

Office of Inspector General  
National Aeronautics and Space Administration

# **STRATEGIC PLAN RESULTS REPORT**

## **Fiscal Year 2009 Results**



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## **EXECUTIVE SUMMARY**

The Inspector General Act of 1978 established Offices of Inspectors General (OIGs) to promote economy, efficiency, and effectiveness and to detect fraud, waste, and abuse in federal programs and operations. The NASA OIG Strategic Plan for Fiscal Year 2005 (Plan) set forth goals and objectives designed to assist and support NASA in achieving its mission, including the goals outlined in the President's Vision for Space Exploration. The Plan also identified the specific data points we would use to track our activities and to ensure the efficient and effective management of our resources. We will continuously reevaluate our strategic direction and associated goals and data points.

The first Results Report (Report) issued under the Plan established the baseline from which we measure our progress. The Table of Fiscal Year (FY) 2009 Strategic Goals, Objectives, and Data Points, beginning on page 3, presents our strategic goals and objectives, as well as their corresponding data points. A summary of our FY 2009 reportable data points may be found beginning on page 5.

## **MISSION**

In accordance with the Inspector General Act, we conduct objective oversight of NASA programs and operations and independently report to the Administrator, Congress, and the public to further the Agency's accomplishment of its mission.

## **ACCOMPLISHING THE MISSION**

NASA OIG is comprised of four Offices—Audits, Investigations, Counsel, and Management and Planning—which implement and further the OIG mission as described below:

THE OFFICE OF AUDITS (OA) is responsible for conducting independent and objective audits, reviews, and other examinations to improve the economy, efficiency, and effectiveness of NASA programs, projects, operations, and contractor activities. In addition, OA oversees the work of the independent public accounting firm that is under contract by the OIG to conduct the annual audit of NASA's financial statements.

THE OFFICE OF INVESTIGATIONS (OI) investigates allegations of crime, cybercrime, fraud, waste, abuse, and misconduct that could have an impact on NASA programs, projects, operations, and resources. OI refers its findings either to the Department of Justice for criminal prosecution and civil litigation or to NASA management for administrative action. Through its investigations, OI identifies crime indicators and recommends measures for NASA management that are designed to reduce NASA's vulnerability to criminal activity.

COUNSEL TO THE INSPECTOR GENERAL provides advice and assistance on a variety of legal issues and matters relating to OIG review of NASA's programs and operations. The legal staff reviews legislation, regulations, Freedom of Information Act requests, and congressional matters that require OIG attention. Additionally, the staff provides advice and assistance on legal matters to OIG senior management, auditors, and investigators and serves as counsel in administrative litigation in which the OIG is a party or

has a substantial interest. The legal staff also assists the Department of Justice in litigation in which the OIG participates as part of the prosecution or civil team or in which the OIG is a witness or defendant.

THE OFFICE OF MANAGEMENT AND PLANNING (OMP) provides financial, procurement, human resources, administrative, and information technology (IT) services support to the OIG staff. The OMP develops, executes, and controls the OIG budget; acquires supplies and services through NASA contracting officers; and provides personnel services that include recruitment, performance management, qualifications and classification, and employee-relations functions. The OMP provides state-of-the-art IT capabilities for the NASA OIG and three external OIG customers and coordinates the preparation of the strategic plan and the OIG Semiannual Report to Congress.

As of September 30, 2009, the NASA OIG consisted of 179 auditors, analysts, specialists, investigators, and support staff at NASA Headquarters in Washington, DC, and NASA Centers throughout the United States.

## **GUIDING PRINCIPLES**

We maintain a workforce committed to performance, excellence, and accountability by working together to ensure that:

- our activities result in needed change and are responsive to customer needs;
- our opinions and products are independent, objective, and accurate;
- our workforce is highly competent and seeks opportunities for continual improvement; and
- we act with professionalism, integrity, and transparency.

## Table of FY 2009 Strategic Goals, Objectives, and Data Points

Strategic Goal	Objective	Data Point
<b>Goal 1.</b> Maximize Value to NASA's Programs and Operations	<b>Objective 1.</b> Provide quality products and services that are clear, accurate, timely, relevant, and responsive to NASA decision-makers, Congress, and other stakeholders	Results from Customer Feedback Quality Surveys for all audits focusing on whether: (1) OIG work products were meaningful/important, (2) OIG results were provided in a timely manner, (3) OIG deliverable/services were useful, and (4) OIG staff conducted themselves in a professional manner.
		Results from closed audit recommendations resulting in: programmatic/policy/regulatory change, questioned costs, and funds put to better use.
		Results from closed investigations resulting in: receivables and recoveries, indictments/informations, successful prosecutions, successful civil actions, personnel actions/disciplinary actions, and suspensions/debarments.
	<b>Objective 2.</b> Target resources to address NASA's most important activities including the program issues identified in the Most Serious Management and Performance Challenges Report, the U.S. Government Accountability Office's High Risk List, and the President's Management Agenda and Vision for Space Exploration	OIG resources used to evaluate/investigate high-impact areas
		Source of OIG work by OIG Office

## Table of FY 2009 Strategic Goals, Objectives, and Data Points

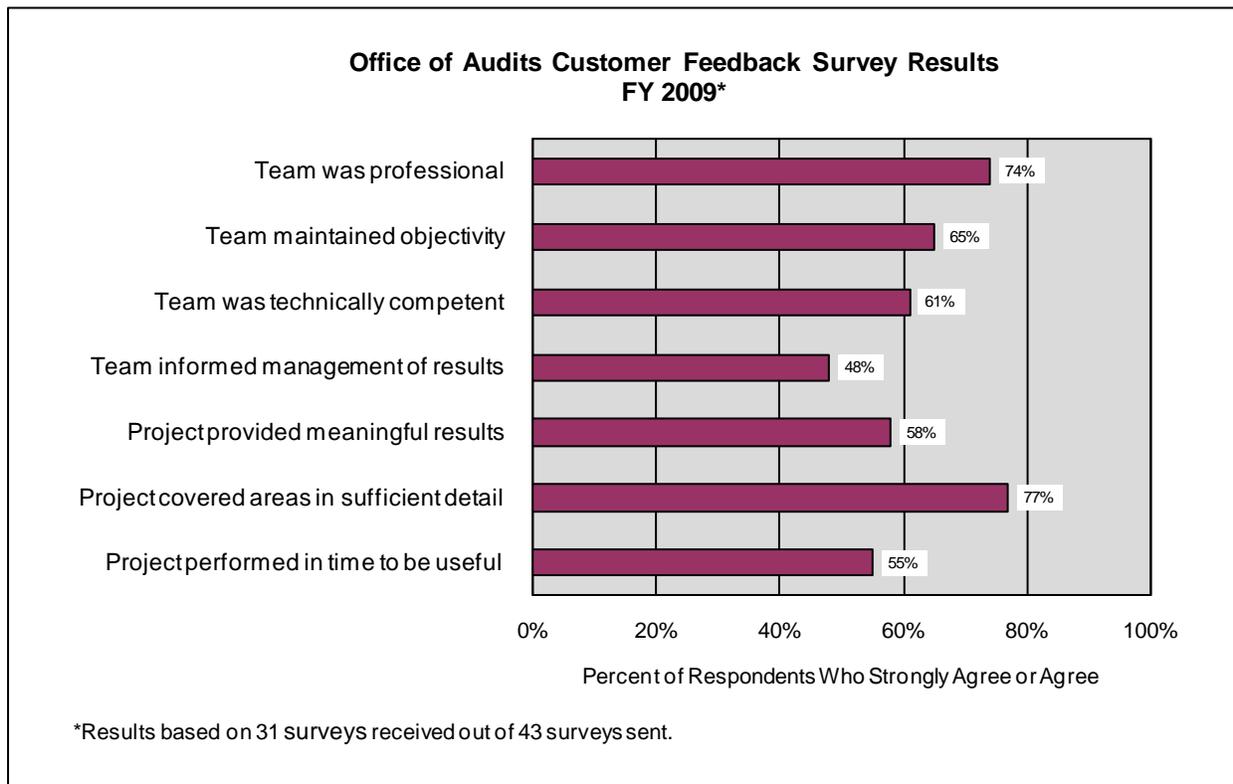
Strategic Goal	Objective	Data Point
<b>Goal 2.</b> Efficiently Provide Independent Products and Services	<b>Objective 1.</b> Adhere to established quality standards as well as statutory, regulatory, and administrative requirements	Results of external and internal program reviews
	<b>Objective 2.</b> Continuously assess OIG work processes and products to identify needed efficiencies	Time to complete audits/investigations
		Costs of audits/investigations
	<b>Objective 3.</b> Improve communication and information sharing within the OIG	Noteworthy joint activities within the OIG
<b>Goal 3.</b> Manage Resources and Services for Optimal Results	<b>Objective 1.</b> Efficiently and effectively employ public assets and resources	Results attained with OIG budget
		Percentage of staff with completed performance appraisals, core competencies worksheets and related discussions, and individual development plans (IDPs)
		Percentage of staff receiving awards and recognition for their contributions
		Percentage of staff failing, meeting/exceeding, and significantly exceeding performance standards
		Staff on board at end of fiscal year versus authorized level
		OIG employee average grade by fiscal year
		OIG attrition rates
		Periodic employee surveys to evaluate workplace excellence
	<b>Objective 2.</b> Ensure the OIG has appropriate skill mix to meet customer needs and to maximize staff performance	Employee skill mix

