

Denali Commission

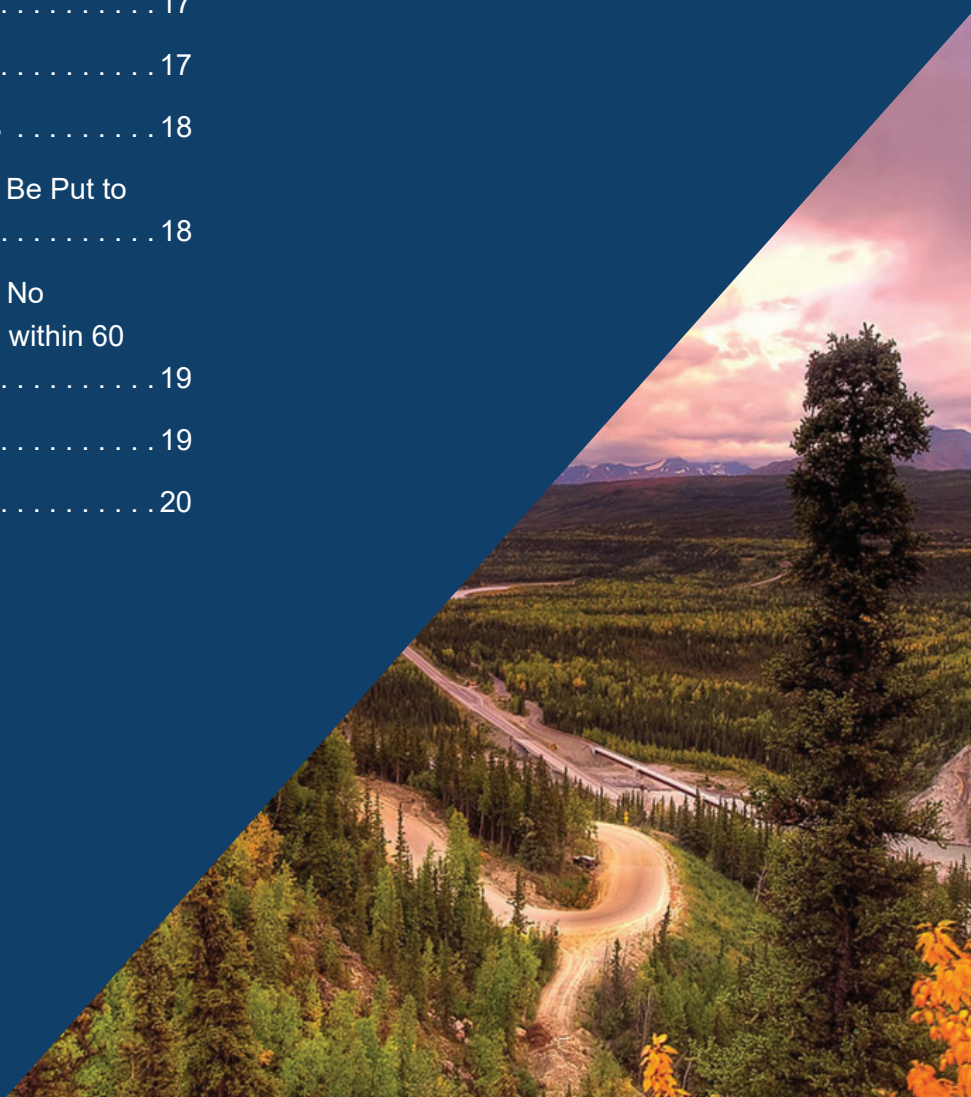
OFFICE OF INSPECTOR GENERAL
SEMIANNUAL REPORT TO CONGRESS



MARCH 2019

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EXECUTIVE SUMMARY

This Semiannual Report, submitted pursuant to Section 5 of the Inspector General Act of 1978, as amended, summarizes the major activities and accomplishments of the Denali Commission Office of Inspector General (OIG) for the period from October 1, 2018 to March 31, 2019.

On December 31, 2018, the Department of Commerce Inspector General resigned from Denali Commission (Commission) after serving as Interim Inspector General since April 2014. In January 2019, the Commission named Dana Rooney to serve as Interim Inspector General. Ms. Rooney is concurrently serving as the Inspector General of the Federal Labor Relations Authority.

Audits and Reviews Highlights

During this reporting period, the OIG performed four audits and reviews including: (1) Top Management and Performance Challenges Facing the Commission in Fiscal Year (FY) 2019; (2) Audit of the Commission's FY 2018 Financial Statements; (3) Audit of the Commission's FY 2018 compliance with Federal Information Security Management Act (FISMA) and (4) Review of the Commission's Compliance with FY 2017 Improper Payments Requirements.

On October 17, 2018, the OIG issued a letter on the top management and performance challenges facing the Denali Commission in FY 2019. The OIG maintained the Commission's challenge: Continue Implementing Strategic Plan to Fulfill the Commission's Statutory Purpose with Significant Decreases in Funding. The OIG removed one challenge, continuity of operations, through a possible Federal Co-Chair vacancy.



SB & Company, LLC (SBC), under contract with the OIG, completed an audit of the Commission's FY 2018 financial statements (DCOIG-19-002-A) in accordance with applicable standards. SBC issued an unmodified opinion on the financial statements and had no other findings.

SBC also performed an audit of the Commission's FY 2018 compliance with FISMA in accordance with OMB Memorandum 18-02, Fiscal Year 2017–2018 Guidance on Federal Information Security and Privacy Management Requirements. In October 2018, upon completion of audit work, OIG issued its overall assessment of the Commission's information security program directly to the Office of Management and Budget (OMB) through the CyberScope reporting portal. This report was not made public.

