

# Balancing Independence and Positive Engagement: How Inspectors General Work with Agencies and Congress

*By Charles Johnson, Kathryn E. Newcomer, and Angela Allison*

Among federal executives, U.S. Inspectors General (IGs) face a unique challenge: maintaining their independence from the agencies they oversee while striving to be positively engaged with agency leadership and fulfilling congressional committees' expectations. This challenge is rooted in the Inspectors General Act of 1978, which created a new entity within executive branch departments whose mission is to:

- ferret out fraud, waste, and abuse;
- provide leadership and coordination of policies that promote economy, efficiency, and effectiveness of government programs;
- keep agency and congressional leadership informed of their work; and
- accomplish their work while remaining independent of agency and congressional influence.

IGs are appointed by the president and confirmed by the Senate (or, for certain statutorily designated agencies, appointed by an agency head without Senate confirmation) and report to a department's top leadership. As such, IGs are statutorily granted independence from agency influence regarding matters they decide to audit, investigate, or evaluate. Inspectors General are also statutorily mandated to issue semi-annual reports to Congress about their activities and are granted the authority to inform Congress if their host agencies interfere with their work. Since 1978, Congress has created Offices of Inspector General (OIGs) for virtually all federal departments and agencies and has expanded their statutory authority.

## Balancing Expectations

This report examines how and under what circumstances IGs balance expectations of independence while being positively engaged with (and perhaps even cooperative toward) their agencies and Congress. This report draws on information from:

- personal interviews with a subset of current IGs and their staffs;
- personal interviews with agency leadership and congressional staff involved in oversight of IGs; and
- an examination of existing scholarly research, official documents, IG publications, and publications written by former IGs.

We find considerable variation in perceived levels of independence and positive engagement between IGs, their host agencies, and congressional oversight committees. Our research is designed to identify factors that appear to account for this variation. We offer success factors and recommendations regarding how the relationship between IGs and their constituencies may be improved while maintaining OIGs' independence.

## Recent Developments

Over the past 25 years, Congress has required IGs to perform a variety of additional administrative activities. These responsibilities were included in the following acts of Congress:

- The **Chief Financial Officers Act of 1990 (P.L. 101-576)** and the **Government Management Reform Act of 1994 (P.L. 103-356)** require IGs to oversee audits within their respective agencies for financial statements.
- The **Financial Management Improvement Act of 1996 (P.L. 104-208)** directed IGs (and agency chief financial officers) to assist in determining whether the financial management systems comply with federal laws and regulations.
- The **Reports Consolidation Act of 2000 (P.L. 106-531)** requires IGs to identify the most serious management and performance challenges facing their respective agencies and discuss how the agency is addressing those challenges.

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- The **Federal Information Security Management Act of 2002 (P.L. 107-347)** requires IGs to perform independent annual evaluations of their respective agencies' IT security.
- The **Whistleblower Protection Act of 2012 (PL 112-199, sec. 117)** instructs IGs to "designate a Whistleblower Protection Ombudsman" to inform agency employees about their rights as whistleblowers and protections against retaliation for acting in this capacity.

Operationally, IGs have recognized that their work also involves some measure of positive engagement, coordination, or cooperation with officials in their host agencies. Expectations of independence and positive engagement can produce crosscutting pressures for OIGs when independence might be compromised. Highly critical OIG reports often make the front page in national news media and, when IG findings become the subject of congressional hearings, they can place agency leadership on the defensive.

Understandably, relations between an OIG and the agency's leadership might be adversely affected by such reports and their public airing. IGs have been publicly criticized and sometimes forced to resign when their relationships with their agencies appear to have compromised their independence. This perceived lack of independence, in particular, can adversely affect an IG's relationship with Congress, because the IG is expected to make regular reports to Congress that are not filtered by agency leadership and staff. Issues of independence have also led to tensions over OIGs' access to information within their host agencies.

## IGs and Agency Leadership: Balancing Independence and Positive Engagement

Our interviews with all respondents began with questions about perceptions, views, and experiences regarding OIG independence and positive engagement with their respective agencies and with Congress. In this section, we explore the following issues regarding OIGs and their host agencies:

**OIG Independence and the Agency.** We asked whether conversations were conducted about the independence of

the OIG when the current IG was appointed, or when there was a change in agency/congressional leadership and the IG remained in place.

**Relations with the Agency Leadership Team.** We probed whether the IG was viewed as a member of the agency's leadership team or in what sense the IG reported to Congress.

