

Table 1. Departments and Agencies with Statutory Authority to Prohibit IG Activities

Agencies and departments		Statutory authority	Official who may exercise authority	Permissible reasons for prohibiting IG activities
1.	Department of Defense (DOD)	IG Act, as amended § 8(b)(2)	Secretary	Necessary to preserve the national security interests of the United States
2.	Department of the Treasury	IG Act, as amended § 8D(a)(2)	Secretary	Necessary to prevent the disclosure of certain information or to prevent significant impairment to the national interests of the United States
3.	Department of Homeland Security (DHS)	IG Act, as amended § 8I(a)(2)	Secretary	Necessary to prevent the disclosure of certain information or to prevent a significant impairment to the interests of the United States
4.	Department of Justice (DOJ)	IG Act, as amended § 8E(a)(2)	Attorney General	Necessary to prevent the disclosure of certain information or to prevent the significant impairment to the national interests of the United States
5.	U.S. Postal Service (USPS)	IG Act, as amended § 8G(f)(3)(A)(ii)	Board of Governors	Necessary to prevent the disclosure of certain information or to prevent the significant impairment of the national interests of the United States
6.	Federal Reserve Board (FRB)	IG Act, as amended § 8G(g)(3)	Chairperson of the Board of Governors	Necessary to prevent the disclosure of certain information or to prevent significant impairment to the national interests of the United States
7.	Central Intelligence Agency (CIA)	50 U.S.C. § 403q(b)(3)	Director	Necessary to protect vital national security interests of the United States

Source: GAO analysis.

In 1982, Congress amended the IG Act to establish the Department of Defense (DOD) IG and placed the IG under the authority, direction, and control of the Secretary of Defense with respect to audits or investigations or the issuance of subpoenas that require access to certain information.³ Specifically, the Secretary of Defense may prohibit the DOD IG from initiating, carrying out, or completing such audits or investigations or from issuing a subpoena if the Secretary determines that the prohibition is necessary to preserve the national security interests of the United States. However, Congress required that if the Secretary exercises this authority, the DOD IG shall notify certain congressional committees and the Secretary then shall state to those committees the reasons for exercising that authority.

³5 U.S.C. App. § 8.

In 1988, Congress again amended the IG Act to apply a similar provision at the Department of the Treasury.⁴ Congress authorized the Secretary of the Treasury to prohibit the Treasury IG from carrying out or completing an audit or investigation or from issuing a subpoena if the Secretary determines that it is necessary to prevent significant impairment to the national interest or the disclosure of certain sensitive information. Such information includes (1) ongoing criminal investigations or proceedings, (2) sensitive undercover operations, (3) the identity of confidential sources, including protected witnesses, (4) deliberations and decisions on policy matters, including documented information used as a basis for making policy decisions, the disclosure of which could reasonably be expected to have a significant influence on the economy or market behavior, (5) intelligence or counterintelligence matters, or (6) other matters the disclosure of which would constitute a serious threat to national security or to the protection of any person authorized federal protection under certain laws. The Treasury IG and the Secretary of the Treasury must follow a congressional notification process similar to that applicable to DOD.

Similar statutory authority was provided to the agency heads at DHS, the Department of Justice (DOJ), the United States Postal Service (USPS), and the Federal Reserve Board of Governors of the Federal Reserve System (FRB) through amendments to the IG Act.⁵ The heads of these agencies and the IGs must follow congressional notification requirements similar to those applicable to DOD and Treasury. At the CIA, the Director may prohibit the work of the IG if the Director determines such prohibition is necessary to protect vital national interests of the United States. If the CIA Director prohibits the CIA IG's activities for reasons authorized by statute, the Director must submit the reasons within 7 days to the intelligence committees and advise the IG that such a report was submitted as well as provide a copy of the report to the IG that is consistent with the protection of intelligence sources and methods. The CIA IG may also submit comments considered appropriate to the intelligence committees.

Our work was based on our March 25, 2009, testimony conducted in accordance with generally accepted government auditing standards. In addition, we reviewed the IG Act and related legislation to identify statutes that authorize the head of the agency to prohibit IG activities, and contacted the relevant IG offices to discuss implementation of these authorities. Based on the information provided by each IG office, no head of an agency, except for that of DOJ, had exercised the authorities in these statutes. DOJ IG staff provided information to show that the provisions applicable to the DOJ IG had been exercised once in the late 1990s to defer the release of an IG report containing sensitive information, and that a notification letter was sent to Congress.⁶

⁴5 U.S.C. App. § 8D.

⁵5 U.S.C. App. §§ 8I, 8E, 8G.

⁶In a letter dated January 23, 1998, the Attorney General exercised her authority under section 8E(a)(2) to direct the DOJ IG to defer release of a report entitled *The CIA-Contra-Crack Cocaine Controversy: A Review of the Justice Department's Investigations and Prosecutions*. The Attorney General stated in her letter that because the report contained information related to an ongoing drug investigation, she had determined that the release of the report at that time would lead to the disclosure of one or more of the categories of sensitive information specified in section 8E(a)(1). The IG, by a letter also dated January 23, 1998, notified Congress of the Attorney General's action. When the drug investigation was concluded several months later, in a letter dated July 14, 1998, the Attorney General notified the IG that the law enforcement concerns that had halted the release of the IG report were no longer applicable. On July 22, 1998, the IG publicly released the report without any change to the original report. A fuller description of the events that resulted in the Attorney General's decision to delay the public release of the report can be found on the DOJ IG's website at <http://www.usdoj.gov/oig/special/9712/epilogue.htm>.

ADDITIONAL GAO GUIDANCE

These related products address three main categories: internal control, financial management systems, and financial reporting (accounting standards). We have developed these guidelines and tools to assist agencies in improving or maintaining effective operations and financial management.

Internal Control

Standards for Internal Control in the Federal Government, GAO/AIMD-00-21.3.1, November 1999.

Streamlining the Payment Process While Maintaining Effective Internal Control, GAO/AIMD-00-21.3.2, May 2000.

Determining Performance and Accountability Challenges and High Risks, GAO-01-159SP, November 2000.

Internal Control Management and Evaluation Tool, GAO-01-1008G, August 2001.

Financial Management Systems

Framework for Federal Financial Management System Checklist, GAO/AIMD-98-21.2.1, May 1998.

Inventory System Checklist, GAO/AIMD-98-21.2.4, May 1998.

System Requirements for Managerial Cost Accounting Checklist, GAO/AIMD-99-21.2.9, January 1999.

Core Financial System Requirements Checklist, GAO/AIMD-00-21.2.2, February 2000.

Human Resources and Payroll Systems Requirements Checklist, GAO/AIMD-00-21.2.3, March 2000.

Direct Loan System Requirements Checklist, GAO/AIMD-00-21.2.6, April 2000.

Travel System Requirements Checklist, GAO/AIMD-00-21.2.8, May 2000.

Seized Property and Forfeited Assets Requirements Checklist, GAO-01-99G, October 2000.

Guaranteed Loan System Requirements Checklist, GAO-01-371G, March 2001

Financial Reporting (Accounting Standards)

“Checklist for Reports Prepared Under the CFO Act,” (Section 1004 of the GAO/PCIE *Financial Audit Manual* (FAM), July 2001). This is a checklist containing agency financial statement reporting requirements.

These documents are available on the Internet on GAO’s home page (www.gao.gov) under the heading “Other Publications” and the subheading “Accounting and Financial Management.” They can also be obtained from GAO, 700 4th Street NW, Room 1100, Washington DC 20548, or by calling (202) 512-6000 or TDD (202) 512-2537.

*Council of the Inspectors General on
Integrity and Efficiency (CIGIE)*

Quality Standards
for
Federal Offices of Inspector General



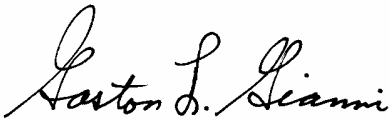
**President's Council
on Integrity and Efficiency**

**Executive Council
on Integrity and Efficiency**

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Foreword

On the 25th anniversary of the enactment of the Inspector General Act of 1978, as amended, the members of the President's Council on Integrity and Efficiency (PCIE) and the Executive Council on Integrity and Efficiency (ECIE) have updated the *Quality Standards for Federal Offices of Inspector General*. To commemorate the anniversary, we are issuing this update with a silver cover. The standards in the *Silver Book* set forth the overall quality framework for managing, operating, and conducting the work of Offices of Inspector General and will guide the Inspector General Community's efforts into the future.



Gaston L. Gianni, Jr.
Vice Chair, PCIE



Barry Snyder
Vice Chair, ECIE



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Quality Standards for Federal Offices of Inspector General

I. Introduction

A. Purpose

This document contains quality standards for the management, operation, and conduct of the Federal Offices of Inspector General (OIG). Executive Order 12805 gives the President's Council on Integrity and Efficiency (PCIE) and the Executive Council on Integrity and Efficiency (ECIE)¹ the responsibility for developing professional standards for OIGs.² The members of the PCIE and ECIE have formulated and adopted these standards. They are for OIG use to guide the conduct of official duties in a professional manner. These standards incorporate by reference the existing professional standards for audit, investigation, and inspection and evaluation efforts.

Public office carries with it a responsibility to apply and account for the use of public resources economically, efficiently, and effectively.³ The OIGs have a special need for high standards of professionalism and integrity in light of the mission of the Inspectors

¹ Executive Order 12805, dated May 11, 1992, updated the charter for the President's Council on Integrity and Efficiency and created the Executive Council on Integrity and Efficiency.

² Executive Order 12805, Section 3(c), states that individual members of the Councils should, to the extent permitted under law, adhere to professional standards developed by the Councils. This section gives the Councils the authority to establish standards for quality.

³ *The Standards for Internal Control in the Federal Government*, published by the U.S. General Accounting Office (GAO) in November 1999, require that "Management and employees should establish and maintain an environment throughout the organization that sets a positive and supportive attitude toward internal control and conscientious management." The Internal Control Standards define internal control as an integral component of an organization's management that provides reasonable assurance that the following objectives are being achieved: (1) effectiveness and efficiency of operations, (2) reliability of financial reporting, and (3) compliance with applicable laws and regulations.

General under the Act.⁴ Because of this special need, the PCIE and ECIE have adopted the general quality standards contained in this document.

B. OIG Mission

OIGs have responsibility to report on current performance and accountability and to foster good program management to ensure effective government operations. The Inspector General Act of 1978 (IG Act), as amended, created the OIGs to:⁵

1. Conduct, supervise, and coordinate audits and investigations relating to the programs and operations of their agencies;
2. Review existing and proposed legislation and regulations to make recommendations concerning the impact of such legislation and regulations on economy and efficiency or the prevention and detection of fraud and abuse;
3. Provide leadership for activities designed to promote economy, efficiency, and effectiveness, and to promote efforts to reduce fraud, waste, and abuse in the programs and operations of their agencies;
4. Coordinate relationships between the agency and other Federal agencies, State and local government agencies, and non-government agencies to promote economy and efficiency, to prevent and detect fraud and abuse, or to identify and prosecute participants engaged in fraud or abuse;
5. Inform their agency heads and Congress of problems in their agencies' programs and operations and the necessity for and progress of corrective actions; and

⁴ The IG Act (Public Law 95-452), Section 2, established *independent and objective units* to review agency activities.

⁵ IG Act, Sections 2 and 4.

6. Report to the Attorney General whenever the Inspector General has reasonable grounds to believe there has been a violation of Federal criminal law.

In addition to audits and investigations referenced in item 1 above, OIGs may conduct, supervise, and coordinate inspections, evaluations, and other reviews related to the programs and operations of their agencies.

C. Relationship to Federal Legislation and Regulations, and Federal and Professional Standards

OIG operations are subject to a variety of Federal legislation and regulations, and Federal and other professional standards, such as the IG Act, Single Audit Act, *Standards of Ethical Conduct for Employees of the Executive Branch*, the *Government Auditing Standards*, the PCIE *Quality Standards for Inspections*, and the PCIE/ECIE *Quality Standards for Investigations*. The standards contained in this document are derived from these and other requirements. However, these standards are not intended to contradict or supersede applicable standards or Federal laws and regulations. See Appendix I for a list of major laws, regulations, and standards that apply to OIGs.

