



Smithsonian  
Institution

## SMITHSONIAN DIRECTIVE 107

December 1, 2005

### OFFICE OF THE INSPECTOR GENERAL

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#### **Purpose**

This directive describes audit and investigation authorities and responsibilities of the Office of the Inspector General (OIG), and the relationship of the OIG to Smithsonian organizations and employees.

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#### **Background**

The Inspector General Act Amendments of 1988 (P.L. 100 – 504) created an independent and objective office (1) to conduct and supervise audits and investigations relating to programs and operations of the Smithsonian Institution; (2) to recommend policies and procedures designed (A) to promote economy, efficiency, and effectiveness in the administration of, and (B) to prevent and detect fraud and abuse in Smithsonian programs and operations; and (3) to keep the Secretary, the Board of Regents, and the Congress fully and currently informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress of corrective action. The Inspector General is appointed by the Secretary of the Smithsonian Institution and reports to the Secretary, the Audit Committee of the Board of Regents, and to Congress.

**Overview of the  
Inspector General  
Function**

- a. **Audits and Audit-Related Activities.** The OIG reviews Smithsonian programs and activities under the general guidelines contained in “Government Auditing Standards” issued by the Comptroller General of the United States. The purpose of these reviews is to determine the effectiveness, economy, and efficiency of a given program or operation. These reviews include financial audits, attestation engagements, and performance audits, as well as audit-related activities such as management reviews and prospective studies. These reviews may encompass an examination of financial transactions, accounts, and reports, including an evaluation of compliance with applicable laws and regulations; a review of efficiency and economy in the use of resources; and a review to determine whether desired program or activity results are effectively achieved. In conducting audits and audit-related activities, OIG reviews and evaluates transactions and activities and makes appropriate recommendations but does not determine whether, and the degree to which, a recommendation will be adopted. Furthermore, the OIG is not assigned responsibility for developing new organization patterns, methods, systems, or procedures although the OIG may call attention to problems in any of these areas and make recommendations. The OIG follows up on the status of actions taken on audit findings and recommendations. Internal audits are conducted in accordance with an annual audit plan. The IG develops this plan with input from management.
  
- b. **Investigations.** Inquiries are conducted through a planned, systematic search for facts and evidence derived through interviews, record examination, and the application of other approved professional techniques. Investigations involve suspected criminal activities, fraud, or waste and abuse, against Smithsonian programs activities, staff or visitors. Investigations may be

**Overview of the  
Inspector General  
Function** (continued)

conducted in support of criminal, civil, or administrative actions.

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**Authority of the  
Office of the  
Inspector General**

Under the provisions of 5 *United States Code* (U.S.C.), App. 3, the Smithsonian Institution Inspector General is authorized to:

- a. Conduct audits and investigations relating to the administration of the Smithsonian's programs and operations as are, in the judgment of the Inspector General, necessary or desirable
- b. Have access to all records, reports, audits, reviews, documents, papers, recommendations, or other material which relate to Smithsonian programs and operations
- c. Request such information or assistance as may be necessary from any federal, state, or local governmental agency or unit
- d. Report to the Secretary without delay whenever requested information or assistance is, in the judgment of the Inspector General, unreasonably refused or not provided
- e. Require by subpoena the production of all information, documents, reports, answers, records, accounts, papers, and other data and documentary evidence necessary in the performance of the functions assigned by P.L. 100 – 504 which is enforceable by order of any appropriate United States District Court. NOTE: Procedures other than subpoenas shall be used to obtain documents and information from federal agencies
- f. Administer to or take from any person an oath, affirmation, or affidavit, whenever necessary in the performance of the functions assigned by the Inspector General Act

**Authority of the  
Office of the  
Inspector General**  
(continued)

- g. Select, appoint, and employ such officers and employees as may be necessary for carrying out the functions, powers, and duties of the OIG
  - h. Obtain the temporary or intermittent services of experts or consultants, or an organization thereof, subject to federal and Smithsonian procurement regulations
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**Responsibilities  
of the Inspector  
General**

The Inspector General is responsible to:

- a. Provide policy direction for and to conduct, supervise, and coordinate all audits and investigations relating to the programs and operations of the Smithsonian Institution
- b. Prevent and detect fraud and abuse in Smithsonian programs and operations
- c. Keep the Secretary, the Board of Regents, and the Congress fully and currently informed, by means of semiannual reports and otherwise, of fraud and other serious problems, abuses, and deficiencies relating to the administration of programs and operations administered or financed by the Smithsonian. The Inspector General recommends corrective action concerning such problems, abuses, and deficiencies, and reports on the progress made in implementing such corrective actions (P.L. 100 – 504, Sec. 4 (a)(4))
- d. Comply with Governmental Auditing Standards issued by the Comptroller General of the United States (P.L. 100 – 504, Sec. (4)(b)(1)(A))
- e. Receive and investigate complaints or information from Smithsonian employees or others concerning possible fraud, waste, abuse, or violation of law at the Institution, and how to keep the source of the complaint or information confidential

**Responsibilities  
of the Inspector  
General** (continued)

- f. Report expeditiously to the Attorney General whenever the Inspector General has reasonable grounds to believe there has been a violation of federal criminal law
  - g. Prepare semiannual reports not later than April 30 and October 31 of each year, summarizing the activities of the OIG during the immediately preceding 6 month periods ending March 31 and September 30. Such reports shall be furnished to the Secretary, who shall transmit the reports to the Congress.
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**Responsibilities  
of Smithsonian  
Officials and  
Employees**

- a. The Secretary is responsible for ensuring that effective management practices are followed throughout the Smithsonian and has available various management tools, including the use of internal audits, to help make determinations as to the effectiveness of management. The Deputy Secretary coordinates with the OIG on a regular basis to ensure that management responses to OIG recommendations are timely and responsive. The Deputy Secretary also appraises the adequacy of follow-up procedures on findings and recommendations made by the Office.
- b. Secretarial officers and the heads of principal organization units are responsible for extending cooperation to the OIG in implementing an effective audit program, for objectively reviewing and evaluating audit findings and recommendations, for taking timely action to correct deficiencies reported, and to adopt any recommendations that are considered beneficial.
- c. Heads of principal organization units who disagree with recommended corrective actions will develop adequate documentation to support their conclusions.
- d. Heads of units should refer all requests for audits and criminal investigations to the OIG.

**Responsibilities  
of Smithsonian  
Officials and  
Employees**  
(continued)

- e. Heads of units should immediately notify the OIG of any audit or investigation announcements by any non-Smithsonian Institution entities, including the Government Accountability Office and Congress, and shall immediately provide copies of any resulting draft and final reports to the OIG.
  - f. All Smithsonian employees should immediately notify the OIG when they become aware of possible violations of laws, rules, or regulations or mismanagement, gross waste of funds, or abuse of authority.
  - g. Any outside requests for information from any audit or investigative organization regarding Smithsonian programs or operations should be referred to the OIG.
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**CANCELLATION:**  
**INQUIRIES:**  
**RETENTION:**

SD 701, July 9, 1991  
Office of the Inspector General  
Indefinite. Subject to review for currency 24 months from date of issue