 3513, *Financial Reporting and Accounting System*, mandated that all Federal Program Agencies (FPAs) use G-Invoicing. See Treasury Financial Manual, Ch. 4700, Appx. 8. As an FPA, the FTC must implement G-Invoicing for new orders by October 2022.

FINDINGS AND RECOMMENDATIONS

A. The FTC Has Opportunities to Improve on the Tracking and Identification of Its Interagency Agreements

At the time of the audit, the FTC encountered limitations affecting the timely and accurate tracking of information on its IAAs, potentially limiting its ability to provide responsible real-time information on outstanding work performed by and on behalf of the agency.⁶

Such information would be valuable, for example, in managing budget uncertainties or in providing information to managers for better decision-making. As of our audit, the FTC's IAAs were not clearly identified as such, which made establishing a baseline population for the number of agreements more challenging than necessary.

FTC officials informed the OIG that an obligation report including IAAs is available in the Oracle Business Intelligence (OBI) system managed by the FTC's accounting system service provider, the Department of Treasury's Administrative Resource Center (ARC).⁷ OBI contains a numbering convention for identifying various types of obligations, allowing the FTC to distinguish among different types of transactions. However, at the time of our audit, the obligation reports were not current. As a result, the Budget Division did not have current IAA obligation data available from OBI.

Our audit found that FMO tracked its purchase agreements by fiscal year and within fiscal year by office; however, the agency could not accurately identify the FTC's universe of IAAs. Working with the original set of files and FMO, we developed a more comprehensive list of IAAs active in FY 2019.

Although we were ultimately able to identify that FTC had 45 IAAs in total,⁸ given the tracking challenges encountered, the FTC would benefit from a mitigation practice for when Treasury ARC reports are not available. The mitigation practice should capture, at a minimum, the agreement number, trading partner agency identifier, period of performance, and funding expiration date. Alongside reports that are expected to be available from Treasury ARC,⁹ a separate mitigation practice would assist the FTC in monitoring IAAs with approaching end dates.

⁶ The FTC transitioned the agency's accounting and financial reporting functions from the Department of Interior's Interior Business Center (IBC) to the Department of Treasury's Administrative Resource Center (ARC) during the time of our audit fieldwork.

⁷ OBI is a web accessible reporting tool operated by the Department of Treasury ARC for real-time data query and analytics capabilities.

⁸ Working with the original set of files and FMO, we developed a more comprehensive list of IAAs active in FY 2019. The FTC initially provided folders for 47 IAAs. Subsequent discussions identified deletions and additions resulting in 45 IAAs with activity during FY 2019.

⁹ The FTC had been able to use OBI reports from Treasury ARC to (1) validate the number of IAAs it has with each trading partner; (2) confirm that only valid IAAs make up payable and receivable balances; (3) ensure that the FTC's reporting of IAA financial information is accurate; and (4) determine whether outstanding obligations remain on inactive IAAs.

Five of the 45 IAAs are potentially assisted acquisitions, which would subject them to Federal Acquisition Regulation (“FAR”) 17.5’s requirement to obtain the approval of the requesting agency’s contracting office. Because the agency could not identify whether these 5 IAAs were assisted acquisitions, the agency may not be in compliance with FAR 17.5.

The FTC’s absence of written, standardized processes and procedures over IAAs (as noted in Finding B) could make it even more challenging for the FTC to consistently monitor, revise, and update data on an agency-wide basis, and to ensure that the agency is complying with applicable federal requirements, including Federal Acquisition Regulations (FAR).

B. The FTC Would Benefit from a Formal Control Structure Around Its Interagency Agreement Processes

Our audit revealed opportunities to improve the overall control structure around IAA processes. Although the FTC Budget Division maintains records for each IAA, the FTC has not established sufficient controls over IAA execution to ensure that all required IAA elements are addressed. For example, the FTC does not have any policies or procedures for IAAs when the agency is the buyer (requesting agency) of services, including one-time or mandated annual services, even though the FTC obligated \$10 million dollars in 2019 for such services. Additionally, while the FTC [REDACTED] includes guidance for when FTC is the servicing agency, the FTC has not updated this guidance since 2004, despite providing one million dollars of services in FY 2019.¹⁰ Establishing or updating IAA policies and procedures could assist the FTC in ensuring that its IAAs are executed properly.

The FTC did not have a formal control structure over agreement processes because it did not have sufficient documented internal policies and procedures to guide the administration of its IAAs. As a result, there is an increased risk of unclear, misunderstood, fragmented, inconsistent, or improperly implemented practices over interagency agreement processes managed by the FTC, particularly if the FTC is unable to rely on its experienced staff in effectively executing its IAA practices.

