

**Quality Standards
For Federal Offices of
Inspector General**

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

January 1986

**QUALITY STANDARDS
FOR FEDERAL OFFICES OF
INSPECTOR GENERAL**

**PRESIDENT'S COUNCIL
ON INTEGRITY AND
EFFICIENCY**

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FOREWORD

On August 14, 1984, the President's Council on Integrity and Efficiency agreed to issue, on an interim basis, quality standards for Federal Offices of Inspector General. The standards were prepared by the Council's Performance Evaluation Committee, in consultation with all of the statutory Inspectors General.

On January 14, 1986, the Council adopted the standards in final form.

President's Council On
Integrity and Efficiency

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QUALITY STANDARDS FOR FEDERAL OFFICES OF INSPECTOR GENERAL

INTRODUCTION

PURPOSE

This document contains interim quality standards for the management, operation, and conduct of the Federal Offices of Inspector General (OIG). They have been formulated and adopted by those Inspectors General who are members of the President's Council on Integrity and Efficiency (PCIE). The standards, developed on behalf of the PCIE, are advisory and are not intended to impose requirements. They are for OIG use to guide the conduct of official duties in a professional manner. These standards incorporate by reference existing standards for audit and investigative efforts.

SCOPE

These standards were developed by the Offices of Inspector General that are members of the PCIE. Because these offices were established under different laws, their mandates differ somewhat. These differences, as well as other factors, may affect the practices of various offices and, consequently, the applicability of standards to these offices.

BACKGROUND

The Inspector General Act of 1978, as amended, created most of the Offices of Inspector General within the PCIE to:

- provide policy direction for and conduct, supervise and coordinate audits and investigations;
- review existing and proposed legislation and regulations to make recommendations concerning the impact of such legislation and regulations on economy and efficiency;
- recommend policies for, and conduct, supervise or coordinate other activities to promote economy and efficiency, or to prevent and detect fraud and abuse;
- recommend policies for, and conduct, supervise, or coordinate relationships between the OIG and other Federal agencies, State and local governmental agencies, and non-governmental agencies with respect to promotion of economy and efficiency or prevention and detection of fraud and abuse; and,
- keep the head of agency and Congress fully and currently informed concerning fraud and other serious problems, abuse, and deficiencies related to programs and operations, recommend corrective action

concerning such matters, and report on the progress made in implementing such corrective action.

Other Offices of Inspector General operate under separate authority but with generally similar mandates.

In accomplishing mandated tasks, Offices of Inspector General use a variety of approaches. For example, audits and investigations are used as a basis for evaluating agency programs and operations and for identifying and presenting for prosecution criminal wrongdoing. Reviews of allegations received through hotlines and other means help to identify areas where internal controls should be strengthened. Some offices use a variety of techniques and titles, such as fraud control programs, inspections, operational surveys and other special activities to focus attention on agency needs to improve operations. Reviews of legislation and regulations serve to strengthen controls and ensure that the Government's interests are protected without imposing unnecessary burdens. Reports to agency heads, agency management and Congress keep key officials apprised of the deficiencies found and of the impact on the government if these deficiencies are not corrected.

BASIC PREMISE

Public office carries with it a responsibility to apply public resources economically, efficiently, and effectively. The Offices of Inspector General carry an additional public responsibility. The nature of their activities creates a special need for high standards of professionalism and integrity. Because of this special responsibility, the President's Council on Integrity and Efficiency has adopted the following general quality standards.

MAINTAINING INDEPENDENCE

A. General Standard

The Inspector General and OIG staff involved in performing or supervising any assignment must be free from any personal or external impairments to independence and shall consistently maintain an independent attitude and appearance.

B. Background

The Inspector General is responsible for establishing and maintaining independence so that OIG opinions, conclusions, judgments, and recommendations not only will be impartial but will be viewed as impartial by others. 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 independent and impartial in fact and in appearance.

The Inspector General and OIG staff need to consider both personal and external impairments. If either of these affect the OIG's ability to do work and report findings impartially, the Inspector General should decline to perform the work, and should report the circumstances to the agency head and/or Congress, as appropriate.