An OIG may be a component of an entity that is not legally defined as a “Federal agency.” For this reason, or other reasons, certain laws, regulations, or other guidance cited in this document may not be directly applicable to certain OIGs. Where a standard contained in this document is premised on law or other criteria that are not directly applicable to an OIG, OIGs are encouraged to adopt the underlying principles and concepts to their operations where appropriate and feasible.

II. Ethics, Independence, and Confidentiality

A. General Standard⁶

The Inspector General and OIG staff shall adhere to the highest ethical principles by conducting their work with integrity.⁷

Integrity is the cornerstone of all ethical conduct, ensuring adherence to accepted codes of ethics and practice. Objectivity, independence, professional judgment, and confidentiality are all elements of integrity.

Objectivity imposes the obligation to be impartial, intellectually honest, and free of conflicts of interest.

Independence is a critical element of objectivity. Without independence, both in fact and in appearance, objectivity is impaired.

Professional judgment requires working with competence and diligence. Competence is a combination of education and experience and involves a commitment to learning and professional improvement. Professional standards for audits, investigations, and inspections and evaluations require continuing professional education (see the Managing Human Capital standard). Diligence requires that services be rendered promptly, carefully, and thoroughly and by observing the applicable professional and ethical standards.

Confidentiality requires respecting the value and ownership of privileged, confidential, or classified information received and protecting that information, and safeguarding the identity of

⁶ This standard was adapted from the *Standards for Ethical Conduct for Employees of the Executive Branch* and the American Institute of Certified Public Accountants' Code of Professional Conduct, Section ET 53-56, and the Institute of Internal Auditors' Code of Ethics.

⁷ IG Act, Section 2, established independent units to review agency activities. Section 6(a)(2) gives the Inspector General responsibility for independently determining the nature and extent of the work necessary.

confidential informants. In some instances, legal or professional obligations may require an OIG to disclose information it has received.

B. Standards for Ethical Conduct for Employees of the Executive Branch

The Inspector General and OIG staff shall follow the *Standards for Ethical Conduct for Employees of the Executive Branch*⁸ (Ethical Standards) and the Federal conflict of interest laws.⁹ These standards require the Inspector General and the OIG staff to respect and adhere to the 14 principles of ethical conduct, as well as the implementing standards contained in the Ethical Standards and in supplemental agency regulations.¹⁰ The first principle emphasizes that public service is a public trust, requiring employees to place loyalty to the Constitution, laws, and ethical principles above private gain.

Executive Order 12993 (“Administrative Allegations Against Inspectors General”)¹¹ provides an independent investigative mechanism to ensure that administrative allegations against IGs and OIG senior staff are expeditiously investigated and resolved. The order establishes a PCIE/ECIE Integrity Committee to receive, review, and refer such allegations. OIGs should maintain policies and controls to ensure that allegations are handled consistent with the executive order. OIGs should also have in place policies and procedures to ensure that criminal allegations against the IG or senior OIG staff are appropriately referred to the Attorney General.

⁸ Codified in 5 C.F.R. Part 2635 (January 1, 2002 Edition), as amended at 67 FR 61761-61762 (October 2, 2002)

⁹ 18 U.S.C. Sections 202-209.

¹⁰ 5 C.F.R. Section 2635.101(a). The 14 general principles restate the principles of ethical conduct set forth in Executive Order 12674, as modified by Executive Order 12731.

¹¹ Executive Order 12993, Section 2, dated March 22, 1996, gives the PCIE and ECIE Integrity Committee the responsibility for receiving, reviewing, and referring for investigation allegations of wrongdoing against Inspectors General and certain OIG staff members.

Where a situation is not covered by a specific standard set forth in the Ethical Standards or in supplemental agency regulations, the Inspector General and OIG staff shall apply the principles underlying the standards in determining whether their planned or actual conduct is proper.¹² OIG staff should also consult with the Designated Agency Ethics Official or similar official within their agency or organization regarding application of the Ethical Standards.

C. Independence

The Inspector General and OIG staff must be free both in fact and appearance from personal, external, and organizational impairments to independence. The Inspector General and OIG staff have a responsibility to maintain independence, so that opinions, conclusions, judgments, and recommendations will be impartial and will be viewed as impartial by knowledgeable third parties. The Inspector General and OIG staff should avoid situations that could lead reasonable third parties with knowledge of the relevant facts and circumstances to conclude that the OIG is not able to maintain independence in conducting its work.

1. Statutory Independence

The IG Act of 1978, as amended, established OIGs to create organizationally independent and objective units. This statutory independence is intended to ensure the integrity and objectivity of OIG activities. The IG Act of 1978, as amended, authorizes Inspectors General to:

- a. Conduct such audits and investigations, and issue such reports, as they believe appropriate (with limited national security and law enforcement exceptions).¹³

¹² 5 C.F.R. Section 2635.101(b).

¹³ IG Act, Section 6(a)(4).

- b. Issue subpoenas for information and documents outside the agency (with the same limited exceptions).¹⁴
- c. Have direct access to all records and information of the agency.¹⁵
- d. Have ready access to the agency head.¹⁶
- e. Administer oaths for taking testimony.¹⁷
- f. Hire and control their own staff and contract resources.¹⁸
- g. Request assistance from any Federal, state, or local governmental agency or unit.¹⁹

Inspectors General report both to the head of their respective agencies and to the Congress.²⁰ This dual reporting responsibility is the framework within which Inspectors General perform their functions. Unique in government, dual reporting is the legislative safety net that protects the Inspector General's independence and objectivity.

2. Personal Impairments

Personal impairments of staff members result from relationships and beliefs that might cause OIG staff members to limit the extent of an inquiry, limit disclosure, or weaken or slant their work in any way. OIG staff are responsible for notifying the appropriate officials within their organization if they have any personal impairments to independence.

¹⁴ IG Act, Section 6(a)(4).

¹⁵ IG Act, Section 6(a)(1).

¹⁶ IG Act, Section 6(a)(6).

¹⁷ IG Act, Section 6(a)(5).

¹⁸ IG Act, Section 6(a)(7), (8), and (9).

¹⁹ IG Act, Section 6(a)(3).

²⁰ IG Act, Sections 2(3), 4(a)(5), and 5(b).

3. External Impairments

Factors external to the OIG may restrict the work or interfere with an OIG's ability to form independent and objective opinions and conclusions. External impairments to independence occur when the OIG staff is deterred from acting objectively and exercising professional skepticism by pressures, actual or perceived, from management and employees of the reviewed entity or oversight organizations. OIGs should have policies and procedures in place to resolve or report external impairments to independence when they exist.

These impairments could include, but are not limited to, the following:²¹

- a. external interference or influence that could improperly or imprudently limit or modify the scope of OIG work or threaten to do so, including pressure to reduce inappropriately the extent of work performed in order to reduce costs or fees;
- b. external interference with the selection or application of OIG procedures, the selection of transactions to be examined, or access to records or personnel;
- c. unreasonable restrictions on the time allowed to complete OIG work or reports;
- d. interference external to the OIG in the assignment, appointment, promotion, or termination of OIG personnel;
- e. restrictions on funds or other resources provided to the OIG organization that adversely affect the OIG's ability to carry out its responsibilities;
- f. authority to overrule or to inappropriately influence OIG judgment as to the appropriate content of reports;

²¹ *Government Auditing Standards*, Section 3.19.

- g. threat of replacement over a disagreement with the contents of an OIG report, conclusions, or the application of an accounting principle or other criteria;
- h. influences that jeopardize the continued employment of the IG or other OIG staff other than incompetence, misconduct, or the need for OIG services.

4. Types of Services

Auditors and audit organizations within OIGs have a specific independence standard²² required by *Government Auditing Standards*. This standard requires that, while auditors have the capability of performing a range of services for their clients, in some circumstances it is not appropriate for them to perform both audit and certain nonaudit services for the same client. The standard is based on two overarching principles:

- a. Auditors should not perform management functions or make management decisions; and
- b. Auditors should not audit their own work or provide nonaudit services in situations where the amounts or services involved are significant/material to the subject matter of the audit.

In addition to its application to OIG audit activities, the first overarching principle should be applied broadly to all OIG activities. Specifically, OIG staff, and others under OIG direction, should not perform management functions or make management decisions for their agency.

OIG audit organizations should take steps to ensure that auditors under contract to the OIG do not have independence impairments.

²² *Government Auditing Standards*, Section 3.11-Section 3.25.

5. Conflicting Financial Interests

An OIG staff member's objectivity and independence may also be affected by personal financial interests that are held by the staff member or by certain family members, or by positions the staff member holds as a trustee, director, officer, or employee of an outside organization. OIG staff should notify appropriate officials within their organization if they have a potentially conflicting financial interest.

D. Confidentiality


Each OIG shall safeguard the identity of confidential sources and protect privileged, confidential, and national security or classified information in compliance with applicable laws, regulations, and professional standards.

Congress has provided specific authority for withholding the identities of agency employees who make complaints to the OIG. Under Section 7 of the IG Act of 1978, as amended, the OIG may receive and investigate complaints or information from employees concerning the possible existence of an activity constituting a violation of law, rules, or regulations; mismanagement; waste of funds; abuse of authority; or a substantial and specific danger to the public health or safety. The Inspector General shall not, after receipt of such complaint or information, disclose the identity of the agency employee without the consent of the employee, unless the Inspector General determines that such disclosure is unavoidable.

The Freedom of Information Act, the Privacy Act, the Civil Service Reform Act, the Health Insurance Portability and Accountability Act,²³ the Trade Secrets Act,²⁴ and other Federal statutes and case law provide certain protections for the identities of sources and for

²³ 42 U.S.C. Section 1320d-2 and implementing regulations cover the privacy of individually identifiable health information.

²⁴ 18 U.S.C. Section 1905 prohibits OIGs from disclosing confidential proprietary data obtained during the course of conducting their work unless such disclosure is authorized by law.



sensitive information obtained. Additionally, the relevant professional standards provide guidance on the use, protection, and reporting of privileged and confidential information. OIGs must follow the guidance contained in these authorities.



III. Professional Standards

A. General Standard

Each OIG shall conduct, supervise, and coordinate its audits, investigations, inspections, and evaluations in compliance with the applicable professional standards listed below.

For audits:

Government Auditing Standards, issued by the U.S. General Accounting Office (GAO).

For investigations:

Quality Standards for Investigations, accepted by the PCIE and ECIE and consistent with appropriate Department of Justice directives.

For inspections and evaluations:

Quality Standards for Inspections, accepted by the PCIE and ECIE, *Government Auditing Standards*, or other appropriate professional standards.

IV. Ensuring Internal Control

A. General Standard

The Inspector General and OIG staff shall direct and control OIG operations consistent with the *Standards for Internal Control in the Federal Government*²⁵ issued by the GAO. These standards require that internal control be part of an entity's management infrastructure to provide reasonable assurance that (1) operations are efficient and effective; (2) financial reporting is reliable; and (3) operations are in compliance with applicable laws, regulations, and professional standards.

Internal control is a continuous built-in component of operations, effected by people, that provides reasonable but not absolute assurance, that the OIG's objectives will be met. Internal control considerations include the following:

B. Efficient and Effective Operations

OIGs should strive to conduct their operation in the most efficient and effective manner. Each OIG should manage available resources at the least cost to produce the greatest results in terms of public benefit, return on investment, and risk reduction. OIGs derive much of their credibility to perform their work by demonstrating the ability to efficiently and effectively use and account for public funds.

C. Control Environment

OIG management and staff should establish and maintain an environment throughout the organization that fosters a positive and supportive attitude toward internal control and conscientious

²⁵ The Federal Managers' Financial Integrity Act of 1982 requires GAO to issue standards for internal control in government. The Office of Management and Budget issues implementing guidelines and specific requirements.

management. Key factors affecting the control environment include the following:

1. Integrity and ethical values maintained and demonstrated by OIG management and staff, the organizational structure and delegations of authority and responsibility, and OIG management's philosophy and operating style.
2. OIG management's commitment to competence and human capital policies and practices (see the Managing Human Capital standard).
3. OIG management's relationship with the Congress, their agency, and the Office of Management and Budget (OMB).


D. Risk Assessment

The Inspector General should provide for an assessment of the risks the OIG faces from both external and internal sources. Risk assessment includes identifying and analyzing relevant risks associated with achieving the OIG's objectives, such as those defined in strategic and annual performance plans, and forming a basis for determining how risks should be managed. Risk assessment methodologies and the formality of their documentation may vary from OIG to OIG, depending on the OIG's size, mission, and other factors.

