

*A Paper by a Panel of the*

# **NATIONAL ACADEMY OF PUBLIC ADMINISTRATION**

*for the U.S. Department of Commerce, Office of Inspector General*

~~For Internal Use Only~~

## **OFFICE OF INSPECTOR GENERAL ORGANIZATIONAL ASSESSMENT**

**September 2009**



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**Office of Inspector General  
Organizational Assessment**

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The views expressed in this document are those of the Panel. They do not necessarily reflect the views of the Academy as an institution.

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## Executive Summary

This paper by the National Academy of Public Administration is the output of an organizational assessment of the Department of Commerce Office of Inspector General (DOC OIG). To assess DOC OIG's organization, a team of National Academy staff and a National Academy Panel of experts conducted a survey of all OIG staff, interviewed the entire OIG senior management team, interviewed 26 key OIG stakeholders, analyzed data and conducted secondary research. The issues identified and suggestions of the Panel are presented in this paper, and are intended to serve as inputs to the subsequent development of an OIG strategic plan and performance measurement system. The Panel's suggestions are listed below, organized by the six major issues that were identified.

### Organizational Structure of the OIG

1. Based on a careful review of the current requirements, the structure of similarly situated OIGs elsewhere in government, and the likely future demands on the DOC OIG, the Panel believes that the current organizational structure is satisfactory and that the OIG can effectively deliver on its mission under this structure. Given the need for additional clarification, the Panel suggests that OIG focus on developing guidance regarding the specific responsibilities and accountabilities of managers throughout the DOC OIG, particularly with regard to the delegation of budget authority and accountability, development and adherence to schedules and deadlines, performance management, and improving OIG-wide communication and working relationships.
2. The Panel strongly encourages the practice of creating multi-disciplinary project teams, and believes that the current structure can support this approach. The senior management team should develop annual staffing plans, based on its strategic and operational plan, and create the "business rules" for multi-disciplinary teams (e.g., determine how team assignments will be made, how to ensure balanced workloads, and how to capture individual performance data of team members to inform performance reviews).

### Planning

3. The Panel believes that developing a strategic and operating plan to guide the work of the OIG is a critical step, and the Panel encourages the senior team to follow through on its intent. The strategic plan will establish a unified vision and consensus around the OIG's desired outcomes. The operating plan will help OIG management make informed decisions about the allocation of resources among competing priorities, including Recovery Act, the 2010 Census, and other programs, and will establish the necessary foundation for transparency and accountability.
4. Given the major and rapid increases in staff, OIG needs both a staffing and training plan to effectively match resources to work requirements and continue to build capacity. The staffing plan will help inform decision making about current job assignments and ensure adequate coverage on all projects. It will also serve OIG's need to identify long-term staffing needs and capabilities as new requirements emerge. The training plan will take

the burden off individuals to find their own way to comply with annual training requirements, and provide an office-wide, proactive approach to building the skills and proficiency of the entire staff.

5. The OIG's current approach to project planning needs greater emphasis on the overall quality of those plans (e.g., thoroughness, scope, schedules), as well as commitment to following the plan through execution. The Panel acknowledges that OIG requires project plans for all reviews, but they are not viewed as serious guidance by many staff, even though there was expressed desire for this structure. Project plans can serve a vital role in performance management, setting expectations and parameters for the work. Serving the broader goal of improving OIG efficiency requires commitment to greater accountability for creating sound work plans and following them during execution.
6. As part of an overall commitment to planning, the Panel suggests that OIG develop a standard framework for individual performance plans (IPPs), and that a system be established to ensure that each staff member knows what is expected of him or her. This is a critical link between the individual and the strategy, and contributes to successful mission accomplishment.

## **Work Processes**

7. The Panel suggests that the OIG complete the development of OIG-specific guidance on using the Government Accountability Office's Generally Accepted Government Auditing Standards (Yellow Book) guidance, and create a similar task force to develop OAE-specific guidance regarding the use of TeamMate. Due to the critical impact that this guidance can have on OIG performance, these projects (if not completed this fiscal year) should be incorporated in the OIG operating plan for the upcoming year, a project leader should be identified, and the expected results should be specifically incorporated into individual performance plans for the coming year.
8. The Panel encourages the OIG to develop and implement a project planning and review system that establishes realistic project milestones, including product review milestones, when the project is initiated; links the level of management review required to the risk and potential visibility of the project; and tracks the progress of project execution and the status of the review process in TeamMate or some other communication tool. The Panel recommends that the development of this system also be an element of the OIG operating plan for the coming year, and its implementation should be reflected in the individual performance plans of the entire senior team.
9. The Panel views well-formulated, executed and enforced work plans as a key to addressing many of the process challenges within the OIG. While prolonged product reviews are cited as a major problem, they represent a culmination of earlier deficiencies, stemming from an overall lack of consistent structure and approach to each engagement, poor quality control, and insufficient project monitoring. Staff overwhelmingly support better planning to guide their work, and periodic management checks throughout the program life-cycle are needed to keep work on track—enforcing both quality and

schedule goals. The Panel encourages OIG to develop, execute and monitor implementation of these work plans.

10. The Panel recognizes that good information and records management require both improved guidance and a shared commitment to a less person-centered approach. OIG should create a more systematic knowledge and records management system to address what the Panel views as a significant risk. The culture of the office must shift from an informal, person-oriented, “ask” system, to a more traceable and widely-accessible system where information is easily located and shared. As part of this shift, the administrative issues of how data will be named, organized, stored, and accessed must be resolved. The Panel suggests that the OIG create an internal task force and/or engage an outside consultant to define the information management needs of the organization, including the hardware/software requirements, to support its goals.

## **Staffing**

11. Just as there is no “right” way to structure the OIG, the Panel believes that the strongly held beliefs about the “right” mix of staff are a roadblock to creating high-functioning teams. The idea that OIG should emphasize deep program knowledge over core professional skills, or vice versa, detracts from the fact that OIG needs to promote shared understanding of the various functions within the office, *and* develop programmatic subject matter knowledge to support stakeholder engagements. The Panel suggests that OIG work to help individuals develop a blend of core skills within their functional area (e.g., audit, investigation), as well as some degree of subject matter knowledge of the programs they review. The Yellow Book guidance further supports this need for a blend of knowledge and skills. The challenge for OIG is developing solid staffing and training plans to ensure appropriate coverage and capacity.
12. The Panel encourages the OIG to expand its use of multi-disciplinary teams to maximize the effective use of its staff, and offer a well-rounded approach to its engagements. The Panel believes that the OIG can effectively manage multi-disciplinary teams within its current structure, and should focus its efforts on administrative improvements around team management. These include developing the business rules to guide team management; increasing collaboration across locations to leverage the full range of staff skills, and creating a staff database to support team assignments.
13. The Panel urges the OIG to formalize and enhance its new staff orientation activities to introduce new hires to the culture of the OIG. Orientations should be used to share factual information and consistent messaging about practices and procedures. This is a basic business practice that the OIG can adopt to shorten the learning curve of new hires and help foster a greater sense of cohesion across the OIG.
14. The Panel strongly encourages the OIG to invest in core technical training around Yellow Book standards and TeamMate. Cross-training within the office (e.g., offering basic Yellow Book training to non-auditors) can help build greater understanding of all OIG operations, and enhance the office’s ability to leverage multi-disciplinary teams.

## **Communications**

15. The Panel believes that AIGs and their managers must build on the example set by the IG, and take personal responsibility for maintaining communication within and across groups. The tools and channels to support internal communication are available; organizational leaders now need to take advantage of them to share information and enhance collaboration. Launching an intranet, the IG blog, and hiring staff focused on external communications are all excellent steps in the right direction. Additional work is required, however, to foster an environment where communication is valued and communication activities are rewarded.
16. The Panel encourages the OIG to consider the adoption of stakeholder suggestions about the content, format and frequency of communications. External liaisons with responsibility for communicating with Congress and other agencies are an important channel for spanning the boundary of the Department and sharing information on potentially big issues. At the working level, stakeholders need more ongoing communication from their OIG contacts. Maintaining a dialog can be as simple as building these communications into work plans—during all phases of work, from planning through execution and delivery.

## **Measuring Performance**

17. The Panel acknowledges that OIG has statutory requirements to report certain office-wide outcome measures. While these measures must be compiled and reported, they are not very useful for promoting process improvements, and reliance upon the statutory measures alone neglects a major element of OIG's mission. The Panel suggests that these measures not be the sole drivers for guiding the development of a performance measurement system.
18. The Panel views the lack of external guidance or performance expectations for OIGs around American Recovery and Reinvestment Act (ARRA) as an opportunity. With ARRA as a model, OIG can focus attention on filling the gap of "prevention" measures, and proactively define meaningful indicators of success. While it is notoriously difficult to measure a "non-event," other agencies face a similar challenge and may have ideas or approaches that the OIG can consider as it engages in this task (e.g., agencies within the Department of Homeland Security).
19. Changing the culture to adopt a performance orientation is one of the most significant challenges facing the OIG. With a history of mixed adherence to standards, few incentives for achievement, and no substantive consequences for failing to meet expectations, a shift in attitude and behavior will require considerable commitment by leadership and staff. Improving the enabling work processes should help facilitate this culture shift. The Panel also suggests the adoption of new performance standards for the office, which will require a thoughtful, sustained commitment to transparency and accountability.

# **Introduction and Overview of the Organizational Assessment**

## **Introduction**

In December 2007, a new Inspector General (IG) was appointed to the Department of Commerce (DOC). In early 2009, the Office of Inspector General (OIG) was given the additional responsibility of playing a key oversight role in DOC's management of American Recovery and Reinvestment Act (ARRA) funds. Shortly thereafter, in March 2009, the IG restructured the office in an effort to improve effectiveness and efficiency. These changes provide an opportunity to assess and refine the vision, goals, business processes, and performance measures of the OIG to ensure its continued ability to effectively and efficiently deliver on the mission of the organization.

The National Academy of Public Administration (National Academy) Study Panel commends the DOC OIG for commissioning this independent assessment of its own operations. This assessment was not undertaken as a reaction to any particular performance problem, issue or deficit, but was inspired in large part by a commitment to continuous improvement. The OIG as an office and the staff who comprise it successfully serve an important mission, which stakeholder interviews validated. Room for improvement always exists in any organization, however, and that is the principle that guided this work. The willingness of the OIG to engage both staff and stakeholders in identifying areas in need of improvement enhanced the credibility of the office among many -- especially those who are subject to similar attention from the OIG. At a time when the entire Federal government is being called upon to work more efficiently, collaboratively and effectively on behalf of the American people, it is noteworthy that the leadership of this key oversight organization has recognized the importance of leading by example.

## **About OIG**

As mandated by the Inspector General Act of 1978, the OIG's mission is to promote economy, efficiency, and effectiveness and to detect and prevent waste, fraud, abuse and mismanagement in the programs and operations of the Department. The objective of the OIG's work is to provide timely, useful, and reliable information to Department of Commerce officials, the Administration, Congress and the public that will help improve the Department's management, operations and delivery of services.<sup>1</sup>

DOC is composed of twelve bureaus, with little commonality among their constituencies. The missions and programs of each bureau are diverse, and they have varying levels and types of risk inherent in their operations. The OIG is required by statute to semi-annually report the top management challenges for the bureaus and across the Department. The challenges identified

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<sup>1</sup> Inspector General Todd Zinser, PowerPoint Presentation, "OIG Oversight Priorities: Work Planned and Under Way," March 2009.

typically frame the scope of OIG activities in a given year. The OIG discusses the Department's progress in addressing the challenges in the *IG's Semi-Annual Report to Congress* and the Department's *Performance Accountability Report*.

Recently, the American Recovery and Reinvestment Act (ARRA) made DOC responsible for transparently dispersing, tracking and measuring the impact of an additional \$7.946 billion. This substantial new responsibility for the Department creates additional challenges for the OIG, which itself received \$16 million to oversee the Department's implementation of these funds in multiple program areas. The OIG's leadership views these challenges as an opportunity to assess how and how well the OIG is currently conducting its work, and to identify ways to improve efficiency and effectiveness.

The present effort was initiated to assist the OIG in identifying the internal challenges that pose potential barriers to its success in meeting its current and emerging challenges.

### **Project Description**

The OIG engaged the National Academy to conduct an organizational assessment and assist the OIG in identifying business process and other improvements. The issues identified in the analysis are presented in this paper, and are intended to serve as inputs to the subsequent development of an OIG strategic plan and performance measurement system.

The project encompasses one core task and two optional tasks:

- The Organizational Assessment
- Strategic Plan Development (Option 1)
- Performance Measurement System Development (Option 2)

This paper represents the completion of the Organizational Assessment.

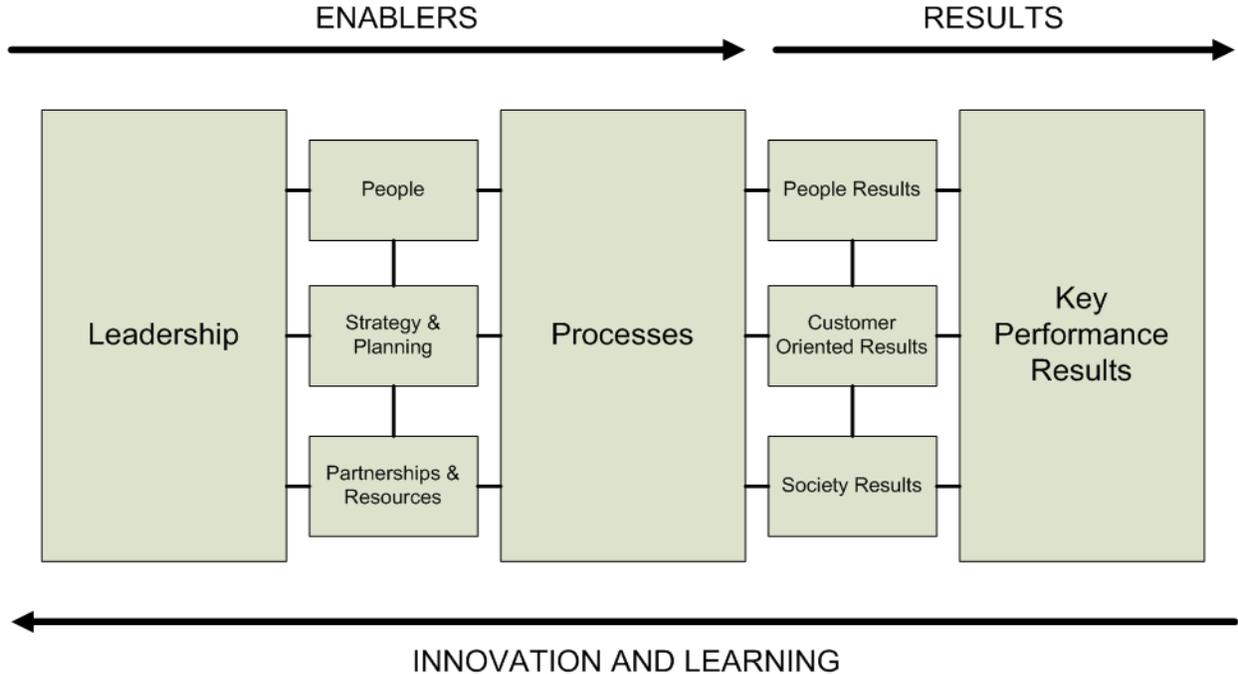
### **Methodology**

The project team has employed a modified version of the Common Assessment Framework (CAF)<sup>2</sup> shown in Figure 1-1 to guide its work. The CAF, which was developed by the European Institute of Public Administration, provides a self-assessment framework which is conceptually similar to many other continuous improvement models, but is designed specifically for public-sector organizations, and takes their unique characteristics into account. This can be seen in the differentiation between *enablers* of performance and *results*. The various categories of enablers – leadership, people, strategy and planning, partnerships and resources, and business processes – provided the structure around which data gathering, research and analysis activities took place. Further, the team was able to identify the gaps and develop recommendations that would have the most impact on performance results.

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<sup>2</sup>See <http://www.eipa.eu/en/pages/show/&tid=67>.

**Figure 1-1. Common Assessment Framework**



The organizational analysis, conducted in approximately 90 days, relied on data from multiple sources, including:

- Interviews with all 16 members of the OIG senior team;
- Interviews with 26 stakeholders, including representatives of the Department, bureaus and agencies that are subject to DOC OIG review, as well as representatives of organizations that rely on the work of the DOC OIG in the course of meeting their own responsibilities (e.g., GAO, Congressional committee staff);
- A survey of all (100) staff who are not members of the senior team, with responses from 76%; and
- Multiple secondary sources, including benchmarking information from other OIGs, and documentation of DOC OIG business practices.

### **Background**

The OIG, faced with increased requirements and new challenges, recognized the need to maximize the efficiency and effectiveness of its internal organization and operations to successfully deliver on its mission.

### ***External Environment***

OIG has always had the inherent challenge of serving a diverse constituency, including the 12 bureaus in the Department of Commerce, as well as stakeholders in other oversight roles (e.g.,

Congress, GAO). The scope and content of its work is also varied. It must satisfy multiple statutory requirements, provide oversight on emerging issues (both large and small) from within and outside the Department, and conduct various types of investigations (e.g., personnel misconduct, fraud).

More recently, the OIG has been given a key oversight role in a high risk and high visibility program, which requires a considerable increase in level of effort and resources—adding to an already heavy workload. ARRA challenges the OIG to adopt a more proactive approach to oversight, and represents a shift in the traditional “reactive” paradigm that has guided the work of this and most OIGs in government.<sup>3</sup> This broadening of focus to include more prevention activities has required new thinking in the OIG’s approach to its work.

The OIG is facing these increased demands within the broader context of changes taking place across the Federal government. The DOC OIG, as with all other components of government, seeks to support the new administration’s directive for transparency, collaboration and accountability. For an organization that must maintain its independence, the operational definitions of transparency, collaboration and accountability pose unique challenges. The OIG must define those concepts in the context of its relationships with stakeholders in a way that avoids inappropriate external influence on its work and work products.

### ***Internal Environment***

With the appointment of the new IG in December 2007, the OIG began to emerge from an extended period of internal turmoil that disrupted operations. An investigation involving the previous IG and staffing changes posed a serious challenge to keeping the office focused on its mission. Over the past year and a half, however, the new leadership and subsequent changes have focused attention back to the work at hand and the challenges ahead.

At the present time, the OIG faces rapid increases in staff and funding. The ARRA requirements were accompanied by a substantial increase to OIG’s budget to carry out the work. Substantial increases in both money and staff, while considered a “good” problem to have, nonetheless pose immediate challenges in how to utilize them most effectively and efficiently. The OIG is faced with the challenge of managing the initial influx to meet the short-term requirements, as well as the longer-term need to plan for sustaining its operations once the ARRA funds are expended.

Like many government organizations, the OIG also seeks to develop a stronger performance-orientation in its approach to planning and conducting its work. In a performance-oriented culture, each staff member understands the connection between their own performance and the success of the organization, and staff at all levels are aligned with the organization’s vision and direction, can identify how they support the desired performance outcomes, and have a role in implementing the changes needed to enhance the organization’s success. In such organizations, there is a high level of consistency in the application of internal guidance, approaches and methods that foster a shared understanding of how to conduct the work. This consistency helps

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<sup>3</sup> While it is noted that the mission of OIG clearly has a dual focus on both prevention and recovery, most activity and performance assessment has been focused on the recovery aspect.

support overall accountability and measurement of performance, and individual performance that supports the overall goals of the office is rewarded.

## **Efforts to Date**

The new leadership recognized that gaps existed in OIG’s readiness to successfully meet these many challenges. In response, the IG engaged in critical steps to close those gaps.

The current IG seeks to increase the OIG’s credibility, integrity and impact by creating a performance-oriented organization. This includes “modernizing” the OIG, further developing OIGs capabilities and flexibility to meet a range of evolving requirements. A more proactive engagement with stakeholders is a key element of this vision.

The IG has undertaken a number of steps to move the organization forward, including:

- Reorganizing the office along functional lines to “...promote efficiency, streamline operations and maximize operational effectiveness”<sup>4</sup>;
- Filling key senior positions;
- Committing the office to follow common standards and guidance in performing the work (i.e., Yellow Book); and
- Increasing “boundary spanning” behaviors—outreach with key stakeholders in Congress and throughout the Department—and thereby increasing OIG’s visibility and engagement with key decision makers.

While these are all necessary and positive steps in initiating organizational change, challenges remain to translate this vision into action at the staff level. The results of the assessment presented here identify remaining challenges and provide suggested actions to address these issues, close the gaps and initiate action at all levels of the organization.

