



Fiscal Year 2020

Agency Financial Report

Chairperson's Message

The Council of the Inspectors General on Integrity and Efficiency (CIGIE or Council) was established by the Inspector General Reform Act of 2008. Currently composed of 75 Federal Inspectors General (IGs) and 6 integrity-related senior officials, the Council and its member organizations function as a robust oversight group engaged in issues of nationwide significance. CIGIE's mandated mission is to address integrity, economy, and effectiveness issues that transcend individual Government agencies, and to increase the professionalism and effectiveness of the inspector general community.

In this Agency Financial Report (AFR), we discuss CIGIE's fiscal year (FY) 2020 accomplishments in carrying out its mission and performance plan goals; provide the independent auditor's report regarding CIGIE's financial statements as of September 30, 2020; and highlight the work of CIGIE's Executive Council, nine committees including the Pandemic Response Accountability Committee (PRAC), and individual members on cross-cutting issues affecting Federal departments, agencies, and Offices of Inspector General.

The financial audit was performed by Harper, Rains, Knight, & Company (HRK); the report reflects financial statements that present fairly the financial position of the organization.

HRK's opinion letters and audited CIGIE financial statements and notes to the financial statements are included in

this AFR. Further information related to the Council's assurance as to the accountability and reliability of the financial and performance data presented in this report may be found under the Management Statement of Assurance.

In FY 2020, our work has been strengthened by the efforts of leaders in the IG community; the Office of Management and Budget; Congress; the Government Accountability Office; other Federal agencies, and law enforcement and professional organizations; and private-sector supporters who share a dedication to help improve Government programs by ensuring accountability, efficiency, and oversight.

In particular, we sincerely thank the approximately 13,000 professionals that make up the Federal inspector general community for the work they do every day to ensure the effectiveness and integrity of Federal programs that affect the lives of all Americans.



Michael E. Horowitz
Chairperson, CIGIE

November 16, 2020

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Management’s Discussion and Analysis

Fiscal Year 2020

The Council of the Inspectors General on Integrity and Efficiency (CIGIE or the Council) has chosen to produce an Agency Financial Report (AFR), which is posted on CIGIE’s website at www.ignet.gov.

The Council of the Inspectors General on Integrity and Efficiency’s Mission and Organization

Mission: The mission of the Council is to address integrity, economy, and effectiveness issues that transcend individual Government agencies; and increase the professionalism and effectiveness of personnel by developing policies, standards, and approaches to aid in the establishment of a well-trained and highly skilled workforce in the Offices of Inspectors General.

Organization: The Council is made up of 75 individual Inspectors General (IGs) from both the Executive and Legislative branches and 6 integrity-related senior officials: the Deputy Director for Management (DDM), Office of Management and Budget (OMB); the Deputy Director, Office of Personnel Management; the Special Counsel, Office of the Special Counsel; the Assistant Director of the Criminal Investigative Division, Federal Bureau of Investigation (FBI); the Director, Office of Government Ethics; and the Controller of the Office of Federal Financial Management, OMB. The Deputy Director for Management, Office of Management and Budget, is the Executive Chairperson of the Council. The Council is led by the elected Chairperson, Michael E. Horowitz, IG, U.S. Department of Justice; the Vice Chairperson, Allison C. Lerner, IG, National Science Foundation; and the other members of the Executive Council (see the below table).

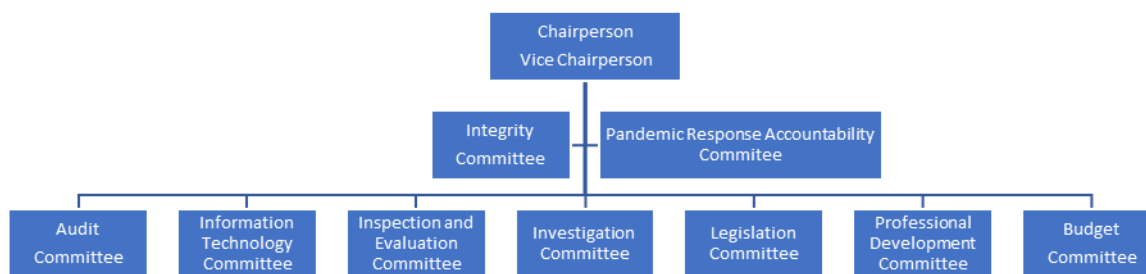
Executive Council	
Michael E. Horowitz, U.S. Department of Justice	Chairperson
Allison C. Lerner, National Science Foundation	Vice Chairperson
Hannibal Ware, Small Business Administration	Audit Committee Chair
Carol F. Ochoa, General Services Administration	Budget Committee Chair
Tammy L. Whitcomb, U.S. Postal Service	Information Technology Committee Chair
Wendy LaGuarda, Farm Credit Administration	Inspection and Evaluation Committee
Michael J. Missal, Department of Veterans Affairs	Investigations Committee Chair
Kathy A. Buller, Peace Corps	Legislation Committee Chair
Rae Oliver Davis, Department of Housing and Urban Development	Professional Development Committee Chair
Kevin Winters, Amtrak	Integrity Committee Chair
Laura Davis, National Endowment for the Humanities	At-Large Member
Phyllis K. Fong, U.S. Department of Agriculture	Past Chairperson

Management's Discussion and Analysis

CIGIE Committees

CIGIE consists of nine (9) committees, seven (7) of which represent functional responsibilities of the IG community. The eighth, the Integrity Committee, is a statutory committee established by the IG Reform Act of 2008 that serves as an independent and objective investigative mechanism for addressing allegations of misconduct against IGs and their senior staff members. The ninth, the Pandemic Response Accountability Committee (PRAC), is a statutory committee established in the Coronavirus Aid, Relief, and Economic Security Act (CARES) Act and sunsets on September 30, 2025.

The following organizational chart represents the Council's organizational structure.



Audit Committee

The Audit Committee provides leadership to and serves as a resource for the Federal IG audit community. The Committee sponsors and coordinates audits that address multi-agency or Government-wide issues, maintains professional standards for OIG audit activities, and administers the audit peer review program. It also provides input to the CIGIE Professional Development Committee and the Training Institute on the training and development needs of the CIGIE audit community, and advice to the Chairperson, Vice Chairperson, and Executive Director regarding CIGIE's contracts for audit services.

Budget Committee

The Budget Committee provides leadership in the development of the Council's annual Congressional appropriation request by coordinating a transparent process to assess current CIGIE activities and, in consultation with the Chairperson, Vice Chairperson, and Executive Council, presenting a proposed budget to the membership for discussion and adoption. In addition, the Committee serves as the IG Community's lead in coordinating with the OMB and relevant Congressional committees to establish and maintain a direct annual appropriation to fund Council activities.

Professional Development Committee

The Professional Development Committee provides educational opportunities, through the Training Institute, for members of the IG community to ensure the development of competent personnel. The Committee receives input from the Audit, Investigations, and Inspection and Evaluation Committees on the training and development needs of the CIGIE community. It also seeks opportunities to improve training methods, enhance the development of OIG staff, and establish training to meet continuing professional educational requirements.

Management's Discussion and Analysis

Information Technology Committee

The Information Technology Committee facilitates effective OIG information technology (IT) audits, evaluations, reviews, and investigations, and provides a vehicle for expressing the IG community's perspective on Government-wide IT operations.

Inspection and Evaluation Committee

The Inspection and Evaluation Committee provides leadership for the CIGIE inspection and evaluation community's efforts to improve agency program effectiveness by maintaining professional standards; leading the development of protocols for reviewing management issues that cut across departments and agencies; promoting the use of advanced program evaluation techniques; and fostering awareness of evaluation and inspection practice in OIGs. The Committee provides input to the CIGIE Professional Development Committee and the Training Institute on the training and development needs of the CIGIE inspection and evaluation community.

Investigations Committee

The Investigations Committee contributes to improvements in program integrity, efficiency, and cost effectiveness government-wide by providing analysis of investigative issues common to federal agencies. The Committee provides the CIGIE community with guidance, support, and assistance in conducting high quality investigations. It also provides input to the CIGIE Professional Development Committee and the Training Institute on the training and development needs of the CIGIE investigations community.

Legislation Committee

The Legislation Committee ensures that CIGIE is kept abreast of matters in the Congressional arena that are of interest to the IG community. The Committee develops, coordinates, and represents the official IG community positions on legislative issues.

Integrity Committee

The Integrity Committee is required by the IG Act and has the statutory responsibility to review and refer for investigation allegations of wrongdoing made against CIGIE IGs and their designated staff members. The Committee is chaired by an IG member elected by the other committee members. The Committee consists of four IGs appointed by the Council Chairperson for four-year terms. In addition, the Director of the Office of Government Ethics or designee and the FBI official serving on the Council or designee are also members. The Chief of the Public Integrity Section of the Criminal Division of the Department of Justice, or designee, serves as a legal adviser. In conjunction with the Council Chairperson, the Integrity Committee develops policies and procedures, which are submitted to the congressional committees of jurisdiction.

Under the IG Empowerment Act of 2016, CIGIE is now responsible for committee records management and administrative support.

