
Office of the Inspector General

<http://oig.dc.gov>

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Description	FY 2012 Actual	FY 2013 Approved	FY 2014 Proposed	% Change from FY 2013
Operating Budget	\$14,047,448	\$15,685,662	\$15,947,792	1.7
FTEs	104.6	112.0	112.0	0.0

The mission of the Office of the Inspector General (OIG) is to conduct independent audits, investigations, and inspections to detect and prevent fraud, waste, and mismanagement, and to help the District of Columbia government improve its programs and operations by promoting economy, efficiency, and effectiveness.

Summary of Services

OIG initiates and conducts independent financial and performance audits, inspections, and investigations of District government operations; serves as the principal liaison between the District government and the U.S. Government Accountability Office; conducts other special audits, assignments, and investigations; audits procurement and contract administration on a continual basis; forwards to the appropriate authorities evidence of criminal wrongdoing that is discovered as the result of audits, inspections, or investigations conducted by the Office; enters into a contract with an outside audit firm to perform the annual audit of the District government's financial operations with the results published in the Comprehensive Annual Financial Report (CAFR); and chairs the CAFR oversight committee.

The agency's FY 2014 proposed budget is presented in the following tables:

FY 2014 Proposed Gross Funds Operating Budget, by Revenue Type

Table AD0-1 contains the proposed FY 2014 agency budget compared to the FY 2013 approved budget. It also provides FY 2011 and FY 2012 actual expenditures.

Table AD0-1
(dollars in thousands)

Appropriated Fund	Actual FY 2011	Actual FY 2012	Approved FY 2013	Proposed FY 2014	Change from FY 2013	Percent Change*
General Fund						
Local Funds	12,401	11,932	13,308	13,465	156	1.2
Total for General Fund	12,401	11,932	13,308	13,465	156	1.2
Federal Resources						
Federal Grant Funds	1,696	2,044	2,377	2,483	106	4.5
Total for Federal Resources	1,696	2,044	2,377	2,483	106	4.5
Intra-District Funds						
Intra-District Funds	3	71	0	0	0	N/A
Total for Intra-District Funds	3	71	0	0	0	N/A
Gross Funds	14,100	14,047	15,686	15,948	262	1.7

*Percent change is based on whole dollars.

Note: If applicable, for a breakdown of each Grant (Federal and Private), Special Purpose Revenue type and Intra-District agreement, please refer to Schedule 80 Agency Summary by Revenue Source in the FY 2014 Operating Appendices located on the Office of the Chief Financial Officer's website.

FY 2014 Proposed Full-Time Equivalents, by Revenue Type

Table AD0-2 contains the proposed FY 2014 FTE level compared to the FY 2013 approved FTE level by revenue type. It also provides FY 2011 and FY 2012 actual data.

Table AD0-2

Appropriated Fund	Actual FY 2011	Actual FY 2012	Approved FY 2013	Proposed FY 2014	Change from FY 2013	Percent Change
General Fund						
Local Funds	89.1	88.7	94.8	94.8	0.0	0.0
Total for General Fund	89.1	88.7	94.8	94.8	0.0	0.0
Federal Resources						
Federal Grant Funds	17.2	15.9	17.2	17.2	0.0	0.0
Total for Federal Resources	17.2	15.9	17.2	17.2	0.0	0.0
Total Proposed FTEs	106.3	104.6	112.0	112.0	0.0	0.0

FY 2014 Proposed Operating Budget, by Comptroller Source Group

Table AD0-3 contains the proposed FY 2014 budget at the Comptroller Source Group (object class) level compared to the FY 2013 approved budget. It also provides FY 2011 and FY 2012 actual expenditures.

