OFFICE OF INSPECTOR GENERAL

*Catalyst for Improving the Environment*

**Quality Assurance Report to the
Deputy Inspector General**

# Measuring the Quality of Office of Inspector General Reports Issued in Fiscal Year 2007

**Report No. 08-A-0081**

**February 12, 2008**

**Report Contributor:**           Robert K. Bronstrup

**Abbreviations**

| | |
|---|---|
| EPA | U.S. Environmental Protection Agency |
| FY | Fiscal Year |
| IGEMS | Inspector General Enterprise Management System |
| IGOR | Inspector General Operations and Reporting System |
| OCPL | Office of Congressional and Public Liaison |
| OIG | Office of Inspector General |

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INSPECTOR GENERAL

February 12, 2008

**MEMORANDUM**

**SUBJECT:**     Measuring the Quality of Office of Inspector General Reports
Issued in Fiscal Year 2007
Report No. 08-A-0081

**FROM:**     Robert K. Bronstrup /s/
Special Assistant to the Deputy Inspector General

**TO:**     Bill A. Roderick
Deputy Inspector General

This is the final report to measure the quality of Office of Inspector General (OIG) reports issued during Fiscal Year 2007.  The OIG continued to use its process to score specific quality characteristics of major OIG reports issued between October 1, 2006, and September 30, 2007.  Also, this report, as with last year's report, makes observations and recommendations that will enhance the audit, evaluation, and liaison processes.  There are few formal recommendations in this year's report because the new quality assurance process helps to ensure quality issues are timely resolved.  During Fiscal Year 2007, specific issues were quickly brought to your attention and the attention of the Assistant Inspectors General, Directors, and staff, and the issues were resolved as described in this report.

We explain the specific attributes for which we reviewed OIG reports in Appendix A, which in addition to discussing the review's scope and methodology also includes a listing of reports reviewed.  The project quality scoring form used in this review is included as Appendix B and is the same as the one used last year.  The scoring form the Office of Congressional and Public Liaison used to assess draft reports is included as Appendix C.

If you have any questions about the final report or its observations and recommendations, please contact me at 312-886-7169.

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# Chapter 1
## Introduction

## Purpose

The purpose of this annual quality assurance review is to report on the set of criteria the Office of Inspector General (OIG) of the U.S. Environmental Protection Agency (EPA) used to measure quality in the audit and evaluation reports issued in Fiscal Year (FY) 2007 (October 1, 2006, through September 30, 2007). Measuring the quality of OIG work is important because it provides data that can be used to identify areas in improving OIG processes. The quality measurement criteria were applied to 58 major OIG reports. Reports reviewed, as well as scope and methodology information, are in Appendix A.

## Improvements Resulting from FY 2006 Quality Assurance Report

Several recommendations from last year's quality assurance report on FY 2006 reports have been implemented and have helped improve the quality of reports and work processes. These actions included:

- The issuance of a policy, now incorporated into the OIG *Project Management Handbook* (*Handbook*), to ensure timely supervisory reviews and better assurance that reviewer notes are kept in a central location of the working papers.
- Better assurance through the project scorecard that assignment guides are reviewed and approved by the Director prior to fieldwork.
- Improving the quality assurance process by requiring certifying and checking indexes supporting OIG reports by Project Managers and Directors.
- Strengthening the independent referencing of OIG reports. The OIG independent referencer is a GS-15 directly assigned to the Deputy Inspector General. Where the independent referencer took significant exception to proposed OIG reports, he directly notified the Deputy Inspector General of the concern for resolution.
- Reports clearly identify the source of information in tables and charts.
- Updating the *Handbook* to reflect changes in generally accepted government auditing standards presented in the January 2007 revision of the *Government Auditing Standards.*
- Improved descriptions in reports of the OIG methodology used to address each objective.
- Implementing a policy that will better ensure staff uniformly charge time to direct assignments and indirect job codes. As a result, the OIG can more accurately determine the actual costs of each project.
- Strengthening the OIG followup process so that the final impact of our work can be better determined.

Additionally, the *Handbook* has been revised and now requires a separate communication section to be included in each project's working papers. This section will allow the OIG and outside reviewers to see the trail of discussions with Agency/auditee officials about the development and reporting of issues. This step will better ensure transparency of OIG decision making. As a result of these actions, OIG reports are more timely, more cost effective, and of improved quality as measured by the project scorecard.

## Measuring the Quality of OIG Reports

The primary goal of OIG reporting, as stated in the FY 2006 quality assurance report, continues to be to keep the Agency, Administration, and Congress fully informed of issues impacting EPA programs and EPA's progress in taking action to correct those issues. Another customer, based on its impact on our budget, is the Office of Management and Budget.

The *Government Auditing Standards* (July 2007), paragraph 3.54, states: "The audit organization should analyze and summarize the results of its monitoring procedures at least annually, with identification of any systemic issues needing improvement along with recommendations for corrective action." In developing our criteria to measure quality, we continue to recognize that customers view timeliness of our products as very important; therefore, timeliness is a high quality characteristic. Compliance with generally accepted government auditing standards is required and, thus, is also a high quality characteristic. With that in mind, the OIG should strive to consistently provide products that meet specific quality characteristics and adhere to all applicable standards and OIG policies and procedures. Accordingly, a measuring process provides a mechanism to evaluate individual products against specific quality criteria. This process also presents the information in a manner that allows the OIG to assess trends in quality so that necessary adjustments can be made to policies, procedures, and activities. The criteria used in this project to assess quality in OIG reports were:

- Project cost
- Documentary reliability of evidence
- Timeliness in preparing draft reports
- Readability of reports, including whether the reports are clear, concise, convincing, logical, and relevant

A scoring form enables the OIG to measure product quality and also serves as a basis for measuring a manager's performance. The project quality scorecard in Appendix B shows the specific manner in which points were calculated. The report quality scoresheet the Office of Congressional and Public Liaison (OCPL) Publications Unit used to score draft reports during FY 2007 is in Appendix C. An Inspector General Statement was issued on October 10, 2006, that fully explained the scoring process and all the criteria in both scoresheets. The OIG fully implemented this scoring process in FY 2007.

# Chapter 2
## Scoring the Results

The total quality scores, as well as the timeframes and project costs for major OIG reports, are shown in Table 1. The full titles for each report are in Appendix A. Reports that were either contracted or contained Confidential Business Information are not included. Each total quality score is the sum of the two scoring systems: one for *project* quality characteristics and the second for *report* quality characteristics. Table 2 provides a more detailed description of the scoring for project quality. Table 3 shows the number of days the OIG took from the date OIG staff first met with the Agency/auditee to the date of the final report.

The ability to track trends using the OIG project scorecard will improve when all products being compared have been initiated after the scorecard's implementation. Some products in Table 1 were begun before the scorecard's implementation. The higher the score means the extent to which teams met and documented the criteria measured by the scorecards.