Management's Discussion and Analysis

Pandemic Response Accountability Committee

Established in March 2020 by the Coronavirus Aid, Relief, and Economic Security Act (CARES) Act (Public Law 116-136), the Pandemic Response Accountability Committee (PRAC) is a Committee of the CIGIE composed of Inspectors General (IGs) identified by Congress, IGs designated by the Chairperson of the Committee, an Executive Director, a Deputy Executive Director, and staff. The PRAC promotes transparency and provides Congress, agencies, and the public with objective, reliable information on covered funds – defined as funds, including loans, that are made available in any form to any non-Federal entity, not including individuals, under the CARES act, Families First Coronavirus Response Act, Coronavirus Preparedness and Response Supplemental Appropriations Act, and any other act primarily making appropriations for the coronavirus response and related activities. The PRAC strives to detect fraud, waste, abuse, and mismanagement in federal programs related to the Federal Government's response to the nationwide public health emergency and to programs that provide relief to individuals, large corporations, small businesses, state and local governments, and public services.

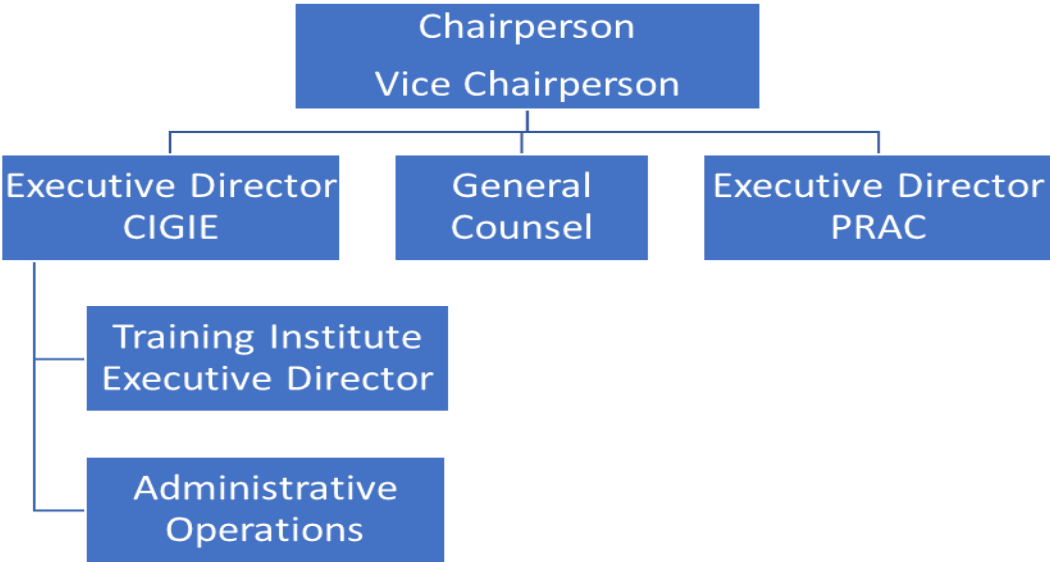
In FY 2020, the PRAC received \$80 million in no-year funds and is scheduled to sunset on September 30, 2025.

In addition to these nine committees, there are several councils, panels, roundtables, and work groups that are discipline-specific within the IG community or function under the auspices of CIGIE or the standing committees. A few examples of these and their purposes are:

- Federal Audit Executive Council (FAEC) – A council under CIGIE established to discuss and coordinate issues affecting the Federal audit community with special emphasis on audit policy and operations of common interest to CIGIE members.
- Assistant Inspectors General for Investigations (AIGI) Committee – A council under CIGIE established to serve as a forum for internal discussion and a conduit for suggestions, issues and concerns that affect the OIG investigations community to the CIGIE Investigations Committee for appropriate action.
- IG Candidate Recommendations Panel – A panel under CIGIE which, as required by the IG Act, maintains and submits to appointing officials recommendations of individuals for vacant IG positions.
- Inspections and Evaluations Roundtable – A roundtable that provides support to the Inspection and Evaluation Committee on a myriad of issues pertinent to the inspection and evaluation function with the IG community.
- Suspension and Debarment Working Group – This working group under the Investigations Committee is focused on finding ways to protect taxpayer dollars through expanded and more effective use of suspension and debarment remedies.
- Ombuds Working Group – This working group under the Investigations Committee is focused on myriad of matters associated with the responsibilities of OIG ombudsman.
- Human Resources Roundtable – This roundtable under the Professional Development Committee is focused on myriad of issues pertinent to the OIG's human resources community.
- Council of Counsels to the Inspectors General (CCIG) – Comprised of counsels to IGs, this council discusses issues of common interest generally of a legal nature within the IG community.

Staff

The Council is an independent federal entity and maintains its own permanent staff for which the Chairperson provides oversight. Council staff is responsible for supporting the activities of the Council, including, but not limited to, preparing minutes of all Council meetings, drafting Council reports such as the annual report, maintaining the Council’s website and archives, maintaining a Training Institute for the professional training of OIG personnel, and additional functions. In addition, the PRAC maintains a temporary staff to fulfil the responsibilities of the PRAC. Below represents the Council’s staff organizational structure.



Management's Discussion and Analysis

Performance Goals, Objectives and Results

Executive Summary of High-Level Annual Accomplishments and Achievements:

During FY 2020, the Council approved its annual performance plan to guide its activities for the year. The performance plan is associated with CIGIE's five-year Strategic Plan and aligns with the goals, objectives, and performance measures associated with the Strategic Plan. CIGIE's performance plan sets out four major business goals and supporting objectives. These goals are: (1) enhanced integrity and strength of Federal programs and operations; (2) a well-trained and highly skilled OIG community; (3) a focal point for collaboration, best practices, and outreach; and (4) an efficient, well-managed organization. The following information reflects CIGIE's accomplishments during fiscal year (FY) 2020 under each of these goals.

Goal 1: Enhanced integrity and strength of Federal programs and operations.

Upon passage of the CARES Act, responsibility for oversight of \$2.6 trillion in federal funding intended to support those affected by the COVID-19 pandemic became the single largest cross-cutting initiative in the Council's history. Spearheaded by CIGIE's newest component - the PRAC - this effort directly involves nearly one-third of all CIGIE-member OIGs on a daily basis, and the other two-thirds periodically and to varying degrees.

By leveraging the Council's existing infrastructure, PRAC was able to launch operations almost immediately and initiate public reporting within 30 days via a new, purpose-built website, pandemicoversight.gov. To facilitate transparency and inspire public confidence, the site includes a funding overview; interactive data visualizations and maps to find out where pandemic response program dollars are being spent, who's spending it, and what they're spending it on; reports; investigative results; and much more.

Over the five years of its planned existence, PRAC will focus on four particular aspects of oversight which are reflected herein as the organization's four major goals:

- PRAC Goal 1: Prevent and detect fraud, waste, abuse, and mismanagement
- PRAC Goal 2: Promote transparency
- PRAC Goal 3: Promote coordinated, comprehensive oversight
- PRAC Goal 4: Ensure effective and efficient PRAC operations

PRAC Goal 1 involves mitigating major risks that cut across program and agency boundaries and holding wrongdoers accountable. To achieve the former the PRAC will work with Federal Inspectors General and other oversight partners to identify major cross-cutting risks by using data analytics and risk assessments. Such risks will include criminal fraud schemes, internal control weaknesses with the disbursement and accounting of covered funds, and deficiencies with coordination across agencies and programs. The PRAC will provide leading-edge data analytics, visualization, and risk modeling to identify indicators of fraud, waste, abuse, or mismanagement. In turn, the results of these activities will inform a risk-based approach to the PRAC's oversight efforts.

Achieving the latter entails supporting law enforcement in pursuing fraud investigations and criminal enforcement. To this end, the PRAC will maintain a website portal and encourage the public to report

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concerns, including allegations of fraud, waste, abuse or whistleblower reprisal. The PRAC will refer such allegations to the appropriate Office of Inspector General or agency, and will promote hotlines for individual Inspectors General as well as other Federal, state, and local oversight entities. The PRAC will use, or coordinate with Inspectors General to use, data analytics and other appropriate methods to identify suspected fraud and will refer potential criminal conduct to the relevant Inspector General for investigation so that wrongdoers can be held accountable for their actions. When there is a reasonable belief Federal criminal law has been violated, the PRAC will report such information to the Attorney General, as required by statute.

PRAC Goal 2, a cornerstone of the oversight community's work, will be accomplished by providing the public with timely data and information on covered funds and the Coronavirus response. The PRAC will pursue this objective through operating a robust, user-friendly website. The PRAC will make publicly available a wide range of data related to covered funds and the coronavirus response. The PRAC will publicly post reports and recommendations issued by Inspectors General and other oversight partners. The PRAC will pursue a communications strategy to heighten the visibility of the PRAC's efforts and the work and recommendations of Inspectors General and other oversight partners as well as to engage the public to provide feedback on the use or misuse of covered funds. Consistent with the requirements in the CARES Act, as appropriate the PRAC will make timely reports to the President, Congress, the Office of Management and Budget.

PRAC Goal 3 features three key elements: facilitating exceptional coordination and collaboration to ensure high-impact results; fostering sound stewardship of covered funds and programs; and ensuring efficient sharing of data, analytics, and other information. With respect to the first element, Inspectors General have a rich history of collaboration and coordination among themselves and with their Federal, State, and local partners in pursuit of effective oversight. Building on this history and CIGIE's longstanding institutional success, the PRAC will serve as an effective forum for coordination and collaboration among Inspectors General and other oversight partners, including GAO and State and local auditors, evaluators, and inspectors, to minimize duplication of effort and support high-impact oversight of covered funds and the coronavirus response. Through the PRAC, the Inspectors General and oversight partners will share information, expertise, and best practices. The collaboration will facilitate data sharing and the use of technology and analytics capabilities to enable data-driven oversight.

