

FY 2016 Annual Performance Plan / FY 2014 Annual Performance Report

Office of Inspector General

Part 1: Agency and Mission Information

Section 1.1: Overview

The Office of Inspector General has the mission of providing a unique, independent voice to the Secretary of Commerce and senior managers, and Congress, in combating fraud, waste, abuse, and mismanagement, and in improving the efficiency, effectiveness, and economy of Department operations. The Office has authority to inquire into all program and administrative activities of the Department, including individuals or organizations performing under contracts, grants, cooperative agreements, and other financial assistance awards. The Inspector General Act of 1978, as amended, and other legislation authorize the specific functions and programs that make up these broad activities.

The Office of Inspector General (OIG) promotes compliance by the Department's employees and others managing federal resources with applicable laws and regulations, and actively works to prevent fraud, waste, and abuse in program operations. The OIG monitors and tracks the use of taxpayer dollars in federally-funded programs with its purpose being to keep Departmental officials and Congress informed about issues, problems, and deficiencies relating to the administration of programs and operations and the need for corrective action. OIG has a headquarters office located in Washington, D.C. and field offices located in Atlanta, Denver, and Seattle.

OIG has a base of 174 FTE in FY 2016.

Section 1.2: Mission Statement

The Office of Inspector General has the mission of providing a unique, independent voice to the Secretary of Commerce and senior managers, and Congress, in combating fraud, waste, abuse, and mismanagement, and in improving the efficiency, effectiveness, and economy of Department operations.

Section 1.3: Vision and Values

OIG's vision is to be recognized for our contribution to improved Commerce performance.

- We work as a seamless, integrated team delivering valuable products to serve the public and to support decision-makers in the Department, OMB, and Congress.
- We are an integral and trusted broker to our stakeholders.
- We are catalysts for positive change throughout the Department.
- We are fully staffed and have the resources to get the job done.
- We have a diverse, competent, enthusiastic, and productive workforce and a cadre of effective managers at every level of the organization.
- We have credible risk assessment processes that drive strategic and operational plans, priorities, and programs.
- We have efficient, effective processes and a state-of-the-art infrastructure.
- We have performance metrics that drive high performance and accountability.

Core Values:

Integrity

- We are honest, ethical, and objective.
- We hold ourselves to high standards and are willing to take tough stands.
- We honor our commitments to each other and our stakeholders.

