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Inspections and Evaluations

Rounding Out the Power and Potential of the IG Act

John F. Kennedy once said, “Change is the law of life, and those who look only to the past or present are certain to miss the future.” Though I doubt the authors of the Inspector General Act had these words in mind, they surely succeeded in crafting legislation whose capacity for sparking innovation and accommodating change would allow it to endure. And indeed, this capacity has enabled Inspectors General (IGs) to find new and creative ways to fulfill their mandate through the years in response to emerging challenges and ever-shifting priorities. Inspections and evaluations are two such innovations that over time have revolutionized the work and impact of the IG community.

Though the Inspector General Act clearly identified audits and investigations as the core functions and primary purposes of IG offices, it established a secondary objective for us: “to provide leadership and coordination, and recommend policies for activities designed to (A) promote economy, efficiency, and effectiveness in the administration of, and (B) prevent and detect fraud and abuse in such [establishments’] programs and operations.” This objective opened the door for novel approaches to enhancing Federal agency operations that are planned or in progress, beyond the fairly prescribed activities of detecting problems after the fact, as audits and investigations tend to do. And it is this secondary niche that inspections and evaluations have come to fill so ably. In the process, they have broadened our reach from the program and operations arena to matters of policy—as our respective agencies have come to rely on our input on proposed or in-place policies that ultimately guide their every move. They have provided the

INSPECTIONS & EVALUATIONS . . .

- Determine the effectiveness of agency programs
- Evaluate the management and efficiency of government operations
- Assess program and project vulnerabilities
- Identify best practices or lessons learned
- Provide an advance review of program initiatives, regulations, or procedures

means for responding rapidly to urgent events and issues of national consequence, using flexible methods and techniques, and leveraging multi-disciplinary talents and expertise. They have enabled us to tailor our work to the smallest detail in order to meet specific agency needs.

Consider the challenges we as a nation confront in this post-9/11 era, and the importance of inspections and evaluations becomes clear. Ensuring the security of the public and our critical infrastructure is now a priority for every Federal agency, and roughly \$41 billion in Federal resources were dedicated to homeland security this fiscal year alone—twice the FY 2001 amount.¹ The success of these efforts and effective use of these resources have, of course, become a major focus for IGs. With so much at stake, we cannot wait for a program to be in place for very long before determining whether it is having the desired effect. Thus, inspections and evaluations—because of their relatively quick turnaround—have become the tools of choice for assessing and ultimately improving the adequacy of many security-related initiatives.

No one knows this better than Department of Homeland Security (DHS) IG Clark Kent Ervin. His office recently evaluated DHS' methods for determining whether Federal airport screeners were adequately trained. In about 2 months, the

office issued a report that detailed and put an end to poor testing practices. (DHS, in a review of its own conducted prior to the IG's, had pronounced the testing "acceptable.")

Ervin's inspection report made headlines, led to congressional hearings, and prompted swift change. And he notes that this is but one of many examples of timely, critical improvements in DHS operations resulting from inspections and evaluations.

At the Department of Justice (Justice), a recent Office of Inspector General (OIG) evaluation of the U.S. Marshals Service's protection of Federal judges and courts found a system rife with inadequacies: threat assessments were poor and untimely; guidance for determining protective measures appropriate to potential risks did not exist; and information sharing among the Marshals Service's 94 districts was limited, as was its participation on Federal counterterrorism task forces. The resulting inspection and evaluation (I&E) report recommended a number of steps to enhance protective operations. Congress promptly appropriated additional funding to make the needed improvements.

The Environmental Protection Agency (EPA) OIG used evaluation methodology to assess EPA's handling of environmental hazards resulting from the World Trade Center collapse and the effectiveness of its efforts to protect the public from harm. Evaluators found numerous failings in EPA's response and communications capabilities. The final report, which offered 16 recommendations, was a key resource in congressional hearings into

"Inspections and evaluations across the IG community continue to impress me with the extraordinary flexibility they bring to our work and with their capacity to provide quick responses."

—Clark Kent Ervin, Homeland Security IG

¹ Congressional Budget Office, *Economic and Budget Issue Brief*, April 30, 2004. Accessed July 15, 2004, at <http://www.cbo.gov/showdoc.cfm?index=5414&sequence=0>.

9/11 and its aftermath. And when the agency balked at addressing recommendations to improve its cleanup of indoor spaces, several senators and the White House Council on Environmental Quality took action to ensure that EPA assessed the cleanup effort and made improvements as needed.