Sound stewardship is underpinned by efficient and effective management and administration of taxpayer-funded programs which are essential to ensuring that coronavirus response programs achieve their intended purposes and provide relief to intended individuals and entities. To meet this objective, the PRAC will coordinate with Inspectors General to:

- promote early engagement with agencies to provide technical assistance on accounting controls and procedures to prevent fraud, waste, abuse, and mismanagement and reduce the need for costly, after-the-fact remediation or enforcement
- assess agency compliance with applicable standards and internal control weaknesses in program administration
- identify and help remediate risks of contractor, grantee, and borrower fraud or noncompliance with program requirements

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- identify and reduce improper payments and recommend recovery of misspent covered funds in programs for individuals; large corporations; small businesses; State, local, and Tribal governments; and public services
- review the effectiveness and efficiency of coronavirus response programs in delivering safe and high-quality services and in meeting intended program goals such as delivering benefits to eligible individuals, families, and businesses; enhancing the health care system and public health emergency response; supporting educational institutions, teachers, and students; bolstering critical infrastructure; keeping workers paid and employed; and supporting operations of Federal agencies responding to coronavirus
- identify and quantify, to the extent practicable, the impact of any tax expenditures or credits authorized under coronavirus legislation, as required by the CARES Act; and
- make available high-quality and timely machine-readable data to support data-driven risk management.

The PRAC, in coordination with Inspectors General, will prioritize audits and reviews, and support robust follow-up on unimplemented recommendations produced by such oversight work.

To ensure the efficient sharing of data, etc., the PRAC will use its authorities to provide, directly or in partnership with Inspectors General that have existing data capabilities, a modern infrastructure to allow the efficient sharing of timely, relevant, actionable data among Inspectors General and the broader oversight community. The PRAC will provide leading-edge data analytics, visualization, and artificial intelligence to identify suspicious outliers, links, patterns, and trends that can ensure greater focus on risk areas. In addition, the PRAC will promote increased data literacy throughout the oversight community with the goal of strengthening oversight and reducing the data-sharing burden on Inspectors General, partners, and agencies during the coronavirus response.

PRAC Goal 4, more inward-looking, affirms the PRAC's commitment to fulfilling its statutory responsibilities; support the independent oversight of Inspectors General; and building a diverse team of innovative thought leaders.

To fulfill its statutory responsibilities the PRAC will use its appropriated budget of \$80 million to hire and train staff, maintain its website, and conduct Committee operations. The PRAC will leverage existing information technology resources, such as oversight.gov, to the extent practicable. The PRAC may also use funds to support relevant oversight by Inspectors General and to engage contractors to conduct audits or reviews. The PRAC's Executive Director, in consultation with the Committee, will continuously evaluate and promote the PRAC's performance in overseeing the coronavirus response.

In support of independent oversight, the PRAC will use leading tools and practices to support Inspectors General. The PRAC will establish a data-warehousing and analytics repository to provide Inspectors General with accessible data, tools, infrastructure, data analytics, and other support to help them conduct vigorous coronavirus response oversight, including oversight of cross-cutting vulnerabilities. The PRAC will respect the independence of Inspectors General to conduct audits or investigations of covered funds and the coronavirus response. The PRAC will support Inspectors

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General's efforts to procure equipment and technology necessary to conduct coordinated, effective, safe oversight.

Attracting innovative thought leaders to invest themselves in achieving the mission, the PRAC will encourage creative and practical problem-solving and insightful thought leadership, foster collaborative professional relationships, and focus on our core lines of business. In doing so, the PRAC will bring deep insight and oversight to the Federal Government's emergency pandemic relief and recovery efforts. To recruit and retain the best candidates, provide a positive work environment, and mitigate the risk of current and future pandemic-related workplace disruptions, the PRAC will function as a distributed workforce in a virtual workplace with a small physical footprint in Washington, DC.

At the close of FY 2020, the PRAC was already tracking nearly \$800 billion in dollars obligated or spent, across 20 agencies, 3.9 million recipients and multiple states. Dozens of instances of criminal activity involving millions of dollars in pandemic-related funding has also been identified and is being acted upon by PRAC-member OIGs.

In parallel, Oversight.gov demonstrated remarkable gains in capabilities and functionalities that further enhance its value as a powerful oversight tool for the entire IG community. An IG Vacancy Tracker; an Open Recommendations Database; the ability to host OIG websites; an Investigative Press Release feed; and significant progress in enabling uploads of State, Local and Tribal reports highlighted this year's successes.

The *Vacancy Tracker* highlights fifteen active vacancies by agencies. Available data includes the length of time each has been vacant, the nominating authority, the nominee, and the nomination date.

CIGIE's *Open Recommendations Database* establishes the only single, public repository of information about the status of OIG recommendations issued to agencies in existence. At the close of FY 2020 it showed 8,673 open recommendations and 25 priority recommendations. This component of Oversight.gov also identifies how long recommendations have been open, agencies with the highest numbers of reports with recommendations, the monetary impact of recommendations, and active links to the recommendations themselves. As FY 2020 closed, twenty-three OIGs had already uploaded recommendations with many more expected to follow suit in FY2021.

Although the "go live" date for CIGIE's ability to *host OIG websites* falls in the opening weeks of FY 2021, development of and testing of this capability took place in the FY 2020 reporting year. This achievement serves to strengthen IG independence in relation to the agencies they oversee and simultaneously increase the timeliness of public access to information by placing control of OIG websites directly in the hands of OIG staff. Rather than transmitting information through agency systems and according to agency timelines, information will flow through CIGIE systems and be released as directed by the IG.

The *investigative press release* feed brings a measure of meaning to many of the numbers shown on Oversight.gov. In consolidated fashion, it provides initial insights into the real-life stories of criminal activity; it also highlights the dedicated and often unknown efforts of OIG investigative personnel who work so diligently to combat such activity.

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Substantive progress has also been made on achieving *targeted integration with the reporting of state and local watchdog* entities. The goal in this regard is that of allowing Members of Congress and the public a more comprehensive view of oversight findings and areas of concern within their state and locality. Testing and limited piloting of this capability is expected in FY2021.

Goal 2: A Well-trained and Highly Skilled OIG Community

The mid-year arrival of COVID-19 dramatically affected CIGIE's training operations in both obvious and unexpected ways. In terms of the obvious, this pandemic triggered the cancellation of all in-person classes; as "in-person" was the predominant modality, training delivery essentially shut down. Almost immediately, however, it became clear that this circumstance had also sparked a transformational wave of innovation that is fundamentally altering the organization's approaches and capabilities.

The seeds of innovation had been planted during FY 2018 and then nurtured throughout FY 2019 in the form of a pilot project to completely revamp Inspections and Evaluation (I&E) training. As described in the FY 2019 Annual Report, this involved mapping the I&E workflow; documenting and prioritizing associated job tasks and the supporting knowledge required to perform those tasks; designing new training programs around how work is actually performed in the workflow, with added emphasis on prioritized tasks and supporting knowledge; and linking training to a set of supplementary performance support resources to assist OIG professionals in their work environment. Because the new content is designed for in-class or live Web delivery, I&E classes were quickly made available. Building upon this success, efforts are now underway to similarly impact audit and investigations training.

In parallel, training staff across all of CIGIE's academies – Audit, Inspections and Evaluation; Criminal Investigator; and Leadership and Mission Support - worked diligently to identify appropriate, equivalent alternatives to classes that had been cancelled. In some instances it was possible to rapidly redesign and redeploy those classes in an online format and in others this was accomplished by assessing the intended outcomes and reimagining how they might be achieved. For example, structured but relatively informal "pop-up," topic-based sessions featuring subject matter experts from across the community and dynamic live chat among all participants proved popular and effective from a learning standpoint.

Combined, the three academies provided learning opportunities to 2,166 learners through April, *before* all scheduled classes and events were cancelled, and 3,384 *after* – from May through the end of September. In total, the 5,550 learners supported this year reflects an almost 40% increase over FY 2019.

Additionally, CIGIE's Professional Development Committee in concert with the Leadership Development Subcommittee and the Training Institute succeeded in expanding the nature, scope and quality of professional development opportunities available to the OIG workforce. These include:

- Launching the 4th Cohort of the CIGIE Fellows Program. This year-long blended leadership development program aims to continually align with the standards of federal executive development programs to advance leadership development within member agencies. 16 Fellows from 10 different OIGs are participating in this prestigious interagency program this year. In addition to the Fellows, themselves, approximately 40% of the CIGIE member

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organizations have engaged in this year's program by either nominating fellows, hosting opportunities, serving as executive mentors, and/or speaking at or volunteering to deliver cohort development and training activities. Since the launch, the Fellows have begun interagency rotational assignments, completed leadership development training, engaged with senior executive mentors, and participated in group coaching.

- Partnering with OPM to secure spaces in the highly selective Federal Internal Coach Training Program (FICTP), a nine-month government-wide coach development program aligned with International Coaching Federation (ICF) standards. Additionally, PDC and CIGIE launched a new coaching working group to identify additional ways to build coaching capacity within the IG community and provide coaching training and support. Through this working group, group coaching has been provided to the CIGIE Fellows.
- Kicking off a mentoring team in for the purpose of identifying opportunities to create awareness, connection, and the expansion of mentoring capabilities across the community.
- Shepherding the development and launch of the new "CIGIE Leading Inspiring and Fostering Talent (LIFT) Network." The goal for this new network is to bring together Federal oversight community professionals of all levels and functions. Through CIGIE LIFT, the PDC envisions oversight employees building connections and participating in learning opportunities. A working group of young professionals was brought together to conceptualize and stand up this network. The working group has been dedicated to designing this exciting network to help Federal oversight professionals engage, invest, and grow while participating in the important mission of oversight. The group held their first event on September 17, 2020, attended by 250 members of the IG community.