## FY 2009 Reportable Data Points

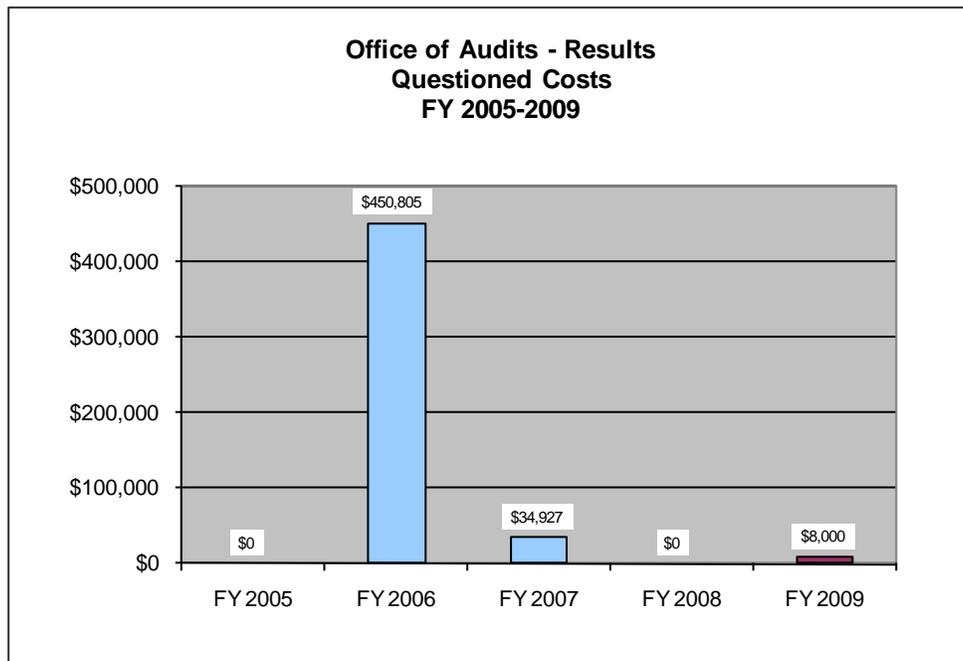
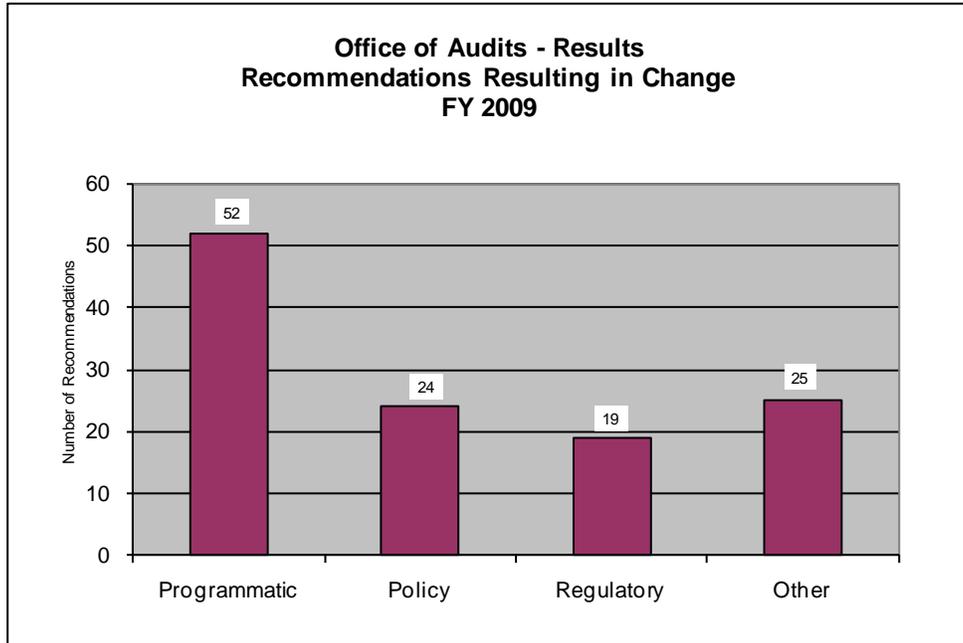
# STRATEGIC GOAL 1: MAXIMIZE VALUE TO NASA'S PROGRAMS AND OPERATIONS

OBJECTIVE 1: Provide quality products and services that are clear, accurate, timely, relevant, and responsive to NASA decision-makers, Congress, and other stakeholders

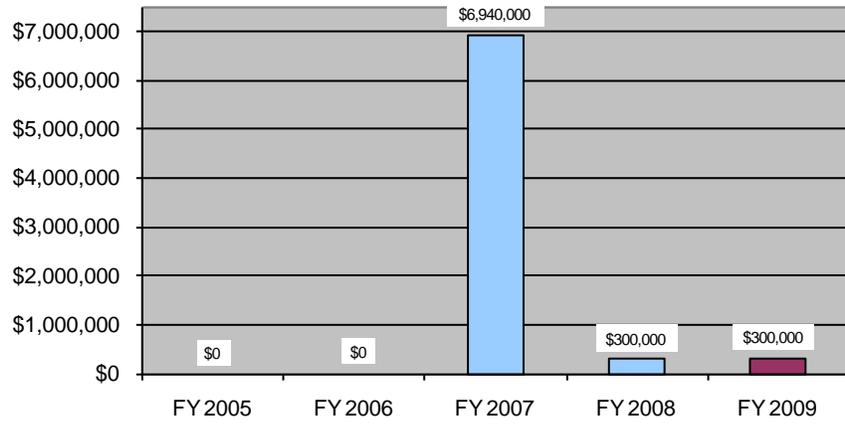
DATA POINT: Results from Customer Feedback Quality Surveys for all audits



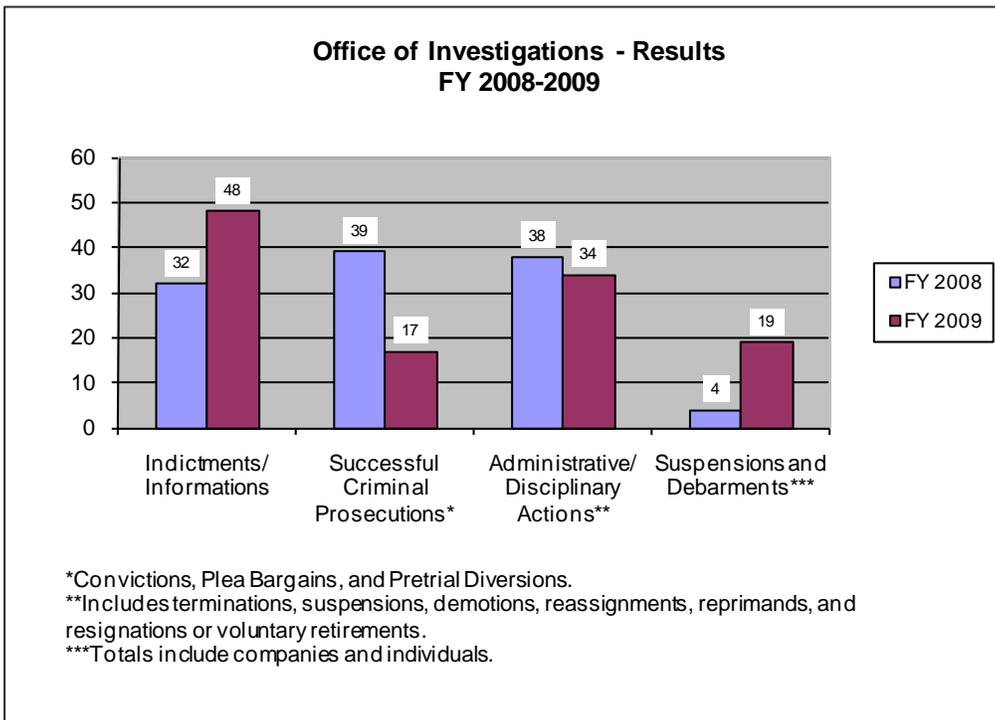
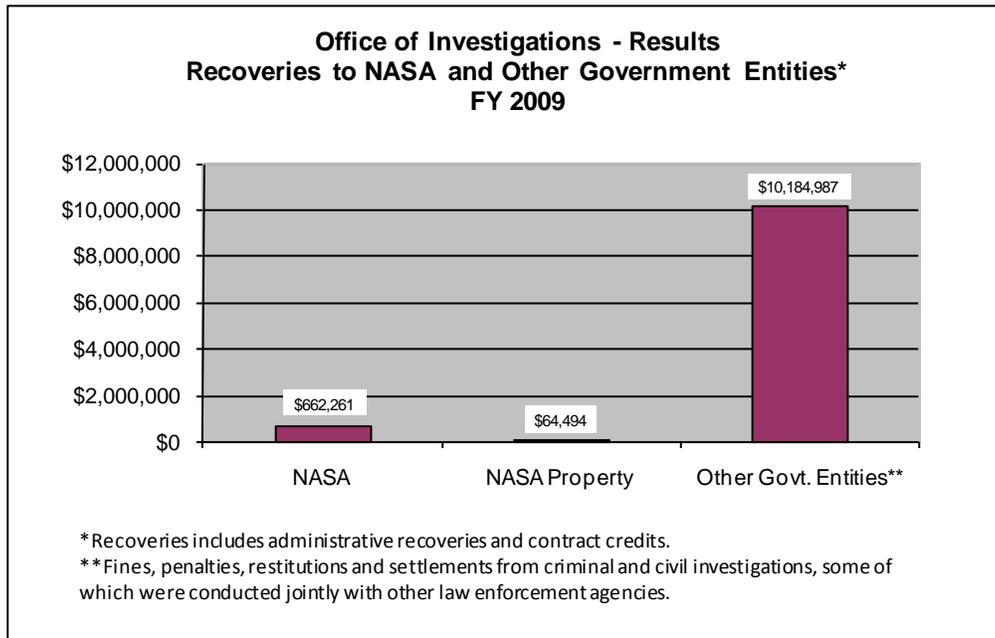
DATA POINT: Results from closed audit recommendations resulting in: programmatic/policy/regulatory change, questioned costs, and funds put to better use