The FTC had been at least partially aware of its lack of formal guidance, including the absence of internal IAA policies, standard procedures, and desk guides. Demonstrating this awareness, the Budget Division was able to produce draft standard operating procedures (SOPs) for reimbursable agreements, a draft SOP for closing unliquidated obligations, and a draft update to *FTC* [REDACTED]. The FTC did not provide policies and procedures for “C” documents, which are used for either one-time or mandated annual services received from other federal agencies that do not require a formal agreement. Examples of C documents include translation and transportation services with the State Department, office rent with the General Services Administration, and FECA reimbursements for workers compensation.

Without a clear direction or consistent process for updating and maintaining its policies and procedures, the FTC may not be able to effectively enforce its practices over time and in the event of increased turnover, resulting in a higher level of risk.

¹⁰ See [REDACTED]

Recommendations

We recommend that the FTC Executive Director:

1. In coordination with the Financial Systems and Reporting Division, develop a mitigation practice for acquiring updated information on all interagency agreements when this information is not available from the Department of Treasury's Administrative Resource Center.
2. In coordination with the Budget Division and the Acquisition Division, identify the universe of open assisted acquisitions and, if needed, prepare the required documentation, including the Determination and Finding.
3. Finalize existing drafts or develop internal written policies and procedures to guide it in administering interagency acquisitions.

SUMMARY OF AGENCY RESPONSE AND OIG COMMENTS

FTC management agreed with all three recommendations included in our audit report. In its response, the FTC communicated that FMO will work closely with the Office of General Counsel to implement Corrective Action Plans (CAPs) that address the recommendations. The FTC response to our report is included in its entirety in Appendix F.

APPENDIX A: OBJECTIVE, SCOPE, AND METHODOLOGY

The OIG conducted a performance audit to determine if the FTC’s interagency acquisition process is being managed in accordance with federal regulations and agency policies. As background for our audit, we researched and reviewed pertinent authorities including federal laws, agency guidance, and policies and procedures related to interagency acquisitions, including the Treasury Financial Manual (TFM), Federal Acquisition Regulations (FAR), OMB Circular A-123, and the GAO Standards for Internal Control in the Federal Government (The GAO Green Book). We also:

- reviewed prior reports issued by other federal inspectors general and GAO audit reports relevant to interagency agreements;
- interviewed FTC officials on the IAA process;
- performed a walkthrough of IAA processes;
- conducted analyses of interagency agreements;
- tested controls over the program to verify compliance with federal and FTC requirements.

We tested 45 IAAs, which was the entire universe of IAAs active during FY 2019 where the FTC purchased services from another federal agency. We tested whether the IAAs met GAO Red Book’s Recommended Elements for Interagency Acquisition (Recommended Elements) and whether the IAAs included the accounting information required by the FTC to record an obligation. Table 2 below lists the Recommended Elements.

1. Citations of the legal authority for entering into the agreement	Varieties of laws authorize interagency acquisitions. The Economy Act, 31 U.S.C. § 1535, provides general authority for federal agencies to undertake interagency acquisitions when more specific statutory authority does not exist.
2. Terms and conditions of the requested performance	Requesting and servicing agencies need to develop clear and complete interagency agreements that establish general terms and conditions to govern the relationship between the agencies, including each party’s role in carrying out responsibilities in the acquisition lifecycle.
3. Specified cost of performance, including appropriate ceilings when the cost is based on estimates	The performing agency should specify the amount that it is to be paid for providing the requested item or service. When the total cost of performance is not known in advance, costs should be estimated, and this estimated amount should constitute a ceiling on the costs that may be incurred by the performing agency without notifying, and receiving approval from, an authorized official of the requesting agency.
4. Whether payment will be by advance or reimbursement	Payment may be in advance or paid upon receipt of the goods or services ordered.

¹¹ The GAO Red Book does not define the IAA recommended elements. The descriptions in Table 2 came from the following sources: Office of Federal Procurement Policy *Improving the Management and Use of Interagency Acquisitions*; *Economy Act of 1932, as amended* (31 U.S.C. § 1535); Federal Acquisition Regulation (FAR) (Title 48, C.F.R.); GAO *Policies and Procedures Manual for Guidance of Federal Agencies* Title 7.

5. Applicable special requirements and procedures for assuring compliance	For assisted acquisitions, the requesting agency shall provide to the servicing agency any unique terms, conditions, and applicable agency-specific statutes, regulations, directives, and other applicable requirements for incorporation into the order or contract.
6. Approval of the agreement by authorized officials of the participating organizational units.	Establishes that appropriate officials of each agency are held accountable to the agreed upon terms and conditions.

