



# Office of Inspector General Commission Briefing

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# Roadmap

- IG Focus and Sustainability
- Reports & Work this Quarter
  - Semiannual Report to Congress
  - Top Management Challenges Report
- 898 Panel
- Audit Accomplishments and Activities
- Learning the business of the Agency through visits
- Q & A



# IG Focus

- Enhancing confidence in the program
- Increase economies and efficiencies
- Program growth



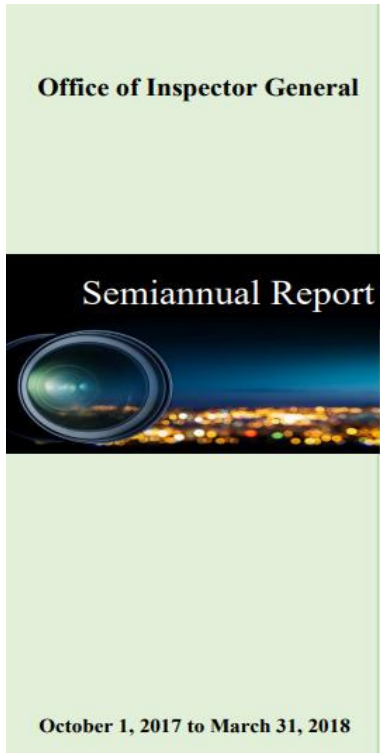


# Inspector General's quote

“Empathy is an economic and efficiency asset to the AbilityOne Program”



# IG Semiannual Report to Congress



## Theme of the Semiannual Report to Congress:

- Sustainability
- Innovation



Office of Inspector General



Semiannual Report to Congress

April 1, 2018 to September 30, 2018



# Top Management Challenges Report - OIG

## New OIG report issued Dec. 2018

- Erosion of statutory program authority
- Transparency
- Implementation of Cooperative Agreements
- Impact on effectiveness due to lack of resources
- Establishing of an enterprise-wide risk management
- Enhancement of program-wide compliance



# Top Management Challenges Report - CIGIE

- On April 2018, CIGIE Issued for the first time a report of the Top Management and Performance Challenges Facing Multiple Federal Agencies.
- Report identified AbilityOne as an agency facing challenges:
  - 1) FUNDING AND STAFFING
    - AbilityOne OIG reported that AbilityOne does not have adequate staffing and resources to effectively execute its responsibilities and sustain its mission.
    - AbilityOne OIG further reported that its agency faces challenges as it operates with a staff of less than 31 people responsible for administering a \$3 billion program with locations in all 50 states, Puerto Rico, and Guam.
  - 2) TRAINING
    - AbilityOne experienced problems with contracting officers of Client government agencies being able to navigate acquisition regulations.
    - Contracting officers experienced confusion as to how rules about AbilityOne contracts should be interpreted and implemented.



# 898 Panel Activities

- OIG leads the Inspector General Subcommittee
- OIG met with new Chair of 898 Panel, Mr. Kim Herrington
- OIG worked along with Agency on receiving feedback from CNAs and NPAs for implementation of the 898 Panel output
- IG presented on 898 Panel recommendations in multiple fora





# 898 Outreach Activities

- Participated in West National Council of SourceAmerica Employers (NCSE) CEO/Senior Leadership Forum November 6 - 7, 2018, in Arizona
  - Discussed recommendations with NCSE members and worked with SourceAmerica to obtain feedback from NPAs
- Participated in the National Association for the Employment of People who are Blind (NAEPB) CEO conference January 22 – 24, 2019
  - Discussed recommendations with NAEPB members and worked with NIB to obtain feedback from NPAs
- Participated East NCSE CEO/ Senior Leadership Forum February 5 – 6, 2019, in Florida
  - Discussed prioritization of recommendations identified in West NCSE CEO Forum, implementation considerations, and required resources



# Audit Accomplishments and Activities

- FISMA Report, issued Dec. 2018  
(Federal Information Security Modernization Act of 2014)
- Financial Statement Audit
- CNA Reviews



# Financial Statement Audit

- The audit objective is to determine whether the Commission's financial statements are free from material misstatement and examine the adequacy of internal controls over financial reporting and compliance.
- Assessing the accounting principles used, as well as the overall financial statement presentation by the Commission for year ending September 30, 2018.
- Financial Statement Audit reporting is completed by Nov. 15 for inclusion in the government-wide Performance and Accountability Report (PAR) for Fiscal Year.