The OIG completed a review of the Commission's Compliance with FY 2017 Improper Payments Requirements (DCOIG-19-001-M) with no findings.

Looking Ahead

The OIG plans to initiate the following audits and reviews during the second half of FY 2019:

1. Audit of the Commission's FY 2019 financial statements;
2. Audit of the Commission's Compliance with the Digital Accountability and Transparency Act (DATA Act) requirements; and
3. Audit of the Commission's FY 2019 Compliance with the Federal Information Security Management Act.

DENALI COMMISSION OVERVIEW

The Denali Commission Act of 1998 (Denali Commission Act) established the Denali Commission (Commission) to deliver a wide range of services to Alaska in the most cost-effective manner by reducing administrative and overhead costs. As part of the Denali Commission Act, the Commission provides job training and other economic development services in rural communities, with a focus on promoting development in rural Alaska and on providing key infrastructure, such as power generation and transportation facilities, modern communication systems, and water and sewer systems.

Since its enactment, the Denali Commission Act has been updated several times, expanding the Commission's mission to include the planning and construction of health care facilities and the establishment of the Denali Access System Program to support surface transportation infrastructure and waterfront transportation projects.

The Commission currently oversees three program areas: **Energy, Village Infrastructure Protection, and Special Projects and Initiatives.**

Oversight Areas

ENERGY

Recognizing the critical role energy plays in the quality of life and economic development of Alaska's rural communities, the Commission has made energy its primary infrastructure theme since it was created in 1998.

The Energy Program funds the design and construction of replacement bulk fuel storage facilities, upgrades to community power-generation and distribution systems (including interties), and energy efficiency related initiatives. The Commission primarily works with the Alaska Energy Authority, Alaska Village Electric Cooperative, and Alaska Native Tribal Health Consortium to prioritize projects based on need. Other key partners include the U.S. Department of Energy – Office of Indian Energy, U.S. Department of Agriculture – Rural Utilities Service, State of Alaska Department of Commerce, Community and Economic Development, and Rural Alaska Fuel Services.

VILLAGE INFRASTRUCTURE PROTECTION

In 2015, the White House directed the Commission to establish a Village Infrastructure Protection (VIP) Program to assist rural Alaskan communities that are threatened by erosion, flooding, and permafrost degradation. The goal of the VIP program is to mitigate the impact of these threats with respect to safety, health, and the protection of infrastructure.

The basis for the program is Government Accountability Office (GAO) Report 09-551 that was published in 2009. The report identified 31 rural Alaska communities that face significant damage to infrastructure, and/or relocation due to these threats. The state of Alaska has also done significant research on this problem through an Immediate



One of the villages imminently threatened is Newtok, where permafrost degradation acting in combination with Ninglick River currents has resulted in a river bank erosion rate of 70 feet per year. Numerous homes, the school, and the airport will be destroyed within the next 2 to 4 years. Relocating the community to safer ground is the only alternative.

The Commission has received no new recurring appropriations for the VIP program. However, in FY 2016, FY 2017, and FY 2018, the agency invested a total of \$34 million of its discretionary program funds for VIP-related initiatives—primarily in support of the four most vulnerable communities identified in GAO Report 09-551 (Newtok, Kivalina, Shaktoolik, and Shismaref).

Action Workgroup established by Governor Sarah Palin in 2007.

The Commission's primary program partners are the following:

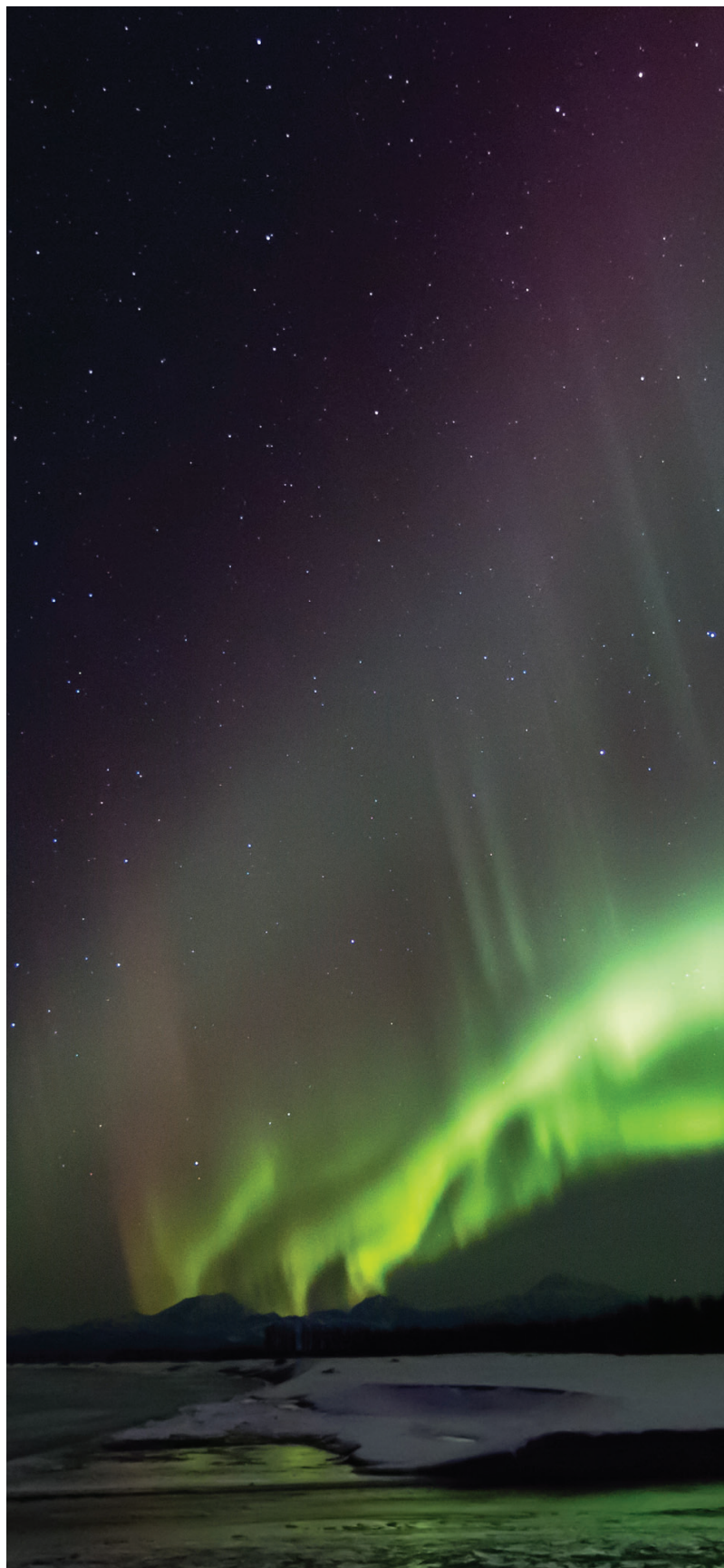
- Alaska Native Tribal Health Consortium, which is providing overall project management services for the Newtok Relocation Project;
- U.S. Army Corp of Engineers and University of Alaska Fairbanks, which are developing an overall Statewide Threat Assessment; and
- Several agencies within the state of Alaska, such as the Alaska Energy Authority and the Division of Community and Regional Affairs.