### Table 1: Overall Scorecard

| Report No. | Staff Days | Project Cost ($000s) | Elapsed Days (Kickoff to OCPL Reviewing Draft) | Elapsed Days (Kickoff to Final Report Date) [Table 3] | Total Project Score [Table 2] | Total Weighted Report Score | Total Quality Score |
|---|---|---|---|---|---|---|---|
| 1st Quarter | | | | | | | |
| 2007-P-00001 | 1,301 | $962 | 544 | 666 | 17.3 | 6.1 | 23.4 |
| 2007-P-00002 | 253 | $205 | 22 | 77 | 26.7 | 5.5 | 32.2 |
| 2007-P-00003 | 403 | $293 | 237 | 348 | 14.5 | 5.9 | 20.4 |
| 2007-P-00004 | 546 | $420 | 448 | 544 | 18.0 | 7.2 | 25.2 |
| 2007-P-00005 | 641 | $501 | 645 | 797 | 11.0 | 6.5 | 17.5 |
| 2007-P-00006 | 690 | $530 | 589 | 747 | 12.0 | 5.9 | 17.9 |
| 2007-2-00003 | 371 | $307 | 177 | 244 | 28.3 | 8.5 | 36.8 |
| 2007-4-00027 | 524 | $229 | 284 | 402 | 21.4 | 7.5 | 28.9 |
| 2007-1-00019 | 3,421 | $2,561 | 213 | 224 | 20.9 | 7.9 | 28.8 |
| 2007-4-00019 | 103 | $75 | 102 | 194 | 22.8 | 8.4 | 31.2 |
| 2007-4-00026 | 283 | $220 | 297 | 470 | 17.9 | 7.5 | 25.4 |
| 2007-1-00001 | 259 | $216 | 492 | 582 | 17.7 | 6.8 | 24.5 |
| 2007-4-00034 | 45 | $38 | 226 | 247 | 21.1 | 8.7 | 29.8 |
| 2nd Quarter | | | | | | | |
| 2007-P-00007 | 639 | $466 | 189 | 345 | 27.5 | 4.7 | 32.2 |
| 2007-P-00009 | 173 | $361 | 205 | 295 | 23.5 | 7.8 | 31.3 |
| 2007-P-00010 | 106 | $83 | 117 | 180 | 30.0 | 8.0 | 38.0 |
| 2007-P-00011 | 356 | $287 | 195 | 300 | 26.0 | 7.3 | 33.3 |
| 2007-P-00012 | 488 | $402 | 156 | 240 | 21.0 | 8.6 | 29.6 |

| Report No. | Staff Days | Project Cost ($000s) | Elapsed Days (Kickoff to OCPL Reviewing Draft) | Elapsed Days (Kickoff to Final Report Date) [Table 3] | Total Project Score [Table 2] | Total Weighted Report Score | Total Quality Score |
|---|---|---|---|---|---|---|---|
| 2007-P-00013 | 378 | $229 | 217 | 294 | 24.5 | 6.1 | 30.6 |
| 2007-P-00015 | 934 | $108 | 256 | 371 | 24.5 | 8.0 | 32.5 |
| 2007-P-00016 | 321 | $255 | 190 | 300 | 26.0 | 8.6 | 34.6 |
| 2007-P-00017 | 478 | $356 | 284 | 415 | 27.1 | 7.4 | 34.5 |
| 2007-1-00037 | 129 | $107 | 319 | 480 | 15.3 | 5.1 | 20.4 |
| 2007-1-00044 | 220 | $135 | 280 | 497 | 17.0 | 7.2 | 24.2 |
| 2007-4-00045 | 93 | $221 | 302 | 462 | 36.2 | 6.4 | 42.6 |
| 2007-4-00052 | 150 | $330 | 352 | 480 | 21.7 | 7.0 | 28.7 |
| 3rd Quarter | | | | | | | |
| 2007-P-00021 | 282 | $217 | 177 | 285 | 27.0 | 8.3 | 35.3 |
| 2007-P-00022 | 568 | $473 | 352 | 464 | 23.1 | 8.1 | 31.2 |
| 2007-P-00023 | 1,220 | $932 | 476 | 833 | 15.0 | 5.4 | 20.4 |
| 2007-P-00024 | 341 | $284 | 131 | 215 | 31.4 | 8.7 | 40.1 |
| 2007-P-00025 | 139 | $105 | 196 | 274 | 29.0 | 7.7 | 36.7 |
| 2007-1-00070 | 329 | $275 | 98 | 160 | 30.7 | 7.2 | 37.9 |
| 2007-1-00071 | 299 | $250 | 48 | 160 | 30.3 | 8.2 | 38.5 |
| 2007-S-00001 | 164 | $148 | 102 | 182 | 27.3 | 8.3 | 35.6 |
| 2007-P-00026 | 728 | $580 | 560 | 678 | 16.5 | 8.2 | 24.7 |
| 2007-P-00027 | 542 | $440 | 313 | 495 | 21.0 | 4.8 | 25.8 |
| 2007-4-00064 | 27 | $23 | 134 | 144 | 31.6 | 8.9 | 40.5 |
| 2007-4-00065 | 318 | $265 | 228 | 301 | 26.1 | 5.9 | 32.0 |
| 4th Quarter | | | | | | | |
| 2007-B-00002 | 503 | $397 | 144 | 180 | 31.8 | * | 31.8 |
| 2007-4-00068 | 247 | $206 | 184 | 287 | 30.7 | 8.8 | 39.5 |
| 2007-P-00028 | 430 | $338 | 297 | 400 | 24.1 | 7.0 | 31.1 |
| 2007-P-00029 | 313 | $246 | 273 | 399 | 21.8 | 7.3 | 29.1 |
| 2007-2-00030 | * | * | 160 | 204 | 22.8 | 8.6 | 31.4 |
| 2007-P-00030 | 762 | $637 | 430 | 585 | 25.2 | 8.4 | 33.6 |
| 2007-P-00031 | 997 | $783 | 491 | 629 | 20.7 | 8.2 | 28.9 |
| 2007-P-00032 | 234 | $185 | 161 | 239 | 27.8 | 8.4 | 36.2 |
| 2007-P-00033 | 836 | $684 | 177 | 267 | 29.1 | 6.2 | 35.3 |
| 2007-P-00034 | 468 | $375 | 699 | 812 | 3.1 | 6.3 | 9.4 |
| 2007-P-00035 | 110 | $135 | 97 | 201 | 29.7 | 8.4 | 38.1 |
| 2007-P-00036 | 240 | $189 | 246 | 405 | 25.8 | 8.4 | 34.2 |
| 2007-P-00037 | 238 | $198 | 73 | 128 | 28.4 | 8.3 | 36.7 |
| 2007-P-00038 | 62 | $55 | 124 | 127 | 27.0 | 8.2 | 35.2 |
| 2007-2-00039 | 11 | $9 | 30 | 70 | 29.0 | 8.8 | 37.8 |
| 2007-P-00039 | 720 | $545 | 428 | 476 | 22.2 | 7.8 | 30.0 |
| 2007-4-00078 | 289 | $241 | 254 | 362 | 23.7 | 8.6 | 32.3 |
| 2007-2-00040 | * | * | 162 | 212 | 24.1 | 8.6 | 32.7 |
| 2007-P-00040 | 390 | $307 | 253 | 365 | 24.3 | 6.8 | 31.1 |
| 2007-P-00041 | 172 | $136 | 188 | 294 | 27.8 | 5.4 | 33.2 |