**Office of Audits - Results  
Funds Put to Better Use  
FY 2005-2009**

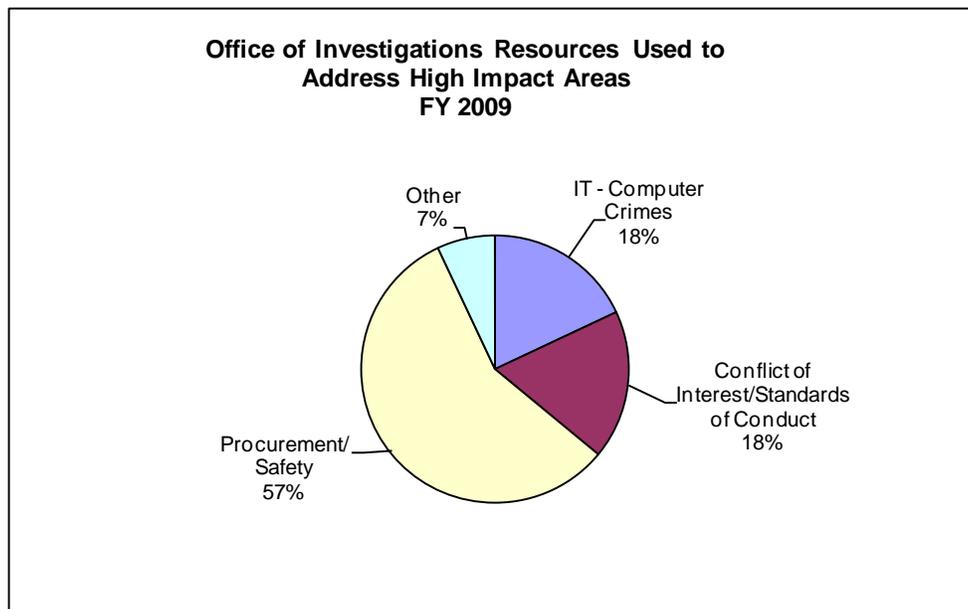
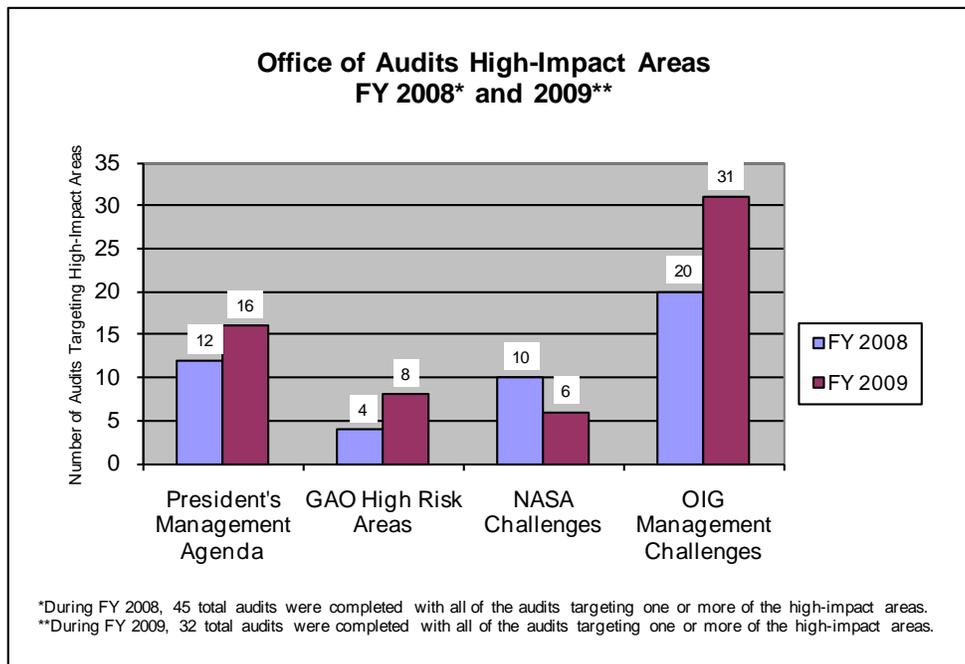


**DATA POINT: Results from closed investigations resulting in: receivables and recoveries, indictments/informations, successful prosecutions, successful civil actions, personnel actions/disciplinary actions, and suspensions/debarments**

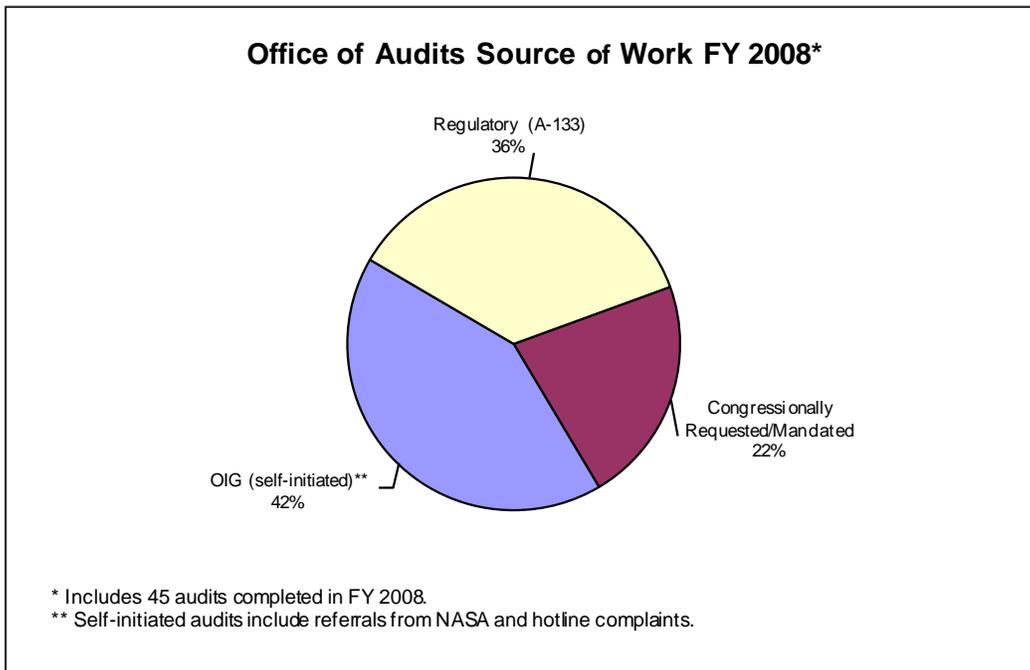
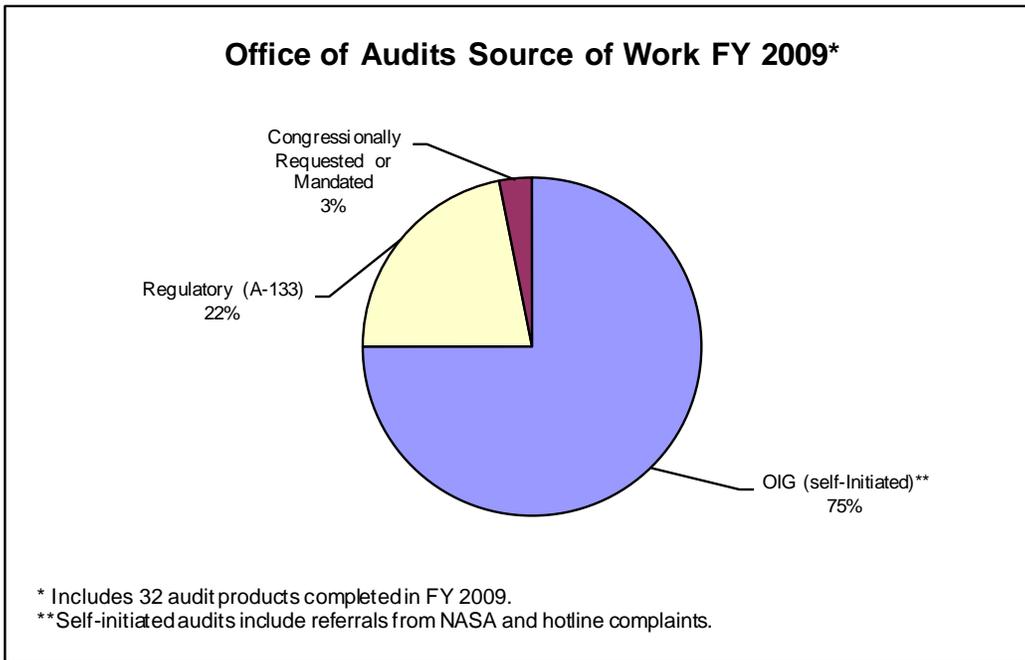


