



Office of Inspector General

Statement of Management Opportunities and Performance Challenges 2019

Introduction

As part of our agency's Performance and Accountability Report (PAR) for Fiscal Year (FY) 2019, the Acting Architect of the Capitol (AOC) Thomas J. Carroll 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 document 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 provide efficiencies and economies along with preventing and reporting 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 creating an Assistant Inspector General for Inspections and Evaluations position to direct the efforts of this important new program division, performing education and outreach strategies to include social media, and obtaining 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 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 operations.

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

- 1) Retaining and Attracting a Skilled and Engaged Workforce (expanded under Human Capital Management);
- 2) Data Quality for Monitoring and Internal Controls Structure (combined and expanded under 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; and
- 7) Managing User-Requested Changes.

In the OIG's assessment, each of these challenges remain critical issues facing the agency. We do not repeat our summary of each of these challenges unless combined under new headings, or our recommendations to remediate them.

From our vantage point, much progress has been made to date to improve and eliminate the OIG-identified management challenges. Due to the emphasis the AOC has placed on continued improvement of prior years' management challenges, we have not repeated a Backlog of Deferred Maintenance and Capital Renewal management challenges for the current fiscal year since the OIG has not observed reoccurring issues in this area during our recent reviews of AOC programs and construction projects.

Expanded OIG Management and Performance Challenges

In addition to the remaining continuing management challenges noted above, the OIG has expanded on two challenges into overarching themes that continue to impact the AOC; they are:

- 1) Human Capital Management; and
- 2) Auditability and Documentation to Support Decisions.

Human Capital Management

We removed this management challenge in 2015 due to the AOC addressing our concerns over a better integrated personnel management system and making policy updates to address drug and alcohol use in the workplace. However, since that time, we have identified two separate human capital issues that are of concern: 1) Leadership Vacancies; and 2) Recruitment and Retention of Skilled Labor Positions.

Many leadership positions across the AOC remain vacant with their operations and mission currently led by individuals in an "Acting" capacity. Some prominent vacant senior leadership positions include the Chief Financial Officer, House Office Buildings Superintendent, Senate Office Buildings Superintendent and the Office of Security Programs Director. This situation places the AOC in a vulnerable position because it blurs clear lines of authority within respective AOC jurisdictions and offices while overburdening those serving in an "Acting" capacity due to an increased workload and refocus of priorities. While this is not an irregular scenario faced by a federal agency, the AOC needs to focus attention to permanently fill these positions to provide clear lines of direction that are aligned with mission goals and reduce volatility of staff turnover.

The recruitment and retention of a skilled workforce is critical to the AOC's mission. Skilled trades comprise more than 50 percent of the agency's workforce and comprehensive succession planning is critical to ensure the AOC maintains a qualified workforce throughout the years to come. Skilled labor trades include positions like masons, maintenance mechanics, high voltage

electricians, and heating, ventilation, and air conditioning technicians, among many others. In recent years the AOC has adopted creative recruitment strategies and hiring venues to ensure mission critical positions do not go unfilled. While these efforts are noted, the AOC's attention to this issue remains a priority due to the revolving nature of hiring, competitive economic factors faced by federal employers, and the retention influences needed to maintain a skilled workforce.

Auditability and Documentation to Support Decisions

During the course of our work, we recognized the AOC is challenged with executing standardized procedures for recording all transactions, communications and significant events in a manner that allows documentation to be readily available for examination. Our request for documentation has routinely taken the AOC a significant amount of time to gather and provide, or at times the requested information is incomplete or not provided, thus highlighting concerns with efficiency and accountability. The AOC's procedures on documentation do not promote a standardized process; therefore, documentation maintained varies amongst staff and from jurisdiction to jurisdiction. These procedures should be a part of the AOC's internal controls framework. Lacking internal controls for documentation can also degrade reportability, data quality and accountability, and quality assurance. We recognize that the AOC is often proficient in communicating specific details of a transaction or event; however, the AOC has acknowledged that some information and data shared may not have been thoroughly documented or vetted which may lead to reperformance and can contribute to program inefficiencies.

Documentation should be appropriately detailed and organized, and contain sufficient information to support transactions, events and management decisions. Effective documentation will provide a means to:

- Retain historical information of the transaction or event;
- Mitigate the risk of having the information limited to a few staff; and
- Communicate and make available in a timely manner the information to external parties such as external auditors.

We also find it important for all transactions and events to be promptly recorded and documented to maintain relevance and value to AOC management and third party stakeholders. The documentation should apply to the entire process or life cycle of a transaction or event from its initiation and authorization through its final status in summary records. Properly managed and maintained documentation with identified points of contact would better support management decisions and allow for improved management reviews and auditability.

Additional OIG Management and Performance Challenges

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

8. Balancing Safety and Security with Preservation and Heritage; and
9. Duplication of Effort without a Working Capital Fund.

Balancing Safety and Security with Preservation and Heritage

The AOC's mission of "Serve, Preserve, Inspire" recognizes the desire that all construction and renewal projects maintain the historical heritage of the Capitol campus. This is done, in part, through the use of historically accurate, custom-designed and manufactured pieces such as plasterwork and moldings, security bollards and barricades, security systems and devices, and ironwork which can add substantial cost and time to these projects. For example, some security projects or project components could include modified commercial-off-the-shelf solutions vice specific, engineered or tailored elements. Projects of this nature should give due consideration of alternatives to include materials and designs used while accounting for planning and cost schedules that maintain the balance between safety and security risks in addition to vulnerabilities with preservation and heritage.

Duplication of Effort without a Working Capital Fund

The management of large construction projects and other programs that cross multiple funding streams poses challenges and risks to the AOC that are not typical to other agencies. Though adequate planning and design can mitigate some of these challenges, unforeseen circumstances can increase the risks and vulnerabilities posed to the AOC. To offset these risks, the AOC establishes program operating practices and procedures with some overarching across the agency and many, specific to the jurisdiction. Due to the lack of a working capital fund which would allow some Senate and House allocations to combine, there are many integral AOC operational redundancies at the jurisdiction level, thus creating waste, inefficiencies and unnecessary duplication of effort that could be mitigated through certain centralization efforts.

Conclusion

All federal agencies have areas where improvements are needed. This Statement, is viewed 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 being made on these challenges is very encouraging and the two expanded and two new management challenges included above will serve to improve the AOC's efforts to prevent and detect fraud, waste, abuse and mismanagement, as well as improve the effectiveness of its operations.

As the OIG finds additional specific challenges, we will inform management with findings and recommendations via audits, inspections and evaluations, and investigations. Our 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.