

OFFICE OF THE INSPECTOR GENERAL



Smithsonian Institution Building
(The Castle)

Audit Plan Fiscal Year 2024

A Message from the Acting Inspector General

I am pleased to present the audit plan for fiscal year 2024. This plan provides a road map for accomplishing our mission to conduct independent and objective audits to improve the economy, efficiency, and effectiveness of the Smithsonian Institution's (Smithsonian) programs and operations while also preventing and detecting fraud, waste, and abuse. In developing this plan, we conducted a comprehensive risk assessment and sought input from our stakeholders at the Smithsonian and in Congress.

The audits and related work for fiscal year 2024 fall into three categories:

Ongoing Audits: Audits that were ongoing at the beginning of fiscal year 2024.

Mandatory Audits: Audits of the Smithsonian's financial statements and information security program.

Discretionary Audits: Audits selected after assessing the risks facing the Smithsonian and after evaluating the suggested topics from our stakeholders.

As the year unfolds, we may adjust this plan to ensure that we direct available resources to the areas with the highest risks and impacts. We strive to continuously improve our audit planning process, and we welcome comments about our planned work and suggestions about future work.



Joan T. Mockeridge
Acting Inspector General

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Introduction

The Smithsonian Institution (Smithsonian) is a trust instrumentality of the U.S. government created by Congress in 1846 to carry out the provisions of the will of James Smithson, an English scientist who left his estate to the United States to found “an establishment for the increase and diffusion of knowledge.”

The Smithsonian consists of 21 museums and the National Zoological Park. Numerous research programs are carried out in the museums and other facilities throughout the world. The majority of Smithsonian locations are in Washington, D.C., but the Smithsonian also has facilities in nine states (Arizona, Florida, Hawaii, Maryland, Massachusetts, New Jersey, New York, Pennsylvania, and Virginia), Panama, and Belize.

The Smithsonian is the steward of an extensive collection. The total number of artifacts, works of art, and specimens in the Smithsonian’s collections is estimated at 157 million, of which 148 million are at the National Museum of Natural History. The collections form the basis of world-renowned research, exhibitions, and public programs in the arts, culture, history, and the sciences. The Smithsonian Affiliations program brings collections, scholarship, and exhibitions to nearly all states, Puerto Rico, and Panama.

A major portion of the Smithsonian’s programs and operations is funded with federal appropriations to cover salaries and expenses and to construct, repair, and restore its facilities. Construction of some facilities has been funded entirely by federal appropriations, and others have been funded by a combination of federal and private funds.

In addition to federal appropriations, the Smithsonian receives private support in contributions, grants, and contracts, and it earns income from investments and various business activities to support current operations. Business activities include food services, online catalogs, retail operations, Smithsonian magazines and other publications, and theaters. These monies are referred to as trust funds.

Figure: Hallway

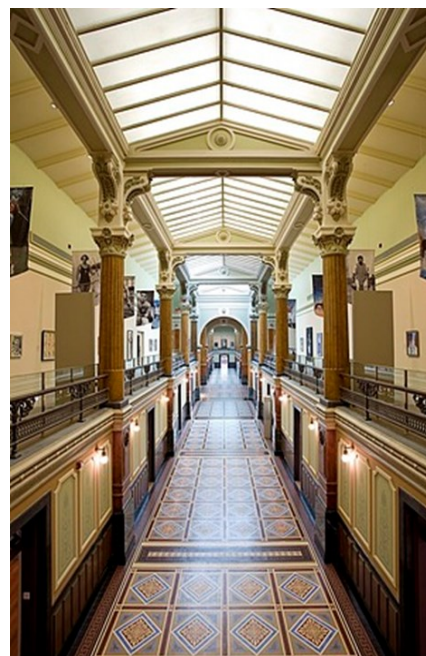


Image credit: Hallway of the National Portrait Gallery and Smithsonian American Art Museum, 2006. Used under Creative Commons Zero license (CC0). Retrieved from <https://siarchives.si.edu>.

Ongoing Audits

❖ **Appropriateness of Contract Modifications for the National Air and Space Museum (NASM) Revitalization Project**

An independent public accounting firm is evaluating the extent to which the Smithsonian has followed its policies and procedures to issue contract modifications for the \$729 million NASM Revitalization Project. An OIG auditor serves as the contracting officer's technical representative for this audit.

❖ **Assessment of Detection and Response Capabilities for Information Security Incidents**

OIG is evaluating the Smithsonian's capabilities to prevent, detect, and respond to information security incidents.

❖ **Collections Care and Preservation Fund (CCPF)**

OIG is reviewing the extent to which the Smithsonian has effective controls over the processes to award CCPF funds and ensure that the funds are spent in accordance with their intended purposes.

❖ **Competition in Awarding Subcontracts for the NASM Revitalization Project**

An independent public accounting firm is assessing the extent to which the contractor for the NASM Revitalization Project has awarded subcontracts in accordance with the solicitation and competition requirements stipulated in the Smithsonian's policies and procedures and NASM construction contract. An OIG auditor serves as the contracting officer's technical representative for this audit.