**OBJECTIVE 2:** Target resources to address NASA’s most important activities including the program issues identified in the Most Serious Management and Performance Challenges Report, the U.S. Government Accountability Office’s High Risk List, and the President’s Management Agenda and Vision for Space Exploration

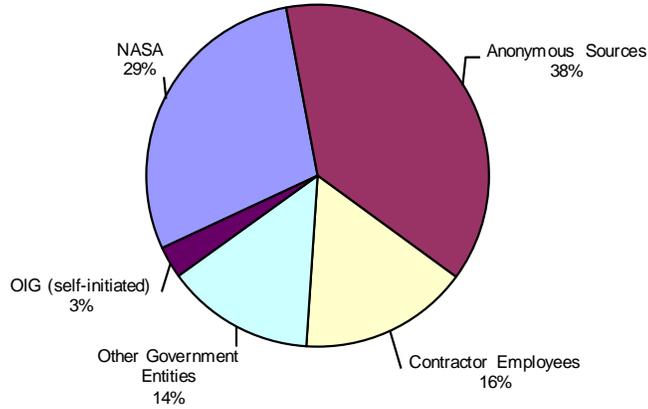
**DATA POINT:** OIG resources used to evaluate/investigate high-impact areas



DATA POINT: Source of OIG work by OIG Office

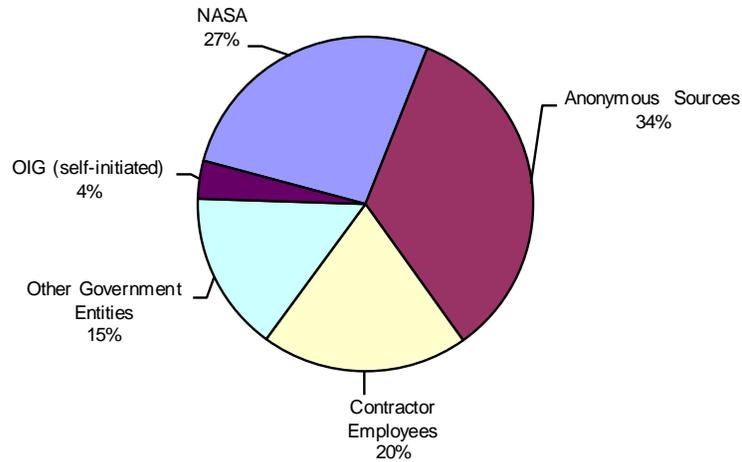


### Office of Investigations Source of Work FY 2009\*



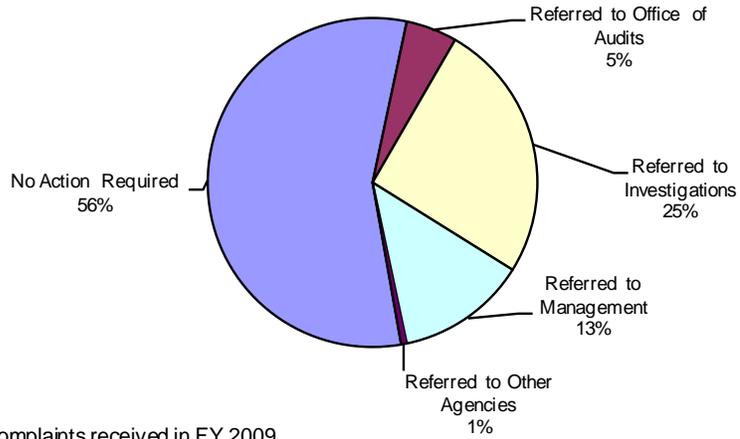
\*Includes 173 cases opened (preliminary, administrative and full investigations) in FY 2009.

### Office of Investigations Source of Work FY 2008\*



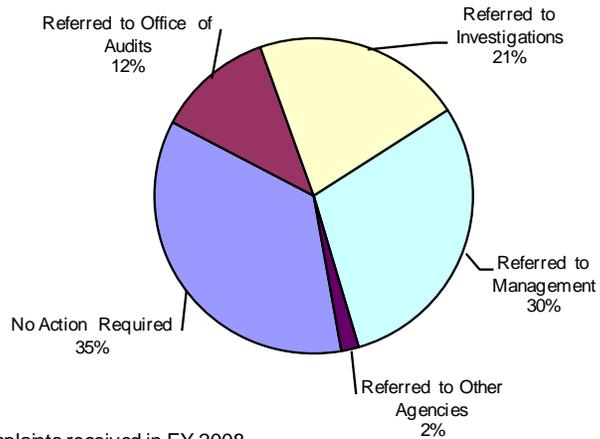
\*Includes 247 cases opened (preliminary, administrative and full investigations) in FY 2008.

**Office of Investigations  
Dispositioning of FY 2009 Hotline Complaints\***



\* 180 Hotline complaints received in FY 2009.

**Office of Investigations  
Dispositioning of FY 2008 Hotline Complaints\***



\* 169 Hotline complaints received in FY 2008.

## STRATEGIC GOAL 2: EFFICIENTLY PROVIDE INDEPENDENT PRODUCTS AND SERVICES

**OBJECTIVE 1:** Adhere to established quality standards as well as statutory, regulatory, and administrative requirements

**DATA POINT:** Results of external and internal program reviews

### **OFFICE OF AUDITS INTERNAL QUALITY ASSURANCE REVIEW**

The Office of Audits conducted an internal quality assurance review during this period to identify the strengths and areas for improvement within our audit program. The internal review found that the audit teams generally conducted audits in accordance with Generally Accepted Government Auditing Standards (GAGAS) and the Office of Audit Policy Manual (APM). The OIG's oversight of the independent public accountant's audit of NASA's financial statements was performed in accordance with the Government Accountability/President's Council on Integrity and Efficiency, Financial Audit Manual and, generally, the APM. Overall, OIG audit teams collectively possessed the professional proficiency, knowledge, and training necessary for conducting their assigned projects. Also, the teams generally documented and supported the audit results and conclusions, which were indexed and independently referenced before the audit report was issued. In addition, audit reports contained relevant information that was presented in a clear, concise manner. However, the following areas need improvement:

- Audit teams and supervisors did not always document compliance with internal policies and procedures for ensuring independence, sufficiently documenting an assessment of computer-processed evidence, and completing the quality control checklists and certifications.
- Supervisors did not always review and approve working papers properly and timely.

These areas continue to receive emphasis in current audit assignments and are evaluated as part of employees' annual performance reviews.

### **OFFICE OF AUDITS AND OFFICE OF INVESTIGATIONS EXTERNAL PEER REVIEWS**

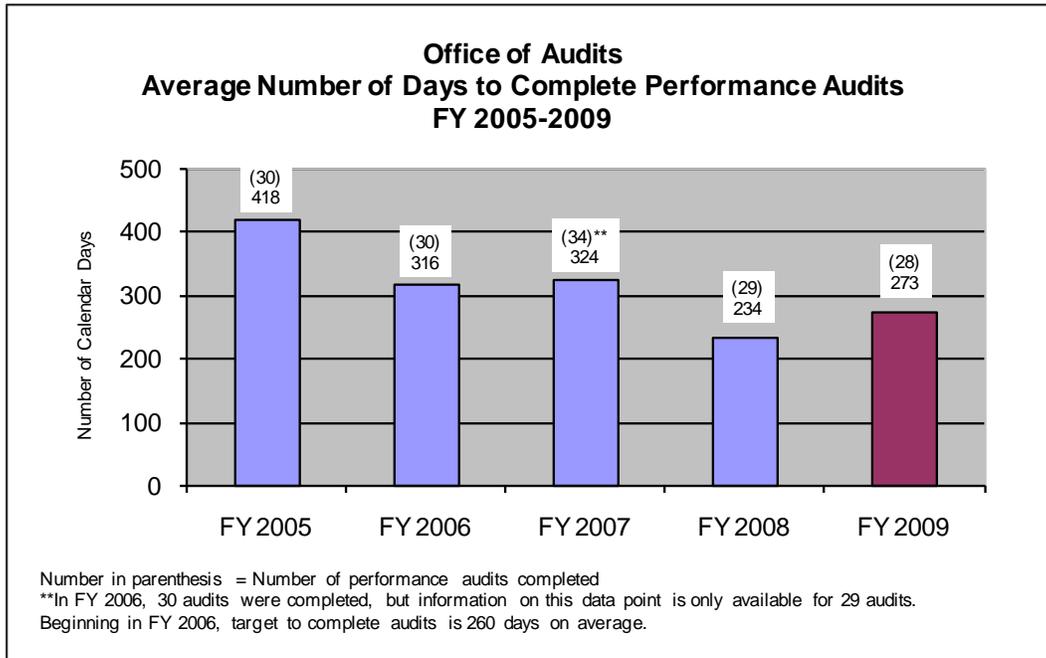
The Department of Treasury OIG has recently begun a peer review of the Office of Audits, which is ongoing.

