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INSPECTORS GENERAL

Improvements Needed to IG Oversight of Architect of the Capitol Operations

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GAO Highlights

Highlights of [GAO-17-666T](#), a testimony to Committee on House Administration, House of Representatives

Why GAO Did This Study

AOC is responsible for the maintenance, operation, and preservation of the buildings and grounds that make up the U.S. Capitol complex, including the U.S. Capitol Building, the House and Senate Office Buildings, the Library of Congress, the Supreme Court, and U.S. Botanic Garden, among other facilities. The AOC OIG was established by statute in 2007, in part because of congressional concerns about time delays and cost overruns during construction of the Capitol Visitor Center. Since 2008, there have been three IGs officially appointed with the most recent being appointed in April 2017.

In November 2016, GAO issued a report on AOC OIG that addressed, among other things, the extent to which the AOC OIG developed plans and policies for oversight of AOC's jurisdictions, offices, and major contracts during fiscal years 2012 through 2015, and the extent to which oversight was provided.

This testimony is based on GAO's November 2016 report (GAO-17-25).

What GAO Recommends

GAO made two recommendations in its November 2016 report. AOC OIG agreed with the recommendations and subsequently provided additional information, which GAO is in the process of analyzing.

View [GAO-17-666T](#). For more information, contact Beryl H. Davis at (202) 512-2623 or davisbh@gao.gov

May 24, 2017

INSPECTORS GENERAL

Improvements Needed to IG Oversight of Architect of the Capitol Operations

What GAO Found

In November 2016 GAO reported that the Architect of the Capitol (AOC) Office of Inspector General's (OIG) audit planning from fiscal year 2012 through 2015 did not include either risk assessments or assigned priorities for conducting audits consistent with Council of the Inspectors General on Integrity and Efficiency (CIGIE) standards. In addition, the OIG did not adopt the CIGIE standards in its policies and procedures. Instead, for fiscal years 2014 and 2015, the former AOC Inspector General (IG) emphasized "continuous review," which he defined as an effort to alert AOC and the Congress of contract management issues as they occurred. This approach and prior efforts did not result in any audit reports of AOC's mega projects during fiscal years 2012 through 2015. The OIG also reported a decline in total audit reports and monetary accomplishments during fiscal years 2014 and 2015 (see table). Further, the OIG provided only one audit report of an AOC jurisdiction program during the 4-year period. Because of incomplete plans, a limited number of audit reports, and the lack of audit reports of AOC's mega projects, AOC and the Congress did not have the full benefit of OIG findings and recommendations and were not kept fully and currently informed of possible AOC problems and deficiencies during the 4-year period. Therefore, GAO recommended that the OIG revise and implement policies and procedures to provide audit reports based on planning that includes risk assessment and assignment of priorities consistent with CIGIE standards

In fiscal year 2014, the former IG removed the OIG's law enforcement authority and the OIG investigators' responsibility to complete criminal investigations. Instead, in November 2016, GAO reported that the OIG's investigators have responsibility for administrative investigations and rely primarily on the U.S. Capitol Police (USCP) to perform criminal investigations, and on occasion, other AOC offices perform their own investigations. USCP and AOC program offices are not subject to CIGIE standards for investigation. The OIG is required to follow CIGIE standards for investigations, which contain, among other things, explicit requirements for investigator independence, objectivity, and due professional care. These changes in investigative operations contributed in part to a decline in investigative reports and monetary accomplishments. As a result, GAO recommended that the IG obtain a peer review from another federal OIG of overall investigative operations, including consideration of the OIG's reliance on investigations performed by other entities on the OIG's behalf, and to make any needed changes based on the results of such review.

Reports of Audits and Investigations, Other Reports, and Monetary Accomplishments, Fiscal Years 2012 through 2015

Fiscal year	Audit reports	Investigative reports	Other reports	Reported monetary accomplishments (Dollars)
2012	4	23	7	1,032,485
2013	5	30	1	444,930
2014	3	12	7	242,610
2015	2	11	1	7,260

Source: GAO analysis of Architect of the Capitol Office of Inspector General-reported data. | GAO-17-666T

Chairman Harper, Ranking Member Brady, and Members of the Committee:

The Architect of the Capitol (AOC) is responsible for the maintenance, operation, and preservation of the buildings and grounds that make up the U.S. Capitol complex, including the Capitol Building, the House and Senate Office Buildings, the Library of Congress, the Supreme Court, and U.S. Botanic Garden, among other facilities. Overall, AOC programs are managed by 10 jurisdictions supported by its Capitol Construction and Operations, which is made up of nine central offices. All of the jurisdictions and offices report to the Architect.¹ Contracting also plays a central role in helping AOC achieve its mission. The AOC Office of Inspector General (OIG) was established by the AOC Inspector General Act of 2007 (AOC IG Act) as an independent and objective office to conduct and supervise audits and investigations relating to the AOC;² to provide leadership and coordination and to recommend policies to promote economy, efficiency, and effectiveness; and to keep AOC and the Congress fully and currently informed about problems and deficiencies relating to the administration of programs and operations of AOC.³ The AOC OIG was established in part because of congressional concerns about time delays and cost overruns during the construction of the Capitol Visitor Center, which was opened to the public in 2008.

