

# INSPECTOR GENERAL INSTITUTE

TRAINING AND CERTIFICATION FOR INSPECTION  
AND OVERSIGHT PROFESSIONALS

## Performing the Inspection/Evaluation

Presented by:

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**Inspector General**



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# Course Objectives

- Identify the key elements of performing an inspection/evaluation
- Execute an inspection/evaluation and meet the established objectives
- Prepare findings and recommendations



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# Remember...

There are different kinds of inspector general functions.

No two inspector general functions are exactly the same.

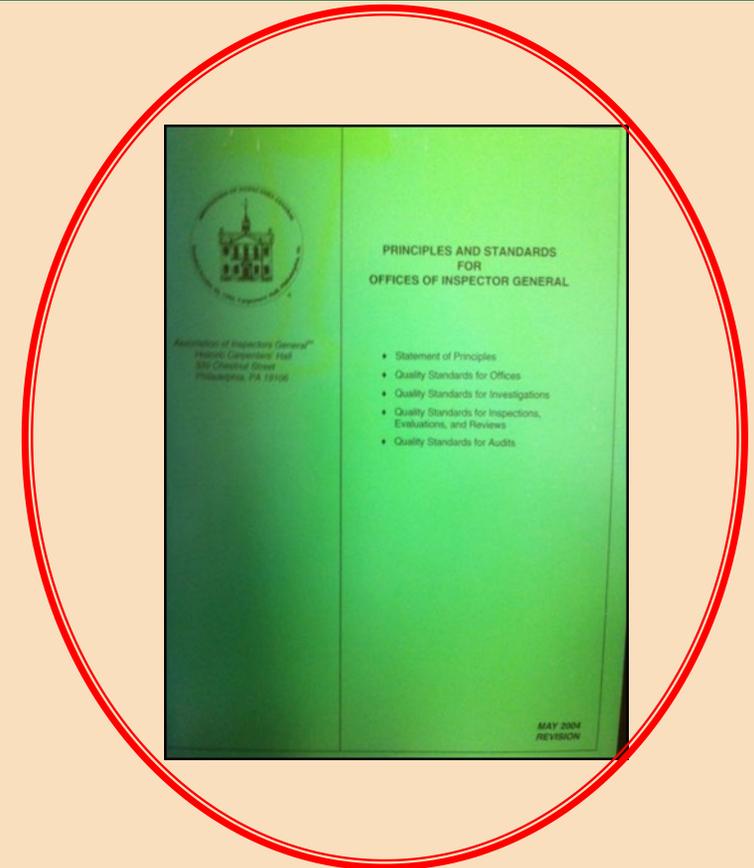
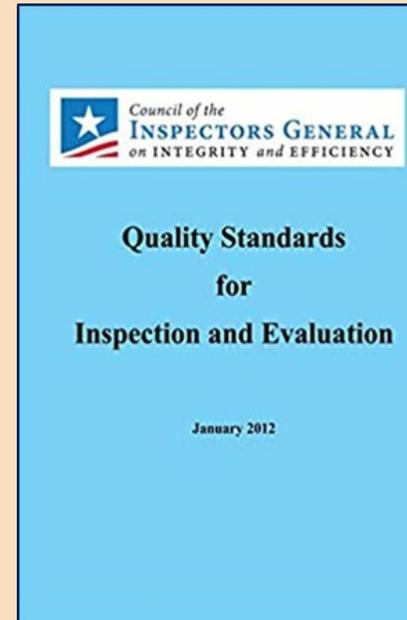
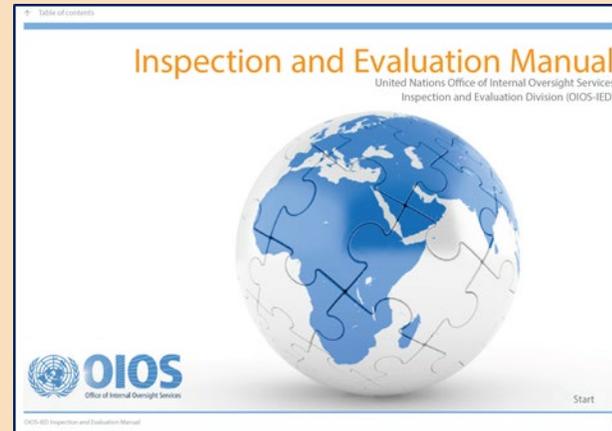
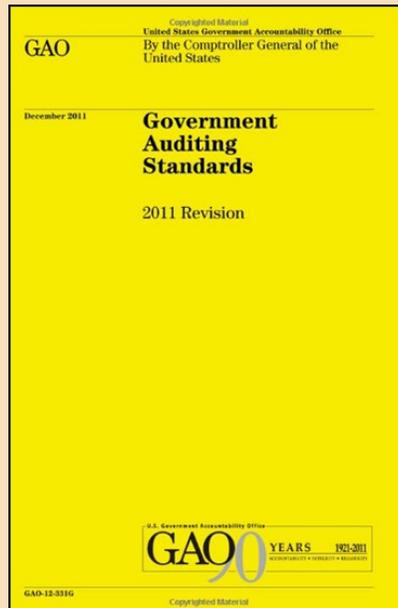
No two inspector general inspections/evaluations are exactly the same.



