PRINCIPLES AND STANDARDS FOR OFFICES OF INSPECTOR GENERAL

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Statement of Principles for Offices of Inspector General

Accountability is key to maintaining public trust in our democracy. Inspectors general at all levels of government are entrusted with fostering and promoting accountability and integrity in government. While the scope of this oversight varies among Offices of Inspectors General (OIGs), the level of public trust, and hence public expectation, embodied in these offices remains exceptionally high. The public expects OIGs to hold government officials accountable for efficient, cost-effective government operations and to prevent, detect, identify, expose and eliminate fraud, waste, corruption, illegal acts and abuse. This public expectation is best served by inspectors general when they follow the basic principles of integrity, objectivity, independence, confidentiality, professionalism, competence, courage, trust, honesty, fairness, forthrightness, public accountability and respect for others and themselves. Inspectors general are granted substantial powers to perform their duties. In exercising these powers, inspectors general regard their offices as a public trust, and their prime duty as serving the public interest.

By the nature of their work, OIGs are held to the same or higher expectations than other government officials in using prudence with public resources. Because OIGs often identify and describe wasteful use of public resources by organizations under scrutiny, they have a concomitant duty to conduct their own work in an efficient and effective manner. Office of Inspector General (OIG) work should adhere to professional standards and include quality controls to assure that all products are of the highest possible quality. This requires an internal quality assurance program and suggests periodic external quality reviews for each OIG.

An OIG is judged by the results of its efforts and the timeliness, accuracy, objectivity, fairness, and usefulness of these results. These are the cornerstones of OIG accountability. Qualitative and quantitative performance measures should be developed and measured internally and reported to the public.

Legal Authority for an Office of Inspector General

An OIG should be formally created as a legal entity. The Association recommends that the OIG's legal authority be established by state constitution, local charter, statute, ordinance or, if necessary, by executive order. The legal authority should establish the OIG's mandate, authority, and powers; provide for confidentiality of records and proceedings; identify qualifications for the inspector general and staff; protect the office's independence; and provide protection to whistleblowers.[1] The complete legal authority for an OIG may incorporate authority from a variety of sources.

A. Mandate: The legal authority should state the OIG mission and identify the operations, programs, departments, or agencies subject to the OIG's jurisdiction. The mission should encompass prevention and detection of fraud, waste, and abuse; efficient and effective use of public resources; and promotion of public integrity.

B. Authority: The legal authority should authorize the OIG to conduct specific functions, such as:

- to audit, inspect, evaluate, review, and investigate the activities, records and individuals affiliated with contracts and procurements undertaken by the governmental entity and any other official act or function of the governmental entity.
- to conduct criminal, civil, and administrative investigations.
- to engage in prevention activities, including but not limited to: review of legislation; review of rules, regulations, policies, procedures, and transactions; and training and education.
- to refer matters for further civil, criminal, and administrative action to appropriate administrative and prosecutorial agencies.
- to conduct joint investigations and projects with other oversight or law enforcement agencies.
- to issue public reports.
- to establish policies and procedures to guide functions and processes conducted by the OIG.

[1] The Association has developed model legislation for the establishment of an OIG. Jurisdictions can refer to the model and amend it as appropriate. The model is available at inspectorsgeneral.org.

- to attend any meetings held by agencies.
- to recoup the cost of investigations from nongovernmental entities involved in willful misconduct.

C. Powers: The legal authority should grant the OIG specific powers and identify any limits on those powers, such as:

- the power of subpoena for persons and documents, requirements for service of the subpoena, confidentiality of subpoenaed documents and testimony, and subpoena enforcement provisions.
- law enforcement authority (police powers).
- access to all records maintained by or available to any governmental entity relating in any way to the OIG's duties and responsibilities.
- access to any public official or employee of any public entity, when necessary for any purpose pertaining to the OIG's duties and responsibilities.
- access to testimony or documents from any individual, firm, or nongovernmental entity relating to the OIG's duties and responsibilities.
- require public employees to report to the OIG information regarding fraud, waste, corruption, illegal acts, and abuse.

D. Confidentiality: The legal authority should authorize the OIG to maintain appropriate confidentiality of records and, to the extent practicable, of the identities of individuals who provide information to the OIG, unless it is necessary to make such records or identities public in the performance of their duties. The legal authority should impose penalties for breach of confidentiality.

E. Inspector general and staff qualifications: The legal authority should provide requirements for the position of inspector general. The inspector general should be selected without regard to political affiliation on the basis of integrity, capability for strong leadership, and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, investigation, or criminal justice administration or other appropriate fields. The inspector general should hold at appointment, or be required to obtain within a time certain after appointment, certification as a Certified Inspector General®.

The staff of the OIG should collectively possess the knowledge, skills, and experience needed to accomplish the OIG mission. Individual staff members should possess the knowledge, skills, and experience needed for their assigned roles. The OIG should ensure that staff receive appropriate training and attain

and maintain appropriate professional licensure and certification including, as appropriate, the Certified Inspector General®, the Certified Inspector General Investigator®, Certified Inspector General Auditor®, and the Certified Inspector General Inspector/Evaluator® designations.

Commentary: The Association established the Certified Inspector General® (CIG) program in 1999 after identifying six areas of core competency. Qualified participants (inspectors general and experienced senior staff) can earn the CIG designation by attending the Inspector General Institute®. Highly qualified instructors present segments on the following six areas of core competency:

- *Context of the inspector general function*
- *Ethics*
- *Public management issues*
- *Legal issues*
- *Audits, inspections, evaluations, and reviews*
- *Investigating fraud, waste, and abuse*

The Association subsequently established three additional certifications for qualified OIG staff who attend the Inspector General Institute®: Certified Inspector General Auditor®, Certified Inspector General Investigator®, and Certified Inspector General Inspector/Evaluator®.

Those holding certifications conferred by the Association are required to adhere to the continuing professional education standard contained in the Quality Standards for Offices of Inspector General and maintain membership in the Association to retain the certifications.

F. Independence: The legal authority should contain provisions to help establish and maintain the independence of the inspector general and the OIG. The legal authority should address:

- *Appointment and removal* - Procedures should be established for the appointment of the inspector general and for the removal of the inspector general only for cause.
- *Term* - The inspector general should be appointed for a fixed term, subject to reappointment by the appointing authority.

- *Organizational placement* - The OIG's location in the governmental structure should allow it to exercise independence in fact and appearance from operations, programs, policies, and procedures over which the OIG has authority.

- *Funding* - The OIG should be funded through a mechanism that will provide adequate funding to perform its mission without subjecting it to internal or external impairments to its independence. For example, some OIGs are funded based upon a portion of the budget of the agency or jurisdiction subject to the OIG's oversight, or through a dedicated percentage (millage) of the jurisdiction's revenues.

- *Independent counsel* – The OIG should have on staff, or have access to, legal counsel to advise the OIG, independent of the agency or jurisdiction subject to the OIG's oversight.

G. Whistleblower protection: The legal authority should provide protections to complainants who, as a result of their complaints to the OIG, might be subject to retaliation by their employers.

