



Council of the
INSPECTORS GENERAL
on INTEGRITY and EFFICIENCY

Revisions to the Quality Standards for Inspection and Evaluation

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Agenda

- Goals of revision
- The revised standards compared to current ones
- Format of standards
- Overarching concepts
- Timeline
- Peer review
- Quality assurance

The Working Group

- In 2019, the CIGIE I&E Committee established the Blue Book Working Group to conduct a substantive review of the Blue Book.
- The Blue Book Working Group consisted of representatives from 11 OIGs. It was a diverse group according to size and mission:
 - Equal Employment Opportunity Commission
 - Farm Credit Administration
 - Federal Deposit Insurance Corporation
 - General Services Administration
 - Health and Human Services
 - Architect of the Capitol
 - Defense
 - Homeland Security
 - Interior
 - State
 - Housing and Urban Development

Goals for Revision

- Consider perspectives of a wide variety of OIGs.
- Develop a new structure that provides clarity on the specific requirements for each standard.
- Design the Blue Book standards to be testable during a peer review.
- Provide the I&E community with guidance on how inspection organizations could comply with the standards.

Revised Standards

- The Blue Book Working Group consolidated the current 14 inspection and evaluation standards into a new group of 7 revised standards.
 1. Independence
 2. Competency
 3. Planning
 4. Evidence Collection and Analysis
 5. Reporting
 6. Follow Up
 7. Quality Control

Current Standards

New Standards

1. Competence	2. Competency
2. Independence	1. Independence
3. Professional Judgement	Incorporated throughout
4. Quality Control	7. Quality Control
5. Planning	3. Planning
6. Data Collection and Analysis	4. Evidence Collection and Analysis
7. Evidence	4. Evidence Collection and Analysis
8. Records Management	5. Reporting
9. Timeliness	5. Reporting
10. Fraud and Other Illegal Acts, and Abuse	4. Evidence Collection and Analysis
11. Reporting	5. Reporting
12. Follow-up	6. Follow-up
13. Performance Measurement	Not Included
14. Working Relationships and Communication	3. Planning, 4. Evidence Collection and Analysis

New Format

Each standard has three parts:

1. A brief statement on the standard →

This standard ensures that inspectors and inspection organizations are following Blue Book standards.

2. Requirement(s) →

Requirement: System of Quality Control

7.1 Inspection organizations must implement a system of quality control that provides the inspection organization with reasonable assurance that the organization and its personnel follow the Blue Book when conducting inspections.

3. Application Guidance →

Application Guidance:

7.1a An inspection organization's internal system of quality control will differ depending on size, mission, and structure of the inspection organization. The system should include policies and procedures that integrate both appropriate supervision and the external peer review process.

Requirements always use “must.”

The application guidance further explains the requirements and, in some cases, provides examples and best practices for satisfying the requirements. In the application guidance, the words, “should,” “can,” “may,” “might,” and “could” are used. However, the **application guidance does not itself impose a requirement**, nor is it meant to be exhaustive. It is meant to be helpful and relevant to the proper application of the requirements.

Requirement: System of Quality Control

7.1 Inspection organizations must implement a system of quality control that provides the inspection organization with reasonable assurance that the organization and its personnel follow the Blue Book when conducting inspections.

Application Guidance:

7.1a An inspection organization’s internal system of quality control will differ depending on size, mission, and structure of the inspection organization. The system should include policies and procedures that integrate both appropriate supervision and the external peer review process.

7.1b The inspection organization’s system of quality control might include periodic internal reviews of inspections to provide for reasonable assurance of conformance with the organization’s policies, procedures, and processes for performing inspections. Internal reviews may be more effective if distinct from regular management and supervisory activities. Internal reviews conducted by staff that are external to the inspection being reviewed provide independence and objectivity.

Requirement: Supervision

7.2 Inspection organizations must provide supervision over the inspection work performed.

Application Guidance:

7.2a A key aspect of inspection quality control is supervision. Inspection organizations should assign supervision roles and responsibilities for each inspection as appropriate.

