OFFICE OF THE INSPECTOR GENERAL

SOCIAL SECURITY ADMINISTRATION

SINGLE AUDIT OF THE STATE OF MINNESOTA FOR THE FISCAL YEAR ENDED JUNE 30, 2003

March 2005 A-77-05-00010

MANAGEMENT ADVISORY REPORT

Mission

We improve SSA programs and operations and protect them against fraud, waste, and abuse by conducting independent and objective audits, evaluations, and investigations. We provide timely, useful, and reliable information and advice to Administration officials, the Congress, and the public.

Authority

The Inspector General Act created independent audit and investigative units, called the Office of Inspector General (OIG). The mission of the OIG, as spelled out in the Act, is to:

- **Conduct and supervise independent and objective audits and investigations relating to agency programs and operations.**
- **Promote economy, effectiveness, and efficiency within the agency.**
- **Prevent and detect fraud, waste, and abuse in agency programs and operations.**
- **Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.**
- **Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.**

To ensure objectivity, the IG Act empowers the IG with:

- **Independence to determine what reviews to perform.**
- **Access to all information necessary for the reviews.**
- **Authority to publish findings and recommendations based on the reviews.**

Vision

By conducting independent and objective audits, investigations, and evaluations, we are agents of positive change striving for continuous improvement in the Social Security Administration's programs, operations, and management and in our own office.

SOCIAL SECURITY

MEMORANDUM

Date: March 8, 2005 Refer To:

To: Candace Skurnik
Director
Audit Management and Liaison Staff

From: Inspector General

Subject: Management Advisory Report: Single Audit of the State of Minnesota for the Fiscal Year Ended June 30, 2003 (A-77-05-00010)

This report presents the Social Security Administration's (SSA) portion of the single audit of the State of Minnesota for the Fiscal Year ended June 30, 2003. Our objective was to report internal control weaknesses, noncompliance issues, and unallowable costs identified in the single audit to SSA for resolution action.

The Minnesota Legislative Auditor performed the audit. The Department of Health and Human Services' (HHS) desk review concluded that the audit met Federal requirements. In reporting the results of the single audit, we relied entirely on the internal control and compliance work performed by the Minnesota Legislative Auditor and the reviews performed by HHS. We conducted our review in accordance with the *Quality Standards for Inspections* issued by the President's Council on Integrity and Efficiency.

For single audit purposes, the Office of Management and Budget assigns Federal programs a Catalog of Federal Domestic Assistance (CFDA) number. SSA's Disability Insurance (DI) and Supplemental Security Income (SSI) programs are identified by CFDA number 96. SSA is responsible for resolving single audit findings reported under this CFDA number.

The Minnesota Disability Determination Services (DDS) performs disability determinations under SSA's DI and SSI programs in accordance with Federal regulations. The DDS is reimbursed for 100 percent of allowable costs. The Department of Employment and Economic Development (DEED) is the Minnesota DDS' parent agency.

The single audit reported that DEED did not withhold the retainage amount specified in medical consultant contracts. According to the contracts, no more than 90 percent of the contract amount can be paid until the work was deemed to be completed satisfactorily. The corrective action plan indicated that all medical consultant work is completed at the time the invoice is submitted so the contract requirement does not serve a purpose. Accordingly, DEED plans to seek written approval from the State Department of Administration to remove the retainage amount clause from medical consultant contracts (Attachment A, pages 1 through 4).

We recommend that SSA ensure that consultants are reimbursed in accordance with the terms of the existing medical consultant contracts.

The single audit also disclosed the following findings that may impact DDS operations, although they were not specifically identified to SSA. I am bringing these matters to your attention as they represent potentially serious service delivery and financial control problems for the Agency.

- Federal program expenditures were not accurately identified and reported (Attachment B, pages 1 and 2).

- The financial statements required adjustments to conform with generally accepted accounting principles (Attachment B, pages 2 and 3).

- Critical computer programs were not adequately secured (Attachment B, page 4).

- Incomplete and inaccurate accounting information was submitted in financial reports (Attachment B, pages 5 and 6).

- Financial activities recorded in the agency funds were not analyzed to ensure proper accounting (Attachment B, pages 6 and 7).

- Liabilities were understated in the State's accounting system reports (Attachment B, pages 7).

