



Principles and Standards for Offices of Inspector General



Association of Inspectors General
Inspector General Institute®

Advancing Professionalism, Accountability



Presenter



Felix Jimenez, CIG, CIGI, CIGE

Third Vice President, Board Member & CIGI Course Manager, AIG

Inspector General

Miami-Dade County

Office of Inspector General

Email: felix.jimenez@miamidade.gov

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Learning Objectives



- Know about sources of standards and AIG standards
- Know the importance of key factors that determine makeup and potential success of OIGs
- Know about AIG *Statement of Principles for Offices of Inspector General*
- Know about AIG *Quality Standards for Offices of Inspector General*
- Know about AIG *Quality Standards for Investigations*
- *Notations in red are notable additions in the revised version, effective July 1, 2024*

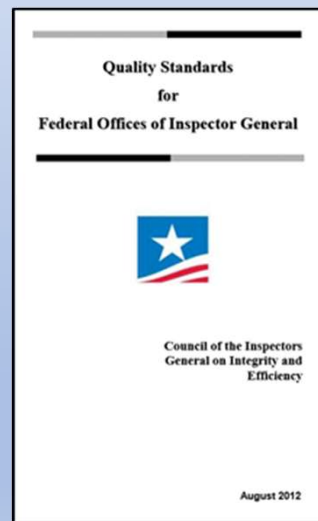
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Sources of Standards for Offices



- CIGIE Quality Standards for Federal Offices of Inspector General
- AIG Quality Standards for Offices of Inspector General



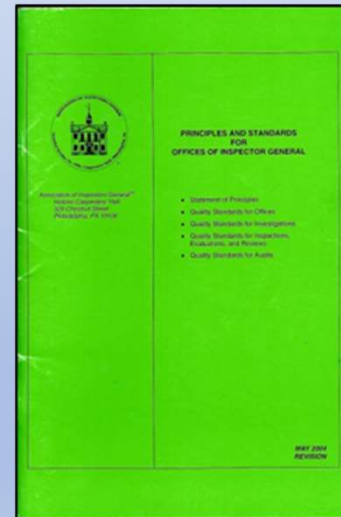
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Professional Standards for Work of Investigators



- CIGIE Quality Standards for Federal Offices of Inspector General
- AIG Quality Standards for Offices of Inspector General



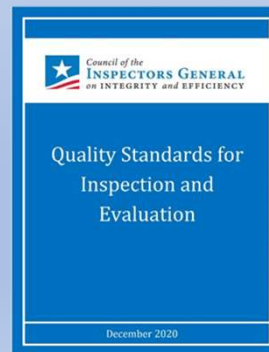
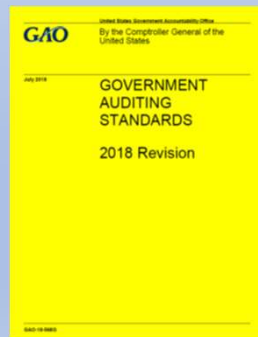
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Professional Standards for Work of Auditors and Analysts



- Government Auditing Standards
- CIGIE Quality Standards for Inspections and Evaluations
- AIG Quality Standards for Inspections, Evaluations, and Reviews
- IIA International Standards for the Professional Practice of Internal Auditing



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Federal IG Standards



- Quality Standards for Federal Offices of Inspectors General (1986/2012)
- Quality Standards for Investigations (1997/2011)
- Quality Standards for Inspection and Evaluation (1993/2020)
- Quality Standards for Digital Forensics (2012/2019)
- Government Auditing Standards (1972/2018)

Note: Years in parentheses indicate year of original and most recent issuance.

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Principles and Standards



- Statement of Principles and Basis of Legal Authority
- Quality Standards for OIGs
- Quality Standards for Investigations
- Quality Standards for Inspections, Evaluations, and Reviews
- Quality Standards for Audits
- Recommended for adoption (model legislation)
- Some IGs are required by statute to follow the standards
- **Mandate or adoption must be documented with any exceptions noted**

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Principles and Standards Development



- 1999: AIG Board of Directors creates committee to establish generally accepted IG principles and standards
- March 2000–May 2001: Committee holds meetings, develops drafts, issues exposure draft, receives 44 comments, prepares final
- May 2001: AIG Board of Directors approves and recommends Principals and Standards
- May 2004 and May 2014 revisions

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Principles and Standards Current Review Process



- Principles and Standards Committee overseeing a review of current standards by three subcommittees
- Three subcommittees
 - Office standards
 - Investigations standards
 - Inspection, evaluation, and review standards

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Statement of Principles



- “Accountability is key to maintaining public trust in our democracy.”
- “In exercising [their] powers, inspectors general regard their offices as a public trust, and their prime duty as serving the public interest.”
- “An OIG is judged by the results of its efforts and the timeliness, accuracy, objectivity, fairness and usefulness of these results. These are the cornerstone of OIG accountability.”