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# Professional Standards



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# Inspection Process Phases

## Three Phases of an Inspection

- **Planning/Preparation**

- ✓ Notification, research, schedule with counterpart, detail plan, checklist

- **Execution**

- ✓ On-site visit, review of documents, conduct interviews

- **Completion**

- ✓ Out brief, document findings, finalize report



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# Inspection/Evaluation Execution

## Four Parts:

- **Part I:** Entrance Conference (In brief)
- **Part II:** Information Gathering
- **Part III:** Analyze Data/Information
- **Part IV:** Exit Conference (Out brief)



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# Inspection/Evaluation Execution

A good plan is the essential foundation for good execution.



The Inspection execution is simply implementing the plan.



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# Performing an Inspection/Evaluation

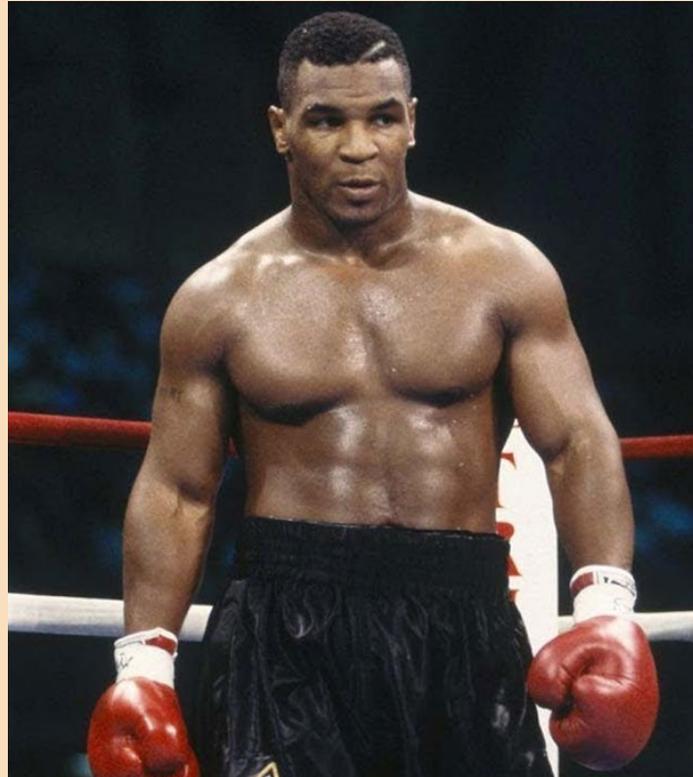
Executing the plan requires flexibility.



Executing the plan requires patience.



Executing the plan requires persistence.