The Department of Veterans Affairs OIG conducted an external peer review of the Office of Investigations in 2008, and they found that our system of safeguards and management procedures fully comply with quality standards of the Council of Inspectors General on Integrity and Efficiency, and guidelines of the Attorney General. The next review for the Office of Investigations is scheduled to be performed by the Federal Deposit Insurance Corporation OIG in May 2011.

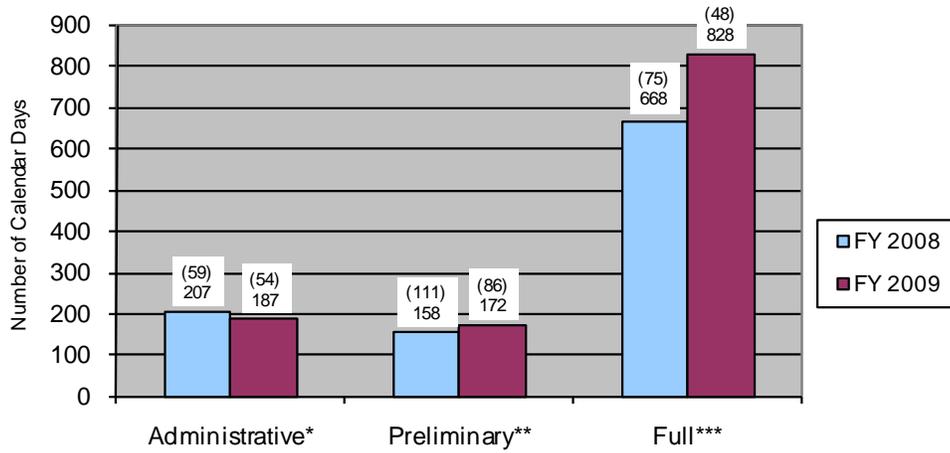
The review schedule for both offices is on a 3-year cycle.

**OBJECTIVE 2: Continuously assess OIG work processes and products to identify needed efficiencies**

**DATA POINT: Time to complete audits/investigations**



**Office of Investigations  
Median Number of Days to Complete Investigations  
FY 2008-2009**



Number in parentheses = Number of investigations closed

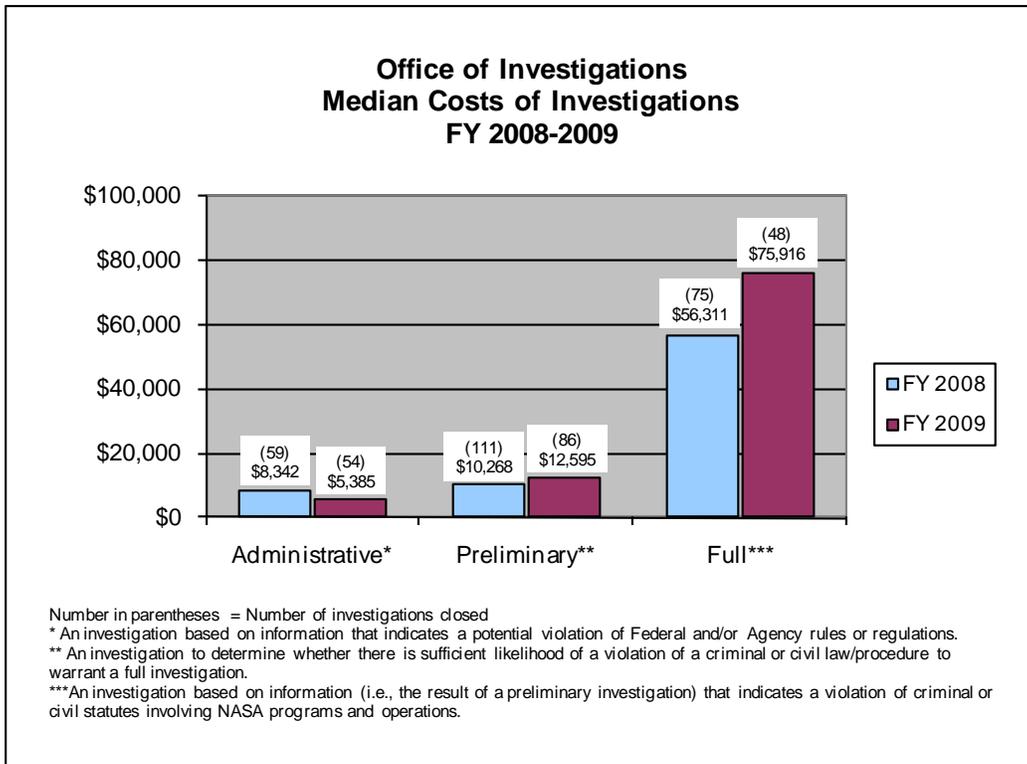
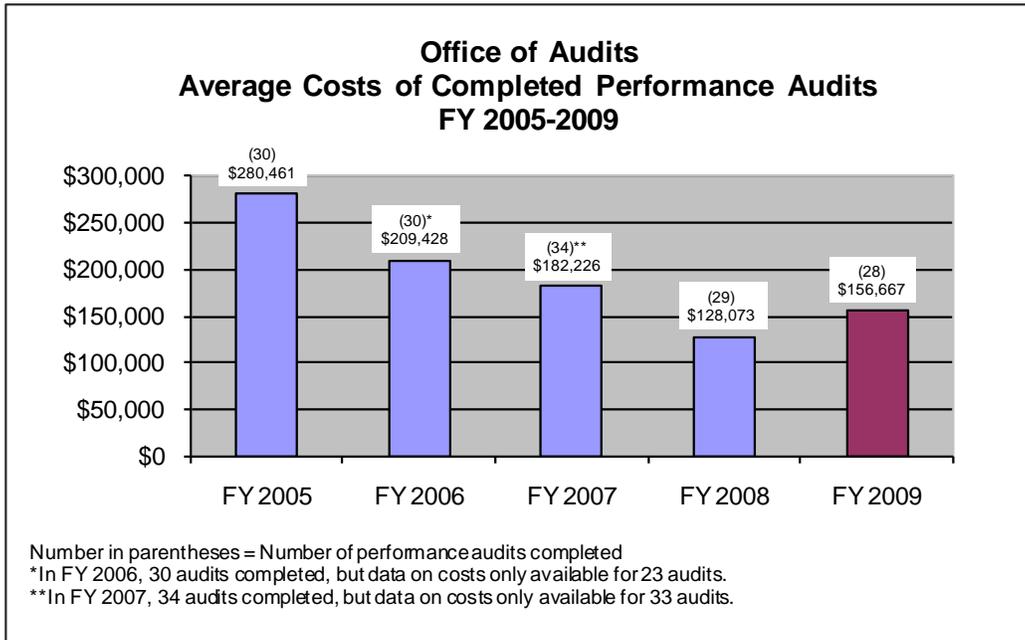
\* An investigation based on information that indicates a potential violation of Federal and/or Agency rules or regulations.

\*\* An investigation to determine whether there is sufficient likelihood of a violation of a criminal or civil law/procedure to warrant a full investigation.

\*\*\* An investigation based on information (i.e., the result of a preliminary investigation) that indicates a violation of criminal or civil statutes involving NASA programs and operations.

Note: Target to complete administrative investigations is 90 days and preliminary investigations is 180 days.

