

SMITHSONIAN INSTITUTION

Office of the Inspector General

**Audit Plan
Fiscal Year 2009**

September 2008

Table of Contents

	Page
Introduction	1
Estimated Staff Days Available for New Audits in Fiscal Year 2009	2
Fiscal Year 2008 Audits Carried Over to Fiscal Year 2009	3
Non-Discretionary Audit Work for Fiscal Year 2009	4
Discretionary Audit Starts Planned for Fiscal Year 2009	5
Fiscal Year 2009 Audit Proposals in Detail	7
Potential Future Audits	18

Introduction

This Fiscal Year 2009 Audit Plan communicates the Smithsonian Office of the Inspector General's audit priorities to the Smithsonian Institution, the Congress, and other interested parties.

Our office promotes effective governance by providing the Board of Regents, Congress, Smithsonian management and the public independent and objective evaluations of the programs and operations of the Institution. To this end, we continue to focus our audit efforts on the following high-risk areas and thereby advance the Institution's performance goals of *Enhanced Management Excellence* and *Financial Strength*.

- Modernization of financial management and accounting operations
- Management of capital assets
- Security of the IT infrastructure
- Contract administration
- Security and care of the national collections
- Safety and environmental management

The list of audits that follows reflects our current workload and estimated resources for FY 2009. Two sets of projects are non-discretionary. First, as the Contracting Officer's Technical Representative on the Institution's annual financial statement audits, we oversee these audits and issue our own assessment of key issues. This role is especially important given new audit requirements and the increased scrutiny of nonprofit financial management. Second, under the Federal Information Security Management Act, we oversee a series of audits that address information technology (IT) security. This function is also critical, as all aspects of the Institution's programs and operations rely on secure IT systems.

Because we identified more audits than we have resources to perform, the Plan includes both a list of audits we hope to initiate in FY 2009 as well as a list of potential future audits. We believe every audit in this inventory would yield significant benefits to the Institution. Yet we recognize that issues of more immediate concern may arise, and we want to be able to address them as well. Our goal is to be more nimble while recognizing that we have limited resources. Thus, rather than a firm schedule, this Plan outlines the larger projects we believe to be critical, with the understanding that if new matters merit review by OIG audit staff, we will adjust our priorities accordingly.

This document first explains staff resources available to perform our planned audits. We then present two tables listing audits carried forward from FY 2008 and proposed new audit starts and audit-related work for FY 2009. These tables also explain each audit's objectives. Following those tables is a detailed description of each audit listed in the new audit starts table. Finally, we have included a table listing potential future audits.

**Estimated Staff Days Available
for New Audits in FY 2009**

Description	Estimated Staff Days
Total FY 2009 staff days*	2,460
Staff days required to complete FY 2008 carry-over audits	(255)
Available staff days for new audit starts in FY 2009*	2,205

*We calculated available staff days for FY 2009 based on 12 full-time auditors, which is our estimated staff strength once four new auditors begin in early FY 2009. This number does not include the Assistant Inspector General for Audits, a position for which we are currently recruiting (the incumbent retired in early September 2008).

FY 2008 Audits Carried Over to FY 2009

We will be completing a number of FY 2008 audits in FY 2009, as follows:

Title	Objectives	Estimated FY 2009 OIG Staff Days
Non-Travel Business Expenses of Smithsonian Executives, Unit Directors, Regents, and Advisory Board Members	Oversee audit of non-travel business expenses of a judgmentally selected sample of Smithsonian executives, Regents and Advisory Board members to ensure their compliance with Smithsonian policies and with best practices in the nonprofit sector.	25
Travel Oversight	Assess whether (1) policies and procedures related to travel expenditures are adequate and in compliance with applicable laws and regulations; (2) key controls for managing travel are operating properly in the units; (3) Smithsonian executives and Regents are traveling for authorized purposes and for reasonable amounts; and (4) cardholders are paying their travel card obligations in a timely manner.	50
Oversight of the FY 2008 Federal Information Security Management Act Evaluation	Oversee the evaluation of the effectiveness of the Institution's information security policies, procedures, and practices, which will assess whether (1) system accreditation and certification practices are adequate; (2) intrusion detection software is being used throughout the Institution to detect suspicious activity; (3) system scans are regularly performed to identify vulnerabilities; (4) disaster recovery plans for major systems have been developed and tested; and (5) staff have received the required security awareness training. Oversee the evaluation of the Institution's privacy protection policies, procedures and practices.	40
Oversight of the FY 2008 Financial Statement Audits	Oversee the external financial statement audits, including reviewing audit documentation, evaluating key judgments, and monitoring progress to express concurrence with the external auditors' reports and conclusions about the Smithsonian's financial statements.	65
Workers' Compensation Claims	Evaluate the overall management of the Institution's workers' compensation program. Assess whether adequate controls are in place to comply with the Federal Employees' Compensation Act (FECA) requirements for (1) reviewing and submitting claims; (2) monitoring charge-back costs; (3) bringing claimants back to work as soon as possible; and (4) recovering overpayments promptly.	75

Non-Discretionary Audit Work for FY 2009

We will oversee the following two sets of mandatory audits and reviews in FY 2009.

Title	Objectives	Estimated OIG Staff Days
Oversight of the FY 2009 Financial Statement Audits	Oversee the external financial statement audits by reviewing audit documentation, evaluating key judgments, and monitoring progress to express concurrence with the external auditors' reports and conclusions about the Smithsonian's financial statements.	35
Oversight of the FY 2009 Federal Information Security Management Act Evaluation and Subset Audits	Oversee the evaluation of the effectiveness of the Institution's information security policies, procedures, and practices, which will assess whether (1) system accreditation and certification practices are adequate; (2) intrusion detection software is being used throughout the Institution to detect suspicious activity; (3) system scans are regularly performed to identify vulnerabilities; (4) disaster recovery plans for major systems have been developed and tested; and (5) staff have received the required security awareness training. Oversee the evaluation of the security of a subset of Institution systems, including limited testing of controls.	75

Discretionary Audit Starts Planned for FY 2009

We plan to initiate eight new discretionary audits in FY 2009, in the following order of priority:

Title	Objectives	Estimated OIG Staff Days
Facility Maintenance and Safety	Assess, for a sample of facilities systems, (1) how the Smithsonian manages risk with under-funded maintenance budgets, and (2) the Institution's progress in correcting safety issues caused by disrepair.	400
Status of the Showtime Contract	Assess (1) how the Smithsonian processes film requests under the contract, (2) total costs of administering the contract and whether policies and procedures established for tracking those costs are adequate, (3) total contract-related revenues received to date and how the proceeds have been spent, and (4) whether revenues received are consistent with earlier projections.	200
Physical Security and Inventory Control Measures to Safeguard the National Collections	Examine whether (1) physical security is adequate to safeguard the collections, and (2) inventory controls are in place and working adequately, at two of the Institution's largest museums: the National Air and Space Museum and the National Museum of American History.	550
Capital Project Oversight	Follow up on prior recommendations to determine whether the Institution is effectively managing key risks for selected major capital projects that represent a significant investment for the Institution. Assess (1) financial reporting capabilities available for controlling project costs; (2) whether project schedule and tracking systems are in place to facilitate the detection of emerging problems that could delay the projects; and (3) whether contingency funds are sufficient to cover unanticipated problems and whether these funds are being properly monitored and spent.	400
Pre-award and Post-Award Audit Services	Provide pre-award and post-award audit services to the Office of Contracting and Personal Property Management upon request; audit offerors' and subofferors' price proposals and claims to help ensure that final agreed-to prices are fair and reasonable.	75 (estimated level of effort)
Personal Property Accountability	Evaluate design and effectiveness of internal controls over acquisition, recording, and disposal of the Smithsonian's capitalized and sensitive assets, known as personal property, focusing on whether recent policy and procedure changes have improved reporting and significantly stemmed losses of such assets.	200

