Office of the Inspector General

http://oig.dc.gov
Telephone: 202-727-2540

Table AD0-1

Description	FY 2015 Actual	FY 2016 Approved	FY 2017 Proposed	% Change from FY 2016
OPERATING BUDGET	$16,103,275	$17,215,212	$18,522,457	7.6
FTEs	113.0	112.0	112.0	0.0

The mission of the Office of the Inspector General (OIG) is to independently audit, inspect, and investigate matters pertaining to the District of Columbia government in order to: prevent and detect corruption, mismanagement, waste, fraud, and abuse; promote economy, efficiency, effectiveness, and accountability; inform stakeholders about issues relating to District programs and operations; and recommend and track the implementation of corrective actions.

Summary of Services

OIG initiates and conducts independent financial and performance audits, inspections, and investigations of District government operations; conducts other special audits, assignments, and investigations; audits procurement and contract administration continually; forwards to the authorities evidence of criminal wrongdoing discovered as the result of audits, inspections, or investigations conducted by the Office; contracts with an outside audit firm to perform the annual audit of the District government's financial operations with the results published in the Comprehensive Annual Financial Report (CAFR) and chairs the CAFR oversight committee; and serves as the principal liaison between the District government and the U.S. Government Accountability Office.

The agency's FY 2017 proposed budget is presented in the following tables:

FY 2017 Proposed Gross Funds Operating Budget and FTEs, by Revenue Type

Table AD0-2 contains the proposed FY 2017 budget by revenue type compared to the FY 2016 approved budget. It also provides FY 2015 actual data.

Table AD0-2

(dollars in thousands)

	Dollars in Thousands					Full-Time Equivalents				
Appropriated Fund	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change*	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change
GENERAL FUND										
LOCAL FUNDS	14,009	14,595	15,954	1,359	9.3	95.4	94.8	94.8	0.0	0.0
TOTAL FOR GENERAL FUND	**14,009**	**14,595**	**15,954**	**1,359**	**9.3**	**95.4**	**94.8**	**94.8**	**0.0**	**0.0**
FEDERAL RESOURCES										
FEDERAL GRANT FUNDS	2,094	2,620	2,569	-52	-2.0	17.6	17.2	17.2	0.0	0.0
TOTAL FOR FEDERAL RESOURCES	**2,094**	**2,620**	**2,569**	**-52**	**-2.0**	**17.6**	**17.2**	**17.2**	**0.0**	**0.0**
GROSS FUNDS	**16,103**	**17,215**	**18,522**	**1,307**	**7.6**	**113.0**	**112.0**	**112.0**	**0.0**	**0.0**

*Percent change is based on whole dollars.

Note: If applicable, for a breakdown of each Grant (Federal and Private), Special Purpose Revenue type and Intra-District agreement, please refer to **Schedule 80 Agency Summary by Revenue Source** in the **FY 2017 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2017 Proposed Operating Budget, by Comptroller Source Group

Table AD0-3 contains the proposed FY 2017 budget at the Comptroller Source Group (object class) level compared to the FY 2016 approved budget. It also provides FY 2014 and FY 2015 actual expenditures.

Table AD0-3

(dollars in thousands)

Comptroller Source Group	Actual FY 2014	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change*
11 - REGULAR PAY - CONTINUING FULL TIME	9,093	9,532	10,628	10,422	-207	-1.9
12 - REGULAR PAY - OTHER	0	0	0	451	451	N/A
13 - ADDITIONAL GROSS PAY	76	79	0	0	0	N/A
14 - FRINGE BENEFITS - CURRENT PERSONNEL	1,807	1,927	2,179	2,392	213	9.8
SUBTOTAL PERSONAL SERVICES (PS)	**10,976**	**11,537**	**12,807**	**13,265**	**458**	**3.6**
20 - SUPPLIES AND MATERIALS	26	18	39	676	638	1,655.0
30 - ENERGY, COMMUNICATION AND BUILDING RENTALS	1	0	0	0	0	N/A
31 - TELEPHONE, TELEGRAPH, TELEGRAM, ETC.	21	8	13	13	0	0.0
32 - RENTALS - LAND AND STRUCTURES	228	125	228	228	0	0.0
35 - OCCUPANCY FIXED COSTS	0	0	1	1	0	0.0
40 - OTHER SERVICES AND CHARGES	3,560	4,163	3,871	4,339	468	12.1
50 - SUBSIDIES AND TRANSFERS	0	0	236	0	-236	-100.0
70 - EQUIPMENT AND EQUIPMENT RENTAL	229	253	20	0	-20	-100.0
SUBTOTAL NONPERSONAL SERVICES (NPS)	**4,065**	**4,566**	**4,408**	**5,258**	**849**	**19.3**
GROSS FUNDS	**15,042**	**16,103**	**17,215**	**18,522**	**1,307**	**7.6**

*Percent change is based on whole dollars.

