

FY 2006 Annual Performance Plan
(Office of Inspector General)

Mission Statement

The Office of Inspector General (OIG) has the mission of providing a unique, independent voice to the Secretary and other senior Commerce managers, as well as to 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 programmatic and administrative activities of the Department, including individuals or organizations performing under contracts and grants, cooperative agreements, and other financial assistance agreements.

The Office of Inspector General (OIG) supports the Department's management integration goal by completing work that prevents, detects, and offers recommendations for reducing fraud, waste, abuse, and mismanagement and improving the efficiency, effectiveness, and economy of Department operations. OIG's efforts have consistently returned greater financial benefits to the American public than the resources available to OIG. The performance goals in OIG's FY 2006 budget request reflect its expectation that the financial benefits of its work will exceed its appropriations. This reflects OIG's ability to target limited resources in ways that yield significant results and benefits to the American public.

The OIG's work is primarily conducted through audits (performance and financial), inspections, program and systems evaluations, and investigations. OIG presents the findings of its audits, inspections, and evaluations to Commerce operating officials and agency heads for their review and comment before OIG releases the information in final report. Investigations are referred to the Department of Justice (DOJ) for prosecution if evidence of criminal wrongdoing is found or civil recoveries are possible. Investigative findings may also be referred to the appropriate agency official for administrative action. The OIG is headquartered in Washington, D.C. Its Office of Audits (OA) has personnel at several sites in the metropolitan Washington, D.C. area, plus offices in Atlanta, Denver, and Seattle. The OIG office of Investigations (OI) has field offices in Atlanta, Denver, Seattle, Silver Spring, and Washington, D.C.

Priorities/Management Challenges:

The OIG, in assessing its work at the close of each semiannual period, develops the Top 10 Management Challenges the Department faces. Each challenge meets one or more of the following criteria: (1) it is important to the Department's mission or the nation's well-being, (2) it is complex, (3) it involves sizable expenditures, or (4) it requires significant management improvements. Because of the diverse nature of Commerce activities, many of these criteria cut across bureau and program lines. We believe that by addressing these challenges the Department can enhance program efficiency and effectiveness; eliminate serious operational problems; decrease fraud, waste, and abuse; and achieve substantial savings.

Unit Cost Measures

OIG is developing unit cost measures for the following six major OIG work products: (1) performance audits, (2) financial audits, (3) quality control reviews of CPA audits, (4) inspections and program/systems evaluations, and (5) criminal/civil/administrative investigations.

PART Assessment

The OIG has not been evaluated under the PART process.

FY 2006 Program Changes
(Dollars in Thousands)

This program increase will allow the OIG to focus on one of the Department’s top management challenges, effective management of Departmental and Bureau acquisition vehicles, allowing us to implement a proactive contract review program that would identify significant savings and needed management improvements, and increase our ability to work with management and contract officials to prevent fraud and cost excesses from occurring.

	Base		Increase/Decrease	
	FTE	Amount	FTE	Amount
Reduced Costs and Better Program Results from improved Acquisition Oversight	3	\$400	6	\$626

Target and Performance Summary

	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Target	FY 2006 Target
Performance Goal 1: Promote improvements to Commerce programs and operations by identifying and completing work that (1) promotes integrity, efficiency, and effectiveness and (2) prevents and detects fraud, waste and abuse.						
Measure 1a. Percentage of OIG recommendations accepted by departmental and bureau management	95%	95%	97%	97.5%	95%	95%
Measure 1b. Dollar value of financial benefit identified by OIG	Modified	Modified	\$43,323	\$26,000	\$23,000	\$30,000
Measure 1c. Percentage of criminal and civil matters that are accepted for prosecution.	Modified	Modified	50%	67%	62%	63%