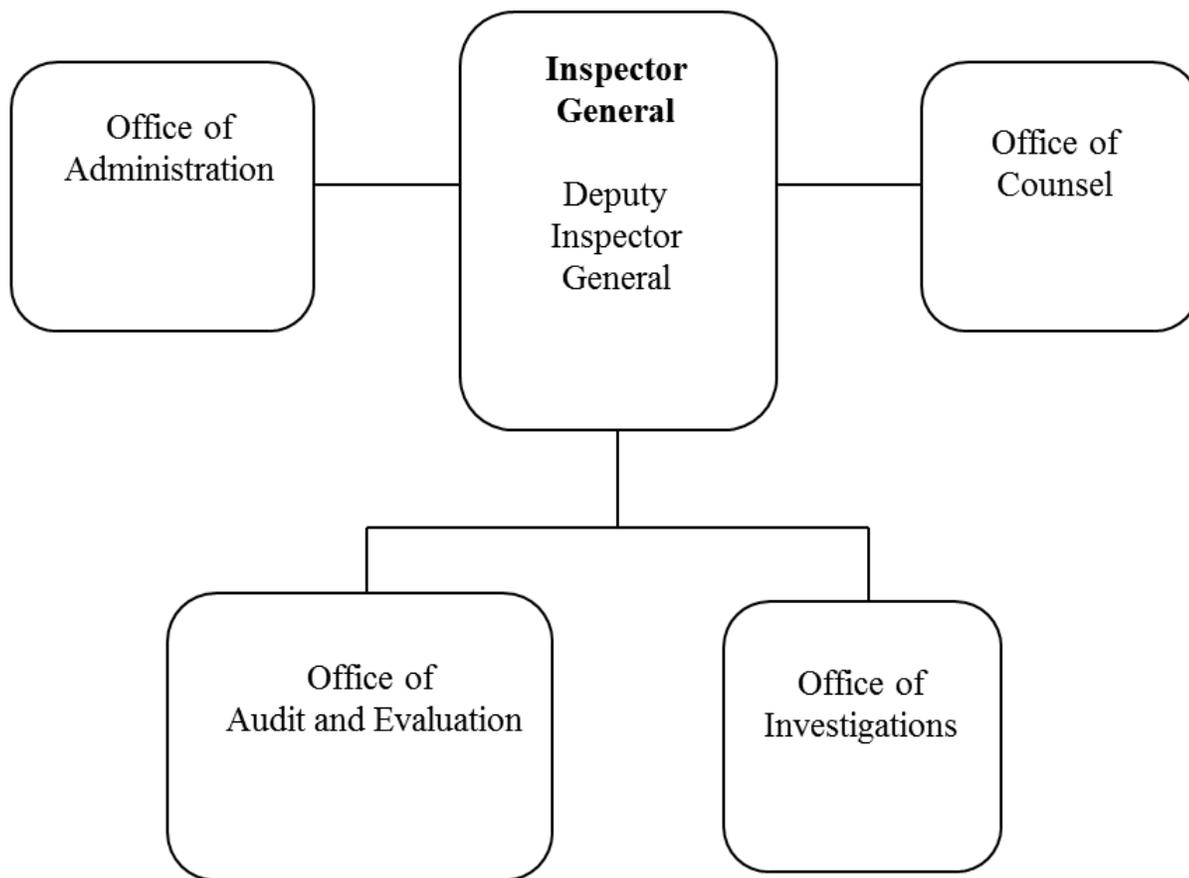
Excellence

- We are forward-looking and seize opportunities to improve Commerce performance
- We deliver timely, relevant, and high-impact products and services.
- We encourage risk-taking that leads to new ideas and innovative solutions.

Accountability

- We operate as independent, transparent, and trusted brokers serving our stakeholders.
- We are passionate about delivering results that drive positive change.
- We are trustworthy and can be counted on to do what we say.

Section 1.4: Organizational Structure



Part 2: Cross-Agency Priority Goals

Section 2.1: Overview

OIG is not a leader of or a participant in any Departmental Cross-Agency Priority Goals.

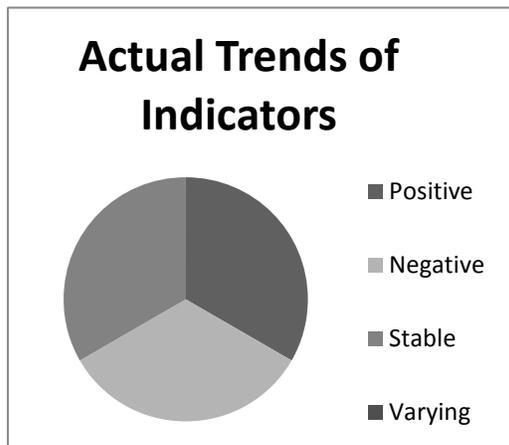
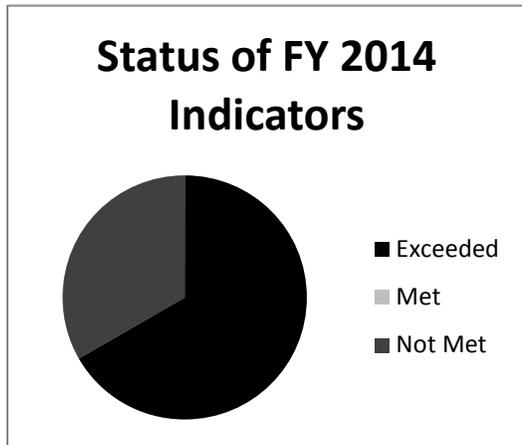
Part 3: Strategic Goals and Objectives

Goal	Objective Number	Objective Name	Leader
Operational Excellence	5.1	Strengthen organizational capabilities to drive customer-focused, outcomes-driven mission performance.	Office of Secretary; all bureaus contribute.