Today, my statement will discuss the extent to which the AOC OIG developed plans and policies for oversight of AOC's jurisdictions, offices, and major contracts during fiscal years 2012 through 2015, and the extent to which oversight was provided. My statement is based on our November 2016 report on AOC OIG's oversight of AOC.⁴ For the November 2016 report, we reviewed AOC OIG's statutory requirements,

¹The Architect of the Capitol is the title of both the agency and the AOC head. For purposes of this testimony, Architect is used to refer to the head of AOC.

²Audits are independent, objective assessments of the stewardship, performance, or cost of an agency's policies, programs, or operations. Investigations can involve allegations of criminal, civil, or administrative misconduct, and can result in criminal prosecutions, fines, civil monetary penalties, administrative sanctions, and personnel actions.

³Pub. L. No. 110-161, div. H, title I, § 1301, 121 Stat. 1844, 2240 (Dec. 26, 2007), *classified at* 2 U.S.C. § 1808.

⁴GAO, *Inspectors General: Improvements to IG Oversight Needed for Architect of the Capitol Operations*, [GAO-17-25](#), (Washington, D.C: Nov. 4, 2016).

the OIG's policies and procedures and applicable Council of the Inspectors General on Integrity and Efficiency (CIGIE) standards. More detailed information on our objectives, scope, and methodology for that work can be found in the issued report. We conducted the work on which this statement is based in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

OIG's Insufficient Audit Planning and Changes to Investigative Operations Limited OIG Oversight

In our November 2016 report, we reported that the OIG's strategic and annual audit plans for the 4-year period we reviewed did not include an assessment of AOC's risks and did not establish priorities for providing audit reports. CIGIE standards state that because resources are rarely sufficient to meet all requirements, audit planning should include an assessment of risk and an assignment of priorities to help ensure optimum use of OIG resources. In addition, the former AOC Inspector General (IG) eliminated all criminal investigator positions, leaving the OIG investigators with no responsibility to complete investigations of allegations of criminal wrongdoing, which the former OIG instead referred to the U.S. Capitol Police (USCP) for investigation.⁵ Also, although the OIG is responsible for addressing fraud, waste, and abuse under AOC policy, we found instances where other AOC offices investigated such allegations of wrongdoing within their own offices. The OIG's lack of adequate audit planning, lack of criminal investigators, and reliance on AOC program offices to conduct investigations of alleged wrongdoing contributed to a significant decline in its audit and investigative reports and reported monetary accomplishments. As a result, we found that AOC management and the Congress may not be fully and currently informed about potential problems and deficiencies relating to the administration of programs and operations of AOC.

⁵For purposes of this testimony, we are referring to the AOC IG who was appointed in September 2013 and retired December 2016, as the "former" IG. In April 2017, a new IG was appointed.

Insufficient Planning Limited Audit Oversight

The OIG's *Audit Standard Operating Procedures Manual* requires a risk analysis—using input from AOC management and the Congress, as well as audit leads developed during the past year—to identify the most viable audits based on risk and potential payback. However, we reported in November 2016 that the OIG's strategic and annual audit plans for the 4-year period we reviewed did not include an assessment of risk.⁶ In addition, neither the OIG's plans nor its policies included the assignment of priorities to help ensure the effective use of OIG resources in providing audit reports. While the OIG's policies included the CIGIE's standards for investigations, the OIG had not adopted CIGIE's *Quality Standards for Federal Offices of Inspector General* or developed comparable policies and procedures on planning that include both risk assessment and assigned priorities. In interviews with the former IG at the time of our review, he explained that instead of formal plans with an assessment of risk and an assignment of priorities, the OIG relied on a process of "continuous review" defined by him as an effort to alert AOC and the Congress to cost overruns, delays, and other contract management issues as they occurred.