Source: FY 2007 OIG Project Quality Scorecards and Report Quality Scoresheets

## Table 2:  Project Quality Scorecard[1]

| Report Number | Planning | Fieldwork | Evidence | Supervision | Draft Report Preparation and Timeliness | Signifi-cance | Total Project Score |
|---|---|---|---|---|---|---|---|
| 1st Quarter | | | | | | | |
| 2007-P-00001 | 1.0 | 4.0 | 4.0 | 4.3 | 1.0 | 3.0 | 17.3 |
| 2007-P-00002 | 3.0 | 4.0 | 4.0 | 3.7 | 9.0 | 3.0 | 26.7 |
| 2007-P-00003 | 2.0 | 2.0 | 3.0 | 3.5 | 3.0 | 1.0 | 14.5 |
| 2007-P-00004 | 2.0 | 3.0 | 3.0 | 1.0 | 6.0 | 3.0 | 18.0 |
| 2007-P-00005 | 1.0 | 3.0 | 3.0 | 1.0 | 1.0 | 2.0 | 11.0 |
| 2007-P-00006 | 2.0 | 2.0 | 4.0 | 3.0 | -1.0 | 2.0 | 12.0 |
| 2007-2-00003 | 3.0 | 2.0 | 4.0 | 4.3 | 12.0 | 3.0 | 28.3 |
| 2007-4-00027 | 3.0 | 2.0 | 4.0 | 3.4 | 6.0 | 3.0 | 21.4 |
| 2007-1-00019 | 3.0 | 2.0 | 4.0 | 3.9 | 5.0 | 3.0 | 20.9 |
| 2007-4-00019 | 3.0 | 4.0 | 4.0 | 1.8 | 7.0 | 3.0 | 22.8 |
| 2007-4-00026 | 3.0 | 2.0 | 4.0 | 2.9 | 3.0 | 3.0 | 17.9 |
| 2007-1-00001 | 3.0 | 3.0 | 4.0 | 2.7 | 2.0 | 3.0 | 17.7 |
| 2007-4-00034 | 1.0 | 3.0 | 4.0 | 4.1 | 6.0 | 3.0 | 21.1 |
| 2nd Quarter | | | | | | | |
| 2007-P-00007 | 3.0 | 3.0 | 3.0 | 4.5 | 12.0 | 2.0 | 27.5 |
| 2007-P-00009 | 2.0 | 4.0 | 3.0 | 4.5 | 7.0 | 3.0 | 23.5 |
| 2007-P-00010 | 3.0 | 4.0 | 4.0 | 5.0 | 12.0 | 2.0 | 30.0 |
| 2007-P-00011 | 2.0 | 4.0 | 4.0 | 2.0 | 12.0 | 2.0 | 26.0 |
| 2007-P-00012 | 1.0 | 3.0 | 4.0 | 3.0 | 7.0 | 3.0 | 21.0 |
| 2007-P-00013 | 3.0 | 4.0 | 4.0 | 3.5 | 7.0 | 3.0 | 24.5 |
| 2007-P-00015 | 3.0 | 3.0 | 4.0 | 4.5 | 7.0 | 3.0 | 24.5 |
| 2007-P-00016 | 3.0 | 2.0 | 4.0 | 2.0 | 12.0 | 3.0 | 26.0 |
| 2007-P-00017 | 2.0 | 4.0 | 4.0 | 4.1 | 11.0 | 2.0 | 27.1 |
| 2007-1-00037 | 3.0 | 1.0 | 4.0 | 1.0 | 5.0 | 1.0 | 15.0 |
| 2007-1-00044 | 3.0 | 2.0 | 4.0 | 1.0 | 6.0 | 1.0 | 17.0 |
| 2007-4-00045 | 3.0 | 3.0 | 4.0 | 4.2 | 12.0 | 10.0 | 36.2 |
| 2007-4-00052 | 2.0 | 4.0 | 4.0 | 4.5 | 4.0 | 3.0 | 21.5 |
| 3rd Quarter | | | | | | | |
| 2007-P-00021 | 2.0 | 4.0 | 4.0 | 2.0 | 13.0 | 2.0 | 27.0 |
| 2007-P-00022 | 2.0 | 3.0 | 4.0 | 3.1 | 8.0 | 3.0 | 23.1 |
| 2007-P-00023 | 2.0 | 3.0 | 4.0 | 2.5 | 1.5 | 2.0 | 15.0 |
| 2007-P-00024 | 3.0 | 3.9 | 3.5 | 5.0 | 13.0 | 3.0 | 31.4 |
| 2007-P-00025 | 3.0 | 3.5 | 3.5 | 5.0 | 13.0 | 1.0 | 29.0 |
| 2007-1-00070 | 3.0 | 3.4 | 4.0 | 4.8 | 12.5 | 3.0 | 30.7 |
| 2007-1-00071 | 3.0 | 3.0 | 4.0 | 4.8 | 12.5 | 3.0 | 30.3 |
| 2007-S-00001 | 3.0 | 4.0 | 3.0 | 5.0 | 11.3 | 1.0 | 27.3 |

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[1] The specific characteristics in the project scorecard as shown in Appendix B have been combined for the purposes of presentation in Table 2.

| Report Number | Planning | Fieldwork | Evidence | Supervision | Draft Report Preparation and Timeliness | Signifi-cance | Total Project Score |
|---|---|---|---|---|---|---|---|
| 2007-P-00026 | 1.0 | 4.0 | 3.5 | 5.0 | 1.0 | 2.0 | 16.5 |
| 2007-P-00027 | 2.0 | 3.0 | 3.0 | 4.0 | 6.0 | 3.0 | 21.0 |
| 2007-4-00064 | 3.0 | 4.0 | 4.0 | 4.6 | 13.0 | 3.0 | 31.6 |
| 2007-4-00065 | 2.0 | 3.0 | 4.0 | 4.1 | 7.0 | 6.0 | 26.1 |
| 4th Quarter | | | | | | | |
| 2007-B-00002 | 3.0 | 4.0 | 4.0 | 4.8 | 13.0 | 3.0 | 31.8 |
| 2007-4-00068 | 3.0 | 3.5 | 4.0 | 4.5 | 13.0 | 2.7 | 30.7 |
| 2007-P-00028 | 3.0 | 4.0 | 4.0 | 4.1 | 7.0 | 2.0 | 24.1 |
| 2007-P-00029 | 2.0 | 4.0 | 4.0 | 3.8 | 7.0 | 1.0 | 21.8 |
| 2007-2-00030 | 3.0 | 4.0 | 4.0 | 3.8 | 7.0 | 1.0 | 22.8 |
| 2007-P-00030 | 3.0 | 3.5 | 3.0 | 4.7 | 8.0 | 3.0 | 25.2 |
| 2007-P-00031 | 3.0 | 3.5 | 4.0 | 4.2 | 3.0 | 3.0 | 20.7 |
| 2007-P-00032 | 3.0 | 3.0 | 4.0 | 4.8 | 13.0 | - | 27.8 |
| 2007-P-00033 | 3.0 | 4.0 | 4.0 | 3.6 | 12.5 | 2.0 | 29.1 |
| 2007-P-00034 | - | 2.0 | 3.0 | 2.1 | -4.0 | - | 3.1 |
| 2007-P-00035 | 3.0 | 4.0 | 4.0 | 3.7 | 13.0 | 2.0 | 29.7 |
| 2007-P-00036 | 3.0 | 4.0 | 4.0 | 4.8 | 8.0 | 2.0 | 25.8 |
| 2007-P-00037 | 3.0 | 4.0 | 4.0 | 4.4 | 12.0 | 1.0 | 28.4 |
| 2007-P-00038 | 2.0 | 4.0 | 4.0 | 3.0 | 13.0 | 1.0 | 27.0 |
| 2007-2-00039 | 3.0 | 4.0 | 4.0 | 4.0 | 13.0 | 1.0 | 29.0 |
| 2007-P-00039 | 3.0 | 3.8 | 4.0 | 4.4 | 4.0 | 3.0 | 22.2 |
| 2007-4-00078 | 3.0 | 2.9 | 4.0 | 3.8 | 7.0 | 3 | 23.7 |
| 2007-2-00040 | 3.0 | 3.0 | 4.0 | 3.1 | 7.0 | 4.0 | 24.1 |
| 2007-P-00040 | 3.0 | 4.0 | 4.0 | 4.8 | 7.0 | 1.5 | 24.3 |
| 2007-P-0041 | 3.0 | 4.0 | 4.0 | 3.8 | 11.0 | 2.0 | 27.8 |