*"Everybody has a plan until he gets punched in the face."*

-Mike Tyson

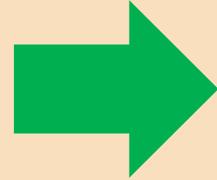


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# Execution: Part I

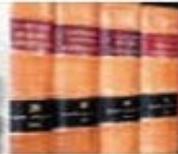
Conduct  
in-briefing/  
entrance  
conference.



Inform leaders of the entity being inspected, the purpose and scope of the inspection; what is needed and what to expect.



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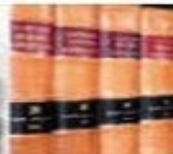


# Execution: Part II

Continue gathering information (begun in planning phase), conduct interviews, sensing sessions, observations, focus groups, etc.



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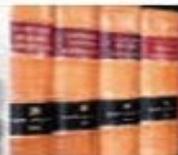
# Methodology

The methodology is the standard approach the Inspection Team will follow during the inspection.

- Each team member **must** have a specific function within the team.
- The methodology is the way the team would **ideally** like to conduct the inspection.
- The methodology **must** be designed to reduce the risk of the team reaching incomplete or inaccurate conclusions.



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# Observation

- **Observe people, property, events, etc.**
- **Walk through the processes with the staff.**



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# Observation



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# Observation



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# Organize Information as you Inspect

## 1. Organize documents and data obtained

- ✓ Note source and date obtained
- ✓ Summarize what you learned



## 2. Keep a list of what you still need answered (outstanding questions)

## 3. Create process flowcharts

## 4. Consider how to make it useful for:

- ✓ This inspection/evaluation
- ✓ Future reviews
- ✓ Future risk assessments (annual plan)