Overview - Quality Standards

OIGs are established to prevent and detect fraud, waste, and abuse. In the conduct of their work, OIGs have a special need for high standards of professionalism and integrity to develop and deliver outstanding products that are timely, objective, accurate, balanced, adequately supported by evidence and presented in such a way that appropriate officials will be able to act on the information conveyed. In order to help ensure that OIGs meet high standards, the Board of Directors of the Association formally approved the following quality standards:

- *Quality Standards for Offices of Inspector General – Section 1*
- *Quality Standards for Investigations – Section 2*
- *Quality Standards for Inspections, Evaluations and Reviews – Section 3*
- *Quality Standards for Audits – Section 4*

Applicability of Standards
The standards are in some cases mandatory for OIGs under their legal authority. Where they are not mandatory, the Association recommends that OIGs adopt and follow the standards to guide the conduct of official duties in a professional manner. Where the standards are mandated or adopted by an OIG, the mandate or adoption must be documented. If any element of the standards is not applicable under the OIGs legal authority, or is otherwise not adopted, (for example, if a standard conflicts with the OIG's legal authority or another provision of law), the exception should be noted in documentation along with the reason for the exception.

Standards are presented in bold typeface in text boxes. The balance of information in the standards section is suggested best practice, guidance, and clarification for conduct of the function.

Section 1

Quality Standards for Offices of Inspector General

INTRODUCTION

Purpose

This document contains quality standards for the management, operation, and conduct of Offices of Inspector General (OIGs). They are for OIGs to use to guide the conduct of official duties in a professional manner.

Background

In accomplishing their missions, OIGs use a variety of approaches. For example, audits, investigations, inspections, evaluations, and reviews are used as a basis for evaluating agency programs and operations, for identifying and presenting for prosecution criminal and civil wrongdoing and addressing administrative misconduct. Reviews of allegations received through hotlines and other means help to identify high-risk areas and determine where internal controls should be strengthened. Some OIGs use a variety of techniques and titles, such as fraud control programs, inspections, operational surveys, contract and operational monitoring, and other special activities to focus attention on agency needs to improve operations. OIG reviews of legislation and regulations serve to strengthen controls and ensure that the public interest is protected without imposing unnecessary burdens. OIG reports to public officials, agency heads, agency management, legislative bodies, and prosecutorial authorities keep appropriate officials apprised of the results of OIG activities.

Basic Premise

Public office carries with it the responsibility to apply public resources economically, efficiently, and effectively with the integrity necessary to maintain the public trust. Because OIGs have a unique mission in government related to public office responsibility, the Association has formally approved the following general quality standards.

1.1 INDEPENDENCE

The inspector general and OIG staff involved in performing or supervising any assignment should be free both in fact and in appearance from personal or external impairments to independence and should constantly maintain an independent attitude and appearance.

A. Background

The inspector general is responsible for establishing and maintaining independence so that OIG opinions, conclusions, judgments, and recommendations will be impartial and viewed by others as impartial. The inspector general and OIG staff should consider not only whether they are independent and whether their own attitudes and beliefs permit them to be independent, but also whether there is anything about their situation which might lead others to question their independence. All situations deserve consideration since it is important that the OIG be as independent as possible and impartial in fact and in appearance.

The inspector general and OIG staff shall establish and follow procedures to identify and consider potential personal and external impairments. If any impairment may affect the inspector general's or OIG staff's ability to perform the work impartially, appropriate steps shall be taken to eliminate or minimize the impairment. If appropriate steps cannot be taken, the inspector general should decline to perform the work and report the circumstances to the appropriate official. If the inspector general cannot decline to perform the work, the impairment should be disclosed in any resulting report, along with any potential impact the impairment might have on the outcome of the report's conclusions.

B. Personal Impairments

There are circumstances in which the inspector general and OIG staff cannot be impartial because their personal situations may create actual or perceived conflicts of interest. In such situations, the OIG staff who are affected by these circumstances should disqualify themselves from an OIG review and allow the work to continue without them. Personal impairments may include, but are not limited to, the following:

1. Official, professional, personal, or financial relationships that might appear to lead the OIG to limit the extent of the work, to limit disclosure, or to alter the outcome of the work.

2. Preconceived ideas toward activities, individuals, groups, organizations, objectives, or particular programs that could affect the objectivity of the OIG staff member or bias the outcome of the work.

3. An OIG staff member previously performing or being involved in the work subject to review, including being in a decision-making or management capacity, that could affect the work.

C. External Impairments

Factors external to the OIG can restrict the efforts or interfere with the OIGs ability to form independent and objective opinions and conclusions. For example, the OIG's work could be adversely affected, and the OIG would not have complete freedom to make an independent and objective judgment under the following conditions:

1. Interference or undue influence in the selection, appointment, and employment of OIG staff.

2. Restrictions on funds or other resources, such as timely, independent legal counsel dedicated to the OIG, that could prevent the OIG from performing essential work.

3. Interference or undue influence in the OIG's selection of what is to be examined, determination of scope and timing of work or approach to be used, the appropriate content of any resulting report, or resolution of audit findings.

4. Influences that jeopardize continued employment of the inspector general or individual OIG staff for reasons other than competency or the need for OIG services.

5. Interference with OIG access to documents or individuals necessary to perform OIG work.

Improper political pressures that affect the selection of areas for review, the performance of those reviews, and the objective reporting of conclusions without fear of censure.

1.2 PLANNING

The OIG should maintain a planning system for assessing the nature, scope, trends, vulnerabilities, special problems, and inherent risks of agency programs and operations and for use in establishing the goals, objectives, and tasks to be accomplished by the OIG within a specific time period.

A. Background

The inspector general is responsible for ensuring that the resources available to the OIG are used efficiently and effectively. Execution of this responsibility requires a planning process designed to maximize the impact of the OIG in detecting and preventing fraud, waste, and abuse and in encouraging economy, efficiency, and effectiveness, with the commitment of resources needed to accomplish each OIG task.

B. Elements of the Planning Process

The OIG should carefully consider the universe subject to the OIG's jurisdiction. Analysis of this universe will identify the nature of programs and operations, their scope and dollar magnitude, their staffing and budgetary trends, their perceived vulnerabilities, and their inherent risks.

The OIG should develop a strategy for screening those programs and operations identified as potential subjects for review. The strategy should be designed to manage OIG resources effectively. Total OIG capabilities, programs, and resources should be considered in developing this strategy. The OIG should also consider the plans of other organizations. Strategic planning, in this context, need not be limited to a specific time period and should be a flexible process that allows for appropriate changes.

Based on the above analysis, the OIG should set priorities and create action plans. Because resources are rarely sufficient to meet requirements, the OIG must choose among competing priorities. In making these choices, OIG considerations may include, for example:

1. Vulnerabilities to fraud and other crimes, waste, abuse, and mismanagement.

2. Needs and priorities of the agency, legislative bodies, and other appropriate officials.

3. Benefits likely to result from OIG review, such as better internal controls; improved economy, efficiency, and effectiveness; detection and prevention of fraud, waste, abuse, and mismanagement; and cost recovery.

4. Probable cost-effectiveness (OIG resources that would be expended compared to anticipated benefits) of each selection.

5. The use of alternate budgetary authority (for example, authorized funding from capital bond proceeds) to supplement OIG resources.

6. Impacts of alternative OIG review approaches: for example, identifying major systemic problems as opposed to concentrating on individual manifestations of these systemic problems.

C. Prevention

OIG planning should incorporate a strategy to identify the causes of fraud, waste, and abuse, and a commitment to help overcome these problems. OIG prevention efforts may include:

1. A routine procedure for OIG staff to identify and report prevention opportunities identified in their work, and for OIG managers to refer these to appropriate officials.