Source:  OIG Project Quality Scorecards

## Table 3:  Days From Kickoff to Final Report

| No. of Days from Kickoff to Final Report Date | No. of Reports 1st Quarter | No. of Reports 2nd Quarter | No. of Reports 3rd Quarter | No. of Reports 4th Quarter | Total Reports |
|---|---|---|---|---|---|
| Less than 100 Days | 1 | 0 | 0 | 1 | 2 |
| 100-199 Days | 1 | 1 | 4 | 3 | 9 |
| 200-299 | 3 | 3 | 3 | 7 | 16 |
| 300-399 | 1 | 4 | 1 | 3 | 9 |
| 400-499 | 2 | 5 | 2 | 3 | 12 |
| 500-599 | 2 | 0 | 0 | 1 | 3 |
| 600-699 | 1 | 0 | 1 | 1 | 3 |
| 700-799 | 2 | 0 | 0 | 0 | 2 |
| 800-899 | 0 | 0 | 1 | 1 | 2 |
| Average Days by Quarter | 426 | 358 | 349 | 332 | 363 (Avg. for year) |

Source:  Analysis of OIG Project Quality Scorecards

## Positive Trends

Several positive trends occurred during FY 2007. First, as Table 1 shows, the average cost of an OIG report (excluding the audit of the Agency's financial statements) decreased from about $333,000 to $315,000 from the 1st to the 4th quarters. That represents a 5.4-percent decrease. Second, as Table 2 illustrates, teams' efforts to meet the quality characteristics in the OIG project quality scorecard improved as the year progressed. The average project score increased from 19.2 in the 1st quarter to 25.0 in the 4th quarter, a 30-percent improvement.

Teams accomplishing specific quality characteristics more regularly contributed to the improvement in average project scores from the 1st to the 4th quarter. For example, a specific quality characteristic in fieldwork is a requirement for the Director to approve the project guide that describes the project's objectives, scope, and methodology prior to the entrance conference with the Agency or auditee. Quality assurance reviews showed that Directors routinely documented their approval of the project guide prior to the entrance conference. Likewise, supervisory scores, reflecting the extent to which supervisors timely review working papers and accept staff responses to reviewer notes, increased from 3.0 in the 1st quarter to 4.0 in the 4th quarter.

Table 3 shows that from the 1st to the 4th quarter the number of calendar days from kickoff date with Agency staff to final report date decreased from 426 days to 332 days. That represents a 22-percent decrease in time to issue a final report. In part these statistics are impacted by quick reaction and early warning reports issued by the OIG during the fiscal year. These reports show that the OIG is more timely providing the Agency with issues needing prompt attention.

## Agency Accepted High Percentage of Report Recommendations

Adhering to the quality assurance characteristics helps to ensure a high percentage of OIG recommendations are accepted by the Agency. During FY 2007, OIG made 147 recommendations in major performance reports. The OIG teams used the discussion draft report process and draft report process, and held meetings with Agency officials to discuss and refine proposed recommendations. The Agency accepted 123 (83.6 percent) of the recommendations. For these 123 recommendations the OIG also concurred with the Agency's proposed actions to implement them.

In March 2007, the OIG issued Policy Number 5, "OIG Followup Policy." The purpose of the policy is to conduct and report the results of followup reviews to the Agency on the status of Agency actions taken on OIG recommendations. Also, the Agency's Deputy Administrator is now the deciding official on disagreements between the Agency and the OIG on recommendations. These actions should help ensure the continuance of a high percentage of Agency acceptances of recommendations and that the Agency implements recommendations in a way that has the impact the OIG intended.

# Chapter 3
## Working Paper Enhancements

The working papers supporting OIG reports now have supervisory review notes or comments located centrally in the working papers.  The comments are maintained more consistently and, as a result, external reviewers will be able to consistently determine that supervisory review comments have been resolved before the OIG report is submitted for independent referencing and a quality assurance review.

Additionally, working papers now allow reviewers to determine the frequency of supervisory reviews and clearance of reviewer notes, in accordance with the guidance issued by the Deputy Inspector General.  That guidance, as incorporated into the *Handbook,* states:

> *To help ensure effective supervisory reviews, staff need to prepare and place working papers in AutoAudit as they gather and develop evidence....  Reviews of working papers prepared by GS-9s or below will occur no less than twice monthly and all other working papers will be reviewed every 30 days.*

An analysis of the OIG's supervisory quality characteristics, as measured by the project scorecard, shows a higher percentage of supervisory scores achieving 4.0.  During the 1st quarter, immediately after the guidance was issued, the average supervisory score was about 3.0.  Only 3 of 12 reports (25 percent) issued had supervisory scores above a 4.0.  During the 4th quarter, the average supervisory score rose to 4.0.  Of 20 reports issued, 11 reports (55 percent) had a supervisory score above 4.0.

Quality assurance reviews also show that Directors and Project Managers consistently reviewed the supporting working papers to the indexed copy of the report and also documented their review comments.  Likewise, staff responses and the clearance by the Director or Project Manager of the review comments were also documented.  Working papers also show that the Directors and the Project Managers then documented through a formal certification that the report was supported by sufficient and appropriate evidence.

Quality assurance reviews of projects showed that some aspects in the following areas still need some further attention.  Details follow.

## Working Paper Preparation

One area of working paper preparation needing attention is that of maintaining working papers of reasonable length.  Quality assurance reviews noted that working papers either had more than the results of one work segment or included

many emails, documents, and analyses. This can result in working papers of undue length impeding timely supervisory reviews. On one assignment, the Director noted that the working paper in AutoAudit was so long it would not open. Working papers should capture a reasonable amount of work for a specific work segment as defined in the audit guide. Working papers should not be of such length that they impede an effective or timely review by the supervisor in accordance with the guidance in the *Handbook*.

Additionally, other staff and supervisors interpreted the requirement to review working papers to extend only to working papers deemed to be completely finished by staff. When this occurs, the status of the work on the working papers may not be reviewed for months. One supervisor noted that incomplete working papers do not make sense, even though they may remain open for months. As a result, interviews, analyses, or other evidence may not be timely reviewed by the supervisor, and reviewer notes may not be timely prepared and addressed by staff. Issues, including reportable issues that an experienced supervisor can help identify during fieldwork, will less likely be resolved in a timely manner.

During the course of the year, one Director issued additional guidance advising staff that:

> *Unless you are waiting for information, work papers should not be left open as "in-process" for several months. If work papers are in process for several months, the reviewer should be looking at them to find out what the problem is. It is helpful to put the document in edit mode when reviewing, even if the supervisor does not make comments, so that it is recorded as part of the history.*

> *Work papers need to be broken down into manageable sections and summaries created. If a workpaper were printed and it were several pages long, there should be headings or other information that will assist the reviewer in finding particular information.*

That guidance is an example of instructions that can be issued by Directors to teams at the start of projects. Supervisors should be reviewing the status of all work and not just working papers that staff have deemed complete. Working papers should be kept in a state so that if one person leaves the OIG or is placed on another assignment, another person can readily assume the task of completing the work. During FY 2007, this issue was discussed with supervisors and staff, and the above guidance issued by a Director was provided as an example.

Although supervisory scores increased in FY 2007, some Directors did not selectively review staff working papers during fieldwork other than those prepared by the Project Manager. Other Directors selectively reviewed certain working papers of their staff during fieldwork to ensure the effectiveness of the Program Manager's reviews. The Deputy Inspector General has agreed that Directors should selectively review working papers during fieldwork to ensure Project Managers effectively carry out their review of working papers. The benefit of their reviews will help ensure all reportable issues are identified.