In spite of the obvious challenges, FY2020 was a year of remarkable progress and accomplishment.

Goal 3: A Focal Point for Collaboration, Best Practices, and Outreach

CIGIE supports a vibrant community of nine committees and forty six sub-committees, working groups and other collaborative bodies of varying sizes and scope dedicated to improving the state of practice within the OIG community, addressing significant cross-cutting issues, or increasing awareness in the public domain about the IG mission and responsibilities. Members come from across the entire community of 75 OIGs and individuals join these organizations according to their mission functions and interests. As a result, the degree of interagency engagement is often quite high and outcomes of their efforts characteristically have broad impact.

Highlights from this year's work include:

- Continued participation in the Office of Personnel Management's priority initiative to close critical skills gaps in the Federal workforce, specifically within the auditor job series. Activities included facilitating meetings of a FAST (Federal Action Skills Team) group, executing an action plan to address the skills gap identified, participating in quarterly briefings to OPM's

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Director, and coordinating accountability community comments on draft changes to the OPM job series.

- Initiation of “Connect, Collaborate, Learn” sessions allowing CIGIE audit professionals to share best practices and lessons learned from conducting audits while working remotely during the COVID-19 Pandemic.
- Publication of a revised CIGIE *Guide for Conducting External Quality Control Reviews of the Audit Operations of Offices of Inspector General* to reflect recent revisions related to performance audit, financial audit, and attestation standards in *Government Auditing Standards*.
- Revisions of the *Quality Standards for Inspection and Evaluation* (Blue Book).
- A virtual joint training/collaboration event focusing on the OIG investigative community's response to COVID-19 and best practices that can be utilized in furtherance to conducting investigations in a pandemic environment.
- The stand-up of a law enforcement coordination cell to coordinate pandemic related fraud matters with state, local, federal, and international law enforcement partners.
- Formation of a data analytics and proactive measures subcommittee to assist the Pandemic Response Accountability Committee (PRAC) in analyzing CARES and other recovery-related data, with the intent of identifying indicators of potential fraud, waste, and abuse; recurring fraud themes, and so forth.

These are but a few among hundreds of activities occurring under CIGIE's auspices to further collaboration, best practices and outreach.

Goal 4: An efficient, well-managed organization

Characteristic of efficient, well-managed organizations is their ability to quickly react and adjust in the face of adversity or rapidly changing operational conditions. CIGIE did exactly that by shifting from in-person operations to 100% virtual operations almost overnight, without significant impacts to core mission functions or even those of an ancillary nature.

In terms of operational infrastructure, CIGIE took steps to significantly upgrade its performance management system, travel system, and financial management and reporting processes. These changes, many of which include an element of automation, will enable the organization to eliminate existing inefficiencies and redirect time and attention other priorities.

Additionally, CIGIE continued to meet its statutory responsibilities in FY 2020, to include:

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- Coordinating OIG activities governmentwide, including producing cross-cutting studies that mitigate common vulnerabilities and increase economy, efficiency, and effectiveness;
- Increasing the professionalism and effectiveness of OIG personnel by developing policies, standards, and approaches to aid in establishing a well-trained and highly-skilled OIG workforce;
- Maintaining public and business websites for the benefit of the public, stakeholders, and the OIG community;
- Responding to inquiries from the public and stakeholders about CIGIE and OIG activities, including complaints and allegations against IGs;
- Administering peer review programs that assess OIG compliance with professional standards; and
- Recommending individuals to the appointing authority when IG vacancies occur.

Analysis of CIGIE’s Financial Statements and Stewardship Information

CIGIE prepares annual financial statements in accordance with U.S. generally accepted accounting principles (GAAP) for Federal government entities and subjects the statements to an independent audit to ensure their integrity and reliability in assessing performance. The financial statements and notes are presented on a comparative basis in the required format in accordance with OMB Circular No. A-136, revised, *Financial Reporting Requirements*.

CIGIE obtained its funding in FY 2020 from the carry-over balance of non-expended/non-obligated funds from FY 2019 in its no-year revolving fund, as well as appropriations from Congress and collections associated with training. The significant increase in budgetary resources in FY 2020 is associated with the \$80 million appropriation for the PRAC. In 2020, CIGIE operated under its established internal control and financial management systems to ensure accountability of these funds while continuing to build operations to support CIGIE and its mission. These funds are being used to continue: 1) creating the infrastructure necessary to fully support the activities of CIGIE; 2) providing educational and professional development programs to increase the professionalism and effectiveness of the IG community workforce; 3) operating and managing CIGIE’s website; and 4) supporting the PRAC.

The following table summarizes the significant changes in CIGIE’s financial position during FY 2020:

Financial Condition	FY 2020 Balance	FY 2019 Balance	Increase/ (Decrease)	Percentage Difference
Total Assets	\$99,387,994	\$18,835,792	\$80,552,202	428%
Total Liabilities	\$4,447,156	\$1,330,101	\$3,117,055	234%
Net Position	\$94,940,788	\$17,505,691	\$77,435,097	442%
Net Cost of Operations	\$11,989,774	\$7,660,895	\$4,328,879	57%
Budgetary Resource	\$106,665,620	\$26,605,470	\$80,060,150	301%

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The table below summarizes CIGIE's budgetary resource for FY 2020.

Summary of Budgetary Resources For the Year Ending September 30, 2020

Funding:	
FY 2019 Carry Over Balance	\$ 16,049,196
Appropriations (discretionary and mandatory)	81,000,000
Spending authority from Offsetting Collections	<u>9,616,425</u>
Total Budgetary Resources	<u>\$ 106,665,621</u>
Status of Budgetary Resources:	
Obligations Incurred	
Reimbursable	\$ 18,588,331
Unobligated Balances	
Apportioned	88,072,129
Unobligated Balances – not available	<u>5,161</u>
Total Status of Budgetary Resources	<u>\$ 106,665,621</u>

Note: Difference is due to rounding

For operations other than the PRAC, each year CIGIE prepares a projected budget to meet its planned activities. Based on the projected budget and taking into account any excess funds in the revolving fund, member offices are requested to contribute a pro rata rate of their annual funding level towards CIGIE operations that results in the funding necessary to meet CIGIE's projected budget.

Analysis of CIGIE's Systems, Controls, and Legal Compliance

This AFR provides timely information for CIGIE's stakeholders and the public to better understand CIGIE's program and operations. As always, CIGIE is committed to continuing its efforts in bettering its internal controls and maintaining an unqualified audit opinion in future years.

CIGIE management is responsible for establishing and maintaining effective internal controls and, through a reimbursable agreement with the United States Department of Agriculture (USDA), financial management systems and accounting support that meet the objectives of the Federal Managers' Financial Integrity Act (FMFIA). FMFIA is implemented by OMB Circular A-123, revised, *Management's Responsibility for Internal Control*. The objectives of FMFIA are to ensure that CIGIE's controls and systems provide reasonable assurance that:

- obligations and costs are in compliance with applicable laws;
- funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation;
- revenues and expenditures are properly recorded and accounted for to permit the preparation of accounts and reliable financial reports and to maintain accountability over assets; and
- programs are efficiently and effectively carried out in accordance with applicable laws

Management's Discussion and Analysis

and management policy.

Section 2 of the FMFIA requires federal agencies to report, on the basis of annual assessments, any material weaknesses that have been identified in connection with their internal and administrative controls. Section 4 of the FMFIA requires that agencies annually provide assurance on programmatic internal controls and financial management systems, and effectiveness of internal control over financial reporting.

Further, the Government Accountability Office (GAO), *Standards for Internal Control in the Federal Government* (known as the Green Book), provides the overall framework for establishing and maintaining an effective internal control system. The Green Book, along with OMB's Circular A-123, provide guidance on assessing five components that contain a total of 17 principles, that are summarized in the below table:

Component	Principles
Control Environment	<ol style="list-style-type: none"> 1. Demonstrates commitment to integrity and ethical values 2. Exercises oversight responsibility 3. Establishes structure, authority, and responsibility 4. Demonstrates commitment to competence 5. Enforces accountability
Risk Assessment	<ol style="list-style-type: none"> 6. Specifies suitable objectives 7. Identifies and analyzes risk 8. Assesses fraud risk 9. Identifies and analyzes significant change

Component	Principles
Control Activities	<ol style="list-style-type: none"> 10. Selects and develops control activities 11. Selects and develops general controls over technology 12. Deploys through policies and procedures
Information & Communication	<ol style="list-style-type: none"> 13. Uses relevant information 14. Communicates internally 15. Communicates externally
Monitoring	<ol style="list-style-type: none"> 16. Conducts ongoing and/or separate evaluations 17. Evaluates and communicates deficiencies

CIGIE operated during Fiscal Year 2020 with 32 employees, inclusive of permanent and detailed employees and 15 temporary employees and detailed employees assigned to the PRAC. CIGIE, and its service provider USDA, performs internal control reviews on financial, management, and information systems, and conducts fact finding activities to support decisions impacting revisions to the Council's accounting and financial reporting systems. For example, CIGIE initially developed its financial policies and procedures in FY 2010 to ensure internal controls were established to meet the objectives of OMB Circular A-123. Annually, we review our internal controls to see if there is any need for improvement. Additionally, we seek feedback from those intimately involved in the day-to-day financial operations of CIGIE to determine if any matters have arisen that reflect a potential weakness in these controls. I can provide

reasonable assurance that our internal controls are operating effectively.