2. Special awareness and training initiatives designed to orient public or private program personnel to systemic weaknesses in their programs and operations.

3. Reviews and comments on initial designs of new programs and operations.

4. Analyses of audit, investigation, and other OIG reports to identify trends and patterns.

5. Education and training programs to build the capacity of public officials and others to operate efficiently, effectively, and ethically.

6. An effective means for tracking recommendations.

1.3 ORGANIZING

The inspector general should organize the OIG to assure efficient and effective deployment of the OIG's resources.

A. Background

The fact that each OIG is different and approaches its mission within widely differing contexts precludes prescription of a consistent organizational structure for OIGs. The following section provides several basic organizational principles that the inspector general may apply.

B. Organizational Principles

1. Duties and responsibilities should be clearly assigned within the OIG structure. There need not be a separate organizational unit for each duty and responsibility. The inspector general should appoint staff needed to perform the OIG mission effectively.

2. The OIG organizational structure should foster coordinated, balanced, and integrated accomplishment of the OIG mission, goals, and objectives.

3. Recruiting, staffing, and training should support the OIG mission and organizational structure.

4. Quality assurance and internal evaluation functions should be kept as independent as reasonably possible of the OIG operational units. Where limited size or resources preclude such organizational independence, quality assurance and evaluation assessments should be conducted by personnel not assigned to the OIG units reviewed.

1.4 STAFF QUALIFICATIONS

OIG staff should collectively possess the knowledge, skills, and experience needed to accomplish the OIG mission. Individual staff members should possess the knowledge, skills, and experience needed for their assigned roles.

A. Background

Today, in a period of rapid technological change and unprecedented management demands, special levels of staff competence are needed throughout government. Because of the unique nature of their mission, OIGs require staff capable of efficiently and effectively dealing with a multitude of different programs and activities, many of them representing extremely complex and sophisticated areas of expertise. OIG objectives cannot be achieved without OIG staff who are professionally and technically qualified to accomplish this.

B. Basic Qualifications

The qualifications noted below relate to the collective knowledge, skills and experience of an OIG, not necessarily to any one staff member. It is the inspector general's responsibility to decide which skills can be obtained through support service contractors or outside consultants, more effective use of staff members who already possess the requisite skills, staff development and training, or new recruitment.

These qualifications include the following:

1. Personal and professional ethical behavior and integrity and a commitment to fostering and promoting accountability and integrity in government.

2. Knowledge of OIG statutory requirements and applicable directives, rules, and regulations.

3. Working familiarity with the organizations, programs, activities, and functions within the OIG's area of responsibility.

4. Skills needed to evaluate the efficiency, economy, and effectiveness of program performance within the OIG's area of responsibility.

5. Knowledge of laws, regulation, policies, requirements, and guidelines related to a particular task.

6. State-of-the-art technical skills as needed such as computer auditing, detection of computer fraud, review of information technology design requirements, statistical sampling and analysis, factor analysis, trend analysis, systems and management analysis, undercover techniques, and covert surveillance.

7. Appropriate licensure and certification in the professional activities conducted by the OIG (such as, for example, Certified Inspector General®, Certified Inspector General Auditor®, Certified Inspector General Investigator®, Certified Inspector General Inspector/Evaluator®, Certified Fraud Examiner, Certified Public Accountant, or Certified Internal Auditor).

8. Managerial skills for supervisors and team leaders.

9. Knowledge of entities, groups, and individuals that interact with government agencies and programs subject to the OIG's jurisdiction.

C. Skills Assessment and Staff Development

To ensure that the OIG staff possesses needed skills, the inspector general should assess the skills of OIG staff, determine the extent to which these skills match OIG staff requirements, and determine the methods by which any deficiencies can be corrected. The inspector general should identify opportunities for staff development to meet the OIG's skill needs.

D. Continuing Professional Education/Development

OIG staff performing investigations, inspections, evaluations, reviews, audits, and other functions need to maintain their professional competence through continuing professional education (CPE). Therefore, each staff person who performs investigations, inspections, evaluations, reviews, or audits should complete, every two years, at least 40 hours of CPE that directly enhances the person's professional proficiency. Depending upon the focus of the office, at least 12 of the 40 hours of CPE should be in subjects directly related to the person's responsibility, the government environment, or the specific or unique environment in which the entity subject to examination operates and at least two hours of the 40 hours of CPE should be ethics training. Professional standards or certifications held by staff may require additional CPE hours or CPE hours on specific topics.

1.5 Direction and Control

The inspector general should direct and control OIG operations to ensure that (1) all activities are adequately authorized and supervised, (2) performance is consistent with professional standards and OIG policies and procedures, and (3) periodic internal assessments are made of OIG activities, policies and procedures, and accomplishments.

A. Policies and Procedures

The OIG should establish and follow written policies and procedures applicable to the OIG's activities. There will be variation among OIGs in the specific topics included in policies and procedures. At a minimum, OIG policies and procedures should encompass the following topics:

1. Policies and procedures to satisfy the requirements of the *Quality Standards for Offices of Inspectors General.*
2. Processes and authorization to open, monitor, manage, review and close cases or projects.
3. Processes to assess complaints, allegations, leads, and other indicators of potential cases or projects.
4. Documentation and records management requirements to ensure that evidence and documents are properly maintained in accordance with legal requirements, management needs of the OIG, and quality control and quality assurance requirements, including periodic external peer review.
5. Standard forms for use in OIG activities.

B. Supervision

OIG supervisors at all levels should ensure that OIG staff receive effective direction, guidance, oversight, and training. Proper supervision is required throughout project assignments. This includes making sure that personnel understand the nature, scope, content and timing of the work assigned to them and the work product that is expected. Proper supervision also includes sufficient interim checks to determine whether jobs are on schedule and are being executed in accordance with plans, so that necessary mid-course corrections can be made. Supervision should be exercised at each level of the organization and for each level of task responsibility. The actual amount of supervision

provided will vary, based on resources available, complexity, sensitivity of the work, and experience of staff assigned to the assignment.

C. Quality Control

The OIG should establish policies and procedures to ensure adequate quality control over its work. Quality control is an inherent responsibility of the OIG supervisors. Quality control and quality assurance are not synonymous. Quality assurance (discussed in a separate standard) is a formal and distinct effort intended to ensure that the entire OIG is adhering to professional standards and the dictates of sound management. Quality control is the process by which supervisors ensure that the work of their immediate staff meets professional standards.

D. Assessing OIG Accomplishments

The OIG should periodically assess its results and accomplishments. Goals and objectives, no matter how carefully developed, are of little value unless progress toward meeting them is evaluated. The OIG should have a strategic plan that details its vision, mission, goals, objectives, strategies, and performance measures against which it expects to be held accountable. The OIG should also have a planning process to show expected performance and a management information system showing past performance and results. Realistic assessment of performance information is essential to identify shortfalls in performance, to improve future operations, to determine whether goals are reasonable and attainable, and to affix accountability for results.

The OIG should also evaluate, in terms of cost/benefit and other appropriate factors, the feasibility of different approaches to detecting fraud, waste, abuse, and mismanagement, and to encouraging economy and efficiency. The OIG should be innovative in searching for and implementing new approaches to discharging its mission. Knowledge gained from these reviews may be used in various ways, such as to improve the OIG's planning processes, to initiate more cost-effective approaches, to indicate the need to reorganize or improve OIG operations, or to identify the need for additional OIG resources and the concomitant benefits to be provided by the OIG.

