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# **STRATEGIC PLAN**

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**2005–2008**

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**OIG**

Office of Inspector General

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## Foreword

This strategic plan forecasts the long-range direction for the Office of Inspector General (OIG) of the Board of Governors of the Federal Reserve System (Board) over the next four years and delineates how we will carry out our legislated duties and responsibilities. It also reflects the external and internal factors that are, or likely will be, influencing the Board, the OIG, and the Inspector General community.

The strategic planning horizon brings new challenges to the Board as it continues to operate in a changing legislative, technological, and demographic environment. The OIG also will continue to respond to new legislative requirements for specific audit and evaluation work, report on Board progress in a number of areas of interest governmentwide, and add value and mitigate risk in a broad range of Board programs and operations. Internally, we will emphasize ensuring that the OIG has an effective quality and internal control framework; a secure and effective information technology infrastructure; and timely, high quality communication and reporting processes.

In this strategic plan, we renew our commitment to being a highly effective organization that promotes economy, efficiency and effectiveness in Board programs and operations, while preventing and detecting fraud, waste, and abuse. Through our collective and sustained effort going forward, we will achieve our vision and values and make a positive contribution in helping the Board carry out its programs and operations.

*/signed/*

Barry R. Snyder  
Inspector General  
November 22, 2004

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# Mission

Consistent with the Inspector General Act of 1978 (IG Act), as amended, the Office of Inspector General (OIG) of the Board of Governors of the Federal Reserve System (Board) will

- conduct and supervise independent and objective audits, investigations, inspections, evaluations, and other reviews of Board programs and operations;
- promote economy, efficiency, and effectiveness within Board programs and operations;
- prevent and detect fraud, waste, and mismanagement in the Board's programs and operations;
- review existing and proposed legislation relating to the Board's programs and operations and make recommendations regarding possible improvements in such programs and operations; and
- keep the Chairman and Congress fully and currently informed of problems.

Congress has also mandated additional responsibilities that have a significant impact on our resources and workloads. For example, the Federal Deposit Insurance Act (as amended) requires the Board's OIG to review Board supervision of failed financial institutions that result in a material loss to the bank insurance funds and produce, within six months of the loss, a report that includes possible suggestions for improvement in the Board's banking supervision practices. In the information technology arena, the Federal Information Security Management Act of 2002 (FISMA) provides a comprehensive framework for ensuring the effectiveness of security controls over information resources that support federal operations and assets. Consistent with FISMA requirements, we perform an annual independent evaluation of the Board's information security program and practices to include evaluating the effectiveness of security controls and techniques for selected information systems.

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## Vision

The OIG will be an independent, yet integral, part of the Board and its governance structure. In this role, we will provide objective, value-added services that help identify ways for the Board to manage and conduct its programs and operations in a more efficient, economic, and effective manner and that will help prevent and detect fraud, waste, abuse, or mismanagement. While we recognize that mandated work will necessarily demand a significant part of our staff resources, we will strive to conduct projects that directly focus on specific goals and objectives the Board has outlined in its strategic and biennial performance plans. In addition, the OIG will strive to operate efficiently and effectively, appropriately coordinate with agency management, and make positive contributions to the Board's success. We will have the objectivity, creativity, breadth of coverage, program and operational knowledge, quality of analysis, customized products and services, and timeliness of information for decision-making to distinguish the OIG as an independent and effective evaluation function of the Board and a proper oversight vehicle for the Congress.

## Values

The OIG recognizes the Board's commitment to fulfilling its values of promoting the public interest, adhering to the highest standards of integrity, pursuing excellence, achieving efficiency and effectiveness, and fostering independence of views. Within this context, the OIG has set the following values to serve as the guiding principles for how we will accomplish our mission and achieve our vision, and to provide the framework for our day-to-day operations, management decisions, and employee conduct.

**Objectivity and Integrity.** The OIG will

- steadfastly maintain organizational, procedural, and personal independence in all of our operations, in full compliance with the IG Act and other applicable legislation, standards, and guidelines;
- perform work without bias, or recuse ourselves from the project if we cannot;
- never compromise on what we believe is the proper recommendation or course of action; and
- consistently exercise sound professional judgment and professional skepticism in our work.

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**Quality Service.** The OIG will

- make constructive recommendations to address problems and issues, with proper consideration of the Board's mission, goals, and functions;
- provide the Congress and the public with an effective oversight and reporting vehicle; and
- deliver professional results on time, within budget, and of high quality that have a positive impact on the Board's programs and operations.

**Continuous Improvement.** The OIG will

- endeavor to be the best and take active steps to improve our individual knowledge, skills, and abilities and our operational policies, procedures and processes;
- build quality into our internal operations and work processes; and
- ensure an effective quality control and assurance process.