E. Control Activities

The Inspector General should establish and implement internal control activities that ensure the OIG's directives are carried out. The control activities should be effective and efficient in accomplishing the OIG's control objectives.

Control activities are the policies, procedures, techniques, and mechanisms that enforce management's directives. Control activities are an integral part of the planning, implementing, reviewing, and accountability activities. Control activities include supervisory reviews at all levels to ensure compliance with



applicable professional standards, controls over information processing, physical control over vulnerable assets, establishing and reviewing performance measures and indicators, and segregation of duties.

F. Information and Communication

The Inspector General should ensure that information is recorded and communicated to internal OIG management and others within the OIG who need it and in a form and within a time frame that enables them to carry out their internal quality control and other responsibilities.

For the OIG to control its operations, it must have relevant, reliable, and timely communications relating to internal and external events. Information is needed throughout the OIG to achieve all of its objectives.

G. Monitoring

The Inspector General should ensure that monitoring assesses the quality of performance over time and ensures that the findings and recommendations of quality assurance and other reviews are promptly resolved.

The monitoring standard discusses three different types of activities: ongoing monitoring, self-assessment evaluations, and quality assurance reviews. Ongoing monitoring occurs in the course of normal operations and is continuous. Self-assessment evaluations and independent external reviews can be useful in focusing directly on the controls' effectiveness at a specific time.²⁶ The scope and

²⁶ The *Standards for Internal Control in the Federal Government* state that: "Separate evaluations of control can also be useful by focusing directly on the controls' effectiveness at a specific time. The scope and frequency of separate evaluations should depend primarily on the assessment of risks and the effectiveness of ongoing monitoring procedures. Separate evaluations may take the form of self-assessments as well as review of control design and direct testing of internal control."

frequency of these independent reviews should depend primarily on the assessment of risks and the effectiveness of ongoing control monitoring procedures.

1. *Ongoing monitoring* occurs in the course of normal operations. It is performed continually and is ingrained in the agency operations. It includes regular management and supervisory activities,²⁷ comparisons, reconciliations, and other actions employees take in performing their duties. Ongoing monitoring should include policies and procedures for ensuring that the findings of separate quality control evaluations and quality assurance reviews are promptly resolved.
2. *Self-assessment evaluations*, conducted by the unit or activity itself, include a reassessment of the risks associated with a particular activity and can include periodic reviews of control design and direct testing of internal controls, depending on the risk associated with the activity.
3. *Independent external reviews* are conducted by sources not assigned to the unit being reviewed. These reviews are distinct from ongoing management and supervision, and encompass the entirety of internal control, including administrative operations and professional services (audits, investigations, inspections, and evaluations). Quality assurance is intended to assess the internal controls of the entire OIG or specific OIG components. The Quality Assurance Program is a type of independent review that focuses on complying with professional standards in conducting professional services (see the Maintaining Quality Assurance standard).

²⁷ The *Government Auditing Standards*, the *Quality Standards for Investigations*, and the *Quality Standards for Inspections* all require that work be adequately supervised through higher level review and approval.

V. Maintaining Quality Assurance

A. General Standard²⁸

Each OIG shall establish and maintain a quality assurance program to ensure that work performed adheres to established OIG policies and procedures; meets established standards of performance, including applicable professional standards; and is carried out economically, efficiently, and effectively.

External quality assurance reviews provide OIGs with added assurance regarding their adherence to prescribed standards, regulations, and legislation through a formal objective assessment of OIG operations. OIGs are strongly encouraged to have external quality assurance reviews of audits, investigations, inspections, evaluations, and other OIG activities. Each OIG shall participate in the external quality assurance review programs required by the PCIE and ECIE.

B. Quality Assurance Program

Because OIGs evaluate how well agency programs and operations are functioning, they have a special responsibility to ensure that their own operations are as effective as possible. The nature and extent of an OIG's quality assurance program depends on a number of factors, such as the OIG size, the degree of operating autonomy allowed its personnel and its offices, the nature of its work, its organizational structure, and appropriate cost-benefit considerations. Thus, the program established by individual OIGs could vary, as could the extent of their documentation. However, each organization should prepare appropriate documentation to demonstrate compliance with its policies and procedures for its system of quality assurance.

²⁸ This standard is based on the *Standards for Internal Control in the Federal Government* and the quality control and assurance standard in the *Government Auditing Standards* (Section 3.49).

1. The quality assurance program is an evaluative effort conducted by reviewers external to the units/personnel being reviewed to ensure that the overall work of the OIG meets appropriate standards. The quality assurance program has an internal and external component.
2. The internal quality assurance program can include reviews of all aspects of the OIG's operations. The reviews are conducted by internal OIG staff that are external to the units being reviewed. The internal quality assurance program is distinct from regular management and supervisory activities, comparisons, and other activities by OIG staff performing their duties. Thus, an audit supervisor ensuring that audit reports are properly referenced to working papers is an example of regular supervision whereas an independent reviewer evaluating the referencing process is an example of internal quality assurance.
3. External quality assurance reviews are conducted by independent organizations not affiliated with the OIG being reviewed.


C. Elements of an Internal Quality Assurance Program

1. An internal quality assurance program must be structured and implemented to ensure an objective, timely, and comprehensive appraisal of operations. The internal quality assurance reviews should be conducted by individuals who are not directly involved in the activity or unit being reviewed and who do not report to the immediate supervisor of that activity or unit.
2. The same professional care should be taken with quality assurance reviews as with other OIG efforts, including adequately planning the review, documenting findings, developing supportable recommendations, and soliciting comments from the supervisor of the activity or unit reviewed.

3. The Inspector General shall implement necessary improvements on a timely basis.

D. Elements of an External Quality Assurance Program

1. The purpose of the external quality assurance program is to provide an additional and external level of assurance that the OIG conducts its audits, investigations, inspections, and evaluations in compliance with applicable professional standards.
2. The objective of the external quality assurance review is to determine whether the internal control system is in place and operating effectively to provide reasonable assurance that established policies and procedures and applicable professional standards are being followed.
3. Organizations and individuals managing and conducting external quality assurance reviews should be highly qualified and comply with specific supplemental guidance issued by the PCIE and ECIE to ensure the highest level of review quality. Individuals conducting these reviews should have a thorough knowledge of the applicable professional standards and the environment relative to the work being performed.
4. The reviewers should be independent of the organization being reviewed, its staff, and the work selected for review.
5. The reviewers should have knowledge related to performing an external quality assurance review and use professional judgment in conducting and reporting on the results of the review.
6. The review should be sufficiently comprehensive to assess whether the internal quality assurance program meets its objectives.
7. The external reviewers and the organization under review should prepare and sign a memorandum of understanding regarding fundamental aspects of the review. Possible topics include scope; staffing and time frames; discussion of



preliminary findings; reporting; handling of requests for reports, letters of comment, and review documentation; and procedures to address disagreements on findings and recommendations.

8. OIGs should provide copies of final reports resulting from external quality assurance reviews to the head of the agency or department and to the Chair and the Vice Chairs of the PCIE or ECIE, as appropriate. Upon request and subject to applicable law, the reports and letters of comment should be made available to the public in a timely manner.
9. OIGs should have procedures in place to address findings and recommendations contained in external quality assurance reviews.
10. The external quality assurance program can be extended to cover other OIG operations.

VI. Planning and Coordinating

A. General Standard

Each OIG shall maintain a planning system assessing the nature, scope, and inherent risks of agency programs and operations. This assessment forms the basis for establishing strategic and performance plans,²⁹ including goals, objectives, and performance measures to be accomplished by the OIG within a specific time period.³⁰

The Inspector General and OIG staff shall coordinate their activities internally and with other components of Government to assure effective and efficient use of available resources.³¹

²⁹ The Government Performance and Results Act of 1993, Section 3(a), requires each agency to develop a 5-year strategic plan, and, in Section 4(a) and (b), to prepare annual performance plans and reports. A January 28, 1998 memorandum from OMB to the PCIE and the National Science Foundation OIG requires each OIG that has a separate line item account in the President's Budget Appendix to submit a performance plan. The OIGs can either include goals, objectives, and measures in their agency's strategic and performance plans or develop their own strategic and annual performance plans and performance reports.

³⁰ OMB Circular No. A-123, *Management Accountability and Control*, Section 2, states that management accountability is the expectation that managers are responsible for the quality and timeliness of program performance, increasing productivity, controlling costs and mitigating adverse aspects of agency operations, and ensuring that programs are managed with integrity and in compliance with applicable law.

³¹ Throughout the IG Act, the IGs are given responsibility for coordinating their activities. In Section 4(a)(1), (3), and (4), the IGs are to coordinate the following: Section 4(a)(1) audits and investigations relating to the programs and operations of the agency; Section 4(a)(3) other activities carried out or financed by the agency for the purpose of promoting economy and efficiency or preventing and detecting fraud and abuse in its programs and operations; Section 4(a)(4) relationships between the agency and other Federal agencies, State and local governments, and nongovernmental entities with respect to (A) all matters relating to promoting economy and efficiency or preventing and detecting fraud and abuse in programs and operations administered or financed by the agency or (B) identifying and prosecuting participants in such fraud or abuse.

B. Elements of the Planning Process

OIGs should develop an appropriate planning process, giving consideration to the following elements.

1. Use a strategic planning process that carefully considers current and emerging agency programs, operations, risks, and management challenges. This analysis will identify the nature of agency programs and operations, their performance measures and anticipated outcomes, their scope and dollar magnitude, their staffing and budgetary trends, their perceived vulnerabilities, and their inherent risks.
2. Develop a methodology and process for identifying and prioritizing agency programs and operations as potential subjects for audit, investigation, inspection, or evaluation. The methodology should be designed to use the most effective combination of OIG resources, including previous OIG work and input from OIG staff. Also, the OIG should consider the plans of other organizations both internal and external to the agency.
3. Use an annual performance planning process that identifies the activities to audit, investigate, inspect, or evaluate and translates these priorities into outcome-related goals, objectives, and performance measures. As part of this planning process, OIGs should consider agency actions to address recommendations from prior OIG work. Because resources are rarely sufficient to meet requirements, the OIG must choose among competing needs.

C. Coordination Considerations

1. In planning work, the OIG should coordinate, where applicable, with agency management to ensure that OIG priorities appropriately consider agency needs. The OIG should take into consideration requests from the Congress, the OMB, other external stakeholders, the PCIE, the ECIE, complaints from employees and, as appropriate, private

citizens. By using this information, along with the OIG's knowledge of agency objectives and operations, the OIG can plan its work based on the relative costs and benefits.

2. The OIG should minimize duplicative work. The OIG should coordinate its work internally and with other groups (both inside and outside the agency) performing independent evaluations of agency operations and programs. This coordination should identify the nature and scope of other reviews, both planned and completed, to avoid duplicating others' work. Coordinating with the GAO is particularly important. As part of the planning process, each OIG should coordinate as needed with GAO representatives to exchange and discuss tentative plans for the next fiscal year.³² If duplication is identified, every effort should be made to resolve it.
3. The OIG will closely coordinate, if applicable, with the Department of Justice with respect to criminal and civil investigations in compliance with investigative standards and applicable deputations and accompanying memoranda of understanding.
4. When OIG staff identify problems that might affect other offices, agencies, or arms of government, the OIG should coordinate with them and their respective OIGs. Where appropriate, joint or coordinated audits, investigations, inspections, or evaluations may be performed to fulfill all the interested parties' requirements.³³

³² IG Act, Section 4(c).

³³ According to Executive Order 12805, Section 3(a), the PCIE and ECIE shall continually identify, review, and discuss areas of weakness and vulnerability in Federal programs and operations to fraud, waste, and abuse, and shall develop plans for coordinated, Government-wide activities that address these problems and promote economy and efficiency in Federal programs and operations. These activities will include interagency and inter-entity audit and investigation programs and projects to deal efficiently and effectively with those problems concerning fraud and waste that exceed the capability or jurisdiction of an individual agency or entity. The Councils shall recognize the preeminent role of the Department of Justice in law enforcement and litigation.


5. Because of the close interrelationships among many Federal programs, situations will arise where audit, investigation, inspection, or evaluation activity by one OIG will require work with another agency's program or administrative staff. In such cases, the OIGs will coordinate in order to facilitate the efficient accomplishment of the work.