C. Personal Impairments

There are circumstances in which the Inspector General and OIG staff cannot be impartial because of their personal situation. 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 cause the OIG to limit the extent of the work, to limit disclosure, or to alter the outcome of the work in any way.
2. Preconceived ideas toward activities, individuals, groups, organizations, objectives or particular programs that could bias the outcome of the work being done.
3. Previous involvement, especially recent involvement, in a decision-making or management capacity that would affect the work being done.

4. Biases, including those induced by political or social convictions, that result from employment in, or loyalty to, a particular group, organization, or level of government.
5. Subsequent performance of a review by the same individual who, for example, had maintained the official accounting records, or previously approved invoices, payrolls, claims, or other proposed payments, especially if such work or approval is recent to the review.

D. External Impairments

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

1. Interference in the selection, appointment, and employment of OIG personnel.
2. Restrictions on funds or other resources dedicated to the OIG which could prevent the Inspector General from performing essential work; e.g., inability to obtain timely and/or independent legal counsel.
3. Authority to overrule or to influence unduly the Inspector General or OIG staff judgment as to 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 members for reasons other than competency or the need for OIG services.
5. Interference with access to records, reports, audits, reviews, documents, papers, recommendations, or other material or denial of opportunity to obtain explanations by officials and employees needed to carry out the functions of the office.
6. Political pressures that affect the selection of areas for review, the performance of those reviews, and the reporting of conclusions objectively without fear of censure.

PLANNING

A. General Standard

Each OIG shall 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.

B. Background

The Inspector General is responsible for ensuring that the resources available to the OIG are used as efficiently and effectively as possible. 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 minimum commitment of resources needed to accomplish each OIG task. The planning process must recognize, however, that some activities, such as investigations initiated as the result of allegations, cannot be planned and that some resources will have to be used to respond to unforeseeable circumstances and events as they arise.

C. Elements of the Planning Process

The OIG should carefully consider the universe subject to OIG review—the agency programs and operations in their entirety. Analysis of this universe will identify the nature of agency 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 agency programs and operations identified as potential subjects for review. The strategy should be designed to bring to bear the most effective combination of OIG resources on the areas identified. Total OIG capabilities, programs and resources should be considered in developing this strategy, e.g., audits, investigations, inspections, operational surveys, vulnerability assessments, internal control reviews, fraud control studies. Also, the OIG should consider the plans of other organizations both internal and external to the agency. (See the Coordinating standard.) Strategic planning, in this context, need not be limited to a specific time period and is a flexible process which allows for appropriate changes.

Based on the above analysis, the OIG should identify which activities are to be reviewed and translate these priorities into action plans. Because resources are rarely sufficient to meet requirements, the OIG must

choose among competing needs. In making these choices, OIG considerations may include:

1. Vulnerabilities to fraud, waste and abuse.
2. The needs and priorities of the agency and Congress.
3. The benefits likely to result from OIG review, e.g., better internal controls; improved economy and efficiency; detection and prevention of fraud, waste, abuse and mismanagement; and recovery of unallowable costs.
4. The probable cost/effectiveness of each selection, i.e., the OIG resources that would be expended vis-a-vis the anticipated benefits.
5. The contributions resulting from different kinds of OIG review, e.g., a focus on identifying major systemic problems as opposed to concentrating on individual manifestations of these root problems.

Few of these considerations are quantifiable. Each requires a careful balancing of advantages and disadvantages.

D. Prevention

OIG planning should incorporate a strategy to identify the causes of fraud, waste and abuse in major agency programs, and a commitment to help the agencies overcome these problems. OIG efforts geared primarily to prevention 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 program 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, investigation, and other OIG reports to identify trends and patterns;
5. Education and training to assure that appropriate OIG staff have requisite abilities in the loss prevention area; and,
6. An effective means for tracking recommendations.

ORGANIZING

A. General Standard

The Inspector General is responsible for properly organizing the office to help assure that the resources of the OIG are efficiently and effectively deployed.

B. Background

The existence of two components (audits and investigations) of most OIGs is dictated by the Inspector General Act or other authorizing legislation. However, the fact that each OIG is different--despite the same basic mission in law--and approaches its mandate within widely differing contexts, precludes any consistent organizational structure. The variances extend to the functions which would seem to be homogeneous. For example, an audit organization that must respond to significant external as well as internal audit requirements will differ from one that addresses primarily internal audit work. An audit organization that must have an extensive network of field offices will differ in kind, as well as in numbers, from one that can operate primarily from a headquarters base.