**Teamwork and Information Sharing.** The OIG will

- function as a highly integrated group;
- proactively share information and best practices whenever possible; and
- value all staff and their diversity and treat each other with respect and dignity.

**Reward for Excellence.** The OIG will

- properly reward those who contribute the most toward our mission, vision, values, goals, and objectives;
- recognize and reward those teams and individuals whose accomplishment and products exceed our standards of quality and timeliness; and
- reward those teams or individuals that get extraordinary results because that achievement ultimately benefits the entire organization.

## **Business Environment and Challenges**

As the nation's central bank, the Federal Reserve System (System) fosters the stability, integrity, and efficiency of the nation's monetary, financial, and payment

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systems so as to promote optimal macroeconomic performance. The Federal Reserve Board has five primary goals:

- conduct monetary policy that promotes the achievement of maximum sustainable long-term growth and the price stability that fosters that goal;
- promote a safe, sound, competitive, and accessible banking system and stable financial markets;
- enforce the consumer financial services laws fully and fairly, protect and promote the rights of consumers under these laws, and encourage banks to meet the credit needs of consumers, including those in low- and moderate-income neighborhoods;
- foster the integrity, efficiency, and accessibility of U.S. dollar payment and settlement systems; and
- provide high-quality professional oversight of Reserve Banks.

In the coming years, major economic, financial, and social trends will shape the environment in which the Board and the other financial regulatory agencies operate and, accordingly, will influence our strategic direction. Threats to financial institutions and to the Board's internal operations are likely to continue, demanding constant focus on identifying and mitigating risks. Since September 11, 2001, the Board has taken on new and difficult challenges in addressing terrorists' financial activities and money laundering, implementing the USA PATRIOT Act, and coordinating with numerous international organizations. In addition, the continued consolidation and globalization of the banking industry brings new challenges for the monetary policy and supervision and regulation areas, with increased emphasis on areas such as enterprise risk management, internal controls, corporate governance, coordination of supervisory activities among regulators both domestically and internationally, and increased vigilance to protect consumer interests and privacy. Changes in the delivery of System services will affect oversight of the Reserve Banks and the payment systems. In addition, the Board will continue to be challenged by the need to develop and maintain a strong workforce and by the need to maintain an information technology infrastructure that effectively balances user requirements against ever-increasing security concerns.

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Internally, a number of factors at the Board will also have a direct impact on our strategic direction. First, the Board will continue to experience turnover at the senior and middle management levels, requiring additional emphasis on recruitment and retention activities as well as management succession planning. The emphasis on and the costs associated with strengthening physical and cyber infrastructures will also challenge the Board's ability to operate economically and efficiently. In addition, an increasing emphasis on enterprise risk management will bring new perspectives to the Board's governance structure.

Our business environment is also shaped by a number of factors related to the Inspector General (IG) community as a whole. Established by an executive order, the President's Council on Integrity and Efficiency (PCIE) and the Executive Council on Integrity and Efficiency (ECIE) provide leadership to the IG community. Over the coming years, the councils will increase their effort to address a number of common issues across government as well as other management issues, such as auditor and investigator training, OIG operations, management issues, and legislative changes.

Integrating relevant audit, investigation, inspection and evaluation, and quality standards into the OIG's business model, governance framework, and IT infrastructure will remain a priority and continue to shape our internal business environment. Of particular significance from a strategic perspective, the Government Accountability Office (GAO) substantially revised the *Government Auditing Standards* which, consistent with the IG Act, guide the OIG as an audit organization. The revised standards incorporated sweeping new independence requirements, expanded the types of audits to include prospective analyses and studies, added attestations as a separate type of audit, and provided guidance to promote more consistency in fieldwork and reporting requirements across all types of audits. While these new standards became effective on January 2004, GAO will continue to monitor implementation and the actions of other standards-setting organizations, and may issue clarifying guidance as appropriate. From the IG community perspective, the PCIE and ECIE updated the *Quality Standards for Federal Offices of Inspector General* (Silver Book) to set forth the overall quality framework for managing, operating, and conducting OIG work and to guide the IG community's efforts into the future.

