

Department of the Treasury Office of Inspector General



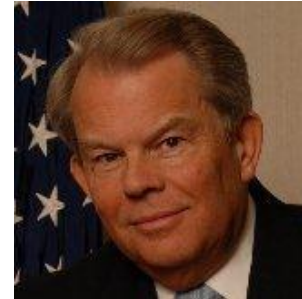
Strategic Plan Fiscal Years 2011-2015





Message from the Inspector General

The Department of Treasury's Office of Inspector General is proud to present our Strategic Plan for Fiscal Years 2011 to 2015. This strategic plan outlines the strategic goals and related objectives associated with promoting the integrity, efficiency, and effectiveness of Treasury programs and operations. Thus, the plan ensures the OIG will continue providing effective and objective oversight of Treasury programs and operations.



Over the past several years, our organization has faced new and emerging challenges, causing the OIG to refocus and reprioritize our strategies, staffing, and structure. In 2010, Congress passed the *Dodd-Frank Wall Street Reform and Consumer Protection Act* to promote the financial stability of the United States by improving accountability and transparency within the market. Consequently, the timing of our new strategic plan ensures that the OIG is positioned to support and uphold the new legislative and regulatory mandates.

Specifically, the FY 2011-2015 strategic plan focuses on building and sustaining a workforce capable of performing our mission-critical day-to-day audit and investigative responsibilities pursuant to all legal mandates. Additionally, this plan outlines an initial series of goals for bolstering our detection and compliance procedures with a series of preventative measures that allow us to be more effective in mitigating risk, preventing fraud and abuse, and reducing costs. Finally, the plan outlines our goals for keeping all OIG stakeholders, particularly the Treasury Secretary and Congress, fully and currently informed of problems and deficiencies relating to the administration of Treasury programs and operations.

As the programs, operations, and legal responsibilities of the Department of the Treasury continue to expand and evolve, so too must the Treasury OIG evolve in order to provide impactful and independent support to the Department. To that end, I pledge that this strategic plan will serve as a living document against which my office will continually and objectively review our progress and performance. Additionally, we will remain adaptable to ensure that we are poised to meet any unanticipated and unprecedented challenges to the Department.

The Treasury OIG is committed to achieving the goals and objectives outlined in this plan in a manner consistent with the spirit and intent of our legislative and regulatory authority. Through this plan, the Treasury OIG will strengthen its ability to provide independent and effective oversight to maintain the integrity, excellence, and values of the Department's programs and initiatives.



Sincerely,

A handwritten signature in black ink, appearing to read "Eric M. Thorson". The signature is fluid and cursive, written over a light blue horizontal line.

Eric M. Thorson
Inspector General

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Mission, Vision, Authority

Mission

The Treasury Office of Inspector General mission is to promote the integrity, efficiency, and effectiveness of Treasury programs and operations.

Vision

The Treasury OIG vision is to:

- Be a leader in protecting and promoting the interests of the Government and the public;
- Build on success, promote innovation, and embrace change to continuously improve; and
- Inspire a workforce that embodies the highest standards of integrity, professionalism, and technical proficiency.

Authority

The Treasury Office of Inspector General (OIG) was established by the 1988 amendments to the Inspector General Act of 1978 (IG Act) as an independent and objective organization within the Department.

The law requires OIG to:

- (1) Conduct and supervise audits and investigations relating to Department programs and operations;
- (2) Provide leadership and coordination and recommend policies for activities designed to promote economy, efficiency, and effectiveness and prevent and detect fraud and abuse in Department programs and operations; and
- (3) Provide a means for keeping the Secretary and the Congress fully and currently informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress of corrective action.

Key Mandates

The Department of the Treasury OIG is responsible for promoting the integrity, efficiency, and effectiveness of Treasury programs and operations. Relevant mandates influencing the work performed by the Treasury and Treasury OIG include, but are not limited to:

Inspector General Act of 1978, as amended. Created the OIG, and gives it the authority and responsibility to audit and investigate the Department's programs and operations; to promote economy and efficiency, and to detect and prevent fraud and waste in those programs and operations; and, to keep the Secretary and Congress aware of problems and solutions.

Dodd-Frank Wall Street Reform and Consumer Protection Act. Established new responsibilities for Treasury and created new offices to fulfill those responsibilities. Most notably, Dodd-Frank established the Council of Inspectors General on Financial Oversight (CIGFO), chaired by the Treasury Inspector General, to discuss the broader financial sector and ways to improve financial oversight.