Compounding the organizational difficulties created by diverse agency requirements, each IG may wish to stress his or her own priorities in meeting the IG mission. An IG may desire to give special emphasis to such areas as fraud control, or investigations, or vulnerability assessments, or internal controls, or inspections and operational surveys, or computer security. The IG should decide whether such emphasis can be accommodated within an existing organizational unit to minimize disruption, or whether this emphasis may have organizational implications. Although there are no precise rules, the following section provides several basic organizational principles which may be applied to OIGs.

C. Organizational Principles

1. The organizational structure should clearly assign within the OIG each of its duties and responsibilities. There need not be a separate organizational unit for each duty and responsibility. However, where stipulated in legislation, there must be an Assistant Inspector General for Auditing and an Assistant Inspector General for Investigations. The IG should appoint whatever additional AIGs and staff are needed to effectively perform his or her legislated functions.
2. The organizational structure should foster coordinated, balanced and integrated accomplishment of the OIG mission, goals and objectives.

3. Recruiting, staffing and training should support the IG mission and OIG organizational structure.
4. The OIG organization should reflect the unique needs of its own agency. Whether this is done by functional organization, by parallel organization, or by some combination of both, the way in which each OIG is organized should simplify and not complicate the ability of OIG personnel to review agency programs and operations.
5. The quality assurance and internal evaluation functions should be kept as independent as possible of the OIG operational units. Where limited size and/or resources preclude such organizational independence, quality assurance and evaluation assessments should be conducted by personnel not assigned to the units reviewed.

ASSURING STAFF QUALIFICATIONS

A. General Standard

The staff of each OIG should collectively possess the variety of knowledge, skills and experience needed to accomplish the OIG mission.

B. Background

Today, in a period of rapid technological change and unprecedented management demands, special levels of staff competence are needed throughout much of the Federal Government. Because of the unique nature of their mission, however, the OIGs face a particular staffing problem: they must efficiently and effectively deal 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.

C. Basic Qualifications

The qualifications noted below should be available to each OIG. However, they relate to the collective knowledge, skills and experience of an OIG, not necessarily to any one staff member. It is management's call to decide which skills can be obtained by hire of support service contractors or outside consultants, by more effective use of staff members who already possess the requisite skills, by staff development and training, or by new recruitment.

These qualifications, which are in addition to the Office of Personnel Management requirements specified for each job series, include the following:

1. A knowledge of OIG statutory requirements and directives and issuances from the agency and other authoritative bodies, such as the Department of Justice and OMB.
2. A working familiarity with the organizations programs, activities and functions of each major component of the OIG's agency, in sufficient depth to knowledgeably assess that component's accomplishment of its mission and to identify problems to the degree required for a particular task or set of duties. Where appropriate, this should include a general knowledge of programs and activities in other agencies which have a close relationship to, or which have a significant impact upon, those of the component.
3. The skills needed to evaluate the efficiency, economy and effectiveness of program performance by each major component of the OIG's

agency, as it relates to a particular OIG task or set of duties.

4. A knowledge of government policies, requirements and guidelines related to a particular task.
5. The technical state-of-the-art skills needed to assure OIG execution of a particular task, e.g., computer auditing, detection of computer fraud, review of ADP design requirements, statistical sampling and analysis, factor analysis, trend analysis, systems and management analysis, undercover techniques, and covert surveillance.
6. Managerial skills for supervisors and team leaders.
7. Familiarity with areas in the private sector with which the agency is regularly involved, e.g., knowledge of a particular group whose members receive benefits from the agency's programs or whose members are regulated by the agency.

D. Skills Assessment and Staff Development

To ensure that the OIG staff as a whole possesses needed skills, the Inspector General and key managers should assess the skills of staff on board and determine the extent to which these skills match requirements and the methods by which deficiencies can be corrected. In staff development, the Inspector General and OIG staff should consider the development of technical skills required to meet specific, identified needs, and how best to ensure the continuing development of individuals in the OIG.

DIRECTING AND CONTROLLING

A. General Standard

The Inspector General and OIG staff shall direct and control OIG operations to ensure that (1) all activities are adequately supervised, (2) performance is consistent with professional standards, and (3) periodic internal assessments are made of OIG activities and accomplishments.