SPECIAL PROJECTS AND INITIATIVES

In 2012, a provision was added to the Commission's authorizing statute that allows other federal agencies to transfer funds to the Commission whereupon the funds, regardless of source, become no-year funds available until expended. In recent years, the Commission has used this tool to assist other agencies to implement projects and initiatives in rural Alaska that are complementary to the Commission's mission. Examples include funds from the Centers for Disease Control and Prevention for rural Alaska health and drinking water related studies.

The Commission's approved FY 2018 and FY 2019 work plans included up to \$250,000 of discretionary funds for health care, housing, and/or work force development projects. In 2018, \$220,000 of these funds was used to support the construction of a new wellness center in Nome, and \$30,000 was used for hospital/clinic integration planning in Cordova. In 2019, \$224,000 was awarded for a medical center master plan in Petersburg.



Organization

The Commission is organized into three direct components; Programs, General Counsel, and Financial Operations. The Commission is also engaged in a special initiative related to Grant Solutions based on agreements entered into with other Federal Agencies.





OFFICE OF INSPECTOR GENERAL

The Office of Inspector General (OIG) is an independent office established under the provisions of the Inspector General Act of 1978, as amended (hereafter referred to as the IG Act). In January 2019, the Commission named Dana Rooney to serve as Interim Inspector General. Ms. Rooney signed an agreement to serve as interim Inspector General effective January 29, 2019. The Department of Commerce OIG, the previous Interim Inspector General resigned from the Commission effective December 31, 2018 after serving since April 2014.

The IG Act was recently amended by the Inspector General Empowerment Act of 2016 to safeguard OIG access to agency information and mandates additional reporting to increase transparent in government operations.

The IG Act gives the Inspector General the authority and responsibility to:

1. Conduct and supervise audits and investigations of the Commission's programs and operations
2. Provide leadership, coordination, and recommend policies for activities designed to promote economy, efficiency, and effectiveness in the administration of the Commission's programs and operations; and prevent and detect fraud, waste, and abuse of the Commission's programs and operations; and
3. Keep the Federal Co-Chair, Commissioners, and Congress fully and currently informed about problems and deficiencies, as well as the necessity for corrective actions.



OFFICE OF INSPECTOR GENERAL ACTIVITIES

During the semi-annual period, the OIG completed three audits or reviews.