We also reported in November 2016 that, in large part because of the OIG's insufficient audit planning, the OIG provided no audit reports on AOC's "mega projects" — AOC's classification of its largest construction and rehabilitation projects, which, during the period we reviewed had an estimated combined cost of over \$1.1 billion⁷ — and the OIG provided limited audit oversight of AOC's jurisdictions and offices during the 4-year period we reviewed.⁸ According to OIG officials, the OIG staff performed continuous review by attending AOC's weekly progress meetings for both the Capitol Dome restoration and Cannon House Office Building renewal mega projects. However, without audit reports developed from plans based on an independent assessment of AOC's risks and with assigned priorities, the OIG provided little assurance that AOC's most critical programs and contracts received adequate oversight, that audit resources

⁶GAO-17-25.

⁷According to AOC officials, at the end of fiscal year 2015 AOC had four ongoing mega projects with a combined estimated cost in total approximately \$1.1 billion.

⁸After the 4-year period we reviewed, the OIG issued *Audit of Capitol Dome Rehabilitation Project*, A-2016-02 (Washington, D.C.: Nov. 23, 2015), which was reissued on July 11, 2016, to include agency comments in accordance with *Government Auditing Standards*, and issued *Cannon House Office Building Renewal Project*, A-2016-01 (Washington, D.C.: June 24, 2016).

were being applied to the most critical areas, and that the OIG's efforts would fully inform AOC management and the Congress of any problems or deficiencies.

In addition, we reported that the lack of sufficient planning contributed to the minimal audit coverage of the jurisdictions and offices responsible for providing AOC's programs and support services during fiscal years 2012 through 2015. (See table 1.)

Table 1: Architect of the Capitol (AOC) Office of Inspector General (OIG) Audit Reports Issued Fiscal Years 2012 through 2015

	Fiscal year 2012	Fiscal year 2013	Fiscal year 2014	Fiscal year 2015	Total
AOC jurisdictions					
Capitol Building	0	0	0	0	0
Capitol Grounds	0	0	0	0	0
Capitol Police Buildings, Grounds, and Security	0	0	0	0	0
House Office Buildings	0	0	0	0	0
Senate Office Buildings	0	0	0	0	0
Library Buildings and Grounds	0	0	0	0	0
Supreme Court Building and Grounds	0	0	0	0	0
Utilities and Capitol Power Plant	0	0	0	0	0
U.S. Botanic Garden	0	0	0	0	0
U.S. Capitol Visitor Center	0	0	0	1	1
Total audits of AOC jurisdictions	0	0	0	1	1
AOC Capitol Construction and Operations Offices					
Chief Administrative Officer	3	4	1	0	8
Chief Financial Officer	1	1	1	1	4 ^a
Chief Operating Officer	0	0	0	0	0
Communications and Congressional Relations	0	0	0	0	0
General Counsel	0	0	0	0	0
Planning and Project Management	0	0	0	0	0
Safety, Fire, and Environmental Programs	0	0	1	0	1
Office of the Attending Physician	0	0	0	0	0
Inspector General	NA	NA	NA	NA	NA
Total audits of Capitol Construction and Operations	4	5	3	1	13
Total audits of AOC	4	5	3	2	14

Legend: NA = not applicable.

Source: GAO analysis of AOC OIG audit reports issued during fiscal years 2012 through 2015. | GAO-17-666T

Note: OIG audit report coverage does not include OIG evaluations or other reviews not performed under Government Auditing Standards.

^aAudits of AOC's financial statements are performed by an independent public accountant.

As a result of these findings, we recommended that the OIG revise and implement policies and procedures to provide audit reports that are based on planning that includes an assessment of risk and the assignment of priorities, consistent with requirements in CIGIE's Quality Standards for Federal Offices of Inspector General. In commenting on a draft of the November 2016 report, the AOC OIG acknowledged our findings on audit planning and the number of audit reports on AOC's major construction projects and jurisdictions and stated that the OIG had moved away from an approach that appeared to simply monitor projects and would incorporate a more formal risk assessment and prioritization process into its audit planning.

Insufficient OIG Planning Contributed to a Decline in OIG Audits and Monetary Accomplishments

In November 2016, we reported that due in part to the former IG's emphasis on performing continuous reviews rather than planned audit reports, the audit accomplishments reported by the AOC OIG had declined significantly in recent years. To illustrate, the OIG completed a total of nine audit reports and two evaluations in fiscal years 2012 and 2013, with reported monetary accomplishments of approximately \$324,000. In fiscal years 2014 and 2015, the OIG, completed five audit reports and three other reviews, with reported monetary accomplishments of approximately \$54,000, or approximately 14 percent of the 4-year total.⁹ (See table 2.)