Discretionary Audit Starts Planned for FY 2009, continued

Title	Objectives	Estimated OIG Staff Days
Oversight of Purchase Card and Other Simplified Acquisition Programs	Determine whether (1) purchase card program and other simplified acquisition policies and procedures are adequate and comply with applicable laws and regulations; (2) key controls for the programs are operating properly in the units; and (3) cardholders are using purchase cards for authorized purposes.	200
Non-Travel Business Expenses of Smithsonian Executives, Unit Directors, Regents, and Advisory Board Members	Oversee audit of non-travel business expenses of a judgmentally selected sample of Smithsonian executives, Regents and Advisory Board members to ensure their compliance with Smithsonian policies and with best practices in the nonprofit sector.	50

Planned FY 2009 Audits in Detail

Oversight of the FY 2009 Financial Statement Audits

Objectives

For this non-discretionary work, we will oversee the Smithsonian Institution's annual financial statement audits, which include the SI-wide financial statements; the federal special-purpose financial statements; and the OMB A-133 audit. In addition, this year KPMG will be examining Smithsonian Enterprises' statement of net gain. We will review audit documentation, evaluate key judgments, and monitor progress to express concurrence with the external auditors' reports and determine whether their work conforms to relevant auditing and accounting standards.

Significance

The Institution's financial statements are audited by KPMG. The Financial Audit Manager in the Office of the Inspector General serves as the Contracting Officer's Technical Representative with oversight responsibilities for the annual audits. We will use GAO's Financial Audit Manual and the audit programs developed by the President's Council on Integrity and Efficiency/Executive Council on Integrity and Efficiency (PCIE/ECIE) as guides for monitoring KPMG's work.

The review of Smithsonian Enterprises' net gain responds to a recommendation from our January 2007 audit of executive compensation at Smithsonian Business Ventures, which noted that bonuses -- a significant portion of executive compensation -- are based on net gain, and that net gain figures had not been audited in the past.

Potential Impact

Our oversight will provide reasonable assurance that KPMG complied with professional standards in conducting the audits and that the Institution's financial statements are accurate. We will suggest any needed improvements to the audit process to strengthen financial reporting and controls.

Staffing Requirement

35 staff days

Oversight of the FY 2009 Federal Information Security Management Act Evaluation and Subset Audits

Objectives

For this non-discretionary engagement, we will oversee an audit of the effectiveness of the Institution's information security policies, procedures, and practices. An OIG contractor will assess whether (1) system accreditation and certification practices are adequate; (2) intrusion detection software is being used throughout the Institution to detect suspicious activity; (3) system scans are performed regularly to identify vulnerabilities; (4) disaster recovery plans for major systems have been developed and tested; and (5) staff have received required security awareness training. We will also oversee separate audits of the security of a subset of Institution systems.

Significance

The Smithsonian depends on computerized information systems and electronic data to carry out its programs and activities. The security of these systems is essential to prevent data tampering, disruptions in critical operations, fraud, and inappropriate disclosure of sensitive information. The Federal Information Security Management Act (FISMA) requires the testing and evaluation of federal systems. Although the Smithsonian is not subject to FISMA, it has implemented FISMA's requirements to ensure it has an effective Information Technology (IT) security program.

FISMA requires that the OIG perform an independent annual evaluation of the Institution's information security program and practices. Previous OIG IT security audits have identified significant weaknesses in major Smithsonian systems and highlighted the need for improvements in network access controls, IT training, disaster recovery plans, system documentation, updated server patches, and security configurations.

Potential Impact

The overall evaluation, as well as the assessments of a subset of IT systems, will help ensure early detection of and response to suspicious activity; protection of systems and applications from unauthorized access; continuity of operations should disruptions occur; and staff awareness of required IT security practices.