Please send copies of the final Audit Clearance Document to Shannon Agee and Rona Rustigian. If you have questions contact Shannon Agee at (816) 936-5590.

Patrick P. O'Carroll, Jr.

Attachments

Department of Employment and Economic Development

- The Unemployment Insurance Fund's statement of revenues, expenses, and changes in fund balance did not properly eliminate intrafund transfer activity. We found that operating transfers in and out included transfers between Unemployment Insurance Fund accounts totaling $1.965 million. The department should eliminate intrafund transfers from both the transfer-in and transfer-out balances reported.

- The Unemployment Insurance Fund's statement of cash flows prepared by DEED did not distinguish between operating versus noncapital financing activities. In fiscal year 2003, payments for unemployment benefits exceeded unemployment tax collections, which resulted in the need to borrow from the federal Unemployment Insurance Trust Fund. In accordance with Governmental Accounting Standards Board (GASB) Statement #9 *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, loan borrowing is considered noncapital financing activity and must be separated from operating activities on the statement of cash flows. Adjustments of $339 million and $220 million were made to properly report proceeds and repayment of federal loans.

Additional adjustments were necessary to coordinate the Unemployment Insurance Fund's operating transfers made between the state's General Fund, Federal Fund, and other special revenue funds. DEED properly presented $2.823 million of incoming transfers and $53.445 million of outgoing transfers on the Unemployment Insurance Fund's financial statements, but did not clearly identify the other governmental funds impacted nor provide any supporting schedules. The Department of Finance typically identifies fund transfers using the state's accounting system. However, unemployment insurance Fund monies are not maintained in the state treasury or recorded in the state's centralized accounting system. As a result, DEED needs to provide additional information on unemployment insurance Fund transfers to the Department of Finance.

Recommendations

- *DEED should ensure that the Unemployment Insurance Fund's financial statements are prepared in accordance with generally accepted accounting principles.*

- *DEED should work with the Department of Finance to coordinate the proper presentation of unemployment insurance Fund operating transfers to and from other governmental funds.*

3. The department did not retain 10 percent of the payment amount as called for in the medical consultant service contracts for one federal program.

The department's Social Security Disability Income (CFDA #96.001) program contracts include a retainage clause for medical consultant fees; however, the department did not withhold a portion of the payment as called for in the contracts. Minn. Stat. Section 16C.08, Subd. 5(b)

Department of Employment and Economic Development

requires that no more than 90 percent of the contract amount be paid until work is completed and deemed satisfactory, unless the commissioner of Administration provides a written waiver of the requirement. In the case of medical consultant fees, it appears that all work is complete at the time the medical contractor submits the invoice to the department. As a result, retaining a portion of the payment serves no purpose. However, the Department of Employment and Economic Development has sought no waiver of the retainage requirement from the Department of Administration. Alternatively, in cases where further work or reports are due, the retainage clause should be enforced, and the department should retain a portion of the amount invoiced pursuant to the contract.

Recommendation

- *The department should withhold the retainage amount called for in medical consultant contracts or, if deemed unnecessary, seek written approval from the Department of Administration to remove the clause from the contracts.*

This report is intended for the information of the Legislative Audit Commission and the management of the Department of Employment and Economic Development. This restriction is not intended to limit the distribution of this report, which was released as a public document on March 19, 2004.

James R. Nobles
James R. Nobles
Legislative Auditor

Claudia J. Gudvangen
Claudia J. Gudvangen, CPA
Deputy Legislative Auditor

End of Fieldwork: January 16, 2004

Report Signed On: March 15, 2004

Auditor's Finding 2. The department's Unemployment Insurance Fund financial statements required adjustments to conform with generally accepted accounting principles.

Auditor's Recommendations:

- DEED should ensure that the Unemployment Insurance Fund's financial statements are prepared in accordance with generally accepted accounting principles.
- DEED should work with the Department of Finance to coordinate the proper presentation of unemployment insurance Fund operating transfers to and from other governmental funds.

Response:

We agree. We place a higher priority and devote more resources to this work. Current generally accepted accounting principles (GAAP) do not adequately disclose all Fund activity. For example, in DEED's case the book balance of a negative $11 million was shown as a result of a requirement of the Cash Management Improvement Act which requires cash to be managed at the bank float level. On future reports, a footnote disclosure may be used to explain this unique situation wherein the negative cash balance is not actually a loan.