Federal Information Security Management Act. Requires the OIG to conduct an annual review of the Department's information security programs and practices.

Government Management Reform Act. With other laws, requires OIG to conduct audits of Treasury's consolidated financial statements and those of certain component entities in accordance with generally accepted government auditing standards.

Federal Deposit Insurance Act. Requires the OIG to perform reviews of failures of Treasury-regulated insured depository institutions.

Small Business Jobs Act of 2010. Designated the Treasury OIG to provide oversight over two new Treasury programs—(1) the Small Business Lending Fund, which provides \$30 billion for capital investments to eligible institutions in order to increase the availability of credit for small businesses, and (2) the State Small Business Credit Initiative which provides up to \$1.5 billion allocable to participating states to fund a variety of programs to encourage lending.

American Recovery and Reinvestment Act of 2009. Designated Treasury as responsible for administering an estimated \$150 billion of Recovery Act funding and tax relief, including grants for specified energy property in lieu of tax credits, grants to states for low-income housing projects in lieu of tax credits, increased Community Development Financial Institutions Fund grants and tax credits, economic recovery payments to social security beneficiaries and others, and payment to U.S. territories for distribution to their citizens.

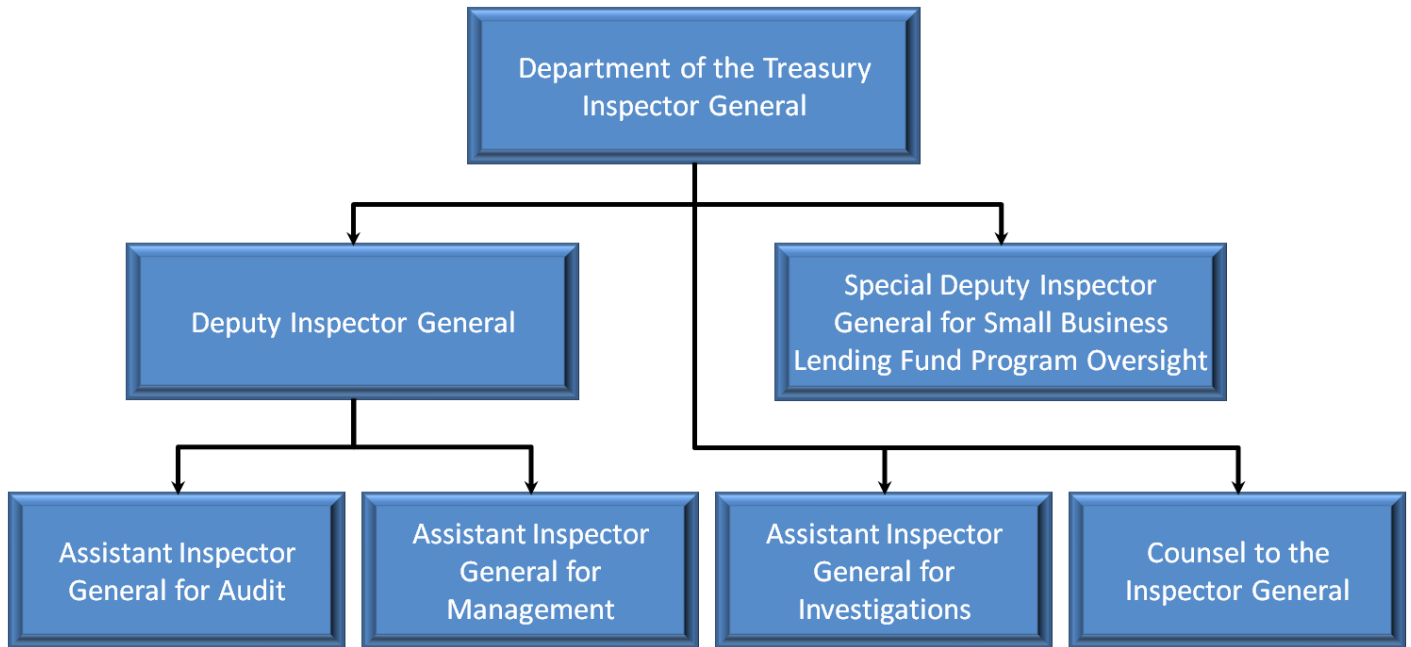
Organizational Structure

Treasury OIG is headed by an Inspector General, who is appointed by the President with the advice and consent of the Senate. The Inspector General exercises his or her duties and responsibilities on behalf of all Treasury programs and operations except those of the Internal Revenue Service (IRS) and Troubled Asset Relief Program (TARP).