Many of us have similar stories to tell, and I daresay most would agree, on behalf of their own agencies, with Justice IG Glenn Fine's observation: "Evaluations and inspections have had a dramatic impact on improving Department of Justice operations. They have the flexibility to address critical topics creatively . . . identify needed improvements, and provide the recommendations to help accomplish those improvements."

As IG for the Department of Commerce (Commerce), I too can attest to the power and versatility of inspections and evaluations. Given Commerce's broad and varied missions, many of which have implications for the integrity of the nation as a whole and the well-being of each of its citizens, the ability of my office to respond quickly to emerging threats, unanticipated problems, and even a serious hint of dysfunctionality in the activities or operations of this Department is crucial. Time and again, our strong inspections and evaluations capability has proven itself—uncovering weaknesses in Commerce's enforcement of "dual-use"² export control regulations, inadequacies in the operations of overseas trade offices, significant gaps in the security of critical information technology (IT) systems and data and the facilities in which employees work, and serious mismanagement of—and overspending on—acquisitions of weather forecasting technology. And the list of examples goes on. But in every case, an OIG inspection team identified the problems and their root causes, recommended solutions to Commerce officials, and worked with the Department to expedite implementation of our recommendations

² Dual-use commodities are goods and technologies that have both civilian and military uses.

and restore accountability to the program, process, or operation under review.

Institutionalizing the I&E Concept

While the examples I have cited are from large Federal departments, inspections and evaluations are making a difference in agencies of all sizes and disciplines. Roughly half of the Federal Offices of Inspector General have institutionalized the capability by establishing I&E units. Twenty-six OIGs had I&E units in 2003, with staff of as few as 5 to more than 100. Of these, 18 operate as separate entities within their OIG; 8 are subcomponents of another OIG unit, such as an Office of Audits, or are combined with another OIG entity, such as a management and policy office. Six I&E units have staffs of at least 25 and annual budgets of more than \$2.5 million, and these have existed for a decade or more. The largest I&E unit is that of the Department of Health and Human Services OIG—it had a staff of 136 in FY 2003 and a budget of \$13.2 million. The remaining units have 23 or fewer employees and budgets of less than \$2.2 million.

Some units conduct both inspections and evaluations, but most perform one or the other. While the fine distinctions between the two types of reviews vary among OIGs, an evaluation is typically an in-depth look at a major program, function, or activity, whereas an inspection is a more concise assessment of a specific office, event, issue, or problem. IGs also task their I&E staffs with a variety of related pursuits: (1) producing best practices reports, or "crosscutting" reviews that identify issues or problems common to several entities within an agency or department; (2) conducting unannounced inspections; (3) providing technical support to other units within their OIG; (4) assessing legislative, regulatory, and/or departmental policy; and (5) participating in intra-OIG assessments with audit and investigative staff or on interagency IG teams.

This diverse agenda requires staff with well-rounded experience and expertise in a variety of

disciplines. Most inspectors and evaluators tend to be program analysts (GS-0343)—a job category that encompasses a broad range of backgrounds—and are GS-13s or higher. Some I&E units hire inspectors and evaluators from the auditor series (GS-0511) as well. However, OIGs in agencies with highly specialized missions tend to recruit from more specialized job series. For example, the State Department I&E unit has a large number of foreign service officers, as they understand the intimate workings of State's international operations; the Department of Veterans Affairs' (VA) I&E unit is staffed primarily by physicians and other health care specialists.

VA Inspector General Dick Griffin stresses that having inspectors with strong medical backgrounds is a must for the work of his office. He describes, as a case in point, his OIG's recent review of alleged misconduct and possible manslaughter in a VA-sponsored clinical research trial involving human subjects. Inspectors were on site in Albany, New York, within 24 hours of receiving a request for assistance from Griffin's Office of Investigations, and their findings prompted the Veterans Health Administration (VHA) to suspend research activities throughout the entire VHA system for 90 days. Only skilled medical professionals could have conducted this specialized inquiry, which involved evaluation of comprehensive health care and clinical data, policies, and procedures. Griffin's staff subsequently conducted a follow-up inspection of compliance with the suspension order.

"Diverse expertise and specialized experience is invaluable to our ability to be effective in reviewing VA activities."