DEED will work with the Department of finance to provide additional schedules in regards to the elimination of transfers to improve tracking of transfers for correct financial presentation.

We reported the Federal UI loan on the cash flows statement under "Loans Received; Operating Activities." We agree the loan should have been classified as "Non-Capital Financing Activities."

The following changes will be made to improve future financial statement presentations: (1) initiate face to face meetings with the Department of Finance to discuss presentation and schedules, (2) start to construct the financial statements sooner so that the Department of Finance and DEED can have adequate time to discuss presentation, and (3) no longer rely on the Legislative auditors as the last review for proper financial reporting.

Responsible Person: John Stavros 651-296-3965

Auditor's Finding 3. The department did not retain 10 percent of the payment amount as called for in the medical consultant service contracts for one federal program.

Auditor's Recommendations:

- The department should withhold the retainage amount called for in medical consultant contracts or, if deemed unnecessary, seek written approval from the Department of Administration to remove the clause from the contracts.

Response:

We agree. In the case of medical consultant fees, all work is complete at the time the medical contractor submits the invoice to the department. As a result, retaining a portion of the payment serves no purpose. We will seek written approval from the Department of Administration to remove the clause from the contracts.

Responsible Person: John Stavros 651-296-3965

If you have questions or comments, please contact John Stavros, Chief Financial Officer.

Sincerely,

Matt Kramer
Commissioner

Department of Employment and Economic Development

As a result of our procedures, we identified the following weaknesses in internal control and noncompliance items at the Department of Employment and Economic Development.

1. The department did not accurately identify and report federal program expenditures.

The Department of Employment and Economic Development (DEED) reported inaccurate federal program expenditures to the Department of Finance for inclusion in the state's Single Audit Compliance Report. Several large audit adjustments were necessary to correct the balances reported. In addition, certain quarterly financial reports submitted to the federal government contained minor errors in the federal expenditure and state match amounts reported.

The Single Audit Act of 1984, as amended in 1996, requires states to prepare a supplemental schedule of federal program expenditures identified by Catalog of Federal Domestic Assistance (CFDA) number. The Department of Finance prepares the annual Single Audit Compliance Report based on expenditure information submitted by state agencies. Our audit found that DEED inaccurately determined the federal program expenditures reported to the Department of Finance and did not identify the CFDA number for certain federal expenditures as discussed below.

- DEED inappropriately included state match expenditure amounts in their determination of federal program expenditures. Annual instructions provided by the Department of Finance to DEED and other state agencies explain that state match should not be included in the amounts provided to them. This resulted in an overstatement of federal expenditures reported for Vocational Rehabilitation (CFDA #84.126) of $10.9 million, $0.8 million for the Juvenile Accountability Incentive Block Grant (CFDA #16.523), and $4.7 million for numerous other nonmajor federal programs.

- The department made other errors resulting in federal expenditures being understated by $6.7 million [$6.9 million understated for Vocational Rehabilitation (CFDA #84.126) and $0.2 million overstated for Employment Services (CFDA #17.207)]. The errors involved including expenditures from incorrect accounting ledgers, omitting expenditures from the correct ledgers, not properly updating the cumulative expenditures, and using expenditures from the wrong fiscal year. These types of errors could be prevented by a supervisory review of the supporting schedules prior to submission to the Department of Finance.

- The department did not provide a CFDA number for all federal program expenditures as requested in the Department of Finance annual instructions to agencies. DEED submitted 35 federal program expenditure schedules but failed to identify the CFDA number for expenditures totaling $290,150, including $33,417 at the former Department of Economic Security and $256,733 at the former Department of Trade and Economic Development. CFDA numbers provide a reference to the specific federal program requirements outlined for each federal program. The failure to identify the federal CFDA number causes inaccurate reporting of expenditures.

Due to the unique accounting system used by DEED, improved coordination with the Department of Finance is necessary. DEED prepares schedules to calculate the annual federal expenditures from information in its departmental accounting system. However, the format used

Department of Employment and Economic Development

to communicate this information to the Department of Finance was confusing and different than the worksheet used by other state agencies. DEED should continue to build these schedules but consider a simplified format to communicate expenditures by federal CFDA number to the Department of Finance.