DATA POINT: Costs of audits/investigations



### OBJECTIVE 3: Improve communication and information sharing within the OIG

#### DATA POINT: Noteworthy joint activities within the OIG

The following FY 2009 accomplishments reflect the positive impact our collaborative, interdisciplinary efforts have on combating fraud, waste, abuse, and mismanagement at NASA and improving Agency programs and processes:

- Each year, the Office of Audits, Office of Investigations, and Counsel to the Inspector General work collectively to report on *NASA's Most Serious Management and Performance Challenges*, as required by the Reports Consolidation Act of 2000, and *NASA's Compliance with Federal Export Control Laws and Risks Associated with the Illegal Transfer or Theft of Sensitive Technologies*, as required by Public Law 106-391, National Aeronautics and Space Administration Authorization Act of 2000. In addition, the three offices coordinate at the start of audit projects, and the Counsel to the Inspector General plays a vital role in ensuring fullest possible release of information while protecting NASA and contractor information as appropriate by providing timely Freedom of Information Act reviews of published material.
- The Office of Audits released its report, *Improvements Needed in NASA's Oversight and Monitoring of Small Business Contractor Transfers of Export-Controlled Technologies*, which identified weaknesses in small business contractors' procedures for protecting export-controlled technology. During the audit, the team visited 10 contractor locations and evaluated their procedures for protecting export-controlled technology. In developing the audit plan, the audit team collaborated with an Information Technology (IT) Specialist in the Office of Audits to design steps to test each contractor's computer security configurations. The team also coordinated with the Office of Investigations to ensure visits to contractor locations did not impede any on-going investigations. While on-site at one contractor location, the audit team determined that the contractor employed a citizen of the People's Republic of China and a citizen of India, in possible violation of export control regulations. The audit team referred this matter to the Office of Investigations.
- The Office of Audits released its report, *NASA's Constellation Standing Review Boards Established Without Due Regard for Member Independence Requirements*, which reported that conflicts of interest existed for advisory board members. Specifically, the audit team found that NASA used a process that was lacking in both rigor and accuracy for determining the independence of advisory board members. As a result, 21 Standing Review Board members—close to one-third of all non-Federal advisory board members—had conflicts of interest and that each of the boards for the Constellation Program and its constituent projects included at least one non-Federal Government employee who had a conflict of interest. The Counsel to the Inspector General played a significant role during the audit, providing support, assistance and advice regarding the potential violation of the Procurement Integrity Act. The support included determining whether the information available to the board members was source-selection information and participating in meetings with representatives of Johnson Space Center's Chief Counsel and Procurement Offices.
- The Office of Audits collaborated with the Office of Investigations on a complaint involving the illegal possession and selling of a RL-10 Rocket engine over the Internet. The Office of Audits reviewed the allegation for veracity and referred the matter to the Office of Investigations for consideration of criminal wrongdoing. Office of Investigations determined that the allegation could have merit and requested technical assistance from the Office of Audits. Subsequently, both offices jointly interviewed the owner of the engine and determined that the owner had come into possession legally and that no International Traffic In Arms Regulations (ITAR, Part 121-The United

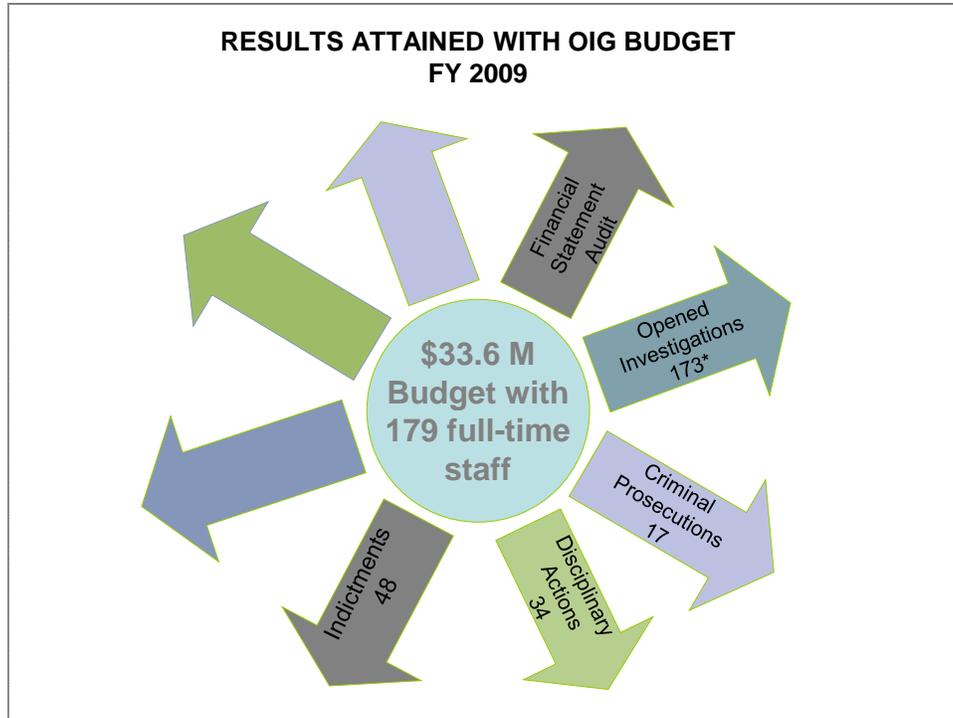
States Munitions List) had been violated. In addition, the Office of Audits Technical Analyst determined that the engine, although aesthetically complete was missing critical components and that given the age and relatively poor condition of the internal components and assemblies– the engine was inoperable.

- The Offices of Investigations and Audits collaborated on planning an audit of the controls over NASA's Small Business Innovative Research (SBIR) Program and in preparing congressional testimony. The Office of Investigations identified specific types of fraud in 51 SBIR-related investigations that the Office conducted since 1997 and recommended that the Office of Audits initiate an audit to determine the extent of fraud in NASA's SBIR Program. The investigations confirmed vulnerabilities reported by the Office of Audits since 1992. The Offices planned the audit to determine whether NASA management developed and implemented effective internal controls to evaluate and select proposals, award contracts, and perform post-award administration. Data mining tests will be conducted to identify whether the specific types of fraud exist in NASA's SBIR contracts. The Offices jointly prepared congressional testimony given by the Acting Inspector General on August 6, 2009, to describe (1) our work and (2) the audit objectives and methodology. The congressional testimony gave an overview of the investigations and prior audit work.

### STRATEGIC GOAL 3: MANAGE RESOURCES AND SERVICES FOR OPTIMAL RESULTS

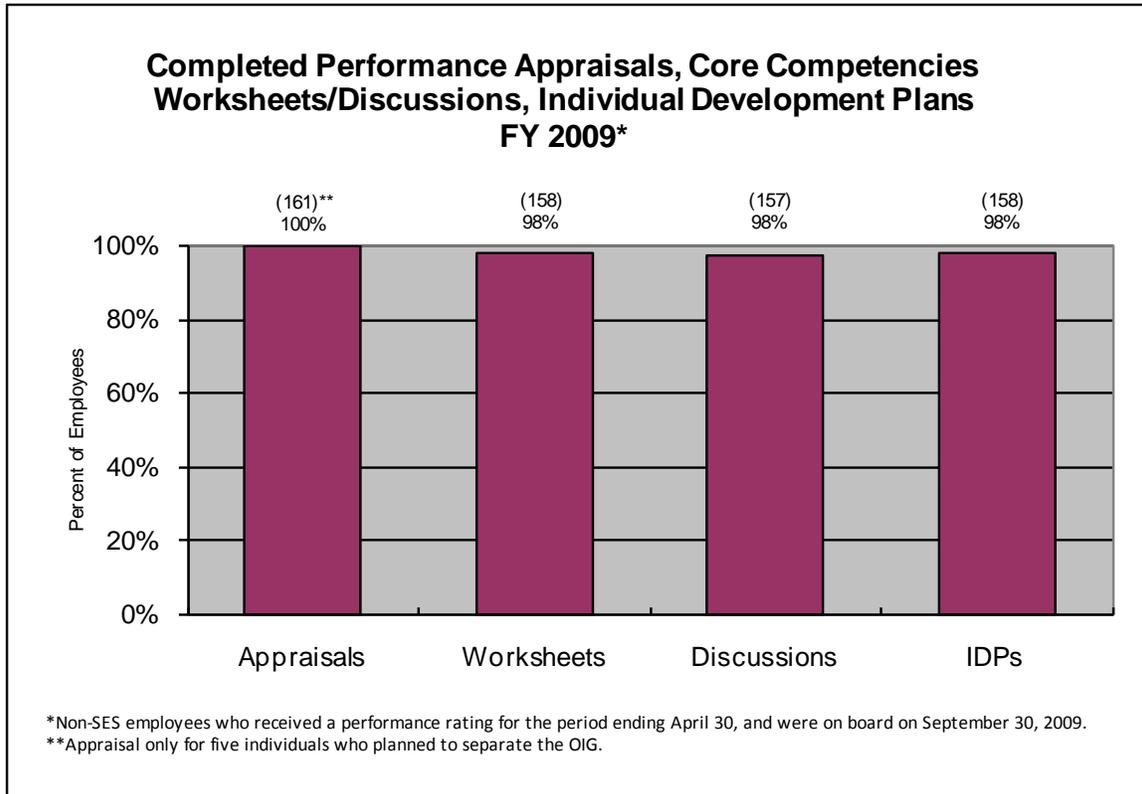
OBJECTIVE 1: Efficiently and effectively employ public assets and resources