# Data Collection

## Data Collection

Physical Evidence

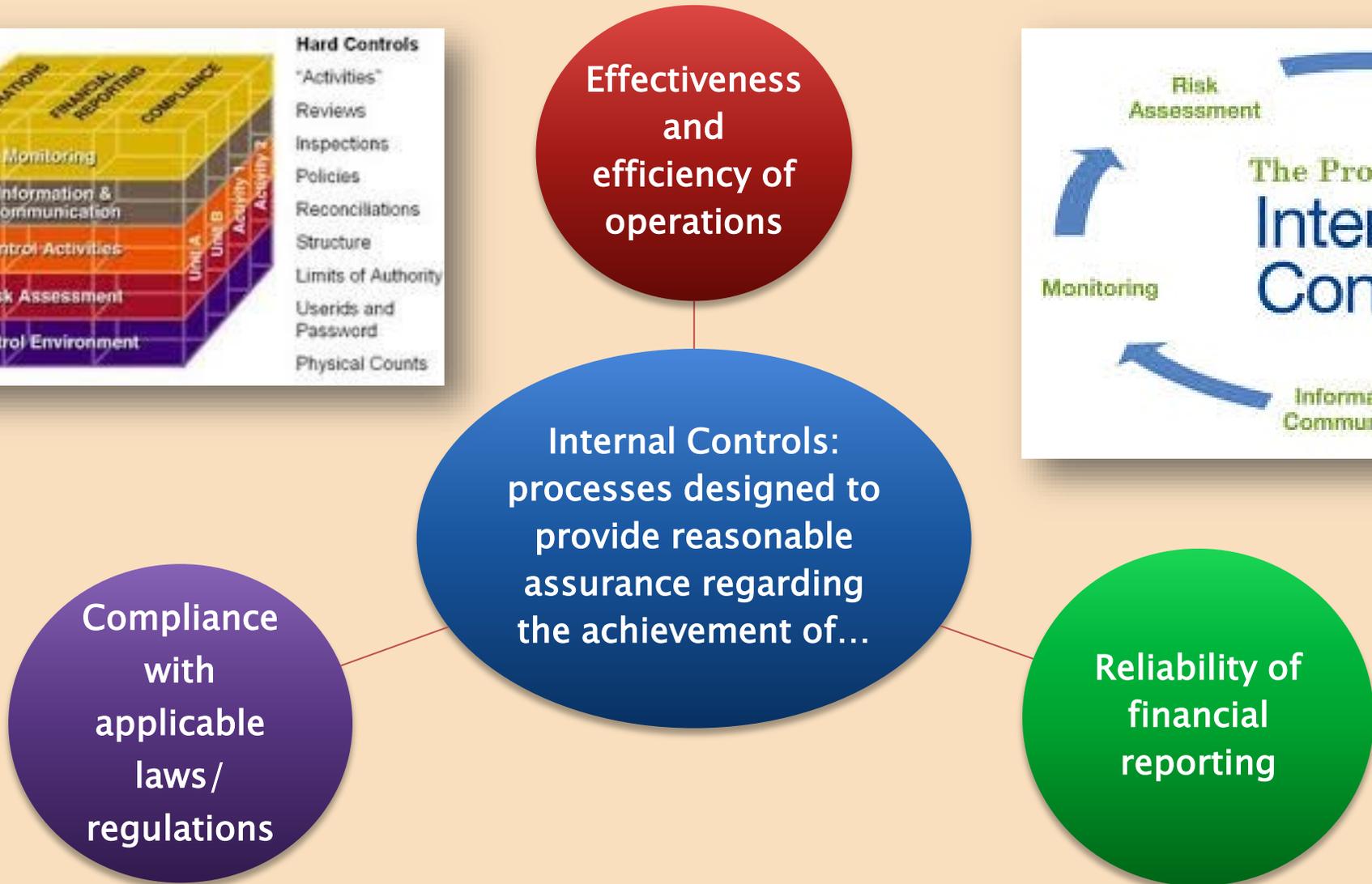
Interviews/Focus Groups

Document and Data Review

Direct Observation



# Identify and Assess Internal Controls



# Fraud Awareness



- 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 in the course of the inspection, evaluation, or review they become aware of illegal acts, or indication of such acts, they should promptly present such information to their supervisors for review and possible referral to the appropriate investigative authority.



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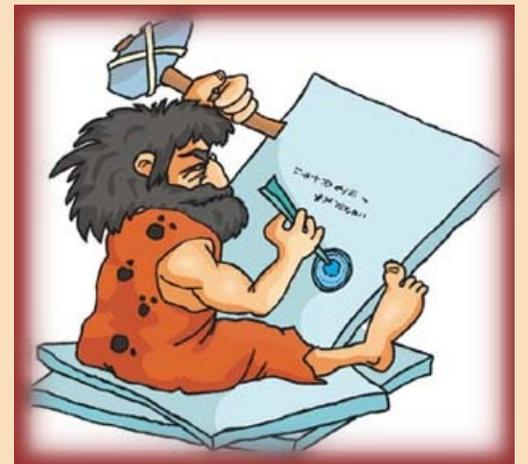


# Documenting the Inspection/Evaluation Process

Document all information that will assist in supporting your findings, conclusions, and recommendations.

Workpapers/Information Memorandums (IM) should be prepared and include:

- Identity of who gathered the information
- Date of information acquisition
- **Purpose** of workpaper/IM
- **Source**(s) of Information
- **Scope**
- **Conclusions**