## **Summary of Key Issues**

The observations offered here reflect an analysis and synthesis of the data and information that was gathered, and highlight key issues for consideration by the OIG senior team as it develops a strategic plan, sets operational priorities, and establishes OIG performance measures. As noted earlier, questions were asked about each of the categories of enablers in the CAF, as well as about performance results. Analysis of the data indicated that OIG has noteworthy issues in three primary areas:<sup>5</sup>

1. Planning and Work Processes
2. Staffing, Skills and Training
3. Communication

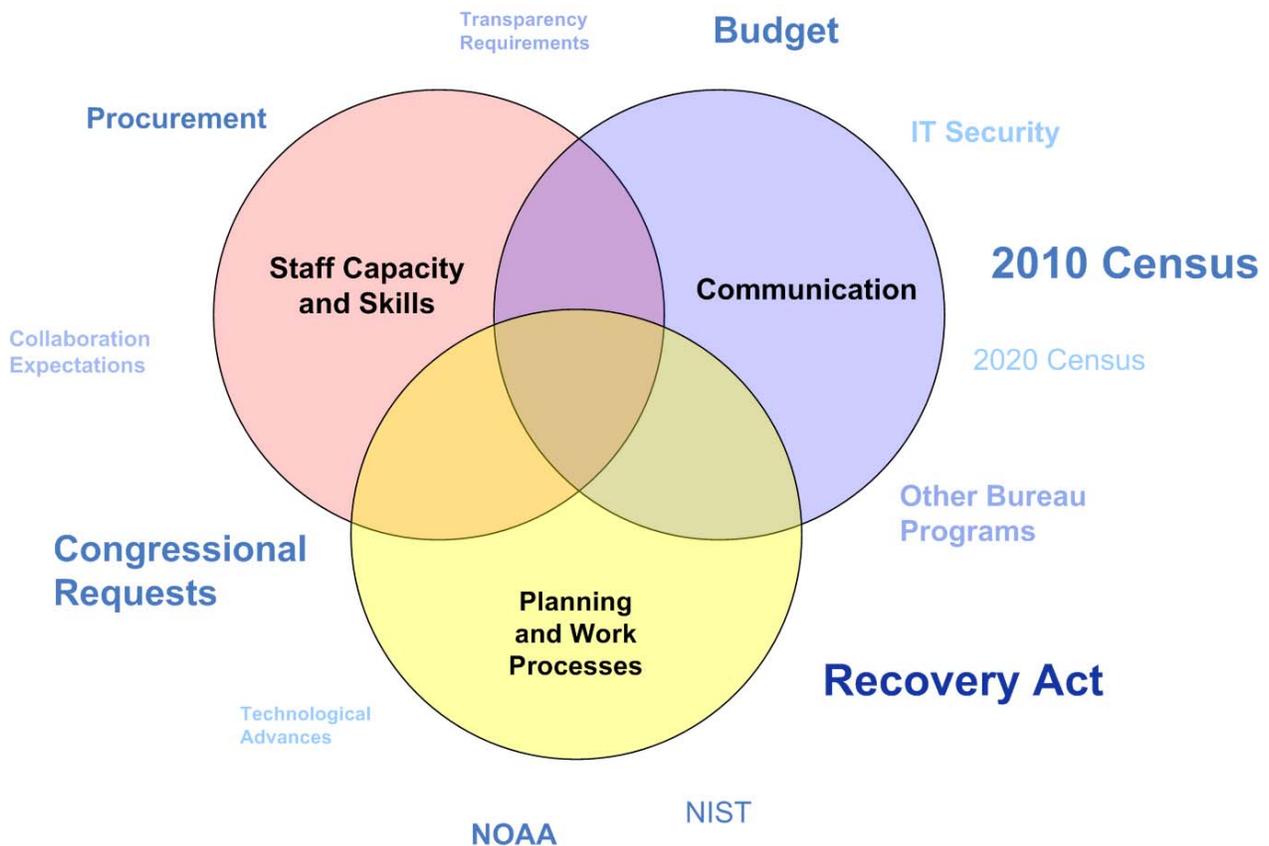
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<sup>4</sup> Taken from IG’s memorandum and accompanying reprogramming proposal for the OIG dated March 18, 2008.

<sup>5</sup> Questions were asked about leadership in the staff survey, and stakeholder and senior staff interviews elicited comments about OIG leadership, but the analysis indicates leadership is not viewed as a problem within the office.

As Figure 1-2 depicts and the discussion that follows will make clear, these three enablers are inherently related. Further, they must be addressed in the context of a demanding and rapidly changing external environment. The OIG staff’s collective assessment of relative importance of these external factors and demands is depicted by their intensity and size on the figure below.

**Figure 1-2. Key Challenges with Enablers of Organizational Performance Identified from the Data**



The Panel was also specifically asked to provide insight on the current organizational structure of the office. While this is not a core element of the assessment framework, the Panel offers its view on this issue based on secondary research, interview data, and its own experience and expertise.

As noted earlier, the effort was driven by the desire of OIG senior leadership to achieve continuous improvement and to prepare the organization to manage increasing demands and a changing environment. While the Panel has identified a number of opportunities for improvement, the OIG leadership and staff should take pride in the fact that it is viewed as a high-value organization by stakeholders and employees.

The Panel offers the following summary of its key observations:

**Core Strengths:** The OIG has the benefit of strong leadership, a committed staff, strong independence and a reputation for providing solid value to its stakeholders. These strengths provide a foundation from which to direct positive change and performance improvement.

**Structure:** The DOC OIG structure, as currently drawn, establishes reporting relationships that are reasonable and in line with the present major functional areas/activities of the OIG. Further restructuring at this time is unnecessary to taking action on the issues identified in this assessment, would be disruptive, and could have a negative effect on organizational performance during a critical time. The Panel suggests that additional guidance be developed regarding the specific responsibilities and accountabilities of managers throughout the DOC OIG, particularly with regard to the delegation of budget authority and accountability, performance management and communication.

**Planning:** The OIG would benefit from improved planning of all types, including the development of strategic and operational plans, annual work plans, staffing and training plans, and individual project plans. These plans are critical for establishing expectations, holding managers and staff accountable for results, and ensuring that the OIG meets the expectations of the Administration and its stakeholders for transparency.

**Staffing and Training:** The Panel encourages the ongoing creation and use of multi-disciplinary teams. The senior management team should develop a staffing plan (to be updated periodically), based on its strategic and operational plan, and create the “business rules” for multi-disciplinary teams (e.g., determine how team assignments will be made, how to ensure balanced workloads, and how to capture individual performance data of team members to inform performance reviews). Strongly held beliefs about the “right balance” of staff skills are a roadblock to creating high-functioning teams. The idea that OIG should emphasize deep program knowledge over core professional skills, or vice versa, detracts from the core issue that the OIG needs to develop and promote a shared understanding of the various functions within the office *and* develop programmatic subject matter knowledge as needed to support stakeholder engagements. As noted in the Government Accountability Office’s Generally Accepted Government Auditing Standards (Yellow Book) guidance, OIG teams must have a blend of core skills in their functional area (e.g., audit, investigation) and some degree of subject matter knowledge of the programs they review. In addition to training requirements that will be identified through the creation of a staffing and training plan, specific training needs identified in this organizational assessment include the development of new staff orientation and OIG-specific training on Yellow Book and TeamMate.

**Work Processes:** The lack of documented business/work processes poses a major challenge to OIG’s productivity and impact. The OIG would benefit from the development of OIG-specific guidance on Yellow Book and TeamMate, as well as increased accountability for following standard practices and meeting milestones and deadlines established in project plans.

**Communications:** The OIG is beginning to make progress in addressing its communication challenges. Launching an intranet and an internal IG blog, and hiring staff focused on external communications are excellent steps in the right direction. The IG's actions were necessary to set the tone and demonstrate commitment to improving communication, but IG actions alone are not sufficient to sustain the momentum and achieve widespread improvement. Senior and mid-level managers must take personal responsibility for promoting and maintaining communication within and across their teams

**Measuring Results:** The OIG has expressed a commitment to continuous improvement, which requires meaningful performance measurement. The Panel has identified a number of opportunities for fresh thinking around defining OIG performance measures. However, creating a performance-based culture is one of the OIG's biggest challenges. With a history of mixed adherence to standards, few incentives for achievement, and no substantive consequences for not meeting expectations, a shift in attitude and behavior will require considerable commitment by leadership and staff. Improving the underlying work processes will help support this change, but meeting new performance expectations for the office will require a sustained effort.

## **Core Strengths of the Office of the Inspector General**

### **The Issue**

The organizational assessment identified strengths of the OIG, which are assets that can be leveraged in addressing its challenges. All sources of data support a consensus around these indicators of the OIG's key assets.

### **Discussion**

#### ***Strong New Leadership***

The new IG was identified in interviews and survey responses as a core strength of the office. Staff and stakeholders commented on the positive behaviors exhibited by the new leader that have benefited the OIG thus far. These include:

- Setting a tone of professionalism both with the OIG staff and among stakeholders;
- Reorganizing to streamline operations and promote effectiveness;
- Committing to development of a solid foundation and operating framework for the office;
- Filling key senior positions with well qualified professionals;
- Committing the office to a consistent standard for reviews;
- Strengthening relationships with stakeholders through ongoing outreach; and
- Engaging in this independent assessment and planning effort—viewed by stakeholders as a bold and commendable action by an OIG.

Staff and stakeholders alike expressed positive reaction to the changes they have seen in the OIG as a result of these actions. They are viewed as helpful in positioning the OIG as a credible, valuable resource to its multiple constituencies and stakeholders.

#### ***OIG Staff***

Both survey results and staff interviews indicated that the people comprising the OIG staff are its greatest strength. Elaborations on this theme mentioned the staff's extensive experience, deep knowledge of the Department and its programs, and commitment to the organization. Some identified specific individuals who exhibit exceptional capabilities and positive attitudes. The majority of survey respondents indicated that they felt motivated and inspired to do their best work (60% agree/strongly agree), which is a strong asset upon which the OIG can draw as it engages in further improvements.

#### ***Independence***

Independence is a core value that has been established and communicated by the IG, and it exists even among those with deep program ties and experience. All data sources, including stakeholder interviews, indicate that the DOC OIG has an excellent reputation for independence.

Staff survey respondents generally believe that the OIG does a good job of maintaining its independence from the Department, the programs it reviews, and external stakeholders. On a scale of 1 (not independent at all) to 10 (extremely independent), the average rating was 8.24. Further, stakeholders overwhelmingly stated that they had absolutely no concerns about the independence of the OIG, and that the tone and messages sent by the current IG have established very clear expectations about the OIG's role and independence. The OIG's subject matter knowledge of bureau programs was not perceived by stakeholders to bias its selection of programs for review or the content and tone of its findings. Many stakeholders noted that the OIG often reports unflattering findings, and they fully expected this to continue. OIG subject matter expertise was viewed as a factor that could improve the efficiency of the OIG review, rather than a potential avenue for manipulation of OIG activities or findings. Indeed, many stakeholders expressed the view that OIG staff must have or develop program knowledge in order to have a basis for drawing independent conclusions about the programs they review, audit or investigate.

Independence can continue to be fostered and maintained by:

- Sending clear and consistent messages from the IG to staff and stakeholders;
- Adhering to consistent methods in performing OIG work (e.g., following standard guidance, evaluating against objective criteria); and
- Maintaining open relationships with leadership from all stakeholder groups, including Congress, the executive branch (White House/OMB), and the Department, to avoid the appearance that the work of the OIG is influenced or dominated by any particular point of view.

### ***Value of the OIG***

Finally, the perceived value of the office is itself a core strength. Stakeholders were overwhelmingly positive in describing the value of OIG, mentioning, in particular:

- The importance of adding an outside, objective perspective to program operations;
- The collaborative approach taken to serve the shared goal of effective stewardship of public funds; and
- The positive effects of knowing that the OIG might review any program at any time.

The positive attitude of stakeholders about the role of the OIG is an important foundation for the performance improvement efforts that are contemplated.

## Organizational Structure of the OIG

### The Issue

The current organizational structure was established in early 2009 by the IG. Prior to implementing this change, an internal OIG working group identified four possible alternative structures. The structure that was created had the goal of better aligning functional responsibilities and skills, and contains some elements of two of the alternatives.

While the basic structure of the office was not a core part of the assessment framework, the Panel was asked to consider the following question:

*Given the lack of common constituencies and functions among the DOC bureaus and agencies, the great technical diversity of the programs that DOC OIG must address, and the need to flexibly staff to meet emerging requirements, is this the optimal structure for DOC OIG?*

### Discussion

The study team examined and compared the structure of the DOC OIG to four other OIGs in the Federal government (Appendix A). The OIGs used for comparison purposes were in the Department of Health and Human Services, Veterans Affairs, Environmental Protection Agency and the Department of Education. Each OIG was selected based on one or more similarities to DOC OIG, including:

- Significant diversity among the program areas in the department;
- Departmental responsibility for significant levels of ARRA funds; and/or
- A strong technical and/or scientific component to the departmental mission.

While all of the OIGs undertake similar activities, they are structured quite differently. Some are structured around OIG functional areas, while others base their structure on the major Departmental program areas or some combination of OIG functions and departmental programs. This structural diversity was further validated in interviews with staff at GAO and other external stakeholders. The common sentiment about organizational structures of OIGs across government was, in the words of one stakeholder, “If you’ve seen one OIG, you’ve seen one OIG.”

### *Roles and Accountability*

Interview and survey data both suggest that some managers in the DOC OIG do not yet fully understand their own span of control, nor are the specific roles and responsibilities of the leadership positions completely clear to staff. Almost one-third of the staff who responded to the survey disagreed or strongly disagreed with the statement, “I understand the current organizational structure and reporting relationships.” Some managers expressed concern about their lack of understanding of their own operating budgets, the lines of authority for

administrative matters (e.g., approving training and travel), and reporting relationships of multi-disciplinary teams. Nearly one-fifth of the senior team acknowledged a lack of clarity about the responsibilities of each senior leader.

Although respondents often offered comments about the lack of clear lines of authority, roles and responsibilities in the context of questions about organizational structure, the issues identified were not inherently structural problems. Instead, they represent gaps in information that can be filled by developing job descriptions, performance expectations, and, perhaps most importantly, documentation of business procedures.

Given the changing demands facing the OIG, developing and defining a systematic way to stand up and manage multidisciplinary teams is one of the important challenges that the senior team faces. OIG has had some success with the ARRA cross-functional team, and the basic principles of how these teams can effectively function after they are established are being documented (e.g., shared focus and goals; team leader as “coach” and coordinator, rather than director).

During interviews with senior managers, respondents sometimes alluded to a disconnect between the current structure and a multi-disciplinary approach, but their concerns were actually about:

- How to ensure that individual staff members are not over-committed;
- Lack of a system to give team leaders input into the performance assessments of individuals on their teams who do not report directly to them under the organizational structure; and
- Uncertainty about who has or will have responsibility for office-wide coordination of project team assignments and individual responsibility for overseeing the work of specific teams.

Taken together, these concerns represent a need for additional guidance, operating rules, and clarity around roles and responsibilities, not necessarily a change in structure. In fact, there was no evidence in the staff survey responses that the organizational structure itself has created or exacerbated problems, nor did any staff suggest further structural changes as a way to solve problems or address challenges that they identified.

Based on the interview data, comparative information, and their own experience, the Panel concluded that:

- The DOC OIG structure, as currently drawn, establishes reporting relationships that are reasonable and in line with the present major functional areas/activities of the OIG.
- Further restructuring at this time is unnecessary, could be disruptive, and could have a negative effect on organizational performance during a critical time.
- The goal of creating flexible multi-disciplinary teams to staff projects can be achieved within the current structure.
- Given the dynamic nature of changing requirements, the OIG should give priority to creating additional multi-disciplinary teams within the current structure and developing support infrastructure needed to ensure success. Additional written policies and procedures are needed to guide the creation, oversight and assessment of multidisciplinary teams within the current structure.

## **Panel Suggestions for OIG Consideration**

1. Based on a careful review of the current requirements, the structure of similarly situated OIGs elsewhere in government, and the likely future demands on the DOC OIG, the Panel believes that the current organizational structure is satisfactory and that the OIG can effectively deliver on its mission under this structure. Given the need for additional clarification, the Panel suggests that OIG focus on developing guidance regarding the specific responsibilities and accountabilities of managers throughout the DOC OIG, particularly with regard to the delegation of budget authority and accountability, development and adherence to schedules and deadlines, performance management, and improving OIG-wide communication and working relationships.
2. The Panel strongly encourages the practice of creating multi-disciplinary project teams, and believes that the current structure can support this approach. The senior management team should develop annual staffing plans, based on its strategic and operational plan, and create the “business rules” for multi-disciplinary teams (e.g., determine how team assignments will be made, how to ensure balanced workloads, and how to capture individual performance data of team members to inform performance reviews).

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## **Planning**

### **The Issue**

This review found that a number of the OIG's challenges in the execution of work, product reviews, quality assurance, staffing, and prioritization of tasks stem from a need for more and better planning. Senior managers and staff agree that strategic and operating plans are needed to establish an organization-wide understanding of goals, objectives and priorities. Stakeholders also seek an awareness of OIG work plans, so they can estimate the timing and level of effort required to support upcoming OIG reviews. The recent increase in OIG funding and staff requirements to support work under ARRA further underscores the need for organizational staffing and training plans.

### **Discussion**

#### ***Strategic and Operating Plans***

A good strategic plan will establish the vision, goals and objectives for the office, covering a 3-5 year timeframe. In simple terms, it outlines where an organization is going over the next few years, with broadly stated goals for the office, and specific objectives and outcomes tied to those goals. Strategic plans focus on the entire organization, and address internal goals around operations, as well as external goals for mission accomplishment. A strategic plan provides high-level direction and focus, and serves as a foundation for developing more detailed guidance around the execution of activities.

The internal data collected during the assessment clearly indicate that OIG needs this guiding framework to unify the office and guide its work. Staff comments on open-ended questions as well as senior staff interviews were overwhelmingly positive in their support for developing a strategic plan. The following comment was typical: "OIG needs to have a realistic strategic plan that looks out several years into the future to plan out work, instead of conducting work on an ad hoc basis."

The strategic planning effort that is envisioned subsequent to this organizational assessment will be an important and necessary step toward building a strong foundation that will enable the OIG to meet its challenges and fulfill its mission.

An operating plan typically focuses on the objectives and activities that will be undertaken in the coming year to ensure that the organization makes progress toward meeting the goals and outcomes identified in the strategic plan. It should include, in broad terms, the range and focus of the program reviews that OIG plans to undertake in the coming year (incorporating and expanding upon the Top Management Challenges). It should also include the work that the OIG will undertake to support internal process improvements. The operating plan will establish the organizational objectives for the coming year and serve as an important foundation for the development of individual performance plans.

### *Annual Work Plan*

Both stakeholders and staff expressed the need for an annual “audit plan” or a “plan of work.” This form of planning is a critical gap, which, if not remedied, has a major impact on the efficiency of both the OIG and its stakeholders.

While the OIG must maintain some flexibility to address emerging issues and Congressional needs, there was general consensus that the OIG work plan could and should be established and communicated early in the year. The development of an annual plan of work was identified as important to:

- Ensure that the work of the OIG has both sufficient breadth (across the department) and depth (in specific programs or issue areas);
- Effectively manage the workload of OIG staff, as well as the workload of organizations that are subject to OIG review; and
- Help bureau staff estimate and plan for the level of effort and costs associated with supporting OIG reviews.

### *Staffing and Training Plans*

Recruitment and hiring—particularly with the recent increase in funding—poses a significant challenge for OIG. Underlying this problem is the lack of an overall staffing plan to guide recruitment, hiring and assignment of OIG staff. The staffing plan should be created based on the goals of the OIG, and an assessment of current staff skills relative to the work that is planned. Without this foundation, the development of position descriptions and subsequent recruiting and hiring will remain a challenge, and OIG will continue to focus on meeting short-term needs, but remain uncertain about whether it is meeting longer-term capacity requirements.

The Panel suggests that the senior team develop a staffing plan as part of the work it undertakes during the coming year. This plan should reflect the goals of the strategic plan, as well as the range of work identified in the operational plan. The plan should take into account the current staffing mix and the anticipated demands on OIG over the life of the strategic plan.

The staffing plan should be used to identify the training needs of the organization, as well. The OIG has suffered from shrinking training budgets in previous years, which has resulted in less attention paid to this important internal need. Interviewees indicated that most training has been ad hoc and left to individual employees to identify and pursue on their own. Recent changes, however, including increased funding, present the opportunity to fill a gap in OIG’s approach to maintaining staff proficiencies.

A training plan outlines the overall training needs of the office, and offers a systematic approach to meet those needs. It takes a proactive approach, focusing on office-wide requirements and measures (e.g., maintaining levels of certification or proficiencies for certain job families or

positions, growing competency among junior staff), rather than relying on individuals to identify their own needs and training opportunities. It places training in the context of helping to achieve office-wide goals, growing internal capacity, and demonstrating a commitment to employee development. The Panel suggests that OIG develop a training plan in conjunction with a staffing plan in the coming year.