DEED also misstated federal expenditures on certain quarterly financial status reports directly submitted to the federal government. Quarterly reports submitted for the Workforce Investment Act Cluster programs period ended March 31, 2003, overstated federal expenditures for WIA Adult (CFDA #17.258) and Youth (CFDA #17.259) by $494,784. The amount was offset in the subsequent quarterly financial status report for the period ending June 30, 2003. For the Juvenile Accountability Incentive Block Grant (CFDA #16.523), DEED met its matching level but did not properly report state match of $129,062 and subrecipient match of $962,847 on the federal financial status reports since inception of the program.

Recommendations

- *DEED should accurately measure federal program spending and provide supervisory review of reported federal program expenditures.*
- *DEED should work with the Department of Finance to revise the format of its Single Audit schedules to only include pertinent information needed.*
- *DEED should accurately prepare and provide supervisory review of quarterly financial status reports submitted to the federal government.*

2. The department's Unemployment Insurance Fund financial statements required adjustments to conform with generally accepted accounting principles.

The unemployment insurance financial statement cash balances, intrafund transfers, and cash flows from federal loan activity were not presented in accordance with generally accepted accounting principles. Audit adjustments were necessary to correct the balances reported to the Department of Finance. In addition, unemployment insurance operating transfer activity reported to the Department of Finance was poorly coordinated and resulted in adjustments in other funds.

The Department of Finance incorporated the unemployment insurance financial statements prepared by DEED into the State of Minnesota's Comprehensive Annual Financial Report. We encountered the following problems while examining the draft unemployment insurance financial statements.

➢ The department reported the Unemployment Insurance Fund's June 30, 2003, cash balance as a negative $11 million and an outstanding federal loan of $119 million. However, the substance of the negative cash balance involved additional federal borrowing to fund unemployment benefits. An audit adjustment was made to eliminate the negative cash and increase the federal loans payable to $130 million.

Department of Employment and Economic Development

- The Unemployment Insurance Fund's statement of revenues, expenses, and changes in fund balance did not properly eliminate intrafund transfer activity. We found that operating transfers in and out included transfers between Unemployment Insurance Fund accounts totaling $1.965 million. The department should eliminate intrafund transfers from both the transfer-in and transfer-out balances reported.

- The Unemployment Insurance Fund's statement of cash flows prepared by DEED did not distinguish between operating versus noncapital financing activities. In fiscal year 2003, payments for unemployment benefits exceeded unemployment tax collections, which resulted in the need to borrow from the federal Unemployment Insurance Trust Fund. In accordance with Governmental Accounting Standards Board (GASB) Statement #9 *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, loan borrowing is considered noncapital financing activity and must be separated from operating activities on the statement of cash flows. Adjustments of $339 million and $220 million were made to properly report proceeds and repayment of federal loans.

Additional adjustments were necessary to coordinate the Unemployment Insurance Fund's operating transfers made between the state's General Fund, Federal Fund, and other special revenue funds. DEED properly presented $2.823 million of incoming transfers and $53.445 million of outgoing transfers on the Unemployment Insurance Fund's financial statements, but did not clearly identify the other governmental funds impacted nor provide any supporting schedules. The Department of Finance typically identifies fund transfers using the state's accounting system. However, unemployment insurance Fund monies are not maintained in the state treasury or recorded in the state's centralized accounting system. As a result, DEED needs to provide additional information on unemployment insurance Fund transfers to the Department of Finance.

Recommendations

- *DEED should ensure that the Unemployment Insurance Fund's financial statements are prepared in accordance with generally accepted accounting principles.*

- *DEED should work with the Department of Finance to coordinate the proper presentation of unemployment insurance Fund operating transfers to and from other governmental funds.*

Department of Administration

1. The department did not adequately secure some libraries that house critical state agency computer programs.

Some electronic libraries that house computer programs for certain of the state's largest computer systems were not properly secured. During our audit work on the state's business systems, we identified computer programs that could be viewed by virtually all people with access to the central mainframe computers. We also identified many computer programs in "pre-production" test libraries that could be changed by unauthorized individuals. Typically, only specific information technology professionals need clearance to computer program libraries to fulfill their job duties.

