

## SUMMARY OF OIG FOLLOW-UPS

Throughout the year, the OIG conducts audits of the SBA's processes, procedures and programs, and makes recommendations for improvement. Many of these recommendations are not material, relative to their dollar impact on SBA's financial and administrative operation, but are very beneficial to SBA's management. Program management has the option to agree or disagree with OIG recommendations. If agreement cannot be reached, the issue can be raised to a higher level by the OIG. Once both management and the OIG agree with a recommendation, it becomes a "management decision." The manager also provides a specific action plan accompanied by a target date for completion. The corrective action is referred to as "final action."

The OCFO is responsible for monitoring the final actions and reporting on their status of implementation. To track and report these to management, the OCFO established a database and developed a status report available on the SBA intranet page. This is updated as corrective actions are completed. Program offices also provide regular updates on final action status that are used to update the database.

The OCFO continues to take aggressive steps to improve management's attention to these issues resulting in 184 final actions during FY 2005.

The following two charts depict the SBA's monetary final action activity: audit recommendations with disallowed or questioned costs, and audit recommendations with funds put to better use. The status of all audit recommendations is reconciled with the OIG to ensure actions are posted promptly and accomplished in accordance with the agreed-upon target dates.

**Final Action on Audit Recommendations with Disallowed / Questioned Costs**

October 1, 2004 – September 30, 2005

	<b>Number of Recommendations</b>	<b>Disallowed Costs (\$ in Thousands)</b>
A. Recommendations with management decisions on which final action had not been taken at the beginning of the period.	12	\$4,231
B. Recommendations on which management decisions were made during the period.	21	\$3,827
C. Total recommendations pending final action during period.	33	\$8,058
D. Recommendations on which final action was taken during the period.		
1. Recoveries:		
(a) Collections and Offsets	9	\$2,585
(b) Property	0	\$0
(c) Other	0	\$0
2. Write-Offs	3	\$447
3. Total	12	\$3,032
E. Recommendations needing final action at the end of the period.	21	\$5,026

**Final Action On Audit Recommendations With Funds Put To Better Use**

October 1, 2004 – September 30, 2005

	<b>Number of Recommendations</b>	<b>Disallowed Costs (\$ in Thousands)</b>
A. Recommendations with management decisions on which final action had not been taken at the beginning of the period.	2	\$300
B. Recommendations on which management decisions were made during the period.	7	\$600
C. Total recommendations pending final action during period.	9	\$900
D. Recommendations on which final action was taken during the period.		
1. Value of recommendations implemented (completed).	6	\$457
2. Value of recommendations that management concluded should not or could not be implemented or completed.	0	\$0
3. Total	6	\$457
E. Recommendations needing final action at the end of the period.	3	\$443