



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

December 3, 2021

M-22-04

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

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SUBJECT: Promoting Accountability through Cooperation among Agencies and Inspectors General

As President Biden has made clear, results and accountability go hand-in-hand. To deliver results for all Americans, now and in the years to come, the Federal Government must undertake its work, and support appropriate oversight of its activities, in a manner deserving of public trust. It is the President's expectation that executive departments and agencies (agencies) will restore and respect the integrity and independence of their respective agency inspectors general (IGs), and work with the Congress to ensure that IG offices can exercise their vital oversight role.¹ This memorandum provides guidance regarding agency actions needed to support the important role of agency IGs. In developing this guidance, the Office of Management and Budget (OMB) obtained input from the Council of the Inspectors General on Integrity and Efficiency (CIGIE) on leading strategies to strengthen the relationships among agencies and their IGs.

Role of Federal Inspectors General

Congress enacted the Inspectors General Act of 1978 (IG Act)² to create independent, objective Inspectors General (IG) whose responsibility it is to "promote the economy, efficiency, and effectiveness" and "prevent and detect fraud and abuse" in the programs and operations of each agency. Agency leadership shares these responsibilities with their respective IGs, which means that agency leadership and their IGs must cooperate to achieve those goals.

¹ See section 1.f. of Memorandum on Revitalizing America's Foreign Policy and National Security Workforce, Institutions, and Partnerships at: <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/02/04/memorandum-revitalizing-americas-foreign-policy-and-national-security-workforce-institutions-and-partnerships/>

² Pub. Law No. 95-452, 92 Stat. 1101 (1978), as amended, codified at 5 U.S.C. App. §§ 1-13 (IG Act)

The IG Act empowers Federal IGs with significant operational and administrative independence from their agencies to perform audits, investigations, and other work. Federal auditing standards require that auditors and audit organizations maintain independence so that their opinions, findings, conclusions, judgments, and recommendations will be viewed as impartial by objective third parties with knowledge of the relevant information.³ The IGs require guarantees of independence to allow them to pursue their work without interference by executive branch officials or members of Congress.

Maintaining independence, however, does not preclude agency leadership and their IGs from maintaining productive and cooperative relationships while working towards the same objectives, such as what agencies are already practicing in the context of implementation of the American Rescue Plan (ARP). Agency heads and IGs should establish a relationship that strikes an appropriate balance between maintaining IG independence and producing audit and investigation results that both create value for agency leadership and fulfill congressional expectations.

Role of OMB

OMB plays a critical role in supporting the IG community, with the OMB Deputy Director for Management serving as the Executive Chair of the CIGIE. In this regard, OMB serves as a liaison to the IG community on behalf of agencies to reinforce actions and communications necessary to ensure a well-functioning relationship between agency leadership and IG offices.

The Deputy Director for Management of OMB, as the Executive Chair of the CIGIE and Chair of the President's Management Council, should monitor the relationships among agency leadership and IGs within each agency, and if necessary, convene agency leadership and the agency IG to address opportunities to improve communication and cooperation.

American Rescue Plan Implementation Lessons Learned

The Administration's ARP implementation efforts have demonstrated the benefits of proactive and transparent engagement among agencies, IG offices, and the Pandemic Response Accountability Committee (PRAC). Agencies have been encouraged to proactively engage with their IGs in the design of new or expanded ARP programs. The White House ARP Implementation Coordinator, working with OMB, developed a new process bringing together the agency, their IG, the PRAC, OMB, and the ARP Implementation team to collectively review and assess program design, financial controls, and reporting measures prior to the release of funds from programs that were newly created, received substantial funding increases, or required significant changes to program design. This approach has resulted in strong collaboration and demonstrated the clear benefits from proactive and transparent engagement.

³ GAO-18-568G, "Government Auditing Standards - 2018 Revision," July 2018.

Agency Actions to Demonstrate and Reinforce Cooperation with IGs

Communication to Agency Employees

As leaders of your respective agencies, you and your staff have an obligation to cooperate with your respective IG offices as they fulfill their statutory responsibilities under the IG Act. In recent years, there have been concerns that executive branch agencies have not consistently provided their IGs with the full cooperation and access to which they are entitled under the law. To avoid such situations, which can delay the completion of critical audits and investigations, it is important that agency leadership routinely communicate with their staff regarding the role of the agency's IG and the importance of cooperation between agency staff and the IG.