FY 2017 Proposed Operating Budget and FTEs, by Division/Program and Activity

Table AD0-4 contains the proposed FY 2017 budget by division/program and activity compared to the FY 2016 approved budget. It also provides FY 2015 actual data. For a more comprehensive explanation of divisions/programs and activities, please see the Division/Program Description section, which follows the table.

Table AD0-4

(dollars in thousands)

	Dollars in Thousands				Full-Time Equivalents			
Division/Program and Activity	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016
(1000) AGENCY MANAGEMENT								
(1010) PERSONNEL	183	204	117	-87	1.5	1.4	1.0	-0.4
(1020) CONTRACTING AND PROCUREMENT	634	367	252	-115	2.5	2.4	2.0	-0.4
(1030) PROPERTY MANAGEMENT	34	44	206	162	0.0	0.0	1.0	1.0
(1040) INFORMATION TECHNOLOGY	684	540	1,000	461	3.5	3.4	3.0	-0.4
(1050) FINANCIAL MANAGEMENT	310	341	154	-187	2.5	2.4	1.0	-1.4
(1060) LEGAL	722	724	735	11	5.5	5.5	5.0	-0.5
(1070) FLEET MANAGEMENT	8	11	41	29	0.0	0.0	0.0	0.0
(1085) CUSTOMER SERVICE	130	140	667	527	1.3	1.3	7.0	5.7
SUBTOTAL (1000) AGENCY MANAGEMENT	**2,706**	**2,371**	**3,172**	**801**	**16.8**	**16.6**	**20.0**	**3.4**
(2000) OPERATIONS								
(2010) AUDIT	6,441	6,719	5,126	-1,593	31.7	31.5	22.0	-9.5
(2030) INSPECTIONS AND EVALUATIONS	1,379	1,555	1,329	-226	13.6	13.5	11.0	-2.5
SUBTOTAL (2000) OPERATIONS	**7,819**	**8,275**	**6,456**	**-1,819**	**45.2**	**45.0**	**33.0**	**-12.0**
(3000) EXECUTIVE								
(3001) EXECUTIVE	0	0	1,293	1,293	0.0	0.0	4.0	4.0
(3010) INVESTIGATIONS	2,833	3,222	2,717	-504	27.6	27.5	21.0	-6.5
(3020) MFCU 25% MATCH	650	728	856	129	5.8	5.8	5.8	0.0
(3030) MEDICAID FRAUD CONTROL UNIT	2,094	2,620	2,569	-52	17.6	17.2	17.2	0.0
SUBTOTAL (3000) EXECUTIVE	**5,578**	**6,570**	**7,435**	**865**	**51.0**	**50.5**	**48.0**	**-2.5**
(4000) RISK ASSESSMENT AND FUTURE PLANNING								
(4011) RISK ASSESSMENT AND FUTURE PLANNING	0	0	1,024	1,024	0.0	0.0	8.0	8.0
SUBTOTAL (4000) RISK ASSESSMENT AND FUTURE PLANNING	**0**	**0**	**1,024**	**1,024**	**0.0**	**0.0**	**8.0**	**8.0**
(5000) QUALITY MANAGEMENT								
(5001) QUALITY MANAGEMENT	0	0	436	436	0.0	0.0	3.0	3.0
SUBTOTAL (5000) QUALITY MANAGEMENT	**0**	**0**	**436**	**436**	**0.0**	**0.0**	**3.0**	**3.0**
TOTAL PROPOSED OPERATING BUDGET	**16,103**	**17,215**	**18,522**	**1,307**	**113.0**	**112.0**	**112.0**	**0.0**

(Change is calculated by whole numbers and numbers may not add up due to rounding)

Note: For more detailed information regarding the proposed funding for the activities within this agency's programs, please see **Schedule 30-PBB Program Summary by Activity** in the **FY 2017 Operating Appendices** located on the Office of the Chief Financial Officer's website. "No Activity Assigned" indicates budget or actuals that are recorded at the division/program level.