### ***Project Plans***

Solid, consistent project plans are a basic element of keeping the work on track, supporting team clarity and efficiency, and accomplishing the objectives and goals of the organization. While many staff mentioned that project plans are created for particular jobs, they also noted that:

- Project plans are rarely followed;
- The content of project plans vary widely from job-to-job (e.g., lack of consistent plan elements);
- Projects are often not thoroughly scoped out with regard to underlying assumptions, resources, schedule, and level of effort required; and
- Milestones and deadlines are often missed, with no one held accountable.

Typical comments from staff survey respondents were: “set specific goals and objectives for the job, including timelines for the work...” and “set expectations/deadlines for submission of draft reports...and stick to these deadlines.” One senior staff member noted that because OIG has such inconsistent work plans, it is constantly “reinventing the wheel for most processes.”

Many staff expressed concern about the excessive length of time to complete work. Some comments pointed to shifting management priorities and uneven workloads among staff members. Senior staff noted that the most pressing requests from stakeholders are addressed immediately, often without regard to the relative importance of those requests compared to other ongoing work. While some issues clearly warrant an immediate reaction, some degree of continuity in operations is necessary to keep the ongoing work moving forward with minimal disruption. A stronger commitment to developing, executing and adhering to project plans can help minimize the impact of “fire fighting.” Leadership can also develop business rules or guidance to conduct “triage” on unexpected requests and emerging needs—applying established criteria to evaluate the criticality of the requirement compared to other demands. This will help maintain priorities and ensure fulfillment of established commitments.

Senior managers and stakeholders also noted that project design problems, such as insufficient sample size or lack of independent referencing, were being identified late in the process (e.g., either during the course of a report review or after the report was issued). Interviewees suggested that a solid work plan, based on a framework of Yellow Book standards, will build continuous monitoring into the work process. Ongoing or periodic checks against the project plan can reduce the risk that major problems with methodology, data quality, or references are discovered during report reviews.

The Panel believes that every job should have its own project plan that includes the following elements:

- Clearly defined objectives, scope and methodology (including sampling approaches and sample sizes);
- Products and deliverables;
- Identified risks and assumptions;
- Schedule with milestones, deadlines, and periodic quality reviews;
- Team member assignments and accountabilities;
- A communication plan for internal and external audiences; and
- Other resource requirements.

### ***Individual Performance Plans***

Built upon the foundation of the broader organization-wide plans, individual performance plans (IPP) establish individual employee expectations related to the operational objectives and strategic goals of the organization. Some staff members said they currently lack an IPP, and are uncertain about what is expected of them and how they will be evaluated. Some staff survey respondents said that awards and promotions were not linked to performance, and several respondents said that career goals and training needs should be addressed in everyone's annual performance plan and linked to OIG priorities. As one survey respondent noted, "Opportunities for personal development in specific subject areas are not possible because staff do not know OIG priorities."

IPPs are a critical management tool, and rely heavily on the operating, staffing and training plans of the organization. They provide the framework to ensure that each employee has a clear understanding of his/her role in achieving the goals and objectives of the organization, the specific expectations for their own performance, and their own training and development objectives. The Panel suggests that OIG develop a standard framework for IPPs, and that a cascading system of IPPs be put in place to ensure that each staff member has a clear statement of the expectations against which their performance will be measured at the end of the year.

### **Panel Suggestions for OIG Consideration**

3. The Panel believes that developing a strategic and operating plan to guide the work of the OIG is a critical step, and the Panel encourages the senior team to follow through on its intent. The strategic plan will establish a unified vision and consensus around the OIG's desired outcomes. The operating plan will help OIG management make informed decisions about the allocation of resources among competing priorities, including Recovery Act, the 2010 Census, and other programs, and will establish the necessary foundation for transparency and accountability.
4. Given the major and rapid increases in staff, OIG needs both a staffing and training plan to effectively match resources to work requirements and continue to build capacity. The staffing plan will help inform decision making about current job assignments and ensure adequate coverage on all projects. It will also serve OIG's

need to identify long-term staffing needs and capabilities as new requirements emerge. The training plan will take the burden off individuals to find their own way to comply with annual training requirements, and provide an office-wide, proactive approach to building the skills and proficiency of the entire staff.

5. The OIG's current approach to project planning needs greater emphasis on the overall quality of those plans (e.g., thoroughness, scope, schedules), as well as commitment to following the plan through execution. The Panel acknowledges that OIG requires project plans for all reviews, but they are not viewed as serious guidance by many staff, even though there was expressed desire for this structure. Project plans can serve a vital role in performance management, setting expectations and parameters for the work. Serving the broader goal of improving OIG efficiency requires commitment to greater accountability for creating sound work plans and following them during execution.
6. As part of an overall commitment to planning, the Panel suggests that OIG develop a standard framework for IPPs, and that a system be established to ensure that each staff member knows what is expected of him or her. This is a critical link between the individual and the strategy, and contributes to successful mission accomplishment.

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## Work Processes

### The Issue

OIG work processes should be designed and executed with the following end-goal in mind: providing information — whether formal reports of findings, proactive problem identification, or status updates — that is timely, useful, and directed toward making improvements. Both staff and stakeholders provided critical insights about how processes and practices could be modified to improve performance, and this assessment identified several potential work process improvements for OIG consideration.

### Discussion

The way projects are conducted and finalized, as well as the methods used to share and store information, emerged as major challenges for the OIG.

#### *Common Work Practices*

The need for consistency in approach across the OIG was a major theme among senior staff and employees, and points to the need for OIG common work and business practices. The IG has stated that the work of the OIG will be guided by Yellow Book, and senior staff interviewees clearly understood the IG's message about the office's commitment to this standard. Nevertheless, adoption of the practice remains inconsistent across the office (38% of senior staff noted a lack of consistent adherence to guidance and approach).

Stakeholders also noted their desire that the OIG:

- Follow consistent practices;
- Communicate its methodology;
- Assess bureau programs against objective criteria; and
- Tie its findings back to those criteria.

Some stakeholders expressed a preference for audits over inspections, because they believe that audits follow clearer guidance and standards. This structure and clarity helps stakeholders respond to OIG requests more efficiently and act upon recommendations with more traceability.

While leadership has communicated its commitment to following Yellow Book standards, putting this into practice requires a cultural shift, detailed guidance and office-wide training. Numerous reasons were offered about why this has not yet happened, including:

- A lack of OIG-specific guidance on using the Yellow Book;<sup>6</sup>
- An historically ad hoc approach to training (and lack of resources in recent years);
- Resistance to change by some individuals in OIG (50% of senior staff noted a strong cultural resistance to change in OIG); and
- Lack of enforcement of the stated policy or consequences for not following the policy.

Similar inconsistencies were mentioned by with respect to the use of TeamMate,<sup>7</sup> and considerable frustration was expressed with:

- The varying levels of skill among users;
- Inconsistency in guidance and organization of work papers among different teams; and
- Incompatibility among versions of TeamMate across the OAE.<sup>8</sup>

The inconsistency in adherence to policy should be addressed through a combination of OIG-specific guidance for Yellow Book, OAE-specific guidance for TeamMate, better project planning, training, and greater commitment of the entire leadership team to hold themselves and staff accountable.

### ***Project Execution, Monitoring and Review***

Perhaps the most frequent staff comment concerned the inordinately long time that it takes to finalize and release OIG reports. Staff point to a significant backlog of reports awaiting review and approval in the management chain. Delays have become so long that some reports become irrelevant and data becomes “too old,” stagnating in the management review process. Further, some project managers and staff note that they are unable to determine the status of a report that is under review— and both staff and stakeholders are left wondering when they will receive feedback.

One issue noted several times (across interviews and survey data) is the requirement that regional audits of individual grantees must be reviewed by the IG and the Principal AIG for Audit and Evaluation. While this requirement was likely imposed due to prior quality problems, OIG management may want to revisit this decision, and address any persistent quality issues through enforcement of adherence to work plans, training and performance reviews.

Improved product reviews begin with the adherence to better work plans. Good plans contain meaningful milestones, deadlines and quality assurance checks. Indeed, senior staff indicated that work plans are created, but that dates are established somewhat arbitrarily, with an

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<sup>6</sup> A working group was established to develop OIG-specific guidance on using the Yellow Book, but had not completed its task at the time of this assessment, in part due to competing demands on time, lack of a clear champion, and a waning sense of urgency compared to other issues.

<sup>7</sup> TeamMate is a software program used to perform and organize audits.

<sup>8</sup> Problems with remote access and basic functionality were also noted, but are more IT in nature and were being addressed during the course of this assessment.

assumption that deadlines will slip due to the excessively long review times—creating a situation where poor planning has become both a cause of and reaction to long review times.

Among staff, there is a strong sentiment that schedules have no real relevance. There are no consequences for missed deadlines, so little effort is put into creating sound work plans. This can lead to inconsistent project execution and lower quality reports. Further, the effects of poor planning and inconsistent application of standards are sorely felt during the review process, when problems are identified after the work has been completed. The culmination of these issues has a negative impact on OIG timeliness—a key indicator of its impact.

The Panel encourages the OIG to develop and implement a project planning and review system that:

- Establishes realistic project milestones, including product review milestones, when the project is initiated;
- Links the level of management review required to the risk and potential visibility of the project;
- Tracks the progress of project execution and the status of the review process in TeamMate or some other communication tool.

To further enhance timeliness, OIG might also consider creating more informal, interim and “flash” reports. Stakeholders expressed a greater need for and higher value of ongoing, timely information, rather than completed final reports. Furthermore, the reaction to “flash” reports has been positive. As part of the project planning process, various interim products can be identified to offer more timely information and input to those who need it. The number and types of product would vary depending upon the nature and scope of the effort, and these can be planned for and incorporated into the normal work process.

### ***Records and Information Management***

OIG faces two significant management information challenges:

1. Culturally, OIG operates on a person-based, “ask” system of information sharing; it lacks business rules about how to organize, store and retrieve information/knowledge; and
2. Administratively, OIG lacks a common system and structure for organizing its data.

Both of these challenges contribute to inefficiency and hamper the OIG’s ability to support analyses that are longitudinal or of broader scope. The person-based approach to knowledge management creates a significant risk that institutional knowledge will be lost when individuals retire or leave the office. This concern was expressed during senior staff interviews, and examples were offered about entire areas of subject matter expertise being lost with a retirement. This knowledge management approach greatly hampers any effort to leverage lessons learned or best practices, or even to gain a full understanding of the issues that surrounded previous reviews.

The lack of a standard organizational scheme for records management further slows productivity and limits the use of OIG data. Without guidance and consistency in how files are named, organized, stored, and archived, staff report that:

- Considerable time is wasted scouring a disorganized shared drive, or seeking out the individual who knows how and where to find the information;
- Locating and compiling data to generate standard management reports is cumbersome, and there is no management dashboard to track workload, status, financials, etc.; and
- The ability to mine data to support more complex, program-wide analysis is severely compromised.

A foundation of well-organized, accessible data is required to support day-to-day efficiency of the entire office, as well as OIG's ability to support more complex, strategic analyses of Department programs. The OIG has an opportunity to add greater value to the department by engaging in these types of data-mining efforts, but requires better organized data and the analytical tools and skills to support this kind of analysis.

### **Panel Suggestions for OIG Consideration**

7. The Panel suggests that the OIG complete the development of OIG-specific guidance on using the Government Accountability Office's Generally Accepted Government Auditing Standards (Yellow Book) guidance, and create a similar task force to develop OAE-specific guidance regarding the use of TeamMate. Due to the critical impact that this guidance can have on OIG performance, these projects (if not completed this fiscal year) should be incorporated in the OIG operating plan for the upcoming year, a project leader should be identified, and the expected results should be specifically incorporated into individual performance plans for the coming year.
8. The Panel encourages the OIG to develop and implement a project planning and review system that establishes realistic project milestones, including product review milestones, when the project is initiated; links the level of management review required to the risk and potential visibility of the project; and tracks the progress of project execution and the status of the review process in TeamMate or some other communication tool. The Panel suggests that the development of this system also be an element of the OIG operating plan for the coming year, and its implementation should be reflected in the individual performance plans of the entire senior team.
9. The Panel views well-formulated executed and enforced work plans as a key to addressing many of the process challenges within the OIG. While prolonged product reviews are cited as a major problem, they represent a culmination of earlier deficiencies, stemming from an overall lack of consistent structure and approach to each engagement, poor quality control, and insufficient project monitoring. Staff overwhelmingly support better planning to guide their work, and periodic management checks throughout the program life-cycle are needed to keep work on track—enforcing both quality and schedule goals. The Panel encourages OIG to develop, execute and monitor implementation of these work plans.

10. The Panel recognizes that good information and records management require both improved guidance and a shared commitment to a less person-centered approach. OIG should create a more systematic knowledge and records management system to address what the Panel views as a significant risk. The culture of the office must shift from an informal, person-oriented, “ask” system, to a more traceable and widely-accessible system where information is easily located and shared. As part of this shift, the administrative issues of how data will be named, organized, stored, and accessed must be resolved. The Panel suggests that the OIG create an internal task force and/or engage an outside consultant to define the information management needs of the organization, including the hardware/software requirements, to support its goals.

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## Staffing

### The Issue

A number of staffing issues emerged from the staff survey and senior team interviews. From the perspective of current employees, the most pressing is the need for additional staff to meet the challenges of the ARRA and the decennial census. However, there is a divergence of opinion, both among staff and members of the senior team, about whether the OIG should focus on adding staff with subject matter expertise or individuals with proficiency in the methodologies that guide the work of the OIG. Training and development, as well as the institutionalization of work processes, also emerged as important issues to OIG.

### Discussion

#### *Staffing Levels and Skill Mix*

The number and skill mix of the OIG staff was identified as a key challenge by both employees and senior staff. Of the 47 staff survey respondents who answered the question about the challenges that the OIG will face, most thought staffing is a critical issue (n=19, or 40%). Five of those nineteen specifically mentioned recruiting and retaining staff as a critical component of the staffing challenge. Staffing was a prominent theme among senior staff interviews, as well, with 88% of the interviewees commenting on some aspect of hiring and workforce management.

Among the senior staff, there was a divergence in views about how to approach staffing for the office. Many (44%) noted that OIG lacks subject matter expertise in certain program or technical areas (e.g., the Patent and Trademark Office (PTO), National Oceanic and Atmospheric Administration (NOAA), and Census beyond decennial expertise). Others, however, expressed the view that a subject matter expertise model was currently emphasized in OIG to the detriment of developing knowledge, skills and ability in applying accepted methodologies that guide audits and program evaluations.

A number of interviewees suggested that an emphasis on hiring subject matter experts, particularly experts from within the Department of Commerce Bureaus, has the potential to compromise OIG's independence, by bringing in people who are invested in and "too close" to the programs they must audit or evaluate. On the other hand, proponents of hiring people with program knowledge describe the difficulty of examining a program without an adequate grasp of its technical aspects, constituents, and the overall operating environment.

Many stakeholders agreed that the OIG must know how their bureaus and agencies operate in order to conduct a fully informed assessment, and suggested that the potential risk to the OIG's independence was actually greater among those with less knowledge of the programs. One stakeholder noted that when people in the bureau take on the role of "teaching" the OIG staff about their work, they can more easily influence the review.

The Panel's position is that this divergence of views about staffing skill emphasis is a distraction. The Yellow Book standard on competence requires that the staff assigned to an engagement collectively possess knowledge of generally accepted governmental auditing standards, general knowledge of the environment in which the audited entity operates, and the subject matter under review.<sup>9</sup> The Panel suggests that, given its small staff and diverse program demands, the OIG use these three requirements to assess its current workforce skills and expertise, create staffing and training plans to support its strategic plan, and establish individual development plans that will sustain flexible work assignments and the most effective use of limited resources.

### ***Multi-disciplinary Teams***

The workload of the OIG is both heavy and diverse. Many of its reviews would benefit from a multi-disciplinary approach, building teams across audit, program evaluation, and investigation specialties, and including people who have developed program expertise. Multi-disciplinary teams can more effectively and efficiently use the limited resources of the OIG, while providing thorough coverage of issues. A multi-disciplinary approach also gives the OIG the opportunity to develop program knowledge across a wider range of staff members.

The Panel strongly supports the multi-disciplinary approach that was taken in creating the OIG's Recovery Act Task Force. Most survey respondents said that the use of cross-functional teams is satisfactory (31%) or better (16%). A substantial proportion (30%), however, think that the use of multi-discipline/cross-functional teams is poor or very poor. The ARRA team was offered as a positive example within OIG, with its cross-functional composition being one important factor in its success.

Recently, however, the potential formalization of a matrixed approach to managing the office met with significant resistance. This resistance appeared to be grounded in factors other than an objection to the principle of creating multi-disciplinary teams for particular jobs (e.g., further restructuring would confuse staff; lines of authority were less clear; the current structure needed time to mature).

The Panel notes two key challenges that currently complicate the creation and ongoing use of multi-disciplinary project teams: 1) gaps in administrative guidance, and 2) an uneven distribution of skill sets across the organization. Many people pointed out that there is not a documented and well-understood system in place to create and manage these teams. Questions were raised about reporting structures and authorities, and concerns were raised about the risk of individuals being spread too thin. Further, OIG lacks an overall plan to guide how teams are created, staffed, and managed. These concerns demonstrate the gap in administrative guidance, as well as the need for an annual work plan.

An additional challenge is that the regional offices do not have the breadth of skill sets available in the headquarters, in part because the regional offices have historically maintained a specialized focus on individual grants audits. These narrower skill sets limit the ability to create multi-disciplinary teams within a regional office.

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<sup>9</sup> See Yellow Book paragraph 3.43.

Despite these challenges, the Panel feels strongly that OIG should expand its use of a multi-disciplinary team model within its current structure. In pursuing this, OIG should:

- Develop the administrative guidance and business rules that guide the creation and management of teams;
- Foster greater collaboration across locations to leverage the full range of staff skills; and
- Create and maintain a database of staff skills, experience and program expertise/knowledge. This tool will help support the administrative task of identifying the right people for each team, as well as the creation of training and development plans.

These steps will help OIG create the foundation for wider acceptance and more effective utilization of multi-disciplinary teams.

### **Training and Development**

Data from all sources point to a significant need for training and development among OIG staff. Training needs range from the basic orientation of new staff, to instruction on core guidance and tools (i.e., Yellow Book, TeamMate) specific to OIG's work.

#### ***New Staff Orientation***

While OIG is in the midst of rapid staffing increases, gaps were noted in the systems to introduce them to OIG's culture, methods and personnel policies. Concerns were raised that the absence of a consistent new staff orientation approach hampers new staff's understanding of the office and how it works, and negatively impacts efficiency and morale. One staff interviewee said, "New people don't even know where the bathroom is here."

Several senior staff (25%) and survey respondents expressed concern about the lack of a system to bring new staff up to speed on the OIG and the Department. One survey respondent suggested the following: "It would be helpful if the orientation for new employees included a presentation on the organization, the responsibilities/roles of each division within the OIG, and where to locate forms and job related information. One option is to make this orientation an online or self-study course. Another option is a quarterly class by videoconference for all new hires in the previous quarter."

Numerous examples were given of new staff orientation activities (not job training) that could be undertaken to more quickly assimilate new hires, including:

- Tours of the office;
- Introductions to other staff outside their immediate team; and
- Recognition of new hires at all-hands and other meetings.

Some managers expressed the desire for additional clarity, authority, and accountability with regard to their own program budgets, reporting expectations, and authority for various OIG processes (e.g., travel authorizations, training requests, routine purchases). This information is

not routinely offered upon entry, but is often left to the new hire to ask as the issues arise. Providing a basic “who-does-what” introduction, as well as explaining the parameters of their budget responsibilities and authority is essential guidance and should be part of the orientation routine for all new managers. The Panel views new staff orientation as a critical gap that, if filled, can ease the transition of new hires and bring them up to speed more quickly.

### *Core Training*

This assessment also found substantial concern about the degree to which OIG projects adhere to established standards and methodologies for job planning, fieldwork and reporting. As previously noted, the IG has directed that audit and evaluation work will follow Yellow Book standards, but adherence to the directive is not yet consistent.

Many of the challenges in following Yellow Book stem from a lack of training. Staff understand the IG’s commitment to the standard, but are unsure about how to apply it to their jobs. Many are not familiar with Yellow Book, and are trying to learn it on the job. The internal OIG working group that focused on developing tailored guidance has not yet concluded its work, and this linkage of Yellow Book guidance to OIG processes is important to developing good training and supporting consistent application of standards.

Wide variations were also noted in the use of TeamMate across the various OAE work groups and locations. Typically, commercial off-the-shelf tools, such as TeamMate, are customized slightly to fit the specific requirements of the user group. Such modifications are driven by the internal requirements of the users. Interviews indicated that the tool was launched within the OIG “straight out of the box” with no real assessment of how OIG would apply the tool within its own operating context. It also suffers from insufficient user training and technical support (25% of senior staff noted problems with IT that included technical support for TeamMate).