In support of OMB's efforts to enhance Agency-IG cooperation, CIGIE conducted a review during the spring of 2021 of agency practices and found that many agencies have not routinely communicated with their staff regarding the role of the IG and expectations for staff engagement with IGs. In some cases, agency leadership did not communicate to agency staff their endorsement of standing directives or policies related to IG independence, exchange of information among agency staff and the IG, and related whistleblower protections. After reviewing existing messages sent by agency leadership, CIGIE concluded that the most effective agency leadership communications contained the following key elements:

- Affirmed the duty of agency personnel to cooperate with their Office of the Inspector General (OIG);
- Outlined the legal bases for OIG's authority to review agency programs and operations, including those contained in the IG Act, which requires OIG's timely access to all agency records;
- Stressed the independence of their IG;
- Addressed whistleblower protections and the IG's commitment to confidentiality to the extent possible, and stated that supervisors cannot prevent or retaliate against employees who report concerns or otherwise cooperate with the IG;
- Described the categories of information that should be reported to the IG; and
- Provided clear guidance to agency employees on how they can report suspected instances of waste, fraud, and abuse.

To reinforce the importance of this relationship and allow agency and IG leadership alike to address changing circumstances or specific issues that may arise, CIGIE suggests that such communications be issued on a regular and consistent basis. CIGIE developed the framing language included in Attachment 1 to support agency leadership's development of internal agency communications regarding agency-IG cooperation and expectations and practices for agency staff.

We request that you communicate to your respective staffs about your expectation that all government employees and contractors fully cooperate with their IG. Each agency should leverage the attached framing language, tailoring their specific message to fit the unique mission and organizational culture of the agency.

Ongoing Agency Practices

The following practices are general guidelines to enhance cooperation among agencies and their respective IGs, consistent with the expectation outlined above:

- *Routine Meetings:* Agency leadership and the IG should hold routine meetings to have candid discussions in a non-audit setting and maintain clear lines of communication between the appropriate IG officials and agency leadership. Open dialogue allows for discussions on areas that are of most value to the agency and can reduce the risk of antagonism that may otherwise cascade throughout the organization in cases where leadership only engages their IGs when confronted with negative or controversial audit or investigation results.
- *IG Resources:* Agency leadership should have candid discussions about the resource needs of the IG to both ensure that they have adequate funding to fulfill their statutory mission while leveraging technology and shared services, to the greatest extent feasible, to do their work as efficiently as possible.
- *Agency IG Liaison:* Agency leadership should designate a senior official to serve in a liaison role within the agency to work with IG staff during audits to smooth interactions between agency and IG staff, resolve conflicts at the lowest level, and raise issues promptly as needed. Such a position can also serve as a liaison between agency leadership and OMB to identify potential issues that could benefit from a cross-agency approach led by CIGIE.
- *Agency-IG Collaboration on New and Changed Programs:* As mentioned above, OMB and the ARP Implementation Team developed a successful new process to promote proactive and transparent collaboration for new and expanded ARP programs. Collaboration on the front-end ensures expertise is brought to bear to ensure programs are constructed in ways that strike the balance right between efficient results, equitable access, and program integrity, including minimal waste, fraud, and abuse. Agency leaders should replicate this type of front-end collaboration for all significant new programs and existing programs where significant change to program design is being implemented by the agency. Specific topics to explore with IGs in this proactive, front-end exchange during program design include, for example:
 - What controls/mitigation strategies are being used to mitigate fraud and improper payments?
 - What are the statutory or regulatory eligibility requirements of the program/funding, and how will the requirements will be verified prior to payment?
 - How will the funding recipients' identity be verified/proofed?
 - What risks have been accepted to achieve the goal of quickly reaching recipients that could potentially lead to fraud, waste, abuse, or mismanagement after distribution of funds?
 - What clear goals and objectives will inform program design to facilitate and demonstrate the delivery of meaningful results?
 - What controls are the agency putting in place for recipient monitoring and accurate financial reporting?
 - What performance reporting will occur post-award/post-payment? Is this recipient reporting or agency reporting?