Staffing Requirement

75 staff days

Facility Maintenance and Safety

Objectives

We will assess, for a sample of facilities systems, (1) how the Smithsonian manages risk with under-funded maintenance budgets, and (2) the Institution's progress in correcting safety issues caused by disrepair.

Significance

Numerous internal and external (NAPA, GAO) studies have described the effects of insufficient investments in and attention to many of the structural, mechanical, and electrical systems in the Institution's facilities, which are failing because of age, heavy and varied uses, and the lack of resources to perform all needed repairs and replacements. The Smithsonian currently spends approximately \$50 million per year on maintenance, although the Office of Facilities Engineering and Operations (OFEO) believes that it should spend approximately \$100 million per year to prevent further deterioration and maintain facilities adequately.

The Institution is making progress in addressing these issues. OFEO has a maintenance program that includes preventive maintenance, periodic testing and inspections, and programmed maintenance. However, OFEO has estimated that it spends over 60 percent of maintenance resources on emergencies and unplanned repairs.

OFEO's Annual Management Evaluation and Technical Reviews of facilities continue to identify hazardous conditions that must be abated to prevent severe personal injury, occupational illnesses, and damage to the collections. These conditions include the lack of fans for emergency exits to remove smoke from stairwells, failed fire detection/suppression systems, and the lack of effective code-required maintenance programs for fire safety systems. Further, environmental controls in collections areas are not always adequate, increasing the risk of damage and premature deterioration of the collections.

Potential Impact

Our recommendations will aim to reduce costs to the Smithsonian by increasing the useful life of major equipment and strengthening management of facility safety issues; to improve the safety of Smithsonian staff, volunteers, visitors, collections, and property; and to provide Congress with more information for their funding decisions.

Staffing Requirement

400 staff days

Status of the Showtime Contract

Objectives

We will assess (1) how the Smithsonian processes film requests under the contract, (2) total costs of administering the contract and whether policies and procedures established for tracking those costs are adequate, (3) total contract-related revenues received to date and how the proceeds have been spent, and (4) whether revenues received are consistent with earlier projections.

Significance

In early 2006, the Smithsonian entered into a 30-year joint venture with Showtime Networks Inc. to create an on-demand television channel and broadband website, collectively known as the Smithsonian Channel. Members of Congress and filmmakers raised issues about the contract's potential effects on public access to and use of the Smithsonian's collections. The contract established a semi-exclusive right for Showtime Networks Inc. to produce and commercially distribute audiovisual programming using Smithsonian Institution trademarks and/or content. The non-compete clause in the contract generally prohibits the Smithsonian from engaging in activities that would conflict with the new venture. There are exceptions for various news and educational programs. The Smithsonian projects that the new channel will produce net revenues of over \$150 million after 10 years. In August 2006, the Smithsonian created an Institution-wide Network Review Committee to oversee the factual review of program content and ensure all programming meets the Smithsonian's highest standards.

In December 2006, GAO issued a report on the contract and the first nine months of its implementation. The report stated that it was too early to determine the long-term impact of the contract. GAO recommended that the Smithsonian better document its key decisions regarding filming applications and that it update the "Frequently Asked Questions about Filming at the Smithsonian Institution" on its website to better describe what the contract means for filmmakers. The Smithsonian generally agreed with GAO's findings and recommendations.

The Chairman of the Committee on House Administration has requested that our office provide the committee with a report on the status of the Showtime contract.

Potential Impact

This audit will help ensure transparency in the operations of Smithsonian Channel and that related revenues and costs are closely tracked, thereby increasing all stakeholders' confidence in the continuing public availability of Smithsonian resources.

Staffing Requirement

200 days

Physical Security and Inventory Control Measures to Safeguard the National Collections: National Air and Space Museum and the National Museum of American History

Objectives

This two-phase audit will examine whether (1) physical security is adequate to safeguard the collections and (2) inventory controls are in place and working adequately at two of the Institution's largest museums: the National Air and Space Museum (NASM) and the National Museum of American History (NMAH).