The OIG also incorporates a variety of other standards into its work and recognizes that anticipated revisions to these standards in the coming years will continue to have an impact on our business model and governance framework. In both criminal and administrative investigations of alleged wrongdoing against Board programs and

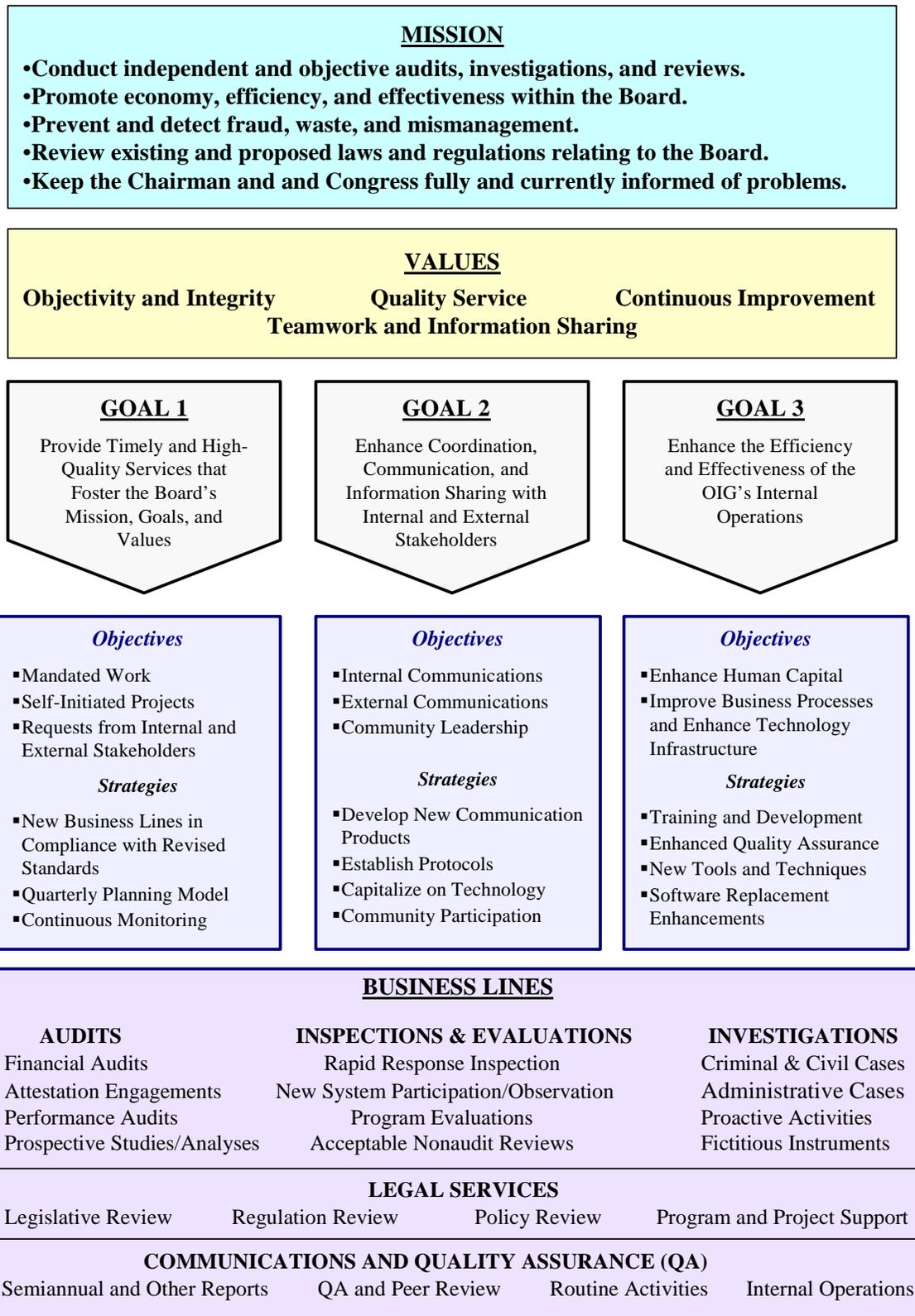
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operations, the OIG complies with the *Quality Standards for Investigations* established by the PICE and ECIE, and with applicable guidance from the Department of Justice. Investigative standards and the associated peer review process have been under revision, as the IG community works to ensure proper use of law enforcement authority and adopts new requirements for comprehensive investigative peer review. Similarly, the PCIE and ECIE are reviewing and updating the *Quality Standards for Inspections*, which guide our inspection and evaluation work, and changes in these standards will have an impact on our work going forward.

## Goals, Objectives, and Strategies

Within the context of this business environment and our mission and values, the OIG has developed three goals and eight corresponding objectives to guide our work over the next four years. Each objective highlights areas of focus where we plan to target our efforts, with specific projects identified annually and refined each quarter. For each strategic goal, we have also developed strategies to help achieve the underlying objectives. Exhibit 1 depicts the relationship of the various elements of the OIG's strategic planning process.

**Exhibit 1. Overview of the OIG Strategic Plan 2005-2008**



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## **Goal 1: Provide Timely and High-Quality Services that Foster the Board's Mission, Goals, and Values and Comply with Applicable Standards**

In keeping with our mission of enhancing Board programs and operations, our first strategic goal focuses on providing value-added services to the Board and other key stakeholders. Within that broad goal, our work will focus on the three strategic objectives described below.