The variations in TeamMate usage are not surprising, and are compounded by the basic challenges associated with adoption of Yellow Book standards described above. The Yellow Book guidance can be embedded within the TeamMate structure, and an integrated training approach could teach both Yellow Book standards and the optimal usage of TeamMate as part of the same curriculum. Staff training in this subject matter is key to closing the gap between the organization’s commitment to following a single standard and the staff behavior that demonstrates that commitment.

In addition, the OIG can benefit greatly by engaging in cross-functional training. All staff—whether or not they perform audits—should have a basic understanding of the Yellow Book guidance. This applies even to those in a non-auditing role, and becomes more important as the OIG expands its use of multi-disciplinary teams. Because Yellow Book is the core guidance for the most of the OIG’s work, all staff should have at least rudimentary knowledge of its content and application.

## Panel Suggestions for OIG Consideration

11. Just as there is no “right” way to structure the OIG, the Panel believes that the strongly held beliefs about the “right” mix of staff are a roadblock to creating high-functioning teams. The idea that OIG should emphasize deep program knowledge over core professional skills, or vice versa, detracts from the fact that OIG needs to promote shared understanding of the various functions within the office, *and* develop programmatic subject matter knowledge to support stakeholder engagements. The Panel suggests that OIG work to help individuals develop a blend of core skills within their functional area (e.g., audit, investigation), as well as some degree of subject matter knowledge of the programs they review. The Yellow Book guidance further supports this need for a blend of knowledge and skills. The challenge for OIG is developing solid staffing and training plans to ensure appropriate coverage and capacity.
12. The Panel encourages the OIG to expand its use of multi-disciplinary teams to maximize the effective use of its staff, and offer a well-rounded approach to its engagements. The Panel believes that the OIG can effectively manage multi-disciplinary teams within its current structure, and should focus its efforts on administrative improvements around team management. These include developing the business rules to guide team management; increasing collaboration across locations to leverage the full range of staff skills, and creating a staff database to support team assignments.
13. The Panel urges the OIG to formalize and enhance its new staff orientation activities to introduce new hires to the culture of the OIG. Orientations should be used to share factual information and consistent messaging about practices and procedures. This is a basic business practice that the OIG can adopt to shorten the learning curve of new hires and help foster a greater sense of cohesion across the OIG.
14. The Panel strongly encourages the OIG to invest in core technical training around Yellow Book standards and TeamMate. Cross-training within the office (e.g., offering basic Yellow Book training to non-auditors) can help build greater understanding of all OIG operations, and enhance the office’s ability to leverage multi-disciplinary teams.

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## Communication

### The Issue

Communication is a critical aspect of OIG's activities and success. Staff and stakeholders alike expressed the need for more frequent and substantive communication. Gaps in internal communication practices, in particular, have a negative effect on the work processes and morale in the office. Improvements in both internal and external communication have the potential to substantially increase the impact and effectiveness of the OIG.

### Discussion

#### *Internal Communication*

Generally, OIG staff are comfortable with their understanding of the OIG structure (65% agree/strongly agree) and where they fit in the structure (69% agree/strongly agree). While not as high as the results achieved by the Department of Commerce (84%) or the Federal government overall (83%),<sup>10</sup> over two-thirds of OIG employees also say that they understand how their own work relates to the goals and priorities of the office (71% agree/strongly agree).

These positive findings seem to suggest that staff understand their place in the organization, yet most staff members are not satisfied with the information they receive from the organization. Only about one-third of the staff said they receive adequate and timely information from OIG leaders on issues that affect them personally (37% agree/strongly agree), and even fewer are satisfied with the information they receive from OIG leaders about what is going on in the organization. These results are substantially more negative than the results of the 2006 OPM survey, where 47% of employees in the Department of Commerce and across the Federal government said they were satisfied with the information they received about activities in their agency.

Several specific aspects of internal communication emerged as potential areas for improvement, both in responses to open-ended questions on the staff survey and in interviews with the senior team.

***Frequency and Direction:*** OIG internal communication is very hierarchical and top-down. Senior staff report that the IG communicates effectively with them, but lower level staff are not consistently receiving day-to-day information and messages from their managers. This creates an information gap between the IG and the majority of the staff. The OIG is not unlike many organizations, where senior and mid-level managers do not realize the importance of, nor do they give high priority to, regular communication with staff, given competing demands on their time. As one respondent noted, "While the IG communicates with his AIGs, there's a need for more

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<sup>10</sup> Reported in the 2006 Federal Human Capital Survey conducted by OPM.

communication between AIGs and their staffers. Also, communication between HQ and regional offices could improve.”

Lack of clear and consistent communication with regional offices was a theme picked up by a number of survey respondents, as well as by senior staff. Said one regional office respondent, “The regional offices do not appear to get the same level of information in terms of what the OIG is doing, where we are going as an organization, how our work fits into the goals of the OIG, etc. In many respects, it feels as though we are not completely part of the OIG.” While the perception of the regions may be that they receive less information than headquarters staff, it appears that communication is similarly weak at the headquarters level, as well.

**Channels:** While a number of channels of communication are available, the channels used are primarily verbal -- which is not surprising in a very person-based culture. Unfortunately, verbal communication can be unreliable in both thoroughness and frequency. Messages get edited or modified as they verbally pass down the chain, and consistency in content and understanding is compromised. Survey respondents expressed the need for an OIG intranet or other broad, direct channel of communication that reaches all staff. This is especially important for sharing leadership vision, priorities, guidance, policy change, or other office-wide news.

**Content:** There is a strong desire among staff to know more about and better understand the work being done across the OIG. As one respondent noted, “The most important element to this, as well as any aspect of the operational success of an organization, is communication. Without it, we are all just working by ourselves, on our own projects, or wondering if the information or stories passing around the hallways are true.”

**Recent Progress:** Clearly, the IG and his senior managers are aware of concerns about communication, and they are already addressing these issues. During the course of this assessment, the OIG launched an intranet site and the IG initiated an internal blog to convey messages directly to staff. These steps hold great potential for more direct communication with all staff about news and guidance affecting the entire office. Nevertheless, the Panel urges the senior team to assume more responsibility for conveying information (both organizational and issue based) to their managers, and to establish expectations and accountabilities for communication by managers with their direct reports. The commitment and behavior modeled by the IG must be carried on by the entire leadership team by engaging with their staffs, as well as other managers across functional lines within OIG.

In addition, the Panel suggests that the newly launched intranet be actively managed to create a central body of reference materials (including, for example, OIG organizational procedures), as well as a means for sharing information among OIG operating units, rather than only a means to share information from the top down. This communication tool can be leveraged to offer job aids and guidance, thus helping address training and knowledge needs identified earlier.

By monitoring staff engagement on the intranet site, senior leadership can periodically assess staff satisfaction with internal communications, as well gauge their level of knowledge and understanding of office-wide news, policies and procedures communicated through this more direct channel.

## *External Communication*

It is critical that OIG maintain active communication channels with stakeholders as a foundation to ongoing collaboration and mutual mission accomplishment. Stakeholders strongly value their working relationships with the OIG, and ongoing communication emerged as a major theme in their desire to create and maintain a positive and productive relationships.

Stakeholders from the bureaus and the Department had a number of suggestions for the OIG to improve communications with them, including the following:

- Share the OIG's work plan early in the fiscal year, to help stakeholders anticipate what information they will be asked to compile and provide;
- Conduct reviews and provide information (preliminary findings) early enough so that programs can make course corrections, rather than simply offering findings after the fact;
- Communicate with bureaus in a “lessons learned” way, not “gotcha”;
- Offer training, education and outreach on matters such as fraud indicators and other ways to proactively identify and mitigate risk, similar to the training OIG is currently providing in support of ARRA within the Department; and
- Offer more frequent communication/feedback with stakeholders about the status of issues and reviews (e.g., investigations, audits and reviews).

Stakeholders also offered constructive suggestions to the OIG about the frequency and content of formal communications (i.e., reports) with stakeholders, including:

- Offer quarterly updates on OIG work in the bureau/agency (or at some regular frequency);
- Provide a more thorough write-up of methodology in OIG reports. In particular, some stakeholders noted the need to include qualifications about small data sets being non-representative, and offer appropriate cautions about generalizing findings;
- Refrain from telling them specifically “how” to fix their programs (prescribing steps or methodologies), because this goes too deep into program management; and
- Demonstrate a clear relationship between findings/supporting data and recommendations.

Finally, it was suggested that the OIG establish a mechanism to collaborate and communicate with other OIGs and similarly interested organizations (e.g., OMB, GAO, Hill committee staff). This mechanism would support two-way, proactive information sharing about emerging or broad-sweeping issues, particularly those that affect programs that extend beyond the Department of Commerce.

**Recent Progress:** When the assessment began, the OIG lacked a designated liaison to Congress or other external constituencies. Recently, however, two staff members were added to support external communications. The first was hired under the Recovery Act Schedule A authority and is concentrating on congressional and intergovernmental relations related to the Recovery Act. The second serves as a legislative and public affairs advisor, and is working congressional relations on everything other than Recovery Act, as well as helping OIG set up a public affairs outreach plan/program. These two staff members are working to build an externally-oriented

communication function for the OIG that was identified as a gap. The new external communication liaisons should also be asked to provide content to the OIG intranet, sharing news and relevant information with all staff.

### **Panel Suggestions for OIG Consideration**

15. The Panel believes that AIGs and their managers must build on the example set by the IG, and take personal responsibility for maintaining communication within and across groups. The tools and channels to support internal communication are available; organizational leaders now need to take advantage of them to share information and enhance collaboration. Launching an intranet, the IG blog, and hiring staff focused on external communications are all excellent steps in the right direction. Additional work is required, however, to foster an environment where communication is valued and communication activities are rewarded.
16. The Panel encourages the OIG to consider the adoption of stakeholder suggestions about the content, format and frequency of communications. External liaisons with responsibility for communicating with Congress and other agencies are an important channel for spanning the boundary of the Department and sharing information on potentially big issues. At the working level, stakeholders need more ongoing communication from their OIG contacts. Maintaining a dialog can be as simple as building these communications into work plans—during all phases of work, from planning through execution and delivery.

## Measuring Performance

### The Issue

One goal of the present effort is to assist OIG in developing sound measures to assess its performance and improve its overall impact. Performance measures for organizations charged with oversight and prevention have always been difficult to develop and often lack real meaning.

Despite the inherent difficulties in outcome measurement, the OIG is committed to continuous improvement, and it must have a way to gauge its performance and demonstrate the impact of its various activities. OIG currently has an opportunity to define and implement meaningful performance measures that better reflect its value and impact.

### Discussion

#### *Statutory Measures of OIGs*

OIGs are required by law to report on certain measures of performance. These statutory measures address global outcomes, such as the number of reports issued, number of recommendations adopted, and dollars recovered for the Department. These types of measures support inter-agency or cross-OIG comparisons, but offer little insight about the process issues that led to good or poor performance. The data behind these measures is self-reported by OIGs, and concerns were raised in stakeholder interviews about the reliability and comparability of the data that is reported. In addition, many OIG stakeholders see little value in these measures.

Fundamentally, the statutory measures only address half of OIG's mission. They focus on the outcomes associated with reactive actions (e.g., recovering money after the fact). Stakeholders, senior staff and OIG employees all noted the lack of comparable measures for prevention activities. This suggests that even though the OIG has a dual focus, it is only held accountable (or given credit) for supporting half of its mission. Because what is measured receives the most attention, a major portion of OIG's mission is devalued by those who evaluate OIGs. This situation is not unique to the DOC OIG; it affects OIGs across government.

ARRA challenges traditional thinking about OIG performance. Because of the Recovery Act's high visibility, risk and importance, the DOC OIG is focusing significant efforts on engaging proactively with DOC bureaus to prevent problems. While this is clearly a key element of OIG's mission, there are no guidelines for measuring the success of prevention activities.

#### *Defining Outcomes*

Sister organizations involved in ARRA oversight offered little insight about how to measure these "prevention" outcomes, but suggested that DOC OIG take an active role in defining and establishing its own measures. Some interviewees suggested that OIG take the lead and define what matters most to them and their stakeholders, including qualitative and process measures.

At present, no “promising practices” or examples of measures used by other OIGs were identified.

One-third (32%) of survey respondents suggested that OIG use outcome measures that reflect monies put to better use, program improvement (not further defined), and the Department’s progress toward meeting OIG’s top management challenges. Others suggested using the results of individual audits, evaluations, inspections, or investigations. These included measuring the amount of losses recouped, the number of recommendations implemented by the agency, and the number of prosecutions, convictions and arrests. These measures reflect, in large part, variations of the statutory measures OIG reports as an organization, and focus on its reactive engagements.

### ***Output Measures***

Timeliness of OIG products was raised by both staff and stakeholders as an important performance indicator. While a relatively small number (9%) of OIG staff survey respondents said timeliness was a good performance measure, stakeholders were more supportive of this indicator, noting that more timely information has a greater impact. While not a direct outcome, stakeholders mentioned it several times as a good performance indicator. Senior staff had concerns with timeliness, however, as the problems with the current review process (discussed earlier) impede OIG’s timeliness, and some thought a push for speed could put the quality or accuracy of the content at risk.

Thirteen percent of survey respondents said that the number of reports produced is a good indicator of performance. However, senior leadership expressed concern about using the number of reports as a performance measure because the scope, impact, and quality of reports varies substantially.

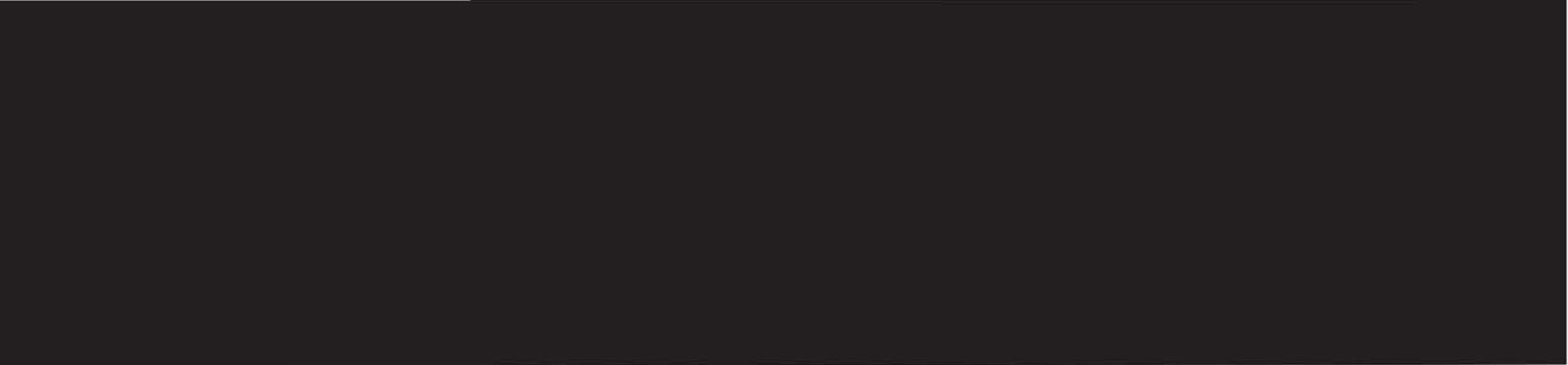
A number of additional suggestions for performance indicators were offered by stakeholders. Stakeholders suggested that OIG develop measures to gauge their level of communication, engagement and collaboration with the Department leadership and Bureaus. All respondents had difficulty quantifying their suggestions, and focused on process, but several suggested that OIG’s true impact is both indirect and long term. It may take several years to realize the actual cost savings or process improvements resulting from OIG recommendations, though OIG contributions were considered a key driver of change.

OIG faces a cultural challenge in defining and adopting performance measures around outputs and processes. Senior staff interviewees noted a lack of consequences for missed deadlines or re-work, no incentives for exceptional work, low expectations from management, and a lack of commitment to enforcing policies and procedures. Some interviewees even mentioned there is a “fear of performance expectations” in the office, and resistance to change is very high.

## Panel Suggestions for OIG Consideration

17. The Panel acknowledges that OIG has statutory requirements to report certain office-wide outcome measures. While these measures must be compiled and reported, they are not very useful for promoting process improvements, and reliance upon the statutory measures alone neglects a major element of OIG's mission. The Panel suggests that these measures not be the sole drivers for guiding the development of a performance measurement system.
18. The Panel views the lack of external guidance or performance expectations for OIGs around ARRA as an opportunity. With ARRA as a model, OIG can focus attention of filling the gap of "prevention" measures, and proactively define meaningful indicators of success. While it is notoriously difficult to measure a "non-event," other agencies face a similar challenge and may have ideas or approaches that the OIG can consider as it engages in this task (e.g., agencies within the Department of Homeland Security).
19. Changing the culture to adopt a performance orientation is one of the most significant challenges facing the OIG. With a history of mixed adherence to standards, few incentives for achievement, and no substantive consequences for failing to meet expectations, a shift in attitude and behavior will require considerable commitment by leadership and staff. Improving the enabling work processes should help facilitate this culture shift. The Panel also suggests the adoption of new performance standards for the office, which will require a thoughtful, sustained commitment to transparency and accountability.

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## **Appendix A Secondary Research: Other OIG Organizational Structures**

### **Introduction**

The information offered here includes:

- A brief background of DOC OIG organization and function
- DOC OIG's current organizational chart
- A selection of other OIGs for comparison
- Organizational charts from three other departments and key observations and questions about the differentiations in organization

### **Background in Brief on OIG's Organizational Structure**

The current organizational structure was established in mid-2008 by the current IG. Prior to implementing this structure, an internal OIG working group had developed recommendations for four (4) possible alternatives. The current structure contains some, but not all elements offered in those recommendations. This structure attempts to realign functions and individual managers both to reflect a better functional alignment, and to accommodate the vestiges of personnel issues that remain after the recent congressional mandated investigation of the OIG.

The panel used the secondary research to consider the following question:

*Given the lack of common constituencies among the DOC bureaus and agencies, the great technical diversity of the programs DOC OIG must address, and the need to flexibly staff to meet emerging requirements, is this the optimal structure for DOC OIG?*

**Appendix A**

In addition, the Panel considered DOC OIG Top Management Challenges in its review of the office’s organization.

<b>Top Management Challenges</b>	<b>Questions Considered in Comparison of Organizational Structures</b>
<ul style="list-style-type: none"><li>• Overcome the Setbacks Experiences in Reengineering Decennial Processes, and Conduct a Successful 2010 Census</li><li>• Better Position the Department to Address Information Security Risks</li><li>• Effectively Manage the Development and Acquisition of NOAA’s Two Environmental Satellites</li><li>• Establish a Safety Culture at NIST</li><li>• Ensure NTIA Effectively Carries Out Its Responsibilities Under the Digital Television and Public Safety Act</li></ul>	<ul style="list-style-type: none"><li>• What structure puts the OIG in the best position to face its top management challenges?</li><li>• Can a cross-functional approach fit in to the existing structure?</li><li>• What formal changes would need to be made to the structure to support efficient management of cross-functional teams?</li><li>• The Recovery Act Team was created to work quickly and efficiently. The Recovery team is a mix of staff from various divisions. What lessons learned from this team can be leveraged across the OIG?</li></ul>

## Formal Organizational Structure

Figures A-1 and A-2 show OIG’s current organizational structure.