Significance

The national collections are central to the Smithsonian and are critical to the success of its mission, including the Smithsonian's research, education, and exhibition programs. Individual museum collecting units are responsible for ensuring that collections are adequately protected against theft and vandalism and for maintaining appropriate inventory controls.

NASM maintains a collection of over 50,000 artifacts related to aviation and space. NASM displays these collections at its National Mall building and at the companion facility, the Steven F. Udvar-Hazy Center in Dulles, Virginia. NASM has a third facility, the Paul E. Garber Preservation, Restoration, and Storage Facility in Suitland, Maryland.

The NMAH Behring Center has over 3 million artifacts in its collection, reflecting all aspects of the history of the United States. The museum has been closed to the visiting public since September 2006 for major renovations and is expected to re-open in November 2008; during that time, NMAH will also be moving a significant part of its stored collections to a new Smithsonian storage facility in Landover, Maryland, referred to as Smithsonian Institution Service Center.

Our 2006 audit of physical security and inventory controls over the national collections at the Smithsonian's largest museum (National Museum of Natural History (NMNH)) found significant weaknesses such as missing or inoperative security devices, inadequate guard coverage, and weak supervision of non-staff in collection areas. Moreover, NMNH did not develop or did not follow inventory plans; did not conduct cyclical inventories; and did not have accurate or complete inventory records.

Potential Impact

The audit will make recommendations to improve physical security and inventory controls at NMAH and NASM and help ensure the safety and integrity of the Institution's collections.

Staffing Requirement

550 staff days

Capital Project Oversight

Objectives

This audit will follow up on prior recommendations to determine whether the Institution is effectively managing key risks for selected major capital projects that represent a significant investment for the Institution. We will assess (1) the financial reporting capabilities available for controlling project costs; (2) whether project schedule and tracking systems are in place to facilitate the detection of emerging problems that could delay the projects; and (3) whether contingency funds are sufficient to cover unanticipated problems and whether these funds are being properly monitored and spent.

Significance

Capital project expenditures, after salaries and other related expenses, constitute the Institution's most significant expenditures. The Institution plans to spend an estimated \$827 million on facilities projects over the next five years. The largest will be for the National Museum of Natural History (\$148 million), the National Zoological Park (\$110 million); the National Museum of American History (\$74 million); and anti-terrorism protection (\$70 million).

Given the austere budget outlook, the Institution must ensure that its capital projects are delivered on time and within budget. Prior OIG audits on the oversight of construction projects for the Steven F. Udvar-Hazy Center, the National Museum of the American Indian, and the Patent Office Building renovation noted weaknesses in the Institution's oversight process. For example, we found that (1) management lacked financial reports necessary to gauge the health of the projects, performance metrics, planned versus actual costs, and schedule updates; (2) competing clients (such as OFEO and Museum project managers) were directing the contractors on projects, often in opposing directions; and (3) management did not effectively monitor project contingency funds.

Potential Impact

The audit will help ensure that the Institution's resources, including appropriated funds, are spent effectively, and that the Institution can deliver major capital projects within approved budgets and on schedule.

Staffing Requirement

400 staff days

Pre-Award and Post-Award Audit Services

Objectives

We will provide pre-award and post-award audit services to the Office of Contracting and Personal Property Management (OCon&PPM) upon request. We will audit offerors' and subofferors' price proposals and claims to help ensure that final agreed-to prices are fair and reasonable. We will determine specific objectives on a case-by-case basis.

Significance

Several multi-million dollar projects will begin in FY 2009, and the Ocon & PPM Director has requested audits of prospective offerors' and subofferors' proposals. One such project will be the Architect & Engineering (A&E) contract for the design of the National Museum of African-American History and Culture. All A&E contracts are subject to the Brooks Act, under which awards are made on the basis of demonstrated competence and qualification for the type of professional services required, not on price. Only after the firm is selected is a price proposal submitted. Our audit of the price proposal will help determine whether the price is fair and reasonable.

