

Inspection and Evaluation Committee



2004 Annual Report



**President's Council on Integrity and Efficiency
Executive Council on Integrity and Efficiency**



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“Never doubt that a small group of thoughtful, committed people can change the world. Indeed, it is the only thing that ever has.”

~ Margaret Mead

Message From The Chair

INSPECTION AND EVALUATION COMMITTEE



UNITED STATES DEPARTMENT OF COMMERCE
The Inspector General
Washington, D.C. 20230

May 2005

Dear Colleagues,

It has been said that a journey of a thousand miles begins with a single step. This past year, the I&E community took many steps in our journey toward making positive and significant contributions to the inspector general community, and ultimately to improving government. From where I sit, we can all be proud of the differences we have individually made to our respective agencies and, collectively, to the federal government.

This report highlights the important contributions the I&E community has made in the past year to benefit the federal government, as well as state, local, and even foreign government operations. In January 2005, the publication of the revised PCIE *Quality Standards for Inspections* marked the apex of a major undertaking. This significant accomplishment demonstrates the strength of our community and what we can accomplish through our collaborative efforts. The original I&E standards had been in place for over a decade and did not reflect the fast pace at which the federal I&E community has matured and

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developed. We can and should be extremely proud of this accomplishment. In addition, as a testament to the versatility and value of I&E units, this past year we issued our survey of federal I&E units—I am pleased to report that federal I&E units are growing both in number and size.

Reflective of the I&E community's constant quest for excellence, I am equally pleased to report that the I&E Committee is currently moving forward with several initiatives that promise to provide more opportunities for collaboration to further benefit the IG community.

I believe it is every IG's calling to continue making a difference and leaving his or her mark by the good work that we produce together. My sincere thanks to all of you for allowing me to serve as chair of this committee. I look forward to the opportunities that lie ahead in the coming year.

A handwritten signature in blue ink that reads "Johnnie Frazier".

Johnnie Frazier



2004

I&E Committee Members



JOHNNIE FRAZIER
COMMERCE, CHAIR



RICHARD GRIFFIN
VETERANS AFFAIRS



CLARK KENT ERVIN
HOMELAND SECURITY



GORDON S. HEDDELL
LABOR



I&E Committee Members

2004



CHRISTINE BOESZ
NATIONAL SCIENCE
FOUNDATION



DANIEL LEVINSON
HEALTH AND HUMAN
SERVICES



STEPHEN SMITH
FARM CREDIT
ADMINISTRATION



GLENN FINE
JUSTICE



Mission

To promote effective I&E practices and information sharing among OIGs, develop innovative ways to address issues that impact numerous or all federal agencies, foster improved inspection and evaluation methodologies, and provide or develop training to enhance the skills of inspectors and evaluators.

I&E Roundtable

NEWS...

Inspection and Evaluation Roundtable Continues its Record of Excellence

Members of the Inspection and Evaluation Roundtable include the assistant inspectors general or heads of inspection and evaluation units within the federal offices of inspector general. The Roundtable serves as an adjunct to the Inspection and Evaluation Committee of the President's Council on Integrity and Efficiency (PCIE). In this capacity, it develops and takes the lead on most I&E Committee projects. Moreover, the Roundtable has continued its history of excellence in supporting the I&E Committee and in (1) aggressively promoting the professional development of employees in the OIGs' I&E units, (2) improving the overall practice of evaluation and analysis, and (3) providing positive contributions to the OIG community.

Current Roundtable members represent 38 offices of inspector general throughout the federal government. Currently chaired by

Jill Gross, assistant inspector general for inspections and evaluations at Commerce OIG, the Roundtable rotates quarterly meetings. Each meeting starts off with a presentation by the hosting inspector general on his or her I&E office and issues of particular interest to that IG. There is always a lively discussion of those issues as I&E unit leaders share best practices, problems, or concerns, and ways to leverage their work within the I&E and IG community. Roundtable meetings also focus on the various professional projects completed on behalf of the I&E Committee.



I&E Roundtable

NEWS...

We are pleased to note that the Roundtable members continue to actively participate in information sharing, special projects, and coordination efforts in the OIG community throughout the year. Besides making life easier for the I&E Committee members, this group continues to demonstrate why inspectors and evaluators are increasingly playing a major role in the IG community. The new *Quality Standards for Inspections*, issued in January 2005, is a major accomplishment of the joint efforts of all members of the Roundtable. In February 2004, the I&E Committee, in coordination with the Roundtable, issued the findings from its survey of all federal I&E units. Currently, the Roundtable's disaster and emergency preparedness working group is developing a best practices guide for the OIG community. These and other Roundtable projects are discussed in greater detail elsewhere in this annual report.

We owe a debt of appreciation to the Roundtable members for a job well done.