OIG has five components, which are headquartered in Washington, D.C. and listed below. In addition, OIG maintains one field audit office, located in Boston, Massachusetts.

Office of Audit	The Office of Audit performs audits or provides oversight for audits performed by others in order to: promote economy and efficiency throughout the Department; comply with mandated audit requirements; and prevent and detect fraud, waste, and abuse. These audits must be performed in accordance with generally accepted government auditing standards. The Office of Audit also performs evaluations and other reviews in accordance with quality standards issued by the Council of Inspectors General on Integrity and Efficiency (CIGIE).
Office of Investigations	The Office of Investigations is responsible for conducting criminal, civil, and administrative investigative activities relating to complaints of fraud, waste, and abuse of the programs and operations of the Treasury Department.
Office of Small Business Oversight	The Office of Small Business Oversight provides oversight of two new Treasury programs – the Small Business Lending Fund and the State Small Business Credit Initiative.
Office of Counsel	The Office of Counsel provides legal advice on audits, investigations, and administrative matters; provides ethics advice, and assures compliance with financial disclosure requirements; represents OIG in administrative litigation at the Merit System Protection Board and the Equal Employment Opportunity Commission; responds to requests for information pursuant to the Freedom of Information Act and Privacy Act; and reviews proposed legislation and regulations.
Office of Management	The Office of Management coordinates resources and policy activities that support Treasury OIG’s mission. Resources and policy activities include asset management, budget and finance, human resources, information technology, general policies and procedures, and liaison to the CIGIE and other organizations.

Figure 2: Treasury OIG Organizational Structure



Values

Treasury OIG staff demonstrate the following values in performing their duties:

Excellence. We fulfill our mission by providing relevant, professional, and timely products and services.

Integrity. We endorse the highest standard of transparency, objectivity, fairness, accountability, and reliability in our workforce to earn the trust of all stakeholders.

Respect. We extend consideration and appreciation to employees, customers, and stakeholders and foster a fair, open, honest, and collaborative work environment. We promote diversity and equal opportunity throughout the organization.

Innovation. We continually seek new ways to accomplish our work, achieve excellence, and communicate with stakeholders. We are dedicated to staying current with top risks and challenges and developing our staff to effectively and proactively address risks.

Strategic Goals, Objectives and Indicators of Success

Overview

Treasury OIG has established four strategic goals to direct its work and fully satisfy all legal responsibilities, address areas of high risk, and serve its internal and external customers and stakeholders. These goals are summarized in *Figure 3: Summary of Treasury OIG Strategic Goals and Objectives* below.

Figure 3: Summary of Treasury OIG Strategic Goals and Objectives

Strategic Goal	Related Objectives
<p>Strategic Goal 1: Promote the integrity and effectiveness of Treasury programs and operations through audits and investigations</p>	<ol style="list-style-type: none"> 1. Develop an operational approach and tactical plans that implement the TOIG mission and goals 2. Execute value-added audits and investigations 3. Continuously review audit and investigative processes and products to promote their efficiency and effectiveness
<p>Strategic Goal 2: Proactively support and strengthen the Department’s ability to identify and manage challenges, both today and in the future</p>	<ol style="list-style-type: none"> 4. Enhance risk-based audit planning 5. Assist the Department in the early detection and prevention of fraud, waste, and abuse in Treasury programs and operations 6. Provide leadership to the Council of Inspectors General on Financial Oversight (CIGFO), fostering communication and collaboration among member Inspector Generals and ensuring mandated requirements are met
<p>Strategic Goal 3: Fully and currently inform stakeholders of Treasury OIG findings, recommendations, investigative results, and priorities related to Treasury programs and operations</p>	<ol style="list-style-type: none"> 7. Ensure stakeholders are apprised of critical audit and investigations issues, priorities, work products, and results 8. Enhance the impact of Treasury OIG within the IG community 9. Increase and maintain public and media outreach
<p>Strategic Goal 4: Enhance, support, and sustain a workforce and strengthen internal operations to achieve the Treasury OIG mission, vision and strategic goals</p>	<ol style="list-style-type: none"> 10. Ensure Treasury OIG has a professional and technically proficient workforce 11. Ensure OIG’s infrastructure supports the workforce ability to achieve the Treasury OIG mission, vision, and goals 12. Enhance collaboration and communication among all Treasury OIG functions