1.6 COORDINATION

The OIG should coordinate its activities internally and with other components of government to promote effective and efficient use of available resources.

A. Background

The inspector general is responsible for ensuring coordination of work planned and in process to make effective and efficient use of limited resources and to avoid fragmentation or duplication of effort.

B. Elements of Coordination

1. In planning work to be performed, the OIG should coordinate with appropriate officials. The OIG should also take into consideration requests from legislative bodies, requests from other agencies and organizations, and complaints from employees and private citizens.

2. In fulfilling the responsibilities of the OIG, the OIG should also take appropriate steps to minimize unnecessarily duplicative work. In this regard, the OIG should coordinate its own work internally and with other groups performing independent evaluations of operations and programs.

3. Upon beginning a review and wherever else appropriate, the OIG should seek information concerning prior reviews of that activity or function. Data from such reviews should be utilized to the extent possible to reduce additional work by the OIG.

4. OIG staff should be alert to situations or problems that might affect other governmental organizations. When such situations arise, the OIG should coordinate with other affected organizations, as appropriate. Joint or coordinated operations and activities may be performed to fulfill the requirements of all parties involved.

1.7 REPORTING

The OIG should keep appropriate officials and the public properly informed of the OIG's activities, findings, recommendations, and accomplishments consistent with the OIG's mission, legal authority, organizational placement, and confidentiality requirements.

A. Background

Although OIGs typically share similar missions, their legal authority, organizational placement, and confidentiality provisions can vary considerably. Consequently, each OIG must determine the nature, frequency, and extent of its reporting.

B. Reports to Appropriate Officials

The OIG should inform appropriate officials through oral or written reports of important OIG undertakings, their outcomes, and any problems encountered that warrant the officials' attention. The OIG should alert them as appropriate to instances of criminal behavior or other egregious misconduct and waste that have become known to the OIG, to the extent consistent with requirements imposed by confidentiality rules, the prosecutorial system, and effective OIG operations.

C. Distribution of Final Reports

If authorized or required, final reports on the results of OIG activities should be distributed or otherwise made available to appropriate legislative bodies, interested parties, and the public to the extent consistent with the law, including requirements imposed by confidentiality rules and the prosecutorial system.

D. Periodic Reports

If authorized or required, the OIG should issue periodic reports summarizing the OIG's activities, findings, recommendations, and accomplishments since the prior reporting period. The report should contain, to the extent consistent with the OIG's mission, legal authority, and confidentiality requirements:

1. a description of significant problems within the OIG's jurisdiction and OIG recommendations for corrective action, including any recommendations for statutory changes;

2. identification of each significant recommendation described in previous periodic OIG reports on which corrective action has not been completed;

3. a summary of matters referred to prosecutorial authorities and the prosecutions, convictions, recoveries, and other results from such referrals;

4. a summary of civil and administrative referrals and the results from such referrals;

5. a list of each report completed during the reporting period; and

6. a statement of recommended amendments to the legal authority, regulations, or procedures governing the OIG that would improve the effectiveness or the operation of the OIG.

Such periodic summary reports should be submitted to appropriate executive officials and, if authorized or required, to the appropriate legislative body and the public.

E. Reporting in Emergency Circumstances

If the OIG receives a credible allegation or other evidence of a significant and immediate danger to the health or safety of people or property, the OIG should inform appropriate individuals as soon as reasonably possible, consistent with confidentiality requirements.

F. Reporting Criminal Matters

If reasonable grounds exist to believe that there has been a violation of federal, state, or local criminal law and the matter is not subject to the jurisdiction of the OIG, the OIG should expeditiously report the allegation to the appropriate law enforcement authority.

G. Elements of Effective Reporting

All reports, whether written or oral, should:

1. Be appropriate to the purpose, concise, complete, objective, timely, relevant, free of jargon, and accurate;

2. Comply with appropriate professional standards adopted by the OIG; and

3. Conform to the OIG's established policies and procedures.

H. Follow-up Reporting

The OIG should take steps as necessary to determine whether appropriate officials take timely, complete, and reasonable actions to address issues identified in reports.

1.8 CONFIDENTIALITY

The OIG should establish and follow procedures for safeguarding the identity of confidential sources and for protecting privileged and confidential information. Specifically, each OIG should ensure that:

- **confidential sources who make complaints or provide information to the OIG will not have their identities disclosed without their consent unless the OIG determines that such disclosure is required by law or necessary to further the purposes of an OIG activity; and**

- **privileged or confidential information gathered by the OIG will be protected from disclosure unless the OIG determines that such disclosure is required by law or necessary to further the purposes of an OIG activity.**

A. Background

OIGs are in the fact-gathering business. Many facts are gathered from employees or other individuals who might be subject to retribution or harassment if they were known to be cooperating with the OIG. Also, much of the information gathered concerns personal or proprietary matters. For these reasons, it is essential that the OIG comply with all legal authorities and mandates and OIG policies and procedures to safeguard the identities of confidential sources and protect sensitive information compiled during the course of OIG activities. A variety of federal, state, and local laws govern this area of activity.

B. General Elements of the Confidentiality Standard

1. The OIG may receive and investigate complaints or information from employees concerning a possible activity constituting a violation of law, rules, or regulations, or mismanagement, waste of funds, abuse of authority or a substantial and specific danger to the public health or safety. The OIG should not, after receipt of such complaint or information, disclose the identity of the employee without the consent of the employee unless the inspector general determines such disclosure is necessary or is required by the OIG's legal authority.

2. OIG records containing the identities of confidential sources or other privileged and confidential information will be appropriately safeguarded.

3. Procedures for releasing OIG records to the public will be established, including the designation of those OIG staff authorized to make disclosure determinations.

In making determinations about the release of confidential information, applicable federal, state, and local laws and regulations must be considered.

1.9 QUALITY ASSURANCE

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

A. Background

Because OIGs evaluate how well programs and operations are functioning, they have a special responsibility to ensure that their own operations are efficient and effective Each OIG should implement a quality assurance program that provides reasonable assurance that the OIG is operating effectively and, specifically, that work performed by the OIG is:

1. Conducted in accordance with OIG legal authority and policies, procedures, and plans;
2. Guided by the standards in this document and by the standards referenced herein; and,
3. Carried out economically, efficiently, and effectively.

Quality assurance differs from quality control. Quality control is the responsibility of line managers to ensure that their units and personnel perform work that meets the above standards. Quality assurance, on the other hand, is an evaluative effort conducted by sources external to the units/personnel being reviewed to ensure that the overall work of the OIG meets these standards. Thus, an audit supervisor ensuring that audit reports are properly referenced to working papers is an example of quality control. An independent reviewer evaluating the accuracy of the referencing process is an example of quality assurance, as is a team of external reviewers examining the extent to which the OIG investigative process is following professional standards.

The OIG should arrange for an external peer review at least once every five years as prescribed by the OIG's legal authority or applicable professional standards. The review should be performed by qualified staff of similar organizations engaged in similar work who are knowledgeable of the professional standards applicable to the work of the OIG.

B. Elements of a Quality Assurance Program

1. The OIG should structure and implement a quality assurance program to assure an objective appraisal. The quality assurance assessments 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 OIG should exercise the same professional care with quality assurance evaluations as with other OIG efforts, including quality of advance preparation, documentation of findings, supportable recommendations, and solicitation of comment from the supervisor of the activity or unit reviewed.

