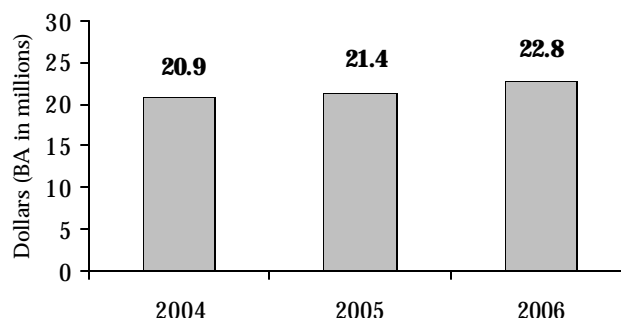


Office of the Inspector General

Public officials and others entrusted with public resources are responsible for applying those resources economically, efficiently, and effectively to achieve established goals. The Office of the Inspector General (OIG) is responsible for ensuring government employees and others managing federal resources comply with applicable laws and regulations and actively work to prevent fraud, waste, and abuse in program operations. Through audits, inspections, evaluations, and investigations, the OIG monitors and tracks the use of taxpayer dollars in federally funded programs. Our purpose is to keep the head of the various Commerce units, the Office of the Secretary, and Congress fully and currently informed about issues, problems and deficiencies relating to the administration of programs and operations and the need for corrective action.

OIG Funding



The audit function involves performance and financial audits and attestation engagements. Performance audits address the efficiency, effectiveness, and economy of the Department’s programs, activities and information technology systems. Financial audits focus on compliance with generally accepted accounting principles, internal controls set forth by OMB, and financial laws and regulations. Attestation engagements utilize agreed-upon procedures to examine and report results on a particular subject matter. Inspections are designed to give agency managers timely and useful information about operations, including current and foreseeable problems. Program evaluations are in-depth reviews of specific management issues, policies, or programs, while systems evaluations focus on system development, acquisitions, operations, and policies of computer systems and other technologies. The investigative function focuses on alleged or suspected improper and illegal activities involving employees, contractors, recipients of financial assistance, and others responsible for handling federal resources. OIG concentrates on programs and operations that have the greatest potential for identifying fraud, recovering funds, precluding unnecessary outlays, and improving management.

Summary of Appropriations

Funding Levels

Appropriation	2004 Actual	2005 Estimate	2006 Estimate	Increase (Decrease)
Inspector General	\$20,894	\$21,371	\$22,758	\$1,387

FTE

Inspector General	125	140	146	6
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Highlights of Budget Changes

Appropriation: Office of the Inspector General

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2005 Appropriation			140	\$21,371
Adjustments to Base				
Other Changes				
2005 Pay raise		\$138		
2006 Pay raise		272		
Change in compensable day		(61)		
Civil Service Retirement System (CSRS)		(44)		
Federal Employees' Retirement System (FERS)		104		
Thrift Savings Plan		11		
Federal Insurance Contributions Act (FICA) -OASDI		29		
Health insurance		100		
Employees' Compensation Fund		39		
Travel: Per Diem		4		
Travel: Mileage		2		
Rent payments to GSA		22		
Other services: Working Capital Fund		84		
General Pricing Level Adjustment				
GPO Printing		1		
Communications, Utilities, & misc.		2		
Other services		56		
Supplies and materials		2		
Subtotal, other cost changes			0	761
TOTAL, ADJUSTMENTS TO BASE			0	761
2006 Base			140	22,132
Program Changes			6	626
2006 APPROPRIATION			146	22,758

Comparison by Activity

	2005 Currently Avail.		2006 Base		2006 Estimate		Increase / Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
DIRECT OBLIGATIONS								
Inspector General	140	\$21,371	140	\$22,132	146	\$22,758	6	\$626
TOTAL DIRECT OBLIGATIONS	140	21,371	140	22,132	146	22,758	6	626
REIMBURSABLE OBLIGATIONS		200		200		200	0	0
TOTAL OBLIGATIONS	140	21,571	140	22,332	146	22,958	6	626
FINANCING								
Offsetting collections from:								
Federal funds		(200)				(200)		
TOTAL BUDGET AUTHORITY /	140	21,371			146	22,758		
APPROPRIATION								

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Enhance and Expand Acquisition Oversight	140	\$22,132	+6	+\$626

The program increase is critical for the Department to ensure independent acquisition oversight through the OIG. This increase will permit OIG to hire staff with the expertise necessary to develop a proactive contract review program that will identify and prevent cost excesses, fraud, and result in significant savings and management improvement. This investment will generate significant returns to the Department by ensuring that millions of dollars in questioned costs and funds put to better use are identified and by helping the Department ensure that (1) procurement performance is strengthened, (2) managers, contracting officers, and contracting officers' representatives are held accountable for their performance and (3) fraudulent or other illegal activity is identified and prosecuted.

OIG Performance Measures

OIG performance measures and targets focus on Commerce's diverse mission and critical programs and operations that are administered in a dynamic environment -- one that is greatly influenced by ever-changing conditions. As the Department works to accomplish its mission, OIG provides a unique, independent voice to the Secretary and other senior Commerce managers, as well as to Congress, in keeping with its mandate to promote integrity, efficiency, and effectiveness; and prevent and detect waste, fraud, and abuse in Department programs and operations. This work is primarily accomplished through audits, inspections, evaluations, and investigations and a variety of activities geared toward averting problems. Moreover, in FY 2006, OIG will continue to move its efforts forward to help achieve organization and management excellence by continuing to:

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

The following table shows the measures that OIG uses to gauge its performance. A more detailed description of these goals and measures is in the OIG section of the Department of Commerce budget.

Performance Goal (Obligations) and Measures (Targets)

(Dollars in millions)

	2004 <u>Actual</u>	2005 Estimate / <u>Target</u>	2006 Estimate / <u>Target</u>
Goal: Promote improvements to Commerce programs and operations by identifying and completing work that (1) promotes integrity, efficiency, and effectiveness and (2) prevents and detects fraud, waste and abuse	\$21.0	\$21.6	\$23.0
% of OIG recommendations accepted by departmental and bureau management	97.5%	95%	95%
Dollar value of financial benefit identified by OIG	\$26.0	\$23.0	\$30.0
% of criminal and civil matters that are accepted for prosecution	67%	62%	63%

Note: Total obligations may differ from the reports in the other tables in this section and Congressional Justification exhibits due to the inclusion of prior year funds in the amounts cited above.