### **Objective 1: Conduct Work Consistent with the OIG's Statutory and Legislated Requirements**

The IG Act provides broad requirements for conducting independent audits, investigations, inspections and evaluations, and other reviews of the Board's programs and operations. Other legislation prescribes specific requirements for us to perform work in a particular program, activity, or functional area. Our annual and quarterly planning processes give first priority to ensuring that work performed under this objective is appropriately staffed to ensure we meet all statutory and legislated requirements. Our work in this area over the strategic planning period will emphasize

- contracting with an independent public accounting firm to fulfill the Board's statutory requirement for annual, audited financial statements;
- reviewing all Board-supervised commercial bank failures when the failure results in a material loss to the insurance fund, as prescribed by the Federal Deposit Insurance Act, as amended;
- conducting annual and related reviews of the Board's information security program pursuant to the FISMA; and
- proactively reviewing new and proposed legislation to ensure a timely response to new legislative requirements.

### **Objective 2: Provide an Independent and Timely Response to Requests from Internal and External Stakeholders on Emerging Issues and Environmental Changes**

As part of our preventive role under the IG Act, we look to our internal and external stakeholders for input on projects and emerging areas of interest, and continue to

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strive for new and creative ways to provide an independent, timely, and informative response. An increasing demand for OIG services—with an emphasis on adding value and mitigating risk in such challenging areas as enterprise risk management, information system development efforts, internal controls and governance, and new program and operations initiatives—marked our transition into the 2005 strategic planning period. We also are managing an expanding workload of requests under the Freedom of Information Act (FOIA) and the Privacy Act. Requests for investigative services and participation on task forces continue to grow and come from a variety of sources: Board divisions and offices, Federal Reserve Banks, other law enforcement agencies, the Department of Justice, and United States Attorney's Offices.

Our work in this area will focus on

- providing a prompt, independent, and knowledgeable response to address requests by internal and external stakeholders;
- ensuring full compliance with applicable standards in meeting stakeholder requests, including more stringent standards and independence requirements; and
- responding to requests for investigative services on issues that demand immediate attention, such as threats, computer incidents, security incidents, and emergency response.

**Objective 3: Perform Self-Initiated Projects of Board Programs and Operations to Enhance Economy, Efficiency, and Effectiveness; Limit Risk; Detect and Prevent Fraud and Abuse; and Ensure Compliance**

The Board will continue to operate in a dynamic environment, shaped by a diverse set of environmental factors. Within this environment, we plan to focus on projects aligned with the Board's six overarching strategic issues: human resources and Board organization; financial modernization and reform; assistance and support to foreign governments, central banks, and international organizations; technology; communications; and facilities. We will also strive to balance our work between the Board's primary mission areas of monetary policy, supervision and regulation, and Reserve Bank oversight and its internal administrative operations.

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Our audit, inspection, evaluation, and investigative activities will target those areas with the highest potential reputational, operational, and financial risk to Board programs and operations. More specifically, our work will address the following:

- homeland security-related efforts, including contingency planning and emergency preparedness efforts related to physical and cyber security;
- supervision of large, complex banking organizations and foreign banking organizations;
- the impact on Board programs and operations of the USA PATRIOT Act; Basel II; the Sarbanes-Oxley Act; and other new or revised laws, regulations, standards, policies, and procedures;
- the Board's overall approach to Reserve Bank oversight and the coordination of various Board divisions in the oversight function;
- the economy and efficiency of the Board's administrative operations, including the acquisition of goods and services; the processes for attracting, developing, retaining, and motivating a highly skilled staff; and the automation of manual administrative processes;
- continuation of on-going investigative activities (hotline and fictitious instrument frauds) to include responding to any allegations of employee or examiner misconduct;
- establishment of more comprehensive investigative programs, such as reviews of suspicious activity reports and investigations of criminal and non-regulatory violations in financial institutions; and
- more proactive emphasis on fraud prevention in Board programs and operations, including fraud awareness briefings, alerts, and articles.

## **Strategies for Achieving Goal 1**

To accomplish our first goal, we will implement the following strategies:

**Strategy 1.A: Align our organization with new business lines to ensure timely and high-quality results in full compliance with applicable standards**

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To strengthen our internal governance structure and ensure full compliance with the new standards—both in fact and in appearance—the OIG has realigned its organizational structure around the following areas:

**Audits and Attestations.** The audits and attestations program area conducts financial audits, performance audits, and attestation engagements within the Board’s three major mission areas—monetary policy, banking supervision and regulation, and oversight of payment systems and financial services—as well as its internal administration and operations.