D. Prevention

OIG planning should develop a strategy to identify the causes of fraud, waste, abuse, and mismanagement in high-risk agency programs, and to help agencies implement a system of management improvements to overcome these problems.³⁴ OIG prevention efforts may include the following:

1. A routine procedure for OIG staff to identify and report prevention opportunities as these may come up in their work, and for OIG managers to refer these to agency management, as appropriate;
2. Special awareness and training initiatives designed to alert agency employees to systemic weaknesses in the programs and operations of their agencies;
3. Review and comment on initial design of new agency programs and operations;
4. Analyses of audit, investigative, and other OIG reports to identify trends and patterns;
5. Education and training to ensure that appropriate OIG staff have requisite abilities in the loss prevention area, as well as fraud detection and prevention; and

³⁴ The IG Act of 1978, as amended, Section 2(2)(B), requires OIGs "to provide leadership and coordination and recommend policies for activities designed...to prevent and detect fraud and abuse...." Section 4(a)(3) reiterates the OIG's mission "to recommend policies for, and to conduct, supervise, or coordinate other activities...for the purpose of...preventing and detecting fraud and abuse."

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6. An effective means for tracking the implementation of recommendations.

VII. Communicating Results of OIG Activities

A. General Standard

Each OIG shall keep agency management, program managers, and the Congress fully and currently informed of appropriate aspects of OIG operations and findings. OIGs should assess and report to the Congress, as appropriate, on their own strategic and annual performance and the performance of the agency or department for which they have cognizance. Each OIG shall also report expeditiously to the Attorney General whenever the Inspector General has reasonable grounds to believe there has been a violation of criminal law.

B. Keeping the Head of the Agency Informed³⁵

1. Through periodic briefings and reports, the Inspector General should keep the appropriate department and agency heads advised of important undertakings of the OIG, its outcomes, and any problems encountered that warrant the department or agency head's attention.
2. The Inspector General should timely advise department and agency heads, consistent with requirements of confidentiality, of any agency official who attempts to impede or fails to require a contractor under his or her responsibility to desist from impeding an audit, investigation, inspection, evaluation, or any other OIG activity.³⁶
3. The Inspector General should timely alert department and agency heads, consistent with requirements imposed by

³⁵ IG Act, Section 2(3), requires that OIGs keep the head of the establishment and the Congress fully and currently informed about problems and deficiencies relating to the administration of programs and operations and the necessity for and progress of corrective action. Section 4(a)(5) and Section 5(b) require semiannual reports.

³⁶ IG Act, Section 6(b)(2).

confidentiality and the prosecutive system, to examples of egregious misconduct and waste.

C. Keeping the Congress Informed³⁷

1. The Inspector General shall report to the Congress, as required by the IG Act of 1978, as amended, and other legislation, regulations, and directives.
2. The Inspector General may also inform the agency head and Congress through the seven day letter (IG Act of 1978, as amended, Section 5(d)), or other appropriate means of particularly serious programmatic or administrative problems that contribute to fraud, waste, abuse, or mismanagement in agency operations and programs.
3. If the results of an audit, investigation, inspection, or evaluation indicate that deficiencies in Federal law contribute to fraud, waste, or abuse, these matters may be brought to the attention of the Congress, and may include recommendations for statutory change.³⁸
4. The Inspector General shall also report to the Congress and OMB on management challenges facing the agency or department and progress in meeting the challenges.³⁹

³⁷ See footnote 35.

³⁸ IG Act, Section 4(a)(2).

³⁹ 31 U.S.C., Section 3516(d), requires OIGs to summarize what the IG considers to be the most serious management and performance challenges facing the IG's agency and briefly assess the agency's progress in addressing those challenges. This requirement is triggered by the agency's consolidation of reports made to the Congress, OMB, or the President.

D. Keeping the Congress and Agency Informed on Performance⁴⁰

1. Each OIG should annually assess its own performance by evaluating actual to planned performance.
2. Each OIG should have sufficient information to conduct performance evaluations, e.g., a history of past results to show prior performance, a strategic and annual planning process to show expected performance, and a management information system to show actual performance.
3. Each OIG should report annually on its actual performance as compared to its performance goals, either as a contributing part of their agency reporting under the Government Performance and Results Act of 1993 (GPRA), if appropriate, or independently to their Agency and Congress.
4. Inspectors General may also advise the Congress on the performance goals, measurement process, and results of the agencies and departments for which they have cognizance.

E. Keeping Program Managers Informed

The OIG should make a special and continuing effort to keep program managers and their key staff informed, if appropriate, about the purpose, nature, and content of OIG activity associated with the manager's programs. These efforts may include periodic briefings as well as interim reports and correspondence.

F. Keeping Ethics Officials Informed

The OIG should make a special and continuing effort to keep the Designated Agency Ethics Official or similar official informed about OIG activities, including the results of investigations and allegations

⁴⁰ See footnote 29.

of ethical misconduct where appropriate, that related to the ethics official's responsibilities for the agency's ethics program.

G. Keeping the Attorney General Informed⁴¹

The OIG shall notify the Department of Justice and seek a prosecutive opinion whenever the OIG develops evidence of a Federal crime.

H. Elements of Effective Reporting⁴²

1. All products issued should comply with applicable professional standards and conform to the OIG's established policies and procedures.
2. Whether written or oral, all OIG reports should be objective, timely, and useful.
3. All products should be adequately supported.

⁴¹ IG Act, Section 4(d).

⁴² OMB *Guidelines for Ensuring and Maximizing the Quality, Objectivity, Utility, and Integrity of Information Disseminated by Federal Agencies* require agencies to adopt a basic standard of information quality (including objectivity, utility, and integrity) as a performance goal and take appropriate steps to incorporate information quality criteria into agency information dissemination practices. Quality is to be ensured and established at levels appropriate to the nature and timeliness of the information to be disseminated. Agencies shall adopt specific standards of quality that are appropriate for the various categories of information they disseminate, and, as a matter of good and effective agency information resources management, agencies are to develop a process for reviewing the quality (including the objectivity, utility, and integrity) of information before it is disseminated. The *Government Auditing Standards*, the *Quality Standards for Investigations*, and the *Quality Standards for Inspections* all address reporting standards for individual audit, investigative, and inspection or evaluation reports.

VIII. Managing Human Capital

A. General Standard⁴³

Each OIG should have a process to ensure that the OIG's staff members collectively possess the core competencies needed to accomplish the OIG mission.

B. Human Capital Processes

Each OIG's process for ensuring that its staff members possess the requisite qualifications should encompass processes for recruiting, hiring, continuously developing, training, and evaluating their staff members, and succession planning to assist the organization in maintaining a workforce that has the ability to meet the OIG's mission.

C. Core Competencies

Staff members must collectively possess the professional competence (i.e., teamwork, leadership, communication, technical knowledge, critical thinking skills, abilities, and experience) to perform the work assigned. In addition, staff must individually meet requirements established by the Office of Personnel Management for their respective job series and by applicable professional standards.

⁴³ The *Standards for Internal Control in the Federal Government* identifies one factor affecting the control environment as management's commitment to competence. All personnel need to possess and maintain a level of competence that allows them to accomplish their assigned duties, as well as understand the importance of developing and implementing good internal control. Management needs to identify what appropriate knowledge and skills are needed for various jobs and provide training as well as candid and constructive counseling, and performance appraisals. The Standards also discuss good human capital policies and practices as another critical environmental factor. This includes establishing appropriate practices for hiring, orienting, training, evaluating, counseling, promoting, compensating, and disciplining personnel. Executive Order 12805, Section 3(b), states that the PCIE and ECIE shall develop policies that will aid in the establishment of a corps of well-trained and highly skilled Office of Inspector General staff members.



D. Skills Assessment

To ensure that the OIG staff members collectively possess needed skills, the Inspector General and key managers should assess the skills of their staff members and determine the extent to which these skills match the OIG's requirements. OIG management is responsible for deciding the methods by which identified needs can be met by hiring contractors or outside consultants, using staff members who possess the requisite skills, developing staff members and providing training, or recruiting new staff. Each OIG must also ensure that staff members meet the requirements for continuing professional education contained in the applicable professional standards.⁴⁴

⁴⁴ The *Government Auditing Standards*, the *Quality Standards for Investigations*, and the *Quality Standards for Inspections* each require that the personnel collectively possess the skills and abilities to perform the assigned tasks and require continuing professional education.

IX. Reviewing Legislation and Regulations


A. General Standard

Each OIG shall establish and maintain a system to review and comment on existing and proposed legislation, regulations, and those directives that affect either the programs and operations of the OIG's agency or the mission and functions of the OIG.⁴⁵ The system should result in OIG recommendations designed to (1) promote economy and efficiency in administering agency programs and operations; (2) prevent and detect fraud and abuse in such programs and operations; and (3) protect the integrity and independence of the OIG.

B. Elements of Legislative and Regulatory Review

1. OIGs should assure independent and timely formulation and, to the extent within their control, transmission of OIG recommendations so that authorities dealing with the matters concerned can adequately consider the OIG comments. This requires early identification of legislative, regulatory, and those key administrative or directive issues of particular interest to the OIG.
2. OIGs should seek implementation of agency procedures that routinely provide for OIG review or comment on legislative and regulatory proposals of interest to the OIG and on agency-wide directives.
3. OIGs should have written procedures for and conduct appropriate reviews, as necessary, of authorizing legislation, regulations, and directives during investigations, internal audits, inspections and evaluations, and other OIG activities,

⁴⁵ The IG Act, Section 4(a)(2), gives IGs the responsibility to review existing and proposed legislation and regulations and make recommendations in the semiannual reports on the impact of legislation or regulations on the economy and efficiency of administering the agency's programs and operations or in preventing and detecting fraud and abuse.



particularly when it appears that a lack of controls or deficiencies in law have contributed to fraud, waste, abuse, and mismanagement.

X. Receiving and Reviewing Allegations

A. General Standard⁴⁶

Each OIG shall establish and follow policies and procedures for receiving and reviewing allegations. This system should ensure that an appropriate disposition, including appropriate notification, is made for each allegation.

B. Elements of a System for Receiving and Reviewing Allegations

This system should ensure that:

1. The OIG has a well-publicized vehicle through which agency employees and other interested persons can submit allegations of fraud, waste, abuse, and mismanagement, preserving anonymity when possible.
2. Each allegation is retrievable and its receipt, review, and disposition are documented.
3. Each allegation is initially screened to ensure that urgent and/or high priority matters receive timely attention and facilitate early determination of the appropriate courses of action for those complaints requiring follow-up action.
4. Based on the nature, content, and credibility of the complaint, allegations are appropriately reviewed.

C. Feedback

The OIG may establish a mechanism for providing feedback to parties who submit allegations. This feedback can be furnished in summary form through such vehicles as an employee newsletter, a semiannual report digest, or other means.

⁴⁶ IG Act, Section 7.

Legislation, Executive Orders, Standards, and OMB and Other Guidance Impacting the Inspector General Community

Document ^a	Description
Legislation	
The Inspector General Act of 1978, as amended, 5 U.S.C. App. 3 (P.L. 95-452).	Establishes independent and objective Offices of Inspector General.
Accounting and Auditing Act of 1950, 31 U.S.C. §§713, 714, 718, 719, 3326, 3501, 3511-3514, 3521, 3523, 3524 (P.L. 97-258).	Requires the head of each executive agency to certify that the agency's systems for internal accounting and administrative control comply with standards prescribed by the Comptroller General.
Budget and Accounting Act of 1921, 31 U.S.C. §§ 501, 502, 521, 522, 701-704, 711, 712, 716, 718, 719, 731, 771-779, 1101, 1104-1108, 1111, 1113, 3301, 3323, 3324, 3521, 3522, 3526, 3529, 3531, 3541, 3702. (42 Stat. 20)	Assigns responsibilities for government accounting, auditing, and financial reporting to improve evaluations of Federal Government programs and activities by better identifying sources of funding and how the funding was applied.
Federal Financial Management Act of 1994, 31 U.S.C. §§ 331, 501 note, 3301 note, 3332, 3515, 3521. (P.L. 103-356)	Requires all agencies covered by the Chief Financial Officers Act to prepare annual, agency-wide financial statements.
Federal Financial Management Improvement Act of 1996, 5 U.S.C. App §5; 10 U.S.C. §§ 113 note, 2315; 15 U.S.C. §278g-3; 28 U.S.C. §612; 31 U.S.C. §§ 3512, 3512 note, 3521; 38 U.S.C. §310; 40 U.S.C. §§ 1401 notes, 1441 note; 41 U.S.C. § 251 notes.(P.L. 104-208)	Provides for the establishment of uniform Federal Government accounting systems, accounting standards, and reporting systems.

