

INSPECTOR GENERAL INSTITUTE

TRAINING AND CERTIFICATION FOR INSPECTION AND OVERSIGHT PROFESSIONALS

Planning an Inspection/Evaluation

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Course Objectives

- Develop an inspection/evaluation plan
- Execute an inspection/evaluation
- Complete an inspection/evaluation



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Important to Remember



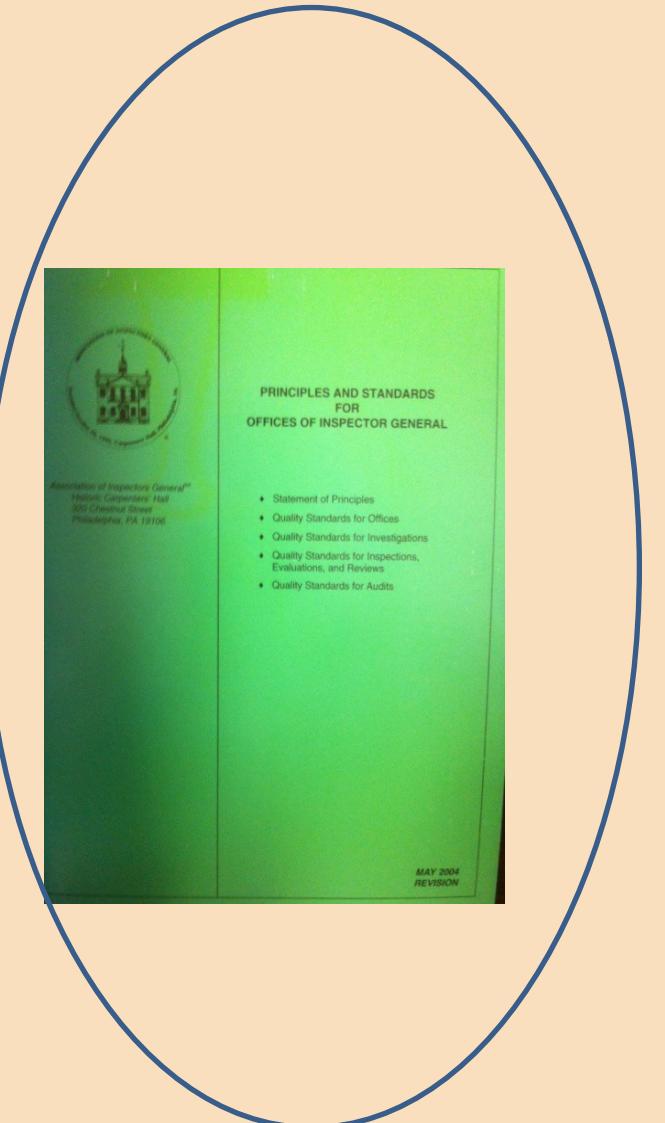
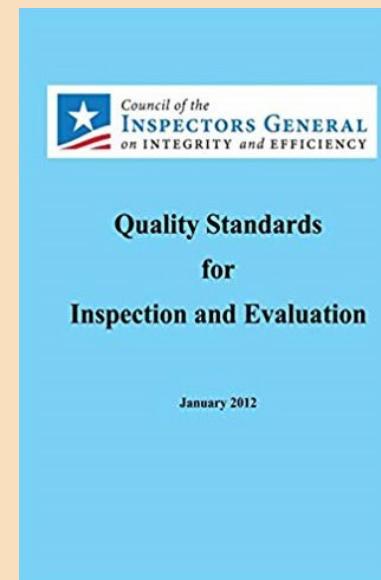
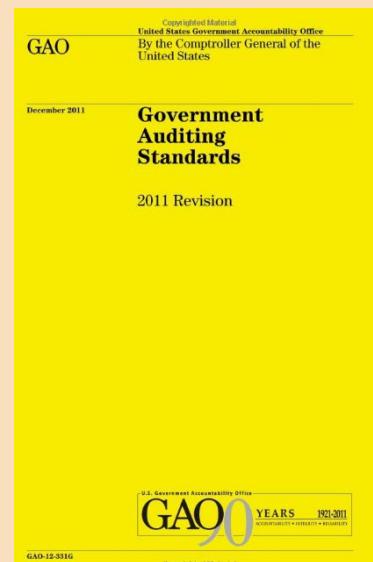
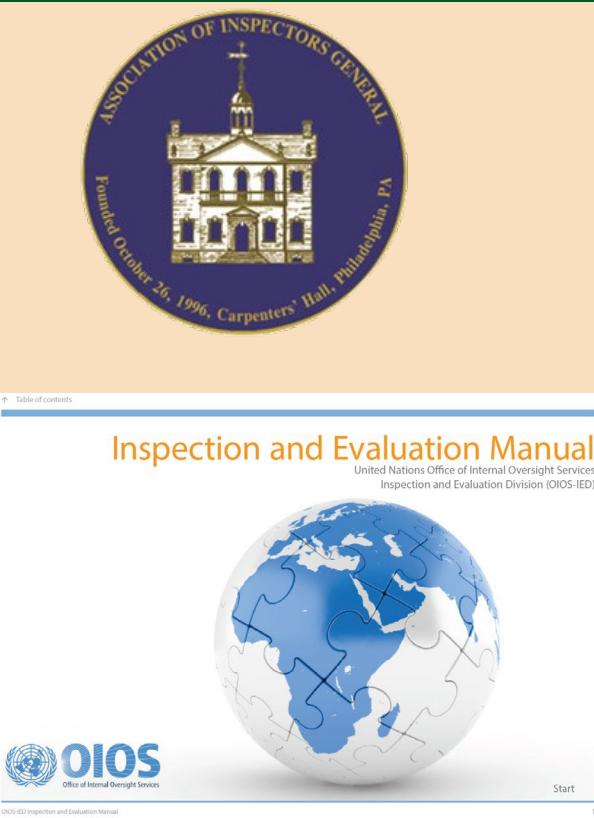
- No two inspector general functions are exactly the same.
- No two inspector general inspections/evaluations are exactly the same.
- There are many pillars of inspector general functions.