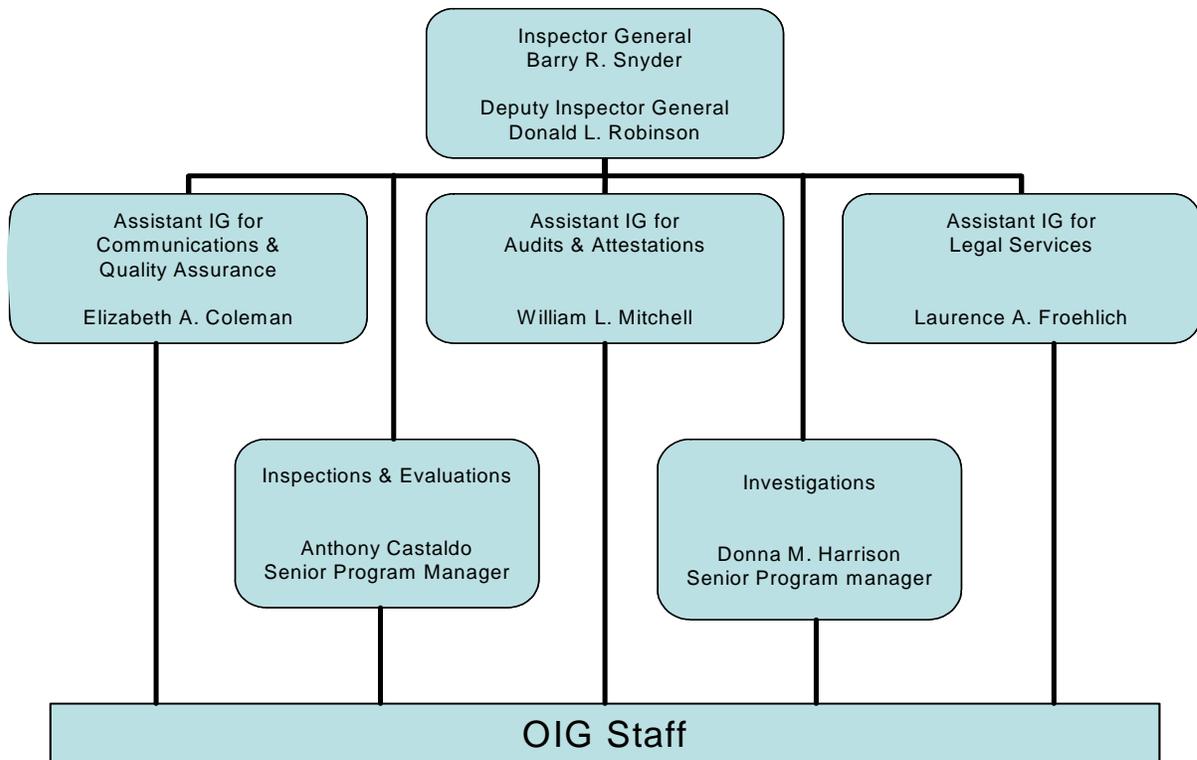
**Investigations.** The investigations program area performs both criminal and administrative investigations of alleged fraud, waste, abuse, mismanagement, and employee misconduct. It covers the full range of investigative requirements from both reactive and proactive directions.

**Inspections and Evaluations.** The inspections and evaluations program area provides the OIG with an alternative to traditional audits and investigations to assess Board programs and activities. It includes special inspections that arise suddenly and need immediate attention, broader program evaluations, and certain acceptable nonaudit work (such as participating in an advisory capacity on new system development efforts).

In addition to these three program areas, our organization structure includes a Counsel to the IG with responsibility for carrying out our law and regulation review function under the IG Act, as well as providing a full range of legal services to the OIG. Consistent with standards, we also created a Communications and Quality Assurance function to foster, expand, and enhance our strategic planning processes; our communications protocols, products, and reports; our quality and internal control framework for audits and attestations, inspections and evaluations, and investigations; and our internal administration and information technology infrastructure. Exhibit 2 depicts the OIG organization.

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## Exhibit 2: OIG Organization



### **Strategy 1.B: Implement an annual planning model with quarterly updates to focus OIG resources on emerging issues and environmental changes**

Unanticipated and urgent requests for OIG work, security incidents, concerns over a potential fraud, the failure of a Board-supervised bank or holding company, and the need for the OIG's independent perspective and routine observation are just some examples of the types of events that can disrupt even the most thoughtful and well-designed annual plans. To meet customer expectations and ensure that our resources are continually focused on the most significant issues, we are implementing a quarterly planning model to build "real time" flexibility into our planning process. On an ongoing basis, OIG management will closely and actively monitor projects and staffing; identify and promptly respond to issues that warrant immediate attention, including major changes in the business environment; and adjust our plans as appropriate to be responsive to stakeholder requests.

