

Office of Inspector General
Pension Benefit Guaranty Corporation

Annual Work Plan

Calendar Year 2022



OIG Value Framework

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|-------------------|---|
| Principles | Integrity – Respect – Excellence |
| Vision | Providing deep knowledge and sensible solutions through independent, positive engagement |
| Mission | <p>Conduct independent and objective audits and investigations of PBGC programs and operations</p> <p>Provide leadership to promote efficiency and effectiveness</p> <p>Prevent and detect fraud and abuse in PBGC programs and operations</p> <p>Keep the Board and Congress fully and currently informed about problems and deficiencies</p> <p>Report immediately to the Board whenever the Inspector General becomes aware of any particularly serious or flagrant problems</p> <p>Report expeditiously to the Attorney General whenever the Inspector General has reasonable grounds to believe there has been a violation of federal criminal law</p> |
| Pillars | People Focused – Process Oriented – Performance Driven |

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Introduction

We conduct our business in accordance with the OIG Value Framework and strive to provide deep knowledge and sensible solutions through independent positive engagement. To fulfill our responsibilities under the Inspector General Act and our expectations under the OIG Value Framework, we issue a broad range of products including audits, evaluations, inspections, investigations, reviews, risk advisories, and white papers.

The work plan for Calendar Year 2022 falls into three categories:

- **Ongoing:** Engagements that were ongoing at the beginning of Calendar Year 2022.
- **Mandatory:** Engagements that are statutorily required.
- **Discretionary:** Engagements that are planned or under consideration based on risks facing the PBGC and after evaluating suggested topics from stakeholders.

We selected the discretionary projects based on risk, and we developed this plan after considering OIG's strategic plan and goals, PBGC's three strategic goals and performance, the OIG's FY 2022 Risk Assessment of PBGC Programs and Operations, including fraud risk; the OIG's Top Management Challenges; prior audit and investigative work; and risk assessment information provided by the Corporation. We prioritized projects to address risk and make the best use of available OIG resources. The project priority ratings are as follows:

Critical Risk – Immediate attention is required. Issues under review have the potential to involve serious internal control or risk management issue that if not mitigated, may lead to:

- Substantial financial losses, possibly in conjunction with other weaknesses in the control framework or the organizational entity or process being audited.
- Serious violation of a rule, regulation, or law.
- Serious reputation damage, such as negative publicity in national or international media.

High Risk – Timely management attention is warranted. This is an internal control or risk management issue that could lead to:

- Financial losses.
- Loss of controls within the organizational entity or process being audited.
- Reputation damage, such as negative publicity in local or regional media.

Medium Risk – Routine management attention is warranted. This is an internal control or risk management issue, the solution to which may lead to improvement in the quality and/or efficiency of the organizational entity or process being audited. Risks are limited.

PBGC Strategic Goals – This workplan also notes how planned engagements relate to PBGC's three strategic goals:

1. preserve plans and protect the pensions of covered workers and retirees;
2. pay pension benefits on time and accurately; and
3. maintain high standards of stewardship and accountability.

Initiation, Acceptance, Continuation of Engagements

Government Auditing Standards (GAS) require audit organizations to establish policies and procedures for the initiation, acceptance, and continuance of engagements designed to provide reasonable assurance the organization will undertake engagements only if it:

- a. complies with professional standards, applicable legal and regulatory requirements, and ethical principles
- b. acts within its legal mandate or authority; and
- c. has the capabilities, including time and resources, to do so (GAS 5.12).

OIG organizations operate with limited resources, which requires that projects be prioritized. In addition, there may be cases where an OIG is asked or required to accept an engagement. Even with these constraints, however, it remains critical that independence, objectivity, and adherence to professional standards are maintained at all times to ensure the integrity of OIG operations. As such, each year as part of the Annual Planning Process GAS 5.12 is reviewed and the principles identified in a, b, and c above are considered as an important part of the audit planning process.

Ongoing Engagements

Assessment of PBGC's Multiemployer Plan Special Financial Assistance Fund

(Project No. SR-21-160, announced September 10, 2021)

https://oig.pbgc.gov/pdfs/Ann_SR-21-160.pdf

To review the agency's assessment of risks and responses to those risks related to implementation of the American Rescue Plan Act and to and share potential risk mitigation considerations that other organizations in similar situations have used to reduce their residual risks.

