



Denali Commission
Office of Inspector General
Anchorage, AK 99501

September 30, 2016

The Honorable Ron Johnson
Chairman
Committee on Homeland Security
and Governmental Affairs
United States Senate
Washington, DC 20510-6250

The Honorable Charles E. Grassley
Chairman
Committee on the Judiciary
United States Senate
Washington, DC 20510-6250

Dear Chairmen Johnson and Grassley:

In response to your request of February 27, 2015, we are providing our semiannual update on our office's open and unimplemented recommendations. Our answers to your request are numbered below in accordance with the numbering on your request.

1. There are five open and unimplemented recommendations that were initially made to the Commission on May 6, 2016, regarding inventory management and equipment acquisition (see enclosure 1). As of the date of this submission, Commission management has not formally agreed nor disagreed with the recommendations. The Commission submitted an action plan on July 25, 2016, that we deemed insufficient because it did not include a response to each recommendation or the agency's planned actions and milestones for implementing the recommendations. The Commission is currently working on a revision to its action plan.
2. There are no evaluations or investigations provided to the Commission for comment that the agency has not responded to within 60 days. However, there is one audit related to inventory management where the Commission did not respond to the draft audit report at all and did not respond to the final audit report with its action plan within 60 days.
 - The draft report *Improvements are Needed in the Denali Commission Inventory Management and Equipment Acquisition Process* (Final Report No. DCOIG-16-005-A) was initially provided to the Commission on March 8, 2016. The Commission did not provide a response; therefore, we issued the final audit report on May 6, 2016, without agency comments.
 - The action plan related to *Improvements are Needed in the Denali Commission Inventory Management and Equipment Acquisition Process* required the Commission to submit an action plan to the OIG by July 15, 2016.¹ As noted in response to number 1, listed above, the Commission submitted an action plan on July 25, 2016, that we deemed insufficient, and is currently working on a revision to its action plan.
3. There are no investigations involving GS-15 level or above staff.
4. There are no reported instances of whistleblower retaliation

¹ The action plan related to *Improvements are Needed in the Denali Commission Inventory Management and Equipment Acquisition Process* (Final Report No. DCOIG-16-005-A) was initially due to the OIG by July 5, 2016. The Inspector General granted a request from the Commission for an extension to July 15, 2016.

5. There are no instances of Commission staff attempts to interfere with IG independence.
6. There are no instances of Commissioners or Commission staff resisting or objecting in a significant manner to Denali OIG oversight. There are no instances where the agency refused to provide, or otherwise delayed or restricted my office's access to, records or other information.
7. Lastly, there are no closed investigations, evaluations, or audits that were not disclosed to the public since we last reported on March 31, 2016.

If you have any questions or require additional information, please do not hesitate to contact me at (206) 220-7970.

Sincerely,



David Sheppard
Inspector General, Denali Commission

cc: The Honorable Thomas R. Carper
Ranking Member, Committee on Homeland Security and Governmental Affairs

The Honorable Patrick J. Leahy
Ranking Member, Committee on the Judiciary

Joel Niemeyer, Federal Co-Chair, Denali Commission

David Smith, Deputy Inspector General, U.S. Department of Commerce

**Enclosure 1. Denali Commission OIG's Open and Unimplemented
Recommendations as of September 30, 2016**

Report	Report Date	Unimplemented Recommendations
Improvements are Needed in the Denali Commission Inventory Management and Equipment Acquisition Process (DCOIG-16-005-A)	May 6, 2016	We recommended the Commission strengthen its inventory management and equipment acquisition process by formalizing the following processes: <ol style="list-style-type: none">1. implement inventory policies and procedures, to include required inventories and a definition of accountable equipment;2. appropriately restrict access to the inventory record;3. update inventory records to accurately and consistently reflect Commission-owned equipment;4. segregate key duties in the equipment acquisition process; and,5. disseminate the equipment purchase policy to all employees and enforce the process for equipment acquisition.