Granting widespread access to sensitive computer programs exposes state business systems to unnecessary risks. With this access, unscrupulous individuals could gather information about powerful accounts that were created by state agencies to run their business processes. In fact, we found one case where both an account and password could be obtained for a major government computer system. To improve controls, the department should secure computer program libraries so that they are only accessible to people who need such clearance.

Recommendation

- *The department should limit access to computer program libraries to only those people who need such clearance to fulfill their job duties.*

This report is intended for the information of the Legislative Audit Commission and the management of the Department of Administration. This restriction is not intended to limit the distribution of this report, which was released as a public document on March 18, 2004.

James R. Nobles

James R. Nobles
Legislative Auditor

Claudia J. Gudvangen

Claudia J. Gudvangen, CPA
Deputy Legislative Auditor

End of Fieldwork: February 27, 2004

Report Signed On: March 12, 2004

Department of Finance

1. Three state agencies submitted erroneous or incomplete accounting information to the Department of Finance; some of the exceptions could have resulted in material errors in the state's financial statements.

The Department of Finance oversees and coordinates the reporting of financial activity in the state's financial statements and schedule of federal expenditures. To meet these responsibilities, it informed state agencies of applicable accounting requirements, provided checklists and memorandums documenting the requirements, and analyzed various financial transactions recorded in the state's accounting systems. Even with this guidance, we found the following errors in the accounting information submitted by the departments of Transportation (MnDOT), Employment and Economic Development (DEED), and Public Safety (DPS) that negatively impacted the accuracy of the state's financial reporting process.

- Our audit of infrastructure and right-of-way capital outlay expenditures at MnDOT resulted in the following audit adjustments.

  -- MnDOT did not use capital asset codes in the state's accounting system to ensure that $161 million in expenditures would be capitalized on the state's financial statements.

  -- Capital outlay expenditures were overstated in the General Fund and understated in the Trunk Highway Fund by $56 million for infrastructure and right of way costs that should have been transferred between the two funds pursuant to 2003 Laws of Minnesota, 1st Special Session, Chapter 19, Article 4, Section 2.

  -- MnDOT processed $1.3 million in expenditure corrections that erroneously increased rather than decreased capital outlay; capitalized approximately $600,000 in right of way costs that should not have been capitalized; and excluded $200,000 in right of way costs that should have been capitalized.

- We noted several inaccuracies with the financial statement and federal program accounting information submitted by DEED, including the following:

  -- The Unemployment Insurance (UI) Fund's financial statements included a negative cash balance of $11 million that should have been reclassified as a loan payable to the federal government.

  -- DEED did not provide sufficient information for the Department of Finance to efficiently report operating transfers involving the UI Fund. The Department of Finance identified and worked to resolve this problem while balancing the interfund activity to be reported in the state's financial statements. The UI Fund received $2.8 million from other state funds and transferred $53 million to other state funds. Since the UI Fund is not accounted for in the state's accounting system, DEED must provide supplemental information to ensure

Department of Finance

proper financial reporting of transfer activity between the UI Fund and other state funds.

-- The Department of Economic Security reported both accumulated federal expenditures and annual federal expenditures to the Department of Finance for the Single Audit report. The Department of Finance erroneously included the accumulated totals, rather than the annual totals, resulting in an audit adjustment totaling over $200 million. DEED also erroneously included a state match of $16.4 million in its federal expenditure amounts.

- The Department of Public Safety (DPS) erroneously certified encumbrance liabilities to the Department of Finance for inclusion in the state's financial statements. As a result, the department overstated the accrued liability in the state's Federal Fund and government-wide financial statements for fiscal year 2003 by approximately $25 million. The Department of Finance provided instructions and a report of outstanding encumbrances to DPS as of September 8, 2003. However, DPS did not understand the financial reporting implications of the report and certified the entire amount as a prior year obligation, instead of only certifying the amount related to the goods and services the department had received as of June 30, 2003.

The Department of Finance appropriately delegates responsibility to all state agencies for the proper reporting of financial activities. The department is, however, ultimately responsible for the accurate presentation of the information in the state's financial statements.

Recommendations

- *The Department of Finance should work with the departments of Transportation, Employment and Economic Development, and Public Safety to help ensure they provide accurate information to be included in the state's financial statements.*

- *The Department of Finance should compare unliquidated encumbrances near the end of the financial reporting process to amounts certified by state agencies and follow up on unusual variances.*

2. The Department of Finance has not ensured that state departments properly account for financial activities recorded in agency funds.

