



Highlights of [GAO-07-1021T](#), testimony before the Subcommittee on Government Management, Organization and Procurement, Committee on Oversight and Government Reform, House of Representatives

Why GAO Did This Study

H.R. 928, Improving Government Accountability Act, contains proposals intended to enhance the independence of the inspectors general and to create a Council of the Inspectors General on Integrity and Efficiency. This testimony provides information and views about the specific proposals based on GAO's prior work.

We believe that effective, ongoing coordination of the federal oversight efforts of GAO and the IGs is more critical than ever, due to the challenges and risks currently facing our nation including our immediate and long-term fiscal challenges, increasing demands being made for federal programs, and changing risk. Close strategic planning and ongoing coordination of audit efforts between GAO and the IGs would help to enhance the effectiveness and impact of work performed by federal auditors.

In May of this year the Comptroller General hosted a meeting with the IGs for the principal purpose of improving the coordination of federal oversight between the IGs and GAO. Working together, and in their respective areas, GAO and the IGs can leverage each other's work and provide valuable input on the broad range of high-risk programs and management challenges across government.

www.gao.gov/cgi-bin/getrpt?GAO-07-1021T.

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

INSPECTORS GENERAL

Proposals to Strengthen Independence and Accountability

What GAO Found

IG independence is one of the most important elements of the overall effectiveness of the IG function. The IG Act, as amended, (IG Act) provides specific protections to IG independence that are necessary due in large part to the unusual reporting requirements of the IGs who are both subject to the general supervision and budget processes of the agencies they audit while at the same time being expected to provide independent reports of their work externally to the Congress.

The IGs, in their statutory role of providing oversight of their agencies' operations, represent a unique hybrid of external and internal reporting responsibilities. IG offices have characteristics of both external audit organizations and internal audit organizations by reporting the results of their work both externally to the Congress and internally to the agency head. A key provision of the IG Act regarding IG independence is for certain IGs to be appointed by the President with the advice and consent of the Senate. Other IGs established by amendments to the IG Act, are appointed by their agency heads.

In May 2006, at the request of the Senate Committee on Homeland Security and Governmental Affairs, the Comptroller General convened a panel of recognized leaders in the federal government and in academia to discuss many of the same proposals that are in H.R. 928. Many of the provisions in H.R. 928, Improving Government Accountability Act, address IG independence. Today we are providing our views and the views of the panel on the following provisions: (1) providing IGs with specified terms of office and limiting IG removal for specified cause, (2) changes to how IGs submit their budget requests, (3) a statutorily established IG Council, (4) defining IG offices as separate agencies for purposes of personnel authority, and (5) providing additional investigative and law enforcement authorities.

The majority of the panelists did not favor a term of office, but they did favor advanced notification to the Congress of the reasons for removal. Regarding IG budgets, the panelists had mixed views about the IGs sending their budget requests directly to OMB and the Congress, but supported separate budget line items for all IGs. In a prior report, GAO recommended establishing an IG Council in statute with a designated funding source and strongly supports the proposal in H.R. 928. In contrast, the panelists had mixed views about statutorily establishing a joint IG Council but did favor establishing a funding mechanism. While the panel did not address the proposal to formalize the Integrity Committee in statute, GAO strongly supports this provision and believes it is important that the independence and work of the Integrity Committee be preserved. We do not support the proposal to define IG offices as separate agencies, but do support the intent of the bill in addressing IG pay and personnel issues. Finally, the panel overwhelmingly supported the provisions in H.R. 928 related to IG investigative and law enforcement authorities.