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Professional Standards



Introduction

What is an inspection?

- A formal or official examination performed by higher authority using criteria against a set of standards/requirements to determine compliance.
- The process that evaluates, reviews, studies or analyzes programs for the purposes of identifying risks to mission, enhancing effectiveness, ensuring compliance, and providing information for decision making.



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Introduction

Why do we conduct inspections/evaluations?

- Independent evaluation of compliance with requirement from higher authority.
- Provide leadership with relevant evaluations and recommendations that are timely, accurate, candid and objective.
- Promote and reinforce performance and best practices.
- Assist leadership/management in improving the performance, readiness, efficiency, effectiveness and quality of life.



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Introduction

What happens if inspections are not conducted?

- Experience has shown that, in some cases, excessive periods between inspections can result in conditions that significantly degrade the effectiveness and efficiency of the organization's goals.
- Inspections provide an independent evaluation of the organization's readiness.



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Introduction

What is an Inspector

- A person who examines a program for compliance with regulations, standards, and laws who are qualified and authorized to perform all or part of an inspection.



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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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Planning/ Preparations

Planning/ Preparation



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Planning Phase

Develop the Concept

- The inspection concept is the **blueprint** for your inspection plan and forms the basis of your approved briefing.
- The concept is nothing more than a plan that outlines how the inspection team plans to accomplish the inspection.
- The **concept plan** can be in the form of a memorandum or a slide presentation – or both (the **physical output** of this step).
- The **concept plan** is used to write the **inspection plan**.



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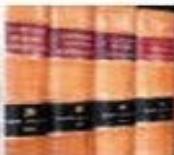
Planning Phase

The inspection concept must have at a minimum the following:

- **Inspection Purpose** (ensure compliance with the quality standards)
- **Inspection Objectives** (ensure compliance with applicable laws, rules, regulations, policies, and procedures)
- **Scope of the Inspection** (describe the organization/unit type, sampling size, functional areas and the inspection team make up)
- **Timeline** (outline the key milestone dates)
- **Notification** (explain how the inspection team plans to notify the organization/unit)



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Preparation

Any organization/program has:



Which of these will you be evaluating?



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Preparation

The inspection concept must have at a minimum the following:

- **Inspection Purpose** (ensure compliance with the quality standards)
- **Inspection Objectives** (ensure compliance with applicable laws, rules, regulations, policies, and procedures)
- **Scope of the Inspection** (describe the organization/unit type, sampling size, functional areas and the inspection team make up)
- **Timeline** (outline the key milestone dates)
- **Notification** (explain how the inspection team plans to notify the targeted organization/unit)



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Inspection Notification

This is a one page letter or memorandum, which should include the following:

- A statement of the overall concept/purpose of the inspection (what will be inspected and why).
- A list of objectives that pertain to the inspection.
- A statement that outlines the authority of the OIG to conduct the inspection.
- A statement describing the general methodology of the inspection.



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Inspection Notification Example

Date: XXX XX, 20XX
To: XXXXX, Town Manager
Town of XXXX
From: XXXXX, Director of Inspections
Office of Inspector General
CC: XXXX, Inspector General
Subject: Town of XXXX – Water Utility Cross Connection Program

This memorandum is to notify you that we will be conducting an inspection of the Water Utility Cross Connection Program for the Town of XXXX. This inspection will be conducted in accordance with principles and standards for offices of inspector general.