B. Supervision

OIG supervisors at all levels should ensure that their staff receive adequate direction, guidance and oversight, and effective training.

Proper supervision is required from beginning to end of project assignments. This includes making sure that personnel explicitly understand, without ambiguity, the nature, scope, content and timing of the work assigned to them, and what end product is expected. It 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 without disrupting the assignments. Supervision should be exercised at each level of the organization and for each level of task responsibility. The actual amount of supervision provided may vary, based on resources available, complexity and sensitivity of the work, and staff experience.

C. Quality Control

Each OIG should establish procedures to ensure that its appropriate units and activities maintain adequate quality control over their work.

This is an inherent responsibility of the supervisors of each OIG component. As noted in the Maintaining Quality Assurance standard, quality control and quality assurance are not synonymous. The latter is a formal and distinct effort intended to ensure that the entire OIG, organizationwide, 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

Periodically, each OIG should assess its results and accomplishments. Goals and objectives, no matter how carefully developed, are of little value unless progress toward meeting them is evaluated. Each OIG should have a sufficient data base from which to conduct such evaluations, e.g., a history of past effort and results to show prior performance, a planning process to show expected performance, and a management

information system to show actual performance and results. Realistic assessment of this information is essential to identify shortfalls in performance, to improve operations in the future, to determine whether goals are reasonable and attainable, and to affix accountability for results.

The Inspector General and OIG staff should also evaluate, in terms of cost/benefit and other appropriate factors, the feasibility of different approaches to detecting fraud, waste, and abuse, and 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, for example, 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 the agency.

COORDINATING

A. General Standard

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.

B. Background

The Inspector General is responsible for ensuring adequate coordination of work planned and in process, so that effective and efficient use is made of the limited resources available to provide independent reviews of agency programs and operations. Work within the OIG should also be coordinated to avoid fragmentation or duplication.

C. Elements of Coordination

1. In planning work to be performed, the Inspector General and OIG staff should coordinate, where applicable, with agency management to ensure that OIG priorities appropriately consider agency needs. Additionally, the OIG should take into consideration requests from the Congress, other agencies within the executive branch of government, the PCIE, and complaints from employees and, as appropriate, private citizens. By using this information, along with the OIGs' own knowledge of agency objectives and operations, the OIG should be in a position to plan its work based on the relative benefits to be achieved. (See the Planning standard.)
2. In fulfilling the responsibilities of the OIG, the Inspector General and OIG staff should also take appropriate steps to minimize the undertaking of unnecessarily duplicative work. In this regard, the OIG should coordinate its own work internally and with other groups (both within and outside the agency) performing independent evaluations of agency operations and programs. The purpose of this coordination is to ascertain the nature and scope of other reviews so as to prevent any unnecessary duplication of effort. Coordination with the General Accounting Office is particularly important. As part of the audit planning process, each OIG should meet with the appropriate GAO components to exchange and discuss tentative audit plans for the next fiscal year. If overlapping or duplicative coverage is indicated, every effort should be made to resolve it.
3. Upon beginning a review and wherever else appropriate, OIG personnel should seek information concerning other reviews which have been performed of that activity or function. Data from such reviews should be utilized to the extent possible to reduce additional work by the OIG staff.

4. OIG staff should be alert to situations where problems are identified which might affect other offices, agencies, or arms of government. When such situations arise, the OIG should coordinate with others involved so that, where appropriate, joint or coordinated reviews, audits, or investigations may be performed to fulfill the requirements of all.
5. Because of the close interrelationships among many federal programs, situations will arise where audit, investigation, inspection, or other review activity by one OIG will require work with another agency's program or administrative staff. In such cases, the OIGs will coordinate.
6. Upon completion of audits, investigations, inspections, or other OIG reviews, coordination should continue with appropriate parties both within and outside of the OIG to ensure that needed actions are taken with respect to problems identified.

REPORTING

A. General Standard

Each OIG shall keep agency management and the Congress fully and currently informed of appropriate aspects of OIG operations and findings.