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Document ^a	Description
Federal Managers Financial Integrity Act of 1982, 31 U.S.C. §§1105, 1113, 3512. (P.L. 97-255)	Provides for establishment, implementation, and evaluation of accounting and administrative controls regarding financial management activities.
Government Performance and Results Act of 1993, 5 U.S.C. § 306; 31 U.S.C. §§ 1101 note, 1105, 1115, 1115 note, 1116-1119, 9703, 9704; 39 U.S.C. §§ 2801-2805. (P.L. 103-62)	Provides for the establishment of strategic planning and performance measurement in the Federal Government.
Government Management Reform Act of 1994, 2 U.S.C. § 31, 31 note; 3 U.S.C. § 104; 5 U.S.C. §§ 5318, 6304, 6304 note; 28 U.S.C. § 461; 31 U.S.C. §§ 331 note, 501 note, 1113 note, 3301 note, 3332, 3515, 3521. (P.L. 103-356)	Improves the efficiency of executive branch performance by enhancing reporting to the Congress through elimination and consolidation of duplicative or obsolete reporting requirements.
Chief Financial Officers Act of 1990, 5 U.S.C. §§ 5313-5315; 31 U.S.C. §§ 501 notes, 502-506, 901, 901 notes, 902, 903, 1105, 3511 note, 3512, 3515, 3515 note, 3521, 3521 note, 9105, 9106; 38 U.S.C. § 201 note; 42 U.S.C. § 3533. (P.L. 101-576)	Improves the general and financial management of the Federal Government.
E-Government Act of 2002, 5 U.S.C. §§ 3111, 3701-3707, 4108, 8432 note; 10 U.S.C. §§ 2224, 2332; 13 U.S.C. § 402; 15 U.S.C. §§ 176a, 278g-3, 278g-4; 18 U.S.C. §§ 207, 209; 28 U.S.C. § 1913 note; 31 U.S.C. §§ 503, 507; 40 U.S.C. §§ 305, 502, 11331, 11332, 11501-11505, 11521, 11522; 41 U.S.C. §§ 266a, 423; 44 U.S.C. §§ 101 note, 3501, 3504-3506, 3531, 3541-3549, 3601-3606. (P.L. 107-347)	Provides for the independent review of Federal agency information technology security by Offices of Inspector General.

Document ^a	Description
<p>Clinger-Cohen Act of 1996, 5 U.S.C. § 571 note, 5315; 5 U.S.C. App 3 § 11, 11 note; 10 U.S.C. §§ 1701 note, 2220, 2249, 2302, 2304, 2304 note, 2304e, 2305, 2305a, 2306a, 2306 note, 2306b, 2315, 2323, 2324, 2350b, 2372, 2384, 2397, 2397a-2397c, 2400, 2401 note, 2405, 2409, 2410, 2410b, 2410d, 2410g, 2424, 2431, 2432 note, 2461, 2533, 2539b, 2662, 2702; 15 U.S.C. §§ 278g-3, 637, 644, 789; 16 U.S.C. § 799; 18 U.S.C. § 281; 22 U.S.C. § 2761, 2761 note; 28 U.S.C. § 612; 29 U.S.C. § 721; 31 U.S.C. §§ 1352, 1558, 3551-3554; 38 U.S.C. § 310; see 40 U.S.C. §§ 11101-11103, 11301-11303, 11311-11318, 11331, 11332, 11501-11505, 11521, 11522, 11701-11704; 41 U.S.C. §§ 10a note, 11, 15, 20a, 20b, 22, 35 note, 43a, 43b, 44, 45, 57, 251 note, 253, 253a, 253b, 253l, 253m, 254b, 254d, 255, 257, 264a, 265, 266, 401-434, 601, 605, 612, 701; 42 U.S.C. §§ 6392, (P.L. 104-156)</p>	<p>Provides for OMB oversight of information technology development and acquisition, agency management of IT investments, and establishment of standards by NIST.</p>
<p>Reports Consolidation Act of 2000, 31 U.S.C. §§ 3116, 3501 note, 3515, 3516, 3521. (P.L. 106-531)</p>	<p>Encourages and authorizes report consolidation; makes report formats more useful and meaningful; improves the quality of information reported; enhances the coordination and efficiency of such reports.</p>
<p>Single Audit Act Amendments of 1996, 31 U.S.C. §§ 7501, 7501 notes, 7502-7505. (P.L. 104-156)</p>	<p>Requires that the <i>Government Auditing Standards</i> be followed in audits of state and local governments and nonprofit entities that receive federal financial assistance.</p>

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Document ^a	Description
Privacy Act, 5 U.S.C. §552 (P.L. 93-579)	Places limitations on how federal agencies collect, use, and disclose information about individuals (U.S. citizens and resident aliens). Gives individuals the right to have access to records maintained on them by agencies and the right to seek corrections to those records, subject to various exemptions.
Freedom of Information Act, as amended, 5 U.S.C. §552, (P.L. 104-231)	Holds the government accountable to the governed; it establishes a statutory right, enforceable in court, for persons (individuals, corporations, etc.) to have access to Federal agency records, subject to certain exemptions.
Whistleblower Protection Act, 5 U.S.C. §§ 1201, 1201 notes, 1202-1206, 1208, 1209, 1211, 1211 note, 1212-1219, 1221, 1222, 2302, 2303, 3352, 3393, 5509 notes, 7502, 7512, 7521, 7542, 7701, 7703; 22 U.S.C. § 4139.	Protects the rights of, and prevents reprisals against, Federal employees who disclose governmental fraud, waste, abuse, and other types of corruption or illegality.
Health Insurance Portability and Accountability Act (PL 104-191)	Covers the privacy of individually-identifiable information.
Trade Secrets Act, 18 U.S.C. § 1905.	Prohibits OIGs from disclosing confidential proprietary data obtained during the course of conducting their work unless such disclosure is authorized by law.
Federal Conflict of Interest Laws, 18 U.S.C. Sections 202-209	Establishes criminal prohibitions for employees of the Executive Branch.

Document ^a	Description
Executive Orders	
Integrity and Efficiency in Federal Programs, Exec. Order No. 12805, 57 FR 20627 (May 11, 1992).	Establishes the PCIE and ECIE and describes their functions and responsibilities.
Administrative Allegations Against Inspectors General, Exec. Order No. 12993, 61 FR 13043 (March 21, 1996).	The PCIE and ECIE Integrity Committee shall receive, review, and refer for investigation allegations of wrongdoing against IGs and certain staff members of OIGs.
Standards	
Standards for Internal Control in the Federal Government, GAO/AIMD-00-21.3.1 (November 1, 1999).	Establishes overall framework for establishing and maintaining internal control and for identifying and addressing major performance and management challenges and areas at greatest risk of fraud, waste, abuse, and mismanagement.
Government Auditing Standards: 2003 Revision, GAO-03-673G (June 2003).	Establishes standards for government audits.
Quality Standards for Investigations, PCIE/ECIE (September 1997).	Establishes standards for investigative efforts conducted by criminal investigators working for Federal Offices of Inspector General.
Quality Standards for Inspections, PCIE (March 1993).	Establishes standards for inspections and evaluations conducted by Federal Offices of Inspector General.
Standards of Ethical Conduct for Employees of the Executive Branch, 5 C.F.R. Part 2635 (2003).	Establishes general principles for ethical conduct of employees of the Executive Branch.

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Document ^a	Description
Statements of Federal Financial Accounting Standards, Federal Accounting Standards Advisory Board (May 2002).	Accounting principles for Federal government reporting entities issued by the Federal Accounting Standards Advisory Board.
Codification of Statements on Auditing Standards (Including Statements on Standards for Attestation Engagements), American Institute of Certified Public Accountants (2003).	Auditing standards for financial audits.
OMB Circulars, Bulletins, and Guidelines	
Various OMB Circulars, Bulletins, and Guidelines	Establish requirements and guidelines for implementing: <ul style="list-style-type: none">▪ internal controls▪ management accountability and control▪ federal financial systems▪ management of federal information resources▪ audits of states, local governments and non-profit organizations▪ financial accounting principles and standards▪ financial statement audits▪ information dissemination
Other Guidance	
Guide for Conducting External Quality Control Reviews of the Audit Operations of the Offices of Inspector General, PCIE (February 2002).	Provides guidance on conducting external quality control reviews of OIG Offices of Audit.

Document ^a	Description
Guide for Conducting Qualitative Assessment Reviews for the Investigative Operations of Inspectors General, PCIE/ECIE (2002).	Provides guidance on conducting external qualitative assessment reviews of OIG investigative operations.
GAO/PCIE Financial Audit Manual, GAO-01-765G (July 2001).	Provides guidance on conducting financial statement audits.

^aSome OIGs are not components of an entity legally defined as a "Federal agency." Therefore, some of the cited laws, regulations, or other guidance may not be directly applicable by law to all OIGs. In these cases, principles or concepts of the guidance may be adopted by the OIG entities as a matter of policy.

Members of the PCIE/ECIE Advisory Committee to Revise the Quality Standards for Federal Offices of Inspector General

Robert McGregor, Chair
Federal Deposit Insurance Corporation

Emilie Baebel
Small Business Administration

David Berry
National Labor Relations Board

Patricia Brannin
Department of Defense

Helen Lew
Department of Education

David Long
Department of Health and Human Services

Peter McClintock
Small Business Administration

Jerome Persh
Department of Transportation

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

**QUALITY
STANDARDS
FOR
INVESTIGATIONS**

DECEMBER 2003

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PREFACE

The standards and principles set forth in this document are intended to serve as guidelines applicable to the investigative efforts of criminal investigators working for the Offices of Inspector General (OIGs) affiliated with the President's Council on Integrity and Efficiency and the Executive Council on Integrity and Efficiency. While it is recognized that members of the OIG community are widely diverse in their missions and day-to-day operations, certain standards are applicable to any investigative organization. The standards outlined herein are comprehensive and relevant to a full range of government investigations, including all forms of misdemeanors and felonies (i.e., fraud, corruption, violence, property, narcotics, cyber, and white-collar crime), background and security inquiries, whistleblower issues, research misconduct issues, administrative and programmatic matters, and special investigations requested by any appropriate authority.

This booklet outlines two types of investigative standards—General and Qualitative. General Standards apply to investigators and the organizational environments in which they perform. They address the "need for" criteria and apply to all investigative activities from complaint processing, to gathering and analyzing evidence, to reporting investigative functions and processes with regard to investigations. Qualitative Standards address the "how to" criteria in general terms and include such areas as planning, conducting interviews, reporting investigative results, and related activities.

The Quality Standards for Investigations outlines goals that organizations must aggressively and actively strive to achieve. It is not intended, however, to serve as a detailed investigative handbook, with specific statutory or other legal requirements. Rather, each OIG should develop and issue an investigations manual to address implementation of these standards, as well as investigative procedures tailored to its particular mission and investigative discipline. How agencies implement them depends upon the unique circumstances of the respective department or agency.

This booklet replaces the standards published by the President's Council on Integrity and Efficiency in September 1997. It is intended to serve as a framework for performing internal quality assurance reviews or peer reviews within the investigative community.

QUALITY STANDARDS FOR INVESTIGATIONS

GENERAL STANDARDS

General Standards apply to investigators and the organizational environment in which they perform. They address the "need for" criteria. The three general standards address qualifications, independence, and due professional care.

A. Qualifications

The first general standard for investigative organizations is:

Individuals assigned to conduct the investigative activities must collectively possess professional proficiency for the tasks required.

This standard places upon the investigative organization the responsibility for ensuring that investigations are conducted by personnel who collectively have the knowledge and skills required to perform the investigative activities.

Guidelines

Investigations vary in purpose and scope: the integrity of programs, operations, and personnel in agencies at federal, state, and local levels of government; complex procurement fraud schemes; traditional misdemeanors and felonies; the background and suitability of individuals for employment or for granting of security clearances; whistleblower retaliation; research misconduct concerns; and other matters involving alleged violations of law, rules, and regulations. These investigations often require the use of specialized investigative techniques; examination of complex financial transactions, contracts and grants, and business operations; and interviews of a wide-range of Government and corporate officials. A wide variety of knowledge and skills is necessary to perform the broad range of activities required by these diverse investigations.