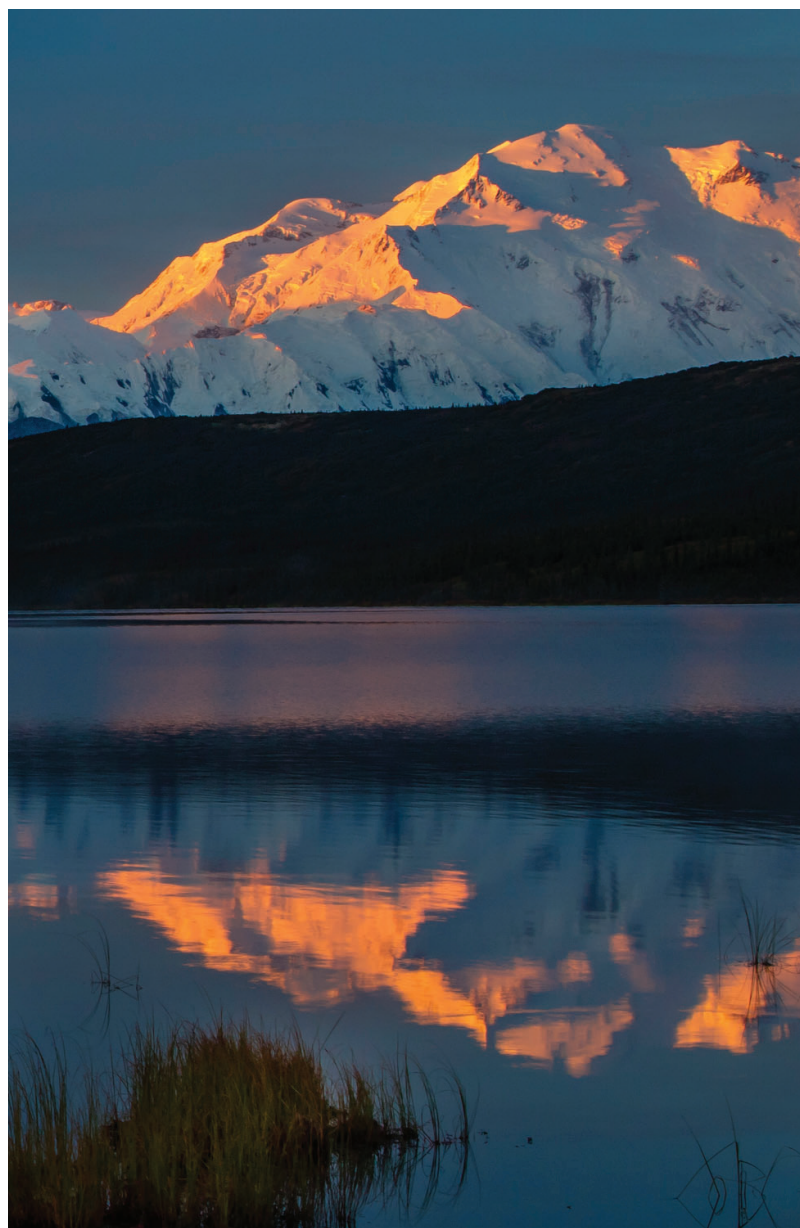
Completed Works

TOP MANAGEMENT AND PERFORMANCE CHALLENGES FACING THE DENALI COMMISSION IN FY 2019 (2018-10)

On October 17, 2018, the OIG issued their report on the top management and performance challenges facing the Commission in FY 2019 (2018-10). According to a study by the U.S. Government Accountability Office (GAO), the Commission faces several challenges in fulfilling its statutory purpose of providing, among other things, infrastructure and economic development services to rural Alaskan villages. The Commission's role, combined with continued budget reductions, poses a challenge for the agency.

The OIG maintained one of the two challenges identified in their November 2017 Top Management and Performance Challenges report: fulfilling the Commission's statutory purpose with significant decreases in funding. The Commission has made progress towards developing strategies to fulfill its statutory purpose by implementing a strategic plan for FYs 2018–2022 and awarding more grants that focus on maintenance and facilitation. However, due to the current budget environment, the Commission needs to continue implementing the strategies identified in its strategic plan of focusing on facilitation and maintenance of existing infrastructure in order to fulfill its statutory purpose with significantly decreased funding. In addition, the OIG removed one challenge identified in the November 2017 Top Management and Performance Challenges report: continuity of operations through a

possible federal co-chair vacancy. On April 25, 2018, the Secretary of Commerce appointed an interim Federal co-chair, who began work at the Commission on June 12, 2018. With the placement of the interim Federal co-chair, daily operations of the Commission should continue without significant impact.





Works in Progress

CHALLENGE: CONTINUE IMPLEMENTING STRATEGIC PLAN TO FULFILL THE COMMISSION'S STATUTORY PURPOSE WITH SIGNIFICANT DECREASES IN FUNDING

In 1998, the Denali Commission Act established the Commission as a Federal agency with the statutory purpose of providing to rural areas of Alaska job training and economic development services, rural power generation and transmission facilities, modern communications systems, water and sewer systems, and other infrastructure needs.

The Commission has awarded more than \$1.2 billion in federal grants which have leveraged an additional \$1.3 billion of match to help develop remote communities, funding more than 1,400 projects across various programs, including energy, transportation, and health care. Between FYs 2004 and 2008, on average the Commission received nearly \$130 million in total funding per fiscal year. Since then, the Commission has experienced a significant decrease in funding in recent fiscal years, from receiving about \$141 million in FY 2006 to about \$15 million in FY 2019—a decrease of approximately 89 percent. This reduced level of funding is expected to continue for the near future. The 2016 Water Infrastructure Improvements for the Nation Act (WIIN Act) reauthorized the Commission for an appropriation of \$15 million for each fiscal year through 2021. In the November 2017 Top Management and Performance Challenges report, the OIG identified that the Commission faced significant decreases in funding levels which could not support grant making on the scale and pace done in the past while still fulfilling its statutory purpose. Although the Commission has taken steps to address this challenge, it continues to face difficulties in its current role as primarily a grant-making agency in the

current budget environment.

In March 2015, GAO identified several strategies that the Commission could take on how to approach fulfilling its statutory purpose in the future while facing significantly limited budgetary resources. Among the recommended strategies were prioritizing which legacy program areas to continue, and/or increasing investments related to maintaining existing infrastructure, facilitation and technical assistance. In late FY 2017, the Commission developed a strategic plan for FY 2018–2022 to address these recommendations and still use the Commission’s traditional grant-making model.

The Commission has made progress towards implementing the strategies identified in its strategic plan. For example, in FY 2018 the Commission awarded approximately \$9.7 million through 40 grants for maintenance and improvements, facilitation, and planning and assessments. The Commission should continue implementing the strategies identified in its strategic plan and continue focusing on facilitation and maintenance of existing infrastructure in order to fulfill its statutory purpose.