Directors will also retain flexibility to the extent that working papers are reviewed based on the complexity of the project and the experience of the team.

> **Recommendation 1:**  Revise the *Handbook* to clarify that Project Managers and Directors are responsible for continually reviewing the status of work and not just working papers that staff have deemed completed.  Directors, in addition to reviewing the working papers of the Project Manager during fieldwork, should selectively review other staff working papers to ensure the effectiveness of the Project Managers reviews and that all reportable issues have been identified.

## Indexing Reports

In some reports indexing was not precise.  Project Managers and Directors should direct staff to more precisely index report statements to supporting documentation.  Also, some report statements were supported on the indexed copy of the report by a statement that the lack of evidence was negated because the Agency did not take exception to the statement in the discussion draft report.  The fact that the Agency did not take exception does not mean the OIG has adequate and competent evidence in the way of documentation, observations, analysis, etc. Agency staff may well have assumed the OIG had sufficient evidence.  This issue was discussed with Directors and was resolved during FY 2007.

In FY 2007, quality assurance reviews noted that a Director in one OIG office sent reports to independent referencing and then to the editor.  In one report the text was materially different between the edited version and the indexed version that was independently referenced.  The process used by the Director was modified to better ensure that the copy submitted for independent referencing did not differ significantly from the edited version.  A Director in another office said the office supported concurrent processing by the editor and independent referencing when it made sense to do so.  This could increase the risk that statements will be included in the final report that had not been independently referenced.  However, the Directors said they closely monitor report changes to ensure the text does not differ significantly between the indexed version of the report and the issued report.  Accordingly, no formal recommendations are needed.

## Documenting OIG Decisions on Reportable Issues

During the course of the year, a quality assurance report[2] disclosed that the report for one project was significantly altered before being made public while the report for another project was not issued at all, due to decisions made by senior OIG officials.  The rationale for the decisions was not fully documented in the OIG working papers.  This resulted in the appearance of unprofessional work and a lessened credibility of the OIG.  In both instances, reports had cleared the existing quality assurance processes.  Therefore, the *Handbook* should be amended to ensure decisions by senior OIG officials are fully documented in working papers.

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[2]  EPA OIG Quality Assurance Review of Two Assignments, Report No. 08-A-0074, January 30, 2008.

The OIG Office of Counsel initiated steps to determine what additional actions should be taken when the OIG hires or details an Agency employee into the OIG who may work on a project that can present a potential impairment. The former Acting Deputy Inspector General for Planning, Audit and Evaluation, who was involved in the decisions for both of the above projects, was a former Agency official who had supervised some Agency staff with program responsibilities under review by OIG staff on one of these two projects. Paragraph 3.05 of the generally accepted government auditing standards states:

> *When auditors use the work of a specialist, auditors should assess the specialists' ability to perform the work and report results impartially as it relates to their relationship with the program or entity under audit. If the specialist's work is impaired, auditors should not use the work of the specialist.*

Office of Counsel was drafting a checklist to find out more about the type of work the employee was engaged in, what major projects the person was involved with, and who the employee's former supervisors were. This will better ensure potential impairments can be identified and whether a cautionary memorandum should be issued to the employee.

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**Recommendation 2:** Revise the *Handbook* to ensure that the OIG determines the independence of consultants, specialists, former Agency employees hired by the OIG, and any other Agency staff detailed to the OIG for an assignment. These determinations must be documented in the working papers.

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**Recommendation 3:** Revise the Handbook to clarify that decisions involving an assignment's scope, methodology, and reporting of issues by all OIG staff, including senior OIG officials, be completely documented. Where officials do not provide such explanation the Director will advise the appropriate Assistant Inspector General or other senior OIG official and request an explanation regarding the decision. The request should be documented in the working papers.

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## Documenting Discussions with Agency on Scope and Methodology

Project quality scorecards for FY 2007 assignments showed that teams normally discussed some aspect of the scope and methodology for assignments during entrance conferences. However, some teams documented their discussions in greater detail than others. A best practice observed is the way some teams described the following information during the entrance conference:

- Discussion of the project objectives
- Methodology the team plans to use to answer the objectives

- Information the team anticipates it will need to collect and the sources it plans to use, unknown sources the team may obtain from the Agency/auditee, and points of contact
- Discussion of any potential obstacles for collecting data of which the Agency may be aware

When teams discuss all of the above at the entrance conference, they reduce the risk of criticism to the team's methodology and improve customer satisfaction. As this was noted as a best practice, no formal recommendation is made.

## Documenting Regular Meetings with Agency on Issues

The OIG *Handbook* appropriately calls for regular meetings with Agency officials to discuss issues under development during fieldwork. These discussions should be part of a "Communications" section established in the assignment's working papers. Specifically, the *Handbook* states:

> *The team should meet regularly with action officials responsible for the program or activity to discuss issues under development. To facilitate open exchange of information the team should provide a one page point sheet for each issue. The point sheet can follow the format of the finding outline. However, the point sheet does not have to have all the elements of a finding fully developed prior to giving it to officials.*

Although these meetings were held according to the scorecards, the detail of documentation varied, including the extent to which issues were discussed. With the requirement that a Communications section be established in the working papers for each assignment, teams need to consistently document these status meetings and other types of internal briefings. Also, they should ensure point sheets provided to the Agency for discussion during these regular meetings are documented in the working papers. This activity will be monitored during FY 2008 to ensure teams are following the Deputy Inspector General's guidance for establishing a Communications section and including the proper type of information. Accordingly, no formal recommendation is made.

# Chapter 4
## Reporting Enhancements

## Providing Attribution to Statements and Obtaining Factual Support

OIG reports continued in FY 2007 to use the word "official" when citing lower-level Agency staff when the word should only be used for higher-level staff. When this occurs, the reader is less likely to be able to judge the credibility of the comments. In other instances, no attribution to statements provided by Agency staff was given in reports. Thus, the reader could infer the report statements were derived through analysis, observation, or documentation. In some instances, statements of program accomplishments were not supported by documentation but oral statements provided by Agency staff. Some teams expressed concern that attributing by title could impede open discussions with the auditee, especially for subsequent reviews, since people may be concerned about statements being attributed to them in a report.

Generally accepted government auditing standards[3] note the objectivity of a report is enhanced when it explicitly states the source of evidence and the assumptions used in the analysis. To help resolve this issue, the Deputy Inspector General provided guidance that Agency officials at an SES level can be referred to as officials. Further, OCPL has proposed language to address the Deputy Inspector General's criteria and provide additional instructions in the OIG *Report Formatting and Style Guide.* The proposed language states:

> *When citing the source of a statement, identify the individual by title when possible. When we cannot cite the source by title, refer to an SES or higher level employee as an "official," and to an employee below the SES level as a "staff member" or, if appropriate, "management," or a more general title that conveys the employee's knowledge of the subject under review (i.e., regional contracting officer). This will help the reader to judge the credibility of the statement. As noted in the Yellow Book, the objectivity of a report is enhanced when the report explicitly state the source of the evidence and the assumptions used in the analysis.*

This proposed guidance should be helpful. Recently, the Deputy Inspector General also said that accomplishments stated by officials or lower-graded Agency staff should be supported by documentation or other appropriate and sufficient evidence. As reports are reviewed in FY 2008, a check will be made to determine that the above guidance is used uniformly in OIG reports. As a result of actions initiated to provide guidance, no formal recommendation is needed.