Using Indicators of Success to Ensure Accountability

In addition to outlining the strategic goals and objectives of Treasury OIG for Fiscal Years 2011 – 2015, this plan also summarizes the indicators by which progress and achievement will be measured. To ensure accountability for the content of this plan, the indicators of success will be expanded upon, quantified (where appropriate) and incorporated into various strategic and performance planning documents. These indicators will be regularly revisited to ensure that this plan remains a living document that guides the actions of Treasury OIG.

Strategic Goal 1

Promote the integrity and effectiveness of Treasury programs and operations through audits and investigations

Strategic Goal 1 focuses on mission-critical day-to-day audit and investigative responsibilities delegated to Treasury OIG and pursuant to legal mandates.

Objectives	Success Indicators
Objective 1 – Develop an operational approach and tactical plans that implement the TOIG mission and goals	<ul style="list-style-type: none">• Develop and issue a timely, comprehensive Annual Plan that guides the use of resources and outlines OIG’s major initiatives, priorities, and challenges in the areas of highest risk in Treasury’s programs• Ensure stakeholder input throughout the planning process• Integrate new mandates (i.e. Small Business Jobs Act of 2010) into the annual planning process• Increase the knowledge and skill base of OIG regarding Treasury programs, operations, and emerging issues
Objective 2 – Execute value-added audits and investigations	<ul style="list-style-type: none">• Meet statutory requirements for audits and reports• Issue audit and investigative products that are relevant and strengthen the programs and operations of the Treasury Department• Conduct investigations that result in criminal, civil or administrative actions, and recover taxpayer monies• Conduct annual reviews of audit and investigations operations to demonstrate compliance with quality standards and project milestones
Objective 3 – Continuously review audit and investigative processes and products to promote their efficiency and effectiveness	<ul style="list-style-type: none">• Develop innovative ways to conduct, package, and distribute audit and investigative results to stakeholders

Strategic Goal 2

Proactively support and strengthen the Department’s ability to identify and manage challenges, both today and in the future

Strategic Goal 2 identifies objectives that proactively strengthen the OIG’s detection and performance work and support the Department in strengthening the programs, guidance and implementation of management improvement initiatives.

Objectives	Success Indicators
Objective 1 – Enhance risk-based audit planning	<ul style="list-style-type: none">• Continuously update and integrate an annual risk assessment into the annual planning process• Review and comment on proposed rules, regulations, procedures, and policy guidance concerning their impact on the economy, efficiency, and integrity of the Department’s programs and operations
Objective 2 – Assist the Department in the early detection and prevention of fraud, waste, and abuse in Treasury programs and operations	<ul style="list-style-type: none">• Provide integrity awareness briefings to Treasury employees and stakeholders• Implement proactive integrity projects• Participate in Treasury-sponsored conferences and training to discuss vulnerabilities identified in audit and investigative work
Objective 3 – Provide leadership to the Council of Inspectors General on Financial Oversight (CIGFO), fostering communication and collaboration among member Inspector Generals and ensuring mandated requirements are met	<ul style="list-style-type: none">• Recommend joint projects for CIGFO consideration• Provide executive and administrative support to CIGFO

Strategic Goal 3

Fully and currently inform stakeholders of Treasury OIG findings, recommendations, investigative results, and priorities related to Treasury programs and operations

Strategic Goal 3 involves communicating effectively with OIG stakeholders and focuses on external communication with Congress, the Secretary and Deputy Secretary of the Treasury, other OIGs, GAO, and the American public.