# New Audit Tactical Plan

Reposition of OIG priorities and resources  
for Program audits



# OIG Audits of CNAs

## Execution of the comprehensive plan for oversight of CNAs

- Evaluation of the NPA assignment of projects and allocation of orders.
- Audit of the Fee to Qualified and Approved NPAs.
- Review the appeal (reconsideration) process for the selection decision on NPAs project assignment and allocation of orders.
- Evaluation on the CNAs recommendations of order allocations to designated NPAs.
- Review completed actions of the Cooperative Agreements by CNAs.
- Audit on the quality of products in support of meeting Government requirements.
- The market evolution for the expansion of products and services growth and innovation.



# CNAs Oversight Audit Plan - Matrix

## Central Nonprofit Agencies (CNAs) Review Design Matrix

Audit Job	Potential Risk	Audit Objective	Planned Scope/Methodology
1. Audit of the Program Fee to Qualified and Approved Nonprofit Agencies (NPAs)	Lack of optimal understanding from program stakeholders for how the CNAs fee is established, developed and applied	Is there a clear understanding and adequate guidance for how the Program Fee works?	Detail criteria that defines standards, requirements, or measures on Program Fees
2. Review completed actions of the Cooperative Agreements by CNAs	Desired key performance indicators may not be achieved by the implementation of the Cooperative Agreements	Is employment growth and program accountability being measured and improved?	Assess the review process of completed actions from the Cooperative Agreements and improvements made
3. Evaluation of the process for NPA assignment of projects and allocation of orders	Lack of transparency, effectiveness, and consistency for applying the criteria on project assignments/allocation of orders	Are there effective internal controls over the process for assigning projects and the distribution of orders?	Measure the effectiveness of policies/procedures, and test the efficiency of key controls
4. Evaluation on the market shift and developments for the innovation of products and services	Business development opportunities may be limited due to the initial parties involved during the Procurement List (PL) Addition Process	Do all NPAs get the same opportunity to develop new items that are added on the PL?	Select a few PL additions and measure the effectiveness for the process and practice used
5. Evaluation on the CNAs recommended submission package to the Commission for NPAs project assignments and allocation of orders	Transparency and disclosure on the recommended submission for NPA project assignments and allocation of orders	Is there appropriate established policy and procedures for making recommendations to the Commission?	Evaluate the process from policy to internal controls for the overall preparation and submission of recommendations to the Commission
6. Audit of the quality of products or services in meeting Government requirements	The quality control process may not yield to a systematic, organized, and structured approach to enhance product/service delivery	Is the quality control process by the CNAs and NPAs effective to remediate deficiencies on a timely basis?	Review the corrective actions from the quality control process of a few product/service business lines
7. Review the appeal process on the designation of project assignments and allocation of orders	Latitude for recommending a NPA project assignment or allocation of orders, and limited opportunity for an appeal	Are the appeal policies and procedures in place and followed?	Assess established process and adequate documentation of appeals



# CNAs Oversight Audit Plan - Tiers

## Tier I

- Program Fee
- Project Assignments and Allocation of Orders
- Completed Actions from Cooperative Agreements

## Tier II

- Business Development and Innovation of Products
- CNA Recommended Submission to the Commission

## Tier III

- Quality Control Review Process
- Appeal Process by NPAs of Projects and Orders



# Inspector General's quote

“Empathy is an economic and efficiency asset to the AbilityOne Program”





# OIG Program Visits to Understand the Business of AbilityOne

Date	NPA	Location	CNA
August 2017	Work Incorporated	Boston, MA	SourceAmerica
August 2017	Blind Industries & Services of Maryland (BISM)	Baltimore, MD	NIB
September 2017	Lighthouse Louisiana	New Orleans and Baton Rouge, LA	NIB
September 2017	Outlook Nebraska, Inc.	Omaha, NE	NIB
December 2017	Envision	Wichita, KS	NIB
February 2018	North Bay Industries and Two Rock Coast Guard Training Center	Rohnert Park, CA Petaluma, CA	SourceAmerica
March 2018	ReadyOne	El Paso, TX	SourceAmerica

Date	NPA	Location	CNA
May 2018	National Federation of the Blind (NFB)	Baltimore, MD	N/A
July 2018	Lighthouse for the Blind	St. Louis, MO	NIB
September 2018	Skookum	Seattle, WA	SourceAmerica
November 2018	Alphapointe	Kansas City, MO	NIB
February 2019	The Corporate Source	Garden City, NY	SourceAmerica
February 2019	Fedcap Rehabilitation Services, Inc.	New York, NY	SourceAmerica
February 2019	Visions	New York, NY	NIB affiliate
February 2019	Lighthouse for the Blind	Dallas, TX	NIB



# Thank You

# Q&A