AUDIT OF THE DENALI COMMISSION’S FISCAL YEAR 2018 FINANCIAL STATEMENTS (DCOIG-19-002-A)

SB & Company, LLC (SBC), an independent public accounting firm, performed an audit of the Commission’s FY 2018 financial statements in accordance with U.S. generally accepted government auditing standards and OMB Bulletin 17-03, Audit Requirements for Federal Financial Statements. In its audit of the Commission, SBC (1) identified no instances of deficiency or material weakness in internal control over financial reporting, (2) identified no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards or OMB audit guidance, and (3) determined that the financial statements were fairly presented in all material respects and in conformity with U.S. generally accepted accounting principles.



AUDIT OF THE DENALI COMMISSION'S FY 2018 COMPLIANCE WITH FISMA

SBC performed an audit of the Commission's FY 2018 compliance with FISMA in accordance with OMB Memorandum 18-02, Fiscal Year 2017–2018 Guidance on Federal Information Security and Privacy Management Requirements. Upon completion of audit work, OIG issued its overall assessment of the Commission's information security program directly to OMB through the CyberScope reporting portal.

REVIEW OF THE DENALI COMMISSION'S COMPLIANCE WITH FY 2017 IMPROPER PAYMENTS REQUIREMENTS (DCOIG-001-M)

In December 2018, the OIG issued a conclusion of the Commission's compliance with FY 2017 reporting on improper payments. The OIG conducted this review to comply with the requirements of the Improper Payments Information Act of 2002 (IPIA)—as amended by the Improper Payments Elimination and Recovery Act of 2010 (IPERA) and the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA)—and Office of Management and Budget (OMB) Circular A-123, Appendix C, "Requirements for Effective Estimation and Remediation of Improper Payments," as amended.

The OIG's objective was to review the accuracy and completeness of the Commission's reporting, as well as agency performance in reducing and recapturing improper payments, if applicable. Overall, the OIG found that the Commission met the applicable OMB criteria for compliance with IPIA for FY 2017.2

PLANNED AUDITS AND MANAGEMENT REVIEWS

AUDIT OF THE DENALI COMMISSION'S FISCAL YEAR (FY) 2019 FINANCIAL STATEMENTS

SBC is currently performing an audit of the Commission's FY 2019 financial statements in accordance with the Government Accountability Office's Government Auditing Standards and Office of Management and Budget (OMB) Bulletin 17-03, *Audit Requirements for Federal Financial Statements*.



AUDIT OF THE DENALI COMMISSION'S COMPLIANCE WITH DATA ACT REQUIREMENTS

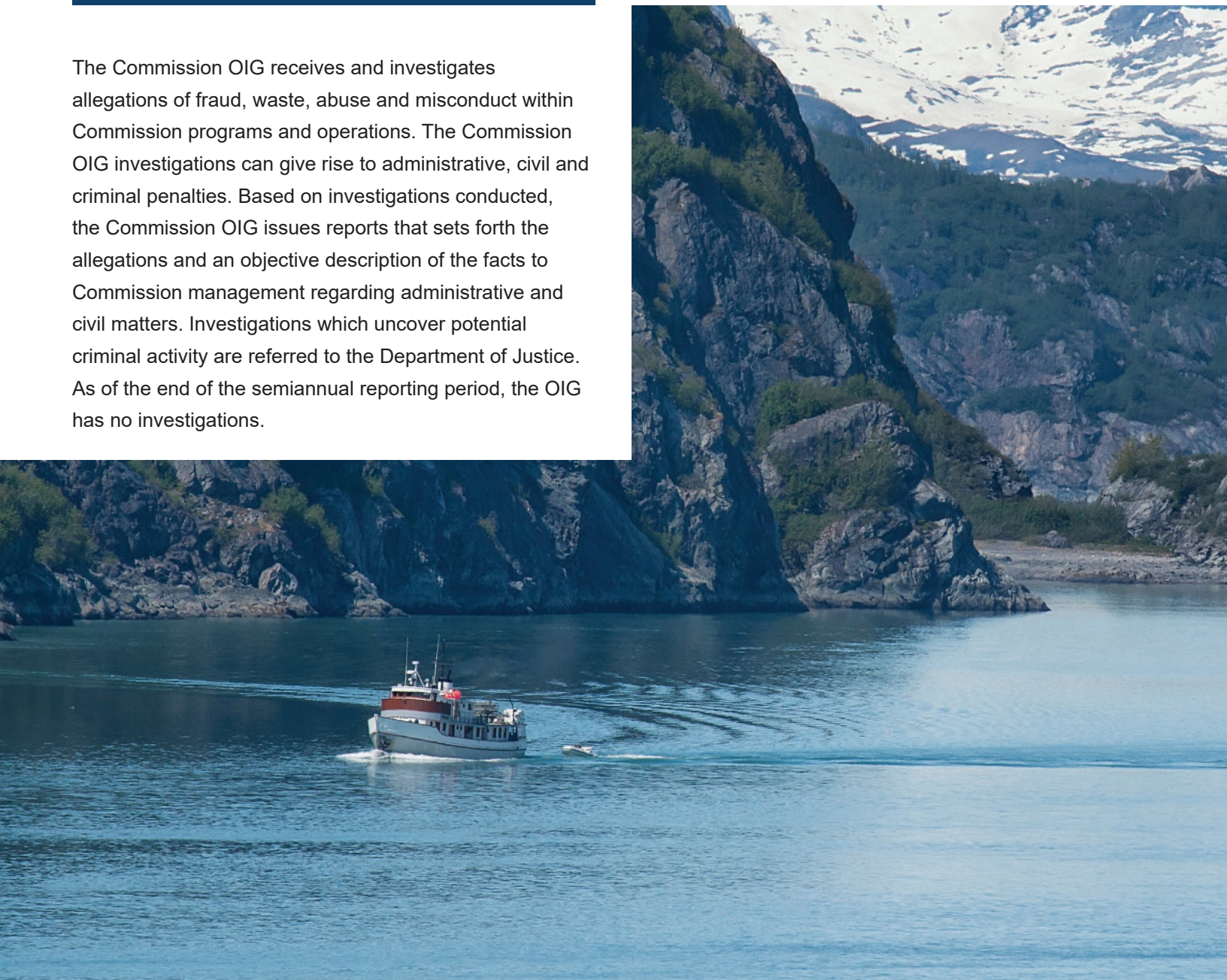
SBC is currently performing an audit of the Commission's compliance with the Digital Accountability and Transparency Act (DATA Act).