B. Keeping the Head of the Agency Informed

Through periodic briefings and reports, the Inspector General should keep the appropriate department and agency heads advised of important undertakings of the OIG, their outcomes and any problems encountered which warrant their attention. They should be advised as soon as possible, consistent with requirements of confidentiality, if any attempt has been made by an official of the agency to impede an audit, investigation, inspection, or any other OIG activity. The IG should alert them, also as early as possible but consistent with requirements imposed by confidentiality and the prosecutive system, to examples of egregious misconduct and waste which become known to the OIG.

C. Keeping the Congress Informed

In addition to the semiannual report, the IG may inform the Congress through the seven day letter (IG Act of 1978, Section 5.(d)), or other appropriate means of particularly serious programmatic or administrative problems which contribute to fraud, waste, or abuse in agency operations and programs. Further, if the results of an audit, investigation, inspection, or other OIG review indicate that deficiencies in Federal law contribute to fraud, waste or abuse, these matters may be brought to the attention of Congress, and may include recommendations for statutory change.

D. Keeping Program Managers Informed

It is important to OIG performance that cooperation be obtained from program managers and their senior staff. The ability to convince this group of the merit of OIG recommendations is often essential to their timely and satisfactory resolution. A special and continuing effort should therefore be made to keep program managers and their key staff informed, if appropriate, about the purpose, nature and content of OIG activity associated with their programs. This may include periodic briefings as well as interim reports and correspondence.

E. Elements of Effective Reporting

All reports issued should comply with applicable standards (e.g., Auditing and Investigating standards on page 24) and conform to the OIG's established policies and procedures. Whether written or oral, all OIG reports should be concise, complete, objective, timely, relevant, free of jargon, and accurate. They should also be adequately supported and, where appropriate, reflect positive as well as adverse findings.

PRESERVING CONFIDENTIALITY

A. General Standard

Each OIG shall establish and follow procedures for safeguarding the identity of confidential sources, and for protecting privileged and confidential information. Specifically, each OIG shall 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 unavoidable for the purposes of an investigation; and,
- privileged or confidential information gathered by the OIG will be protected from disclosure, unless the OIG determines that such disclosure is necessary to further the purposes of an audit, investigation, inspection, or other inquiry, or as required by law.

B. Background

The Inspectors General are in the fact-gathering business. Many of the facts gathered come from employees or other individuals who might be subject to 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 safeguard the identities of confidential sources and protect sensitive information compiled during the course of audits, investigations, or other work.

Congress has provided specific authority for withholding the identities of employees who make complaints to the OIG. Under Section 7 of the Inspector General Act of 1978, unless the IG determines disclosure is unavoidable during the course of an investigation, the identities of such employees may not be released without their consent.

The Freedom of Information Act, the Privacy Act, the Civil Service Reform Act, and other Federal statutes and case law provide certain protections for the identities of sources and for sensitive information obtained.

C. General Elements of the Confidentiality Standard

1. 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, or 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 employee

without the consent of the employee, unless the Inspector General determines such disclosure is unavoidable for the purposes of the investigation.

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.
4. In making determinations, the Freedom of Information Act, the Privacy Act, the Inspector General Act of 1978, the Civil Service Reform Act, and other applicable Federal laws and regulations must be considered. Professional standards, such as the GAO's "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions," should also be followed, as appropriate.

MAINTAINING QUALITY ASSURANCE

A. General Standard

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, and is carried out economically, efficiently and effectively.

B. Background

Because OIGs evaluate how well agency programs and operations are functioning, they have a special responsibility to ensure that their own operation is as effective as possible. A quality assurance program should provide reasonable assurance that this is the case and that, specifically, work performed by the OIG:

- is in accordance with OIG policies, procedures and plans, as appropriate;
- is guided by the standards in this document and by the standards referenced herein; and,
- is carried out economically, efficiently and effectively.

Quality assurance is distinct from quality control. The latter is an inherent responsibility of line managers to ensure that their own units and personnel are performing work that will meet the above standards. Quality assurance, on the other hand, is an evaluative effort imposed and 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 workpapers is an example of quality control. An independent reviewer evaluating the referencing process is an example of quality assurance.

C. Elements of a Quality Assurance Program

1. A quality assurance program must be structured and implemented 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 same professional care should be taken 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. Where necessary to facilitate the quality assurance evaluations, an OIG should maintain a management information system which shows the status, progress and results of OIG effort. Analysis of the data generated by this system should focus attention on particular problems warranting review during quality assurance evaluations. Such analysis, for example, may identify apparent inconsistencies between offices, chronic delays in completing assignments, repeated requests that work be redone, abuse of leave, failure to adopt new techniques, etc. With such information, the quality assurance program should be able to determine the underlying causes of problems in OIG operations, and develop realistic recommendations for correcting the deficiencies.
4. The Inspector General shall strive for timely implementation of necessary improvements.