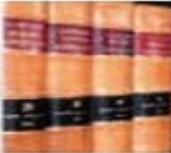


# Inspection/Evaluation Execution: Part III

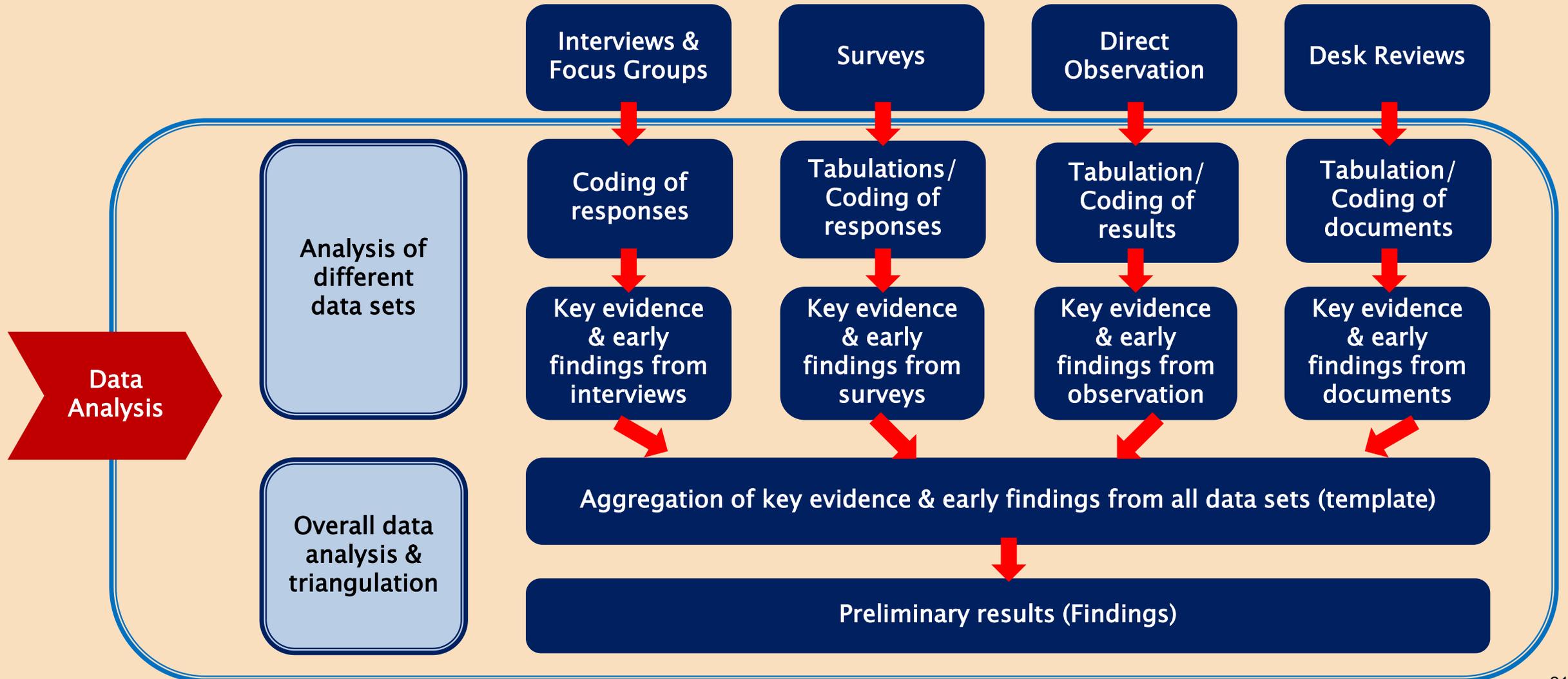
Analyze  
information and  
data collected



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# Analysis Process



# Finding

## What is a Finding?

- An evaluation that identified a condition having an effect based on evidence or observation.
- Findings are considered nonconformance (NC) or an opportunity for improvement (OFI).



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# Finding

## Some OIGs Categorize Findings:

- **Nonconformance (NC)**: A finding is considered an NC if an established requirement has not been complied with and there is objective evidence that can be cited.
- **Opportunity For Improvement (OFI)**: An OFI is a recommendation for improvement of a particular situation or operation.



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# Findings

- ✓ Get all of the relevant elements of the finding before ending fieldwork.
- ✓ Start early and often on possible findings.
- ✓ Any gap between what is (condition) and what should be (criteria) may be a new finding.
- ✓ Learn the cause by asking agency staff and management why the problem occurred.
- ✓ No cause  $\neq$  no recommendation.
- ✓ There is usually an immediate/local cause and a root cause.
- ✓ No data (goals are not established or results are not measured) could be an element of a finding.
- ✓ Finding must stand on its own, so that a reader with no background on the subject can understand the issue.

# Elements of a Finding



CRITERIA: What should be...as stated in agency policies, procedures, contracts, best practices, laws, national standards, etc.?

CONDITION: What is the problem...what was observed?