INVESTIGATIONS

The Commission OIG receives and investigates allegations of fraud, waste, abuse and misconduct within Commission programs and operations. The Commission OIG investigations can give rise to administrative, civil and criminal penalties. Based on investigations conducted, the Commission OIG issues reports that sets forth the allegations and an objective description of the facts to Commission management regarding administrative and civil matters. Investigations which uncover potential criminal activity are referred to the Department of Justice. As of the end of the semiannual reporting period, the OIG has no investigations.

AUDIT OF THE DENALI COMMISSION'S FY 2019 COMPLIANCE WITH FISMA

SBC is currently performing an audit of the Commission's FY 2019 compliance with the Federal Information Security Modernization Act (FISMA) in accordance with OMB Memorandum 18-02, *Fiscal Year 2018-2019 Guidance on Federal Information Security and Privacy Management Requirements*.



OIG HOTLINE

In order to facilitate reporting of allegations, the Commission OIG maintains a hotline (see “Contacting the Office of Inspector General”). Callers who have general questions or concerns that do not fall within the OIG’s jurisdiction are referred to other entities, such as other Commission offices, Federal agencies and local or state governments.

During the semiannual reporting period, we received 0 hotline inquiries.

LIAISON ACTIVITIES

The IG is a member of the CIGIE, which was established on October 14, 2008, pursuant to the Inspector General Reform Act of 2008.



REPORTING REQUIREMENTS OF THE INSPECTOR GENERAL ACT OF 1978, AS AMENDED

The reporting requirements of the Inspector General Act of 1978, as amended, are listed in the following table along with the location of the required information. The word “None” appears where this is no data to report under a particular requirement.

Reference	Reporting Requirements	Page
4(a)(2)	Review of legislation and regulations	20
5(a)(1)	Significant problems, abuses, and deficiencies relating to the administration of programs and operations	20
5(a)(2)	Recommendations with respect to significant problems, abuses, or deficiencies	20
5(a)(3)	Significant recommendations included in previous reports on which corrective action has not been taken (Table 1)	20/17
5(a)(4)	Matters referred to prosecutorial authorities	20
5(a)(5)	Summary of instances where information was refused	20
5(a)(6)	Listing of reports by subject matter (Table 2)	17
5(a)(7)	Summary of significant reports	9-12
5(a)(8)	Statistical table – reports with questioned costs (Table 3)	18
5(a)(9)	Statistical table – recommendations that funds be put to better use (Table 4)	18
5(a)(10)	Summary of each audit, inspection, and evaluation report issued before this reporting period for which no management decision was made by end of the reporting period, no establishment comment was returned within 60 days; or for those with any outstanding unimplemented recommendations, including the potential aggregate cost savings (Table 5)	21/19
5(a)(11)	Description and explanation of significant revised management decisions	21
5(a)(12)	Significant management decisions with which the Inspector General disagrees	21
5(a)(13)	Information under section 804(b) of the Federal Financial Management Improvement Act of 1996	21
5(a)(14)(15)(16)	Peer review activity on Commission OIG and Peer review activity by Commission OIG on another OIG	21-22
5(a)(17)	Statistical table – investigative reports (Table 6)	22/19
5(a)(18)	Description of metrics used for developing the data for the statistical table under Section 5(a)(17)	22
5(a)(19)	Report on each investigation involving a senior Government employee where allegations of misconduct were substantiated	22

5(a)(20)	Description of whistleblower retaliation	22
5(a)(21)	Description of any attempt by establishment to interfere with the independence including budget constraints, resisted to or objected to oversight, delayed access to information	22
5(a)(22)	Description of particular circumstances of each inspection, evaluation, and audit conducted that is closed and was not disclosed to the public; and investigation conducted by the Office involving a senior Government employee that is closed and was not disclosed to the public	23

FIRST HALF OF FY 2019 FREEDOM OF INFORMATION ACT REQUESTS

Activity	Total
Number of Freedom of Information Act (FOIA) Requests Received	0
Number of FOIA Requests Processed	
Number Granted	
Number Partially Granted	
Number Not Granted	
Reasons for Denial	
No Records Available	
Referred to Other Agencies	
Requests Denied in Full Exemption 3	
Requests Denied in Full Exemption 5	
Requests Denied in Full Exemption 7(A)	
Requests Denied in Full Exemption 7(C)	
Request Withdrawn	
Not a Proper FOIA Request	
Not an Agency Record	
Duplicate Request	
Other	
Requests for OIG Reports from Congress and Other Government Agencies	
Received	
Processed	
Number of OIG Reports/Documents Released in Response to Requests	

TABLE 1. REPORTS FROM PREVIOUS PERIODS WITH UNIMPLEMENTED RECOMMENDATIONS

Report Title	Unimplemented Recommendations
DCOIG-18-004-A <i>Improvements are Needed in the Denali Commission Travel Program</i>	Commission travel oversight officials should ensure that non-contract carrier and chartered carrier and chartered air service travel are properly justified and approved in accordance with the Federal Travel Regulation.