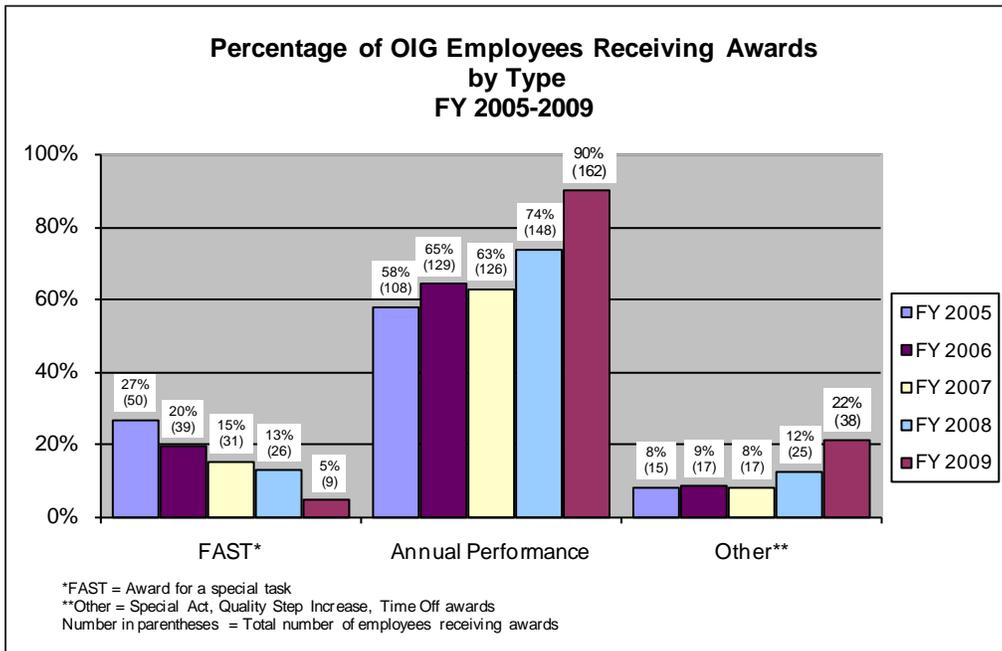
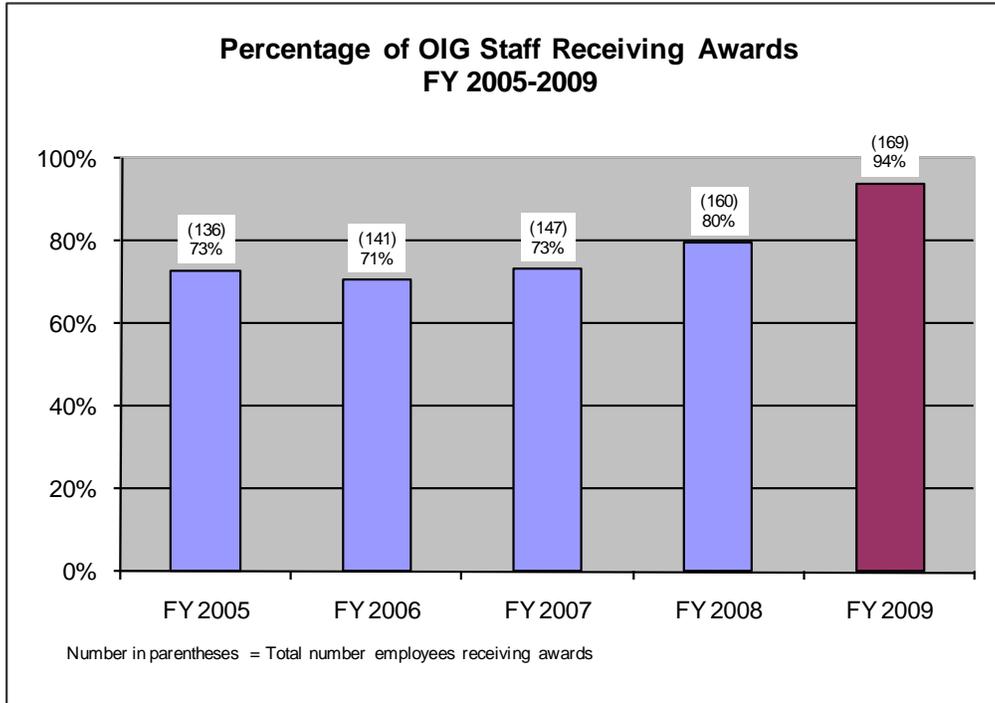
DATA POINT: Percentage of staff receiving awards and recognition for their contributions



\* Includes all cases opened (preliminary, administrative and full investigations).

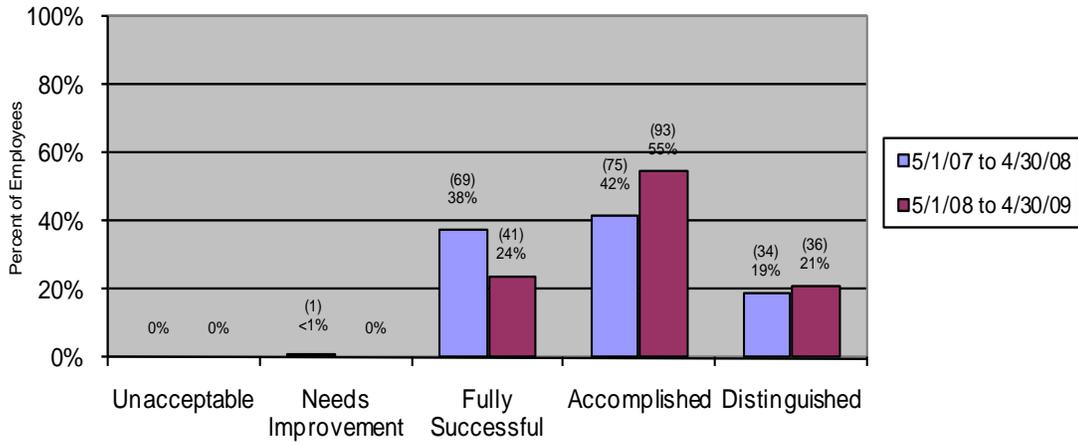
DATA POINT: Percentage of staff with completed performance appraisals, core competencies worksheets and related discussions, and individual development plans (IDPs)





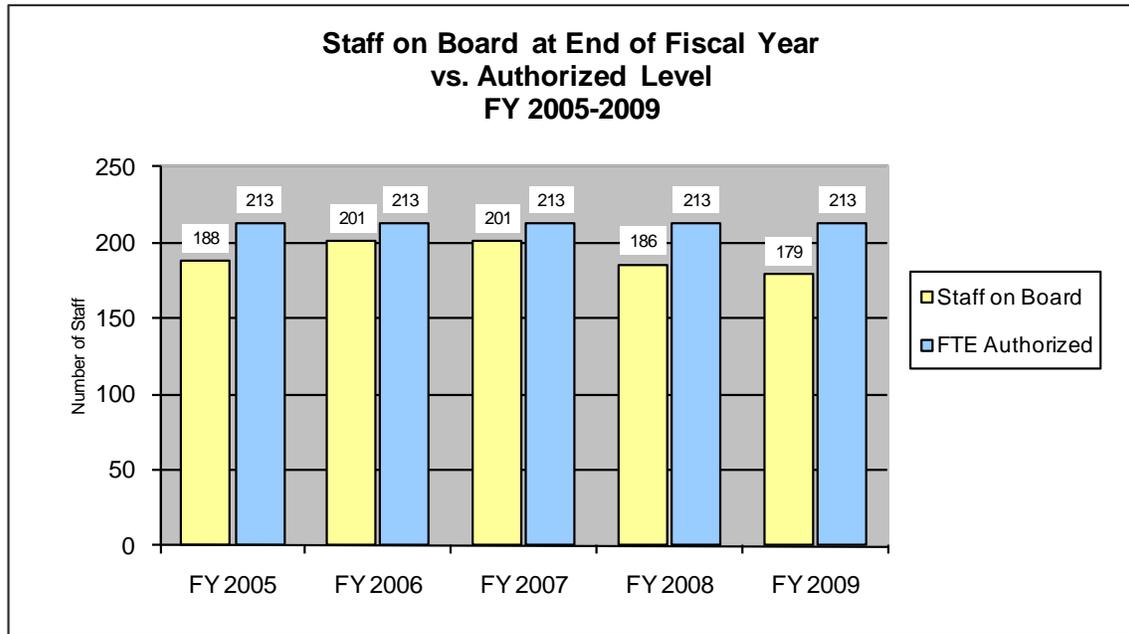
DATA POINT: Percentage of staff failing, meeting/exceeding, and significantly exceeding performance standards