**Resolving Conflicts with the Agency.** We explored how conflicts were addressed.

**Initiatives or Practices to Encourage Independence and Positive Engagement.** We inquired about what policies, practices, or initiatives were in place to encourage independence and positive engagement between the OIG and the agency.

### OIG Initiatives

Initiatives discussed by the IG or OIG staff included:

- communicating with the agency regarding what the IG was doing or about to do,
- encouraging agency leadership to provide feedback or suggestions to the OIG,
- making contact with an agency's day-to-day operational staff and external agency stakeholders, and
- making structural changes in the OIG to accommodate agency functions.

## IGs and Congress: Balancing Independence and Positive Engagement

Congressional staff interviewed for this report suggested that the relationship between IGs and Congress differs in many respects from that between IGs and their host agencies. Unlike the reporting relationship between IGs and agency leadership, the IG-Congress relationship involves multiple members of Congress, congressional staff members, and committees in both houses of Congress. OIGs interact with three types of committees in each house:

- authorization committees that oversee particular agencies or programs,
- committees that oversee the operations of all OIGs, and
- appropriations committees and subcommittees that fund OIGs and the departments and agencies.

In dealing with Congress—in contrast to their relationships with agency staff—IGs often work with and respond directly to individual legislators who have episodic, particular, and political interests and turn to IGs for information that will advance those interests. We explore the following issues regarding OIGs and Congress and report on interviewee comments regarding relations between OIGs and Congress:

**Issue One:** IG Interactions with Congress. We asked about interactions between OIGs and Congress, especially conversations regarding independence.

**Issue Two:** Resolving Conflicts with Congress. We explored the nature of conflicts between OIGs and Congress, and how those conflicts were handled.

**Issue Three:** Congressional Views of IGs. We inquired about congressional views of OIGs, and perceptions about those views.

**Issue Four:** Initiatives or Practices to Encourage Independence and Positive Engagement. We asked about initiatives or practices by the OIGs or Congress to encourage independence and positive engagement.

### Congressional Initiatives

Congressional staff interviewees believe that their committees can support OIGs by encouraging agencies to be responsive to IG recommendations—leverage that several OIG representatives acknowledged in conversations about relations with their agency and congressional contacts. Initiatives included:

- following up on OIG reports regarding open or unimplemented recommendations, and
- maintaining contact with OIG offices.

### Achieving the Right Balance with Agencies and Congress

All of the IGs interviewed for this project recognize the importance of achieving the right balance with an OIG's host agency and with Congress. "Straddling the barbed-wire

fence," or separating the executive branch and Congress, is one metaphor that is often used in the literature to capture the predicament facing IGs who are legally responsible for reporting to two principals. In addition to mentioning the "barbed-wire fence," interviewees offered additional new metaphors—"dancing on a tight rope," "walking the line," and "walking through the mine field"—which conveyed the crosscutting pressures of reporting to an agency head and to Congress.

### Success Factors Associated with Independence and Positive Engagement Between OIGs with Agencies and Congress

Individual bureaucratic styles and personality traits are clearly important in setting the tone for OIG relations with host agencies and with Congress. Our interviews suggest that individual styles did not get in the way of doing business. Virtually all of the officials we interviewed are seasoned professional leaders, dedicated to serving the public good, and seek to minimize personality-based conflicts in providing that service. Our interviews, as well as information contained in public sources, suggest that there are four factors associated with IGs maintaining independence and successful positive engagement with the agency and Congress:

**Success Factor One:** Mutually shared views of the role of Inspectors General—Agreement on the role of the IG appears to be a critical success factor in establishing productive relationships among the IG, the agency, and Congress. If the IG, the agency, or Congress view the role of the OIG differently, and these views are in conflict, stresses are almost inevitable.

### Recommendations

#### To Agency Leaders:

- Hold initial, candid, and extended conversations with an Inspector General about the role of the OIG vis-a-vis the agency and Congress. Topics meriting attention include:
  - Loyalties and independence
  - Differences between managing in the federal government workplace and the private sector (if an issue)
  - OIG access to agency documents, databases, etc.
  - The role of OIGs in independent agencies and government corporations (if appropriate)
- Establish and maintain clear lines of communication among the appropriate OIG officials and corresponding officials in the agency, including the general counsel, the chief financial officer, and the chief information officer.

### To Congress:

- Respect boundaries for appropriate requests and expectations relative to IG law and resources (time, staff, budget, etc.).