The overall objectives of the audit will be to determine whether (1) internal controls are adequate related to the cross connection program and (2) the cross connection program is monitored appropriately and in compliance with regulatory requirements. The initial inspection scope will include, but not be limited to, cross connection activities from October 1, 2016 to September 30, 2017.

The inspection methodology will include but not be limited to:

- Conducting a review of internal controls related to the cross connection program
- Reviewing the cross connection program policies, procedures, and compliance requirements;
- Interviewing appropriate personnel;
- Reviewing reports, contracts, and agreements; and
- Performing detailed testing of selected transactions.

We will contact you to schedule an entrance conference during which we will discuss the audit in greater detail, provide a preliminary list of documents required for the inspection, and answer any questions that you may have.

If you have any questions please feel free to contact me at XXX-XXX-XXXX. Thank you.



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Planning Phase

Pre-inspection processes that are the key to an effective preparation include:

- Documentation review
- Checklist and associated instruction review
- Creation of an inspection plan for use on-site
- Meet with your inspection team early and often
- Start communicating with your counterparts



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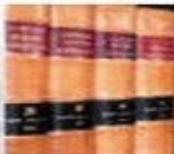
Planning Phase

Inspection Plan:

- The responsibility of the inspector (should be in writing).
- A comprehensive and detailed inspection guide/strategy.
- A document developed by each team member.
- Document what/when/how an assigned area will be reviewed on site.
- Review your checklist and share with your counterparts. **Keep in mind that checklists are only used as a guide.**



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Planning Phase

Each inspector will:

- Develop a daily plan that outlines their inspection schedule.
- Review and discuss all findings with their counterparts.
- Attend the daily meeting with the Team Leader.
- Generate functional area write ups prior to the out brief.



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Planning Phase

“Inspections/evaluations is to be adequately planned”

Research:

- Existing data
- Applicable laws, policies and regulations
- Other analytical work
- Have discussion with program owners and appropriate personnel
- The results of your research should be documented



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Planning Phase

Work Plan:

- Define the purpose and scope for the inspection.
- Used as a basis for the organization of the inspection.
- Determine location of inspections.
- Determine if focus groups are needed.
- Identify areas of potential issues.
- Identify Functional Areas to be inspected.



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Planning Phase

Coordination:

- Coordinate with other OIG
- Coordinate with the organization
- Coordinate with the inspection team
- Coordinate with your agency/organization



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Planning Phase

Survey:

- Obtain information needed to determine and refine objectives, scope and methodology.
- Identify problem areas that could warrant an additional review.
- Obtain information for use in planning and performing the inspection.
- Command climate



Planning Phase

Good Survey + Quality Inspection Plan = Quality Inspection

What is an inspection survey?

- **The first step of an inspection and the means to gather information.**
- Risk assessment
- An educational process
- Gaining an understanding – not a questionnaire
- Command climate



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Inspection Process Phases

Execution



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Execution Phase

- Conduct the entrance brief (in brief).
- Inspection Team and counterparts meet .
- Tour the facilities.
- Commence the inspection.
- Conduct end of day review with the Inspection Team.
- Brief the Agency Head daily on findings and other important matters.



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Execution Phase

- Review prior inspection findings and corrective actions (**open and closed**).
- Discuss each finding with the Team Leader.
- Generate and complete all functional area write ups.
- Assign responsibility to the appropriate individual or organization to resolve the finding.
- Conduct the exit brief (out brief).



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Inspection Process Phases

Completion



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What information do you need to gather?

- Mission
- Authority
- Recent history, changes
- Previous inspections, audits, investigations, lawsuits
- Internal controls (& gaps)
- Relevant laws/regulations
- Available resources (money, personnel, equipment)
- IT systems, available data, procurement process
- Management reviews
- Performance goals
- Performance measurements
- Specific concerns of stakeholders
- Organizational structure
- Contracts with third parties
- Exposures to fraud or mismanagement

Consider creating a list or template to help you remember all the possibilities.



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Completion Phase

Finding Preparation:

- Ensure you write your finding prior to departing the inspection site.
- Keep the finding condensed as possible and avoid fluff.
- Define acronyms the first time they are used.
- Check your grammar, punctuation and spelling.
- Brief your counterpart on all findings.
- Finding must stand on its own, so that a reader with no background on the subject can understand the point that is being made.



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Completion Phase

The functional area write up needs to be well written. Clear, concise and easy to read.

Documenting Findings:

- Top level requirements
- Government requirements and procedures
- Previous findings
- Systemic issues
- Best practices



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Completion Phase

Documenting Findings:

- Verify the information and statements related to the finding(s) are factual
- Identify all requirements that are not in compliance
- Obtain copies of all relevant and supporting information to use as objective evidence
- All working papers must contain the following:
 - Location
 - Reference number/title
 - Name of key personnel interviews



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Questions and Closing Remarks



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