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Basis of Legal Authority



- An OIG should be formally created as a legal entity. The Association recommends that the OIG be established by statute or, if necessary, by executive order.
- The statute 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
 - Provide protection to whistleblowers

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Basis of Legal Authority – Key Factors



- **Mission and Jurisdiction:** The statute should state the OIGs mission and identify the operations, programs, departments, or agencies subject to the OIG's jurisdiction.
 - The Association recommends that the mission encompass:
 - Prevention and detection of fraud, waste, and abuse
 - Efficient and effective use of public resources
 - Promotion of public integrity



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Basis of Legal Authority – Key Factors



- **Authority:** The statute should authorize the OIG to conduct specific functions, such as:
 - Audit, inspect, evaluate
 - Investigate
 - Refer cases
 - Engage in prevention activities
 - Issue public reports

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Basis of Legal Authority – Key Factors



- **Powers:** The statute should grant the OIG specific powers and identify any limits on those powers, such as:
 - Subpoena persons and documents
 - Access to contractor and agency records, officials, and employees
 - Law enforcement authority
 - Require public employees to report fraud, waste, corruption, illegal acts, and abuse.

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Basis of Legal Authority – Key Factors



- **Confidentiality:** The statute should authorize the OIG to maintain appropriate confidentiality of records and 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 his/her duties. The statute should impose penalties for breach of confidentiality.

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Basis of Legal Authority – Key Factors



- **IG and Staff Qualifications:** The statute should provide requirements for the position of inspector general and staff.
 - The IG should be selected without regard to political affiliation on the basis of integrity, capability for strong leadership, and demonstrated ability in related fields
 - The IG should be a certified CIG at appointment or within a time certain after appointment
 - OIG staff should collectively possess the variety of knowledge, skills, and experience needed to accomplish the OIG mission and personal and professional ethical behavior and integrity *and a commitment to fostering and promoting accountability and integrity in government.*
 - The IG should ensure that OIG staff receive appropriate training and that staff attain & maintain appropriate professional licensure and certification *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.*

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Basis of Legal Authority – Key Factors



- **Independence:** The statute should contain provisions to help establish and maintain the independence of the inspector general and the OIG. The statute should address:
 - Appointment and removal
 - Term
 - Organizational placement
 - Funding

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Basis of Legal Authority – Key Factors



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

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Basis of Legal Authority – Key Factors



Organizational standards “. . .to guide the conduct of official duties in a professional manner.”

■ Independence	■ Direction and Control
■ Staff Qualifications	■ Coordination
■ Quality Assurance	■ Reporting
■ Planning & Organizing	■ Confidentiality

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Basis of Legal Authority – Key Factors



Independence

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

Impairments

If [impairments] affect the OIG's ability to perform its work impartially, the [IG] should decline to perform the work and report the circumstances to the appropriate official. If the [IG] 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. ("Green Book")

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Quality Standards for Offices of Inspectors General



Staff Qualifications

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

Continuing Professional Education (CPE)

Staff engaged in investigations, inspections, evaluations, reviews, or audits should complete, every 2 years, at least 40 hours of CPE that directly enhance the person's professional proficiency.

At least two hours of the 40 hours of CPE should be ethics training...



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Quality Standards for Offices of Inspectors General



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 for performance, and is carried out economically, efficiently, and effectively.

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.

and

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.

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Quality Standards for Offices of Inspectors General



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 specified time frame.

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.*

and

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.

and

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.

and

The investigative activities through which evidence was obtained, produced, or analyzed should be accurately and timely documented in the investigative case file.

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Quality Standards for Offices of Inspectors General



Organizing

The IG is responsible for organizing the OIG to assure efficient and effective deployment of the OIG's resources.

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Quality Standards for Offices of Inspectors General



Direction and Control

The inspector general should 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.

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.*

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Quality Standards for Offices of Inspectors General



Direction and Control

Third-party experts added to the inspections, evaluations, and reviews guidelines

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.

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Quality Standards for Offices of Inspectors General



Coordination

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

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Quality Standards for Offices of Inspectors General



Reporting

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

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

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Quality Standards for Offices of Inspectors General



Confidentiality

The OIG should establish and follow procedures for safeguarding the identify of confidential sources and for protecting privileged and confidential information . . .