Objectives	Success Indicators
Objective 1 – Ensure stakeholders are apprised of critical audit and investigations issues, priorities, work products, and results	<ul style="list-style-type: none">• Consistently and proactively communicate key issues to stakeholders through reports and periodic briefings• Regularly report OIG work and findings (e.g., Semiannual Report to Congress, the Inspector General’s Management and Performance Challenges Memorandum to the Treasury Secretary)
Objective 2 – Enhance the impact of Treasury OIG within the IG community	<ul style="list-style-type: none">• Partner with the CIGIE on joint projects in support of the IG community• Collaborate with other OIGs on joint audits, investigations, and projects• Take on leadership roles within the audit and investigative communities
Objective 3 – Increase and maintain public and media outreach	<ul style="list-style-type: none">• Identify key findings and investigative results to highlight in public outreach activities• Develop innovative ways to highlight Treasury OIG priorities and results

Strategic Goal 4

Enhance, support, and sustain a workforce and strengthen internal operations to achieve the Treasury OIG mission, vision, and strategic goals

Strategic Goal 4 focuses on maintaining and improving internal human capital functions and infrastructure to provide for the achievement of the OIG strategic plan.

Objectives	Success Indicators
Objective 1 – Ensure Treasury OIG has a professional and technically proficient workforce	<ul style="list-style-type: none">• Develop and clearly communicate a strategy for hiring, training and developing the workforce• Develop strategies to retain critical institutional knowledge to provide for the continuity of talent needed for mission achievement• Align appraisal process with strategic goals and annual plans• Implement individual development plans to ensure staff continue to meet technical proficiency and continuing education requirements
Objective 2 – Ensure OIG’s infrastructure supports the workforce ability to achieve the Treasury OIG mission, vision, and goals	<ul style="list-style-type: none">• Acquire and deploy state-of-the-art technology to enable the OIG to securely meet its strategic goals and annual plans• Ensure OIG staff are sufficiently trained in basic and advanced capabilities of systems• Regularly review the budget formulation process to ensure alignment with strategic priorities• Develop, document, and communicate business and procurement processes to ensure mission critical operations are efficient and effective
Objective 3 – Enhance collaboration and communication among all Treasury OIG functions	<ul style="list-style-type: none">• Leverage IT systems and new system features to improve communications and business processes, with emphasis on mobile communications and systems integration• Provide timely and quality legal advice to support mission needs• Regularly share within OIG findings, results, and feedback on the disposition of referrals and recommendations

Relationship to the Department of Treasury Strategic Plan

The mission of the Department of the Treasury, as stated in its strategic plan for fiscal years 2010 – 2015, is to:

Maintain a strong economy and create economic and job opportunities by promoting conditions that enable economic growth and stability at home and abroad, strengthen national security by combating threats and protecting the integrity of the financial system, and manage the U.S. Government's finances and resources effectively.

At the time this plan was authored, details of the Department of Treasury's Strategic Plan for FY 2010-2015, as well as inter-governmental initiatives released through the Government Performance and Accountability Act (GPRRA), were not available. Therefore, a direct linkage between the OIG goals and objectives and those of the Department could be made. However, the achievement of the Department's mission is ingrained in the mission of Treasury OIG to promote the integrity, efficiency, and effectiveness of Treasury programs and operations; all strategic goals and objectives outlined in this plan support the prudent use Government resources and managerial excellence. In addition, Treasury OIG will continue to proactively maintain and build expertise and resources to ensure flexible and high-quality support of Treasury's mission. The OIG will revisit this plan once details of the Department's and inter-governmental goals and objectives are available.

Critical Environmental Influences

This plan is based on a variety of assumptions or environmental factors that must be evaluated on an ongoing basis. Major changes in these underlying assumptions could significantly impact OIG resource allocation and the achievement of OIG goals and objectives. These environmental factors include:

Administration, Department, and Congressional Priorities. Major changes in Administration, Department, or Congressional priorities, including new mandated requirements and requests for specific work, could affect OIG goals and objectives. Current efforts by both the Administration and the Congress to reduce the federal deficit by significantly cutting the federal budget for domestic programs could also impact the level of future resources available to carry out the work needed to achieve the goals and objectives in this strategic plan.

Core OIG Responsibilities Set in Statutes and Determine Priorities. The workload of the OIG is driven by the requirements of the Inspector General Act as well as other statutes prescribing specific IG reporting responsibilities.

Transformation of Financial Regulation. Changes in financial regulation, resulting from efforts to prevent or mitigate the impact of future financial sector crisis on the U.S. economy, may influence OIG goals and objectives.

Management of Treasury's Authorities Intended to Support and Improve the Economy. Congress provided Treasury with broad authorities to address the financial crisis under various acts. Certain authorities in these acts have now expired, but challenges still remain in managing Treasury's outstanding investments and standing up additional programs.



PREVENT AND REPORT FRAUD, WASTE AND ABUSE

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