Table AD0-3

(dollars in thousands)

	Actual FY 2011	Actual FY 2012	Approved FY 2013	Proposed FY 2014	Change from FY 2013	Percent Change*
Comptroller Source Group						
11 - Regular Pay - Continuing Full Time	8,504	8,887	9,565	9,626	61	0.6
13 - Additional Gross Pay	53	23	0	0	0	N/A
14 - Fringe Benefits - Current Personnel	1,616	1,652	2,121	2,224	103	4.8
15 - Overtime Pay	2	0	0	0	0	N/A
Subtotal Personal Services (PS)	10,175	10,563	11,686	11,849	164	1.4
20 - Supplies and Materials	7	17	31	31	1	2.4
30 - Energy, Communication and Building Rentals	1	1	1	1	0	0.0
31 - Telephone, Telegraph, Telegram, Etc.	19	28	13	13	0	0.0
32 - Rentals - Land and Structures	228	228	228	228	0	0.0
35 - Occupancy Fixed Costs	1	1	1	1	0	0.0
40 - Other Services and Charges	3,411	2,932	3,478	3,576	98	2.8
50 - Subsidies and Transfers	1	0	236	236	0	0.0
70 - Equipment and Equipment Rental	256	278	13	13	0	0.0
Subtotal Nonpersonal Services (NPS)	3,925	3,485	4,000	4,098	99	2.5
Gross Funds	14,100	14,047	15,686	15,948	262	1.7

*Percent change is based on whole dollars.

Program Description

The Office of the Inspector General operates through the following 3 programs:

Accountability, Control, and Compliance – provides audits and inspections of and for the District government that focus efforts on mitigating risks that pose the most serious challenges to District agencies and other stakeholders. Through this work, District government entities can better maintain fiscal integrity and operational readiness to reduce fraud, waste, and mismanagement.

This program contains the following 2 activities:

- **Audit** – conducts audits, reviews and analysis of financial, operational, and programmatic functions; and
- **Inspections and Evaluations** – is responsible for inspections and evaluations of District agencies in accordance with defined performance criteria. Management and programs are evaluated, and recommendations are made relating to improving overall efficiency and effectiveness.

Law Enforcement and Compliance – conducts investigations of allegations of waste, fraud, and abuse relating to the programs and operations of the District government.

This program contains the following 3 activities:

- **Investigations** – investigates fraud and other misconduct by District government employees and contractors doing business with the District of Columbia;
- **Medicaid Fraud Control Unit (MFCU) 25% Match** – represents the Local match associated with the MFCU federal grant; and
- **Medicaid Fraud Control Unit** – investigates and prosecutes cases of patient abuse and neglect and cases of Medicaid fraud by health care providers.

Agency Management – provides for administrative support and the required tools to achieve operational and programmatic results. This program is standard for all agencies using performance-based budgeting.

Program Structure Change

The Office of the Inspector General has no program structure changes in the FY 2014 proposed budget.

FY 2014 Proposed Operating Budget and FTEs, by Program and Activity

Table AD0-4 contains the proposed FY 2014 budget by program and activity compared to the FY 2013 approved budget. It also provides the FY 2012 actual data.

Table AD0-4

(dollars in thousands)

Program/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2012	Approved FY 2013	Proposed FY 2014	Change from FY 2013	Actual FY 2012	Approved FY 2013	Proposed FY 2014	Change from FY 2013
(1000) Agency Management								
(1010) Personnel	107	225	220	-5	1.4	1.5	1.5	0.0
(1020) Contracting and Procurement	276	323	331	8	2.3	2.5	2.5	0.0
(1030) Property Management	36	36	36	0	0.0	0.0	0.0	0.0
(1040) Information Technology	527	433	483	50	3.2	3.5	3.5	0.0
(1050) Financial Management	279	298	303	6	2.3	2.5	2.5	0.0
(1060) Legal	670	676	684	7	5.1	5.5	5.4	0.0
(1070) Fleet Management	10	8	7	-1	0.0	0.0	0.0	0.0
(1085) Customer Service	103	112	115	3	1.2	1.3	1.3	0.0
Subtotal (1000) Agency Management	2,008	2,111	2,180	69	15.6	16.6	16.6	0.0
(2000) Accountability, Control, and Compliance								
(2010) Audit	5,534	6,247	6,309	62	29.4	31.5	31.5	0.0
(2011) Audit	71	0	0	0	0.0	0.0	0.0	0.0
(2030) Inspections and Evaluations	1,314	1,400	1,422	22	12.6	13.5	13.5	0.0
Subtotal (2000) Accountability, Control, and Compliance	6,919	7,647	7,731	84	42.0	45.0	45.0	0.0
(3000) Law Enforcement and Compliance								
(3010) Investigations	2,477	2,918	2,904	-15	25.7	27.5	27.4	0.0
(3020) Medicaid Fraud Control Unit 25% Match	600	633	650	17	5.4	5.8	5.8	0.0
(3030) Medicaid Fraud Control Unit	2,044	2,377	2,483	106	15.9	17.2	17.2	0.0
Subtotal (3000) Law Enforcement and Compliance	5,121	5,928	6,036	108	46.9	50.5	50.4	0.0
Total Proposed Operating Budget	14,047	15,686	15,948	262	104.6	112.0	112.0	0.0