I&E Roundtable Members

AID	FEC	NGA
AMTRAK	GPO	NRO
CIA	HHS	NSF
CNCS	HUD	OPM
DOC	DHS	PC
DOD	IGATI	SBA
DOE	DOI	SSA
DIA	DOJ	STATE
ED	DOL	TREASURY
EEOC	DOT	TVA
EPA	NEA	USDA
FCA	NASA	VA
FDIC	NAVY	

I&E Committee

NEWS...

I&E Units “Share” Training to Leverage Resources and Enhance Interagency Expertise

Shared training among the I&E community continued to be an effective way to leverage limited training dollars and enhance I&E expertise. In January 2005, the Defense Intelligence Agency OIG provided 12 “free” slots for I&E Roundtable members to attend training on strategic decision making and negotiation, taught by Harvard professors. Commerce OIG invited other OIGs to procurement training offered at its Denver and Seattle regional offices in February and April 2005 and the additional session it will host in Atlanta in late May 2005.

I&E Monthly Newsletter Keeps IGs Informed About Key Committee Activities

The I&E Committee’s monthly newsletters, prepared by Commerce OIG, concluded its third year of distribution at PCIE meetings. The newsletters have proven an important communications tool for keeping the full PCIE informed of I&E projects and priorities. The newsletters are also posted to IGnet.



I&E Committee... Year at a Glance

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- NSF IG hosts joint I&E meeting.
- Presentation on “Misconduct in Scientific Research.”
- Travel Card Guide available at www.ignet.gov.
- Final draft of I&E survey distributed for review/comment.

January

- Responses to the I&E survey showed interest in joint projects in two general areas—self-help (guides, best practices, etc.) and crosscutting work (ideas included reviews of physical and personnel security, disaster preparedness, procurement/government contracting, information technology, overseas inspections, and visa and immigration concerns).

February

- I&E Committee Chair Johnnie Frazier presented the final Inspection and Evaluation survey report to fellow inspectors general at the PCIE/ECIE retreat in Annapolis, Maryland.

March

- Department of Defense OIG hosted April 29 I&E Roundtable meeting. DoD’s Deputy IG for Inspections and Policy and Director for Inspections and Policy gave overview of Defense OIG’s inspection function, created in September 2003.

April

- HHS AIG George Grob wrote *Inspections and Evaluations: Looking Back, and Forward, Too*, and Johnnie Frazier, Commerce IG and I&E Committee Chairman, wrote *Inspections and Evaluations: Rounding Out the Power and Potential of the IG Act* for Spring/Summer 2004 edition of *Journal of Public Inquiry*.

May

- I&E Roundtable members continued giving comments on *Quality Standards for Inspections*.

June

I&E Committee... Year at a Glance

- I&E Committee and Roundtable members considered self-help projects including guides for conducting reviews of issues of government-wide concern, I&E training opportunities, an online directory of OIG I&E reports by subject, and a model policies and procedures manual.

July

- I&E Committee newsletter highlights inspection and evaluation work at Homeland Security, Veterans Affairs, Justice, and the Environmental Protection Agency.

August

- Draft *Quality Standards for Inspections* circulated to PCIE/ECIE community for approval.
- First meeting of I&E Peer Review working group.

September

- Labor IG hosts I&E Committee meeting and gave a brief overview of his department's work.
- Draft *Quality Standards for Inspections* presented to I&E Committee for approval.

October

- DHS OIG hosts I&E Roundtable meeting.
- Roundtable members briefed on final proposed changes to *Quality Standards for Inspections*.
- DIA OIG proposes new Roundtable project on disaster or emergency preparedness.

November

- *Quality Standards for Inspections* sent to print.

December

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I&E Committee

MORE NEWS...

Revised PCIE *Quality Standards for Inspections* Is Well Received and Widely Circulated

The newly revised PCIE *Quality Standards for Inspections*, prepared by the I&E Committee and issued in January 2005, was a major undertaking and accomplishment. First issued in March 1993, the updated guidance was a collaborative effort spearheaded by the Energy Office of Inspector General and leveraging participation from the entire IG community.

The 14 standards establish strict criteria against which to plan and conduct inspections and evaluations. Such standards have been broadly embraced by offices of inspector general and help maintain their strong reputation for impartiality, reliability, and credibility. Though compliance with the standards is voluntary, I&E Committee Chair Johnnie Frazier notes that by following them, “we ensure the findings of inspections and evaluations are as valuable, reliable, and irrefutable as those of our audits and

investigations. At the same time, they allow the flexibility to approach the issues from our own perspectives and according to our own needs and interests.”

Two of the 14 standards are new—“Performance Measurement” and “Working Relationships and Communication.” These reflect the government-wide focus on results—offices of inspector general should be able to document the impact of their work, like any other federal entity, and positive interactions with those they inspect make it more likely that recommended improvements will be accepted.