### OIG Performance Ratings Rating Years 2008 and 2009

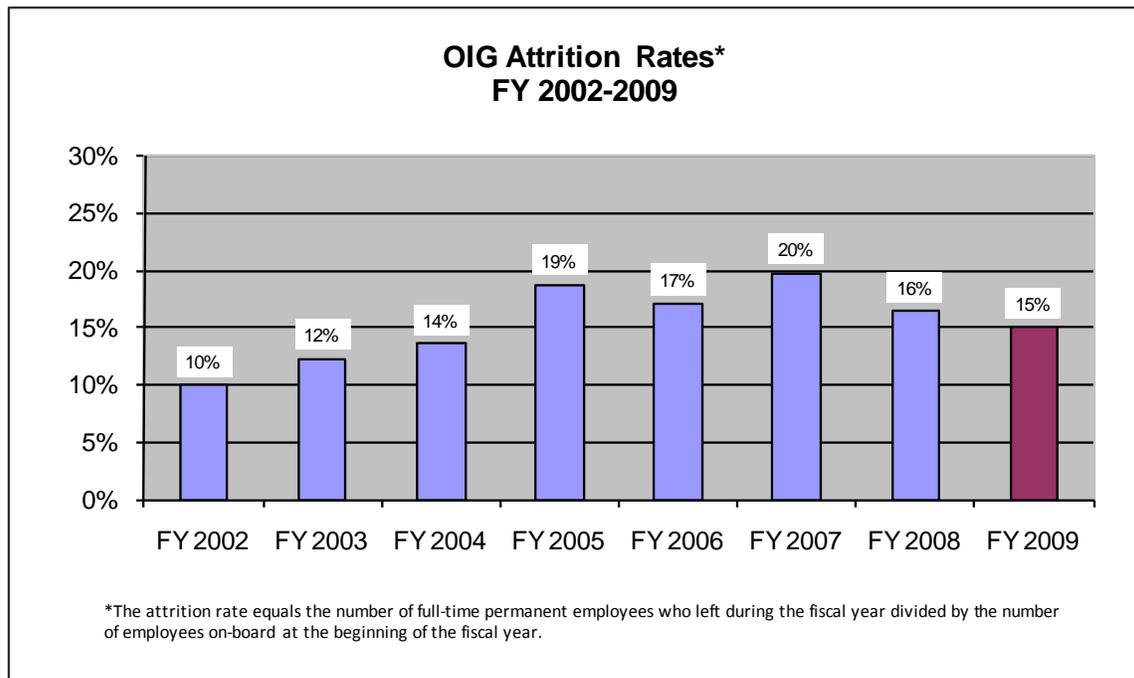


Number in parenthesis = Total number of performance ratings

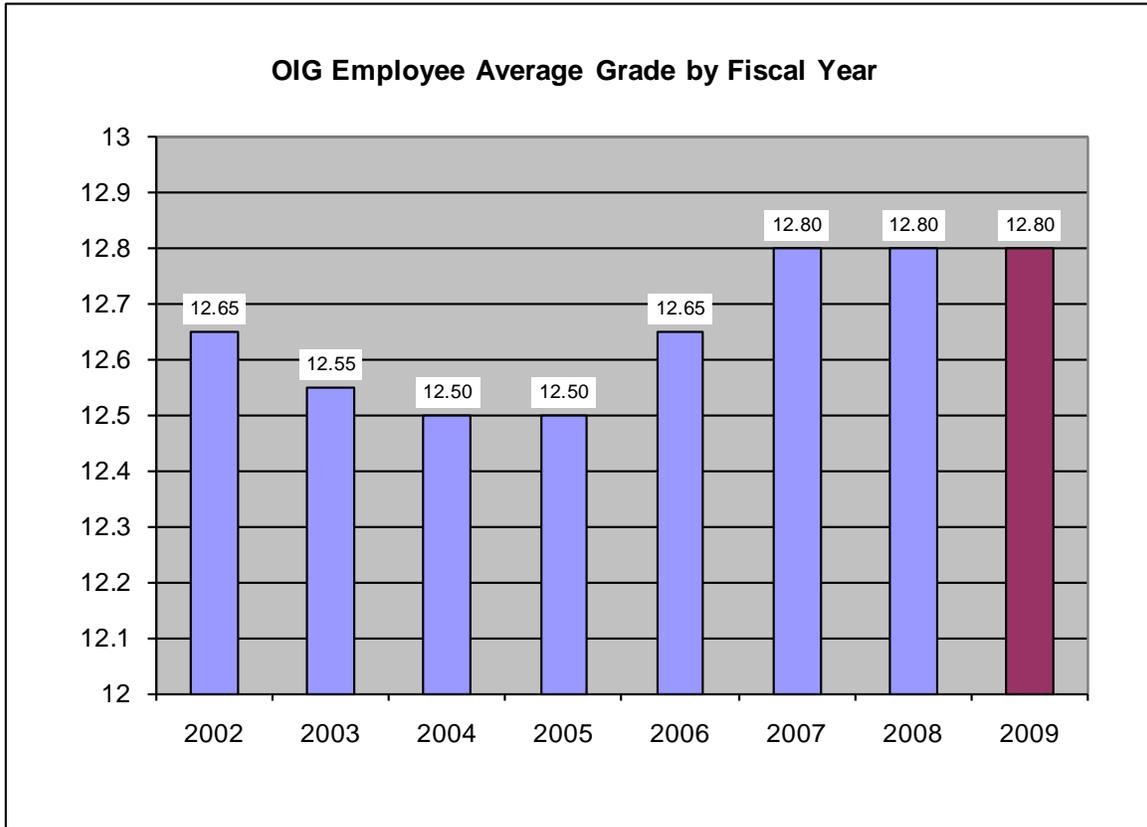
DATA POINT: Staff on board at end of fiscal year versus authorized level



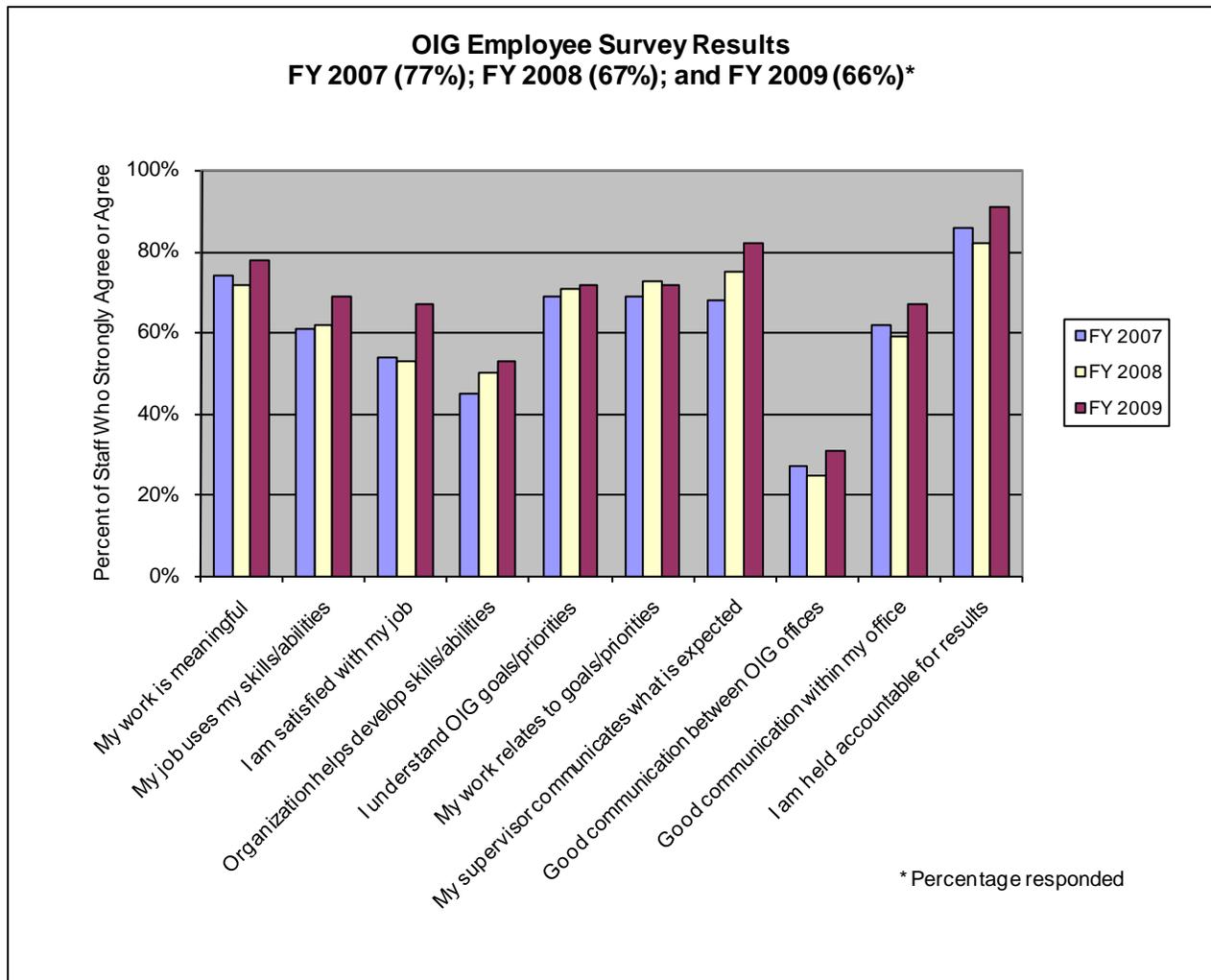
DATA POINT: OIG attrition rates



DATA POINT: OIG Employee average grade by fiscal year



DATA POINT: Periodic employee surveys to evaluate workplace excellence



**OBJECTIVE 2: Ensure the OIG has appropriate skill mix to meet customer needs and to maximize staff performance**

**DATA POINT: Employee Skill Mix**