Resource Requirements Summary

	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Estimate	FY 2006 Base	Increase/ Decrease	FY 2006 Request
Performance Goal : Promote improvements to Commerce programs and operations by identifying and completing work that (1) promotes integrity, efficiency, and effectiveness and (2) prevents and detects fraud, waste and abuse.								
Total Funding	19,887	20,924	22,152	20,970	21,571	22,332	626	22,958
Direct	19,887	20,124	20,667	20,894	21,371	22,132	626	22,758
Reimbursable	0	800	1,485	76	200	200	0	200
IT Funding	0	0	0	0	0	0	0	0
FTE	139	136	137	125	140	140	6	146

OIG Performance Goal:

Promote Improvements to Commerce programs and operations by identifying and completing work that (1) promotes integrity, efficiency, and effectiveness and (2) prevents and detects fraud, waste and abuse.

Corresponding DOC Strategic Goal:

Management integration Goal: Achieve Organizational and Management Excellence

Rationale:

Commerce's diverse mission and critical programs and operations are administered in a dynamic environment – one that is greatly influenced by ever-changing conditions. As the Department works to accomplish its mission, the Office of Inspector General provides a unique, independent voice to the Secretary and other senior Commerce managers, as well as to Congress, in keeping with its mandate to promote integrity, efficiency, and effectiveness and prevent and detect waste, fraud, and abuse in Department programs and operations. The work is primarily accomplished through audits, inspections, evaluations, and investigations and a variety of activities geared to ward averting problems. Moreover, OIG strives to ensure that it:

- Performs high quality, timely work
- Concentrates its efforts on the Department's most critical programs, operations, challenges, and vulnerabilities
- Achieves results that allow government funds to be put to better use and address criminal, civil, and other wrongdoing

Measure 1a: Percentage of OIG recommendations accepted by departmental and bureau management.

Many of the 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.

Measure 1b: Dollar value of financial benefit identified by OIG.

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.

Measure 1c: Percentage of criminal and civil matters that are referred for prosecution.

OIG investigative work that helps prevent waste, fraud and abuse results in either civil or criminal legal issues that are referred for prosecution. Thus, the percentage of investigative work that results in civil or criminal referrals for prosecution is a measure of the quality of OIG investigative work.

FY 2006 Target:

The following measure was deleted to enable OIG to focus on the key few measures that best reflect organizational performance.

Old measure 1a: Percentage of Commerce's management challenges, stakeholder concerns and other critical issues addressed by OIG work products.

Cross-cutting Activities:

Intra-Department of Commerce: OIG provides a full range of audits, inspections, program and systems evaluations, and investigative services to the various bureaus of the Department of Commerce to ensure the efficiency, effectiveness and integrity of their operations and programs.

Other Government Agencies: OIG also conducts various activities with OIGs of other agencies that can affect several agencies or government-wide activities.

Program Evaluations/External Factors: OIG must comply with standards in the conduct of its audits and inspections. These include the General Accounting Office's Government Auditing Standards, and the President's Council on Integrity and Efficiency's Quality Standards for Inspections and Program Evaluations. OIGs also are subject to peer reviews designed to evaluate their compliance with applicable laws and standards.

Mitigating Strategies: A variety of external factors may affect OIG's ability to reach its targets. Key among these are the ability to hire well-qualified staff, provide necessary supporting resources, and sufficiently fund OIG activities.

Data Validation and Verification

OIG Data Validation and Verification

OIG to the greatest extent possible relies on data collected for and presented in its *Semiannual Report to Congress*. This ensures that the same rigorous combination of techniques used to validate and verify the data for presentation in the *Semiannual Report to Congress* are applied to the collection of performance measures.

Performance Measure	Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be taken
Measure 1a	OIG audit and inspection process	As conducted	OIG files	OIG review	None	Continue collecting the measure
Measure 1b	OIG audit and inspection process	As conducted	OIG files	OIG review	None	Continue collecting the measure
Measure 1c.	Investigative CDS database	Updated as investigations completed	OIG database	Investigative review process	None	Continue collecting the measure