The Department of Finance has not sufficiently analyzed the state's agency funds to determine to what extent the funds contain internal clearing account activities that should be reported in other funds when preparing the state's financial statements. In fiscal year 2003, we submitted audit adjustments totaling $14.5 million to clear out agency fund financial amounts that should have been recorded in other state operating funds. We also found that the Department of Revenue had not cleared out balances of approximately $4.6 million that had accumulated over a number of years from its local and state sales tax clearing account.

Department of Finance

State departments use agency funds to account for a variety of financial activities. According to generally accepted accounting principles, an agency fund is a fiduciary fund used to account for assets held by a governmental unit in a trustee or safekeeping capacity, or as an agent for third parties. A common use of agency funds is to temporarily account for financial activities that ultimately should be reported in other state operating funds. Several of the state's agency funds have a mix of third party and internal activity. For example, agency funds include state and local sales taxes, resident and guardianship deposits, the state's central postage operation, revenue recapture collections, and collections for mineral and timber sales on state land. Once clearing account activity is eliminated from agency funds, the agency funds should consist only of assets held on behalf of third parties.

Recommendation

- *The Department of Finance should develop a policy on the use of agency funds to ensure that:*

  -- *state agencies promptly clear out activity that should be accounted for in other funds; and*

  -- *the department obtains necessary information to eliminate internal clearing account activity from the basic financial statements, and the process ensures that ending balances in agency funds only represent assets held on behalf of third parties.*

3. The Contract Financial Management Subsystem (CFMS), a component of the state's accounting system, understated financial statement liabilities in the accounting module in fiscal year 2003.

State agencies use CFMS to process payments for professional/technical or lease-type contracts. When a state agency has not ensured that funds are available prior to incurring obligations, as required by Minn. Stat. Section 16A.15, Subd. 3, the accounting personnel record in CFMS that a violation of statute has occurred. Agency accountants also record the date when the goods or services were received, which is the date that determines when the liabilities should be included in the state's financial statements. When agencies had not verified the availability of funds in compliance with statute, CFMS erroneously recorded the payment date as the date the state incurred the liability. In fiscal year 2003, we identified about 1,100 payment transactions totaling up to $9 million that should have been included as liabilities in the state's financial statements. We limited our tests to individual transactions that the Department of Finance would not have tested centrally.

Recommendation

- *The Department of Finance should ensure that the date goods or services are received as recorded in CFMS is used to determine the state's liabilities for financial reporting.*

Overview of the Office of the Inspector General

The Office of the Inspector General (OIG) is comprised of our Office of Investigations (OI), Office of Audit (OA), Office of the Chief Counsel to the Inspector General (OCCIG), and Office of Executive Operations (OEO). To ensure compliance with policies and procedures, internal controls, and professional standards, we also have a comprehensive Professional Responsibility and Quality Assurance program.

Office of Audit

OA conducts and/or supervises financial and performance audits of the Social Security Administration's (SSA) programs and operations and makes recommendations to ensure program objectives are achieved effectively and efficiently. Financial audits assess whether SSA's financial statements fairly present SSA's financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA's programs and operations. OA also conducts short-term management and program evaluations and projects on issues of concern to SSA, Congress, and the general public.

Office of Investigations

OI conducts and coordinates investigative activity related to fraud, waste, abuse, and mismanagement in SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, third parties, or SSA employees performing their official duties. This office serves as OIG liaison to the Department of Justice on all matters relating to the investigations of SSA programs and personnel. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies.

Office of the Chief Counsel to the Inspector General

OCCIG provides independent legal advice and counsel to the IG on various matters, including statutes, regulations, legislation, and policy directives. OCCIG also advises the IG on investigative procedures and techniques, as well as on legal implications and conclusions to be drawn from audit and investigative material. Finally, OCCIG administers the Civil Monetary Penalty program.

Office of Executive Operations

OEO supports OIG by providing information resource management and systems security. OEO also coordinates OIG's budget, procurement, telecommunications, facilities, and human resources. In addition, OEO is the focal point for OIG's strategic planning function and the development and implementation of performance measures required by the Government Performance and Results Act of 1993.