Section 3.2: Strategies for Objectives

OIG’s strategy for contributing to the Department’s goal of operational excellence and its objective of strengthening organizational capabilities to drive customer focused, outcome driven mission performance consists of providing a unique, independent voice to the Secretary of Commerce and senior managers, and Congress, in combating fraud, waste, abuse, and mismanagement, and in improving the efficiency, effectiveness, and economy of Department operations.

Many improvements to Commerce operations and programs come through recommendations made in various OIG work products. OIG measures its effectiveness by tracking the extent to which it offers useful, practical recommendations for improvements. OIG measures the usefulness and practicality of its recommendations by tracking the extent to which they are accepted by Commerce management.



Another key measure of the value of OIG’s work is its dollar return on investment. It measures this by tracking financial benefits, which include: (1) questioned costs agreed to by management, (2) funds put to better use, and (3) administrative, civil, and criminal recoveries.

OIG’s contribution in combatting fraud, waste, abuse, and mismanagement requires that its cases be

completed in a timely manner so that the results are useful to Departmental managers. OIG measure this by tracking the mean and median number of days it takes to complete a case, with the goal of completing investigative cases within 365 days.

Section 3.3: Progress Update for Strategic Objectives

OIG provides a unique, independent voice to the Secretary of Commerce and senior managers, and Congress, in combating fraud, waste, abuse, and mismanagement, and in improving the efficiency, effectiveness, and economy of Department operations.

OIG’s accomplishments in FY 2014 include auditing the Department’s financial statements, completing 13 performance audits, beginning 17 new audits, and issuing five public investigative reports. OIG’s completed audit reports may be found at <http://www.oig.doc.gov/Pages/Audits-Evaluations.aspx>. Announcements of OIG’s new audits may be found at <http://www.oig.doc.gov/Pages/Audits-Initiated.aspx>. OIG’s investigative reports may be found at <http://www.oig.doc.gov/Pages/Investigations.aspx>.

Section 3.4: Next Steps

OIG plans to improve its progress on strengthening organizational capabilities to drive customer-focused, outcomes-driven mission performance by improving oversight in areas that do not currently receive adequate oversight. To do this, OIG requests \$500,000 and 3 FTE to provide oversight of Departmental international trade, investment, and export control activities. Increasing international trade and encouraging foreign direct investment major management challenges for the Department. Both initiatives are Administration priorities that require significant funding and management attention. The success of these initiatives depends on enhanced coordination, both among the bureaus and with other federal agencies. With these resources, OIG expects to identify \$2 million per year in financial benefits.

OIG requests an increase of \$958,000 and 6 FTE to provide increased oversight of Departmental acquisitions and contracting. Focusing on high-risk contracts with limited cost restrictions, with these resources OIG expects to identify an additional \$80 million in financial benefits in FY 2016, increasing to \$100 million annually in FY 2017 and beyond.

Part 4 Performance Goals / Indicators

Section 4.1: Summary of Performance

Status is based on the following standard:

Exceeded	More than 100 percent of target
Met	90 - 100 percent of target
Not Met	Below 90 percent of target

An indicator with a positive trend is one in which performance is improving over time while a negative trend is an indicator that has declining performance. A stable trend is one in which the goal is to maintain a standard, and that is occurring. A varying trend is one in which the data fluctuates too much to indicate a trend. At a minimum these indicators must have three years of data.

Section 4.2: Summary of Indicator Performance

Objective 5.1: Strengthen organizational capabilities to drive customer-focused, outcomes-driven mission performance.

Indicator	Target	Actual	Status	Trend
Percent of OIG recommendations accepted by Departmental and bureau management	95%	100%	Exceeded	Stable
Dollar value of financial benefits identified by OIG (millions)	\$70	\$181.7	Exceeded	Positive
% of investigative cases completed within 365 days	70%	48%	Not Met	Negative

Section 4.3 Detailed Indicator Plans and Performance

Objective 5.1: Strengthen organizational capabilities to drive customer-focused, outcomes-driven mission performance.