⁹The first statutory AOC IG was appointed by the Architect in August 2008 and retired in August 2013. The former IG was appointed September 2013 and retired December 2016. The OIG's evaluations are not performed under *Government Auditing Standards*. According to OIG policies, evaluations are completed under CIGIE *Quality Standards for Inspection and Evaluation* and are defined as systemic and independent assessments of the design, implementation, or results of an agency's operations, programs, or policies. Other OIG reviews were completed without any specified standards.

Table 2: Office of Inspector General Audit Reports and Reports of Evaluations and Other Reports Issued and Related Reported Monetary Accomplishments, Fiscal Years 2012 through 2015

Fiscal year	Audit reports	Reports of evaluations and other reviews	Total reports	Reported monetary accomplishments (dollars)
2012	4	2	6	324,000
2013	5	0	5	0
2014	3	2	5	54,000
2015	2	1	3	0
Total	14	5	19	378,000

Source: GAO analysis of Architect of the Capitol Office of Inspector General semiannual reports. | GAO-17-666T

Note: Monetary accomplishments include potential savings amounts from audits and other reviews.

IG Changes to Investigative Operations Resulted in Limited Oversight

In our November 2016 report, we reported that in fiscal year 2014 the former IG removed the OIG's law enforcement authority and eliminated criminal investigator positions. As a result, the OIG no longer has staff with the explicit responsibility to complete investigations of potential criminal wrongdoing and refers such cases to USCP for investigation. Also, we found instances where the OIG referred certain allegations of wrongdoing involving potential fraud, waste, and abuse to the AOC program offices for investigation. Neither USCP nor AOC program offices are subject to CIGIE's *Quality Standards for Investigations* when performing investigations or to AOC IG Act requirements for protecting complainants' identities. The OIG is subject to CIGIE's standards that require investigations to be objective, independent, and consistent with due professional care, and to AOC IG Act requirements that complainants' identities be protected. The Standards contain, among other things, explicit requirements for investigator independence, objectivity, and due professional care. USCP officials stated at the time of our review that USCP personnel have extensive training in performing criminal investigations. Although USCP is not subject to CIGIE's investigative standards, USCP officials stated that the requirements in CIGIE's investigative standards are required for all of its criminal investigations and are integral to USCP directives, processes, policies, and procedures.¹⁰

¹⁰We did not assess and therefore made no conclusions regarding whether USCP's policies and procedures align with CIGIE standards or how referrals were handled. Our November 2016 report focused on the AOC OIG's responsibilities for investigations of potential criminal allegations.

In November 2016, we reported that although the OIG continues to perform investigations, the former IG's changes in investigative operations have contributed in part to a significant decline in the investigative reports and monetary accomplishments reported. (See table 3.)

Table 3: Decline in Architect of the Capitol Office of Inspector General Investigative Reports and Related Reported Monetary Accomplishments, Fiscal Years 2012 through 2015

Fiscal year	Investigative reports	Management advisories	Reported investigative monetary accomplishments (dollars)	Percentage of 4-year total of monetary accomplishments
2012	23	5	708,485	52.5
2013	30	1	444,930	33.0
2014	12	5	188,610	14.0
2015	11	0	7,260	0.5
Total	76	11	1,349,285	100.0

Source: GAO analysis of Architect of the Capitol Office of Inspector General semiannual reports. | GAO-17-666T

Note: Monetary accomplishments are savings to the Architect of the Capitol as specified in individual investigative reports.

In addition, these changes have increased the risk that (1) criminal and other improper activities may not be detected and (2) potential cases of fraud, waste, and abuse may not be fully and independently investigated and may not be reported to AOC management and the Congress. Based on these findings, we recommended that (1) the AOC OIG work with CIGIE to obtain a peer review from another federal OIG of the AOC OIG's overall investigative operations, including consideration of the OIG's reliance on investigations performed by other entities, and (2) make any needed changes in its operating procedures based on the results of the review to help ensure that investigations of AOC are conducted in accordance with CIGIE standards for investigations and AOC IG Act requirements. In commenting on a draft of our November 2016 report, the AOC OIG agreed with our recommendation and stated that the OIG would implement it.

AOC OIG has provided us additional information on its efforts to address our recommendations, which we are in the process of analyzing.

Chairman Harper, Ranking Member Brady, and Members of the Committee, this completes my prepared statement. I would be pleased to respond to any questions that you may have at this time.

GAO Contacts and Staff Acknowledgments

If you or your staff have any questions about this testimony, please contact Beryl H. Davis, Director, Financial Management and Assurance at (202) 512-2623 or davisbh@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. GAO staff who made key contributions to this testimony are Kim McGatlin, Assistant Director; Jason Kirwan; Lisa Motley; and, Lisa Rowland.

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