3. The OIG should maintain a management information system that documents the status, progress, and results of OIG efforts for both internal management purposes and to aid in quality assurance evaluations.

4. The OIG should strive for timely implementation of necessary improvements to office processes.

Section 2

Quality Standards for Investigations

INTRODUCTION

Purpose

This document contains quality standards for investigations conducted by Offices of Inspector General (OIGs). They have been formulated and approved by the Board of Directors of the Association of Inspectors General. They are for OIGs to use to guide the conduct of official duties in a professional manner.

Background

In accomplishing their missions, OIGs use a variety of approaches, including investigative and forensic audit techniques to gather and assess evidence related to alleged wrongdoing; potential violations of laws, rules and regulations, policies, and procedures; or other abuses that impact negatively on the ability of the organization to effectively and efficiently carry out its duties. Normally, investigations focus on obtaining sufficient factual evidence for use in determining whether criminal, civil, or administrative violations have occurred and whether proceedings should be initiated against the specific parties for their actions or lack of actions. In the course of such investigations, the OIGs might identify high-risk areas and determine where internal controls should be strengthened. These findings are brought to the attention of appropriate officials for corrective action.

GENERAL STANDARDS

2.1 STAFF QUALIFICATIONS

Personnel assigned to conduct investigations should individually or, as a group, collectively possess the knowledge, skills, and experience required for the work.

Guidelines
The General Standard of Staff Qualifications contained in the Quality Standards for Offices of Inspector General shall apply to investigations performed by OIG staff.

2.2 INDEPENDENCE

The inspector general and OIG staff involved in performing or supervising any investigative assignment must be free in both fact and appearance from personal or external impairments to independence and should constantly maintain an independent attitude and appearance.

Guidelines
The General Standard of independence contained in the Quality Standards for Offices of Inspector General shall apply to investigations performed by OIG staff.

2.3 Due Professional Care

The OIG should use due professional care in conducting investigations and in preparing accompanying reports.

Guidelines
Due professional care includes exercising reasonable judgment and professional skepticism. Reasonable care includes acting diligently in accordance with applicable professional standards and ethical principles. Professional skepticism requires taking a critical approach to assessing the evidence with appropriate scrutiny. Due professional care requires:

1. Standards - OIGs and their staff should follow the Association's professional standards and comply with their legal authority, applicable standards of conduct, and office policies and procedures.

2. Objectivity – OIGs should gather, assess, and report evidence in a fair, unbiased, and independent manner to determine the validity of allegations or evaluate the likelihood of violations of statutes, rules, regulations, or policies.

3. Thoroughness – OIGs should conduct investigations in a diligent and complete manner and take reasonable steps to ensure that sufficient and appropriate evidence is collected; pertinent issues are sufficiently resolved; and appropriate criminal, civil, contractual, or administrative remedies are considered.

4. Legal Requirements – OIGs should initiate, conduct, and report investigations in accordance with (a) all applicable laws, rules, and regulations; (b) guidelines from applicable prosecutorial authorities; and (c) office policies and procedures. Investigations should be conducted with due respect for rights and privacy of those involved.

5. Appropriate Techniques – OIGs should use methods and techniques in each investigation that are appropriate for the circumstances and objectives.

6. Ethics and integrity - The actions of the OIG investigators should at all times conform with the high standards of conduct expected of OIG staff.

7. Coordination - Appropriate OIG staff should coordinate investigations with appropriate officials. In cases where criminal prosecutions, or civil or administrative actions are necessary, appropriate OIG staff should coordinate actions with prosecutors and other appropriate officials.

QUALITATIVE STANDARDS

2.4 QUALITY CONTROL

To ensure quality and expedite the progress of investigations, OIGs should exercise appropriate and competent supervision from the start of an investigation through its completion.

Guidelines
The Directing and Controlling Standard and the Quality Assurance Standard set forth in the Quality Standards for Offices of Inspector General should also be followed as applicable.

Supervision adds expert judgment to the work done by less experienced staff and provides necessary training for them. OIG supervisors should ensure that investigators clearly understand their assigned tasks and how to complete them with due diligence and timeliness before starting the work. Team members should work cooperatively with each other and their supervisors to understand not only how to complete their assignments but also their purpose and objectives. Appropriate supervision includes timely review of the work performed by investigators.

Supervisory reviews should determine that:

1. Investigative plans are followed, unless deviation from the plan is justified and authorized.

2. Investigation objectives are met in a fair, thorough, and timely manner.

3. Evidence adequately supports any findings, conclusions, recommendations, and referrals for possible criminal, civil, or administrative action.

OIGs should develop appropriate procedures for determining and documenting that supervision of an investigation has been adequate. OIGs should also develop appropriate internal controls to ensure that investigations conform to these Quality Standards.

2.5 PLANNING

Investigative work is to be adequately planned.

Guidelines
The Planning Standard and the Coordinating Standard set forth in the Quality Standards for Offices of Inspector General should also be followed as applicable.

Effective planning provides the basis to clearly identify the issues to be addressed before the investigation starts and includes preparing a written investigative plan setting forth the investigation's objectives and specific steps to be performed. An investigative plan should anticipate time restraints that may apply to a given assignment or the investigation as a whole. In addition, adequate internal and external coordination can prevent unnecessary duplication of effort.

The investigative plan is subject to revision to address new information as the investigation continues. The OIG should ensure that any changes to the investigative plan are authorized by appropriate supervisory personnel and documented.

2.6 Data Collection and Analysis

Information and data obtained during an investigation should be carefully documented and reviewed relative to case objectives.

Guidelines
OIGs should choose and employ appropriate investigative techniques to ensure that the data obtained are sufficiently reliable for making judgments regarding the matters being investigated. Investigative techniques should include but not be limited to interviews (of complainants, witnesses, and subjects), collection and analysis of records and other materials, and surveillances or other monitoring techniques. Investigative techniques and review of evidence must be employed fairly and objectively.

Sources of investigative information should be documented in sufficient detail to provide a basis for assessing their reliability and an accurate record of the investigation. Such documentation should address pertinent questions related to the objectives of the investigation and provide information needed to determine the facts relative to potential violations of laws, rules, regulations, policies and procedures.

Data gathered and analyzed as part of the investigation should be accurately interpreted, logically presented, and maintained in the investigative case file. OIGs should independently verify the authenticity, relevance, competence, and sufficiency of the evidence that has been gathered, whenever possible, and maintain a chain of custody for physical evidence when appropriate. The basis and support for the results of investigations should be carefully organized and described in the investigative case file. The investigative activities through which evidence was obtained, produced, or analyzed should be accurately and timely documented in the investigative case file.

2.7 EVIDENCE

The evidence supporting investigative findings should be sufficient and appropriate and should provide a reasonable basis for the investigative findings and conclusions. OIGs should identify the elements of alleged offenses and apply sufficient and appropriate evidence to each element when determining whether an allegation is substantiated or unsubstantiated.

Guidelines

1. Evidence is *sufficient* if there is enough of it to support findings and conclusions. The amount of evidence sufficient to substantiate an allegation varies among OIGs. Many OIGs have evidentiary thresholds specified in their enacting legislation that must be met to substantiate an allegation (e.g., preponderance of the evidence).