(Change is calculated by whole numbers and numbers may not add up due to rounding)

Note: For more detailed information regarding the proposed funding for the activities within this agency's programs, please see **Schedule 30-PBB Program Summary by Activity** in the **FY 2014 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2014 Proposed Budget Changes

The Office of the Inspector General's (OIG) proposed FY 2014 gross budget is \$15,947,792, which represents a 1.7 percent increase over its FY 2013 approved gross budget of \$15,685,662. The budget is comprised of \$13,464,738 in Local funds and \$2,483,053 in Federal Grant funds.

Current Services Funding Level

The Current Services Funding Level (CSFL) is a Local funds ONLY representation of the true cost of operating District agencies, before consideration of policy decisions. The CSFL reflects changes from the FY 2013 approved budget across multiple programs, and it estimates how much it would cost an agency to continue its current programs and operations into the following fiscal year. The initial adjustments in the budget proposal represent changes that should be compared to the FY 2014 CSFL budget and not necessarily changes made to the FY 2013 Local funds budget. The FY 2014 CSFL adjustments to the FY 2013 Local funds budget are described in table 5 of this agency's budget chapter. Please see the CSFL Development section within Volume 1: Executive Summary for more information regarding the methodology used and components that comprise the CSFL.

OIG's FY 2014 CSFL budget is \$13,464,738, which represents a \$156,246, or 1.2 percent, increase over the FY 2013 approved Local funds budget of \$13,308,492.

Major CSFL Cost Drivers

The FY 2014 CSFL calculated for OIG included an adjustment entry that is not described in detail on table 5. This adjustment was made for an increase of \$75,996 in personal services to account for the Fringe Benefit growth rate adjustment of 4.2 percent year-over-year growth, and \$80,251 in nonpersonal services based on the Consumer Price Index factor of 2.4 percent. During the development of the CSFL, some adjustments such as these were categorized as "other adjustments".

Agency Budget Submission

Increase: In order to ensure that audits, inspections and investigations of District agencies are conducted efficiently, OIG proposed the following FY 2014 budget changes: In Local funds, office support, tuition for training, and Information Technology (IT) software were increased by \$47,947 to cover the cost for centralizing online research through LexisNexis and procuring computer software licenses. Other adjustments include \$20,592 to cover OIG's 25 percent match requirement for their Medicaid Fraud Control grant and training for investigators, and \$1,551 that was added to personal services to support projected salary step and Fringe Benefit costs.

In Federal Grant funds, personal services were adjusted by \$17,689 for Fringe Benefits and \$14,988 to support projected salary step increases. Furthermore, IT software maintenance was adjusted by \$14,896 for OIG's new case tracking system that was installed in FY 2013. In addition, local and out-of-city travel, as well as office support, were adjusted by \$4,912 to support projected expenditures.

Decrease: The budget proposal in Local funds for Other Services and Charges within the Accountability, Control, and Compliance program was adjusted by \$70,089 to offset the increased cost projected for the centralizing of online research, procurement of computer licenses, and the 25 percent federal match requirement.