Finally, the Accountability of Tax Dollars Act (ATDA) of 2002 requires the preparation of financial statements by the federal agencies that were exempted by the Chief Financial Officers Act of 1990. OMB Circular No. A-136, *Financial Reporting Requirements*, enables agencies to consolidate their audited financial statements and other financial and performance reports into one report, the AFR. This report meets the requirements of the Act. In accordance with the ATDA, CIGIE's financial information was audited in FY 2020 by the Certified Public Accounting firm of Harper, Rains, Knight & Company (HRK), which reviewed the FY 2020 financial records and internal controls of the Council and submitted an unmodified audit opinion.

Further, CIGIE relies upon its Federal shared financial service provider as an additional control that lessens the risk of weaknesses in CIGIE's controls. CIGIE uses the financial services of the USDA's Office of Chief Financial Officer (OCFO). The operating effectiveness of the USDA/OCFO's financials, general information technology, accounting operations and payroll controls was examined under Statements on Standards for Attestation Engagements No. 18 (SSAE 18), *Quality Control Review of Controls over the Service Provider*, issued by the American Institute of Certified Public Accountants (AICPA). An unqualified opinion was issued by USDA/OCFO's independent public accounting firm for the period July 1, 2019 through June 30, 2020. Accordingly, USDA/OCFO was able to provide CIGIE with assurance that the description of controls in the FY 2020 report presents fairly the operating effectiveness of USDA/OCFO controls that were in place as of September 30, 2020, as they relate to key controls relied upon by CIGIE. Based on the results of the evaluation of USDA/OCFO financial systems and controls documented in its SSAE 18 report, CIGIE can provide reasonable assurance that the internal controls over USDA/OCFO's financial reporting were operating effectively and CIGIE's financial management systems complied substantially with Federal financial management system requirements, applicable Federal accounting standards, and the U.S. Government Standard General Ledger at the transaction level.

Analysis of Entity's Systems, Controls and Legal Compliance

CIGIE's management is responsible for managing risks and establishing and maintaining effective internal control and financial management systems that meet the objectives of Sections 2 and 4 of the FMFIA and the Federal Financial Management Improvement Act (FFMIA). CIGIE conducted an assessment risk and of the effectiveness and efficiency of operations and compliance with applicable laws and regulations in accordance with OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*. Based on the results of this evaluation, CIGIE can provide reasonable assurance that its internal controls over the effectiveness and efficiency of operations, reporting, and compliance with applicable laws and regulations as of September 30, 2020, were operating effectively.

A handwritten signature in black ink, appearing to read 'Alan F. Boehm', written over a horizontal line.

Alan F. Boehm
Executive Director

November 16, 2020



Federal Information Security Management Act

The Federal Information Security Management Act of 2002 (FISMA) requires each federal agency to establish and maintain an information security program for all non-national security information and information systems. The Council's information security program includes a process for planning, implementing, evaluating, and documenting remedial action to address any deficiencies in its information security policies, procedures, and practices.

Limitations of the Financial Statements

The principal financial statements have been prepared to report the financial position and results of operations of CIGIE, pursuant to the requirements of 31 U.S.C. 3515 (b). While the statements have been prepared from the books and records of CIGIE in accordance with U.S. generally accepted accounting principles (GAAP) for Federal entities and the formats prescribed by OMB, the statements are in addition to the financial reports used to monitor and control budgetary resources, which are prepared from the same books and records. The statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity.



Council of the
INSPECTORS GENERAL
on INTEGRITY and EFFICIENCY

FINANCIAL STATEMENTS

As Of And For The Years Ended September 30, 2020 and 2019

The Council of the Inspectors General on Integrity and Efficiency

BALANCE SHEETS

As Of September 30, 2020 and 2019

		2020	2019
Assets:			
Intragovernmental:			
Fund Balance With Treasury	(Note 2)	\$ 98,336,846.00	\$ 17,807,382.46
Accounts Receivable	(Note 3)	338,891.64	680,283.29
Other:	(Note 4)		
Advances and Prepayments		699,486.86	257,090.05
Total Intragovernmental		<u>99,375,224.50</u>	<u>18,744,755.80</u>
Accounts Receivable, net	(Note 3)	12,719.86	91,036.12
Total Assets		<u><u>\$ 99,387,944.36</u></u>	<u><u>\$ 18,835,791.92</u></u>
Liabilities:	(Note 6)		
Intragovernmental:			
Accounts Payable		\$ 2,189,045.99	\$ 944,986.50
Other:	(Note 7)		
Employer Contributions and Payroll Taxes Payable		55,756.98	17,587.04
Liability for Advances and Prepayments		1,200.00	1,200.00
Total Intragovernmental		<u>2,246,002.97</u>	<u>963,773.54</u>
Accounts Payable		1,570,428.52	97,546.21
Other:	(Note 7)		
Accrued Funded Payroll and Leave		215,549.32	70,730.55
Employer Contributions and Payroll Taxes Payable		8,618.78	2,677.78
Unfunded Leave		406,556.56	195,372.67
Total Liabilities		<u>\$ 4,447,156.15</u>	<u>\$ 1,330,100.75</u>
Net Position:			
Unexpended Appropriations - All Other Funds (Consolidated Totals)		78,708,366.99	2,000,000.00
Cumulative Results of Operations - All Other Funds (Consolidated Totals)		<u>\$ 16,232,421.22</u>	<u>\$ 15,505,691.17</u>
Total Net Position - All Other Funds (Consolidated Totals)		<u>94,940,788.21</u>	<u>17,505,691.17</u>
Total Net Position		<u><u>\$ 94,940,788.21</u></u>	<u><u>\$ 17,505,691.17</u></u>
Total Liabilities and Net Position		<u><u>\$ 99,387,944.36</u></u>	<u><u>\$ 18,835,791.92</u></u>

The Council of the Inspectors General on Integrity and Efficiency

STATEMENTS OF NET COST

As Of And For The Years Ended September 30, 2020 and 2019

	2020	2019
Program Costs:		
CIGIE:		
Gross Costs	\$ 10,131,475.04	\$ 9,348,520.07
Less: Earned Revenue	1,130,674.82	1,687,625.40
Net Program Costs	<u>9,000,800.22</u>	<u>7,660,894.67</u>
PRAC:		
Gross Costs	\$ 2,988,973.74	\$ -
Net Program Costs	<u>2,988,973.74</u>	<u>-</u>
Net Cost of Operations	<u><u>\$ 11,989,773.96</u></u>	<u><u>\$ 7,660,894.67</u></u>

The Council of the Inspectors General on Integrity and Efficiency

STATEMENT OF CHANGES IN NET POSITION

As Of And For The Years Ended September 30, 2020 and 2019

FY 2020 (CY)

	Funds From Dedicated Collections (Consolidate d Totals)	All Other Funds (Consolidated Totals)	Eliminations	Consolidated Total
Unexpended Appropriations:				
Beginning Balance		\$ 2,000,000.00		\$ 2,000,000.00
Beginning balance, as adjusted		2,000,000.00		2,000,000.00
Budgetary Financing Sources:				
Appropriations received		81,000,000.00		81,000,000.00
Appropriations used		(4,291,633.01)		(4,291,633.01)
Total Budgetary Financing Sources		76,708,366.99		76,708,366.99
Total Unexpended Appropriations		78,708,366.99		78,708,366.99
Cumulative Results from Operations				
Beginning Balances		\$ 15,505,691.17		\$ 15,505,691.17
Beginning balances, as adjusted		15,505,691.17		15,505,691.17
Budgetary Financing Sources:				
Appropriations used		4,291,633.01		4,291,633.01
Transfers-in/out without reimbursement (+/-)		8,335,345.38		8,335,345.38
Other Financing Sources (Nonexchange):				
Imputed Financing		89,525.62		89,525.62
Total Financing Sources		12,716,504.01		12,716,504.01
Net Cost of Operations		11,989,773.96		11,989,773.96
Net Change		726,730.05		726,730.05
Cumulative Results of Operations		16,232,421.22		16,232,421.22
Net Position		\$ 94,940,788.21		\$ 94,940,788.21

The Council of the Inspectors General on Integrity and Efficiency

STATEMENT OF CHANGES IN NET POSITION

As Of And For The Years Ended September 30, 2020 and 2019

FY 2019 (PY)

	Funds From Dedicated Collections (Consolidate d Totals)	All Other Funds (Consolidated Totals)	Eliminations	Consolidated Total
Budgetary Financing Sources:				
Appropriations received		\$ 2,000,000.00		\$ 2,000,000.00
Total Budgetary Financing Sources		2,000,000.00		2,000,000.00
Total Unexpended Appropriations		2,000,000.00		2,000,000.00
Cumulative Results from Operations				
Beginning Balances		\$ 15,075,231.88		\$ 15,075,231.88
Beginning balances, as adjusted		15,075,231.88		15,075,231.88
Budgetary Financing Sources:				
Transfers-in/out without reimbursement (+/-)		7,983,092.21		7,983,092.21
Other Financing Sources (Nonexchange):				
Imputed Financing		108,261.75		108,261.75
Total Financing Sources		8,091,353.96		8,091,353.96
Net Cost of Operations		7,660,894.67		7,660,894.67
Net Change		430,459.29		430,459.29
Cumulative Results of Operations		15,505,691.17		15,505,691.17
Net Position		\$ 17,505,691.17		\$ 17,505,691.17