Since their release in January 2005, the revised standards have been widely disseminated: copies have been distributed to federal IGs (PCIE, ECIE, and I&E Roundtable members); state and local IGs (the Association of Inspectors General membership); and government officials in Beijing, China; Bonn, Germany; and Dublin, Ireland. The publication is posted on the IGSNet at www.ignet.gov/pande/standards/oeistds.pdf.



I&E Committee

MORE NEWS...

I&E Survey: Federal OIG Inspection and Evaluation Units on the Rise

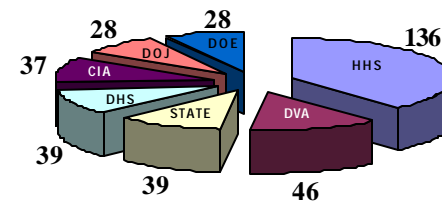
In February 2004, the I&E Committee issued the findings of its fiscal year 2003 survey of federal I&E units. The survey showed the number of I&E units is growing, while established ones are being enlarged and sometimes merged with other OIG units (e.g., Audits) to enhance their ability to address a broader range of government-wide issues as well as agency-specific concerns.

The survey identified 26 I&E units compared with 15 in 1999. Eighteen of these units are distinct offices within their office of inspector general and 8 units exist within another OIG unit or are combined with another OIG entity.

OIG INSPECTION AND EVALUATION UNITS	1999	2003
Number of Units	15	26
Budget Over \$ 2 million	4	9
Budget Over \$ 1 million	9	17
More than 25 employees	6	6
More than 10 employees	9	17

I&E units generally fall into two demographic categories—large and well-established organizations, and smaller units in existence for less than a decade. The six largest I&E units have staffs of at least 25 full-time equivalents (FTEs) and annual budgets of more than \$2.5 million. (Since the 2003 survey, the Department of Homeland Security and Department of Defense have established new I&E units with 39 and 17 FTEs, respectively.)

FTEs of the Seven Largest* OIG I&E Units



* HHS, DVA, State, CIA, DOJ, and DOE FTEs are based on 2003 I&E survey

Beyond regular inspections and evaluations I&E activities and products include quick reaction reports (10), crosscutting issue reports (8), best practice reports (8), and unannounced inspections (6). While most units perform evaluations rather than inspections, some have unique duties ranging from IT security evaluations

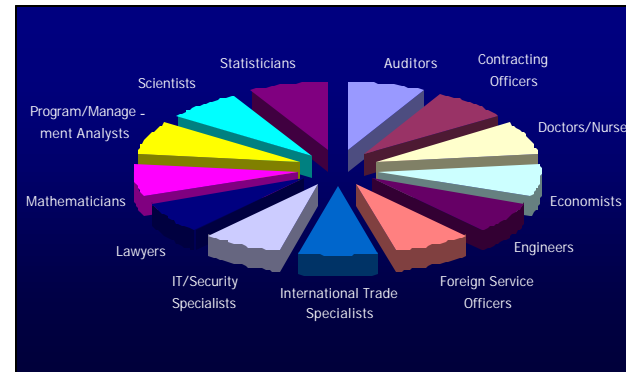
I&E Committee

MORE NEWS...

required by the Federal Information Security Management Act (Commerce's Office of System Evaluations) to multidisciplinary assessments, which bring together auditors, investigators, evaluators, and subject-matter experts for comprehensive reviews. Examples of agencies that conducted multidisciplinary reviews include Veterans Affairs, Environmental Protection Agency, and Homeland Security.

Respondents offered several suggestions for enhancing I&E work. Increasing and improving training opportunities were mentioned most often. Many survey respondents also expressed an interest in increased interaction with their counterparts in other agencies as a means of sharing the procedures and policies that most quickly and efficiently produce desired results. The I&E Committee and Roundtable are addressing both of these needs, as noted elsewhere in this report.

***OIG Inspection Units:
A multitude of talent, disciplines, and expertise***



I&E Committee

MORE NEWS...

Disaster and Emergency Preparedness Project Should Bolster Federal Response and Security Capabilities

In response to the government-wide emphasis on emergency preparedness, the Defense Intelligence Agency OIG is spearheading an I&E Roundtable project to develop a best practices guide for the I&E community. The proposed publication will provide detailed guidelines on how to conduct OIG reviews and list important regulations and guidance covering three key areas in which many agencies have work completed or under way: (1) emergency or disaster preparedness, (2) response to emergencies/incidents, and (3) continuity of operations. The guide may also include a list of OIG work already completed and identify crosscutting issues for future review.



I&E Work Continues to Diversify Through Collaboration

The I&E Committee will develop other joint projects as well as increase opportunities for OIGs to work together to collectively achieve greater impact. Crosscutting review areas under consideration include workers' compensation, health care, memorandums of understanding, e-government, procurement, homeland security, and a joint inspection by agencies with foreign affairs programs.