TABLE 2. LISTING OF REPORTS ISSUED

Report Number	Subject Matter	Issue Date	Report Title	Questioned Cost	Unsupported Cost	Funds Put to Better Use
N/A	Audit	10/15/2018	FISMA FY 2018 Compliance	\$0	\$0	\$0
2018-10	Review	10/17/2018	Top Management and Performance Challenge Facing the Denali Commission in FY 2019	\$0	\$0	\$0
DCOIG-19 002-A	Audit	11/15/2018	Denali Commission's Compliance with FY 2018 Financial Statement Audit	\$0	\$0	\$0
DCOIG-19 001-M	Review	12/13/2018	Denali Commission's Compliance with FY 2017 Improper Payments Requirements	\$0	\$0	\$0



TABLE 3. REPORTS WITH QUESTIONED COSTS

Description	Number of Reports	Questioned Costs	Unsupported Costs
A. For which no management decision has been made by the commencement of the reporting period.	0	\$0	\$0
B. Which were issued during the reporting period.	0	\$0	\$0
Subtotals (A + B)	0	\$0	\$0
C. For which a management decision was made during the reporting period.	0	\$0	\$0
i. Dollar value of disallowed costs; and	0	\$0	\$0
ii. Dollar value of costs not disallowed.	0	\$0	\$0
D. For which no management decision was made by the end of the reporting period.	0	\$0	\$0

TABLE 4. RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE

Description	Number of Reports	Questioned Costs
A. For which no management decision has been made by the commencement of the reporting period.	0	\$0
B. Which were issued during the reporting period.	0	\$0
Subtotals (A + B)	0	\$0
C. For which a management decision was made during the reporting period.	0	\$0
i. Dollar value of recommendations that were agreed to by management; and	0	\$0
ii. Dollar value of recommendations that were not agreed to by management	0	\$0
D. For which no management decision has been made by the end of the reporting period.	0	\$0

TABLE 5. SUMMARY OF REPORTS FOR WHICH NO ESTABLISHMENT COMMENT WAS RETURNED WITHIN 60 DAYS OF PROVIDING THE REPORT

Fiscal Year	Number of Reports with Unimplemented Recommendations	Number of Unimplemented Recommendations	Dollar Value of Aggregate Potential Cost Savings
N/A	0	0	\$0

TABLE 6. LISTING OF INVESTIGATIVE REPORTS

Number of Investigative Reports	Number of Persons Referred to Department of Justice	Number of Persons Referred to State & Local Prosecuting Authorities	Number of Indictments and Criminal Information's that Resulted from Prior Referral
0	0	0	0



OTHER REQUIRED DISCLOSURE INFORMATION

THE FOLLOWING SECTION INCLUDES INFORMATION THAT IS REQUIRED UNDER THE INSPECTOR GENERAL ACT THAT IS NOT OTHERWISE ADDRESSED IN THIS REPORT, ALONG WITH SUPPLEMENTAL INFORMATION ON SELECT REPORTING TOPICS.

SECTION 4(A)(2): REVIEW OF LEGISLATION AND REGULATIONS

This section requires the Inspector General of each agency to review existing and proposed legislation and regulations relating to that agency's programs and operations. Based on this review, the Inspector General is required to make recommendations in the semiannual report concerning the impact of such legislation or regulations on (1) the economy and efficiency of the management of programs and operations administered or financed by the agency or (2) the prevention and detection of fraud and abuse in those programs and operations. There were no existing and proposed legislation and regulations relating to the Commission's programs and operations.

SECTION 5(A)(1) AND 5(A)(2): SIGNIFICANT PROBLEMS, ABUSES, AND DEFICIENCIES, AND RESULTING RECOMMENDATIONS FOR CORRECTIVE ACTION

These sections require a description of significant problems, abuses, and deficiencies relating to the administration of programs and operations disclosed during the reporting period and the resulting recommendations for corrective action. There were no significant problems, abuses, or deficiencies found during the reporting period, and no resulting recommendations for corrective action were issued.

SECTION 5(A)(3): PRIOR SIGNIFICANT RECOMMENDATIONS UNIMPLEMENTED

This section requires identification of each significant recommendation described in previous semiannual reports for which corrective action has not been completed. Section 5(b) requires that the Commission transmit to Congress statistical tables showing the number and value of audit reports for which no final action has been taken, as well as an explanation of why recommended action has not occurred, except when the management decision was made within the preceding year. See table 1 page 17.

SECTION 5(A)(4): MATTERS REFERRED TO PROSECUTORIAL AUTHORITIES

This section requires a summary of matters referred to prosecutorial authorities and the resulting prosecutions and convictions. There were no matters referred to prosecutorial authorities.

SECTIONS 5(A)(5) AND 6(C)(2): INFORMATION OR ASSISTANCE REFUSED

These sections require a summary of each report to the Commissioners when access, information, or assistance has been unreasonably refused or not provided. We were not refused access, information, or assistance.

SECTION 5(A)(10): PRIOR AUDIT REPORTS UNRESOLVED

This section requires: a summary of each audit report, inspection report, and evaluation report issued before commencement of the reporting period (A) for which no management decision has been made by the end of the reporting period, an explanation of why a decision has not been made, and a statement concerning the desired timetable for delivering a decision on each such report; (B) for which no establishment comment was returned within 60 days of providing the report to the establishment; and (C) for which there are any outstanding unimplemented recommendations, including the aggregate potential cost savings of those recommendations. There are no reports for which no management decision was made by the end of the reporting period or for which no establishment comment was returned within 60 days of providing the report to the establishment.

SECTION 5(A)(11): SIGNIFICANT REVISED MANAGEMENT DECISIONS

This section requires an explanation of the reasons for any significant revision to a management decision made during the reporting period. There were no significant revised management decisions during this period.