**Figure A-1: Department of Commerce, Office of Inspector General**

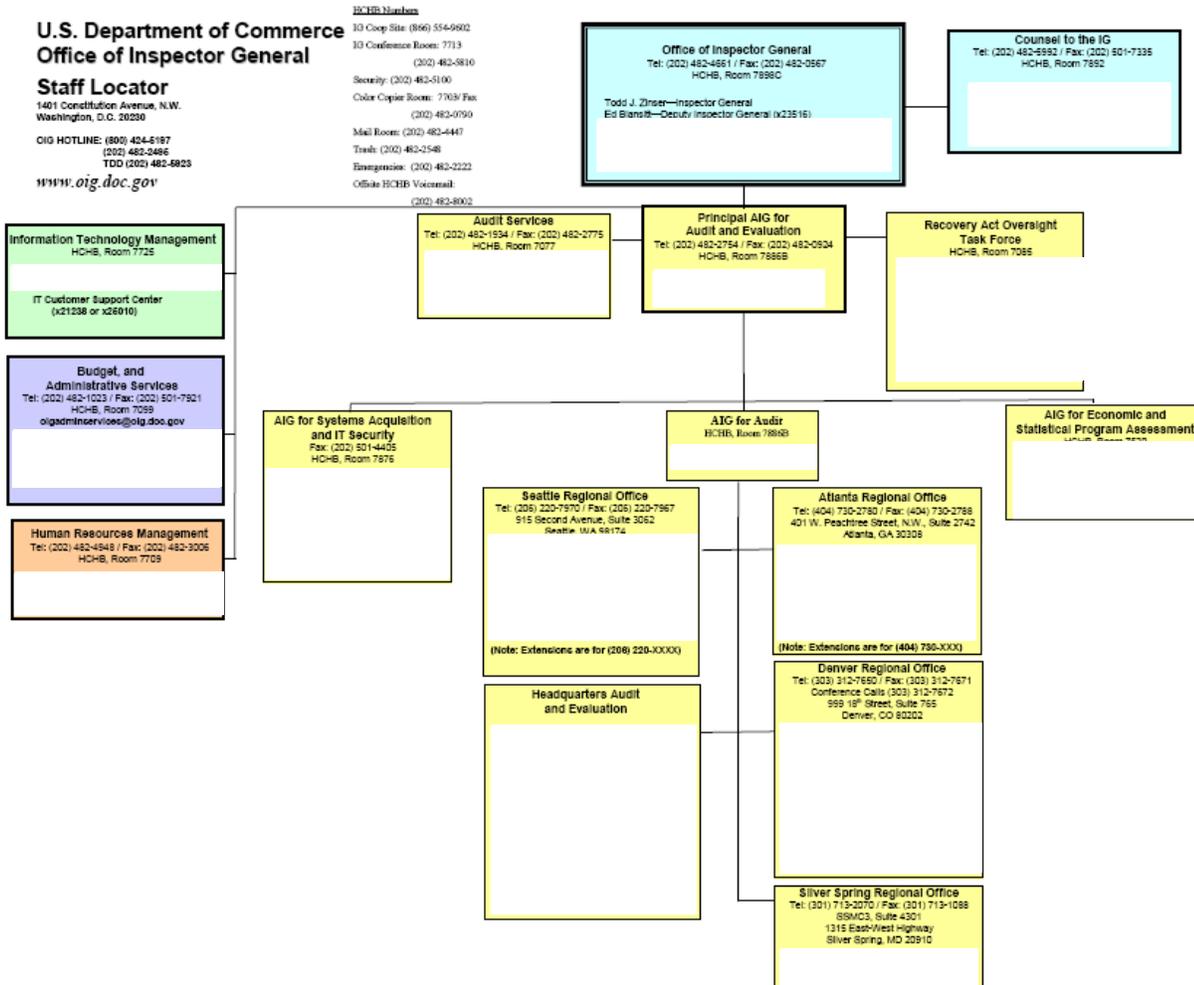
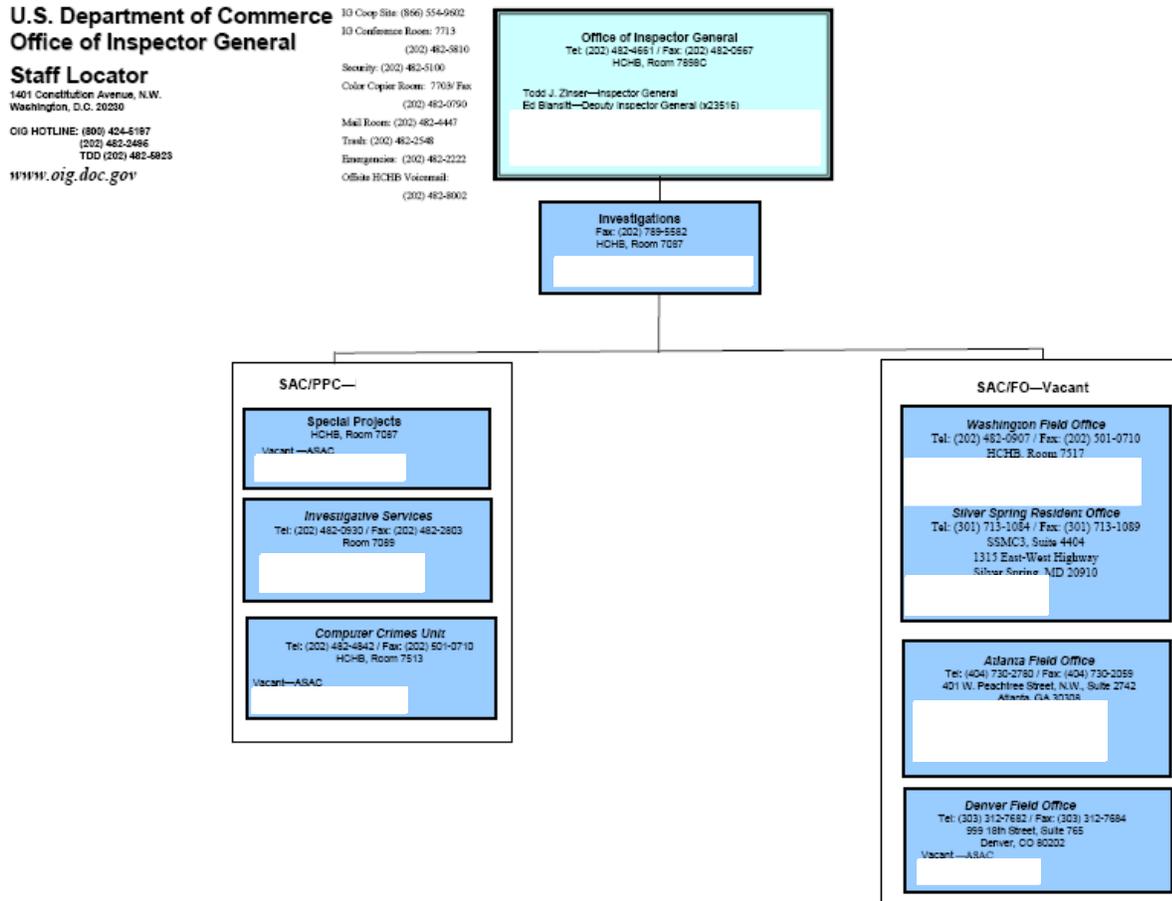


Figure A-2: Department of Commerce, Office of Inspector General, Investigations



**Observations About the Organizational Chart**

- The Principal AIG oversees three AIGs; one SES position remains unfilled, but is not yet defined nor depicted on this chart.
- There is no Office of Public or Congressional Affairs or other designated communications group.<sup>1</sup>

**Other OIGs**

To help support the panel’s consideration of the issue, the research team has compiled a number of organizational charts from other Federal OIGs. A broad cross-section of over ten agencies were originally examined, and the following criteria were used to reduce this list to a few that appear more relevant to the present comparison.

The factors considered in assessing the relevance of various OIG’s were:

<sup>1</sup> At the time of this writing OIG had hired staff to fulfill an external communications role, but this is not a position reflected on the organizational chart.

- The diversity of the department, in terms of programs and commonalities among internal constituents (DOC has little commonality among its constituent base);
- Those agencies with a substantial regional presence;
- Agencies that received sizeable American Recovery and Reinvestment Act (ARRA) funding; and
- Technical or scientific programs managed by the department.

Overall size of the OIG was not as critical, though most OIGs that support very large agencies (e.g., DoD, DHS) were deemed too large for a reasonable comparison. Not all OIGs selected are of a similar size to the DOC OIG, but the very largest OIGs were excluded.

The OIGs of the Department of Veterans Affairs (VA), the Department of Education (ED), and the Environmental Protection Agency (EPA) have approximately 300 employees, and the Department of Health and Human Services (HHS)'s OIG has approximately 1200 employees. Thus, HHS OIG is eight times as large as DOC OIG, and ED and VA's OIGs have approximately 200 more employees than DOC. The panel considered the fact that DOC is planning to staff up to approximately 150, which would make it about half the size of the other OIGs compared.

A comparison of these OIGs based on their budgets and full-time equivalent (FTE) staff is offered below.<sup>2</sup> The OIG budgets relative to their Department's budgets suggest relative workload.

Departments and Agencies	OIG Budget	OIG FTE	Department Budget
DOC	\$22,467,000	122	\$6.5 bil <sup>3</sup>
VA	\$71,445,000	464	\$33.4 bil <sup>4</sup>
HHS	\$222,000,000	1,445	\$67.2 bil <sup>5</sup>
ED	\$48,510,000	288	\$56 bil <sup>6</sup>
EPA	50,241,000	337	\$7.6 bil <sup>7</sup>

<sup>2</sup> These data are from GAO's Report, "Inspectors General Opportunities to Enhance Independence and Accountability" GAO-07-1089T. July 11, 2007.

<sup>3</sup> <http://www.whitehouse.gov/omb/budget/fy2006/commerce.html>

<sup>4</sup> <http://www.whitehouse.gov/omb/budget/fy2006/veterans.html>

<sup>5</sup> <http://www.whitehouse.gov/omb/budget/fy2006/hhs.html>

<sup>6</sup> <http://www.whitehouse.gov/omb/budget/fy2006/education.html>

<sup>7</sup> <http://www.whitehouse.gov/omb/budget/fy2006/epa.html>

*Appendix A*

Departments and Agencies	ARRA Department Funds	ARRA OIG Funds	OIG FTE increase
DOC	\$7.9 bil	\$16 mil	36
VA	\$1.4 bil	\$1 mil <sup>8</sup>	0 <sup>9</sup>
HHS	\$135 bil	\$17 mil	60 <sup>10</sup>
ED	\$100 bil	\$14 mil	15
EPA	\$7.2 bil	\$20 mil	27

After considering these factors, the OIGs selected for the comparison included:

- VA, selected as an agency with a broad range of programs and a substantial regional structure. VA is the second largest government agency, and the nature of its work (i.e., providing health care and a range of benefits to a large population of veterans), pose significant risk in administering a diverse array of programs.
- HHS, selected because it manages a few very large programs, similar in magnitude to the Census within DOC.
- ED, selected as smaller agency OIG managing sizable ARRA funds, similar to DOC OIG.
- EPA, selected as a smaller agency with highly diverse programs of a scientific and/or technical nature.

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<sup>8</sup> Department of Veterans Affairs, Office of Inspector General, “Department of Veterans Affairs Recovery Act Program-Specific Plan”, May 2009.

<sup>9</sup> VA OIG staff, August 4, 2009.

<sup>10</sup> See <http://www.hhs.gov/asrt/ob/docbudget/2010budgetinbriefaa.html>.

## Comparison of Divisions

The following table illustrates common divisions across these five (5) OIGs. Of note: the Office of Investigations is the only division that each of the agencies identifies in common and operates as a separate division. Also, each agency except Commerce maintains audit as a stand-alone division.

Divisions	Department OIG				
	Commerce	VA	HHS	Education	EPA
AIGs for:					
Counsel	✓	✓	✓		✓
Investigations	✓	✓	✓	✓	✓
Audit & Evaluation	✓				
Management Support & Departmental Reviews		✓			
Audit		✓	✓	✓	✓
Inspections		✓			
Evaluation & Inspections			✓		
Management & Policy			✓		
Inspections and Management Services				✓	
IT Audit Division				✓	
<b>Other Characteristics</b>					
Congressional/Public Affairs Office				✓	✓
Audits divided into subject matter areas		✓	✓	✓	

Observations from this table indicate:

- All OIGs maintain an independent office of Investigations;
- Audit is a separate division from evaluations or inspections in all these OIGs except DOC OIG;
- Three of the five OIGs shown here organize their audit groups by subject matter expertise; and
- Beyond these few similarities, there is little commonality across these OIGs.

Appendix A

Organizational Charts

The figures that follow show organizational charts for

- the Department of Veterans Affairs (VA),
- the Department of Housing and Human Services (HHS),
- the Department of Education (ED), and
- the Environmental Protection Agency (EPA).

Figure A-3: VA OIG Organization

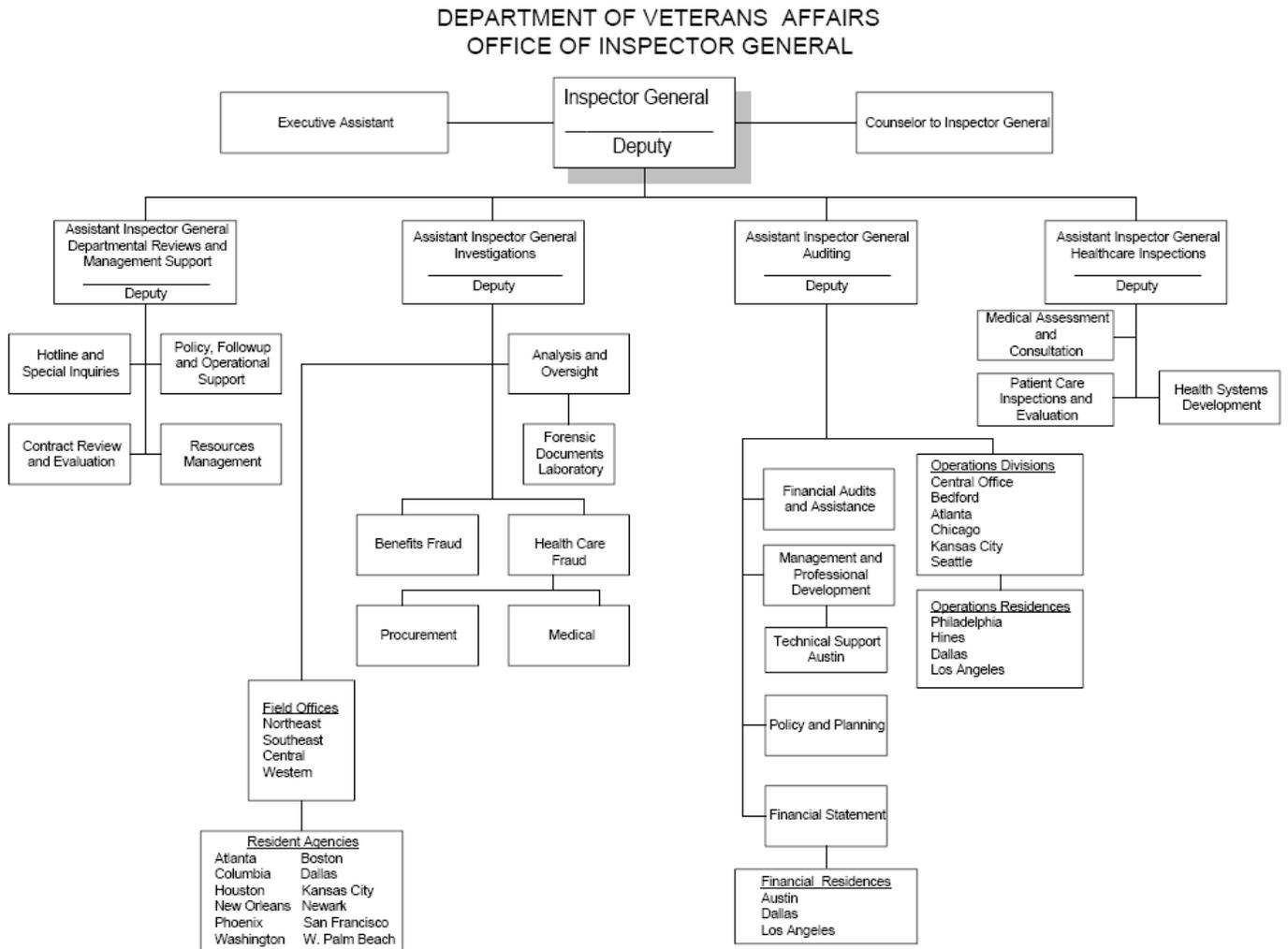
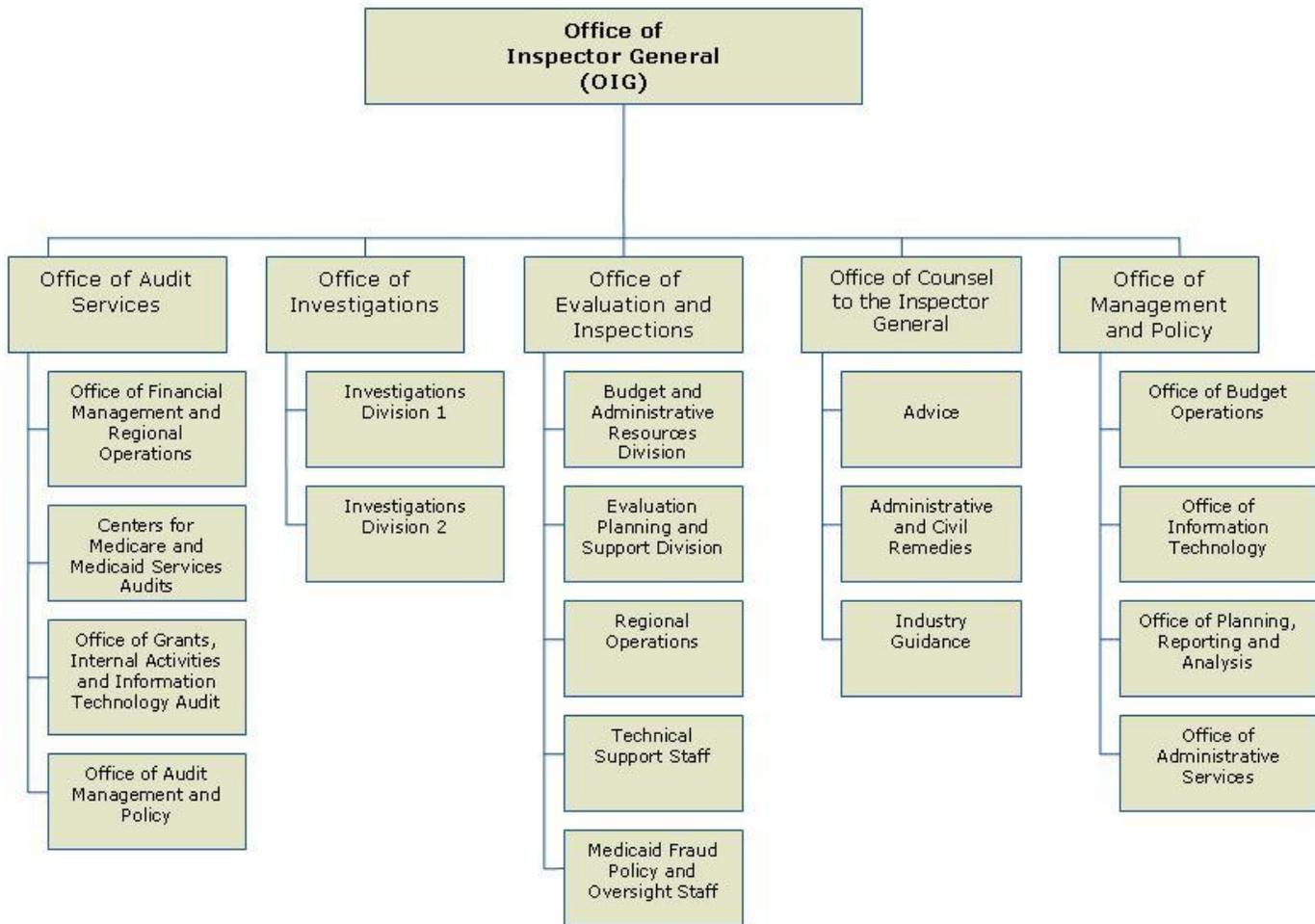


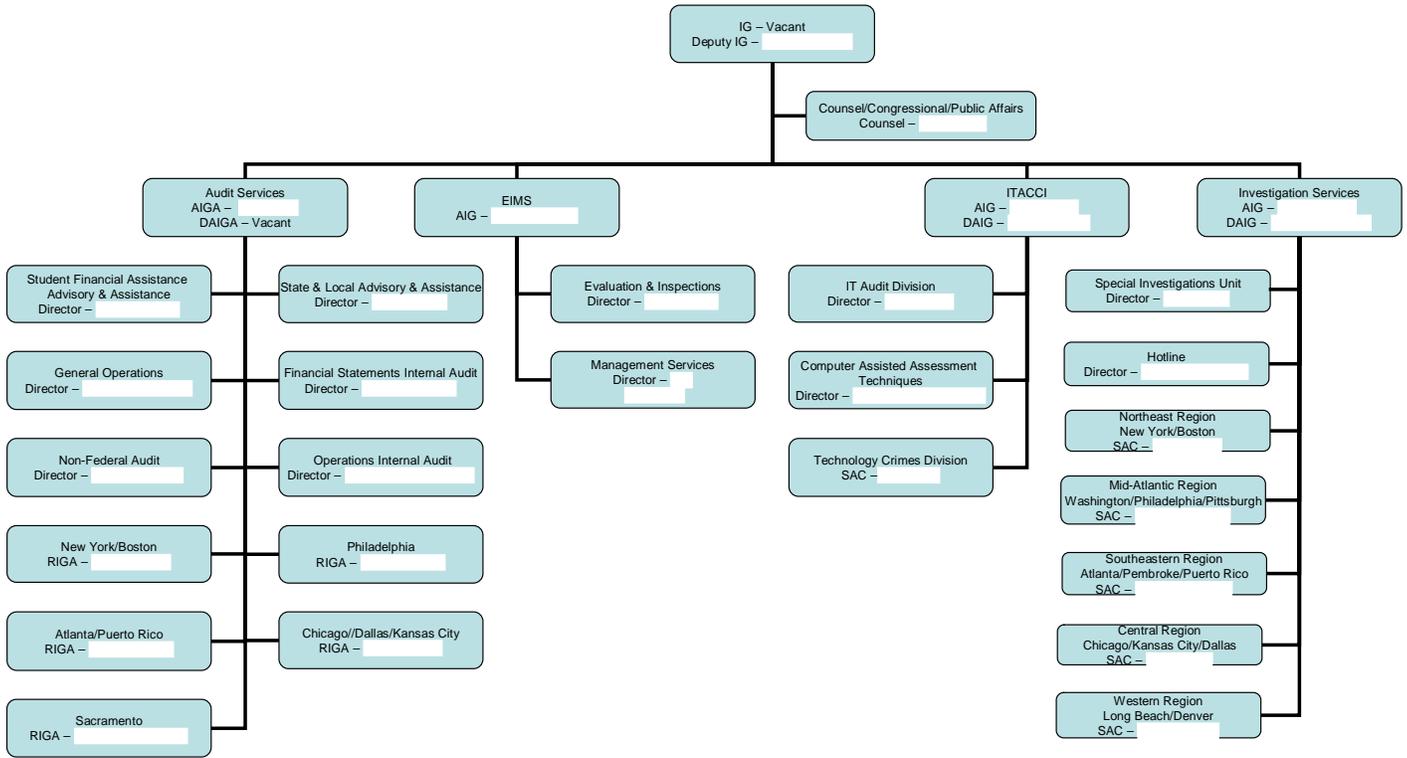
Figure A-4: HHS OIG Organizational Structure



HHS OIG has approximately 1200 employees.

