



Office of Inspector General

Statement of Management Opportunities and Performance Challenges 2020

Introduction

As part of our agency's Performance and Accountability Report (PAR) for fiscal year (FY) 2020, the Architect of the Capitol (AOC) J. Brett Blanton requested the Office of Inspector General's (OIG) Statement of Management Opportunities and Performance Challenges (Statement). As with every AOC PAR since FY 2010, the OIG provides this statement for information and inclusion in the upcoming PAR. This statement identifies the AOC's most significant challenges and opportunities for improvement. The Statement is based on our observations, audits, inspections and evaluations, and investigative efforts, as well as the AOC-contracted Financial Statements Audit. We appreciate this opportunity to provide the AOC with our unique perspective on areas that need increased management attention and decisive action.

The OIG exists to identify efficiencies and economies as well as to prevent and report fraud, waste and abuse through audits, inspections and evaluations, and investigations. In addition, we are a key tool for the AOC as we offer objective recommendations to better use resources and report deficiencies that may hinder the AOC's mission. Since the last PAR, the OIG has made several key efforts to streamline our operations. These included: 1) creating a full-time Counsel to the Inspector General and Assistant Inspector General for Operations position to advise the Inspector General and direct OIG administrative and management processes; 2) implementing education and outreach strategies (e.g., social media); and 3) continuing to work with an independent accounting firm to conduct construction audits for one of the AOC's largest and most complex construction projects, the Cannon House Office Building Renewal (CHOB) Project, all in order to target our resources to better assist the AOC in achieving its mission.

The OIG believes that focusing senior leadership's attention to the Statement will help improve service delivery, promote economy and efficiency, and reduce the potential for fraud, waste and abuse in the AOC's programs and operations.

While recognizing the AOC's accomplishments in executing its core mission amid fiscal uncertainty and constraints, to include the COVID-19 pandemic response, the AOC must continue to monitor the management and performance challenges identified in the previous year's PAR. In particular, eight management and performance challenges cited in the OIG's Statement from the previous FY should remain on this list. These include:

- 1) Human Capital Management;
- 2) Auditability and Documentation to Support Decisions;
- 3) Management of Concurrent Construction Projects;
- 4) Cyber Security;
- 5) Lack of a Whistleblower Protection;

- 6) Property Accountability and Surplus Property Disposal;
- 7) Balancing Safety and Security with Preservation and Heritage; and
- 8) Duplication of Effort without a Working Capital Fund.

In the OIG's assessment, each of these challenges remain critical issues facing the agency. We do not repeat our summary of these challenges.

To date, the AOC has made considerable progress to improve and eliminate the previously OIG-identified management challenges. Due to the emphasis the AOC has placed on continued improvement of prior years' management challenges, we will not include challenges relative to the management of user-requested changes for the current FY since the OIG has observed improvements and non-recurring issues in these areas during recent reviews of AOC programs and construction projects.

Additional OIG Management and Performance Challenges

The OIG has identified two additional management challenges that impact the AOC; they are:

- 9) Identifying and Managing Waste and Holding Personnel Accountable for Waste;
and
- 10) Records Retention and Access.

Identifying and Managing Waste and Holding Personnel Accountable for Waste

In the course of our work during this and previous FYs, the OIG has identified ambiguous language and directives in AOC orders and policies. The ambiguities reflect a vague definition of waste, a lack of well-defined or required roles and responsibilities, and inconsistent record keeping practices. The AOC orders and policies also lack comprehensive accountability standards pertaining to the wasteful use of government resources. In multiple instances, the OIG has identified substantiated cases of wasteful actions and behaviors that occur without the appropriate consequence according to AOC policy.

The OIG has observed some inconsistencies in holding staff accountable for their actions that have the potential to create an agency culture where recurrent instances of waste of government resources could become commonplace. Some recent examples the OIG has encountered include actions that have gone without consequence such as the expenditure of end-of-year funds on unnecessary or unusable supplies that do not meet office requirements, and ordering equipment when a contract is already in place for that equipment instead of renegotiating the original contract. These examples give the appearance of stock piling, hoarding and waste, and positions the AOC for increased risk and financial loss if not properly addressed through policy, internal controls and setting the tone at the top with senior AOC leaders acknowledging and addressing waste.

Records Retention and Access

Though related to the identified management challenge of auditability and documentation to support decisions, the separate management challenge of records retention and access is distinct enough that it bears discussion.

As a best practice, many government agencies retain records according to the National Archives and Records Administration and Office of Personnel Management guidance even when not specifically required. The AOC's retention of and access to records is a matter of efficiency for the OIG and other jurisdictional operations, and is necessary for effective preservation of institutional knowledge. From the OIG's perspective, retention of and access to records, including employee emails and historical AOC orders and policies, is a challenge and should become a priority for the AOC.

Through the course of its work, the OIG has identified instances when the AOC has not retained specific records, which creates inefficiencies and diminishes integrity in the preservation of AOC historical records. The AOC makes the most recent orders and policies transparent by posting them to their intranet; however, preceding policies are more difficult to ascertain. The OIG makes reasonable effort to consider the most current orders and policies in place for all audits, inspections and evaluations, and investigations, though some events occur prior to the most recent or published order or policy and, thus, the preceding order or policy must be consulted. The AOC does not adequately maintain or provide accessible, cataloged preceding orders or policies for consultation, which leads to gaps in OIG activities, and inconsistencies in AOC operations and internal controls. Similarly, the AOC does not consistently or reliably retain or catalog for retention pertinent employees' emails. The OIG has identified instances when the AOC's retention of emails could further identify and/or support substantiation of instances of fraud, waste and abuse to include harassment and sexual harassment.

This challenge to the AOC creates opportunity for fraudsters and corrupt actors to take advantage of this records gap. To this end, a practice and policy supporting email retention could thwart corruption and a culture of harassment and help in diminishing this challenge for management. Records management to include email retention and policy cataloging should support transparency in oversight practices, promote integrity, and uphold a desire for informed continuity. By creating a sound records management and retention policy, the AOC would ensure that there are policies and procedures for managing all records, accounting and protecting valuable documents and records, and ensuring safe and thorough disposition of these records that could thereby be used as support for future decision-making, lessons learned, auditability and OIG activities.

Conclusion

All federal agencies have areas in which improvements are needed. This Statement, is written from the OIG's perspective and should be taken in that context. The AOC has much to be proud of as it has worked to reduce or eliminate elements of the previous years' challenges. The progress made on these challenges is very encouraging and the two new management challenges

included above will serve to improve the AOC's efforts to prevent and detect fraud, waste and abuse, as well as improve the effectiveness and efficiency of its programs and operations.

As the OIG finds additional specific challenges, we will inform management with findings and recommendations via audits, inspections and evaluations, investigations, and management advisories. The intent of these findings and recommendations is to improve the AOC's operations to meet its overall mission to "Serve, Preserve and Inspire" and to support the AOC by decreasing the potential for fraud, waste, abuse and mismanagement.