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### **Strategy 1.C: Perform continuous monitoring of key Board information systems**

Effectively leveraging information technology tools will play an increasingly important role during this strategic planning period to help us more efficiently, effectively, and accurately monitor the Board's critical information systems. For example, tools and techniques can be tailored to monitor certain financial transactions and activity, system and network security, operations and controls, aspects of new system development efforts, and data backup and recovery. Continuous monitoring is particularly useful given the Board's increasing use of web-enabled applications, data warehousing and repositories, and distributed computing environments. Data mining technology will also enable us to extract key data on an on-going basis to assist our risk assessment and planning efforts.

### **Goal 2: Enhance Coordination, Communication, and Information Sharing with Internal and External Stakeholders**

Many of the challenges that the Board faces also confront other programs and operations across government, and the OIG will most effectively achieve its mission by building effective working relationships and maintaining an ongoing dialogue not only with Board management, but also with the Congress, the Reserve Bank general auditors, and other stakeholders. Furthermore, GAO is working to foster closer strategic planning and ongoing coordination of audit efforts between its offices and divisions and the IG community. In addition, our continued coordination with other IGs in the financial regulatory agencies promotes consistency in our evaluations and priorities and provides a more global assessment of issues that warrant attention. At the same time, we strive to take advantage of technology and more innovative reporting and communications vehicles to streamline and enhance information sharing with our diverse stakeholders.

#### **Objective 1: Continue Internal Coordination, Communication, and Information-Sharing with the Board and Federal Reserve System Consistent with our Statutory Requirements**

Within the Board and the System, we will continue our efforts to work across organizational lines in expanding and refining our relationships with the Governors; Board oversight committees, management, and staff; and Reserve Bank management

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and general auditors. Board management will need to be aware of changes in *Government Auditing Standards*, *Quality Standards for Investigations*, *Quality Standards for Inspections*, and other guidance that have a significant impact on the OIG's roles and responsibilities. At the same time, we will engage Board oversight committees in discussing relevant issues, observations, findings, and recommendations that we believe warrant their attention and bring an independent risk-focused perspective to these discussions. From the System perspective, we will look for opportunities to enhance communications and understanding in key areas that have an impact on Board operations.

Our work in this objective will focus on the following:

- ensuring a consistent understanding within the Board and across the System regarding the OIG's roles and responsibilities under new and substantive revisions in our standards and appropriate policies, procedures, and protocols for working with the OIG;
- developing processes to quickly and effectively notify and inform the appropriate Governors, oversight committees, and Board officials about key issues, findings, recommendations, and practices, as well as design processes to facilitate follow-up on corrective actions; and
- building effective relationships with the Reserve Bank and general auditor officials.

**Objective 2: Coordinate, Communicate, and Share Information with External Stakeholders, including the Congress, GAO, Financial Regulators, and Law Enforcement Agencies**

By law, the OIG has a duty and responsibility to keep Congress fully and currently informed by means of semiannual and other reports concerning fraud and other serious problems, abuses, and deficiencies relating to the administration of programs and operations administered or financed by the Board. At the same time, we are also charged with recommending corrective actions and reporting on the progress made in implementing these corrective actions. In addition, GAO has added a strategic objective to build partnerships with OIGs in addressing the broad and more global issues facing the government. We plan to emphasize the following areas under this objective:

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- foster an effective working relationship with staff members of the House and Senate banking committees and other congressional committees to identify their needs, priorities, and interests;
  - work with congressional committees to foster a logical and appropriate implementation of proposed legislative changes to the IG Act;
  - redesign our semiannual reports to better communicate information to internal and external stakeholders;
  - maintain an on-going dialogue on topical issues with other financial regulators; and
  - coordinate with GAO in efforts to address governmentwide issues.

**Objective 3: Maintain an Active Role in the IG and Professional Communities**

While our primary mission is to enhance Board programs and operations, we are also members of broader IG and professional communities. In this role, we will continue to work with other IGs to promote professionalism and coordination among the PCIE and ECIE membership on shared concerns. Under this objective, we will emphasize the following areas:

- complete an appropriate term of office as the ECIE Vice Chair and maintain a proactive role in council functions;
- work with PCIE/ECIE members in implementing a comprehensive strategic plan aimed at leading and promoting integrity, accountability, and excellence in governance;
- foster working groups and committees to enhance Council effectiveness; address areas of common vulnerability; help develop the annual progress reports and provide relevant information to the Administration and the Congress; and leverage individual audit and investigative successes by sharing ideas and techniques; and
- build effective relationships with members of the OIG community and related groups and foster coordinated efforts to address cross-cutting issues.