Enhancing Work Processes and Quality Remains a Priority

As I&E workloads have increased, the need for timely indexing and referencing have prompted a number of I&E units to automate the work paper process during 2005. Others are reviewing the feasibility of using automated software, such as TeamMate. Discussions on how to best navigate the early—and often most difficult—stages of automating this process are ongoing.

I&E Committee

MORE NEWS...

This past year has also seen the push to develop or update inspection manuals. To aid the process, the I&E community implemented an inspection manual exchange whereby units that had completed manuals offered to share them with the I&E community. The sharing enabled OIGs to leverage resources, disseminate information about best practices and program implementation, and further enhance interagency relationships and cooperation.

Value of Peer Reviews Given Close Scrutiny

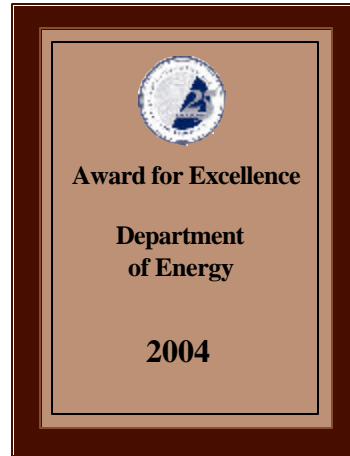
The I&E Roundtable's external evaluation working group developed a proposal for conducting peer reviews of I&E units, including various alternatives for individual I&E units to consider. The I&E Committee decided that all such I&E external evaluations are discretionary and the relevant components of any such reviews will also be discretionary, given the diversity of I&E units and IG needs for alternative quality control methods. Some OIGs have already included I&E units in past peer reviews of their audit offices or have

their own alternative quality controls. The Department of Homeland Security OIG plans to commission a pilot peer review of its I&E unit during calendar year 2005.

Roundtable Is Working with HR Committee to Identify Core Competency Curriculum

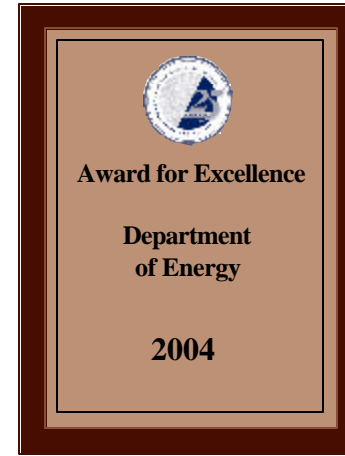
The I&E Roundtable has been working with the PCIE Human Resources Committee working group to assess training available to the I&E community at the Federal Law Enforcement Training Center, IG Management Institute, Inspector General Auditor Training Institute, and online. As part of the review, a self-assessment questionnaire has been sent to the various training organizations to determine the strength of the organizations' relationships with the IG community and identify tools they use for client feedback. The goal of the review is to identify a curriculum that provides all OIG staff, including those in I&E units, with the newly established core competencies for their work areas. This important project is critical to improving training for inspectors, evaluators, and other OIG professional staff.

2004 PCIE Award for Excellence EVALUATIONS



Protective Force Performance Test Improperities

***Citation:** This award recognizes the timely and outstanding work of the inspection team for the U.S. Department of Energy's Office of Inspector General inspection of "Protective Force Performance Test Improperities."*



Reporting of Security Incidents

***Citation:** This award recognizes the timely and outstanding work of the inspection team for the U.S. Department of Energy's Office of Inspector General inspection of "Reporting of Security Incidents at the Lawrence Livermore National Laboratory."*

2004 PCIE Award for Excellence EVALUATIONS



Judicial Security Team

***Citation:** In recognition of the outstanding teamwork and results achieved in the review of the U.S. Marshals Service's Judicial Security Program.*



EPA OIG World Trade Center Team

***Citation:** In recognition of your efforts to help EPA improve its contingency planning, risk assessment and characterization, and risk communications in the event of a disaster.*

Publications

***Journal of Public Inquiry* Highlights Importance of I&E Work**

The Spring/Summer 2004 *Journal of Public Inquiry* featured two articles on inspection and evaluation issues, and inquiries on them continue to be handled by the I&E Committee chair. *Inspections and Evaluations: Looking Back, and Forward Too*, by George Grob, HHS OIG, gives a historical perspective of HHS I&E work and discusses the keys to successful evaluations.

Inspections and Evaluations: Rounding Out the Power and Potential of the IG Act, by Commerce IG Johnnie Frazier, describes the impact of inspections on the work of IGs, with examples and input from the departments of Homeland Security, Veterans Affairs, Justice, and the Environmental Protection Agency.



Publications

I&E Committee and Roundtable Continue to Provide Important and Useful Publications for the IG Community



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www.ignet.gov