❖ **Evaluation of the Smithsonian's Information Security Program, Fiscal Year 2023**

An independent public accounting firm is conducting an audit to evaluate the Smithsonian's information security program for fiscal year 2023. An OIG auditor serves as the contracting officer's technical representative for this audit.

❖ **Financial Statements Audits, Fiscal Year 2023**

An independent public accounting firm is conducting the Smithsonian's annual financial statements audits, which include the Smithsonian's consolidated financial statements, the compliance audit of federal awards, and the statement of net gain for Smithsonian Enterprises. An OIG auditor serves as the contracting officer's technical representative for these audits.

❖ **Management and Allocation of Purchase Card Rebates**

OIG is assessing the extent to which the Smithsonian has developed and implemented policies and procedures for rebates received from the General Service Administration's SmartPay Program.

❖ **Sole-Source Purchase Orders**

OIG is assessing the extent to which controls over sole-source purchase orders are effective in ensuring compliance with the Smithsonian's procurement policies and procedures.

❖ **Use and Reporting of Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding**

OIG is reviewing the extent to which the Smithsonian expended and reported the use of \$7.5 million in CARES Act funding in accordance with applicable laws, policies, and procedures.

Figure: Space Shuttle Discovery



Image credit: Space Shuttle Discovery on display at the Steven F. Udvar-Hazy Center in Chantilly, Virginia. Used under Creative Commons Zero license (CC0). Retrieved from <https://airandspace.si.edu>.

Mandatory Planned Audits

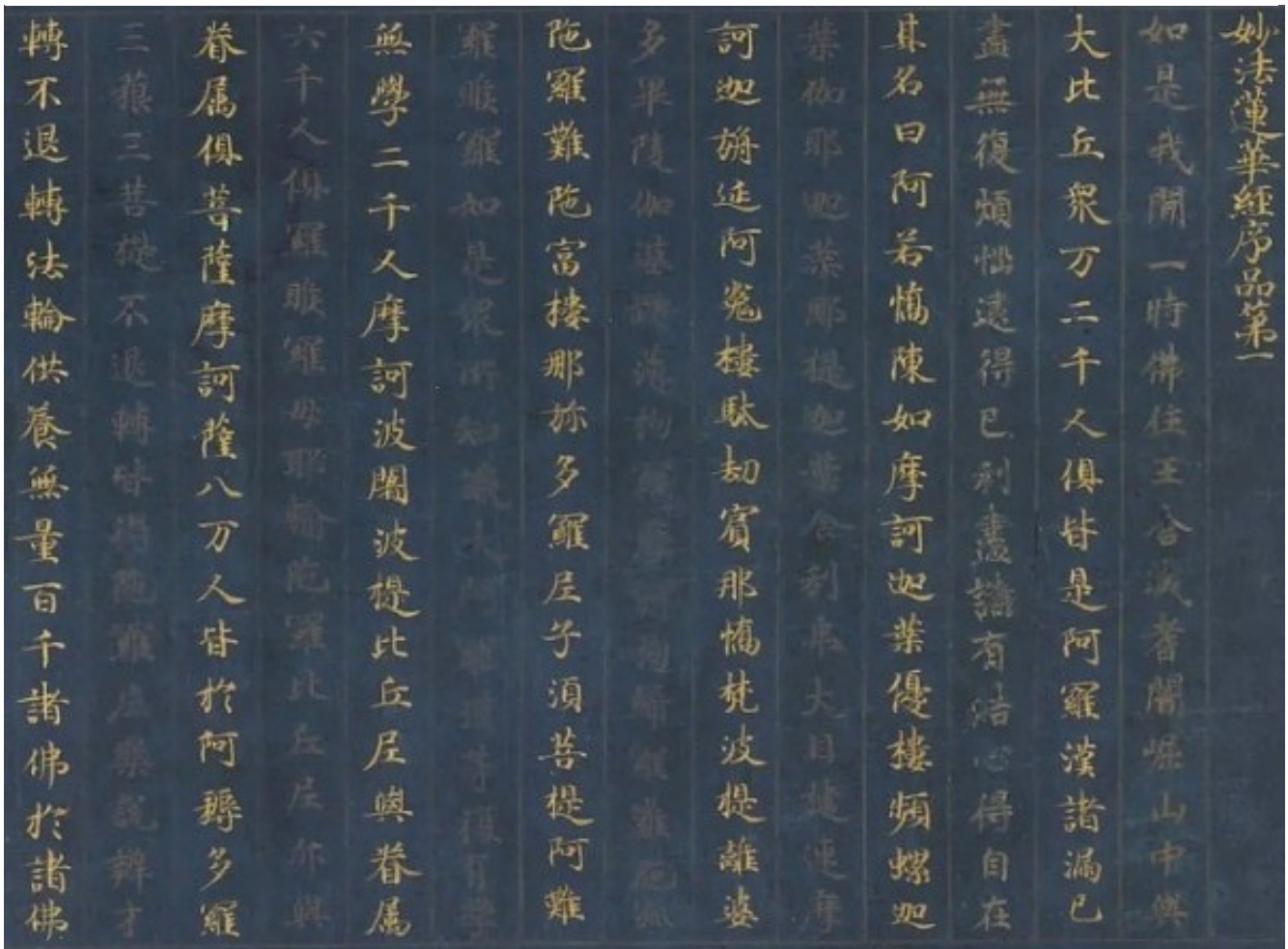
❖ Evaluation of Smithsonian's Information Security Program, Fiscal Year 2024

An independent public accounting firm will evaluate the Smithsonian's information security program for fiscal year 2024. An OIG auditor will serve as the contracting officer's technical representative for this audit.

