

SMITHSONIAN INSTITUTION
OFFICE OF THE INSPECTOR GENERAL
OVERSIGHT PLAN

American Recovery and Reinvestment Act of 2009

May 15, 2009

OIG Objectives Regarding Recovery Act Oversight

The American Recovery and Reinvestment Act (Recovery Act) of 2009 provided the Smithsonian Institution \$25 million in Facilities Capital for the repairs and revitalization of existing facilities. The Smithsonian has unique facilities, many historic, that support research, education, public programs, and exhibitions for millions of visitors. Repairs are necessary to advance the Smithsonian's mission and to address the condition of its facilities and infrastructure. Revitalization involves making major repairs or replacing declining or failed infrastructure to address the causes of additional deterioration. Once completed, these projects will improve the overall condition of certain Smithsonian buildings and systems and will enable the Smithsonian to reduce the risk of failures that might lead to hazardous conditions for visitors and staff, harm animals, or damage priceless collections.

The Recovery Act provided no funding for the Smithsonian Institution's Office of the Inspector General (OIG) to conduct oversight and review procedures. Using existing staff, the OIG will assess whether the Institution is using the \$25 million of Recovery Act funds in accordance with the requirements set forth in the Recovery Act and whether it is meeting the accountability objectives as defined by the Office of Management and Budget. The OIG will examine whether:

- Funds are awarded and distributed in a prompt, fair, and reasonable manner;
- The recipients and uses of all funds are transparent to the public, and the public benefits of these funds are reported clearly, accurately, and in a timely manner;
- Funds are used for authorized purposes and potential for fraud, waste, error, and abuse are mitigated;
- Projects funded under the Recovery Act avoid unnecessary delays and cost overruns; and
- Program goals are achieved, including specific program outcomes and improved results on broader economic indicators.

As the Institution prepares to award Recovery Act funds, the OIG is taking a number of actions to alert Smithsonian managers of risks and to recommend cost effective controls to help prevent fraud, waste, and abuse; and ensure program goals are achieved and stimulus funds are accurately tracked and reported.

We present our plan of action in two phases:

PHASE I

- Assess the Smithsonian Implementation Plan and provide consultative advice.
- Verify and continuously monitor the Institution's tracking of Recovery Act funds to ensure that managers do not co-mingle them with other funding sources.
- Rank projects by risk and select a sample for further examination.
- For the sample we select, confirm that all contracts contain the specific language and contract provisions called for by the Recovery Act.
- Review contract solicitations and awards to confirm that each was conducted in a transparent and competitive manner.
- When we detect any concerns, issue Management Advisory reports to promptly inform management so that immediate corrective action can be taken. Post all reports to the OIG public website.
- Post an advisory warning banner on the OIG website alerting interested parties of the heightened risk for fraud, waste, and abuse involving Recovery Act programs and instruct them on how to report to OIG.
- Refer evidence of fraud, waste, and abuse to OIG investigators and respond to hotline complaints promptly.
- Routinely report OIG activity to the Resource Accountability and Transparency Board (RATB) to ensure that our audits are designed and implemented in a manner consistent with other OIGs.
- Attend weekly status briefings with Smithsonian staff responsible for Recovery Act activities to determine the status of the program and provide advice on potential problems concerning internal control procedures.
- Attend monthly meetings of RATB Working Group.

- Attend monthly status briefing with senior Institution officials on the progress of the implementation of the Recovery Act Program.
- Brief Congressional Committees and the Board of Regents upon request.

PHASE II

- For the selected post-award reviews, evaluate the management of these contracts. Work with project officials to confirm the quality and timeliness of services received and issue Management Advisory Reports based upon the results of our work.
- Examine the reports submitted by the recipients of Recovery Act funds for completeness and accuracy and for evidence of the achievement of the programmatic and economic benefits expected.
- Continue to advise SI management and RATB of the status of our audit work.
- Continue to be alert for potential fraud, waste, and abuse and refer all suspected cases to OIG investigators.
- Assess the Smithsonian's overall achievement of the programmatic and economic goals of ARRA.
- Review the collective results of the completed audit work and issued a final report as necessary.