Figure A-5: ED OIG Organizational Structure

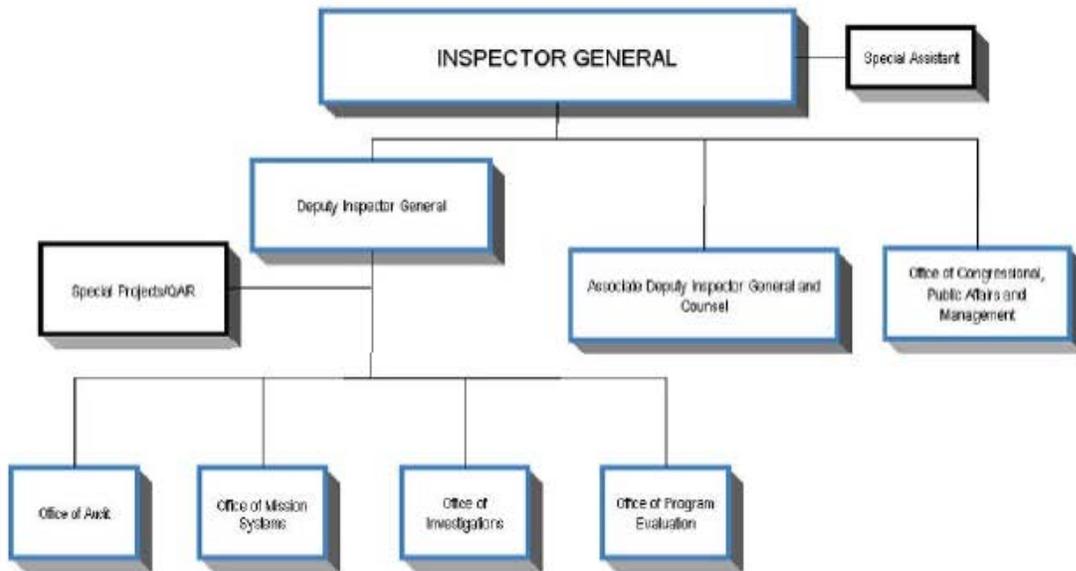
U.S. Department of Education – Office of Inspector General



As of 03/12/2009

ED OIG has approximately 300 employees.

Figure A-6: EPA OIG Organizational Chart



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## Appendix B Summary of Staff Survey Results

The staff survey was disseminated electronically on June 11, 2009, to 100 individuals in the Department of Commerce Office of Inspector General. It closed on Friday, June 19. The survey consisted of both open-ended and discrete choice questions.

### Demographics

**Response rate: n=76; 76%**

Respondents are **primarily long-time OIG employees**.

- 59% have worked there longer than 6 years (43% over 11 years)
- 28% have worked there 1-5 years
- Only 13% are new employees, who have been with OIG less than one year.

Most of the respondents **work in the Office of Audit and Evaluation** (72%). Representation of each office is fairly consistent with the actual distribution of employees (Table B-1).

**Table B-1: Distribution of Respondents and Staff Across Offices**

Offices	Percent of Respondents (n=75)	Percent of Staff (n=100)
Office of Audit and Evaluation	72 %	66%
Office of Investigations	13 %	18%
Counsel to the IG or Immediate Office of the IG	9 %	8%
IT Management/Budget and Administrative Services/Human Resource Management	5%	6%

The vast majority of respondents are **not supervisors** (86%).

*Appendix B*

**Role of OIG**

**Functional Priorities.** Generally, staff perception of the emphasis placed by the OIG on different functions matches the emphasis they believe should be placed on those functions. When asked what they thought the functional priorities should be, based on a list of three functional areas, fairly clear agreement was evident that Performance Audits and Evaluations/Inspections are and should continue to be the top priority. Investigations were ranked as the second priority, and financial assistance and financial statement audits were ranked third. Ratings declined somewhat between the “current” and “should be” states because more respondents indicated that they “don’t know” what the emphasis should be.

**Table B-2: OIG Functional Priorities: Rank and Average Rating by Priority**

Function	Current Priority	“Should be” Priority
Performance audits and evaluations/inspections	1 <sup>st</sup> (1.38)	1 <sup>st</sup> (1.32)
Investigations	2 <sup>nd</sup> (1.68)	2 <sup>nd</sup> (1.42)
Financial assistance and financial statement audits	3 <sup>rd</sup> (2.12)	3 <sup>rd</sup> (1.94)

**Oversight Priorities.** Respondents were asked in an open-ended format their perception of what the current oversight priority areas are, and what they should be. They overwhelmingly identified the Recovery Act and the 2010 Census as the current OIG oversight priorities, in that order. The Recovery Act and the 2010 Census were also listed as the first and second priorities (respectively) in the preferred state.

While there was no major shift in ranking, investigations of grant and contract fraud was the area most often mentioned by respondents as needing to be given higher priority. Seven respondents said it should be the department’s top priority. Other areas mentioned by respondents as second or third priority include information technology/security (5); NOAA/NOAA Satellites (5); and NTIA (3).

**Table B-3: OIG Oversight Priorities**

**Number of Respondents Who Listed the Oversight Area 1<sup>st</sup> or 2<sup>nd</sup> Priority**

Oversight Area	Current Priority (n=46)		“Should be” Priority (n=41)	
	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>
Recovery Act	20	13	17	7
Census	16	14	7	11

**Independence.** Respondents generally believed that the OIG does a good job of maintaining its independence from the Department, the programs they review, and external stakeholders. On a scale of 1 (not independent at all) to 10 (extremely independent), the average rating was 8.24. Of

the 75 employees who answered this question, a few (15%) gave the OIG a score of “5” or less on the 10-point scale, but 52% of the respondents gave the office a score of “9” or “10.”

In an open-ended format, respondents were asked to provide suggestions to improve the independence of the OIG. The vast majority of respondents indicated either that they thought the OIG’s independence is currently sufficient or that they can think of no way to improve independence. Among the respondents who offered suggestions, there were no duplicate answers; however, the following specific suggestions were made:

- Rotate auditors among program assignments, so the same auditor does not always audit the same program.
- Team up auditors with inspectors and investigators, so people start thinking outside the box to acquire information.
- Strengthen document creation and retention requirements with regard to OIG contacts with senior departmental management.
- Update the Department’s Administrative Orders to bring it into compliance with the IG Reform Act of 2008, particularly with regard to department OGC access and advice to, and representation of, the IG.
- Develop a strategic plan that identifies OIG audit priorities and use that plan to direct audit work.
- Define a clear scope of work at the beginning of each audit to ensure that final conclusions are independently reported.
- Stop requiring that bureaus obtain OIG agreement on audit resolution; bureaus should simply report on their resolution plans and actions, in order to avoid putting the OIG in a management role.
- Take the time to discuss any concerns about independence that we have or observe as they happen.
- Have the OIG review proposed Departmental Administrative Orders and Organizational Orders after the OGC and Departmental management approve them, rather than before.

## Appendix B

### Working in the OIG

**Personal.** Generally, respondents are comfortable with their understanding of the organizational structure (65% agree/strongly agree) and where they fit in that structure (69% agree/strongly agree). This general finding is consistent across tenure groups, although respondents who have been with the organization longer than one year are more likely to “strongly agree” that they understand it and know where they fit in. In addition, among the employees with the longest tenure (more than 11 years), there is a significant segment (20% of the 32 respondents) who say they do not know where they fit in the current organizational structure.

Respondents also believe that they understand how their work relates to the goals and priorities of the OIG (71% agree/strongly agree). This result is not as high as that achieved by the Department of Commerce (84% positive) or the Federal government as a whole (83% positive) achieved when a similar question was asked in the 2006 Federal Human Capital Survey conducted by OPM.

Two-thirds of the OIG respondents say they understand the goals and expectations for their performance (66% agree/strongly agree). Again, the longest-tenured employee group appears to have the most concern, with 19% of the respondents indicating that they do not understand the goals and expectations for their performance.

Most respondents also believe that their performance appraisal is a fair reflection of their performance (69% agree/strongly agree), although, again, there is a significant segment (19%) of the two longest-tenured groups that thinks their performance appraisal is not a fair reflection of their work. This result compares similarly with the results of the 2006 OPM survey, where 66% of the Commerce Department respondents and 64% of all Federal employee respondents said that their performance appraisal is a fair reflection of their performance. The majority of OIG respondents also indicated that they feel motivated to do their best work (60%), with a few respondents in most tenure groups indicating that they are not motivated.

Similarly, most respondents were satisfied with the opportunities they have been given for training and professional development (68%), but a significant subset (23%) of the respondents in the two longest-tenure groups do not believe they are given adequate training and development opportunities. In a related finding, very few (less than 5%) of the respondents who hold a professional certification said that their continuing education and training is not up-to-date.

**Table B-4: Question 13- Continuing Education/Training Status of Respondents in Fields in which Professional Certification is Offered (n=65)**

<b>Continuing Education/Training Status</b>	<b>Hold Professional Certification</b>	<b>Do Not Hold Professional Certification</b>
Continuing Education/Training is Up to Date	90% (37)	67% (16)
Continuing Education/Training Not Up to Date	5% (2)	13% (3)
Not Applicable	5% (2)	21% (5)
Total	100% (41)	100% (24)

While most respondents said their workload is reasonable (58%), those who have been with OIG longer are more likely to say that their workload is not reasonable. Taken together, over 30 percent of the respondents in the two longest-tenured groups do not believe their workload is reasonable. The OIG composite results are comparable to the results of the 2006 OPM survey, where 56% of Commerce Department employees and 59% of all Federal employees said their workload is reasonable. About 26% of Commerce Department employees and 24% of all Federal employees said their workload was not reasonable.

The most consistently negative responses were related to communication. Only about one-third of the respondents believe they receive adequate and timely information from OIG leaders on issues that affect them personally (37%). An even lower percentage (31%) is satisfied with the information they receive about what is going on in the organization. These results are substantially more negative than the results of the 2006 OPM survey, where 47% of Commerce Department and all Federal employees said they were satisfied or very satisfied with communication about what’s going on in the agency, and only 29% of both groups said they were dissatisfied or very dissatisfied.

**Table B-6: Question 11- Assessment of Own Work Situation**

<b>Assessment of Own Work Situation</b>	<b>% Strongly Agree or Agree</b>	<b>% Strongly Disagree or Disagree</b>	<b>Rating Average (1=Strongly Agree/ 5=Strongly Disagree)</b>
I know how my work relates to the OIG's goals and priorities.	71%	11%	2.20
I know where I fit within the current organizational structure.	69%	15%	2.31
I understand the goals and expectations for my performance.	66%	16%	2.31
My performance appraisal is a fair reflection of my performance.	69%	14%	2.38
I am given adequate opportunities for training and professional development.	68%	20%	2.38
I feel motivated and inspired to do my best work.	60%	22%	2.41
I understand the current organizational structure and reporting relationships.	65%	27%	2.49
My workload is reasonable.	58%	25%	2.68
I receive adequate and timely information from OIG leaders on issues that affect me personally.	37%	41%	3.11
I am satisfied with the information I receive from OIG leaders on what's going on in the organization.	31%	42%	3.24

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**Immediate Office.** On the whole, respondents think highly of the commitment (59% positive) and experience (54% positive) of the people in their immediate office/work group. They also generally believe (64% agree/strongly agree) that their colleagues are willing to learn and use automated tools to do their job.

There is a mixed view of the ability/willingness of their colleagues to adapt to environmental changes, whether those are changing priorities (39% positive/31% negative), new approaches to work (41% positive/23% negative), or changes in organizational structure and reporting relationships (32% positive/31% negative).

There is a significant negative impression (44%) of the morale in the office, and a high percentage who believe that staffing levels are not adequate (63%).

**Table B-7: Question 14- Assessment of Immediate Office**

<b>Assessment of Immediate Office</b>	<b>% Strongly Agree or Agree</b>	<b>% Strongly Disagree or Disagree</b>	<b>Rating Average (1=Strongly Agree/ 5=Strongly Disagree)</b>
Staff members are willing to learn and use automated tools to do their jobs.	64%	14%	2.71
Staff members are highly committed to the mission of the OIG.	59%	13%	2.77
Staff members have the right backgrounds and experience to do their jobs.	54%	18%	2.94
Staff members are willing to adopt new approaches to the work.	41%	23%	3.11
Staff members adapt easily to changing priorities.	39%	31%	3.25
Staff members adapt easily to changes in organizational structure and reporting relationships.	32%	31%	3.40
The office has the right mix of skills for the work that needs to be done.	32%	46%	3.40
Morale is high among the staff members in my office/division/work group.	25%	44%	3.49
The number of staff is adequate.	19%	63%	4.00

**Direct Manager/Supervisor.** When asked questions about their own manager/supervisor, respondents report generally favorable views. More than two-thirds have a positive view of their manager/supervisor’s willingness to adopt new approaches to work (70%), ability to work with people of different backgrounds (75%), and independence from outside stakeholders (64%). All three issues drew very little in terms of negative views (6% to 7%). On the question of whether managers/supervisors work well with employees of different backgrounds, the OIG results (75% strongly agree/agree) compare very favorably to the 2006 OPM Federal Human Capital Survey

results for government as a whole (65% strongly agree/agree). Data on this question in the 2006 OPM survey was not available for the Department of Commerce.

Over half of the respondents have favorable opinions about their own manager’s guidance to staff (61%), communications (57%), and ability to adapt to changing priorities (61%). With regard to managers communicated the goals and priorities of the organization, the 2006 OPM survey results for the Federal government overall (58% strongly agree/agree) and for the Department of Commerce (60% strongly agree/agree) were similar to the OIG results in this survey (57%).

Respondents also have a generally positive view of their own manager’s ability to see the big picture across audits, investigations and evaluations (51%), as well as their understanding of the full range of programs across the Department (54%).

Only one question elicited less than 50% positive response rate; just 44% of respondents believe that their manager/supervisor adapts easily to changes in reporting structure and reporting relationships. However, a fairly high number of respondents either had no opinion or didn’t know, with only 11% registering a negative opinion about their supervisor’s ability to adapt to changes in reporting structure and relationships.

**Table B-8: Question 15- Assessment of Direct Manager/Supervisor**

	<b>% Strongly Agree or Agree</b>	<b>% Strongly Disagree or Disagree</b>	<b>Rating Average (1=Strongly Agree/ 5=Strongly Disagree)</b>
My manager/supervisor works well with employees of different backgrounds.	75%	7%	2.24
My manager/supervisor is willing to adopt new approaches to the work.	70%	6%	2.26
My manager/supervisor provides appropriate guidance and direction to the work of staff.	61%	18%	2.49
My manager/supervisor models good teamwork for the staff.	60%	17%	2.51
My manager/supervisor adapts well to changing priorities.	61%	17%	2.55
My manager/supervisor demonstrates independence from outside stakeholders.	64%	7%	2.57
My manager/supervisor communicates the goals and priorities of the OIG.	57%	20%	2.61
My manager/supervisor has a good understanding of the full range of programs across the Department of Commerce.	54%	10%	2.88
My manager/supervisor is good at seeing the “big picture” across the various audits, investigations and evaluations done by the OIG.	51%	14%	2.92
My manager/supervisor adapts easily to changes in organizational structure and reporting relationships.	44%	11%	3.03

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**Senior Staff.** Respondents expressed slightly less positive views of senior management than of their immediate supervisors, but with few exceptions, most of the decline was reflected in higher levels of ambiguity (i.e., “neither agree or disagree” or “don’t know” responses), rather than negative perceptions. The highest rated attributes were the senior staff’s understanding of the range of Commerce Department programs (56%), their ability to work with employees of different backgrounds (49%), and their demonstrated independence from outside stakeholders (54%). Nearly half of the respondents (47%) believe that the senior staff is willing to adopt new approaches to work, adapts well to changing priorities, and can see the “big picture” across audits, investigations and evaluations.

Significant challenges with regard to communication, teamwork and adaptability to changes in structure among the senior team are reflected in the opinions of the respondents. Only one-third of the respondents believe that the senior team models good teamwork for the staff, and less than 40% believe that the senior team adapts easily to changes in organizational structure and reporting relationships. While 45% of the respondents believe that the senior team effectively communicates the goals and priorities of the OIG, almost one-third of the respondents do not (32%). A similar percentage are dissatisfied with the guidance and direction provided to the work of the staff (30%).

**Table B-9: Question 15- Assessment of Senior Staff**

<b>Assessment of Senior Staff</b>	<b>% Strongly Agree or Agree</b>	<b>% Strongly Disagree or Disagree</b>	<b>Rating Average (1=Strongly Agree/ 5=Strongly Disagree)</b>
The Senior Staff works well with employees of different backgrounds.	49%	13%	2.80
Generally, the Senior Staff has a good understanding of the full range of programs across the Department of Commerce.	56%	11%	2.82
The Senior Staff is willing to adopt new approaches to the work of the OIG.	47%	20%	2.90
The Senior Staff adapts well to changing priorities.	47%	20%	2.90
The Senior Staff demonstrates independence from outside stakeholders.	54%	10%	2.91
The Senior Staff effectively communicates the goals and priorities of the OIG.	45%	32%	2.93
The Senior Staff is good at seeing the “big picture” across on the various audits, investigations and evaluations done by the OIG.	47%	16%	2.97
The Senior Staff provides appropriate guidance and direction to the work of staff.	40%	30%	3.18
The Senior Staff adapts easily to changes in organizational structure and reporting relationships.	38%	20%	3.18
The Senior Staff models good teamwork for the staff.	33%	27%	3.21

## Work Processes and Systems

**Communication Methods.** Staff response was not overwhelmingly negative about the communications methods available and used by the OIG. However, only 23% of the respondents rated internal communication methods as good or very good, while nearly one third of respondents rated communication as poor or very poor.

**Training and Guidance.** There is a significant level of dissatisfaction with regard to guidance and training. In particular, over 50% of respondents rated the guidance offered on records management and training on OIG work processes, systems and tools as “poor” or “very poor.” Over one-third of the respondents believe that the training provided on TeamMate is “poor” or “very poor.” About one-quarter of the respondents believe that technical guidance on how to do the essential work of the OIG (audits, investigations, and evaluations) is unsatisfactory.

**Quality Assurance.** Most respondents indicated that the quality assurance review process was satisfactory (31%) or better (19%). About one-quarter said it was poor or very poor. However, a review of comments/suggestions for improving the efficiency of the office suggests that there is significant staff concern about the timeliness and number of people who review and edit reports (see “Improvements to Work Processes” below).

**Use of Cross-functional Teams.** Like the quality assurance process, most respondents think the use of cross-functional teams is satisfactory (31%) or better (16%). A slightly higher proportion (30%), however, believes that the use of multi-discipline/cross-functional teams is poor or very poor.

**Table B-10: Question 17- Assessment of Work Processes and Systems**

	% Very Good or Good	% Satisfactory	% Very Poor or Poor	Rating Average (1=Very Good/5=Very Poor)
Internal communication methods (e.g., all-hands meetings, email)	23%	34%	32%	2.94
Technical guidance on how to conduct audits/investigations/evaluations	26%	36%	24%	3.56
Training on the OIG’s work processes, systems and tools	16%	27%	51%	3.70
Guidance offered on records management (e.g., folder structures, file naming conventions, archiving rules)	12%	29%	52%	3.81
Use of multi-discipline (cross-functional) teams	19%	31%	30%	3.89
Quality assurance review processes	16%	31%	26%	4.00
Guidance and training provided on TeamMate	10%	23%	36%	4.55

## *Appendix B*

**Improvements to Work Processes.** When asked to identify one or two process improvements that should be made to improve the timeliness or quality of OIG work products, 48 respondents offered at least one suggestion.

