



Highlights of [GAO-07-1089T](#), a statement for the record to the Committee on Homeland Security and Governmental Affairs, U.S. Senate.

## Why GAO Did This Study

The federal inspectors general (IG) play a critical role in addressing mismanagement of scarce taxpayer dollars. In the coming years, as we enter a period of escalating deficits and increasingly limited resources, GAO believes that the greatest single source of savings will come from bold, decisive efforts to transform what government does and how it does business, and to hold it accountable for results. Therefore, it is important that an independent, objective, and reliable IG structure be in place to ensure adequate audit and investigative coverage of federal programs and operations.

This statement offers GAO's views on (1) the principles of independence and how they apply to IG offices, (2) leveraging IG work as a part of overall federal oversight, (3) structural streamlining of IG offices for resource efficiencies, and (4) matters discussed in a GAO forum on IG issues.

This statement draws on provisions of the IG Act, professional auditing standards, prior GAO reports and testimony, and information reported by the IGs.

[www.gao.gov/cgi-bin/getrpt?GAO-07-1089T](http://www.gao.gov/cgi-bin/getrpt?GAO-07-1089T).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Jeanette Franzel at (202) 512-9471 or [franzelj@gao.gov](mailto:franzelj@gao.gov).

# INSPECTORS GENERAL

## Opportunities to Enhance Independence and Accountability

### What GAO Found

The independence of the IGs is key to the effectiveness of their offices. The IGs, in their statutory role of providing oversight of their agencies' operations, represent a unique hybrid of external and internal reporting responsibilities. The IG Act requires the IGs to report the results of their work both externally to the Congress and internally to the agency head. It also provides certain independence protection to the IGs. This protection includes specifying that agency heads and other officials may not prevent or prohibit the IGs from performing any audit or investigation and that IGs are to have access to all agency documents and records. In addition, IGs are appointed either by the President with the advice and consent of the Senate or by their agency heads with removal only by the President or the agency head.

The work of the IGs is coordinated through the President's Council on Integrity and Efficiency and the Executive Council on Integrity and Efficiency, which were created by executive order to enhance the work of the IGs. In prior testimony GAO has recommended establishing a statutory IG Council with a permanent mission to address federal oversight challenges and risks. GAO also believes that effective ongoing coordination of the federal audit and oversight efforts of GAO and the IGs is more critical than ever. In May of this year the Comptroller General hosted a meeting with the IGs for the principal purpose of improving federal oversight coordination. The Comptroller General has also suggested the need for creating a more formal mechanism or council for the coordination of audit activities on a governmentwide basis. The structure of this council could be similar in concept to the Joint Financial Management Improvement Program, whose principals meet to discuss issues of mutual concern to promote governmentwide financial management.

In a prior report GAO presented the possible benefits of streamlining the structure of IG offices to increase the use of limited IG resources through consolidation of their offices. The benefits of consolidating the smallest offices of IGs appointed by their agency heads with the larger offices of IGs appointed by the President include immediate access to a broader range of resources to use in dealing with issues requiring technical expertise or areas of critical need. In addition, consolidation would strengthen the ability of IGs to improve the allocation and use of scarce financial resources.

In May 2006, at the request of this committee, the Comptroller General convened a panel of recognized leaders to discuss the possible benefits of proposed legislative changes to the IG Act. The panel members generally supported advanced notification to the Congress of the reasons for removal of an IG, separate IG budget line items, a funding mechanism for an IG Council, the need for IG pay and bonus issues to be addressed, and specific investigative and law enforcement authorities for the IGs.