We were unable to assess Recommended Element 5, Applicable Special Requirements and Procedures for Assuring Compliance, because the Budget Office could not confirm that the five IAAs identified as potentially assisted acquisitions should be considered assisted acquisitions pursuant to FAR 17.502-1(a)(1).¹²¹³

We performed the audit work from March 2020 through September 2020, remotely and initially at both FTC headquarters and the Constitution Center, in Washington, D.C.

We conducted this performance audit in accordance with generally accepted 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.

In planning and performing our audit, we identified the following internal control components and underlying internal control principles as significant to the audit objective:

Internal Control Components & Principles Significant to the Audit Objectives	
Control Activity Principles	
	Management should design control activities to achieve objectives and respond to risks
	Management should implement control activities through policies
Information & Communication Principles	
	Management should use quality information to achieve the entity's objectives

We assessed the design, implementation, and operating effectiveness of these internal controls at the time of our audit and identified deficiencies that we believe could affect the FTC's ability to effectively and efficiently operate and to ensure compliance with laws and regulations. The internal control deficiencies we found are discussed in the Audit Results section of this report. However, because our assessment was limited to aspects of internal control components and principles significant to the objective of this audit, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

We relied on the following rules, regulations, and guidance in the performance of our audit:

- *Economy Act of 1932*, 31 U.S.C. § 1535, *as amended*

¹² An assisted acquisition is a type of interagency acquisition where a servicing agency performs acquisition activities on a requesting agency's behalf, such as awarding and administering a contract, task order, or delivery order.

¹³ See Appendix C: Interagency Agreements Testing Results for more details.

- *Documentary Evidence Requirement for Government Obligations*, 31 U.S.C §1501
- Treasury Financial Manual (TFM) Chapter 4700
- Federal Acquisition Regulation (FAR) (Title 48, C.F.R.)
- *GAO Standards for Internal Control in the Federal Government* (Green Book)
- *GAO Principles of Federal Appropriations Law* (Red Book)

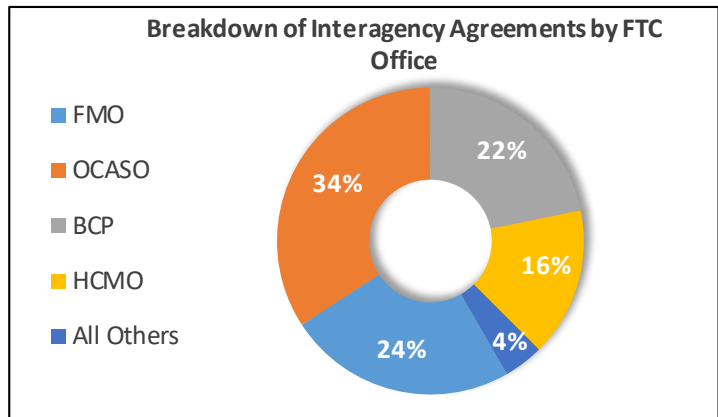
APPENDIX B: BACKGROUND

Interagency Agreements

Interagency Agreements (“IAAs”) are written agreements between federal agencies, which establish the respective responsibilities of each agency in carrying out a project or activity of mutual interest. IAAs may cover the conditions for joint project support, or the provision of supplies, services, facilities, equipment, or other assistance in carrying out the administrative or program functions of the agencies that are parties to the IAA. Agencies enter into IAAs when an agency needing supplies or services (the requesting agency) places an order using another agency’s contract in a direct acquisition or obtains acquisition assistance from another agency (the servicing agency) in an assisted acquisition. This relationship between federal agencies can provide a significant advantage to the federal government when acquiring goods and services.

Federal agencies enter into IAAs with other federal offices under a variety of requirements. The Economy Act, 31 U.S.C. § 1535, provides for a general authority to undertake interagency acquisitions when more specific statutory authority does not exist.¹⁴ The FTC often uses this authority for its IAAs.