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## Strategies for Achieving Goal 2

To accomplish our second goal, we will implement the following strategies:

**Strategy 2.A: Update, develop, and implement new Board and System policies that define the protocol and procedures for working with the OIG, as well as protocols to guide our relationships with external stakeholders**

Achieving the level of coordination, communication, and information sharing envisioned in goal 2 depends, in large part, on working with key Board and System stakeholders to develop clear and consistent understanding and expectations regarding OIG authority, roles, and responsibilities. Updating and developing appropriate Board and System policies that define the protocol and procedures for working with the OIG will help us achieve this goal. In addition, protocols are a vehicle for establishing the general practices that will govern how the OIG will carry out certain aspects of its roles and responsibilities not only within the Federal Reserve System, but also with our external stakeholders (including the Congress, GAO, the public, and the media). The protocols identify what the stakeholders can expect from the OIG and what the OIG, in turn, expects from the stakeholder. We anticipate that developing policies that define appropriate protocol and procedures will not only promote clearer and more effective communications between the OIG and its stakeholders, but also facilitate carrying out our job responsibilities in a professional, objective, and efficient manner.

**Strategy 2.B: Develop an orientation presentation and other means to inform stakeholders about the OIG's mission, roles, and responsibilities**

An appropriate introduction and orientation to the OIG concept, roles, and responsibilities promotes understanding and helps build constructive working relationships. A concise and well-prepared orientation presentation, along with an informative brochure or pamphlet, can provide an interesting and interactive way to introduce new governors and other Board and System officials and staff to the OIG's mission, roles, and responsibilities. These communication vehicles can also be useful tools to inform external groups—such as newly elected members of Congress and their staffs, foreign visitors, potential job applicants—about the OIG's mission and work.

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**Strategy 2.C: Continue to update and refine OIG products to ensure timely and relevant information sharing with key stakeholders**

Over time, the OIG has used a variety of products to document and share work results and other information with our stakeholders—from semiannual reports to planning documents and reports to briefing presentations, management letters, and memoranda. During this strategic planning period, we will strive to make our reports and products easier for our audiences to read and easier for our staff to prepare. With the new standards and types of work (such as attestations and inspections), OIG staff will need a variety of options to effectively tailor and deliver the message and work results in compliance with the standards. In addition, designing a consistent format and organization will help distinguish OIG products and will assist readers in quickly determining our main message, locating any supporting data, and identifying any recommendations. We will continue to capitalize on the capabilities of our new audit and investigative project management software to streamline and automate—to the extent possible—the report writing, formatting, and delivery processes.

**Strategy 2.D: Establish an infrastructure where our web page serves as our primary communications tool, and optimize our use of technology to streamline the investigative hotline process and facilitate recommendation tracking and resolution**

Within our IT infrastructure, the Internet allows us to share information with stakeholders in a timely and cost-effective manner. Over the strategic planning period, we will continue to strengthen the OIG web page as the primary introduction and communications tool for our office, to include looking at new techniques for efficiently and effectively making our reports and other information (such as fraud alerts and related articles) available via the web. The OIG continually seeks ways to enhance communications by optimizing technology. For example, e-Hotline software may offer an opportunity to significantly streamline hotline communications by capturing traditional calls, digitizing them, and linking them to complaint databases. In addition, our new audit and investigative software offers an opportunity to automate and streamline what is now a largely manual audit follow-up and resolution process.

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### **Goal 3: Enhance the Efficiency and Effectiveness of the OIG's Internal Operations**

While our mission is to evaluate the programs and operations of the Board, we must also continually search for ways to improve our service delivery and internal processes. Our people are our primary resource. Consistent with our previous strategic plan, we have made great strides in our staff development and evaluation processes to meet the ongoing challenge of maintaining an effective workforce. We have also initiated several enhancements to our major business processes, but recognize that more can be done to improve and further automate our internal operations. Continuous improvements in all of our internal operations are required to fully realize the results envisioned in this strategic plan.

#### **Objective 1: Enhance Our Human Capital**

Human capital is the fundamental building block to achieving an organization's mission and goals, and we have integrated human capital considerations in developing our vision, values, goals, and objectives, and the associated strategies to achieve them. During this planning period, enhancing our human capital will remain one of our highest priorities. We plan to focus on the following:

- enhancing our knowledge of the Board's programs and mission areas and developing the skills inherent in our core competencies to create a dynamic, highly-skilled workforce aligned with our revised organization structure;
- fostering a performance culture that supports teamwork, information sharing, continuous learning, and high achievement; and
- developing the next set of leaders within the organization through succession planning and career development.

#### **Objective 2: Continue to Improve our Business Processes and Build our Technology Infrastructure**

Through the effective use of information technology and process enhancements, we have made significant improvements in the way we complete our projects. However, technology continues to offer more efficient and effective approaches to not only streamline our processes, but also to help us ensure compliance with the new auditing standards and investigative peer review requirements. Fully implementing our new audit and investigative project management software will provide opportunities for substantial process improvements. Specifically, we plan to

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- implement a new governance structure that incorporates our internal policies and procedures within the context of our new organizational structure, consistent with the new independence requirements;
  - integrate our business processes with the functionality inherent in our new project software, thus automating compliance with standards to the extent possible;
  - adapt information and communications technologies to further improve our analytical capabilities, information gathering, recording keeping, and overall service delivery; and
  - develop, standardize, and automate our quality control processes across all services.

