

## INSPECTORS GENERAL

### Additional Efforts Needed by the Department of Commerce OIG to Address Audit Coverage, Hotline Operations, and Employee Concerns

#### Why GAO Did This Study

Congressional committees and Commerce leaders rely on the OIG to provide oversight of the agency's wide range of responsibilities. GAO was asked to review the effectiveness of the Commerce OIG's oversight. GAO's objectives were to provide information on the Commerce OIG's budgets, staffing, and accomplishments, and to review the OIG's effectiveness in providing audit coverage, addressing hotline complaints, and addressing employee concerns identified in OPM's annual FEVS.

For fiscal years 2011 through 2013, GAO identified the budget and staff resources of the Commerce OIG and other cabinet-level OIGs and their reported accomplishments for comparison; reviewed the Commerce OIG's audit coverage of bureaus and offices, management challenges, and high-risk areas; compared the OIG's hotline policies with hotline guidance provided through CIGIE; and tested a random sample of hotline complaints. GAO also reviewed the OIG's efforts to address employee concerns from the 2012 FEVS results.

#### What GAO Recommends

GAO recommends that the IG (1) augment the OIG's audit planning to consider a rotation of performance audit coverage among smaller Commerce programs, and applicable GAO high-risk areas; (2) include monitoring of internal controls for the OIG's hotline operations; and (3) develop an action plan with measures of success to address FEVS results.

In commenting on a draft of the report, the Commerce IG concurred with GAO's recommendations.

View [GAO-15-260](#). For more information, contact Beryl H. Davis at (202) 512-2623 or [davisbh@gao.gov](mailto:davisbh@gao.gov).

#### What GAO Found

During fiscal years 2011 through 2013, the Department of Commerce (Commerce) Office of Inspector General (OIG) experienced reductions in total budgetary resources from about \$47 million to about \$41 million, or almost 13 percent, compared to the average reduction of about 6 percent for all other cabinet-level OIGs. The Commerce OIG had a decline of full-time equivalent staff from 171 to 137, or about 20 percent, which was a greater decline than the average decline of about 5 percent for the other OIGs. The Commerce OIG reported approximately \$543 million in monetary accomplishments from audits, evaluations, and investigations for the period. Differences in missions and programs of the cabinet-level departments and agencies result in varied opportunities for OIGs to provide monetary accomplishments. While the Commerce OIG's return on each budget dollar was within the range of the lowest and highest returns for all other OIGs for fiscal years 2011 through 2013, its average return of \$4.18 over the 3-year period was less than the average return of about \$22.64 for the other cabinet-level OIGs.

During this period of constrained resources, the Commerce OIG conducted mandatory audits that covered all bureaus and offices and provided performance audit coverage of Commerce's largest bureaus and offices. It also audited areas identified by the OIG as management challenges. However, the OIG did not conduct performance audits of the economy, efficiency, and effectiveness of programs specific to Commerce's smaller bureaus and offices, which had combined fiscal year 2013 total budgetary resources of approximately \$2.4 billion, during the 3-year period. In addition, the OIG did not conduct audits over the 3-year period of two areas on GAO's high-risk list relevant to Commerce: (1) managing federal real property and (2) ensuring the effective protection of technologies critical to U.S. national security interests. The OIG's risk-based audit planning contributed to gaps in audit coverage as the office did not provide periodic performance audit coverage of Commerce's smaller programs on a rotational basis and did not fully consider all GAO high-risk areas.

The Commerce OIG's hotline policies and procedures were generally consistent with recommended hotline practices of other OIGs provided through the Council of Inspectors General on Integrity and Efficiency (CIGIE). However, through a review of a random sample of OIG hotline cases from fiscal years 2011 through 2013, GAO identified numerous instances where the OIG did not follow one or more of its own hotline policies and procedures regarding the processing, disposition, and timeliness of hotline cases. The OIG could not reasonably ensure that its hotline policies and procedures were consistently followed because of a lack of ongoing monitoring of its internal control activities.

The Commerce OIG's Federal Employee Viewpoint Survey (FEVS) results for 2013 and 2014 improved after OIG efforts to address the poor 2012 FEVS results, but responses to specific survey questions remain lower than the government-wide average. The OIG's efforts followed much of the guidance issued by the Office of Personnel Management (OPM) to address FEVS results, but they did not include an action plan with measures of success.