Program Description

The Office of the Inspector General (OIG) operates through these 5 programs:

Executive - oversees all agency level divisions including: Office of the General Counsel; Risk Assessment and Future Planning; Operations; Quality Management; and Business Management.

Operations - includes all external functions of the OIG including these units: Audit; Inspections and Evaluations; Investigations; and Medicaid Fraud Control. These units comprise these activities:

1. **Audit –** conducts audits, reviews, and analysis of financial, operational, and programmatic functions;
2. **Inspections and Evaluations –** inspects and evaluates District agencies under defined performance criteria, evaluates management and programs, and makes recommendations relating to improving overall efficiency and effectiveness;
3. **Investigations –** investigates fraud and other misconduct by District government employees and contractors doing business with the District Government;
4. **Medicaid Fraud Control Unit** – investigates and prosecutes cases of Medicaid provider fraud and patient abuse and neglect in Medicaid funded facilities.

Risk Assessments and Future Planning - aggregates, analyzes, and synthesizes information to identify and prioritize risks facing the District, and synergizes the OIG's work to maximize the value it provides to the District.

Quality Management (QM) - supports the integrity of OIG operations through effective quality review processes.

Agency Management - provides for administrative support and the required tools to achieve operational and programmatic results. This program is standard for all agencies using performance-based budgeting.

Program Structure Change

The proposed program structure changes are provided in the Agency Realignment appendix to the proposed budget, which is located at www.cfo.dc.gov on the Annual Operating Budget and Capital Plan page. The OIG Agency Realignment is still in draft form until approved by the D.C. Department of Human Resources.

FY 2016 Approved Budget to FY 2017 Proposed Budget, by Revenue Type

Table AD0-5 itemizes the changes by revenue type between the FY 2016 approved budget and the FY 2017 proposed budget. For a more comprehensive explanation of changes, please see the FY 2017 Proposed Budget Changes section, which follows the table.

Table AD0-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
LOCAL FUNDS: FY 2016 Approved Budget and FTE		**14,595**	**94.8**
Other CSFL Adjustments	Multiple Programs	359	0.0
LOCAL FUNDS: FY 2017 Current Services Funding Level (CSFL) Budget		**14,954**	**94.8**
Decrease: To reallocate resources for agency restructure	Multiple Programs	-2	0.0
Decrease: To realize programmatic cost savings in nonpersonal services	Multiple Programs	-58	0.0
Shift: To reallocate funding within agency (across funds types)	Executive	61	0.0
LOCAL FUNDS: FY 2017 Agency Budget Submission		**14,954**	**94.8**
Enhance: To support programmatic initiatives (one-time)	Multiple Programs	1,000	0.0
LOCAL FUNDS: FY 2017 Mayor's Proposed Budget		**15,954**	**94.8**

Table AD0-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
FEDERAL GRANT FUNDS: FY 2016 Approved Budget and FTE		**2,620**	**17.2**
Increase: To align personal services and Fringe Benefits with projected costs	Executive	101	0.0
Decrease: To realize programmatic cost savings in nonpersonal services	Executive	-92	0.0
Shift: To reallocate funding within agency (across funds types)	Executive	-61	0.0
FEDERAL GRANT FUNDS: FY 2017 Agency Budget Submission		**2,569**	**17.2**
No Change		0	0.0
FEDERAL GRANT FUNDS: FY 2017 Mayor's Proposed Budget		**2,569**	**17.2**
GROSS FOR AD0 - OFFICE OF THE INSPECTOR GENERAL		**18,522**	**112.0**

(Change is calculated by whole numbers and numbers may not add up due to rounding)

Current Services Funding Level

The Current Services Funding Level (CSFL) is a Local funds ONLY representation of the true cost of operating District agencies, before consideration of policy decisions. The CSFL reflects changes from the FY 2016 approved budget across multiple programs, and it estimates how much it would cost an agency to continue its current programs and operations into the following fiscal year. The FY 2017 CSFL adjustments to the FY 2016 Local funds budget are described in table 5 of this agency's budget chapter. Please see the CSFL Development section within Volume 1: Executive Summary for more information regarding the methodology used and components that comprise the CSFL.