2. Evidence is *appropriate* if it is relevant, valid, and reliable.

    a. Relevant evidence has a logical relationship with, and is important to, the issue being addressed.

    b. Valid evidence has a meaningful or reasonable relationship to what is being assessed; the extent to which evidence represents what it is purported to represent.

    c. Reliable evidence is verifiable or consistent with other evidence.

3. Evidence that is exculpatory or otherwise does not substantiate a finding is relevant and must be considered in findings and conclusions.

4. When using a third-party expert to analyze evidence, the OIG should ensure that the expert meets the OIG's standards for independence and conflicts of interests and that the expert's methodologies and techniques meet the standards of the expert's industry or discipline. The expert should document their work and techniques. The OIG's must assess whether the expert performed the analysis in a fair and impartial manner.

2.8 TIMELINESS

Investigations should be conducted and documented in a timely manner.

Guidelines
Timeliness increases the value of investigations. The nature of investigations also requires that schedules be flexible in order to respond to changing priorities or unforeseen circumstances, such as the need to expand the scope of an investigation or respond to an immediate need caused by other events or unanticipated needs.
At the outset of an investigation, timeliness should be one factor considered in an investigative plan. Investigative activities should be documented in a timely manner.

2.9 REPORTING

Where appropriate, investigative activity should result in a timely referral for criminal prosecution or written report. All reports should present evidence accurately, fairly, and objectively, and present the results of investigations in a clear and concise manner.

Guidelines
Reports that convey highly technical or sensitive material should be written in terms that are intelligible to informed professionals and that protect confidential or privileged information.

OIGs should report systemic weaknesses or management problems revealed in an investigation to appropriate officials as deemed necessary by the OIG. Systemic weaknesses or management problems revealed in an investigation should be reported to appropriate officials as deemed appropriate by the OIG. Such disclosures may be made as part of a separate written report that includes recommendations for specific corrective actions.

2.10 CONFIDENTIALITY

OIGs should establish and follow procedures for safeguarding the identity of confidential sources and for protecting privileged and confidential information.

Guidelines
The Confidentiality Standard contained in the *Quality Standards for Offices of Inspector General* shall apply to investigations performed by OIGs.

2.11 FOLLOW UP

OIGs should perform appropriate follow-up to administrative or systemic issues identified by investigators to determine the extent to which findings and recommendations made to appropriate officials are adequately considered and properly addressed.

Guidelines
Ultimate investigative success depends on whether necessary corrective actions are taken in response to OIG findings and recommendations. Therefore, each OIG should take steps as necessary to determine whether appropriate officials take timely, complete, and reasonable actions to correct problems identified in investigative reports. Such disclosures may be made as part of a separate written report that includes recommendations for specific corrective actions.

Section 3

Quality Standards for Inspections, Evaluations, and Reviews

INTRODUCTION

Purpose

This document contains quality standards for inspections, evaluations, and reviews conducted by Offices of Inspector General (OIGs). They have been formulated and approved by the Board of Directors of the Association of Inspectors General. They are for OIGs to use to guide the conduct of official duties in a professional manner.

Background

In accomplishing their missions, OIGs use a variety of approaches. OIGs typically have responsibilities that include work such as inspecting, evaluating, reviewing, studying, monitoring and/or analyzing government operations, programs, contracts, and agreements for the purposes of providing information for decision-making, and making recommendations to improve programs, policies, or procedures. The objectives of these processes include providing a source of factual and analytical information, monitoring compliance, measuring performance, and assessing the efficiency and effectiveness of operations.

GENERAL STANDARDS

3.1 STAFF QUALIFICATIONS

Personnel assigned to conduct inspection, evaluation, and review activities should individually, or as a group, collectively possess the knowledge, skills, and experience required for the work.

Guidelines
The General Standard of Staff Qualifications contained in the Quality Standards for Offices of Inspector General shall apply to inspections, evaluations, and reviews performed by OIG staff.

3.2 INDEPENDENCE

The inspector general and OIG staff involved in performing or supervising any assignment should be free in both fact and appearance from personal or external impairments to independence and should constantly maintain an independent attitude and appearance.

Guidelines
The General Standard of Independence contained in the Quality Standards for Offices of Inspector General shall apply to inspections, evaluations, and reviews performed by OIG staff.

3.3 Due Professional Care

The OIG should use due professional care in conducting inspections, evaluations, and reviews and in preparing accompanying reports.

Guidelines
Due professional care includes exercising reasonable care and professional skepticism. Reasonable care includes acting diligently in accordance with applicable professional standards and ethical principles. Professional skepticism is an attitude that includes a questioning mind and a critical assessment of evidence. Due professional care requires:

1. Standards - OIGs and their staff should follow the Association's professional standards and comply with their legal authority, applicable standards of conduct, and office policies and procedures.

2. Objectivity – OIGs should gather and report evidence in a fair, unbiased, and independent manner to convince the report user of the validity of the conclusions and recommendations made during the inspection, evaluation, or review.

3. Thoroughness - OIGs should conduct inspections, evaluations, and reviews in a diligent and complete manner and take reasonable steps to ensure that sufficient and appropriate evidence is collected; pertinent issues are sufficiently resolved; and appropriate criminal, civil, contractual, or administrative remedies are considered.

4. Legal Requirements – OIGs should initiate, conduct, and report inspections, evaluations, and reviews in accordance with all applicable laws, rules, and regulations.

5. Appropriate Techniques – OIGs should use methods and techniques in each inspection, evaluation, and review that are appropriate for the circumstances and objectives. Staff may rely on the work of others to the extent feasible once they satisfy themselves of the quality of the work by appropriate tests or by other acceptable means.

6. Ethics and integrity - The actions of OIG staff should at all times conform with the high standards of conduct expected from OIG staff.

7. Coordination - Appropriate OIG staff should coordinate the results of the inspections, evaluations, and reviews with appropriate officials.

QUALITATIVE STANDARDS

3.4 QUALITY CONTROL

To ensure quality and expedite the progress of an inspection, evaluation, or review, OIGs should exercise appropriate and competent supervision from the start of such work to completion of the final report.

Guidelines
The Directing and Controlling Standard and the Quality Assurance Standard set forth in Quality Standards for Offices of Inspector General should also be followed as applicable.

Supervision adds expert judgment to the work done by less experienced staff and provides necessary training for them. OIG supervisors should ensure that staff engaged in the inspections, evaluations, or reviews clearly understand their assigned tasks and how to complete them with due diligence and timeliness before starting the work. Team members should work cooperatively with each other and their supervisors to understand not only how to complete their assignments but also their purpose and objectives. Appropriate supervision includes timely review of the work performed.

Supervisory reviews should determine that:

1. Work plans are followed, unless deviation is justified and authorized.
2. Inspection, evaluation, or review objectives are met.
3. Evidence adequately supports findings, conclusions, and recommendations.

OIGs should develop appropriate procedures for determining and documenting that supervision has been adequate. OIGs should also develop appropriate internal controls to ensure that inspections, evaluations, and reviews conform to these Quality Standards.

3.5 PLANNING

Inspection, evaluation, and review work is to be adequately planned.

Guidelines
The Planning Standard and the Coordinating Standard set forth in *Quality Standards for Offices of Inspector General* should also be followed as applicable.