- What steps is the agency planning to take if program performance assessment indicators show risks?
- *Whistleblower Protections:* Agencies should foster work environments in which employees feel comfortable voicing their concerns and reporting wrongdoing without fear of retaliation. It is unlawful for an agency to take, threaten to take, propose, or not take a personnel action because of an employee's whistleblowing activities. Agencies should communicate and provide training about whistleblower rights and protections to supervisors and employees, including that agencies and supervisors cannot prevent employees from reporting concerns, cooperating with the IG, or otherwise blowing the whistle, and that agencies and supervisors cannot retaliate against employees who do so.
- *Communicating about Enterprise Risk Management:* Agencies must utilize enterprise risk management practices to identify risks associated with achieving program results. Agency leadership can inform their IG when they are purposely deciding to take on added risk, especially in new or changed programs, to expand access to underserved communities, or to leverage new technology, and discuss with their IG strategies effective practices for managing risk in those instances. This engagement with IGs can help inform IG recommendations to be placed in context, constructive, and actionable.
- *Response to IG Recommendations:* Agency leadership should promptly respond to IG reports to preclude lingering open recommendations. Agencies can share with their IGs information regarding good faith efforts to respond to IG recommendations, discuss alternative actions and risk tolerance, and work to resolve areas of disagreement. Upon request, OMB will convene meetings between agency leadership and their IGs to help resolve significant areas of disagreement regarding IG recommendations.

ATTACHMENT

Attachment 1: Framing Language from CIGIE for Agency Communications on OIG Cooperation and Access

Attachment 1

Framing Language from CIGIE for Agency Communications on OIG Cooperation and Access

CIGIE reviewed examples of agency leadership communication to staff on the importance of providing OIG full cooperation and access. The following template is based on approaches to such messaging, as identified during CIGIE’s review. While message style and content may vary based on the distinct missions and organizational cultures of each agency, CIGIE noted that the best examples generally covered several key elements (highlighted in boldface, below). CIGIE recommends that agency communications on this topic come directly from the agency head or jointly from the agency head and inspector general. CIGIE also suggests that such communications be issued on a regular basis, which, depending on the needs of a particular agency, could be at a specific duration (such as annually) or tied to specific events.

The [specify department / agency] Office of Inspector General (OIG) **plays a critical role in fulfilling our agency’s mission**. OIG is a valued partner in pursuing economy, efficiency, and effectiveness in agency programs and operations and helps prevent and detect waste, fraud, abuse, and mismanagement.

OIG serves an important and **independent oversight role** through its audits, reviews, evaluations, and investigations, and OIG routinely needs information from agency personnel to fulfill its obligations. OIG audits, reviews, evaluations, and inspections help identify ways to improve the agency’s work. OIG also promotes accountability by investigating possible wrongdoing in connection with agency programs, operations, and personnel. OIG’s **independent yet complementary functions** help ensure the integrity of our agency’s work. These functions matter, in part, because they show the public, which we all serve, that the agency is a proper steward—guarding both public resources and the public trust.

Under the terms of [The Inspector General Act of 1978 \(the IG Act\)](#), as amended, the agency and its employees have a duty to cooperate with OIG. One important aspect of cooperation is **providing information and assistance in a timely manner**. Among other provisions, the IG Act authorizes the Inspector General to have timely access to all records, reports, audits, reviews, documents, papers, recommendations, or other material available to the agency relating to its programs and operations. More broadly, the IG Act authorizes OIG to request any information or assistance necessary to carry out its duties, which may include access to employees, facilities, systems, and equipment.

[If applicable, cite department / agency policy outlining a duty to cooperate with OIG, management’s responsibility to ensure cooperation, and potential discipline for failure to cooperate.]

OIG is also entitled to **information that may be classified, privileged, confidential, or otherwise exempt from disclosure under the law**, such as the Freedom of Information Act or the Privacy Act. OIG will treat such information in accordance with applicable statutes and regulations. Providing such information to OIG does not waive any privileges that the agency may attach to the information.

OIG itself also has important obligations. In conducting its work, OIG will maintain employee **confidentiality** when requested, to the extent possible and consistent with OIG's legal obligations. OIG will also make best efforts to coordinate with managers and supervisors to avoid disruption, respect segregated sensitive materials, and comport with all other responsibilities under applicable law and agency policies.

Finally, it is against the law and agency policy to **retaliate against employees** who provide information or report allegations of waste, fraud, and abuse to OIG. OIG also has a role in **protecting whistleblowers**, and agency employees may contact the OIG whistleblower coordinator to learn about their rights at [include contact info, including any specific COVID-19 protocols].

If you have questions about your obligations to cooperate with requests of OIG or regarding OIG's legal authority, you may contact [insert here the appropriate agency points of contact for these questions].

How to report: Employees always have a right to communicate directly with OIG. You do not need permission from anyone. [Insert here agency contact information, as applicable, for OIG **Hotline** number, OIG website, etc.] You also have important whistleblower rights and protections. [Insert here contact information for the appropriate OIG point of contact for whistleblower protection issues] is available to discuss protections against retaliation and how to make a protected disclosure.