Mayor's Proposed Budget

Cost-of-Living Adjustment: This agency received a proposed cost-of-living adjustment (COLA) in both Local and non-Local funds. This adjustment includes \$53,397 in Federal Grant funds. For more information about the COLA, please see the Workforce Investments chapter contained in Volume 3 (Agency Budget Chapters – Part II) of the FY 2014 Proposed Budget and Financial Plan.

District's Proposed Budget

The Office of the Inspector General has no changes from the FY 2014 Mayor's proposed budget to the FY 2014 District's proposed budget.

FY 2013 Approved Budget to FY 2014 Proposed Budget, by Revenue Type

Table AD0-5 itemizes the changes by revenue type between the FY 2013 approved budget and the FY 2014 proposed budget.

Table AD0-5

(dollars in thousands)

	PROGRAM	BUDGET	FTE
LOCAL FUNDS: FY 2013 Approved Budget and FTE		13,308	94.8
Other CSFL Adjustments	Multiple Programs	156	0.0
LOCAL FUNDS: FY 2014 Current Services Funding Level Budget (CSFL)		13,465	94.8
Increase: Cover centralization of online research through LexisNexis, and computer software licenses for Information Technology (IT)	Agency Management	48	0.0
Increase: To support a 25 percent federal grant match and training for investigators	Law Enforcement and Compliance	21	0.0
Increase: Personal services to cover projected step increases and Fringe Benefits	Multiple Programs	2	0.0
Decrease: To offset cost of computer software licenses, 25 percent match for federal program, and training for investigators	Accountability, Control, and Compliance	-70	0.0
LOCAL FUNDS: FY 2014 Agency Budget Submission		13,465	94.8
No Changes		0	0.0
LOCAL FUNDS: FY 2014 Mayor's Proposed Budget		13,465	94.8
No Changes		0	0.0
LOCAL FUNDS: FY 2014 District's Proposed Budget		13,465	94.8
FEDERAL GRANT FUNDS: FY 2013 Approved Budget and FTE		2,377	17.2
Increase: Personal services based on projected Fringe Benefit costs	Law Enforcement and Compliance	18	0.0
Increase: Personal services to cover salary step increases	Law Enforcement and Compliance	15	0.0
Increase: IT software maintenance as projected for a new case tracking system	Law Enforcement and Compliance	15	0.0
Increase: Other Services and Charges due to estimates for local and out-of-city travel as well as office support	Law Enforcement and Compliance	5	0.0
FEDERAL GRANT FUNDS: FY 2014 Agency Budget Submission		2,430	17.2
Cost-of-Living Adjustment: FY 2014 proposed adjustment	Law Enforcement and Compliance	53	0.0
FEDERAL GRANT FUNDS: FY 2014 Mayor's Proposed Budget		2,483	17.2
No Changes		0	0.0
FEDERAL GRANT FUNDS: FY 2014 District's Proposed Budget		2,483	17.2
Gross for ADO - Office of the Inspector General		15,948	112.0

(Change is calculated by whole numbers and numbers may not add up due to rounding)

Agency Performance Plan

The agency's performance plan has the following objectives for FY 2014:

Objective 1: Use the Accountability, Control, and Compliance program to conduct audits and inspections for the District government, focusing efforts on mitigating risks that pose the most serious challenges to District agencies and other stakeholders.

Objective 2: Use the Law Enforcement and Compliance program to conduct investigations into allegations of waste, fraud, and abuse relating to the programs and operations of the District Government.

KEY PERFORMANCE INDICATORS

Measure	FY 2011 Actual	FY 2012 Target	FY 2012 Actual	FY 2013 Projection	FY 2014 Projection	FY 2015 Projection
Number of final audit report issued (financial/performance)	28	28	28	28	28	28
Potential monetary benefits resulting from audits (\$ million)	\$28.2	\$38	\$74.80	\$21	\$21	\$25
Number of final inspection/evaluation reports issued	11	10	10	10	10	10
Percentage of complaints evaluated within ten days of receipt in investigations	96%	85%	100%	85%	85%	85%
Number of criminal/civil resolutions obtained in MFCU cases	27	22	14	24	26	26