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, as appropriate, those directives which affect either the programs and operations of the OIG's agency, or the mission and functions of the OIG. The system should result in OIG recommendations designed to (1) promote economy and efficiency in the administration of 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. Background

The Inspector General Act of 1978 states that the Inspectors General established under the Act have the duty and responsibility to:

- review existing and proposed legislation and regulations relating to the programs and operations of their agencies, and
- make recommendations in their semiannual reports to the Congress concerning the impact of such legislation and regulations on economy and efficiency and on the detection and prevention of fraud and abuse.

The Act does not refer specifically to IG review and comment on directives. However, because the policies and procedures enunciated in agency directives often bear so materially on how well agencies conduct their business and on how the OIGs will conduct their responsibilities, the OIG review and recommendation role should encompass directives, as appropriate.

C. Elements of Legislative and Regulatory Review

1. Review of legislation and regulations is an important aspect of OIG preventive and deterrent activity, requiring appropriate commitment of staff resources.
2. 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.

3. OIGs should seek implementation of agency procedures which routinely require OIG review or comment on legislative and regulatory proposals of interest to OIG and on agency-wide directives.
4. The IG is free to express his or her views to the Congress on any legislative matter through the semiannual report or through other means, as appropriate. The IG's views on legislation will not be represented as the Administration's unless OMB has concurred with them.
5. OIGs should have written procedures for and conduct appropriate reviews, as necessary, of authorizing legislation, regulations and directives during investigations, internal audits, inspections, and other OIG activities, particularly when it appears that a lack of controls or deficiencies in law have contributed to fraud, waste and abuse.

RECEIVING, CONTROLLING AND SCREENING ALLEGATIONS

A. General Standard

Each OIG shall establish and maintain a system for receiving, controlling and screening allegations. This system, which should be fully documented, should ensure that each allegation is screened as soon as possible after receipt and that an appropriate disposition is determined for each allegation.

B. Background

Each OIG receives many different kinds of allegations, in many different ways, from many different sources. Regardless of their origin or how they are transmitted, all allegations must be reviewed. The major objectives of this screening are to:

- ensure the integrity of the complaint system;
- ensure that urgent and/or high priority matters receive timely attention;
- improve OIG management of its workload and staff resources, including establishment of investigative, audit, inspection, and other priorities;
- reduce the expenditure of unnecessary staff time by early identification of those complaints which, because of their frivolous or spurious nature, lack of potential for proving alleged facts, or other deficiencies, do not warrant follow-up action; and,
- facilitate early determination of the appropriate courses of action to be taken on those complaints which do require follow-up action.

C. General Elements of an OIG System for Receiving, Controlling and Screening Allegations

This system should ensure that:

1. The OIG has a simple, well-publicized vehicle through which agency employees and other interested persons can submit allegations of waste, mismanagement, fraud and abuse, preserving anonymity when possible, if desired.
2. A retrievable record is maintained of each allegation received.
3. Each allegation is screened as soon as possible after receipt.
4. Based upon the nature, content and credibility of the complaint and in the light of OIG priorities and resources, an appropriate disposition is determined for each allegation, e.g., no action warranted;

referral; action needed but pending; investigation, audit, or inspection scheduled.

5. The rationale for the disposition of each allegation is documented in the record.

D. Feedback

The OIG may wish to establish some mechanism for providing feedback to parties who submit allegations. This need not be on a case-by-case basis, but could be furnished in broad summary form through such vehicles as an employee newsletter, distribution of a semiannual report digest, or other means.

INVESTIGATING

A. General Standard

Each OIG shall conduct, supervise and coordinate investigations consistent with the general and qualitative standards accepted by the PCIE from the Association of Directors of Investigation and the Association of Federal Investigators, and with appropriate Department of Justice directives.

AUDITING

A. General Standard

Each OIG shall conduct, supervise and coordinate audits consistent with "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions," issued by the U.S. General Accounting Office and known as the "yellow book."