The Council of the Inspectors General on Integrity and Efficiency

STATEMENTS OF BUDGETARY RESOURCES

As Of And For The Years Ended September 30, 2020 and 2019

	<u>2020</u> <u>Budgetary</u>	<u>2019</u> <u>Budgetary</u>
Budgetary resources:		
Unobligated balance from prior year budget authority, net (discretionary and mandatory)	\$ 16,049,195.68	\$ 15,066,983.25
Appropriations (discretionary and mandatory)	81,000,000.00	2,000,000.00
Spending authority from offsetting collections (discretionary and mandatory)	9,616,424.67	9,538,487.21
Total budgetary resources	<u>\$ 106,665,620.35</u>	<u>\$ 26,605,470.46</u>
Status of budgetary resources:		
New obligations and upward adjustments (total)	(Note 9) \$ 18,588,330.01	\$ 10,611,183.75
Unobligated balance, end of year:		
Apportioned, unexpired account	88,072,129.37	15,666,277.46
Unapportioned, unexpired accounts	5,160.97	328,009.25
Unexpired unobligated balance, end of year	<u>88,077,290.34</u>	<u>15,994,286.71</u>
Unobligated balance, end of year (total)	<u>88,077,290.34</u>	<u>15,994,286.71</u>
Total budgetary resources	<u>\$ 106,665,620.35</u>	<u>\$ 26,605,470.46</u>
Outlay, net:		
Outlays, net (total) (discretionary and mandatory)	<u>\$ 470,536.46</u>	<u>\$ (154,963.93)</u>
Agency outlays, net (discretionary and mandatory)	<u>\$ 470,536.46</u>	<u>\$ (154,963.93)</u>

Notes to the Financial Statements

For the Years Ended September 30, 2020 and 2019
(in dollars)

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Council of Inspectors General on Integrity and Efficiency (CIGIE) was statutorily established as an independent entity within the executive branch by the "The Inspector General Reform Act of 2008," P.L. 110-409 to 1) address integrity, economy, and effectiveness issues that transcend individual Government agencies, and 2) increase the professionalism and effectiveness of personnel by developing policies, standards, and approaches to aid in the establishment of a well-trained and highly skilled workforce in the offices of the Inspectors General.

Basis of Presentation

These financial statements have been prepared from the accounting records of the CIGIE in accordance with U.S. Generally Accepted Accounting Principles (GAAP), and the form and content for entity financial statements specified by the office of Management and Budget (OMB) in OMB Circular A-136, *Financial Reporting Requirements*. GAAP for Federal entities are standards prescribed by the Federal Accounting Standards Advisory Board (FASAB), which has been designated the official accounting standards-setting body for the Federal Government by the American Institute of Certified Public Accountants (AICPA).

OMB Circular A-136, revised, requires agencies to prepare financial statements, which include a Balance Sheet, a Statement of Net Cost, a Statement of Changes in Net Position, and a Statement of Budgetary Resources. The Balance Sheet presents, as of September 30, amounts of future economic benefits owned or managed by CIGIE (assets), amounts owed by CIGIE (liabilities), and amounts, which comprise the difference (net position). The Statement of Net Cost reports the full cost of the program, both direct and indirect costs of the output, and the costs of identifiable supporting services provided by other segments within CIGIE and other reporting entities. The Statement of Budgetary Resources reports an agency's budgetary activity.

Basis of Accounting

Transactions are recorded on the accrual basis of accounting in accordance U.S. GAAP and reported in accordance with OMB Circular A-136. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Notes to the Financial Statements

For the Years Ended September 30, 2020 and 2019
(in dollars)

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues and Other Financing Sources

Majority of CIGIE's funding is derived from multiple expenditure transfers in from assessment made against other Federal agencies. In FY 2020, the PRAC received \$80 million in no-year funds and is scheduled to sunset on September 30, 2025. Additionally, CIGIE has exchange revenue, which is generated when CIGIE provides goods or services to another Government entity or the Public for a price. In an exchange transaction, each party to the transaction sacrifices value and receives value in return. An example of exchange revenue is the funds received by CIGIE to provide training. Another term for "exchange revenue" is "earned revenue."

As for other financing sources, certain operating costs of CIGIE are paid out of funds appropriated to other Federal agencies. Specifically, CIGIE records imputed expenses and financing sources for employee retirement plan contributions, group term life insurance, and health benefit costs, which are paid by the Office of Personnel Management (OPM).

Personnel Compensation and Benefits

Salaries and wage of employees are recognized as payroll expenses and related liabilities as earned. These expenses are recognized as a funded liability when accrued.

Annual leave is accrued as it is earned by employees and is included in personnel compensation and benefit costs. An unfunded liability is recognized for earned but unused annual leave, since from a budgetary standpoint, this annual leave will be paid from future appropriations when employees use the leave. The amount accrued is based upon current pay rates for employees. Sick leave and other types of leave that are not vested are expensed when used and no future liability is recognized for these amounts.

CIGIE's employees participate in either the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS), which became effective on January 1, 1987. CIGIE and its employees both contribute to these systems. Public Law 112-96, Section 5001, the "Middle Class Tax Relief and Job Creation Act of 2012" divided FERS participants into two categories, FERS employees and FERS-Revised Annuity Employees (FERS-RAE). Employees hired on or after January 1, 2013, with some exceptions, are required to contribute 2.3% more to FERS than FERS employees hired prior to January 1, 2013. Although CIGIE funds a portion of the benefits under CSRS and FERS and makes the necessary payroll withholdings, it does not report assets associated with these benefit plans in accordance with SFAS 5. For CSRS employees, CIGIE contributes an amount equal to 7% of the employees' basic pay to the plan. For FERS employees, CIGIE contributes an amount equal to 13.7% of the employees' basic pay to the plan. For FERS-RAE and FRAE employees, CIGIE contributes an amount equal to 11.9% of the employees' basic pay to the plan.

Both CSRS employees and FERS employees are eligible to participate in the Thrift Savings Plan (TSP). The TSP is a defined contribution retirement plan intended to supplement the benefits provided under CSRS and FERS. For FERS employees, CIGIE contributes an amount equal to 1% of the employee's basic pay to the TSP and matches employee contributions up to an additional 4%. The first 3% of pay that the employee contributes will be matched dollar-for-dollar; the next 2% will be matched at 50 cents on the dollar. Contributions above 5% of the employees pay will not be matched. CSRS employees receive no matching contribution from CIGIE.

Notes to the Financial Statements

For the Years Ended September 30, 2020 and 2019
(in dollars)

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

OPM is responsible for reporting assets, accumulated plan benefits, and unfunded liabilities, if any, applicable to CSRS participants and FERS employees government-wide, including CIGIE’s employees. CIGIE has recognized an Imputed Cost and Imputed Financing Source for the difference between the estimated service cost and the contributions made by CIGIE and its covered employees. The estimated cost of pension benefits is based on rates issued by OPM.

Employees are entitled to participate in the Federal Employees Group Life Insurance (FEGLI) Program. Participating employees can obtain “basic life” term life insurance, with the employee paying two-thirds of the cost and CIGIE paying one-third. Additional coverage is optional, to be paid fully by the employee. The basic life coverage may be continued into retirement if certain requirements are met. OPM administers the FEGLI program and is responsible for the reporting of related liabilities. Each fiscal year, OPM calculates the U.S. Government’s service cost for the post-retirement portion of basic life coverage. Because CIGIE’s contributions to the basic life coverage are fully allocated by OPM to the pre-retirement portion of coverage, CIGIE has recognized the entire service cost of the post-retirement portion of basic life coverage as an Imputed Cost and Imputed Financing Source.

NOTE 2 – FUND BALANCE WITH TREASURY

CIGIE’s Fund Balance with Treasury is derived from transfers in from other Federal entities during the fiscal year. CIGIE is a revolving no year fund and no trust or other fund types are used to fund CIGIE’s activities. Additionally, in FY 2020, the PRAC received \$80 million in no-year funds and is scheduled to sunset on September 30, 2025. Accordingly, as a no-year fund, the fund balance at the end of the previous year is carried forward and made available for the next fiscal year.

	<u>2020</u>	<u>2019</u>
A. Fund Balance with Treasury		
Revolving Fund	\$ 19,481,498.69	\$ 17,807,382.46
PRAC	78,855,347.31	
Total	\$ 98,336,846.00	\$ 17,807,382.46
B. Status of Fund Balance with Treasury		
1) Unobligated Balance		
a) Available	88,072,129.37	15,666,277.46
b) Unavailable	5,160.97	328,009.25
c) Unavailable - Accounts Receivable	(338,891.64)	(680,283.29)
d) Unavailable - Unfilled Customer Orders Without Advance	-	70,076.47
2) Obligated Balance not yet Disbursed	10,598,447.30	2,423,302.57
Total	\$ 98,336,846.00	\$ 17,807,382.46

Notes to the Financial Statements

For the Years Ended September 30, 2020 and 2019
(in dollars)

NOTE 3 – ACCOUNTS RECEIVABLE, NET

Accounts receivable consists of the amounts owed to CIGIE as the result of collecting tuition for government employees representing Federal Inspectors General, non-Federal Inspectors General and other state/local government employees and collecting CIGIE-member assessments for the funding of CIGIE operations from Federal Inspectors General and non-Federal Inspectors General. Amounts due from Federal Inspectors General are considered fully collectible. An allowance for uncollectible accounts receivable from non-Federal Inspectors General and other state/local government employees is established when, based upon a review of outstanding accounts and the failure of all collection efforts, management determines that collection is unlikely to occur considering the debtor's ability to pay. It was determined that the establishment of an Allowance for Uncollectible Accounts was not necessary as of September 30, 2020 and September 30, 2019.