Indicator	Percent of OIG recommendations accepted by Departmental and bureau management (OIG)							
Description	Many improvements to Commerce operations and programs come through recommendations made in various OIG work products. A measure of OIG’s effectiveness is the extent to which it offers useful, practical recommendations for improvements. A measure of the usefulness and practicality of OIG’s recommendations is the extent to which they are accepted by Commerce management.							
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Target	90%	90%	90%	90%	95%	95%	95%	95%
Actual	97%	100%	94%	96%	96%	100%		
Status	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded		
Trend	12 years of data, trendline indicates performance is stable.							
Adjustments to targets	Reporting implementation rate of recommendations issued 3 years prior.							
Notes	Unresolved recommendations from reports issued in the 4 th Q of FY 2014 are excluded because bureaus have 60 days after issuance of a final report to submit a corrective action plan, which must be approved by OIG.							
Validation and Verification								
Data Source	OIG audit and inspection process							
Frequency	As conducted							
Data Storage	OIG files							
Internal Control Procedures	OIG review							
Data Limitations	None							
Actions to be Taken	Continue collecting data							

Indicator	Dollar value of financial benefits identified by OIG (millions)							
Description	A key measure of the value of OIG’s work is its dollar return on investment. Financial benefits include: (1) questioned costs agreed to by management, (2) funds put to better use, and (3) administrative, civil, and criminal recoveries.							
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Target	\$30	\$30	\$30	\$30	\$30	\$70	\$70	\$70
Actual	\$126.9	\$47.8	\$33.5	\$175.8	\$361.5	\$181.7		
Status	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded	Exceeded		
Trend	12 years of data, trendline indicates performance is positive.							
Adjustments to targets	The target has been adjusted for FY 2014 and FY 2015 to reflect OMB’s preference that targets be more aggressive rather than easily attainable.							
Validation and Verification								
Data Source	OIG audit and inspection process							
Frequency	As conducted							
Data Storage	OIG files							
Internal Control Procedures	OIG review							
Data Limitations	None							
Actions to be Taken	Continue collecting data							

Indicator	% of investigative cases completed within 365 days (OIG)							
Description	Mean and median number of days it took Office of Investigations to complete a case.							
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Target	N/A	N/A	N/A	70%	70%	70%	70%	70%
Actual (See explanation below)	N/A	N/A	N/A	58%	53%	48%		
Status	N/A	N/A	N/A	Not Met	Not Met	Not Met		
Trend	Varying							
Explanation (if not met in FY 2014)	During FY 2014 and into FY 2015, OIG has attempted to close cases and reduce the number of investigations in our caseload that are older than one year. However, in the process of making this adjustment, these old cases count against our metric, and show OIG as not meeting its metric. In the coming year, OIG will plan to resolve and close old cases, and bring the agency to a new steady state, where the portion of cases over 365 days old does not exceed 30 percent.							
Validation and Verification								
Data Source	OIG audit and inspection process							
Frequency	As conducted							
Data Storage	OIG files							
Internal Control Procedures	OIG review							
Data Limitations	OIG is implementing a new case management system for investigations, which does not yet have any analytics or reporting functionality. As a result, all data included in this table should be considered estimates.							
Actions to be Taken	Complete implementation of new case management system; resolve and close old cases; replace estimates with actuals.							

Part 5: Other Indicators

None

Part 6: Agency Priority Goals

None

Part 7: Resource Requirements Table

	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Enacted	FY 2016 Base	Increase / Decrease	FY 2016 Request
Total Funding										
Direct	27,285	31,137	33,580	31,040	30,199	32,404	35,449	37,185	2,858	40,043
Reimbursable	838	5,108	4,165	3,661	1,775	3,181	4,500	4,500	0	4,500
Total	28,123	36,245	37,745	34,701	31,974	35,585	39,949	41,685	2,858	44,543
Total FTE										
Direct	112	155	172	169	137	139	172	174	17	191
Reimbursable	3	6	4	0	1	1	1	1	0	1
Total	115	161	176	169	138	140	173	175	17	192

Part 8: Other Information

Section 8.1: Major Management Priorities, Challenges, and Risks

OIG's priorities continue to be: providing statutorily-mandated oversight, pursuing criminal investigations and whistleblower allegations; work requested by Congress and Departmental leadership; and oversight of the Department's top management challenges.