Investigative organizations should establish criteria to be used in recruiting and selecting the best-qualified applicants. At a minimum, factors to be considered in employing entry-level candidates should include education and experience, character, age, and physical capabilities. Each of these factors may be controlled by legislation, regulation, or agency needs.

Investigative organizations should, as circumstances warrant, review these criteria to ensure that they assist in providing the best-qualified applicants. In addition, organizations should establish

appropriate avenues, where possible, for investigators to acquire and maintain the necessary knowledge, skills, and abilities; complete entry-level training; participate in in-service training; and receive professional development opportunities.

Education—It is desirable that all newly appointed investigators possess a degree from an accredited four-year college.

The knowledge acquired from a higher education will enable the investigator to better deal with complex problems encountered in day-to-day investigative work. Higher education enhances the investigator's ability to communicate effectively, both orally and in writing, with witnesses, other law enforcement, prosecutors, supervisors, coworkers, and the general public.

Experience—Depending on the specific needs of the agency, allowances may be made for candidates to substitute job experience for a college education. Suitable job experience would provide the candidate with demonstrable knowledge, skills, and abilities pertinent to the investigative position as discussed later in this document.

Depending upon the nature of the investigative organization's mission, additional requirements may be established for specific types of experience (e.g., financial, computer skills, etc.).

Character—Each investigator must possess and maintain the highest standards of conduct and ethics, including unimpeachable honesty and integrity.

Every citizen is entitled to have confidence in the integrity of government affairs and those who conduct them. Investigators must earn and honor that trust through their integrity and conduct in all official and personal actions. Because of the sensitivity of investigative functions, a suitability determination should be made as to the investigator's character, reputation, trustworthiness, and overall fitness for such a position. A determination as to one's suitability will be based on the results of a background investigation, including personal interviews, written inquiries and confirmations, record searches, and a review of the applicant's compliance with programs administered by the agency. An agency should determine the period or term to be covered by the background investigation based upon program responsibilities. Such suitability decisions should be made prior to the appointment of an individual as an investigator. Possession of a security clearance does not, by itself, satisfy the requirement for a background investigation to determine suitability (i.e., agencies should have a mechanism in place for conducting reference checks and other background checks deemed appropriate).

Physical Capabilities—Each investigative organization should develop job-related physical requirements in accordance with current statutes, regulations, and agency policies to enable investigators to discharge their duties adequately, while promoting personal well-being.

The physical demands placed upon the investigator will vary among agencies. Some organizations may desire to establish a fitness program for investigators to provide and maintain physical fitness and reduce the risks of cardiovascular disease, obesity, stress, and other related ailments and disorders.

It is in the interest of an investigative agency to establish and maintain a vibrant workforce, because an investigator's duties frequently require irregular unscheduled hours, personal risk, exposure to extreme weather conditions, considerable travel, and arduous exertion. Investigators are frequently engaged in stressful encounters and can be victims of "burn out."

Age—Consideration must be given to minimum and maximum age requirements for entry-level positions in accordance with applicable statutes and regulations. Waivers may only be granted in accordance with applicable regulations.

Knowledge, Skills, and Abilities—Due to the critical and sensitive nature of an investigator's position, investigative agencies should ensure that all investigators, once selected, possess the requisite knowledge, skills, and abilities summarized below to fulfill their responsibilities.

1. A knowledge of theories, principles, practices, and techniques of investigation and the education, ability, and experience to apply such knowledge to the type of investigation being conducted;
2. A knowledge of government organizations, programs, activities, functions, and, where applicable, their interrelations with the private sector;
3. A knowledge of applicable laws, rules, and regulations, including the U.S. Constitution, the U.S. Criminal Code (including elements of crimes), the Federal Rules of Evidence, the Federal Rules of Criminal Procedure, and other pertinent statutes, such as the Privacy, Freedom of Information, and Whistleblower Protection Acts;
4. An ability to exercise tact, initiative, ingenuity, resourcefulness, and judgement in collecting and analyzing facts, evidence, and other pertinent data; make sound deductive reasoning; and make oral and written reports;
5. An ability to safely and effectively carry out law enforcement powers, where duly authorized, including carrying firearms, applying for and executing search warrants, serving subpoenas, and making arrests; and,
6. The skills necessary for the investigation:

This qualification standard recognizes that proper training is required in order to meet the need for the broad range of special knowledge and skills necessary to conduct investigations. This training should include both formal classroom and on-the-job training. The qualifications mentioned herein apply to the skills of an investigative organization as a whole and not necessarily to every individual investigator. If an organization possesses personnel or draws upon outside resources with acceptable skills in such areas as accounting, use of investigative equipment and computerized systems, each individual member need not possess all these skills. Skills required to conduct an investigation are:

- (a) Proficiency at obtaining information from people;
- (b) Ability to analyze and understand documentary evidence;
- (c) Understanding of witness confidentiality and “whistleblower” concepts;
- (d) Ability to analyze and evaluate facts; make sound, objective assessments and observations; and, where appropriate, make constructive recommendations;
- (e) Ability to effectively use computer equipment, software and related systems in support of the investigative process;
- (f) Ability to deliver clear, concise, accurate, and factual summaries of results of investigations, both orally and in writing;
- (g) Ability to prepare and obtain signed, sworn statements; and
- (h) Ability to utilize appropriate and authorized specialized investigative techniques.

Entry-Level Training—All investigators must successfully complete a formal basic training course. This training may be specifically designed to meet an agency's basic program needs. This basic training program should include areas such as investigative planning; interviewing techniques; sources of information; collecting, analyzing and preserving evidence; rules of evidence; affidavits and statements; specialized investigative techniques; constitutional law; relevant statutes and regulations; report writing; testifying in court and administrative hearings; preparations and execution of search warrants; grand jury procedures and secrecy provisions; arrest procedures; firearms training; defensive tactics; and instruction in the use of force. Agencies may consider sending investigators to training programs at the Inspector General Criminal Investigator Academy or may provide in-service training covering similar topics, as best suits the agency's requirements and the investigator's experience. In addition, each agency should provide orientation (formal or informal) specifically relating to the agency's mission, programs, policies, procedure, rules, and regulations. (See Appendix A-Job Task Illustration for Investigators.)

In-Service Training—Investigative agencies should ensure that investigative personnel remain current with new laws and court decisions affecting operations, technological improvements and any changes in agency and national level policies, procedures, rules, and regulations (e.g., Transportation Security Administration [TSA] training on “flying while armed”). All post-basic training should be part of a systematic, progressive plan to maintain the requisite knowledge, skills, and abilities. At a minimum, training in firearms, deadly force policy, and other related skills should be conducted regularly in organizations with traditional

law enforcement powers (e.g., quarterly for agencies with statutory authority under the Inspector General Act of 1978, as amended).

Professional Development—The training of an investigator should be a continuing process. Investigators should receive formal and on-the-job exposure prior to assignments requiring independent judgments. A mentoring program is recommended. A continuous career development program should be established to provide the proper preparation, training, and guidance to employees to enable them to develop into professionally qualified investigators and supervisors.

To facilitate this effort, the investigative agency should develop a training profile that will satisfy its needs. (See Appendix B-Training Profile Illustration for Investigators.)

B. INDEPENDENCE

The second general standard for investigative organizations is:

In all matters relating to investigative work, the investigative organization must be free, both in fact and appearance, from impairments to independence; must be organizationally independent; and must maintain an independent attitude.

This standard places upon agencies, investigative organizations, and investigators the responsibility for maintaining independence, so that judgments used in obtaining evidence, conducting interviews, and making recommendations will be impartial and will be viewed as impartial by knowledgeable third parties. There are three general classes of impairments to independence: personal, external, and organizational.

Guidelines

Personal Impairments—There are circumstances in which investigators may experience difficulty in achieving impartiality because of their views and/or personal situations and relationships. While these impairments apply to individual investigators, they may also apply to the investigative organization. These impairments may include the following:

1. Official, professional, personal, or financial relationships that might affect the extent of the inquiry; limit disclosure of information; or weaken the investigative work in any way;
2. Preconceived opinions of individuals, groups, organizations, or objectives of a particular program that could bias the investigation;
3. Previous involvement in a decision-making or management capacity that would affect current operations of the entity or program being investigated;

4. Biases—including those induced by political or social convictions—that result from employment in, or loyalty to, a particular group or organization; and
5. Financial interest in an individual, entity, or program being investigated.

External Impairments—Factors external to the investigative organization may restrict its ability to conduct independent and objective investigations and produce factual reports of investigations. For example, under the following conditions, investigators may be adversely affected and the investigative organization may not have the ability to conduct independent and objective investigations:

1. Interference in the assignment of cases or investigative personnel;
2. Restrictions on funds or other resources dedicated to the investigation or to investigative organizations;
3. Authority to overrule or to influence the extent and thoroughness of the investigative scope, how the investigation is conducted, who should be interviewed, what evidence should be obtained, and the appropriate content of the investigative report; and
4. Denial of access to sources of information, including documents and records.

Organizational Impairments—An investigative organization's independence can be affected by its place within the structure of the government entity of which it is a part. To help achieve maximum independence, the investigative function or organization should be organizationally located outside the staff or line management function of the unit under investigation or whose employees are under investigation. Investigations of OIG personnel should always reflect a special sensitivity to this issue of independence.

C. Due Professional Care

The third general standard for investigative organizations is:

Use due professional care in conducting investigations and in preparing related reports.

This standard requires a constant effort to achieve quality professional performance. It does not imply infallibility or absolute assurances that an investigation will reveal the truth of a matter.

Guidelines

This standard requires:

Thoroughness—All investigations must be conducted in a diligent and complete manner, and reasonable steps should be taken to ensure pertinent issues are sufficiently resolved and to ensure that all appropriate criminal, civil, contractual, or administrative remedies are considered.

Legal Requirements—Investigations should be initiated, conducted, and reported in accordance with (a) all applicable laws, rules, and regulations; (b) guidelines from the Department of Justice and other prosecutive authorities; and (c) internal agency policies and procedures. Investigations should be conducted with due respect for the rights and privacy of those involved.

Appropriate Techniques—Specific methods and techniques used in each investigation must be appropriate for the circumstances and objectives.

Impartiality—All investigations must be conducted in a fair and equitable manner, with the perseverance necessary to determine the facts.

Objectivity—Evidence must be gathered and reported in an unbiased and independent manner in an effort to determine the validity of an allegation or to resolve an issue.

Ethics—At all times the actions of the investigator and the investigative organization must conform with generally accepted standards of conduct for government employees.

Timeliness—All investigations must be conducted and reported with due diligence and in a timely manner. This is especially critical given the impact investigations have on the lives of individuals and activities of organizations.

Accurate and Complete Documentation—The investigative report findings, and investigative accomplishments (indictments, convictions, recoveries, etc.), must be supported by adequate documentation (investigator notes, court orders of judgment and commitment, suspension or debarment notices, settlement agreements, etc.) in the case file.

Documenting Policies and Procedures—To facilitate due professional care, organizations should establish written investigative policies and procedures via handbook, manual, directives, or similar mechanism.

QUALITATIVE STANDARDS

Qualitative standards apply to the management functions and processes investigators perform. They address the "how to" criteria.

In an investigation program, there are four critical standards that must be addressed if the effort is to be successful. These standards are: Planning, Execution, Reporting, and Information Management.

A. Planning

The first qualitative standard for investigative organizations is:

Establish organizational and case specific priorities and develop objectives to ensure that individual case tasks are performed efficiently and effectively.

Priorities and objectives apply to investigative organizations in general (e.g., the types and numbers of investigations conducted, application of resources, minimal case opening thresholds, etc.) and to specific investigative tasks in particular (e.g., who to interview, what records to review, time frames for completing tasks, etc.). This standard may best be achieved through the preparation of organizational and case specific plans and strategies.

Guidelines

Organizational Planning—Organizations should prepare goal-oriented operational plans that are consistent with prevailing legislation (e.g., Government Performance and Results Act). A basic, single-source planning document should present each organization's goals and objectives, allocation of resources, budget guidance, performance measures, and a guide for managers to implement these plans. The plans should include a projected allocation of resources, identification of priorities, description of investigations programs, and new initiatives on the horizon.