The standard for planning inspections, evaluations, and reviews is intended to ensure that the area for work is researched in order to clarify issues and adequately designed to address these issues in a written work plan. Research, design and coordination should be sufficiently thorough, given the time and resource constraints of the assignment, to assure that work plan objectives are met and to ensure that appropriate care is given to coordinating inspection, evaluation, or review work to avoid duplication of effort. In pursuing this standard, the following guidelines should be considered:

1. Research - Inspection, evaluation, and review research includes a review, consistent with the work objectives, of existing data; applicable laws, policies and regulations; other analytic work; discussions with program and other appropriate officials; and literature research. The results of the research will be documented in the working papers and will be used to develop an individual work plan for the specific type of work to be undertaken.

2. Work Plan - A written work plan should be developed that clearly defines the purpose and scope of the inspection, evaluation or review; the areas and/or potential issues to be addressed; the methodologies to be used; and the manner in which the work will be conducted. The plan will be documented in the working papers and used as the basis for organization of documentation. The plan may be revised as necessary to address new information as the work progresses. The OIG should ensure that any changes to the plan are authorized by appropriate supervisory personnel and documented.

3. Coordination - Work plan development includes coordinating the planned activities with other inspection, audit, and investigative entities as well as appropriate organizations that could be affected by the activities. Such coordination is necessary to determine the existence of potential ongoing work being conducted by other agencies and to determine the effect of their activities upon the work being planned. Coordination efforts should be documented in the working papers.

3.6 Data Collection and Analysis

Information and data obtained about the organization, program, activity, or function being examined should be consistent with the inspection, evaluation, or review objectives, should be carefully documented and organized, and should provide a reasonable basis for conclusions.

Guidelines

Sources of information should be described in the supporting documentation in sufficient detail so that the adequacy of the information, as a basis for conclusions, can be assessed.

Information should be of such scope and selected and analyzed in such ways as to address pertinent questions about the objectives of the inspection, evaluation, or review and be responsive to the informational needs and interest of specified audiences.

The information-gathering instruments and procedures should be chosen or developed and then supplemented to ensure that the information is sufficiently reliable and valid for use in meeting the inspection, evaluation, or review objectives. Staff will use professional judgment and perform appropriate tests to determine whether the information is sufficiently reliable and valid.

Qualitative and quantitative information gathered and analyzed in an inspection, evaluation, or review should be appropriately and logically presented in working papers to ensure accurate interpretations.

Data collection and analysis procedures should be appropriately controlled and supervised to protect the resulting findings and reports from distortion by the personal feelings and biases of any party to the inspection, evaluation, or review. The basis and support for findings should be carefully organized and described in supporting documentation.

3.7 EVIDENCE

The evidence supporting the findings and conclusions of inspections, evaluations, and reviews should be sufficient and appropriate and should provide a reasonable basis for inspection, evaluation, and review findings and conclusions.

Guidelines
Evidence is *sufficient* if there is enough of it to support findings and conclusions.

1. Evidence is *appropriate* if it is relevant, valid, and reliable.

    a. Relevant evidence has a logical relationship with, and is important to, the issue being addressed.

    b. Valid evidence has a meaningful or reasonable relationship to what is being assessed; the extent to which evidence represents what it is purported to represent.

    c. Reliable evidence is verifiable or consistent with other evidence.

2. Evidence that is exculpatory or otherwise does not substantiate a finding is relevant and must be considered in findings and conclusions.

3. When using a third-party expert to analyze evidence, OIGs should ensure that the expert meets the OIG's standards for independence and conflicts of interests and that the expert's methodologies and techniques meet the standards of the expert's industry or discipline. The expert should document their work and techniques. OIGs should assess whether the expert has performed the analysis in a fair and impartial manner.

3.8 TIMELINESS

Inspections, evaluations, and reviews should be conducted in a timely manner.

Guidelines
Timeliness increases the value of inspections, evaluations, and reviews. The nature of inspections, evaluations, and reviews also requires that schedules be flexible enough to respond to changing priorities or unforeseen circumstances, such as the need to expand the scope of an inspection, evaluation, or review, or to respond to an immediate need.

3.9 FRAUD AND OTHER ILLEGAL ACTS

OIG staff engaged in inspections, evaluations, and reviews have a responsibility to be alert for indications of illegal activity in the course of conducting their work. If during or in connection with an inspection, evaluation, or review, staff have reason to believe that that an illegal act has occurred or are likely to have occurred, they should promptly present such information to their supervisors for review and possible referral to the appropriate investigative office.

Guidelines
OIG staff should be alert to circumstances that come to light during inspections, evaluations, or reviews indicating fraud and other illegal acts. While the identification of illegal activities is not usually an objective of an inspection, evaluation, or review, it is necessary to have a clear understanding of the necessary action if such circumstances are discovered.

3.10 REPORTING

Inspections, evaluations, or reviews should result in a timely written report to appropriate officials. All reports should present evidence accurately, fairly, and objectively, and present findings, conclusions, and recommendations in a clear and concise manner.

Guidelines

Reports on the results of OIG inspections, evaluations, and reviews may be written or in such other retrievable form (such as an oral report with slide presentation or a video presentation) as may be allowed by the OIG's authorization and, in the judgment of the OIG, will best meet its objectives. Reports should describe the work's objectives, scope, methodology, findings or results, and recommendations. Reports should state that the work was done in accordance with the Quality Standards for Inspections, Evaluations, and Reviews. Report language should be clear, concise, and appropriate to the intended audience. Reports that convey highly technical or sensitive material should be written in terms intelligible to informed professionals. The OIG should solicit pertinent views and comments of appropriate officials on the content of the report when appropriate.

Reports resulting from OIG inspections, evaluations, and reviews should be distributed in a timely manner to appropriate officials responsible for taking action in response to report findings and recommendations. Further distribution will be subject to legal mandates and the internal policies of each OIG and to any privacy, public record, and freedom of information requirements.

3.11 CONFIDENTIALITY

OIGs should establish and follow procedures for safeguarding the identity of confidential sources and for protecting privileged and confidential information.

Guidelines
The Confidentiality Standard contained in the Quality Standards for Offices of Inspector General should apply to inspections, evaluations, and reviews performed by OIGs.

3.12 FOLLOW UP

OIGs should perform appropriate follow-up to determine the extent to which findings and any recommendations made to appropriate officials are adequately considered and properly addressed.

Guidelines
Ultimate inspection, evaluation, or review success depends on whether necessary corrective actions are taken in response to OIG findings and recommendations. Therefore, each OIG should take steps as necessary to determine whether appropriate officials take timely, complete, and reasonable actions to correct problems identified in reports.

Section 4

Quality Standards for Audits

Audits performed by Offices of Inspectors General (OIGs) should be conducted in accordance with generally accepted auditing standards. The Association of Inspectors General recommends that OIGs perform audits pursuant to one of the following:

- *Government Auditing Standards* issued by the Comptroller General of the United States, or
- *Standards for the Professional Practice of Internal Auditing* issued by the Institute of Internal Auditors.

Each Office of Inspector General (OIG) should follow the audit standards appropriate to the OIG's mission and authority

Appendix – Establishment and Subsequent Amendments to Principles and Standard for Offices of Inspector General

In December 1999, under authorization from the Association of Inspectors General Board of Directors, President Robert A. Cerasoli appointed the following 15 members to a committee to develop generally accepted inspector general principles and standards.