OIG's focus on these top management challenges support each of the Department's strategic goals:

- Trade and Investment – Expand the U.S. economy through increased exports and inward foreign investment that lead to more and better American jobs;
- Innovation – Foster a more innovative U.S. economy – one that is better at inventing, improving, and commercializing products and technologies that lead to higher productivity and competitiveness;
- Environment – Ensure communities and businesses have the necessary information, products, and services to prepare for and prosper in a changing environment;
- Data – Improve government, business, and community decisions and knowledge by transforming Department data capabilities and supporting a data-enabled economy; and
- Operational Excellence – Deliver better services, solutions and outcomes that benefit the American people.

Section 8.2: Cross-Agency Collaborations

OIG has maintained a strong association with the Council of Inspectors General for Integrity and Efficiency (CIGIE). CIGIE was established as an independent entity by the Inspector General Reform Act of 2008 to address integrity, economy, and effectiveness issues that transcend individual government agencies; to increase the professionalism and effectiveness of personnel by developing policies, standards, and approaches to aid in the establishment of a well-trained and highly skilled workforce in the offices of the Inspectors General. CIGIE is comprised of all Inspectors General whose offices are established under section 2 or section 8G of the Inspector General Act of 1978 (5 U.S.C. App.), those that are Presidentially appointed/Senate confirmed, and those that are appointed by agency heads (designated federal entities). OIG sits on the CIGIE committees for Information Technology and for Investigations, and participates in a government-wide audit of cloud computing services.

Section 8.3: Evidence Building

Program evaluations for FY 2016 – OIG will monitor and evaluate its oversight of the First Responder Network Authority (FirstNet) to ensure adequacy of resources. For FY 2016 OIG requests a program increase of \$1.4 million to provide independent oversight of FirstNet. OIG expects to issue four additional audit reports in FY 2016, increasing to six additional audit reports annually in FY 2017. Potential reviews in the following areas would support the Department's mission:

- Ensuring FirstNet optimizes available resources through successful outreach;
- Ensuring successful, efficient, and effective design, implementation, and operation of the FirstNet public safety network;
- Ensuring grants and contract are pursued efficiently and effectively;
- Reducing waste, fraud, and abuse in FirstNet grants and procurement; and
- Ensuring FirstNet's acquisition strategies are aligned to its resources, and ensuring general program effectiveness.

OIG also requests a program increase of \$500,000 and 3 FTE for oversight of international trade, investment, and export control activities. OIG expects to issue three additional audit reports every two years, beginning in FY 2016. Potential reviews in the following areas would support the Department's mission:

- Ensuring that the Department's export-promotion strategy maximizes scarce resources; and
- Improving intra-agency and interagency coordination on international trade issues.

OIG also requests a program increase of \$958,000 and 6 FTE to provide increased oversight of Departmental acquisition and contracting. OIG expects to issue two additional audit reports annually beginning in FY 2016, increasing to three additional reports annually by FY 2018. Potential OIG reviews of the following areas in FY 2016 would support the Department’s mission:

- NOAA Pro-Tech acquisition planning; and
- Surveillance of Joint Polar Satellite System contract documentation.

OIG also evaluates the effectiveness of its own programs and processes through A-123 internal control reviews and peer reviews of OIG’s audit and investigative functions.

Section 8.4: *Hyperlinks*

None.

Section 8.5: *Data Validation and Verification*

The FY 2014 Summary of Performance includes in the Secretary’s Statement an assessment of the reliability and completeness of the Department’s performance data.

Section 8.6: *Lower-Priority Program Activities*

Lower-priority programs for FY 2016 can be found in the *Cuts, Consolidations and Savings* volume of the President’s Budget, available at: <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2015/assets/css.pdf>.