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[3] GAO Yellow Book, Appendix I, Supplemental Guidance, paragraph A8.02(b)

## Use of Ambiguous Terms

Several OIG reports use the ambiguous words "some" or "many" when describing condition statements instead of quantifying. Indexes supporting these statements did not always show the quantification for these terms in the detailed section of the finding. Also, the working papers did not reflect that Agency officials had been informed as to what the terms meant. Unless the terms are defined for the Agency in exit conferences, the Agency may not respond appropriately to a recommendation and the issue may not be sufficiently resolved.

OCPL recently drafted language to address this topic in the OIG *Report Formatting and Style Guide.* The proposed language states:

> *Avoid the use of indefinite words such as "some" or "many" when describing conditions. Specific quantification should be provided to support our positions. It is acceptable to use such words in an introductory sentence that is immediately followed by the details, if including the quantification in the introductory sentence would be awkward. Such wording should otherwise be kept to a minimum.*

OCPL's proposed action should resolve this issue, and no formal recommendation is needed.

## Reports Better Describe Approach for Each Objective

Audit results should be responsive to the audit objectives. In response to last year's quality assurance report, OCPL revised the OIG *Report Formatting and Style Guide* to provide guidance on the discussion of methodology in a report. OCPL's guidance states: "The methodology should address our general review approach, such as noting what types of transactions we reviewed, as well as provide details on the analysis techniques we used (such as statistical sampling)." The *Guide* states the report should "describe the review approach by objective" when appropriate. During FY 2007, Scope and Methodology sections were clearer as to how each objective was developed. This assists the reader in determining that evidence obtained by the OIG was sufficient/competent and relevant to support the finding and recommendations. The actions taken during FY 2007 resolved this issue, and no formal recommendation is needed.

## Visual Aids Show Source of Data

In response to last year's quality assurance report, OCPL revised the *Report Formatting and Style Guide* to provide guidance to ensure visual aids, such as tables and charts, showed the source of data. In FY 2007, OIG reports with tables, charts, and other visual aids always contained the source of the information. Because the actions taken during FY 2007 resolved this issue, no formal recommendation is needed.

# Chapter 5
## Administrative Enhancements

## Calculating Project Costs

In the transmittal memorandum that accompanies formal reports, the OIG states the cost of each assignment. At the outset of FY 2007, quality assurance reviews noted that on two assignments the project costs were substantially understated in the transmittal memorandum.

- For one assignment the cost was understated by about $450,000. This occurred because the team's Inspector General Operations and Reporting System (IGOR) codes for the assignment were not properly established and all costs were not captured.
- For the other assignment, the cost was understated by about $325,000. This occurred because staff, including the Director, had not completed all of their IGOR timesheets, which capture the time that each person spent on the assignment.

The Deputy Inspector General and responsible Assistant Inspector General took action to ensure staff completed timesheets and properly calculated costs of projects as reported in each transmittal memo. Additionally, the OIG has implemented the Inspector General Enterprise Management System (IGEMS). The new system should more accurately capture the time staff has spent on assignments, including project costs. During FY 2008, as the OIG develops management reports through IGEMS, the calculation of project costs will be monitored. No formal recommendation is needed at this time.

## Entering Performance Measurement and Results System Data

The FY 2006 quality assurance report noted that not all teams had entered the results from their reports in the OIG's Performance Measurement and Results System. The OIG took steps to better ensure that teams entered results in this system. For FY 2007, a test showed that for the 58 major OIG reports reviewed, all teams had entered the report results into the Performance Measurement and Results System. Accordingly, no recommendations are made in this quality assurance report regarding that issue.

# *Scope and Methodology*

To perform our review, we received printouts from the OIG Office of Planning, Analysis, and Results on OIG reports issued, and also reports of time expended on the assignments. We then reviewed the assignment work papers in the OIG's AutoAudit working paper system and the final reports using the *Project Quality Scorecard* (see Appendix B). We also contacted supervisors as needed on each assignment to obtain additional information. The *Project Quality Scorecard* measured each assignment as to evidence rating, timeliness, reviews, report phase, preliminary research, fieldwork, and finding outlines. The OCPL Publications Unit developed a *Report Quality Scoresheet for Draft Submissions* for assessing the quality of draft reports (see Appendix C), and we reviewed those scoresheets prepared in FY 2007. We believe these scoresheets can be applied to all OIG assignments in accordance with generally accepted government auditing standards (be well written, timely, and have impact). The primary difference should only be the type of impact. The scorecards should allow for enough variety in impact quality measurement to cover all of our work.

Our scope covered final performance audit and evaluation reports prepared by the OIG Office of Audit, Office of Program Evaluation, Office of Mission Systems, and OCPL from October 1, 2006, through September 30, 2007. We did not include Single Audit Act reports, audit reports performed by the Defense Contract Audit Agency, or other reports where the work was performed by external auditors. The listing of reports reviewed follows.

### Master List of OIG Products Reviewed for FY 2007

| Report No. | Subject | Date |
|---|---|---|
| 2007-P-00001 | EPA's Oversight of the Vehicle Inspection and Maintenance Program Needs Improvement | 10/5/2006 |
| 2007-P-00002 | EPA Needs to Plan and Complete a Toxicity Assessment for the Libby Asbestos Cleanup | 12/5/2006 |
| 2007-P-00003 | Partnership Programs May Expand EPA's Influence | 11/14/2006 |
| 2007-P-00004 | Saving the Chesapeake Bay Watershed Requires Better Coordination of Environmental and Agricultural Resources | 11/20/2006 |
| 2007-P-00005 | EPA's Management of Interim Status Permitting Needs Improvement to Ensure Continued Progress | 12/4/2006 |
| 2007-P-00006 | EPA Has Improved Five-Year Review Process for Superfund Remedies, But Further Steps Needed | 12/5/2006 |
| 2007-2-00003 | Information Concerning Superfund Cooperative Agreements with New York and New Jersey | 10/30/2006 |
| 2007-4-00027 | Examination of Financial Management Practices of the National Rural Water Association, Duncan, Oklahoma | 11/30/2006 |
| 2007-1-00019 | Audit of EPA's Fiscal 2006 and 2005 Consolidated Financial Statements | 11/15/2006 |
| 2007-4-00019 | Ecology and Environment Cost Impact Proposal-Subcontract Administration for Cost Accounting Standard 402 Noncompliance Subcontract Administrator's Labor Charging Practices | 11/2/2006 |
| 2007-4-00026 | International City/County Management Association Reported Outlays Under Seven Selected Cooperative Agreements | 11/28/2006 |