While the plan must be flexible enough to accommodate individual agency needs and shifting of investigative emphasis and staff resources as circumstances dictate, it should provide a basis for the professional management of investigative resources and workload during the planning year.

Individual Case Planning—Upon receipt, each complaint must be evaluated against the investigative functions, priorities, and guidelines for one of three decisions:

- Initiate investigative activity,

- Refer to another appropriate authority, or
- Take no further specific investigative action.

If the decision is to initiate an investigation, the organization should begin any necessary immediate actions and establish—if appropriate—an investigative plan of action, as soon as possible, that includes as many of the following steps as deemed necessary:

1. Determine the primary nature of the allegations (criminal, civil, and/or administrative).
2. Determine the planned focus and objectives of the investigation.
3. Identify possible violation(s) of law, rule, or regulation and understand the corresponding elements of proof or standards.
4. Coordinate the decision to open an investigation with appropriate authorities, if warranted (e.g., Federal Bureau of Investigation, etc.).
5. Determine the applicable judicial venue and coordinate with prosecutors, when appropriate.
6. Determine the appropriate administrative office and coordinate with adjudicators, when appropriate.
7. Identify and prioritize the investigative steps necessary to meet investigative objectives. This includes identifying the best approach to take during the investigation in order to resolve the allegations(s) or issue(s) (e.g., list of witnesses, relevant records, etc.).
8. Determine the resources necessary to meet investigative requirements.
9. Establish a time-phased approach that ensures individual leads are pursued on a timely basis and periodic evaluations of progress occur. This would include an affirmative decision to continue or terminate the investigation.
10. Ensure that investigative steps include the identification of any causative factors that can be reported as weaknesses or internal control issues requiring corrective action by agency management.
11. Coordinate with appropriate agency or other Government officials if notable security or public health and safety issues are raised.

B. Execution

The second qualitative standard for investigative organizations is:

Conduct investigations in a timely, efficient, thorough, and legal manner.

The investigator is a fact-gatherer and should not allow conjecture, unsubstantiated opinion, or bias to affect work assignments. He or she also has a duty to be receptive to evidence that is exculpatory, as well as incriminating. Investigators collect and analyze evidence through a number of techniques, including but not limited to interviews of complainants, witnesses, victims, and subjects; reviews of records (e.g., personnel files, contract or grant files, financial records, etc.); collection of forensic evidence; surveillance and consensual monitoring; and use of computer technology (e.g., link analysis, databases, spreadsheets, cyber forensics, data mining, etc.).

Guidelines

With regard to conducting investigations, the following guidelines should be considered:

Interviews—A review of known information should precede a planned interview. An investigator should fully identify himself/herself and others present and state the purpose of the interview, if appropriate. Relevant personal data should be obtained from witnesses. When conducting an interview, particular attention should be given to obtaining the interviewee's observation and knowledge of incidents and actions or statements of other persons connected with the event. Interviewees should be asked to provide or identify the location of relevant documents. All interviews are subject to inclusion in reports. Any contemporaneous interview notes that are prepared in a criminal investigation shall be retained at least until final disposition of the case. Two investigators should be present when conducting interviews in situations that are potentially hazardous or compromising. Requests for witness confidentiality should be considered and properly documented.

Evidence—The collection of evidence should be undertaken in such a way as to ensure that all relevant material is obtained, the chain of custody is preserved, and the evidence is admissible in a subsequent proceeding. Information and evidence obtained during an investigation should be verified by as many sources as are necessary and reasonable to establish the validity of such information.

Documenting Activities—The results of investigative activities should be documented in the case file in an accurate and complete manner. Internal investigative guidelines should specifically and clearly address due diligence and the importance of timeliness.

Legal Requirements—Interviews, evidence collection, and other activities must be initiated, conducted and reported in accordance with all applicable laws, rules, regulations, and consistent

with due respect for the rights and privacy of those involved. This includes, for example, appropriate warnings and assurances, and grand jury restrictions.

Progress Reviews—Supervisory reviews of case activities should occur periodically in order to ensure that the case is progressing in an efficient, effective, thorough, objective, and legal manner.

C. Reporting

The third qualitative standard for investigative organizations is:

Reports (oral and written) must thoroughly address all relevant aspects of the investigation and be accurate, clear, complete, concise, logically organized, timely and objective.

A report must be accurate and clearly, as well as concisely, reflect the relevant results of the investigator's efforts. It should be presented in straightforward, grammatically correct language—avoiding the use of unnecessary, obscure, and confusing verbiage. Graphics should be well prepared, clearly relevant to the investigation, and supportive of the presentation.

Guidelines

Organizations must determine whether an oral or written report is warranted, based on the circumstances of the issue(s) involved. In pursuing this standard, the following guidelines should be considered:

1. In any report, the facts must be set forth to facilitate reader comprehension. This should include a clear and concise statement of the applicable law, rule, or regulation that was allegedly violated or that formed the basis for an investigation.
2. The principles of good report writing must be followed. A quality report will be logically organized, accurate, complete, concise, impartial, clear and issued in a timely manner.
3. Reports must contain exculpatory evidence and relevant mitigating information when discovered during any administrative investigation. Exculpatory evidence in a criminal or civil investigation must be brought to the attention of the assigned prosecutor.
4. Evidence outlined in a report must be supported by documentation in the investigative case file, and each report must contain an accurate recitation of facts.
5. Reports should clearly record or reference all pertinent interviews, contacts, or other investigative activities.

6. Reports or case files should reflect what the investigation accomplished. This would include fines, savings, recoveries, indictments, convictions, management recommendations, etc.
7. Reports should be organized in an orderly, logical manner to identify the issues and evidence quickly.
8. Investigators should write reports in deductive prose, using overview statements and topic sentences. Write in short, simple, and direct sentences and paragraphs.
9. Reports should be no longer than necessary without sacrificing clarity, completeness, and accuracy to communicate the relevant investigative findings. Reports should neither raise unanswered questions nor leave matters open to misinterpretation. Additionally, in some cases it may be appropriate to note specific allegations that were not investigated to ensure decision-makers can take further action as they deem appropriate.
10. Investigative reports should not contain personal opinions or views. All assessments, conclusions, observations, and recommendations must be based on available facts.
11. Reports should be formatted in a manner that is responsive to the intended recipient's needs.
12. Systemic weaknesses or management problems disclosed in an investigation should be reported to agency officials as soon as possible.

D. Information Management

The fourth qualitative standard for investigations is:

Store investigative data in a manner allowing effective retrieval, referencing, and analysis

One of the many hallmarks of an efficient organization is its ability to retrieve information that it has collected. An effective information management system creates and nourishes an institutional memory. This, in turn, enhances the entire organization's ability to conduct pattern and trend analyses. It enhances the organization's ability to fulfill the mandate of detection and prevention. A residual benefit is that it assists in the process of making informed judgments relative to resource allocation, training needs, investigative program development, and prevention and implementation of the investigative process.

Guidelines

The degree to which an organization achieves its goals is affected by the way information is collected, stored, retrieved, and analyzed. Information, or the lack of it, has direct influence on management's ability to make sound decisions relating to investigative matters. Therefore, written directives should exist that define the organizational component responsible for record maintenance and the specific procedures to be performed.

Information Flow—Accurate processing of information is essential to the mission of an investigative organization. It should begin with the orderly, systematic, accurate, and secure maintenance of a management information system. Written guidance should define the data elements to be recorded in the system. The guidance should be based on legal requirements and needs.

Complaint Handling Activities—The investigative process often begins with information received in the form of a complaint from an individual. The initial complaint will rarely provide the agency with all the necessary information and may be the first indication of a serious violation of law. In accordance with the Inspector General Act, policies, procedures, and instructions for handling and processing complaints should be in place. Individuals receiving complaints should obtain all pertinent details. The agency should adopt procedures to ensure that basic information is recorded and tracked to final resolution.

Case Initiation—Establish guidelines, including the level of the approving authority, for making a determination to initiate an investigation or to pursue another course of action. Case assignments should be based on resource considerations, geographical dispersion and level of experience of personnel, and current workloads. A decision not to investigate (refer to another entity or take no action) should be documented.

Management Information—Management should have certain information available to perform its responsibilities, measure its accomplishments and respond to requests by appropriate external customers. Items that may be considered for tracking purposes include but are not limited to the following:

Workload Data

- Number of complaints handled
- Cases opened
- Cases closed
- Cases pending (active)
- Referrals to program managers and outcomes from such referrals
- Referrals to other investigative agencies (federal, state, or local—including agency name)
- Referrals (criminal, civil, and administrative)
 - accepted
 - declined
- Amount of direct and indirect labor hours expended on each case, where appropriate

Identification Data

- Appropriate dates (allegation received, case opened, case closed, etc.)
- Source information (anonymous, private citizen, etc.)
- Type of violations investigated (criminal, civil, administrative, etc.)
- Category of investigation (contract and grant fraud, theft, bribery, environmental violation, cyber crime, scientific misconduct, etc.)
- Priority (routine, high priority, special interest, etc.)
- Potential violations (Title 18 of the U.S. Code, agency regulations, etc.)
- Suspected dollar loss, where appropriate
- Joint and task force investigations
- Operation, program, office or facility impacted (Departmental bureau or organization)
- Principal state and location where investigation is centered, including judicial venue
- Investigative techniques employed (i.e., consensual monitoring, undercover investigation, searches, hazardous interviews and activities, etc.)
- Indices of subjects, witnesses, and other individuals

Investigative Results Data

- Number of indictments, convictions, declinations/acceptances, criminal outcomes, and civil actions
- Amount of recoveries, restitutions, fines, and settlements
- Reports issued (to prosecutors and agency management)
- Recommendations to agency management for corrective action(s) (e.g., take disciplinary action, recover monies, correct internal control weaknesses, etc.)
- Number of disciplinary or other administrative agency actions (terminations, suspensions, debarments, personnel and contractor actions)

The above data will generally allow for the design of a basic system of administrative checks and controls to meet management needs. Depending on the complexity and scope of an investigative activity, additional data can be developed that will enable trend and pattern analyses.

The Investigative File—All investigative activity, both exculpatory and incriminating, should be recorded in an official case file. A case file should be established immediately upon the opening and assignment of an investigation. The file is used for the storage and maintenance of investigative records (e.g., interview write-ups, data analysis, reports, etc.). Written directives for file management should specify procedures for at least the following:

- File organization, maintenance, storage, and security
- Assignment of case numbers
- Preparation and filing of documents and exhibits
- Collecting and storing evidence
- Distribution and dissemination of reports
- File access record

- Records retention, including evidence, interview write-ups, investigator notes, and other case file documentation (to be determined based on agency requirements, Federal records regulations, and judicial decisions).

