



Principles and Standards for Offices of Inspector General

Association of Inspectors General
Inspector General Institute®

Jacksonville, FL

August 2021

© Clarus Group 2021

1

1



INSPECTOR GENERAL
INSTITUTE®

Presenter

F. Daniel Ahern, Jr
CIG, CFE, CGFM, MCPPO
President, Clarus Group
dahern@theclarusgroup.com
www.thecclarusgroup.com
781-878-6000



Former First Inspector General for Management
MA Office of the Inspector General

© Clarus Group 2021

2

2



Learning Objectives

- ▶ Know about sources of standards and AIG standards
- ▶ Know the importance of key factors that determine nature 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*

© Clarus Group 2021

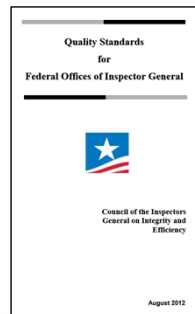
3

3



Sources of Standards for Offices

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



© Clarus Group 2021

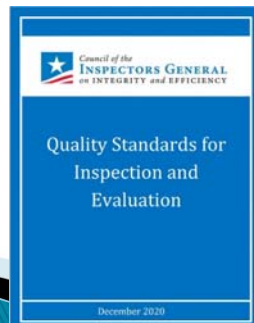
4

4



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



© Clarus Group 2021

5

5



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.

© Clarus Group 2021

6

6





Principles and Standards

- Statement of Principles
- Quality Standards for OIGs
- Quality Standards for Investigations
- Quality Standards for Inspections, Evaluations, and Reviews
- Quality Standards for Audits

© Clarus Group 2021

7

7



Principles and Standards

- Recommended for adoption.
- Some IGs are required by statute to follow the standards.

© Clarus Group 2021

8

8



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 Principles and Standards
- May 2004 and May 2014 revisions

© Clarus Group 2021

9

9



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

© Clarus Group 2021

10

10



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 OIG accountability.”

© Clarus Group 2021

11

11



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; and provide protection to whistleblowers.

© Clarus Group 2021

12

12



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;
 - and promotion of public integrity.

© Clarus Group 2021

13

13



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

© Clarus Group 2021

14

14



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.

© Clarus Group 2021

15

15



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.

© Clarus Group 2021

16

16



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.

© Clarus Group 2021

17

17



Basis of Legal Authority – Key Factors

- IG and Staff Qualifications
 - OIG staff should collectively possess the variety of knowledge, skills, and experience needed to accomplish the OIG mission.
 - The OIG should ensure that staff receive appropriate training and that OIG staff attain and maintain appropriate professional licensure and certification.

© Clarus Group 2021

18

18



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

© Clarus Group 2021

19

19



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.

© Clarus Group 2021

20

20



Quality Standards for Offices of Inspectors General

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

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

© Clarus Group 2021

21

21



Quality Standards for Offices of Inspectors General

Independence

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

© Clarus Group 2021

22

22



Quality Standards for Offices of Inspectors General

Independence – 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.

© Clarus Group 2021

23

23



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.

© Clarus Group 2021

24

24



Quality Standards for Offices of Inspectors General

Organizing

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

© Clarus Group 2021

25

25



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.

© Clarus Group 2021

26

26



Quality Standards for Offices of Inspectors General

Staff Qualifications – Continuing Education

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

© Clarus Group 2021

27

27



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.

© Clarus Group 2021

28

28



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.

© Clarus Group 2021

29

29



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.

© Clarus Group 2021

30

30



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 . . .

© Clarus Group 2021

31

31



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.

© Clarus Group 2021

32

32



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

© Clarus Group 2021

33

33