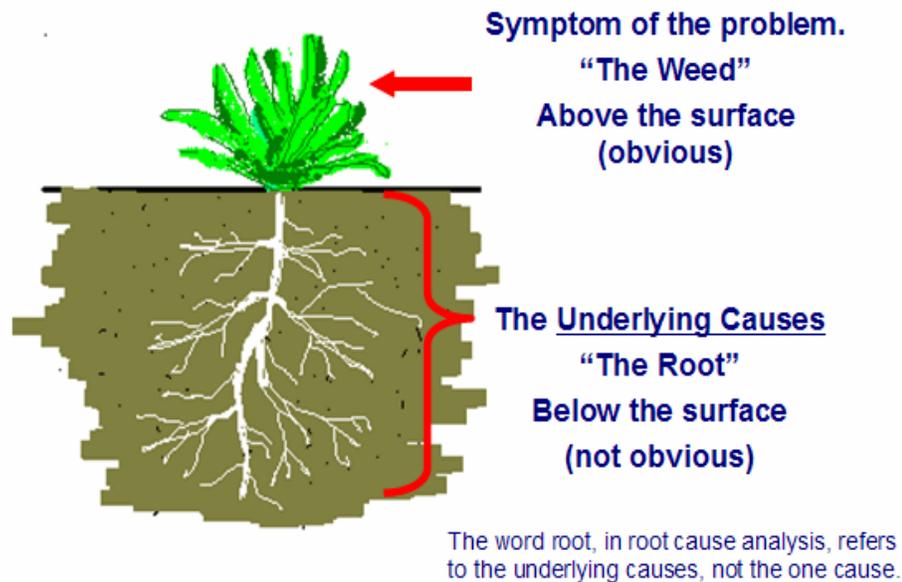
CAUSE: What is the root cause of the condition cited above?

EFFECT: What is the actual or potential consequence of the condition...as it varies from the criteria?

RECOMMENDATION(S): How can the problem be fixed to address the cause and eradicate the condition?

# Root Cause

## Root Cause Analysis Basics



- **Root Causes (Two Forms)**
  - ✓ Systematic (widespread and is a pattern)
  - ✓ Local (affects one unit)
- **Root Cause Analysis Model**
  - ✓ Don't Know: Not aware, not trained
  - ✓ Can't Comply: No resources, don't know how, impossible task to accomplish
  - ✓ Won't Comply: No reward, No penalty, Disagree



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# Developing Inspection Findings

## Practical Exercise

- You are lead inspector for an inspection of the organization's employee separation process to evaluate its compliance and effectiveness.
- Break up in working groups and:
  - Identify elements of a finding in the following scenario.  
(See Handout)



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# Developing Inspection Findings

## Practical Exercise

**While still in your groups, develop one or two brief summary finding statements/sentences.**



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# Consider Positive Findings



Inspection/Evaluation designed to answer an objective(s)  
– even if positive.



Builds agency credibility – will report what is found.



Only needs criteria and condition (not effect, cause, or recommendation).

# Findings should result in an IG Recommendation(s)

Recommendations must identify clearly and concisely what the IG recommends that a particular individual or staff agency should do to correct the problem (cause).

The recommendation must tag a specific individual or staff agency.

The recommendation should be specific, realistic, reasonable, achievable, measurable, and timely.



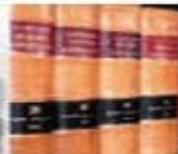
# Developing Inspection Recommendations

## Practical Exercise

**While still in your groups, develop one or two brief summary recommendations from the scenario finding.**



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# Inspection/Evaluation Execution: Part IV

Provide the entity's leaders with a written and/or verbal out-briefing/exit conference.



Inform the unit or staff agency's leaders of the findings and recommendations.  
(these may be tentative)



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# Out-Brief/Exit Conference

- One of the final steps that should be conducted in the performance of an inspection is an “exit conference.”
- The **purpose** of the **exit conference** is to communicate the inspection results to management.
- Obtain management's comments on proposed findings and recommendations before the draft inspection report is issued.



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# Questions and Closing Remarks



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