Most frequently suggested (24 respondents, or 50%) were improvements to the **process for reviewing/approving work papers and reports**. Among the specific suggestions made were:

- Have/hire an editor/writer to work with each audit/evaluation team. This would allow management to review for tone/substance, rather than grammar.
- Reduce the number of people in the management chain who review each report; delegate approval authority down, based on the risk/visibility of the work.
- Set expectations/deadlines for submission of draft reports and for review time, and stick to these deadlines.
- Make quality assurance more proactive and ongoing, rather than after the fact.

A large number of respondents (16 people, or 33%) suggested that a **more rigorous project planning process** be adopted. Specific suggestions in this regard included:

- Develop a project and report development process to improve teamwork and communication.
- Improve the quality of triage for new jobs.
- Improve access to DOC information systems to help identify risks, potential jobs, and plan/conduct work.
- Set specific goals and objectives for the job, including timelines for the work and deadlines for reviews.
- Assign an OC attorney to each job as it is initiated.

Respondents offered the following additional suggestions for **improving the work processes** of OIG:

- Standardize methodologies and requirements for planning, fieldwork and reporting across OIG.
- Improve the records management of the OIG, particularly through training on the use of TeamMate.
- Provide training on OIG work processes, systems and tools. Assign a specific auditor/investigator to each new employee to provide on-the-job training.
- Provide technical guidance on report writing.

**Communication** was also an important theme in the suggestions that were offered. Specific ideas mentioned were:

- Create an intranet for sharing information within the OIG.
- Systematically share information about specific jobs across the OIG.
- Make communication an important responsibility of managers.
- OIG attorneys should meet periodically to share information about their work and identify/discuss major issues.

The following **additional ideas** were offered by one or two individuals:

- Clarify senior management lines of authority and responsibility, especially for the work of cross-functional teams.

- Increase the use of cross-functional teams.
- Readjust individual assignments to make the workload more equitable.
- Hire more experienced people.
- Add administrative staff to reduce the time spent by auditors/investigators/managers on administrative paperwork.
- Delegate budget authority to regions.
- Update/purchase new version of TeamMate, so it is compatible; hire a dedicated TeamMate IT support.

**Telework.** Of the 71 respondents who answered the questions about teleworking, two-thirds telework less than one day per month or never telework. About one-fourth of the respondents telework a few days per month, and only 15% currently telework at least one day a week.

There is, however, a clear desire to telework more often. Over 50% of the respondents said they would like to telework at least 1 day a week, and just 21% indicated that they want to telework less than one day per month or never. Most people indicated that they would like to telework slightly more often than they currently do, indicating a preferred telework schedule that is just one category more frequent than their current telework schedule. However, among respondents who say they never telework, a plurality (39%) would like to telework 1-2 days a week.

**Table B-11: Question 20- Frequency of Telework (n=71)**

Frequency of Telework	Current	Desired
3-5 days a week	4%	14%
1-2 days a week	11%	38%
1-3 days a month	23%	27%
1-10 days a year	44%	18%
Never	18%	3%

Current teleworking habits and future teleworking preferences appear to be related to tenure, which may be a proxy for age and/or comfort with technology. The two groups that are most likely to telework only 1 to 10 days per year or to never telework are new employees and those who have been with the agency the longest. Among new employees (who have been with OIG less than a year), 56% say they telework 1 to 10 days per year; the remainder never telework. Among the longest tenure employees (more than 11 years with OIG), 52% say they telework 1 to 10 days per year and 23% say they never telework. Employees who have worked in OIG for 1 to 5 years are most likely to telework 1 to 3 days per month, while employees who have been with the agency for 6 to 10 years are most likely to telework 1 to 10 days per year.

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**Table B-12: Question 21- Frequency of Telework, Current and Desired, by Tenure (n=71)**

Frequency of Telework	Tenure							
	Under 1 year		1-5 years		6-10 years		More than 11 years	
	Current	Desired	Current	Desired	Current	Desired	Current	Desired
3-5 days a week	0%	0%	0%	20%	18%	36%	3%	7%
1-2 days a week	0%	33%	25%	40%	9%	55%	7%	32%
1-3 days a month	0%	33%	40%	20%	27%	9%	16%	36%
1-10 days a year	56%	33%	30%	20%	36%	0%	52%	19%
Never	44%	0%	5%	0%	9%	0%	23%	7%

Reasons for not teleworking more often varied widely among respondents. An analysis of the reasons listed under “other” revealed that most fit clearly into one of the possible response choices that were provided. When those answers are accounted for, the most common responses (50%) were related to the individual’s own productivity or the nature of their job. A few individuals said that their home situation was not conducive to telecommuting (5%).

If management seeks to increase telecommuting, it appears that the issues that must be tackled are the reluctance of supervisors to permit teleworking (cited by 22% of respondents), and the lack of equipment or internet access (cited by 21% of respondents). Several respondents cited specific management restrictions that limit teleworking to no more than 2 days per month.

**Table B-13: Question 22- Reasons for Not Teleworking More Often (n=38; total answers=73)**

Reason for Not Teleworking More Often	Percent of Respondents
I’m more productive in the office	23%
My job is not well-suited for teleworking	23%
My supervisor does not want me to telework	22%
I don’t have the equipment I need outside the office	16%
I don’t have internet access outside the office	5%
My family/home situation is not conducive to telework	5%
I am too new	4%

The least tenured (less than 1 year in OIG) and most tenured (more than 11 years in OIG) were most likely to say that they don’t telework more because their job is not well-suited for telework or they are more productive in the office. These two responses accounted for 100% of the responses of the least tenured group and 69% of the most tenured group. Respondents who have worked in the IG for 1-5 years or 6-10 years were more likely than others to say that the reason they do not telework more often is because their supervisor does not want them to telework. These groups were also more likely to cite lack of equipment or internet access as a barrier to teleworking.

## **Strengths of OIG**

**Strengths.** Respondents were asked what they considered to be the core strengths of the Office of the Inspector General. Of the 59 people who answered this question, the most frequently mentioned strength was the OIG employees (34 respondents, or 58%). Among the qualities cited were their:

- Dedication;
- Experience;
- Capability;
- Diverse skill set;
- Resiliency;
- Flexibility;
- Specific program knowledge; and
- Work ethic.

The next most frequently mentioned strength (7 respondents, or 12%) was the quality of the management team. The management team, senior staff and the IG were all identified by at least one respondent as “good managers,” and one respondent specifically praised management as “accessible.”

The third most frequent response (6 respondents, or 10%) referenced the quality of the work performed by the OIG, with the IT security program and the quality of audits called out specifically.

Five respondents mentioned new approaches that have recently been introduced, including improved methodologies, new cross-functional teams, and improved customer responsiveness.

The following three additional strengths were cited by three or fewer respondents:

- The independence of the OIG;
- Good employee training opportunities and funding; and
- The lack of budget pressure in the office.

**Appendix B**

**Issues, Trends and Challenges.** Respondents were asked to identify major issues, trends, and challenges that will have the biggest impact on OIG in the future. A total of 47 people provided 69 responses. Responses were grouped into internal (affecting OIG operations) and external (those that extend beyond the OIG).

**Table B-14: Question 23- Staff responses on major issues, trends, and challenges for OIG**

	<b>Number of Respondents Listing Challenge</b>	<b>Percentage of Total Respondents</b>
<b>External Challenges</b>		
Budget	7	15%
Recovery Act	7	15%
<b>Internal Challenges</b>		
Staffing	19	40%
Information Technology	8	17%
Training	5	11%
Communication	5	11%
Quality of Work	4	9%
HCHB	2	4%
Performance Planning	2	4%
Timeliness	2	4%

**External Challenges**

Respondents were concerned that the changing budget would make it difficult for OIG to adjust workload and staffing. In addition, respondents expressed concern that the increased Recovery Act workload would divert resources from other important OIG work.

**Internal Challenges**

Staffing was listed most frequently as a top challenge, followed by information technology (IT) needs, training, and communication. Of the 47 people who answered this question, the most frequent response (19 respondents, or 40%) was that staffing will be a critical issue for OIG. Five of the nineteen respondents listing staffing as an issue specifically mentioned recruitment and retention.

With regard to IT, respondents said that keeping up with new technology, training and infrastructure were key issues. Two respondents said that employees need IT-related training.

With regard to communication, respondents said that OIG’s communication structure is too hierarchical, and information does not reach lower level staff.

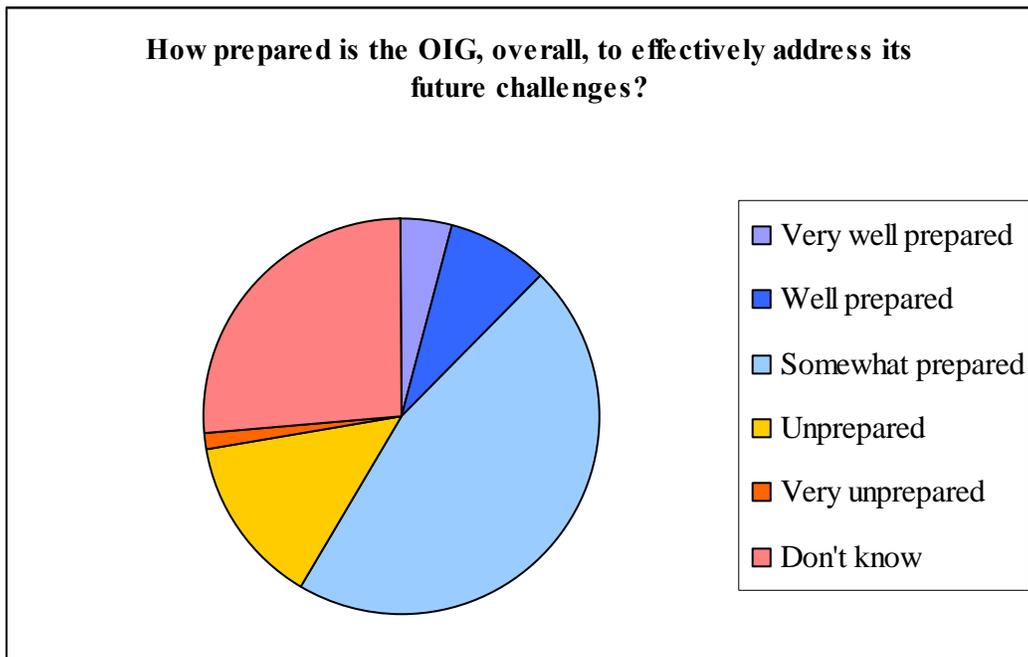
Of the issues mentioned less frequently, four respondents said that the quality of work needs to be an emphasis for OIG. Two respondents noted challenges with each of the following: performance planning and employee recognition; timeliness of OIG work products: adherence to the Yellow Book; and frustration with Commerce’s physical limitation in its building space.



**Appendix B**

**Preparation for the Future**

When asked about how prepared the OIG is to effectively address its future challenges, the most frequent response among the 72 who answered this question was “somewhat prepared.” Most respondents expressed at least this level of confidence or greater in the OIG capability to handle the future. The blue sections of the pie chart below represent the 58% of respondents who said that OIG was somewhat prepared, well prepared, or very well-prepared to effectively address its future challenges. The next largest segment of respondents, (27%), said that they did not know if OIG was prepared for the future; they are represented in pink. The light and dark yellow/orange sections of the pie chart show the 16% of respondents who said that OIG was unprepared or very unprepared to handle future challenges.



**Table B-15: Question 24- How prepared is the OIG, overall, to effectively address its future challenges**

Answer Options	Response Percent	Response Count
Very well prepared	4%	3
Well prepared	8%	6
Somewhat prepared	46%	33
Unprepared	14%	10
Very unprepared	1%	1
Don't know	26%	19

## Measuring OIG Outcomes

**Performance Measures.** Respondents were asked what measures should be used to evaluate the success of OIG as an organization; 47 respondents offered suggestions.

Of those responses, 15 offered suggestions related to being **future-oriented and related to improving Departmental effectiveness and impact**. Specifically, respondents mentioned:

- Monies put to better use by the Department (8 respondents, 17%);
- Program improvement (5 respondents, 11%); and
- The Department meeting OIG's top management challenges (2 respondents, 4%).

Another significant group of responses were related to the **results of specific audits, evaluations, inspections, or investigations**. These suggestions included:

- The amount of losses recouped (10 respondents, 23%);
- The number of recommendations implemented by the agency (8 respondents, 18%); and
- The number of prosecutions, convictions and arrests (4 respondents, 9%).

A number of respondents also mentioned measures related to **work products and processes**, including:

- The number of reports issued by the OIG (6 respondents, 13%);
- Timeliness of report completion (4 respondents, 9%);
- OIG compliance with standards (i.e., adherence to Yellow Book and the results of external peer review) (3 respondents, 6%);
- The number of significant findings made by the OIG (2 respondents, 4%);
- Staff morale, as measured by staff retention rates (2 respondents, 4%); and
- Number of briefings to Bureau/Agency officials (1 respondent, 2%).

Finally, two respondents mentioned obtaining **regular stakeholder feedback on the impact and effectiveness** of OIG work. This idea was viewed as both positive and negative, as illustrated in the following comments:

- Solicit stakeholder's feedback on work product effectiveness via: outreach forums, surveys, and executive one-on-ones.
- Subjective measures of "client" satisfaction are counter-productive to independence and objectivity.

**Improving Effectiveness and Impact.** Respondents were asked to list the top three things that they thought should be done to improve the effectiveness and impact of the OIG. Of the 47 respondents, 15 (32%) listed communication as a top priority. Among the specific communication issues raised were increased staff interaction with the IG, a focus on staff morale, and improved Congressional relations.

Other priority areas identified by respondents (listed by 4 to 9 respondents) were training, staffing, strategic planning and timeliness.

**Appendix B**

At least three respondents mentioned increased outreach to Commerce Department agencies, flattening the management structure in OIG, and increased use of interdisciplinary teams.

**Table B-16. Prioritization of Ways to Improve OIG Effectiveness**

Area of Improvement	Frequency of Responses			Overall
	1st Priority	2nd Priority	3rd Priority	
Communication	6	6	3	15
Training	3	4	2	9
Staffing	3	2	1	6
Strategic Planning	2	1	2	5
Timeliness	3	1		4
Outreach to Commerce Agencies/OIG community	2	1		3
Flatten Management Structure		3		3
Use of Interdisciplinary Teams	1	2		3

Below are some specific suggestions made by staff respondents that are not fully captured by the categorizations made above:

**Communication**

- Put an operating system in place that can track all aspects of our reviews.
- Better communicate job plans, so that staff understand what projects are coming up and supervisors can match assignments to staff development needs.

**Training**

- Provide the regional offices with their own budgets.
- Make sure that employees are getting mentoring, training, and coaching from immediate supervisors.

**Staffing**

- Build technical expertise (i.e., statistician, IDEA and SAS expertise, writer/editor).
- Implement cross-functional teams to conduct audits and tackle OIG challenges.
- Require 360-degree ratings.
- We need a dynamic workforce and workspace. Take down all the barriers. Office configuration does not encourage teamwork.

**Strategic Planning**

- Use electronic data from departments/bureaus to do data mining, etc.
- Change image from a “gotcha” organization to one that is here to help.

## **Closing Comments**

The final section of the survey gave respondents the opportunity to comment on or mention anything else that they would like to share.

Of the 28 who responded, 11 respondents, or 39%, mentioned communication as an issue that is important to OIG's operational success. Within the realm of communication, respondents most often discussed the need for management to share OIG rules, procedures, and project information with staff. The following comments are illustrative of the comments made related to communication:

- Senior management needs to 1) identify the organization's goals and strategic plan; 2) communicate the goals and strategic plan; 3) support mid-level managers in implementing the goals and strategic plan; and 4) make modifications to the plan when necessary that are clearly communicated to all levels of the organization.
- The most important element to this, as well as any aspect of the operational success of an organization, is communication. Without it, we are all just working by ourselves, on our own projects, or wondering if the information or stories passing around in the hallways are true.
- While the IG communicates with his AIGs, there's a need for more communication between AIGs and their staffers. Also, communication between HQ and regional offices could improve.
- There appears to be a disconnect between the information distribution, planning and general communication that takes place in D.C. and the regional offices. The regional offices do not appear to get the same level of information in terms of what the OIG is doing, where we are going as an organization, how our work fits into the goals of the OIG, etc. In many respects, it feels as though we are not completely part of the OIG.
- There is not a lot of information sharing or interaction between the different operating units in the OIG. It would be better to allow people to work on different teams and learn what work is done in other parts of OIG.
- Another critical element is senior management clearly communicating expectations and mandating the use of resources. For instance, mandating how TeamMate will be used.
- Rather than sporadic all-hands meetings, a regular flow of communication (email updates) would be helpful.
- Overall, it seems that when decisions are being considered, OIG senior staff does not ask input from anyone who does not have a GS-15 salary.

Four respondents, or 14%, said that staffing the office with good people is critical to its success.

- Require staff who have unique skill sets to work on cross-functional teams.
- With significant increases in staff and telework, we will become an excellent agency.
- There needs to be an assessment of the capabilities of some of the existing staff members, and provide them with needed technical training to enhance their usefulness during assignments.
- Hire competent people.

## *Appendix B*

In addition, the following suggestions and illustrative comments were made by several respondents:

- Report writing processes need major improvement
  - The biggest inefficiency in the DOC OIG is without question our report writing process. Bring in six-sigma or some sort of quality program to review and improve our work flow.
  - Our reports linger at HQ for review for months and months and then we finally get comments back and are told that “the data being reported is old.”
  - Following management reviews, staff must be allowed adequate time to verify, index and, if needed, reference a report before it is released.
  - We need formalized report process procedures (including role and timing of editor, O/C) to take into account new organizational structure.
  
- Establish effective “orientation” practices and clarify rules.
  - It would be helpful if the orientation for new employees included a presentation on the organization, the responsibilities/roles of each division within the OIG, and where to locate forms and job related information. One option is to make this orientation an online or self-study course. Another option is a quarterly class by videoconference for all new hires in the previous quarter. This could be a short 2 to 4 hour class, depending on the content.
  - Everyone in the office has their own rules about travel hours and time and attendance. We need written rules on field travel, on travel hours, and what can be accounted for and what can’t be done.
  
- Improve office procedures and delegations.
  - Decentralize control and pass things down to where they belong. A supervisor who is more informed about his employee’s travel voucher or travel order should be the one to approve it, not a senior manager. What happened to budgets that were overseen by the RIGA or Director? Pass oversight back down to where the work is happening.
  - There needs to be a better delegation of duties/responsibilities to AIGs, Directors and Team Leads.
  - Telework is a useful tool. It follows the “go green” guidelines.
  - Review staffing and management levels in the regions.
  
- Improve performance accountability and performance management.
  - The perception is that some OIG staff are allowed to “not produce/contribute” in a meaningful way to the organization.
  - Reward for performance, not time in grade.
  - Cash awards, performance awards and career ladder promotions are based on personal preference instead of work performance.

## Appendix C

### Summary of Content Analysis from OIG Senior Staff Interviews

#### Introduction

The summary offered here is drawn from a content analysis performed on the detailed notes captured in 16 interviews with OIG senior staff.<sup>12</sup> An inductive approach was used (i.e., no prescribed categories of responses were identified prior to analysis, but emerged during the process).<sup>13</sup> The summary is organized by the basic framework that guided the interview process, rather than by individual questions asked. The framework addressed four (4) areas:

1. Core strengths of the OIG
2. Priorities of the office
3. Areas in need of improvement
4. Service/value to stakeholders

#### Core Strengths of the OIG

The interviews opened with an emphasis on the positive aspects of the OIG. Senior Staff were asked to identify the “core strengths,” or assets the OIG has to work with in moving forward. The major themes that emerged were:

- People
- New leadership
- The work and mission of the OIG
- Aspects of the work environment

#### *People*

The “people” within OIG were mentioned by a strong majority of interviewees (over 2/3). Specific characteristics, or further elaboration on this answer included their

- Talent (without further elaboration or examples of what this meant)
- Strong/deep knowledge of Department of Commerce programs
- Commitment/performance/team-player attitude among certain individuals\*

\*Of note: interviewees tended to indicate that certain people were exceptional, in terms of attitude/knowledge/capability (no names were given), but these characteristics were not universally present across teams, groups or the office.

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<sup>12</sup> An additional interview was conducted with senior staff from administrative support services, but the questions focused primarily on issues with internal administrative process. Data from that interview is not captured here, but the responses are consistent with many of the themes reported here.

<sup>13</sup> The data were independently reviewed by two NAPA team members, and emergent themes were capture, tallied across interviews, and then compared between the two reviewers. Agreement between the two reviewers was high, and the only modifications to the analysis was the leveling of some comments (i.e., some comments were deemed a sub-set or specific example of a larger category of responses).