7.2b Supervisory reviews help ensure that the:

QUALITY CONTROL

The standard for inspection work is:

Each OIG organization that conducts inspections should have appropriate internal quality controls for that work.

Each OIG organization that conducts inspections should develop and implement written policies and procedures for internal controls over its inspection processes/work to provide reasonable assurance of conformance with organizational policies and procedures, the “Quality Standards for Inspection and Evaluation,” and other applicable policies and procedures. The nature and extent of these internal controls and their associated documentation will be dependent on a number of factors, such as the size and structure of the organization and cost-benefit considerations. As appropriate, organizations should seek to have quality control mechanisms that provide an independent assessment of inspection processes/work. Documentation of the execution of quality control mechanisms should be retained for a sufficient period of time to allow for evaluation and use in conjunction with other quality control mechanisms.

A key aspect of inspection quality control is adequate supervision. Supervision provides important judgment and an additional level of oversight to the work done by subordinate, often less experienced, staff. Supervisors should work with inspection team members to reach agreement as to the work the team will do and how they are to proceed. The team also should

Standard 7: Quality Control

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Requirement: System of Quality Control

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Application Guidance:

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Overarching Concepts

- **Professional judgment – Glossary definition**
 - Use of the inspector’s professional knowledge, skills, and abilities, in good faith and with integrity. Professional judgment includes exercising reasonable care and professional skepticism.

Overarching Concepts

- **Flexibility – Pages 1 and 2**

- The standards are flexible and not overly prescriptive by design. The Blue Book is meant to be interpreted **through the professional judgment** of inspectors due to the complexity of inspection and evaluation work.
- In order to maintain the flexibility inspections are known for, the Blue Book is written in a way to maximize flexibility on how inspectors and inspection organizations meet Blue Book standards. While the Blue Book identifies the requirements for meeting the standards, **it is the responsibility of individual inspection organizations to develop policies and procedures for implementing the Blue Book requirements.**

Overarching Concepts

- **Flexibility – Pages 1 and 2**
 - Because of the flexibility offered in the BB, reviewers of I&E work need to consider OIG policies and procedures for a complete picture.

4.2c The inspection organization should provide updates on inspection work to the inspected entity. **Inspectors should use professional judgment and comply with their inspection organization's policies and procedures to determine the form, content, and frequency of communication.** Inspectors should retain communication in the inspection documentation.

Overarching Concepts

- **Applicability – page 2**
 - Inspection organizations may use multi-disciplinary teams, technical experts, advisors, contracted staff, or others that perform or assist with inspections. The application of the standards to these individuals' work will depend on the level of involvement with the project. The responsibility resides with the inspection organization to make that determination.

Overarching Concepts

- Departures from standards – Page 2
 - In rare circumstances an inspection organization may determine it necessary to depart from a requirement. The inspection organization's policies and procedures are essential in describing how such departures are to be justified and approved within the inspection organization, as well as how the inspection organization will achieve the intent of the requirement through alternative procedures.

Blue Book Adherence: Timeline

- Inspection & Evaluation units to be compliant by January 2022
 - Internal policies & procedures updated
 - I&E documentation (evidence and analysis) compliant

Peer Review implications

- Overview: Inspection & Evaluation peer reviews
- The I&E Peer Review Working Group will send an updated guide to the community for comments in July 2021 with a plan to publish in January 2022.
- Any evaluation or inspection beginning on or after Jan 2022 is subject to peer review under the updated Guide.

Peer Review Guidance

- In Draft
- Based on requirements
 - Some application guidance may be considered when it defines a requirement (4.3a)
- For each requirement consider how the standards apply to:
 - Policies and procedures
 - Sampled reports and associated documentation

Quality Assurance implications

- Of the new requirements, what to focus on will be unique to your OIG.
 - Compare your policy to the revised BB and decide what will cascade to QA.
- HHS OIG perspective
 - “Requirements” language
 - Tracking training
 - Independence clause



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Questions?