❖ Financial Statements Audits, Fiscal Year 2024

An independent public accounting firm will conduct the Smithsonian's annual financial statement audits, which include the Smithsonian's consolidated financial statements, the compliance audit of federal awards, and the statement of net gain for Smithsonian Enterprises. An OIG auditor will serve as the contracting officer's technical representative for these audits.

Figure: Segment of a Sutra



Segment of a sutra from Mount Koya, Japan, late Heian period, 12th century, gold on indigo-dyed paper, Gift of Sylvan Barnet and William Burto, Freer Gallery of Art, F2014.6.17a-d. Retrieved from <https://asia.si.edu/whats-on/exhibitions/words-of-wisdom-buddhist-calligraphy-from-japan>.

Discretionary Planned Audits

❖ **Appropriateness of Contract Modifications for Pod 6 Construction Project**

An independent public accounting firm will evaluate the extent to which the Smithsonian has followed its policies and procedures to issue contract modifications for the approximately \$173 million Pod 6 Construction Project. An OIG auditor will serve as the contracting officer's technical representative for this audit.

❖ **Contract Billings for the NASM Revitalization Project**

An independent public accounting firm will evaluate the extent to which contract billings for the NASM revitalization project were allowable, reasonable, and supportable in accordance with the terms and conditions of the contract. An OIG auditor will serve as the contracting officer's technical representative for this audit.

❖ **Smithsonian's Management of Sponsored Projects**

OIG will examine the extent to which the Office of Sponsored Projects and recipient units have complied with the terms and conditions of awards received from external sources and the Smithsonian's policies and procedures concerning the administration and oversight of awards.

❖ **Management of the \$30 Million Extraordinary Endowment Fund Withdrawal to Support Secretarial Priorities**

OIG will evaluate the extent to which the Smithsonian (1) has developed and implemented plans, including the development of measurable outcomes, for spending the \$30 million extraordinary withdrawal from the endowment fund, (2) is on track to efficiently and effectively spend these resources within a 5-year timeframe, and (3) has established an evaluation method to assess the value and impact of this extraordinary endowment fund withdrawal.

❖ **Construction Material Substitutions on the NASM Revitalization Project**

An independent public accounting firm will review the extent to which the Smithsonian has reviewed and approved construction material substitutions on the NASM Revitalization Project in accordance with the contract and the Smithsonian's policies and procedures. An OIG auditor will serve as the contracting officer's technical representative for this audit.

❖ **Workplace Harassment and Violence Program**

OIG will examine the extent to which the Smithsonian has (1) established processes for reporting workplace harassment and violence that incorporate industry best practices for employees and other affiliated individuals, such as academic appointees, and (2) established and implemented a process for investigating complaints of harassment and violence.

❖ **Enterprise Risk Management**

OIG will assess the extent to which the Smithsonian has established an Enterprise Risk Management program to identify, address, and monitor risks that could negatively impact the achievement of Institutional goals and objectives.

❖ **Condition of Collections Storage Spaces**

OIG will review the extent to which (1) the Smithsonian has addressed collections spaces deemed unacceptable in the 2012 Collections Space Study, and (2) the Collections Space Framework Plan meets current priorities for collections care.

❖ **Background Investigations**

OIG will evaluate the extent to which the Office of Personnel Security (1) has policies and procedures that ensure that background investigations are conducted in a timely manner, and (2) has developed and implemented policies and procedures to provide background investigations for foreign nationals.

❖ **Reliability of Vendor Data in ERP Financials**

OIG will examine the extent to which the Smithsonian (1) creates and updates its vendor records in ERP Financials (Smithsonian's accounting system) with current and accurate data, (2) reviews its vendor records for employees' and badged affiliates' names to help prevent fraud, and (3) has controls in place to prevent conducting business with suspended or debarred vendors.

❖ **Emergency Management Program**

OIG will assess the extent to which the Smithsonian (1) has procedures in place to continue its mission-essential functions with minimal disruption in case of an emergency or disaster, and (2) has incorporated lessons learned from the COVID-19 pandemic into the emergency management program's policies and procedures.

OFFICE OF THE INSPECTOR GENERAL



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The Office of the Inspector General investigates allegations of waste, fraud, abuse, gross mismanagement, employee and contractor misconduct, and criminal and civil violations of law that have an impact on the Smithsonian's programs and operations.

If requested, confidentiality is assured to the extent permitted by law. Although you may remain anonymous, we encourage you to provide us with your contact information. The ability to gather additional information from you may be the key to effectively pursuing your allegation.