Roland M. Malan, Chair
Former Inspector General
NY Metropolitan Transportation Authority

F. Daniel Ahern, Jr.
First Assistant
Inspector General for Management
Massachusetts Office of the Inspector General

Paul Balukas
Inspector General
New York State Welfare Office

Thomas P. Charles
Inspector General
State of Ohio

Robert DeSousa
Inspector General
Commonwealth of Pennsylvania

Martin J. Dickman
Inspector General
U.S. Railroad Retirement Board

Gaston L. Gianni, Jr.
Inspector General
Federal Deposit Insurance Corporation

Barbara J. Hansberry
General Counsel
Massachusetts Office of the Inspector General

Leonard C. Odom
Inspector General
Chicago Housing Authority

Steven A. Pasichow
Inspector General
New York City Housing Authority

Benjamin J. Redmond
Inspector General
City of Philadelphia

James B. Thomas, Jr.,
Director of Auditing
Office of the Chief Inspector General
State of Florida

Roger Viadero
Inspector General
U.S. Department of Agriculture

Alexander Vroustouris
Inspector General
City of Chicago

David C. Williams
Inspector General Tax Administration,
U.S. Office of the Treasury

Robert A. Cerasoli,
Ex-Officio Inspector General
Massachusetts

All meetings of the Committee were held in Philadelphia, Pennsylvania. The Committee assembled for the first time on March 3, 2000. The Committee concluded that there was no existing set of general principles regarding inspector general offices and identified a list of topics to be covered in the statement of general principles. The Committee identified existing sets of standards for federal inspector general offices and for the separate functions of audits, inspections, and investigations. Specifically, these standards were:

- *Quality Standards for Federal Offices of Inspector General* issued by the President's Council on Integrity and Efficiency, January 1986.
- *Government Auditing Standards* issued by the Comptroller General of the United States, 1994 Revision
- *Standards for the Professional Practice of Internal Auditing* issued by the Institute of Internal Auditors.
- *Quality Standards for Investigations* issued by the President's Council on Integrity and Efficiency and the Executive Council on Integrity and Efficiency, September 1997.
- *Quality Standards for Inspections* issued by the President's Council on Integrity and Efficiency, March 1993.

The Committee agreed: 1) to recommend that inspectors general use the *Government Auditing Standards* promulgated by the US General Accounting Office for audits; and 2) to use the federal PCIE standards as a basis for developing quality standards that could be applied to inspector general offices at all levels of government. The Committee organized teams to develop drafts of specific topics for discussion at future meetings.

In its second meeting, held on June 12, 2000, the Committee focused on the draft *Principles for Offices of Inspector General*. Additional work at that meeting was spent on draft *Quality Standards for Offices of Inspector General.* Substantial progress was made in discussing and revising both draft documents and subcommittees were created to develop discussion drafts of investigation and inspection standards for the membership. The Committee also decided to add to the audit standards that, in addition to the *Government Auditing Standards*, Offices may use the *Standards for the Professional Practice of Internal Auditing* issued by the Institute of Internal Auditors depending on which audit standards were appropriate to the Office's mission and authority.

The Committee met on August 21, 2000, and marked up drafts of the *Principles for Offices of Inspector General*, the *Quality Standards for Offices of Inspector General,* the *Quality Standards for Investigations* and the *Quality Standards for Inspections*. On September 22, 2000, the Committee continued its work on these documents and

completed final exposure drafts of the *Principles for Offices of Inspector General* and the *Quality Standards for Offices of Inspector General*.

On October 18, 2000, the Committee Chair presented and explained the two draft documents to the Association's Board of Directors. The Board voted to authorize the Committee to circulate the draft documents among the Association's membership and the inspector general community for review and comment. Copies of the exposure drafts were distributed to all federal, state, and local offices of inspector general for comment and were posted with an invitation for comment on the Association's website, www.inspectorsgeneral.org. Reviewers were invited to submit written comments to the Committee by March 30, 2001.

The Committee met again on December 11, 2000, and completed final exposure drafts of *Quality Standards for Offices by Offices of Inspector General* and *Quality Standards for Inspections, Evaluations, and Reviews by Offices of Inspector General*.

On December 13, 2000, the Executive Committee of the Association voted to authorize the Committee to circulate these two additional draft documents among the Association's membership and the inspector general community for review and comment. Again, copies of the exposure drafts were distributed to all federal, state, and local offices of inspector general and were posted with an invitation for comment on the Association's website. Reviewers were invited to submit written comments to the Committee by March 30, 2001.

The Committee received formal comments on proposed standards from federal, state, and local Offices of Inspector General. The following table reports the number of comments received on each exposure draft document by governmental level.

Exposure Draft Document	Comments Received			
	Federal	State	Local	Total
Statement of Principles	12	3	1	16
Quality Standards for:				
Offices	8	2	2	12
Investigations	3	3	1	7
Inspections, Evaluations, & Reviews	5	3	1	9
Total	**28**	**11**	**5**	**44**

On April 23 and 24, 2001, the Committee convened to consider in detail the comments it had received. The Committee made appropriate changes to the exposure drafts in response to the comments and produced final drafts of the documents for submission to the Association's Board of Directors. On May 16, 2001, the Board of Directors found that the draft documents represent generally accepted principles, quality standards, and best practices generally applicable to federal, state, and local offices of inspectors

general. The Board voted to recommend that offices of inspector general adopt these documents for their use with the following or similar language:

> *The generally accepted principles and quality standards, formally approved by the ASSOCIATION OF INSPECTORS GENERAL℠ on 16 May 2001, are hereby adopted by this office insofar as they do not conflict with statute, regulation, executive order, or other policy of this office.*

2004 Amendments

In May 2004 the Quality Standards for Offices of Inspectors General were amended to make minor corrections and to insert under Staff Qualifications, paragraph "E. Continuing Professional Education/Development."

2014 Amendments

In May 2014 the Board approved minor clarifying and corrective amendments to the documents

2023 Amendments

In 2017 the Principles and Standards Committee began a review of the *Principles and Standards for Offices of Inspectors General*. The existing principles and standards were initially reviewed by the committee and subcommittees established for each section of the document.

After initial reviews and deliberations by the Principles and Standards Committee and its subcommittees, an exposure draft was prepared. On September 24, 2019, the Board of Directors approved distribution of the exposure draft for comments. On October 8, 2019, a call for comments on the exposure draft was placed on the Association's website (inspectorsgeneral.org) and sent by email to members of the Association. Comments were requested by November 30, 2019. The Executive Director sent a reminder email to members on November 12, 2019. The Association received detailed comments and recommendations on the exposure draft from 12 individuals representing federal, state, and local organizations.

After a significant delay attributed in large part to the cancellation of in-person board and committee meetings during the first year and a half of the COVID-19 pandemic, the committee met three times (November 30 and December 12, 2021, and May 5, 2022) by video conference. In the meetings the committee painstakingly reviewed and discussed the comments and proposed changes.

On November 3, 2021, the chairperson provided the committee members with a copy of the updated draft for discussion. The updated draft accepted all of the proposed

changes to the exposure draft and noted in track changes new proposed changes in response to the comments received on the exposure draft in those instances in which the proposals were straightforward edits – such as corrections in grammar and punctuation and edits for consistency between sections – and where the proposed changes were consistent with the intentions of the exposure draft, accepted principles and practices in the field, or well-established Association positions.

On October 11, 2022, the Board of Directors approved the revised Principles and Standards for Offices of Inspector General.