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Quality Standards for Offices of Inspectors General



General Standards

- A. Staff Qualifications
- B. Independence
- C. Due professional care

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Quality Standards for Offices of Inspectors General



Qualitative Standards

- A. Quality Control
- B. Planning
- C. Data Collection and Analysis
- D. Evidence
- E. Timeliness
- F. Reporting
- G. Confidentiality
- H. Follow-Up

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Comparison of AIG Quality Standards



<i>Quality Standards for Offices</i>	<i>Quality Standards for Investigations</i>	<i>Quality Standards for Inspections, Evaluations, and Reviews</i>
	General Standards	
Independence	Staff Qualifications	Staff Qualifications
Planning	Independence	Independence
Organizing	Due Professional Care	Due Professional Care
Staff Qualifications	Qualitative Standards	
Direction and Control	Quality Control	Quality Control
Coordination	Planning	Planning
Reporting	Data Collection and Analysis	Data Collection and Analysis
Confidentiality	Evidence	Evidence
Quality Assurance	Timeliness	Timeliness
		Fraud and Other Illegal Acts
	Reporting	Reporting
	Confidentiality	Confidentiality
	Follow-Up	Follow-Up

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High Expectations – High Standards



“ . . . The public expects OIGs to hold government officials accountable . . . 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 . . . ”

Statement of Principles for Offices of Inspector General

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History and Overview of the IG Function

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Learning Objectives



- Know the historical context of the IG function
- Understand significant similarities and differences among the federal, state and local OIGs

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What is an IG?



What do you do?



What does your office do?



How is it different from other oversight agencies?

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IG Origins – Military History



- ▶ 1668 French Infantry & Cavalry
- ▶ Widespread application in Europe
- ▶ 1777 Continental Congress
 - Concern with army and militia training and readiness and use of resources
 - Accountability
 - Reporting concerns



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Federal IGs – 1978 IG Act



- ▶ **Mandate:**
 - Audits and investigations
 - Promote economy, efficiency, effectiveness
 - Prevent and detect fraud and abuse
- ▶ **Dual Reporting – Agency Head & Congress**
- ▶ **Establishment IGs**
 - Appointed by President with advice and consent of Senate
 - Removal by President; reasons given to House and Senate
- ▶ **President's Council on Integrity and Efficiency (PCIE) established 1981**

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Federal IGs – 1978 IG Act 1988 Amendments



- ▶ Designated Federal Entity IGs
 - Appointed by agency head
 - Removal by agency head; reasons given to House and Senate
- ▶ Powers and duties substantially the same as Establishment IGs
- ▶ Executive Council on Integrity and Efficiency (ECIE) established 1992



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Inspector General Reform Act of 2008



- ▶ Established the Council of the Inspectors General on Integrity and Efficiency (CIGIE) unifying the PCIE and the ECIE
- ▶ Codified Integrity Committee established by Executive Order in 1996 to review allegations of wrongdoing by the IG or senior IG staff
- ▶ Required 30-day prior notice of proposed removal of an IG
- ▶ Provided for independent counsel for OIGs

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Other Federal IGs



- ▶ **Federal Entity IGs**
 - Optional under 1978 Act
 - Agency heads report annually to Congress on status and activities
 - Not subject to most provisions
- ▶ **Legislative IGs**
 - Architect of the Capitol
 - Capitol Police
 - Government Accountability Office
- ▶ **Military IGs**

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State and Local IGs



▶ State Examples

- ▶ TX Human Services
- ▶ KY Human Services
- ▶ OK Human Services
- ▶ Florida Chief IG
- ▶ CA Dept of Corrections
- ▶ NE Dept of Corrections
- ▶ Commonwealth of MA

▶ Local Examples

- ▶ New York City
- ▶ Chicago
- ▶ Palm Beach County
- ▶ Miami-Dade
- ▶ Jacksonville
- ▶ LAPD
- ▶ Louisville PD

Most states have at least one agency OIG, while others, such as Virginia has one statewide IG. Florida has an IG for every state agency & a Chief IG.

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Major Elements of the IG Model



- ▶ Conducts audits and investigations along with other activities related to the mandate
- ▶ Charged with
 - promoting economy, efficiency, and effectiveness
 - Preventing and detecting fraud, waste, and abuse
- ▶ Broad authority extending to the actions of officials, personnel, contractors, and program beneficiaries
- ▶ IG is independent, nonpartisan, appointed on basis of integrity and qualifications

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Variation Among OIGs



- ▶ Federal civilian OIGs generally have similar missions and authority but vary considerably in scope and resources
- ▶ Military OIGs
- ▶ Greater variation among state and local OIGs
 - Scope of responsibility
 - Specifics of mandate and authority
 - Extent of independence
 - Areas of emphasis
 - Peer review and accreditation

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Adoption of the IG Model



- ▶ Growth over time at the federal level
- ▶ Significant and continuing adoption at the state, regional, and local level
- ▶ Adoption by various nations and international organizations

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Questions?

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