APPENDICES

Appendix A

JOB TASK ILLUSTRATION FOR INVESTIGATORS

Receipt, Analysis, and Disposition of Allegations(s)

- Obtain data from complainant or source
- Document complaint in writing
- Know prosecutive or regulatory criteria
- Identify violations (elements of crime) or administrative standards
- Review and identify significant information or potential evidence
- Determine correct disposition of complaint (criminal, civil, or administrative)
- Open investigation, if appropriate, and coordinate with appropriate authorities (internally/externally)

Assessment, Focus, and Preparation of Investigative Plan

- Review available information and evidence
- Review legal decisions and guidelines
- Review agency programs, operational policies, and procedures
- Determine focus and scope of investigation
- Assess and identify required resources
- Identify potential witnesses, suspects, relevant documents, and evidence
- Organize and prioritize investigative activities
- Prepare initial investigative plan

Conduct Investigation

- Maintain focus and follow investigative plan (revise as necessary)
- Prepare for anticipated investigative activities (interviews, taking statements)
- Apply knowledge of laws and/or regulations
- Understand and apply techniques to ensure constitutional rights
- Project a professional image
- Use good oral and written communicative skills
- Know evidentiary rules
- Collect, analyze, and preserve evidence
- Use appropriate specialized techniques (search warrants, forensics, consensual monitoring)
- Conduct reviews and data inquiries and promptly document such activities
- Collect and analyze financial data
- Assess progress and re-focus when necessary
- Coordinate progress with supervisor (prosecutors or management, as appropriate)

- Maintain appropriate liaison
- Effectively manage the case and assist personnel and meet planned milestones
- Obtain IG or grand jury subpoenas and/or testify before grand jury

Review, Organize, and Evaluate Investigative Findings

- Review and understand the information gathered
- Organize the information and evidence gathered
- Correlate data, witnesses, and records
- Consider internal/external customer needs

Draft Report, Validate Contents, and Submit Final Report

- Write draft report--ensure accuracy, thoroughness, objectivity, proper format, clarity, and correct grammar
- Review report to ensure information is correct and complete
- Consider issues such as confidentiality, the Privacy Act, the Freedom of Information Act, and security classification
- Include disclosure caveats where appropriate
- Write final report
- Distribute to appropriate entities

Post-Investigative Tasks

- Know rules of criminal and/or civil procedure
- Assist with preparation for court/administrative proceedings
- Serve witness subpoenas
- Assist U.S. Attorney/District Attorney at trial
- Testify at trial
- Document and report results, dispositions, and outcomes
- Obtain disposition of exhibits and evidence after trial/hearing
- Return and document proper disposition of documents and evidence
- Review the organization of investigative files for efficient retrieval
- Archive investigative files
- Ensure information management database reflects accurate and final case information

Appendix B

TRAINING PROFILE ILLUSTRATION FOR INVESTIGATORS

Basic/Entry Level Training – GS 5/7¹	CITP²	IGITP³
Administering Rights Warnings	X	
Agent Liability	X	
Basic Computer Applications	X	
Cardiopulmonary Resuscitation	X	
Complaint Assessment	X	
Ethics and Code of Conduct	X	
Federal Rules of Criminal/Civil Procedure	X	
Informants	X	
Sexual Harassment/Diversity	X	
Surveillance	X	
Testifying in Court and Trial Processes	X	
Victim/Witness Awareness	X	
Affidavits and Statements	X	X
Applying and Executing of Search Warrants	X	X
Arrest Techniques	X	X
Assisting US Attorneys and other Prosecutors	X	X
Authority and Jurisdiction	X	X
Case Development and Liaison	X	X
Collection, Protection, and Rules of Evidence	X	X
Communication Skills (Oral and Written)	X	X
Constitutional Rights	X	X
Defensive Tactics	X	X
Disclosure/Privacy/FOIA	X	X
Electronic Sources of Information	X	X
Elements of a Crime	X	X
Firearms Proficiency	X	X
Fraud Schemes	X	X
Interviewing Techniques	X	X
Investigative Planning	X	X
Relevant Civil and Criminal Statutes	X	X
Report Writing	X	X
Use of Electronic Evidence	X	X
Administrative Remedies		X
Civil Remedies		X
Concepts of Confidentiality		X
Employee Complainants		X
Inspector General Act		X
Inspector General Subpoena		X
Whistleblower Protections		X

¹ On-the Job or In-Service Training should, to some degree, be provided for each of these areas based on the organization's mission and needs.

² Criminal Investigator Training Program conducted by the Federal Law Enforcement Training Center.

³ Inspector General Basic Training Program conducted by the Inspector General Criminal Investigator Academy.

Agency In-Service Training

Recurring⁴

- Code of Conduct
- Sexual Harassment/Diversity
- Ethics
- Agency Authority/Jurisdiction
- Physical Efficiency Battery
- Health Assessment

Quarterly

- Firearms Familiarization and Qualification
- Use of Force Policy (including Deadly Force)

Periodic⁵

- Legal Update (Criminal and Civil)
- Arrest Techniques
- Defensive Tactics
- Intermediate Weapons
- Cardiopulmonary Resuscitation
- Lifestyle Management/Stress
- Victim/Witness Awareness
- Blood Borne Pathogens (annually)

⁴ Based on agency requirements.

⁵ Conducted on a scheduled basis in accordance with applicable standards (e.g., Attorney General guidelines, Federal regulations, etc.).

Advanced Training⁶	GS-7	GS-9	GS-11	GS-12	GS-13	GS-14
Data Analysis	X	X				
Employee Conduct and Integrity	X	X				
Financial Fraud (Loans, Credit Cards, etc.)		X				
Accounting Principles		X				
Embezzlement		X				
Environmental Crimes		X				
Computer Crimes		X				
Bribery		X				
Contract and Grant Fraud		X				
Technical Investigative Equipment		X				
Advanced Interviewing		X				
Undercover Operations		X				
Advanced Financial Investigations			X			
Advanced Computer Applications			X			
Electronic Evidence Extraction			X			
Electronic Evidence Analysis			X			
Anti-Trust Investigations			X			
1 st -Level Supervision				X	X	
Case Management				X	X	
Problem Solving and Conflict Resolution					X	
Advanced Supervision					X	
Leadership, Coaching, and Mentoring					X	
Office Administration/Management					X	
Personnel Management						X

⁶ Based on organization's needs and mission requirements.



Council of the

INSPECTORS GENERAL

on INTEGRITY and EFFICIENCY

**Quality Standards
for
Inspection and Evaluation**

January 2011

Council of the Inspectors General on Integrity and Efficiency

Authority

Section 11 of the Inspector General Act of 1978 (5 U.S.C. app. 3.), as amended (IG Act).

Mission

The mission of the Council of the Inspectors General on Integrity and Efficiency (CIGIE) shall be to address integrity, economy, and effectiveness issues that transcend individual Government agencies; and increase the professionalism and effectiveness of personnel by developing policies, standards, and approaches to aid in the establishment of a well trained and highly skilled workforce in the Offices of Inspectors General (OIG).

CIGIE Inspection and Evaluation Committee

Provides leadership for the CIGIE Inspection and Evaluation community's effort to improve agency program effectiveness by maintaining professional standards; leading the development of protocols for reviewing management issues that cut across departments and agencies; promoting the use of advanced program evaluation techniques; and fostering awareness of evaluation and inspection practice in OIGs. The Committee provides input to the CIGIE Professional Development Committee on the training and the development needs of the CIGIE Inspection and Evaluation community.

Message from the Chairman of the CIGIE Inspection and Evaluation Committee

Since it was first issued in 1993, the “Quality Standards for Inspections” has provided a solid framework for inspections and evaluation work by Federal Offices of Inspector General (OIG). Over the years, these standards have been broadly embraced by OIGs and have thus been instrumental in building our strong reputation for impartiality, reliability, and credibility.

The Inspector General Reform Act of 2008 (IG Reform Act) provided that members of the Council of the Inspectors General on Integrity and Efficiency (CIGIE) “shall adhere to professional standards developed by the Council” (§ 11(c)(2) of the IG Reform Act). In June 2010, CIGIE officially adopted the “Quality Standards for Inspections” as the professional standards for all inspection and evaluation work performed by member organizations. The IG Reform Act requires compliance with these standards.

For this 2011 edition of the “Quality Standards for Inspection and Evaluation,” the Inspection and Evaluation (I&E) Committee has made technical changes that bring the document into full compliance with the IG Reform Act, including replacing all references to the “PCIE” (President's Council on Integrity and Efficiency) and the “ECIE” (Executive Council on Integrity and Efficiency) with CIGIE. However, except for these technical changes and mandating adherence to the “Quality Standards” when conducting I&E work, the standards as revised in 2005 are largely unchanged.

I want to personally thank everyone who worked to revise these standards and to give special recognition to the I&E Roundtable for its leading role on this project. The value and relevance of our work depends on just this sort of cooperative effort.



Chairman, Inspection and Evaluation Committee



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PREFACE

Within the Inspector General community, inspections and evaluations have long afforded OIGs a flexible and effective mechanism for review of Department/Agency programs by using a multidisciplinary staff and multiple methods of gathering and analyzing data. As used throughout these standards, the term “inspection” includes evaluations, inquiries, and similar types of reviews that do not constitute an audit or a criminal investigation. The term “inspector” is used generically to refer to the individual conducting such work.

An inspection is defined as a process that evaluates, reviews, studies, and/or analyzes the programs and activities of a Department/Agency for the purposes of providing information to managers for decisionmaking; making recommendations for improvements to programs, policies, or procedures; and identifying where administrative action may be necessary. Inspections may be used to provide factual and analytical information; monitor compliance; measure performance; assess the efficiency and effectiveness of programs and operations; share best practices; and inquire into allegations of fraud, waste, abuse, and mismanagement. The inspection function at each Department/Agency is tailored to its unique mission. For example, at the Department of State, inspections focus primarily on the adequacy of management of programs and activities in each of the American embassies and consulates, as well as in each bureau or major operating unit of the Department; whereas at the Department of Veterans Affairs, inspections focus primarily on evaluating the quality of patient care provided to our Nation’s veterans. At the Department of Health & Human Services, the majority of inspections focus on preventing fraud, waste, and abuse in the Medicare and Medicaid programs.

Thus, to be responsive to the needs of the Inspector General community, it is important that the standards for conducting inspections not be overly prescriptive, or the very flexibility that makes an inspection such a valuable tool would be lost. With that in mind, these standards have been developed as a framework for performing inspection work. They are broad enough to take into consideration a wide variety of inspections and the requirements of the various offices that perform inspections, while remaining precise enough to provide fundamental general and qualitative standards. It is the responsibility of each Office of Inspector General to develop internal written procedures to guide the conduct of inspection work. These procedures should include appropriate controls to ensure compliance with the “Quality Standards for Inspection and Evaluation,” as well as the Inspector General Act of 1978, as amended, and any other legislation or regulations applicable to an organization’s operations.

The Council of the Inspectors General on Integrity and Efficiency endorse the “Quality Standards for Inspection and Evaluation” and, in compliance with the Inspector General Reform Act of 2008, anticipate the consistent application of these standards throughout the Inspector General community. The standards are reviewed periodically to ensure their continuing relevancy and sufficiency.

QUALITY STANDARDS FOR INSPECTION AND EVALUATION

Inspections and Evaluations organizations should strive to conduct their operations in the most efficient and effective manner possible, which serves to enhance the credibility of the organizations. The following standards are established by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) to guide all inspection work performed by Offices of Inspector General (OIG). The term “inspection” includes evaluations, inquiries, and similar types of reviews that do not constitute an audit or a criminal investigation. The term “inspector” is used generically to refer to the individual conducting such work.

COMPETENCY

The standard for inspection work is:

The staff assigned to perform inspection work should collectively possess adequate professional competency for the tasks required.

The inspection organization needs to ensure that the personnel conducting an inspection collectively have the knowledge, skills, abilities, and experience necessary for the assignment, which should include:

- Knowledge of evaluation methodologies; familiarity with the concepts, processes, and assumptions of the program or activity being inspected; the capacity to conduct a broad interdisciplinary inquiry; knowledge of qualitative and quantitative analysis; writing and oral briefing skills; information technology related capabilities; and knowledge of Inspector General statutory requirements and directives.
- The ability to develop a working familiarity with the organizations, programs, activities, and/or functions identified for inspection. When reviewing technical or scientific topics, it may be appropriate to use the services of a subject matter expert. Expertise may be determined by the individual having a related degree, license, certification, experience, etc.
- Managerial skills for supervisors, team leaders, and lead inspectors.

The Inspector General community has developed a guide regarding core competencies for inspection organizations and inspectors, as well as a guide for general skill levels for inspectors, which are included as appendixes to this document. Inspection organizations should have a process for recruitment, hiring, continuous development, and evaluation of staff to assist the organization in maintaining a workforce that has adequate competence. The nature, extent, and formality of the process will depend on various factors, such as the size of the inspection organization, its work, and its structure. These factors will also affect the staffing needs of an organization. For example, an inspection organization may need to employ personnel or hire specialists who are knowledgeable, skilled, or experienced in such areas as accounting, statistics, law, engineering, information technology, public administration, economics, or social sciences.

OIGs should strive to provide inspectors with 80 hours of training biennially, but should minimally provide 40 hours of training biennially. Appropriate training may include evaluation/inspection training, such as program analysis; writing; technical training; and career development training, such as in managerial skills.

OIGs should have internal policies and procedures for issuance and utilization of credentials.

INDEPENDENCE

The standard for inspection work is:

In all matters relating to inspection work, the inspection organization and each individual inspector should be free both in fact and appearance from personal, external, and organizational impairments to independence.

Inspectors and inspection organizations have a responsibility to maintain independence so that opinions, conclusions, judgments, and recommendations will be impartial and will be viewed as impartial by knowledgeable third parties. The independence standard should be applied to anyone in the organization who may directly influence the outcome of an inspection and includes both Government and private persons performing inspection work for an OIG.

Inspection organizations and inspectors should be alert to possible impairments to independence and should avoid