OIG's FY 2017 CSFL budget is $14,953,879, which represents a $359,158, or 2.5 percent, increase over the FY 2016 approved Local funds budget of $14,594,721.

CSFL Assumptions

The FY 2017 CSFL calculated for OIG included adjustment entries that are not described in detail on table 5. These adjustments were made for a net increase of $359,158 in personal services to account for Fringe Benefit costs based on trend and comparative analyses, the impact of cost-of-living adjustments, and approved compensation agreements.

Agency Budget Request

The Office of the Inspector General's (OIG) requested FY 2017 gross budget is $21,395,141, which represents a 24.3 percent increase over its FY 2016 approved gross budget of $17,215,212. The budget is comprised of $18,826,563 in Local funds and $2,568,578 in Federal Grant funds.

Increase: To continue providing quality investigative services for the District, OIG proposed the following FY 2017 budget changes. In Federal Grant funds, Medicaid Fraud Control Unit funding is used to increase the proposed personal services budget for the Executive program by $100,899, which will support projected salary adjustments, step increases, and Fringe Benefits costs.

Decrease: OIG's proposed Local funds budget reflects a net reduction of $2,295 across multiple programs to support proposed salary steps, Fringe Benefits, and other personal services adjustments. It also includes a net reduction of $58,305 in nonpersonal services. Specifically, this adjustment includes a net decrease of $493,319 in Other Services and Charges across multiple programs, a reduction of $5,106 in Equipment in the Executive program, and a net increase of $440,120 for information technology-related supply costs across multiple programs. OIG's Federal Grants budget reflects a net reduction of $92,213 to the Executive program. This is primarily driven by a reallocation of indirect costs savings from the Medicaid Fraud Unit grant, which were redirected to purchase information technology-related supplies.

Shift: The proposed budget includes a shift of $60,599 of of fixed cost expenses from Federal Grant to Local funds in the Executive program. The affected commodities include $56,945 for Rent, $3,282 for Telecommunications, and $372 for Occupancy.

The OIG's proposed budget includes three distinct enhancement requests. These requests are being made to improve the capability of the OIG to ensure that it meets its legislative mandate to promote economy, efficiency, and effectiveness and to prevent and detect corruption, mismanagement, waste, fraud, and abuse in District government programs and operations. The OIG's budget enhancement requests are as follows:

- $326,282 to provide salary adjustments for managerial staff (33 FTEs): MSS and ES 5percent pay increase to address pay compression; Conversion of ES legal staffs to Legal Service pay schedules; and fully funding the 3 percent pay adjustment (COLA) for MSS and ES staff.
- $1,029,607 to provide an additional 18 FTEs: Business Management Division (1 FTE), for a contract specialist; Office of General Counsel (1 FTE), for an attorney; Audit Unit Team (5 FTEs), for meeting legislative mandates and special projects; Quality Management Division (3 FTEs), for ensuring the quality and standards of OIG work; and Medicaid Fraud Control Unit (8 FTEs), with 2 FTEs for a new Social Security Branch and 6 FTEs to expand workload capacity related to fraud in home health care and Medicaid programs.
- $2,516,795 to provide NPS increases to complete the following necessary goals and mandates: Complete the statutorily required annual audit of District procurement practices; Upgrade the OIG Information Technology infrastructure and security; Initiate NPS funding for two new divisions: Risk Assessment and Future Planning and Quality Management; Increase training for leadership and staff indicative of profession and job requirements; and Address and continue improvements of safety and security needs as outlined under the DGS OIG safety assessment from FY 2015.

Mayor's Budget Recommendation

The Mayor's recommended FY 2017 gross budget for the Office of the Inspector General is $18,522,457, which represents a 7.6 percent increase over its FY 2016 approved gross budget of $17,215,212. The budget is comprised of $15,953,879 in Local funds and $2,568,578 in Federal Grant funds.

Enhance: In Local Funds, the proposed budget includes a one-time increase of $1,000,000 across multiple programs, which is comprised of $6,090 for office and IT supplies and $993,910 in Other Services and Charges, primarily for audit costs, office support, and IT hardware maintenance.