Potential Impact

Pre-award and post-award audits will help ensure that the Institution receives the best possible value and may also provide the Institution with funds to be put to better use.

Staffing Requirement

75 staff days (overall estimated level of effort)

Personal Property Accountability

Objectives

We will evaluate the design and effectiveness of internal controls over the acquisition, recording, and disposal of the Smithsonian's capitalized and sensitive assets, known as personal property, focusing on whether recent policy and procedure changes have improved reporting and significantly stemmed losses of such assets.

Significance

The Institution has approximately 10,000 personal property items, valued at approximately \$83.0 million. Management of the Smithsonian's personal property assets is highly decentralized, with asset purchases taking place at the operating units at many locations with a variety of individuals using a variety of methods.

The Office of Contracting and Personal Property Management's (OCON&PPM) Property Unit's latest two annual inventories show a substantial number of missing and unrecorded assets in SI operating units. The FY 2006 and 2007 inventories determined there were 950 missing assets with a cost of \$8.3 million, and 1,591 unrecorded assets with a cost of \$19.4 million. Missing assets are those recorded in the Asset Management (AM) module in the Institution's financial system, but not found during the inventory. They will mostly be written off. Unrecorded assets are those not recorded in the AM module, but found during the inventory.

Recent reports by the GAO and others have determined that government agencies have had millions of dollars' worth of personal property items lost or stolen, and attributed those losses to weak internal controls and poor management oversight. The Institution has recently revised its personal property management policies with the aim of enhancing accountability.

Potential Impact

We will make recommendations to increase accountability over personal property and reduce wasteful spending by strengthening internal controls over the acquisition, recording, and disposal of personal property at the Smithsonian.

Staffing Requirement

200 Staff Days

Oversight of Purchase Card and Other Simplified Acquisition Programs

Objectives

We will determine whether (1) the purchase card program and other simplified acquisition policies and procedures are adequate and comply with applicable laws and regulations; (2) key controls for the programs are operating properly in the units; and (3) cardholders are using purchase cards for authorized purposes.

Significance

During FY 2007, the Smithsonian had 105,815 purchase card transactions, totaling more than \$25 million, and over 20,000 simplified acquisitions totaling more than \$188 million. The purchase card program is the primary method by which the Institution's employees make open market purchases of \$2,500 or less (micro-purchases). Oversight of the program is decentralized: the Smithsonian's Office of Contracting and Personal Property Management administers the purchase card program, while unit-level approving officials are responsible for oversight of individual cardholders. Simplified acquisitions are made at the unit level through various means such as blanket purchase agreements and off the General Services Administration's Federal Supply Schedule.

Purchase cards are a streamlined procurement mechanism that have improved efficiency and cut costs. However, they are subject to abuse. GAO recently found nearly half of the purchase card transactions it examined government-wide were improper. The NASA OIG found NASA offices improperly purchased personal items with appropriated funds. Recently introduced legislation (S. 789) would require Inspectors General to continuously monitor and report to OMB on both purchase and travel cards.

We will follow up on our previous audit work in this area. In our April 2003 and December 2003 audits we recommended that the Smithsonian ensure that purchase card transactions were processed promptly in the ERP system; the Office of Contracting revise the training manual and directives regarding purchase approvals and documentation of sensitive items; and the Office of the Comptroller remove unnecessary organizational checking accounts to encourage the use of purchase cards. The Board of Regents' Governance Committee has also requested that we conduct regular audits of purchase card use.

Potential Impact

The audit will make recommendations to strengthen oversight of the purchase card program to help prevent fraudulent, improper and abusive purchase card activity and ensure the proper use of the Institution's appropriated and trust funds for simplified acquisitions.