| Report No. | Subject | Date |
|---|---|---|
| 2007-1-00001 | Fiscal 2005 and 2004 Financial Statements for the Pesticides Reregistration and Expedited Processing Fund | 10/10/2006 |
| 2007-4-00034 | Agreed Upon Procedures Applied To Hurricane Katrina and Rita Task Orders 13, 14, 15 and 16 Under BOA DACW56-02-6-1001 | 12/21/2006 |
| 2007-P-00007 | EPA Could Improve Processes for Managing Contractor Systems and Reporting Incidents | 1/11/2007 |
| 2007-P-00009 | EPA Relying on Existing Clean Air Act Regulations to Reduce Atmospheric Deposition to the Chesapeake Bay and its Watershed | 2/28/2007 |
| 2007-P-00010 | U.S. Chemical Safety and Hazard Investigation Board Should Track Adherence to Closed Recommendations | 3/26/2007 |
| 2007-P-00011 | Interagency Agreements to Use Other Agencies' Contracts Need Additional Oversight | 3/27/2007 |
| 2007-P-00012 | EPA's Allowing States to Use Bonds to Meet Revolving Fund Match Requirements Reduces Funds Available for Water Projects | 3/29/2007 |
| 2007-P-00013 | Performance Track Could Improve Program Design and Management to Ensure Value | 3/29/2007 |
| 2007-P-00015 | New Housing Contract for Hurricane Katrina Command Post Reduced Costs but Limited Competition | 3/29/2007 |
| 2007-P-00016 | Environmental Justice Concerns and Communication Problems Complicated Cleaning Up Ringwood Mines/Landfill Site | 4/2/2007 |
| 2007-P-00017 | EPA Needs to Strengthen Financial Database Security Oversight and Monitor Compliance | 3/29/2007 |
| 2007-1-00037 | State of New Hampshire Clean Water State Revolving Fund Program Financial Statements for the Year Ended June 30, 2005 | 2/7/2007 |
| 2007-1-00044 | State of New Hampshire Drinking Water State Revolving Fund Program Financial Statements for the Year Ended June 30, 2005 | 2/26/2007 |
| 2007-4-00045 | America's Clean Water Foundation Incurred Costs for EPA Assistance Agreements X82835301, X783142301, and X82672301 | 2/20/2007 |
| 2007-4-00052 | Ecology & Environment: CFY 2001 Incurred Costs | 3/30/2007 |
| 2007-P-00021 | EPA Can Improve Its Managing of Superfund Interagency Agreements with U.S. Army Corps of Engineers | 4/30/2007 |
| 2007-P-00022 | Promoting Tribal Success in EPA Programs | 5/3/2007 |
| 2007-P-00023 | Better Enforcement Oversight Needed for Major Facilities with Water Discharge Permits in Long-Term Significant Noncompliance | 5/14/2007 |
| 2007-P-00024 | Number of and Cost to Award and Manage EPA Earmark Grants, and the Grants' Impact on the Agency's Mission | 5/22/2007 |
| 2007-P-00025 | EPA Can Improve Its Oversight of Audit Followup | 5/24/2007 |
| 2007-1-00070 | Fiscal Year 2006 and 2005 Financial Statements for the Pesticides Reregistration and Expedited Processing Fund | 5/30/2007 |
| 2007-1-00071 | Fiscal Year 2006 and 2005 Financial Statements for the Pesticide Registration Fund | 5/30/2007 |
| 2007-S-00001 | U.S. Chemical Safety and Hazard Investigation Board Did Not Adhere to Its Merit Promotion Plan | 6/4/2007 |
| 2007-P-00026 | EPA Needs to Take More Action in Implementing Alternative Approaches to Superfund Cleanups | 6/6/2007 |
| 2007-P-00027 | Overcoming Obstacles to Measuring Compliance: Practices in Selected Federal Agencies | 6/20/2007 |

| Report No. | Subject | Date |
|---|---|---|
| 2007-4-00065 | The Environmental Careers Organization Reported Outlays for Five EPA Cooperative Agreements | 6/25/2007 |
| 2007-4-00064 | Mixed Funding Claim No. 2 Submitted by Morrison & Foerster, LLP on Behalf of U.S. Borax, Incorporated for the Armor Road SF Site, North Kansas City, Missouri | 6/4/2007 |
| 2007-B-00002 | Assessment of EPA's Projected Pollutant Reductions Resulting from Enforcement Actions and Settlements | 7/24/2007 |
| 2007-4-00068 | Ozone Transport Commission Incurred Costs Under EPA Assistance Agreements XA98379901, OT83098301, XA97318101, and OT83264901 | 7/31/2007 |
| 2007-P-00028 | ENERGY STAR Program Can Strengthen Controls Protecting the Integrity of the Label | 8/1/2007 |
| 2007-P-00029 | Superfund's Board of Directors Needs to Evaluate Actions to Improve the Superfund Program | 8/1/2007 |
| 2007-2-00030 | Excess Federal Funds Drawn on EPA Grant No. XP98838901 Awarded to the City of Huron, South Dakota | 8/1/2007 |
| 2007-P-00030 | Improved Management Practices Needed to Increase Use of Exchange Network | 8/20/2007 |
| 2007-P-00031 | Development Growth Outpacing Progress in Watershed Efforts to Restore the Chesapeake Bay | 9/10/2007 |
| 2007-P-00032 | Federal Facilities in Chesapeake Bay Watershed Generally Comply with Major Clean Water Act Permits | 9/5/2007 |
| 2007-P-00033 | Using the Program Assessment Rating Tool as a Management Control Process | 9/12/2007 |
| 2007-P-00034 | Complete Assessment Needed to Ensure Rural Texas Community Has Safe Drinking Water | 9/11/2007 |
| 2007-P-00035 | EPA Needs to Strengthen Its Privacy Program Management Controls | 9/17/2007 |
| 2007-P-00036 | Total Maximum Daily Load Program Needs Better Data and Measures to Demonstrate Environmental Results | 9/19/2007 |
| 2007-P-00037 | Progress Made in Improving Use of Federal Supply Schedule Orders, but More Action Needed | 9/20/2007 |
| 2007-P-00038 | Decision Needed on Regulating the Cooling Lagoons at the North Anna Power Station | 9/20/2007 |
| 2007-2-00039 | Ineligible Federal Funds Drawn on EPA Grant No. XP98284701 Awarded to the City of Middletown, New York | 9/25/2007 |
| 2007-P-00039 | Limited Investigation Led to Missed Contamination at Ringwood Superfund Site | 9/25/2007 |
| 2007-4-00078 | Cheyenne River Sioux Tribe Outlays Reported Under Five EPA Assistance Agreements | 9/24/2007 |
| 2007-2-00040 | Cost and Lobbying Disclosure Issues Under EPA Grant Numbers X98981901 and XP97914901 Awarded to the City of Fallon, Nevada | 9/26/2007 |
| 2007-P-00040 | Strategic Agricultural Initiative Needs Revisions to Demonstrate Results | 9/26/2007 |
| 2007-P-00041 | Voluntary Programs Could Benefit from Internal Policy Controls and a Systematic Management Approach | 9/25/2007 |

# *Project Quality Scorecard*

The *Project Quality Scorecard* objectively evaluates the work leading up to the submission of draft reports to OCPL for review. The scorecard is presented on the following page. Once received by OCPL, draft reports received in FY 2007 were scored using the OCPL *Report Quality Scoresheet for Draft Submissions* (see Appendix C for additional details).

As stated by the current edition of the *Government Auditing Standards*, evidence may be categorized as physical, documentary, testimonial, and analytical. The scoring system reflects the strength of each type of evidence. The following comments are provided to help the reader better understand how the evidence elements in the *Project Quality Scorecard* are measured:

- *Physical evidence* is obtained by auditors' direct inspection or observation of people, property, or events. Such evidence may be documented in memoranda, photographs, drawings, charts, maps, or physical samples.

- *Documentary evidence* consists of created information such as letters, contracts, accounting records, invoices, and management information on performance.

- *Testimonial evidence* is obtained through inquiries, interviews, or questionnaires.

- *Analytical evidence* includes computations, comparisons, separation of information into components, and rational arguments.