(PBGC Strategic Goals 1 and 3 and OIG Risk Rating: Critical)

Evaluation of PBGC's Implementation of the American Rescue Plan Act's Special Financial Assistance Program

(Project No. EV-21-161, announced September 15, 2021)

https://oig.pbgc.gov/pdfs/Ann_EV-21-161_002.pdf

To determine whether PBGC's policies, procedures, and controls are sufficient to deliver timely and appropriate Special Financial Assistance (SFA) to eligible multiemployer plans, and determine the adequacy of the procedures PBGC used in identifying plans eligible for SFA.

(PBGC Strategic Goals 1 and 3 and OIG Risk Rating: Critical)

Audit of PBGC's Review of Initial Special Financial Assistance Applications

(Project No. PA-22-164, announced December 20, 2021)

https://oig.pbgc.gov/pdfs/Ann_PA-22-164.pdf

Determine if PBGC adequately reviewed applications for SFA prior to approving them.

(PBGC Strategic Goals 1 and 3 and OIG Risk Rating: Critical)

Evaluation of Hotline Complaints Regarding a PBGC Contract

(Project No. EV-22-162, announced December 20, 2021)

https://oig.pbgc.gov/pdfs/Ann_EV-22-162.pdf

To evaluate whether allegations contained in two hotline complaints related to services that PBGC purchased under the subject contract have merit and determine whether the allegations warrant further management attention.

(PBGC Strategic Goals 2 and 3 and OIG Risk Rating: Critical)

Mandatory Engagements

PBGC's Fiscal Year 2021 Compliance with the Payment Integrity Information Act of 2019

To determine PBGC's FY 2021 compliance with requirements of the Payments Integrity Information Act of 2019 (PIIA) (previously IPERA). (PBGC Strategic Goals 1, 2, and 3 and OIG Risk Rating: High)

Pension Benefit Guaranty Corporation's Fiscal Year 2021 and 2022 Financial Statements

Oversight of independent public accountant hired to express an opinion on whether PBGC financial statements are prepared in accordance with prescribed accounting principles. Scope includes (1) General-purpose financial statement, including internal controls and (2) Closing package. (PBGC Strategic Goals 1, 2, and 3 and OIG Risk Rating: Critical)

Annual Evaluation of the PBGC FISMA Program

Oversight of independent public accountant hired to evaluate PBGC's information security program. As prescribed by the Federal Information Security Modernization Act (FISMA), the PBGC Inspector General is required to conduct annual evaluations of PBGC's security programs and practices, and to report the results of these evaluations to OMB. (PBGC Strategic Goal 3 and OIG Risk Rating: Critical)

Discretionary Engagements - Planned

Additional Engagement(s) Reviewing Special Financial Assistance Applications

The planned engagement(s) would provide additional oversight related to applications for SFA. This would be in addition to the current audit. (PBGC Strategic Goals 1 and 3 and OIG Risk Rating: Critical)

PBGC's Planned Resources to Review Special Financial Assistance Applications

The engagement would examine whether PBGC has identified sufficient resources, both in terms of contracting and human resources, to review SFA applications to ensure compliance with the deadline for completing SFA. (PBGC Strategic Goals 1 and 3 and OIG Risk Rating: Critical)

IT Vulnerability and Penetration Testing

The engagement would provide oversight by our independent public accountant in the areas of vulnerability and penetration testing. (PBGC Strategic Goal 3 and OIG Risk Rating: Critical)

PBGC's Oversight of Plan Asset Evaluations and Participant Data Reviews

We would conduct an engagement of OBA's oversight of the work performed by the contractors on PAEs and PDRs. (PBGC's Strategic Goals 2 and 3 and OIG Risk Rating: High)

Discretionary Engagements - Under Consideration

Negotiated Funding Agreements

The engagement would examine how PBGC monitors, enforces, and modifies negotiated funding agreements with plan sponsors. (PBGC's Strategic Goal 1 and OIG Risk Rating: High)

PBGC Contracts Awarded to Incumbents

The engagement would examine the award procedures and the supporting documentation for contracts PBGC awarded to incumbent contractors for the same work. (PBGC's Strategic Goal 3 and OIG Risk Rating: High)

PBGC's Implementation of the Data Governance Board

The engagement would examine PBGC's implementation of the Evidence-Based Policy Making Act of 2018. (PBGC's Strategic Goal 3 and OIG Risk Rating: Critical)

PBGC's Management of Its Call Center

The engagement would examine PBGC's oversight of the Call Center. (PBGC's Strategic Goal 2 and OIG Risk Rating: Critical)



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Or Mismanagement?**

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Office Of Inspector General Hotline
1200 K Street NW, Suite 480
Washington, D.C. 20005
Website: oig.pbgc.gov**

Or e-mail to:

hotline@pbgc.gov

Your report can be made anonymously or in confidence



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