	2020	2019
Accounts Receivable - Non-Federal	\$ 12,719.86	\$ 91,036.12
Accounts Receivable - Federal	338,891.64	680,283.29
	<u>\$ 351,611.50</u>	<u>\$ 771,319.41</u>

NOTE 4 – OTHER ASSETS

As of September 30, 2020, the CIGIE has obligations that involve the advancement of funds for services to be provided in the future with the Department of the Interior and the Department of Transportation.

	2020	2019
Intragovernmental - Other Assets	\$ 699,486.86	\$ 257,090.05
Total Assets - Other	<u>\$ 699,486.86</u>	<u>\$ 257,090.05</u>

Notes to the Financial Statements

**For the Years Ended September 30, 2020 and 2019
(in dollars)**

NOTE 5 – GENERAL PROPERTY, PLANT, AND EQUIPMENT, NET

As of September 30, 2020, CIGIE shows leasehold improvements with a total cost of \$214,153.64 and a net book value of \$0.00. The accumulated depreciation to date shows a balance of \$214,153.64.

The depreciation calculation method used is Straight Line with a useful life matching the remaining time on the lease contract or seven-years, whichever is less. A \$5,000 threshold is used to determine whether leasehold improvements are capitalized.

2020	Leasehold	Equipment	Total
Cost	\$ 214,153.64	-	\$ 214,153.64
Accum. Depr.	(214,153.64)	-	(214,153.64)
Net Book Value	-	-	-

2019	Leasehold	Equipment	Total
Cost	\$ 214,153.64	-	\$ 214,153.64
Accum. Depr.	(214,153.64)	-	(214,153.64)
Net Book Value	-	-	-

NOTE 6 – LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

Liabilities of the CIGIE are classified as liabilities covered or not covered by budgetary resources.

	2020	2019
Intragovernmental		
Accounts Payable	\$ 2,189,045.99	\$ 944,986.50
Employer Contributions and Payroll Taxes Payable	55,756.98	17,587.04
Liability for Advances and Prepayments	1,200.00	1,200.00
Total Intragovernmental	<u>2,246,002.97</u>	<u>963,773.54</u>
With the Public		
Accounts Payable	1,570,428.52	97,546.21
Accrued Funded Payroll and Leave	215,549.32	70,730.55
Employer Contributions and Payroll Taxes Payable	8,618.78	2,677.78
Unfunded Leave	406,556.56	195,372.67
Total With the Public	<u>2,201,153.18</u>	<u>366,327.21</u>
Total Liabilities	<u>\$ 4,447,156.15</u>	<u>\$ 1,330,100.75</u>
Total liabilities not covered by budgetary resources	\$ 406,556.56	\$ 195,372.67
Total liabilities covered by budgetary resources	<u>4,040,599.59</u>	<u>1,134,728.08</u>
Total Liabilities	<u>\$ 4,447,156.15</u>	<u>\$ 1,330,100.75</u>

Notes to the Financial Statements

For the Years Ended September 30, 2020 and 2019
(in dollars)

NOTE 7 – OTHER LIABILITIES

Other liabilities with the public for the year ended September 30, 2020 and 2019 consist of Accrued Funded Payroll and Leave, Employer Contributions and Payroll Taxes Payable, and Unfunded Leave in the amounts shown below. Other Intragovernmental liabilities consist of Employer Contributions and Payroll Taxes Payable and Liability for Advances and Prepayments.

	FY 2020		
	Non-Current	Current	Total
Intragovernmental			
Employer Contributions and Payroll			
Taxes Payable	\$ -	\$ 55,756.98	\$ 55,756.98
Liability for Advances and Prepayments	-	1,200.00	1,200.00
Total Intragovernmental	<u>-</u>	<u>56,956.98</u>	<u>56,956.98</u>
Liabilities with the Public			
Accrued Funded Payroll & Leave	-	215,549.32	215,549.32
Employer Contributions and Payroll			
Taxes Payable	-	8,618.78	8,618.78
Unfunded Leave	406,556.56	-	406,556.56
Total Liabilities with the Public	<u>406,556.56</u>	<u>224,168.10</u>	<u>630,724.66</u>
Total Other Liabilities	<u>\$ 406,556.56</u>	<u>\$ 281,125.08</u>	<u>\$ 687,681.64</u>
	FY 2019		
	Non-Current	Current	Total
Intragovernmental			
Employer Contributions and Payroll			
Taxes Payable	\$ -	\$ 17,587.04	\$ 17,587.04
Liability for Advances and Prepayments	-	1,200.00	1,200.00
Total Intragovernmental	<u>-</u>	<u>18,787.04</u>	<u>18,787.04</u>
Liabilities with the Public			
Accrued Funded Payroll & Leave	-	70,730.55	70,730.55
Employer Contributions and Payroll			
Taxes Payable	-	2,677.78	2,677.78
Unfunded Leave	195,372.67	-	195,372.67
Total Liabilities with the Public	<u>195,372.67</u>	<u>73,408.33</u>	<u>268,781.00</u>
Total Other Liabilities	<u>\$ 195,372.67</u>	<u>\$ 92,195.37</u>	<u>\$ 287,568.04</u>

Notes to the Financial Statements

**For the Years Ended September 30, 2020 and 2019
(in dollars)**

NOTE 8 – OPERATING LEASE

CIGIE’s lease for its office commenced on November 28, 2010 and originally ended on December 31, 2020. The lease was amended on April 1, 2017 increasing CIGIE’s office space from 3,889 rental square feet (RSF) to 5,094 RSF. In September 1, 2020, the lease was extended through March 31, 2022. The future minimum lease payments required under this lease are as follows:

Fiscal Year	Amount
2021	\$ 233,203.32
2022	116,601.66
Total	\$ 349,804.98

Rent expense for the years ended September 30, 2020 and 2019 was \$223,575.04 and \$203,035.62 respectively.

NOTE 9 – APPORTIONMENT CATEGORIES OF NEW OBLIGATIONS AND UPWARD ADJUSTMENTS: DIRECT VS REIMBURSABLE OBLIGATIONS

All obligations for CIGIE in fiscal year 2020 and fiscal year 2019 are category B on the SF 132, *Apportionment and Reapportionment Schedule*. Apportioned amounts appear on different groups of lines in the application of budgetary resources of an apportionment. Amounts are identified as Category B in an apportionment by a specific program, project, or activity. The amount of reimbursable new obligations and upward adjustments incurred against amounts apportioned under category B are as follows:

	2020	2019
Reimbursable		
Category B - Administrative (Council Operations)	\$ 4,927,926.57	\$ 4,988,011.38
Category B - Audit/Inspections and Evaluations Training	1,181,946.32	1,131,731.73
Category B - Investigative Training	1,556,164.67	2,454,994.87
Category B - Leadership/Mission Support Training	685,341.63	840,202.83
Category B - Training HQ and Administrative	1,176,650.91	1,037,806.94
Category B - Oversight.gov	1,327,000.00	158,436.00
Category B - PRAC	7,733,299.91	-
Total	\$ 18,588,330.01	\$ 10,611,183.75

Notes to the Financial Statements

**For the Years Ended September 30, 2020 and 2019
(in dollars)**

NOTE 10 – UNDELIVERED ORDERS AT THE END OF THE PERIOD

The amount of CIGIE’s budgetary resources obligated for undelivered are listed below.

	Unpaid Undelivered Orders	Paid Undelivered Orders	Total Undelivered Orders
2020	\$ 6,559,047.71	\$ 699,486.86	\$ 7,258,534.57
2019	\$ 1,289,774.49	\$ 257,090.05	\$ 1,546,864.54

NOTE 11 – EXPLANATION OF DIFFERENCES BETWEEN THE SBR AND THE BUDGET OF THE US GOVERNMENT

SFFAS No. 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*, requires an explanation of material differences between budgetary resources, obligations, distributed offsetting receipts, and outlays as presented in the Statement of Budgetary Resources to the related actual balances published in the Budget of the United States Government (Budget). The Budget that will include FY 2020 actual budgetary execution information is scheduled for publication in February 2021, which will be available through OMB’s website at <https://www.whitehouse.gov/omb/budget>. Accordingly, information required for such disclosure is not available at the time of publication of these financial statements.

Balances reported in the FY 2019 SBR and the related President’s Budget reflected the following:

	Budgetary Resources	New Obligations & Upward Adjustments	Distributed Offsetting Receipts	Net Outlays
Statement of				
Budgetary Resources	\$ 26,605,470.46	\$ 10,611,183.75	\$ -	\$ (154,963.93)
Budget of the				
U.S. Government	26,000,000.00	11,000,000.00	-	-
Difference*	\$ 605,470.46	\$ (388,816.25)	-	\$ (154,963.93)

* Differences are due to the rounding to the nearest millionth in MAX for the President's Budget.

Notes to the Financial Statements

For the Years Ended September 30, 2020 and 2019
(in dollars)

NOTE 12 – RECONCILIATION OF NET COST TO OUTLAYS

CIGIE has reconciled its budgetary obligations and non-budgetary resources available to its net cost of operations.

