

# OFFICE OF THE INSPECTOR GENERAL



Smithsonian Institution Building  
(The Castle)

## Audit Plan Fiscal Year 2021

## A Message from the Inspector General

I am pleased to present the fiscal year 2021 audit plan. 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 2021 fall into three categories:

**Ongoing Audits:** Audits that were ongoing at the beginning of fiscal year 2021.

**Mandatory Audits:** Audits of the Smithsonian's financial statements, information security program, and the travel expenses for the Board of Regents.

**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. Please address your suggestions and questions to me or to Joan T. Mockeridge, Assistant Inspector General for Audits.



Cathy L. Helm  
Inspector General

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## Introduction

The Smithsonian Institution (Smithsonian) is a trust instrumentality of the United States 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 19 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 155 million, of which 146 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. (See Figure 1.) The Smithsonian Affiliations program brings collections, scholarship, and exhibitions to nearly all states, Puerto Rico, and Panama.

The funding for a substantial portion of the Smithsonian’s operations is annual federal appropriations. The Smithsonian also receives federal appropriations for the construction or repair and restoration of its facilities. Construction of certain facilities has been funded entirely by federal appropriations, and others have been funded by a combination of federal and private funds.

The Smithsonian also receives trust funds from private support, government grants and contracts, and investments and various business activities. Business activities include Smithsonian magazines and other publications, catalogs, theaters, retail shops, and food services.

Figure 1. Digital Rendering Made from 3-D Scan of Neil Armstrong’s Apollo 11 Spacesuit



Photo: Smithsonian Institution, National Air and Space Museum

## Ongoing Audits

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

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

### **Evaluation of the Smithsonian's Information Security Program, Fiscal Year 2020**

An independent public accounting firm is evaluating the Smithsonian's information security program for fiscal year 2020. We serve as the contracting officer's technical representative for this audit.

### **Financial Statements Audit, Fiscal Year 2020**

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. We serve as the contracting officer's technical representative for these audits.

### **Purchase Card Program**

We are assessing to what extent the Smithsonian has effective controls over the purchase card program.

### **Review of Collecting Units' Inventory Plans**

We are reviewing the extent to which museums and other collecting units have developed and implemented inventory plans in accordance with Smithsonian Directive (SD) 600 and the *SD 600 Implementation Manual*.

## **Mandatory Planned Audits**

### **Evaluation of Smithsonian's Information Security Program, Fiscal Year 2021**

An independent public accounting firm will evaluate the Smithsonian's information security program for fiscal year 2021. We will serve as the contracting officer's technical representative for this audit.

### **Financial Statements Audit, Fiscal Year 2021**

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. We will serve as the contracting officer's technical representative for these audits.

### **Travel Expenses of the Board of Regents, Fiscal Years 2019 and 2020**

We will examine the Regents' travel expense reimbursements for fiscal years 2019 and 2020.

## Discretionary Planned Audits

### CARES Act Funding

OIG will review the use and reporting of the \$7.5 million that the Smithsonian received through the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

### Financial Management at Smithsonian Tropical Research Institute

An independent public accounting firm will review STRI's financial management, including the accounting and payroll systems and bank account operations.

### Financial Soundness of Smithsonian's Central Trust Fund Account

OIG will assess the extent to which the Central Trust Fund Account has sufficient resources to cover Trust salaries and other expenses.

### Implementation of Emergency Management Structure for the COVID-19 Response

OIG will assess the extent to which the Smithsonian has implemented its emergency management program in response to the COVID-19 pandemic emergency.

### Privacy Program

An independent public accounting firm will review the effectiveness of Smithsonian's privacy program.

### Timeliness of Federal Hiring Process

OIG will examine the timeliness of the hiring process for new federal employees and the efforts of the Office of Human Resources' to improve this process.

Figure 2. Barro Colorado Nature Monument, Panama



Photo: Marcos Guerra, Smithsonian Tropical Research Institute

# OFFICE OF THE INSPECTOR GENERAL



## OIG HOTLINE

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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.