Staffing Requirement

200 staff days

Non-Travel Business Expenses of Smithsonian Executives, Unit Directors, Regents, and Advisory Board Members

Objectives

As part of an annual effort, we will oversee an audit of the non-travel business expenses of a judgmentally selected sample of Smithsonian executives, unit directors, Regents and Advisory Board members to ensure their compliance with Smithsonian policies and with best practices in the nonprofit sector.

Significance

In 2007, the Board of Regents requested that our office provide assurances that the expenses incurred by high-level officials, Regents, and Advisory Board members on behalf of the Smithsonian are reasonable. This audit will be our second of such expenses and we will audit a different judgmental sample of individuals than those covered in the audit begun in FY 2008.

Potential Impact

These annual audits will help assure Congress, donors, other stakeholders and the public that the Institution's limited resources are being spent prudently and in support of the Smithsonian mission. To the extent that we identify any unauthorized or otherwise inappropriate expenditures, our work could result in reimbursement to the Institution of such funds. These audits could also result in the Institution having to amend its tax filings as well as the tax filings it submits on behalf of employees.

Staffing Requirement

50 staff days

Potential Future Audits

Title	Objectives	Estimated OIG Staff Days
Management of National Collections Storage Needs	Determine whether (1) efficient use is being made of existing storage space; (2) collecting units have rigorous processes for making decisions regarding acquisitions and disposals so that the space requirements of collections grow at a manageable rate; and (3) units are effectively managing collections processing backlogs.	350
Compliance with Payment Card Industry Data Security Standards	Assess whether adequate controls have been designed, documented, and implemented to ensure compliance with Payment Card Industry data security standards and to avoid the monetary and other sanctions that result from failure to comply.	200
Enterprise Resource Planning System	Assess the Institution's progress in implementing its Enterprise Resource Planning system and follow up on previous audit findings.	250
Management of Exhibition Projects	Examine a sample of the costliest exhibits to determine if museum management adequately tracks exhibition-related expenses and financing, reasonably estimates the life-cycle costs of exhibitions, and identifies risks and sources of contingent funds when budgets are not met.	200
Collections Information Systems	Determine whether opportunities exist to increase public access to information and enhance the state of collections information management, while at the same time reducing infrastructure and maintenance costs.	250
Design Errors and Omissions in Capital Projects	Determine if the Institution is monitoring the construction costs associated with design errors and omissions on capital projects and recovering these costs from its design consultants. Identify barriers to effective cost recovery and industry best practices that could be implemented to improve the tracking and recovery of these costs.	200
Effectiveness of the Institution's Process for Identifying, Measuring, and Managing Risk	Evaluate the metrics process for measuring and tracking risk. Review management's effectiveness in (1) identifying and measuring risks and vulnerabilities; (2) evaluating and monitoring corrective action plans; and (3) providing alternatives and resources to eliminate the vulnerabilities and minimize the risks.	250
Accountability and Maintenance of the Institution's Fleet	Assess the effectiveness of SI fleet management, including (1) provisions for authorizing and controlling all vehicle maintenance and repair services; (2) provisions for authorizing and monitoring all vehicle use and activity; and (3) vehicle purchase and disposal.	250

Potential Future Audits, continued

Title	Objectives	Estimated OIG Staff Days
Effective Use of Systems for Development	Assess systems and controls related to prospect management at the unit level as well as at the central development office.	125
Adequacy of Controls Over Collection Items Loaned to Other Organizations	Examine whether the Institution is providing adequate oversight of loaned collections to ensure (1) items are not loaned to organizations that are unable to care for the objects; (2) organizations are abiding by the terms and conditions of the loan agreements; (3) loaned items are adequately insured; and (4) the Institution is promptly following up on expired loans.	250
Modernization of the Information Technology Infrastructure	Assess investment strategies and determine whether (1) the Chief Information Officer has implemented sound strategies and practices for managing IT resources and meeting program area information needs, and (2) the IT infrastructure is sufficiently being modernized to support the business activities of the Institution.	200