	Intra- governmental	With the Public	Total
Net Operating Cost (SNC)	11,989,773.96	-	11,989,773.96

Components of Net Operating Cost Not Part of the Budgetary Outlays

Increase/(Decrease) in Assets not affecting Budget Outlays:

Accounts receivable	(341,391.65)	(78,316.26)	(419,707.91)
Other assets	442,396.81	-	442,396.81

(Increase)/Decrease in Liabilities not affecting Budget Outlays:

Accounts payable	(1,244,059.49)	(1,472,882.31)	(2,716,941.80)
Salaries and benefits	(38,169.94)	(150,759.77)	(188,929.71)
Other liabilities (Unfunded leave, unfunded FECA, actuarial FECA)	-	(211,183.89)	(211,183.89)

Other financing sources

Federal employee retirement benefit cost	(89,525.62)	-	(89,525.62)
Transfers out (in) without reimbursemen	(8,335,345.38)	-	(8,335,345.38)

Total Components of Net Operating	(9,606,095.27)	(1,913,142.23)	(11,519,237.50)
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Net Outlays (Calculated Total)	\$2,383,678.69	\$ (1,913,142.23)	\$ 470,536.46
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Related Amounts on the Statement of Budgetary Resources

Outlays, net (SBR Line 4190)	470,536.46
Agency Outlays, Net (SBR Line 4210)	\$ 470,536.46

Notes to the Financial Statements

For the Years Ended September 30, 2020 and 2019
(in dollars)

NOTE 12 – RECONCILIATION OF NET COST TO OUTLAYS (continued)

	Intra- governmental	With the Public	Total
Net Operating Cost (SNC)	7,660,894.67	-	7,660,894.67

Components of Net Operating Cost Not Part of the Budgetary Outlays

Increase/(Decrease) in Assets not affecting Budget Outlays:

Accounts receivable	238,387.87	8,473.60	246,861.47
Other assets	12,070.28	-	12,070.28

(Increase)/Decrease in Liabilities not affecting Budget Outlays:

Accounts payable	(125,199.13)	88,865.24	(36,333.89)
Salaries and benefits	1,591.11	(1,834.41)	(243.30)
Other liabilities (Unfunded leave, unfunded FECA, actuarial FECA)	-	53,140.80	53,140.80

Other financing sources

Federal employee retirement benefit cost	(108,261.75)	-	(108,261.75)
Transfers out (in) without reimbursemen	(7,983,092.21)	-	(7,983,092.21)

Total Components of Net Operating	(7,964,503.83)	148,645.23	(7,815,858.60)
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Net Outlays (Calculated Total)	\$ (303,609.16)	\$ 148,645.23	\$ (154,963.93)
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Related Amounts on the Statement of Budgetary Resources

Outlays, net (SBR Line 4190)	(154,963.93)
Agency Outlays, Net (SBR Line 4210)	\$ (154,963.93)

NOTE 13 – SUBSEQUENT EVENTS

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through November 16, 2020, which is the date the financial statements were available to be issued.



Council of the
INSPECTORS GENERAL
on INTEGRITY and EFFICIENCY

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Independent Auditors' Report

CIGIE Chair, Audit Committee
and Executive Director
Council of the Inspectors General
on Integrity and Efficiency

Report on the Financial Statements

We have audited the accompanying financial statements of the Council of the Inspectors General on Integrity and Efficiency (CIGIE). CIGIE's financial statements comprise the balance sheet as of September 30, 2020 and 2019, and the related statements of net cost and changes in net position, and the statement of budgetary resources, for the fiscal years then ended; and the related notes to the financial statements.

Management's Responsibility

Management is responsible for (1) the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; (2) preparing, measuring, and presenting the RSI in accordance with accounting principles generally accepted in the United States of America; (3) preparing and presenting other information included in documents containing the audited financial statements and auditors' report, and ensuring the consistency of that information with the audited financial statements and the RSI; and (4) maintaining effective internal control over financial reporting, including the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin 19-03, *Audit Requirements for Federal Financial Statements*. Those standards and OMB require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. We are also responsible for applying certain limited procedures to RSI and other information included with the financial statements.

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Auditors' Responsibility (continued)

An audit of financial statements involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the auditors' assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit of financial statements also involves evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit also included performing such other procedures as we considered necessary in the circumstances.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the Financial Statements

In our opinion, CIGIE's financial statements present fairly, in all material respects, CIGIE's financial position as of September 30, 2020 and 2019, and its net cost of operations, changes in net position, and budgetary resources for the fiscal years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America issued by the Federal Accounting Standards Advisory Board (FASAB) require that the information in the Management's Discussion and Analysis be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by FASAB who considers this information to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the RSI and comparing the information for consistency with management's responses to the auditor's inquiries, the financial statements, and other knowledge we obtained during the audit of the financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

Other Matters (continued)

Other Information

Our audit was conducted for the purpose of forming an opinion on CIGIE's financial statements. The information in the Chairperson's Message and Other Information section contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. We read the other information included with the financial statements in order to identify material inconsistencies, if any, with the audited financial statements.

The Chairperson's Message and Other Information section has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

Internal Control over Financial Reporting

In planning and performing our audit of CIGIE's financial statements as of and for the year ended September 30, 2020, in accordance with U.S. generally accepted government auditing standards and OMB Bulletin 19-03, *Audit Requirements for Federal Financial Statements*, we considered the entity's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the entity's internal control over financial reporting. We did not consider all internal controls relevant to operating objectives as broadly established by the *Federal Managers' Financial Integrity Act of 1982*, such as those controls relevant to preparing performance information and ensuring efficient operations. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CIGIE's financial statements are free from material misstatement, we performed tests of its compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, noncompliance with which would have a direct and material effect on the financial statements. We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards and OMB Bulletin 19-03, *Audit Requirements for Federal Financial Statements*. We caution that noncompliance may occur and not be detected by these tests.

Management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to the entity.

Our responsibility is to test compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements applicable to the entity that have a direct effect on the determination of material amounts and disclosures in the entity's financial statements and perform certain other limited procedures. Accordingly, we did not test compliance with all laws, regulations, contracts, and grant agreements applicable to CIGIE.

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance for fiscal year 2020 that would be reportable under U.S. generally accepted government auditing standards or OMB Bulletin 19-03, *Audit Requirements for Federal Financial Statements*. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to CIGIE. Accordingly, we do not express such an opinion.

Purpose of the Other Reporting Required by Government Auditing Standards

The purpose of the communication described in the Other Reporting Required by *Government Auditing Standards* section is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of CIGIE's internal control or compliance. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hopewell, Raino, Knight & Company, P.A.

November 16, 2020

Status of Prior Year Findings
Exhibit I

COUNCIL OF THE INSPECTORS GENERAL ON INTEGRITY AND EFFICIENCY

Status of Prior Year Findings

September 30, 2020

Title of Finding from FY19 Audit Report	Prior Year Status	Current Year Status
Management Reconciliation of Subledgers to General Ledger	Material Weakness	Resolved
Timely Billing of Accounts Receivable	Significant Deficiency	Resolved



Council of the
INSPECTORS GENERAL
on INTEGRITY and EFFICIENCY

Other Information

Other Information

Summary of the Financial Statement Audit and Management's Assurances

Summary of Financial Statement Audit

Audit Opinion	Unmodified				
Restatement	No				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Total Material Weaknesses	1	0	1	0	0

Summary of Management Assurances:

Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)						
Statement of Assurance	Unmodified					
Restatement	No					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Material Weaknesses	1	0	1	0	0	0

Effectiveness of Internal Control over Operations (FMFIA § 2)						
Statement of Assurance	Unmodified					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Material Weaknesses	0	0	0	0	0	0

Conformance with Financial Management Systems Requirements (FMFIA § 4)						
Statement of Assurance	Unmodified ¹					
Non-Conformances	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Non-Conformances	0	0	0	0	0	0

¹ CIGIE uses a federal shared services provider, the U.S. Department of Agriculture's Office of Chief Financial Officer (USDA/OCFO) for financial systems.

Improper Payments Information Act Reporting Details

The *Improper Payments Information Act (IPIA) of 2002*, as amended by the *Improper Payments Elimination and Recovery Act (IPERA) of 2010*, and further amended by the *Improper Payments Elimination and Recovery Improvement Act (IPERIA) of 2012*, requires agencies to review all programs and activities they administer and identify those which may be susceptible to significant erroneous payments. In FY 2018, CIGIE performed a systematic review of its program and related activities to identify processes which may be susceptible to significant erroneous payments. Significant erroneous payments are defined as annual erroneous payments in the program exceeding both \$10 million and 2.5 percent or \$100 million of total annual program payments.

CIGIE considered risk factors as outlined in OMB Memorandum M-11-16, *Issuance of Revised Parts I and II to Appendix C of OMB Circular A-123, Requirements for Effective Estimation and Remediation of Improper Payments*, which may significantly increase the risk of improper payments and determined that none are applicable to CIGIE's operations. Based on the systematic review performed, CIGIE concluded that none of its program activities are susceptible to significant improper payments at or above the threshold levels set by OMB. Accordingly, CIGIE has determined that the risk of improper payments is low. In accordance with OMB guidance, CIGIE will conduct the next assessment in FY 2021. Although CIGIE concluded its programs are not susceptible to improper payments as defined under IPERIA, payments are reviewed as part of its internal control assessment discussed above. The agency reviews its controls and systems under the FMFIA to ensure that the agency remains compliant.