## ***Appendix C***

The remaining categories had far fewer responses, but were provided by at least three people per category.

### ***New Leadership***

A few interviewees offered specific examples of the new leadership in OIG as a core strength, and mentioned:

- The demonstrated ability of leadership to raise the integrity/visibility of the OIG with both Department leadership and the Hill;
- The focus and direction set by the IG; and
- Communication with senior staff about vision, focus, and direction of the OIG.

### ***The Work and Mission of the OIG***

A few interviewees described strengths of the OIG in terms of the nature of its work and its independence. The variety of interesting work was also mentioned.

### ***Aspects of the Work Environment***

A few comments were offered about the availability and encouragement of telework, the recent influx of funding, and the physical location of the office.

### ***Processes That Work Well***

When asked to identify existing processes within OIG that work well, most struggled with this question and only a few interviewees offered substantive responses. There were no more than two people who offered similar answers, thus no strong categories were identified. The few responses that were offered addressed:

- The current hiring process (specifically satisfaction with Bureau of Public Debt (BPD));
- Business practices within Office of Investigation (not necessarily offered by senior staff from that office);
- Aspects of the OIG's approach to its role in the American Recovery and Reinvestment Act (ARRA) (e.g., proactive approach adopted by the OIG; training offered by Office of Investigation (OI) to DOC staff specifically focused on ARRA fraud prevention—again, comments about OI were not necessarily offered by OI staff); and
- The current IG's success in forming/managing relationships with the Hill and senior leaders within the Department.

### ***What Should Be Continued or Increased***

Building on the processes that work well, interviewees were asked what things the OIG should continue or increase. Again, responses were few in number and no categories emerged. Essentially the responses were unique to individuals, but a few related to the OIG's work (e.g., expand Census work to other programs within the Bureau; continue to follow the Yellow Book). Other responses supported a more "proactive" approach to the OIG's work, and increasing communication through continued all-hands meetings and outreach to the Hill.

## **Priorities of the OIG**

When asked about the priorities of the OIG, interviewees addressed both functional areas of the office (e.g., Audits; Investigations; Inspections) and specific programs (e.g., decennial Census; ARRA).

Approximately half of the interviewees identified “Program Evaluation” as being the priority, in terms of what currently constitutes the bulk of the work. The ARRA was the most frequently mentioned program priority.

Audits was the next most frequently mentioned area of priority, but only by less than ¼ of interviewees. Some indicated that this was a higher priority in the past, and that audit work had shifted to evaluations and inspections over time.

Other responses were mentioned by only one or two interviewees, and included:

- “Follow the money”
- Census
- Investigations
- Grant evaluations in the field
- Management challenges
- Broadband
- Working with other OIGs

## **What’s Not Working**

This line of questioning yielded the highest volume of responses and covered a range of issues. The themes that emerged were categorized, in descending order of response frequency, as:

- Work processes (100%)
- Staffing/workforce management issues (88%)
- Structural/organizational issues (81%)
- Planning Needs (63%)
- Cultural Issues (63%)
- Administrative Processes (50%)
- Communication (44%)

**Work process** issues were mentioned by every interviewee. Sub-categories of “work process” responses were:

- Lack of adherence to those standards that are in place (with some elaboration that both champions and consequences have been lacking to enforce the adherence) (38%);
- Lack of OIG-wide business rules/guidance on the use of TeamMate (these comments are distinct from those addressing software compatibility, connectivity, and other IT-specific aspects of the tool) (32%);
- Excessive time to complete reviews and finalize reports (19%);
- A lack of clear OIG-wide guidance and standards for the work (19%); and

## *Appendix C*

- Records management policies for the OIG, including guidance on folder structures, archiving, and leadership in setting and enforcing records management policy (19%).

The sum across percentages exceeds 100% because some individuals gave more than one response.

**Staffing/workforce management** issues were the second most frequent set of responses. Interviewees noted:

- Gaps in key areas requiring subject matter expertise, skill sets to support specific Commerce programs, and functional areas within OIG (e.g., audit team) (44%);
- Training of new staff, including lack of an OIG on-boarding process, orientation training (25%);
- Administrative challenges in hiring (e.g., difficulty writing position descriptions, length of time required). Of note: while some interviewees listed BPD as a core strength of OIG, others mentioned BPD here as a challenge (19%); and
- Staffing numbers, including general comments about having too few staff to cover the workload, lack of attention to future capacity needs and succession planning, and concerns about the process and impact of absorbing large numbers of incoming staff (13%).

**Structural/organizational** issues were the third most frequently occurring types of comments. Responses included:

- A lack of structure/organizational foundation for the office to build collaboration across-functional lines (e.g., matrixing does occur to support projects, but the process is informal, and the basic structure is not designed to easily support a collaborative approach) (38%);
- Centralized decision making is cumbersome, slow and adds layers of complexity to simple decisions (note: respondents were not limited to regional office managers) (25%); and
- Roles and reporting relationships in the new structure are unclear to many staff; some people aren't sure where they fit in the new organizational chart or why the reporting chain is organized in the present configuration (19%).

**Planning** was a key theme, mentioned by over half of the interviewees. Different aspects of planning were said to be lacking in the OIG, including:

- Risk-based plans or other forms of prioritizing the work (25%);
- A strategic plan for the office (13%);
- Staffing plans for specific functional areas, programs, and the office overall (13%); and
- Performance plans for individuals (13%).

**Cultural** issues also emerged as theme, mentioned by over half of the interviewees. Typical comments indicated:

- Resistance to change within the OIG (e.g., reluctance to telework, not delegating work when appropriate, fear of expectations and being held accountable to performance standards; acknowledgement that across OIG "a few do the most") (50%); and

- Perceived inequities among different OIG groups, with some viewed as being a lesser priority than others (25%).

**Administrative processes** and **communication** practices each emerged as lesser themes, each mentioned by fewer than half of the interviewees.

Comments about administrative processes described issues with:

- IT, including a lack of an overall architecture/infrastructure; gaps in technical support (with IT support being focused on access and connectivity issues, not on user support with specific tools); and current understaffing of the IT group (25%);
- HR, noting challenges in hiring (not specifically related to BPD), but to the overall government hiring process. \*Of note: many who noted problems with HR also expressed hope that things would improve soon with the recent arrival of a new HR director (19%); and
- Difficulty with contracts and purchasing, again, qualifying these statements by noting that OIG was in the midst of securing support in this area (19%).

Comments about communication focused on different aspects of internal communication, such as:

- Gaps in messages from Senior Staff reaching lower levels of the organization (19%); and
- Disconnects between headquarters and regional offices (e.g., concerns about frequency, thoroughness of communications) (19%).

### **The Top Three Things for OIG to Address**

Interviewees were asked to give the top three things they thought the OIG should address to improve its performance. Most people provided at least one action, but many gave less than three. When analyzed across all responses given (i.e., priorities were not considered) the following categories emerged:

1. Improve OIG support functions and infrastructure issues. This included improvements to HR, IT, contracts and facilities support.
2. Establish and communicate plans, priorities and expectations for the OIG, overall. This encompasses its strategy, staffing and work plans, as well as long-term capacity and succession planning.
3. Improve the work processes, particularly the audit process and shorten the time to complete work. Establish and enforce a records management system, and take a broader perspective or scope in the programs examined within the Bureaus

A few additional suggestions were offered regarding organizational structure, namely to create a more systematic way to create cross-functional teams, and to decentralize some decision making to improve overall efficiency.

## *Appendix C*

### **How Difficult Would These Changes Be, and What Are the Anticipated Impacts?**

Overall, only a minority of interviewees responded directly to these questions. Of those who did, few obstacles to change were noted. Most changes were thought to be fairly easy to make and required the desire and commitment of the leadership, and champions to institute and enforce the changes. Notably absent from the answers was any mention of resource constraints.

Impacts of the changes were general in tone and substance, but included improved efficiency of the office, better quality products, better overall performance, and increased morale and retention of new staff.

### **OIG's Value to Stakeholders**

Direct responses to questions about OIG's value to stakeholders were few in number and broad in nature. Typical answers were:

- Unbiased information and analysis
- Timely, accurate information
- Protecting public funds
- Opportunities to collaborate with other OIGs and to share best practices in controls with bureau program staff (i.e., leveraging the work across the department in new ways and becoming more proactive)

When asked who was being well served by the OIG, some respondents hesitated to offer examples, but qualified their answers by noting the amount of attention devoted to a particular program or issue is sometimes confused with quality of service. Rather than offering strong opinions about who was being well served, many commented there was room for improvement in many areas. Of those who did offer examples of stakeholders who were well served, the most frequently mentioned groups were Congress and the Census.

### **Overall**

In summary, key highlights across the interview data suggest:

- People—both staff and the new IG—are considered the primary strengths of the OIG.
- The approach and activities of ARRA (e.g., proactive management; multi-disciplinary teams; training given to Department staff) are considered to “work well” within the OIG.
- The priorities of the OIG are seen as “program evaluations,” based on current level of activity. ARRA is considered the top priority program.
- There is room for improvement in many areas including:
  - Work processes
  - Staffing and workforce management
  - Structure/organization of the office
  - Planning
  - Culture
  - Administrative support
  - Communication

- Top priorities for action reflected these areas for improvement, but in a different order. Administrative support issues (HR, IT) were the most frequently offered area, though it was noted by several people that some of the issues were currently being addressed. Planning was also a key suggested area for action, followed by improved work processes.
- Few substantial barriers to change were noted, and the key to implementing change was said to be strong leadership, clear expectations, and commitment to act. Resource constraints were not an issue.
- Most see room for improvement in service and value to stakeholders. No single group was identified as being “well served,” but Congress and the Census were two stakeholder groups mentioned as receiving higher levels of attention from the OIG.

**OIG Senior Staff Interviewed**

Name	
	Chief of Staff
	Assistant Inspector General for Audit
Ed Blansitt	Deputy Inspector General
	Assistant Inspector General for Investigations
	Regional Inspector General, Denver Regional Office
	Special Agent-in-Charge, Policy, Planning, and Coordination
	Staff Director, OIG Recovery Act Task Force
	Assistant Inspector General for Systems Acquisition and IT Security
	Project Leader OIG Recovery Act Task Force
	Human Resources Officer
	Principal Assistant Inspector General for Audit and Evaluation
	Deputy Assistant IG for Investigations
	Director of Audit and Evaluation, Silver Spring
	Director, Financial Statement Audits
	Regional Inspector General, Atlanta Regional Office
	Assistant IG for Economic and Statistical Program Assessment
	Acting Counsel
	Regional Inspector General, Seattle Regional Office
	Chief Financial Officer and Chief Administrative Officer
Todd Zinser	Inspector General

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## **Appendix D Content Analysis OIG Stakeholder Interviews**

### **Introduction**

The summary offered here is drawn from a content analysis performed on the detailed notes captured in 19 interviews with over 25 OIG stakeholders.

There were two sets of interview questions, and the interviewees were given a question set based on whether they were “customers” (e.g., Bureaus, Department staff, Congress), or “sister” organizations involved in oversight (e.g., OMB, GAO).

The vast majority of interviewees were “customers” and the basic question framework addressed the following four themes:

- Their perceived value and impact of OIG;
- Things they need (gaps) or need more of from OIG;
- Measuring OIG performance; and
- Independence of the OIG.

One or more questions were available for each of the four themes, and not every interviewee was asked every question. All four themes were, however, covered in each interview.

For oversight organizations, the framework of questions addressed the following themes:

- How other OIGs in government are approaching ARRA;
- Performance measures specific to ARRA;
- Characteristics of high performing OIGs; and
- Independence of the OIG.

Again, not every question in the interview guide was asked of each interviewee, but each theme was covered.

### **Overall**

The stakeholder interviewees were very consistent in their responses to certain questions such as how they viewed OIG, OIG weaknesses and performance measures. All thought OIG added great value to their organizations and serves an important mission. None had major deficits in what they need or want from OIG, and any suggestions offered were given in the basic context that OIG generally serves them well. All of the stakeholder interviewees had difficulty identifying performance measures that OIG should be using or describing quantifiable outcome measures. Instead, nearly everyone described behavior that fosters collaboration (e.g.,

## ***Appendix D***

communication, proactive engagement), and emphasized the value of good process over strictly quantifiable outcomes.

Beyond these three areas of consensus, the specific examples they offered were diverse. They are grouped in the following discussion around emergent themes, to the extent possible. Most responses were more different than similar, however, based on the unique nature of each stakeholder's interaction with OIG.

### **Value of OIG**

Interviewees were asked what value OIG brings to their organizations, and the impact of OIG's work. Respondents greatly value the external, independent view OIG offers, noting that it adds objectivity and validation not otherwise available. The following analyzes the responses to specific questions about OIG's value to stakeholders.

#### ***Impact and Value of OIG***

When asked "what is the impact of OIG's work on your organization?" a number of interviewees stressed OIG's early involvement with identifying potential issues versus being a reactive department with a "gotcha" approach to accomplishing its mission. Interviewees also stressed the importance of OIG's independence, and the value of getting an outside opinion, particularly in identifying weaknesses in certain programs before it becomes an issue. Stakeholders were generally satisfied with their interaction with OIG.

#### ***Recommendations***

When asked "How useful are the recommendations OIG offers?" about half of the respondents characterized the recommendations as "very useful." Those who were satisfied with the recommendations characterized OIG's work as "spot on," "what they need to be" and "one of the most responsive elements in Commerce, if not the most responsive element." Some stakeholders noted that OIG's recommendations can vary in usefulness from very useful recommendations that really leverage the office's independent vantage point, to recommendations that deal with known problems that the program managers cannot address within current resource, legal or other constraints. Another concern that some stakeholders raised was that semi-annual reports covered "old ground," which forced them to focus on issues that had already been addressed. Finally, some interviewees discussed their concerns about the interpretation of data by the OIG, particularly when small or unrepresentative samples were used to support generalized findings.

In response to, "Are OIG's recommendations actionable? Practical?" most of the responses had already been captured in the usefulness answers above. When asked: "Do they follow-up to see if recommendations have been implemented, or if not, why not?" the responses were overwhelmingly "yes" (a few were unsure).

## Stakeholder Needs

When asked what they need from OIG, either something they aren't currently getting or something they want more of, more than half of the respondents reflected a major need for coordination in planning to help early identification of issues (prevention). Many expressed a desire for OIG to share the audit plan for the coming year to facilitate such planning, and to start the bureau reviews earlier in the year. Communication was also identified as a weakness. This included communication during planning and execution of reviews, as well as ongoing and follow-up communications.

## Performance Measures

Nearly all respondents struggled when asked about OIG performance measures. Some respondents hesitated to offer examples, and qualified their answers by noting the difficulty in determining performance measures across government particularly for functions other than program management. Most of the performance measures listed are not outcomes, they are process measures based on relationships.

***Oversight Views.*** Those from sister oversight organizations struggled to offer any measures beyond the traditional statutory measures used to compare OIGs. One oversight stakeholder said that OIG should establish its own performance measures, and that OIG's performance measures may vary from program to program. Three oversight stakeholders said that OIG may use qualitative measures to convey their performance. When asked specifically about performance measures for OIGs around ARRA, interviewees noted that it was deemed to early to tell, and that both qualitative and quantitative measures should be used to adequately evaluate OIG's performance in ARRA oversight.

***Customer Views.*** Based on our discussion of work products with customers, the quality of OIG's recommendations, findings, and reports have the greatest impact on stakeholders. The answer to the question "What kinds of things should OIGs be held accountable for?" were varied ranging from training on fraud indicators to timeliness to feedback and/or communication with top management. When asked "How would you measure OIG?" very few could answer this question. Of the few who did, most stressed measuring its proactive approach to issues, with one interviewee suggesting that "OIG is impactful when they find issues before they become huge problems." Other responses ranged from the number of clean audits in the bureaus to the "happiness" of department leaders to "the government has a lot of performance measures that aren't any good."

## ***Prevention***

Interviewees were asked: "What kinds of measures are used to measure prevention (resulting from proactive involvement of the OIG)?" Almost no one could answer this item, with the discussion often emphasizing the difficulty in measuring something that doesn't happen. Three respondents suggested that measures should look at the mechanisms (controls, systems) that management has put into place.

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It was mentioned that OIG look at other organizations that must avoid events from happening to see if there are any approaches or measures that can be leveraged. These organizations might include law enforcement, DHS, and Secret Service.

### **Independence**

Interviewees were asked: “What kinds of things should be done by OIGs to maintain their independence?” None of the stakeholders interviewed expressed any concern with DOC OIG’s independence.

One oversight stakeholder said that OIG is not coordinating mutual data requests of bureaus. This stakeholder used to get documents from OIG rather than through a bureau so that the bureau could avoid duplication of effort. Now the stakeholder is directed by OIG to go through the bureau, even if they know that OIG is also doing a review of the bureau. The same oversight stakeholder said, “OIG can be independent and also very collaborative. Transparency does not compromise their independence.”

### **ARRA and Other OIGs**

Interviewees were asked “How are OIGs across government managing the American Recovery and Reinvestment Act (ARRA)?” One bureau stakeholder praised OIG in this area. However, oversight respondents said that they could not speak to how OIG is doing on ARRA oversight compared to other OIGs because they did not know. Most noted it was too early to tell how well the OIGs were performing, and that no standard measures or expectations had yet been set to make this assessment. These interviewees were adopting a “wait and see” approach, and even suggested that DOC OIG (and others) be proactive in establishing their own performance measures. This was viewed as an opportunity for OIG to be proactive in defining what it thinks is important and should be measured against.

Interviewees were also asked: Are you seeing any “promising practices” emerging that can be leveraged by other OIGs? Three stakeholders said that OIG is doing cost estimating of construction projects for the department which has been very helpful.

### **Summary**

In summary, key highlights across the interview data suggest:

- One of OIG’s greatest values to stakeholders is getting involved early with identifying potential issues vs. being reactive.
- OIG’s recommendations were perceived to be very useful. However, a few respondents indicated that they were unsure that the number of recommendations implemented is an accurate indicator of OIG performance.
- Interviewees were not sure about performance measures, but ultimately offered varying examples of processes, not outcomes. Many respondents said that government in general is struggling with developing good performance measures, and measuring prevention was an added challenge.

- Oversight respondents could not speak to how OIG is doing on Recovery Act oversight compared to other OIGs because they did not know. OIGs have the opportunity to define and propose their own performance measures around managing ARRA, as there are no clearly defined measures or expectations at this time.
- Respondents did not see OIG's independence as an issue. The relationship, while collaborative, is still separate.

**Stakeholders Interviewed**

<b>Bureaus</b>	
	Deputy Chief Counsel, National Telecommunications & Information Administration
	Acting Director, Patent and Trademark Office
	Deputy Under Secretary for Oceans and Atmosphere, National Oceanic and Atmospheric Administration
	Chief Financial Officer, National Institute of Standards and Technology
	Acting Under Secretary for Industry and Security, Bureau of Industry and Security
	Director, Office of Finance, Patent and Trademark Office
	Director, Office of Procurement, Patent and Trademark Office
	Acting Director, Census Bureau
	Acting Under Secretary for International Trade, International Trade Administration
	Chief Information Officer, Patent and Trademark Office
	CFO and Director of Administration, Bureau and Industry and Security
	Counsel, National Telecommunications & Information Administration
	Chief Information Technology Security Officer, Patent and Trademark Office
<b>Office of the Secretary</b>	
	Deputy Director for Financial Policy
	Assistant General Counsel for Administration
	Senior Advisor for Recovery Implementation
	Chief Information Officer
	Director, Office of Management and Organization
<b>Other Stakeholders</b>	
	Inspector General, Department of Agriculture and Chair of Council of Inspectors General on Integrity and Efficiency (CIGIE)
	Director, Government Accountability Office
	Assistant Director, Financial Management and Assurance, Government Accountability Office
	Chief, Commerce Branch, Office of Management and Budget
	Assistant Director, Government Accountability Office
	Assistant Director, Government Accountability Office
	Staff Assistant, House Appropriations Committee
	Former Chief Financial Officer and Assistant Secretary for Administration, Department of Commerce

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## Appendix F Acronyms

ARRA	American Recovery and Reinvestment Act
BPD	Bureau of Public Debt
CAF	Common Assessment Framework
CIGIE	Council of Inspector Generals on Integrity and Efficiency
DOC	Department of Commerce
ED	Department of Education
EPA	EPA
NOAA	National Oceanic and Atmospheric Administration
NTIA	National Telecommunications and Information Administration
GAO	Government Accountability Office
HHS	Department of Health and Human Services
HR	Human Resources
IG	Inspector General
IPP	Individual Performance Plan
IT	Information Technology
National Academy	National Academy of Public Administration
OI	Office of Investigations
OIG	Office of Inspector General
OMB	Office of Management and Budget
PTO	Patent and Trademark Organization
VA	Department of Veterans Affairs
Yellow Book	Government Auditing Standards, July 2007 Revision