SECTION 5(A)(12): SIGNIFICANT MANAGEMENT DECISIONS WITH WHICH OIG DISAGREED

This section requires information concerning any significant management decision with which the inspector general disagrees. There were no significant management decisions with which the OIG disagreed.

SECTION 5(A)(13): NONCOMPLIANCE WITH FEDERAL FINANCIAL MANAGEMENT SYSTEMS

Agencies are required to implement and maintain financial management systems that comply substantially with federal financial management systems requirements, applicable federal accounting standards, and the U.S. Government Standard General Ledger at the transaction level. If an agency does not comply with federal financial systems, it is required to establish a remediation plan. This section requires the reporting of instances and reasons when an agency has not met target dates established in the remediation plan. There were no instances of noncompliance with federal financial management systems.

SECTION 5(A)(14) AND 5(A)(15): RESULTS OF PEER REVIEW RECEIVED BY OIG

These sections require an appendix containing the results of any peer review conducted by another inspector general during the reporting period and a list of outstanding recommendations. As of this reporting period, the Denali Commission OIG has not been peer reviewed, and there are no outstanding recommendations.

SECTION 5(A)(16): RESULTS OF PEER REVIEW CONDUCTED BY OIG

This section requires a list of any peer reviews conducted of another inspector general during the reporting period, including a list of any outstanding recommendations made from any previous peer reviews. As of this reporting period, the Denali Commission OIG has not conducted a peer review, and there are no outstanding recommendations.

SECTIONS 5(A)(17) AND 5(A)(18): INVESTIGATIONS, CRIMINAL PROSECUTIONS, AND CRIMINAL INDICTMENTS AND METRICS USED TO DEVELOP STATISTICAL DATA OF INVESTIGATIONS, CRIMINAL PROSECUTIONS, AND CRIMINAL INDICTMENTS

These sections require a statistical table and a description of the metrics used to develop the data related to (1) the number of investigative reports issued, (2) number of persons referred to the Department of Justice for criminal prosecution, (3) number of persons referred to state and local authorities for criminal prosecution, and (4) number of criminal indictments and criminal information resulting from any prior referrals to prospective authorities. There were no investigations, criminal prosecutions, or criminal indictments.

SECTION 5(A)(19): SUBSTANTIATED INVESTIGATIONS OF SENIOR GOVERNMENT EMPLOYEES

This section requires a detailed description of each investigation involving a senior government employee where allegations of misconduct were substantiated, including a detailed description of (1) the facts and circumstances of the investigations and (2) the status and disposition of the matter—including, if referred to or declined by the Department of Justice, the date of referral or declination. There were no investigations involving senior government employees.

SECTION 5(A)(20): INSTANCES OF WHISTLEBLOWER RETALIATION

This section requires a detailed description of any instance of whistleblower retaliation, including (1) information about the official found to have engaged in retaliation and (2) the consequences the agency imposed to hold the official accountable. There were no instances of whistleblower retaliation.

SECTION 5(A)(21): INTERFERENCE WITH INSPECTOR GENERAL INDEPENDENCE

This section requires a detailed description of any attempt by the Commission to interfere with the independence of the inspector general, including (1) budget constraints designed to limit OIG capabilities and (2) incidents where the establishment has resisted OIG oversight or delayed OIG access to information, including the justification of the establishment for such action. There were no instances of the Commission attempting to interfere with the independence of the OIG.

SECTION 5(A)(22): CLOSED INSPECTOR GENERAL MATTERS NOT PUBLICLY DISCLOSED

This section requires a detailed description of the particular circumstances of each (1) inspection, evaluation, and audit conducted by OIG that is closed and was not publicly disclosed and (2) investigation conducted by OIG involving a senior government employee that is closed and was not disclosed to the public. There were no instances of investigations involving senior government employees that were not disclosed to the public.

There was one instance of an audit conducted by OIG that is closed and was not publicly disclosed. SBC performed an audit of the Commission's FY 2018 compliance with FISMA in accordance with OMB Memorandum 18-02, Fiscal Year 2017–2018 Guidance on Federal Information Security and Privacy Management Requirements. Upon completion of audit work, OIG issued its overall assessment of the Commission's information security program directly to OMB through the CyberScope reporting portal. Our assessment found that because the Commission uses the United States Treasury Shared Services systems, it does not collect personally identifiable information and systems collecting private data are not housed at the Commission. The Commission is a relatively small agency that relies upon the shared services provider, Bureau of Fiscal Services, to provide much of their information technology security. In past years, due to the small size of the agency, much of the NIST Information Security Framework was not applicable to the Commission because the information was not kept within its network. The Commission's information security program does not have fully documented and sufficient policies and procedures as recommended by the NIST Information Security Framework. Although the information security program could use improvement, the Commission is still at a relatively low risk of encountering cyber-attacks due to the amount and type of information stored within its network.



CONTACTING THE OFFICE OF INSPECTOR GENERAL



If you believe an activity is wasteful, fraudulent, or abusive of Federal funds, contact us:

Online Hotline: OIG.denali.gov

Email: drooney@denali.gov

The complainant may remain confidential; allow their name to be used; or anonymous. If the complainant chooses to remain anonymous, the Commission OIG cannot obtain additional information on the allegation, and also cannot inform the complainant as to what action the Commission OIG has taken on the complaint. Confidential status allows further communication between the Commission OIG and the complainant after the original complaint is received. The identity of complainant is protected under the provisions of the Whistleblower Protection Act of 1989 and the Inspector General Act of 1978. To learn more about the Commission OIG, visit our Website at <http://OIG.denali.gov>

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