In addition, several specific statutory and regulatory authorities exist for IAAs. For example, pursuant to the *Government Employees Training Act*, 5 U.S.C. § 4101 et. sec., a covered agency can extend its training to employees of other government agencies.¹⁵ 44 U.S.C. § 2116(c) also permits the Archivist of the *National Archives and Records Administration (NARA)* to charge a user fee for making or authenticating copies or reproductions of materials, and to recover costs. IAAs can also be authorized under the statutory



authority of a franchise fund, revolving fund, working capital fund, or other authority. The FTC enters into IAAs with federal trading partners for a variety of services that include rental of space, building maintenance, security services, utilities, vehicle leases, and background investigations. During FY 2019, the FTC had 45 IAAs for goods and services with 13 federal agencies (trading partners), representing obligations of approximately \$10 million.¹⁶ The FTC’s Financial Management Office (FMO), Office of the Chief Administrative Services Officer

¹⁴ The Economy Act of 1932, 31 U.S.C. § 1535, as amended, provides general authorization for agencies to place orders for goods or services with other agencies if amounts are available, the order is in the U.S. Government’s best interest, the agency filling the order can provide the goods and services or obtain them by contract, and the requesting agency cannot obtain the goods or services more cheaply or conveniently from a commercial enterprise.

¹⁵ 5 C.F.R. § 410.305 (providing that federal agencies and specified federal entities may “provide or share training programs developed for its employees of other agencies under section 4120 of title 5, United States Code, when this would result in better training, improved service, or savings to the Government”).

¹⁶ See Appendix D: FTC’s FY 2019 Interagency Agreements for additional details.

(OCASO), Bureau of Consumer Protection (BCP), and Human Capital Management Office (HCMO) account for 96% of the FTC's Interagency Agreements.

The Standard Interagency Agreement Form

The standard United States Government Interagency Agreement (IAA) form is comprised of two sections – the General Terms and Conditions (GT&C) Section and the Order Requirements and Funding Information (Order) Section. The FS Form 7600 fulfills the GAO Red Book *Principles of Federal Appropriations Law* considerations and the elements needed to account for an obligation.¹⁷

The GT&C is the partnership section of the IAA. It sets the relationship between the trading partners. It identifies the agencies entering into the agreement, the authority permitting the agreement, and the agreement action, period, and type. The FTC uses the GT&C Section, unless the other federal agency does not agree to its use.¹⁸

The Order section of the Buy/Sell agreement specifies the terms, quantities and prices, accounting data, and actions of each trading partner under the overarching GT&C. It serves as the funding section of the Agreement that creates a fiscal obligation and details the necessary products/services requirements. Funding information is provided for both trading partners, and all required points of contact sign to authorize the Order.

¹⁷ See Appendix A, Table 2: GAO Red Book's Recommended Elements for an Interagency Acquisition, for more details.

¹⁸ See Appendix D, FTC's FY 2019 Interagency Agreements, for additional details on the IAAs included in the scope of our audit.

APPENDIX C: INTERAGENCY AGREEMENTS TESTING RESULTS

Description of Requirement	Element Tested	Yes	No
Varieties of laws authorize interagency acquisitions. The Economy Act, 31 U.S.C. § 1535, provides general authority to undertake interagency acquisitions that are available to agencies when more specific statutory authority does not exist.	Citations of the legal authority exist for entering into the agreement	44	1
Requesting and servicing agencies need to develop clear and complete interagency agreements that establish general terms and conditions to govern the relationship between the agencies, including each party's role in carrying out responsibilities in the acquisition lifecycle.	Terms and conditions of the requested performance exist	45	0
The performing agency should specify the amount that it is to be paid for providing the requested item or service. When the total cost of performance is not known in advance, costs should be estimated, and this estimated amount should constitute a ceiling on the costs that may be incurred by the performing agency without notifying, and receiving approval from, an authorized official of the requesting agency.	Specified cost of performance was identified, including appropriate ceilings when the cost is based on estimates	45	0
Payment may be in advance or when the goods or services are provided and shall be for any part of the estimated or actual cost as determined by the agency or unit filling the order.	Whether payment will be by advance or reimbursement was noted	44	1
For assisted acquisitions, the requesting agency shall provide to the servicing agency any unique terms, conditions, and applicable agency-specific statutes, regulations, directives, and other applicable requirements for incorporation into the order or contract.	Applicable special requirements and procedures for assuring compliance were in place	not tested ¹⁹	not tested
Establishes that appropriate officials of each agency are held accountable to the agreed upon terms and conditions.	Approval of the agreement was authorized by officials of the FTC	44	1
Establishes that appropriate officials of each agency are held accountable to the agreed upon terms and conditions.	Approval of the agreement was authorized by officials of the other agency	33	0 ²⁰

¹⁹ The Budget Division identified five potential assisted acquisitions. The Acquisitions Division determines whether an IAA is an assisted acquisition.

²⁰ Twelve GSA reimbursable work agreements were considered not applicable for this test as they used an electronic application and approval system.