# *Project Quality Scorecard*

| Background Information | | | |
|---|---|---|---|
| **Background Information** | | | |
| Report Title: | | | |
| Report # | | Date of Kickoff | |
| Assignment # | | Date of Entrance Conference | |
| Total IGOR Days | | Date of Draft Report sent to OCPL for Review | |
| Total Hours | | Date of Draft Report | |
| Project Cost | | Date of Final Report | |

| Evidence Rating | |
|---|---|
| **Evidence Rating** | |
| Evidence supporting the condition/main fact.  Note:  If there are multiple conditions /main facts in an audit or evaluation, the score will be determined by averaging the scores for each condition or main fact. | |
|    Documentary evidence (4 points) | |
|    Analytical (3 points) | |
|    Observation (3 points) | |
|    Testimonial (1 points) | |

| Report Phase | | |
|---|---|---|
| **Report Phase** | | |
| Number of days from kickoff to date draft report sent to OCPL for review | | |
| Subtract:   One point for each 50 days exceeding 200 | | |

| Preliminary Research Guide | |
|---|---|
| **Preliminary Research Guide** | |
| Preliminary research guide completed prior to kickoff meeting:  Add 1 point | |

| Fieldwork Guide | |
|---|---|
| **Fieldwork Guide** | |
| Fieldwork guide completed prior to entrance conference:  Add 1 point | |

| Finding Outlines | |
|---|---|
| **Finding Outlines** | |
| Finding outlines completed prior to Message Agreement Meeting:  Add 1 point | |
| **Total Quality Score** | |

# *Report Quality Scoresheet for Draft Submissions*

The then Acting Inspector General directed OCPL in FY 2006 to develop a system to evaluate the quality of incoming draft reports. This was to include assessing the readability of reports. Given these parameters, the OCPL Publications Unit created the *Report Quality Scoresheet for Draft Submissions* based on existing report requirements and guidance included in the *Project Management Handbook*, the *Report Formatting and Style Guide*, and writing principles taught in *Write to the Point*. This *Scoresheet* was used to score reports in FY 2007.

The Publications Unit assigned point values to the criteria so the total points would equal 90, to be more easily incorporated into the overall scoring system. There is no direct correlation between the number of requirements and the number of points possible, so the scoring is subjective. While some of the elements of the *Scoresheet* can be objectively evaluated, objective criteria and tools cannot address all the important elements of reports, such as organization, structure, clarity, and the ability of the report to communicate the message. Therefore, the Publications Unit included subjective measures in the *Scoresheet* to address whether the report elements are clear, concise, convincing, logical, and relevant, and provide the proper perspective.

The Publications Unit assigned 30 points of the 90 points possible to meet the then Acting Inspector General's direction to emphasize a readability index. Readability indices are tools that help determine how readable documents are. The Publications Unit chose the Flesch-Kincaid Index, similar to the Fog Index, for readability scoring. The formula considers the average number of words per sentence and the average number of syllables per word. While a good readability score does not ensure that a document is well written, it is an indicator of the difficulty a reader will have understanding the message.

The *Report Quality Scoresheet for Draft Submissions* is shown starting on the next page.

# Report Quality Scoresheet for Draft Submissions

Report Title:

Assignment Number:

Product Line Director:

Project Manager:

Date Received by OCPL:

OCPL Reviewer:

Date Review Completed:                    | Total Score: XX out of 90 |

| Preliminary Information | | |
|---|---|---|
| **Requirements** | **Points Possible** | **Points Earned** |
| **Report Cover**<br>- Is the cover in the proper format?<br>- Is a position taken in the title?<br>- Is the assignment number included on the draft? | 2 | |
| **Inside Cover**<br>- Are all abbreviations in the report included in the list?<br>- If there is a photo on the cover, is a caption included, with source? | 1 | |
| **At a Glance**<br>- Is it in the proper format and confined to one page?<br>- Is the purpose of the report in the "Why…." section?<br>- Is there a "Background" section?<br>- Is a "snapshot" of findings presented in the "What We Found" section?<br>- Are all the objectives addressed in the "What We Found" section?<br>- Are recommendations summarized in "What We Recommend" section? | 5 | |
| **Transmittal Memo**<br>- Is it in the proper format?<br>- Is the template language used?<br>- Are phone and email contacts listed? | 1 | |
| **Table of Contents**<br>- Are the appropriate entries included, in the proper format? | 1 | |
| *Subtotal* | 10 | |
| **Remarks:** | | |

| Introductory Information<br>(usually Chapter 1) | | |
| --- | --- | --- |
| **Requirements** | **Points Possible** | **Points Earned** |
| **Purpose**<br>  - Is the purpose stated? | 3 | |
| **Background**<br>  - Is detail on what was reviewed provided?<br>  - Are data provided for perspective (dates, dollars, quantities)?<br>  - Are the responsible offices noted? | 3 | |
| **Scope and Methodology (including appendix information)**<br>  - Is the extent of the work performed to accomplish objectives noted?<br>  - Is the approach for each objective described?<br>  - Are the universe and what was reviewed noted?<br>  - Are the organizations visited and their locations noted?<br>  - Is the period for when the review began and ended noted?<br>  - Is the period of transactions covered noted?<br>  - Are evidence gathering and analysis techniques described?<br>  - Is review for compliance described, if appropriate?<br>  - Is a sample design noted?<br>  - Is the quality of data discussed?<br>  - Is a *Government Auditing Standards* statement included? | 4 | |
| **Prior Coverage (can be part of "Scope and Methodology")**<br>  - Are the name, number, and date for prior audits provided?<br>  - If no prior coverage occurred, is that acknowledged? | 1 | |
| **Internal Control (can be part of "Scope and Methodology")**<br>  - Is the scope of management control reviews noted?<br>  - Are applicable management controls identified?<br>  - Is what was found regarding internal controls noted?<br>  - If internal controls were not reviewed, is that explained? | 1 | |
| *Subtotal* | 12 | |
| **Remarks:** | | |

| Rest of Report | | |
|---|---|---|
| **Requirements** | **Points Possible** | **Points Earned** |
| **Chapters/Findings**<br>- Do chapter and section headings take a position?<br>- Is each finding organized as required? | 2 | |
| **"Charge" Paragraphs**<br>- Do they include condition, criteria, cause, and effect?<br>- Is the condition presented in the first sentence?<br>- Are all the objectives answered? | 8 | |
| **Condition**<br>- Is what was right, wrong, or needing improvement discussed? | 3 | |
| **Criteria**<br>- Are the criteria by which the condition was judged noted? | 3 | |
| **Cause**<br>- Is the *underlying* reason for the condition identified? | 3 | |
| **Effect**<br>- Is the *ultimate* effect on public health and the environment noted?<br>- Are quantities/potential cost benefits noted, when applicable? | 3 | |
| **Recommendations**<br>- Are they action-oriented (avoiding weak words)? | 2 | |
| **Status of Recommendations and Potential Monetary Benefits**<br>- Is the table provided?<br>- Are all elements presented accurately? | 2 | |
| **Appendices**<br>- Are they necessary?<br>- Are they clearly presented?<br>- Are they referenced in the report? | 2 | |
| *Subtotal* | 28 | |
| **Remarks:** | | |

## Overall Formatting, Style, and Readability

| Requirements | Points Possible | Points Earned |
|---|---|---|
| Is the Flesch-Kincaid Index 14.0 or lower? | 30 | |
| Does the report follow OIG writing guidance for elements such as active voice, subject/verb agreement, capitalization, etc.? | 5 | |
| Are the chapters and/or sections properly formatted? | 3 | |
| Are tables/charts/photos properly numbered, labeled, and formatted, and do they include the source of the information? | 2 | |
| *Subtotal* | **40** | |

**Remarks:**

## Total Score

| Sections | Points Possible | Points Allowed |
|---|---|---|
| Preliminary Information | 10 | |
| Introductory Information | 12 | |
| Rest of Report | 28 | |
| Overall Formatting, Style, and Readability | 40 | |
| *Total* | **90** | |