### To Inspectors General:

- Ensure that all new-hire orientations for OIG staff include a clear explication of the role of the OIG within the agency, including processes used to ensure the independence of the OIG.
- Communicate regularly with all OIG staff regarding expectations about the role of the OIG vis-a vis the agency and Congress.
- Communicate clearly with both the agency and Congress regarding boundaries for appropriate requests and expectations relative to IG law and resources, (time, staff, budget, etc.).

**Success Factor Two:** Confidence and trust in the Inspectors General—All OIGs in the study reported that they devoted time and energy to developing positive, functional relationships to build confidence and trust, and to lay critical groundwork for positive engagements with their agencies and with Congress. The degree to which the OIGs are successful in building confidence and trust correlates with the extent of positive engagement of the OIG with the agency and Congress.

## Recommendations

### To Agency Leaders:

- Meet regularly with the IG to maintain open communications and build trust.
- Respond to OIG requests for suggestions on audits, investigations, and evaluations in a timely fashion.

### To Congress:

- Fully explore allegations regarding OIG work before holding a public hearing.

### To Inspectors General:

- Strive to ensure that the agency and Congress are informed to avoid surprises with OIG findings and reports.
- Discuss with agency and/or Congress the scope and context of requests to avoid misunderstandings.

- Routinely request suggestions from the agency for topics and foci for audits, investigations, or evaluations in sync with the OIG's planning schedule.
- Establish links among lower levels of the OIG with corresponding agency and congressional staff to encourage informal communications.

### Success Factor Three:

Reciprocal responsiveness—Establishing communication routines and taking actions that respond to OIGs' needs, requests, or inquiries to the agency or to Congress, and vice versa, appear to advance positive engagement between these parties. A lack of responsiveness, either perceived or real, may, however, result in tensions or strains that impede positive engagement.

## Recommendations

### To Agency Leaders:

- Ensure that follow-up to OIG reports is a high priority, a topic of frequent periodic discussions, and the subject of follow-up actions.
- Resolve conflicts between the OIG and the agency at the lowest levels possible in the OIG and the agency.

### To Congress:

- Be timely in responding to requests from OIGs for requests for support or clarification of legal authority, responsibilities, and resources.

### To Inspectors General:

- Resolve conflicts between the OIG and the agency at the lowest levels possible in the OIG and the agency.
- Clarify expectations and timing for submissions of comments and suggestions by agency officials on OIG drafts and final reports.

**Success Factor Four:** Investments in building and maintaining positive relationships—OIGs, agencies, and congressional offices have invested resources—time, energy, and money—to develop ongoing mechanisms to maintain mutually positive relationships. For the most part, OIGs rely on personal relationships at the leadership levels and at operational levels to foster positive engagement. These relationships are “institutionalized” through weekly, bi-weekly, or monthly meetings between the IG and the agency head.

## Recommendations

### To Agency Leaders:

Designate or create an audit liaison or compliance officer to work with the OIG during audits and to follow up on open recommendations.

### To Congress:

- Maintain open lines of communication with presidential appointees who are subject to Senate confirmation (PAS) IGs, and DFE IGs regarding ongoing OIG work and challenges (e.g., resource needs and any OIG/agency conflicts).
- Conduct periodic meetings with PAS and DEF IGs to discuss major projects and ongoing challenges.

### To Inspectors General:

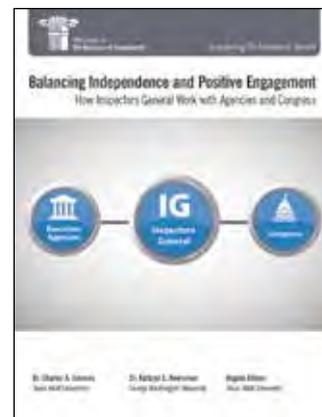
- Establish ongoing links between OIGs and Congress with an OIG official dedicated to congressional relations and, when appropriate, “detail” OIG staff to congressional committees.
- Dedicate time and resources for visits with field offices or mid-level agency officials to discuss the role of the OIG and solicit suggestions regarding OIG activities.
- Make requests to Congress, when needed, for support or clarification of legal authority, responsibilities, and resources.

The role of Inspectors General is an important one in our governmental system. We hope that the IG community, and more broadly, stakeholders interested in improving governmental performance, find the insights and recommendations in this report helpful in furthering their joint efforts. ■

### TO LEARN MORE

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#### **The report can be obtained:**

- In **.pdf (Acrobat) format** at the Center website, **[www.businessofgovernment.org](http://www.businessofgovernment.org)**
- By e-mailing the Center at **[businessofgovernment@us.ibm.com](mailto:businessofgovernment@us.ibm.com)**
- By calling the Center at **(202) 551-9342**