APPENDIX D: FTC FISCAL YEAR 2019 INTERAGENCY AGREEMENTS

Federal Trading Partner	Obligation	Number of IAAs	Statutory Authority
Government Publishing Office	\$ 1,200,000	1	<ul style="list-style-type: none"> 40 U.S.C. § 323, 44 U.S.C. § 309, and 48 C.F.R. § 8.802
Department of Commerce	83,078	1	<ul style="list-style-type: none"> Economy Act, 31 U.S.C. § 1535
Department of the Interior, includes Interior Business Center	719,147	7	<ul style="list-style-type: none"> 43 U.S.C. § 1467-68 Government Management Reform Act, 49 U.S.C. § 1113(b)(1)(C)
Department of Justice	1,079,247	5	<ul style="list-style-type: none"> Economy Act, 31 U.S.C. § 1535 SAFE Web Act, 15 U.S.C. § 46(l)(1) DOJ Information System Security Line of Business (ISS LOB)
Department of State	19,505	2	<ul style="list-style-type: none"> 22 U.S.C. § 2684 Economy Act, 31 U.S.C. § 1535 / FAR 17.5
Department of the Treasury	2,379,586	2	<ul style="list-style-type: none"> 31 U.S.C. § 322, note
Office of Personnel Management	627,082	5	<ul style="list-style-type: none"> 5 U.S.C. § 1304
General Services Administration	2,067,621	17	<ul style="list-style-type: none"> Economy Act, 31 U.S.C. § 1535 40 U.S.C. § 592(b)(2) - Non-Economy Act (default). 40 U.S.C. §§ 321, 501-2
Environmental Protection Agency	47,101	1	<ul style="list-style-type: none"> Clinger-Cohen Act, E-Gov Act 2002, 40 U.S.C. § 11318
Department of Transportation	1,190,434	1	<ul style="list-style-type: none"> 49 U.S.C. §§ 327, 1113(b)(1)(C)
Department of Homeland Security	38,016	1	<ul style="list-style-type: none"> Economy Act, 31 U.S.C. § 1535
Department of Health and Human Services	420,000	1	<ul style="list-style-type: none"> 42 U.S.C. § 231, 5 U.S.C. § 7901
National Archives and Records Administration	83,500	1	<ul style="list-style-type: none"> 4 U.S.C. § 2901, note, (Public Law 106-58) NARA Revolving Fund Authority
TOTAL	\$ 9,954,318	45	

Source: OIG Analysis of FY2019 IAAs for Purchasing Services

APPENDIX E: ACRONYMS AND ABBREVIATIONS

ACRONYMS AND ABBREVIATIONS	
BD	Budget Division
FAR	Federal Acquisition Regulation
FMO	Financial Management Office
FTC	Federal Trade Commission
FY	Fiscal Year
GAO	Government Accountability Office
IAA	Interagency Agreement
IPAC	Intra-Governmental Payment and Collection
OFPP	Office of Federal Procurement Policy
OMB	Office of Management and Budget
Red Book	GAO <i>Principles of Federal Appropriations Law</i>

APPENDIX F: FTC MANAGEMENT RESPONSE

Management Response
Office of the Inspector General Draft Report:
Audit of Federal Trade Commission Interagency Agreement Processes

Management concurs with the findings, conditions and three recommendations contained in the Office of the Inspector General's (OIG) Draft Report regarding the Audit of the Federal Trade Commission's Acquisition Planning Activities.

As noted in the Draft Report, the Inspector General found that the FTC's Budget Division generally has effective controls over the IAA process. Specifically, the FTC performs quarterly reconciliations of interagency balances on a timely basis and complies with applicable federal guidance. Also, written agreements exist for every interagency acquisition, and there are no material unreconciled differences (defined as greater than \$10 million) with the FTC's federal trading partners.

The Draft Report contains three recommendations that would enhance the tracking and identification, and the internal controls surrounding our Interagency Agreement Processes. FTC Management concurs with the recommendations:

1. In coordination with the Financial Systems and Reporting Division, develop a mitigation practice for acquiring updated information on all interagency agreements when this information is not available from the Department of Treasury's Administrative Resource Center.
2. In coordination with the Budget Division and the Acquisition Division, identify the universe of open assisted acquisitions and, if needed, prepare the required documentation, including the Determination and Finding.
3. Finalize existing drafts or develop internal written policies and procedures to guide it in administering interagency acquisitions.

FMO will work closely with the Office of General Counsel to implement Corrective Action Plans (CAPs) that address the OIG recommendations. The CAPs will be developed within 60 days of the issuance of the Final OIG Audit Report regarding this matter. The CAPs will include individual milestones and completion dates, as well as an overall completion date for each recommendation.

FTC Management would like to recognize and thank the Inspector General for the professionalism and cooperation exhibited by the OIG staff during this audit.