—Dick Griffin, Veterans Affairs IG

At Commerce, we have two I&E offices: one focuses strictly on major IT systems and acquisitions and has been staffed by computer scientists,

PCIE QUALITY STANDARDS FOR INSPECTIONS

1. **Qualifications:** Individuals assigned to perform inspection work must collectively possess adequate professional proficiency for the tasks required.
2. **Independence:** Individuals performing inspection work must be free from impairments that hinder objectivity. Inspectors must consistently maintain an independent, objective attitude and appearance, and shall be subject to supervisory guidance and review to preclude actual or perceived impairments or bias in conducting inspection work and presenting results.
3. **Due Professional Care:** Due professional care will be used in conducting inspection work and in preparing reports or other products.
4. **Quality Control:** To ensure quality and to expedite the progress of an inspection, proper supervision will be exercised from the start of an inspection to completion of the final inspection report.
5. **Planning:** To ensure adequate planning, inspection work will be coordinated, researched, and designed to achieve the objectives of the inspection.
6. **Data Collection and Analysis:** Information and data obtained about the organization, program, activity, or function being inspected should be consistent with inspection objectives and sufficient enough to provide a reasonable basis for reaching conclusions.
7. **Evidence:** Evidence supporting inspection conclusions should be competent and relevant and lead a prudent person to the same conclusion as that of the inspectors.
8. **Supporting Documentation:** All relevant information generated, obtained, and used in supporting inspection findings, conclusions, and recommendations should be retained.
9. **Timeliness:** Inspections should seek to deliver significant information to appropriate management officials in a timely manner.
10. **Fraud and Other Illegal Acts:** If, during or in connection with an inspection, inspectors become aware of illegal acts or indications of such acts, they should promptly present such information to their supervisors for review and possible referral to the appropriate investigative office.
11. **Reporting:** All inspection reports shall present factual data accurately, fairly and objectively, and present findings and conclusions in a persuasive manner.
12. **Follow-up:** Appropriate follow-up will be performed to assure that any recommendations made to agency officials are adequately considered and appropriately addressed.

mathematicians, contract experts, and other technical personnel. The second unit, which conducts all non-IT inspections and evaluations, has been staffed by economists, international business specialists, human resources professionals, lawyers, and a variety of others whose backgrounds mirror the Department's diverse program and operational areas. Without this range of specialties, we could not effectively evaluate the vast scope of activities that require our attention.

I&E Quality Assurance Assured

Despite the impressive list of enhancements to government operations that inspections and evaluations have prompted through the years, some observers question whether these reviews and their findings are as valuable, reliable, and irrefutable as those of our audits and investigations. In other words, do they meet the highest quality standards expected of IG work? The answer is "yes."

The President's Council on Integrity and Efficiency (PCIE) *Quality Standards for Inspections*, issued in March 1993, establish strict criteria against which to measure our inspections and evaluations, and provide assurance that the integrity of these reviews matches that of our audit and investigative efforts. The beauty of the standards is that they allow the flexibility we need to approach the issues from diverse and at times nontraditional perspectives. It is up to each individual OIG to ensure compliance with the standards by developing internal procedures and controls for guiding the conduct of their own I&E work.

It is up to the PCIE Inspection and Evaluation Committee, and me as its chair, to ensure the standards remain relevant—and we are committed to doing so: the committee is currently reviewing and updating the standards in keeping with the changing I&E environment and requirements, as well as with the Government Accountability Office's revised *Government Auditing Standards* (the *Yellow Book*). We will share the revised draft standards with the entire IG community—your

input is key to ensuring the standards continue to foster I&E work of the highest caliber.

The Legacy and Future of Inspections and Evaluations

From my dual vantage points as Commerce IG and I&E Committee chair, I have been particularly impressed by the significant impact inspections and evaluations have had on the IG Act's goal of making government work better. Nearly every Federal OIG—whether it has a dedicated I&E unit or not—has recognized the value of these tools and used them to great advantage in improving the operations of their respective agencies.

I am proud of the I&E Committee's efforts and successes in supporting and expanding this work, in enhancing the expertise of those who conduct it, in promoting interagency I&E projects, in creating networks and products for information exchange, and in relentlessly seeking to always improve the I&E process itself. I am particularly proud of the IG community for having so willingly embraced the I&E concept. By daring to seize the opportunity for innovation inherent in the IG Act, we have made our mission ever-more vital and the operations of our respective agencies ever-more sound.

But as JFK remarked, "change is the law of life." We can thus expect our mandate to be regularly challenged by new, increasingly complex, and more urgent situations that demand swift resolution. Inspections and evaluations have proven themselves well suited to such challenges. I therefore envision a long and productive future for these critically important OIG tools. 🏠

"Vision is the art of reading between the lines, of seeing the potential to do great things, and of creating the ways to do them."

—Anonymous