### **Strategies for Achieving Goal 3**

To accomplish our third goal, we will implement the following strategies:

#### **Strategy 3.A: Develop and implement OIG-centric training programs and curriculum targeted to key competencies and individual knowledge, skills, and abilities**

Developing the capability to identify and address the skills and competencies that our people and our organization need to be effective—both today and in the future—helps to position us for success. During the last strategic planning period, we identified and defined competencies that OIG staff need to develop at various points in their career, and implemented an individual development plan (IDP) process. Going forward, we will focus on aligning these competencies with a more comprehensive training and development program and curriculum that can be tailored to individual needs. As part of this process, we will be looking at training sources and delivery methods, including contractor-provided training; computer-based, on-line programs; and “train-the-trainer” approaches. This strategy also includes integrating the training and development program’s requirements with the results of our annual planning process. Through project assignments and appropriate expectation-setting in the performance evaluation process, we will strive to complement the coursework with relevant on-the-job experience and education. The results will be an IDP that includes a set of action plans tailored to meet not only

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specific individual development requirements, but also OIG requirements for a full range of knowledge, skills, and abilities.

**Strategy 3.B: Reassess staffing levels and allocations, position descriptions, and succession planning as part of an internal workforce planning approach**

Organizations periodically need to reassess their staffing levels to ensure that they have the positions, knowledge, skills, and abilities needed to carry out their mission, goals, and objectives. As an organization matures over time, its workforce needs change, and the positions and supporting documentation need to be consistent with current and anticipated job requirements. With the recent implementation of a new organizational structure, a new workforce-planning approach will help us ensure that our personnel resources—and their associated duties and responsibilities—are properly aligned within the new structure and accurately reflected in the supporting position descriptions and other supporting documentation. We will also review succession planning to ensure that the OIG workforce is well prepared to meet future demands and requirements.

**Strategy 3.C: Promote an effective and efficient information technology infrastructure to further strengthen OIG productivity, quality, and responsiveness; optimize the mobility and flexibility of our workforce; and ensure robust security and recovery capabilities**

The OIG is committed to providing its staff with the tools, technology, and support needed to enhance internal operations, productivity, and the overall work environment. Through our investment in laptops and the Lotus Notes application platform, our core business processes are virtually paperless with a high level of project coordination and communication. Advances in technology increasingly emphasize the ability for the OIG staff to conduct their work at almost any location, and we will continue to assess new technologies for their applicability to our business needs. Our use of telecommuting promotes flexibility and enhances “quality of life” for our staff without sacrificing productivity. We will remain vigilant on issues pertaining to physical and cyber security. In the investigative area, we will use technology to strengthen our computer forensics capability. We will also work to refine our business continuity processes, taking advantage of our hardware and software investments to develop and maintain a robust set of recovery options. With our heavy reliance on a fully functional IT infrastructure, we will regularly maintain and upgrade the various hardware components on a reasonable schedule,

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and implement new software releases and updates in a timely manner.

**Strategy 3.D: Continue exploring new methodologies, tools, and techniques and evaluate their applicability to our projects, and establish a useful life for not only our hardware and software, but also for our business processes to ensure our internal operations remain state-of-the-art.**

New methodologies, tools, and techniques continue to become available at a rapid pace, with features that have the potential to enhance our business processes. The OIG plans to enhance its process for continually monitoring new methodologies, tools, and techniques—as well as reassess our business processes—to ensure that our operations continue to be state of the art.

## Performance Indicators

To measure the impact of our work, we will track the key performance indicators shown in the chart below:

Performance Indicators	
<b>Goal 1</b>	<ul style="list-style-type: none"><li>• Quantifiable savings or budget reallocations</li><li>• Operational efficiencies</li><li>• Improved program performance</li><li>• Enhanced compliance with applicable laws and regulations</li><li>• Effective fraud prevention and detection</li><li>• Improved internal controls</li></ul>
<b>Goal 2</b>	<ul style="list-style-type: none"><li>• Stakeholder feedback</li><li>• Active OIG community participation and impact</li><li>• Extent and outcome of interagency involvement</li><li>• Impact of new communication methods and products</li></ul>
<b>Goal 3</b>	<ul style="list-style-type: none"><li>• Productivity</li><li>• Product quality and timeliness</li><li>• Performance culture changes</li><li>• Training and career development efforts</li><li>• Leadership development, advancement opportunities, and succession planning</li></ul>

