



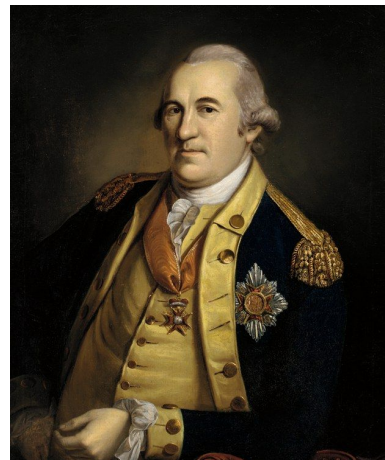
Inspectors General and the French Connection: *clues to the future of government oversight*

By Robert A. Westbrook | March 2018

We Americans have a gift for improving on the ideas of others. Baseball, hamburgers, and democracy come to mind (by way of England, Germany, and Greece, respectively). This year, the federal Inspector General community is celebrating its 40th anniversary. In that time, our IG system has matured into the most robust and independent oversight system in the world, standing like a beacon light on a hill for open government-loving people everywhere. Seventy-three departmental IG watchdogs conduct independent and nonpolitical audits and investigations to combat corruption, detect fraud, and make recommendations to improve effectiveness and efficiency. It turns out America did not invent the Inspector General concept, and examining our French roots—especially the deliciously-French concepts of *prestige*, *expertise*, *rigor*, *palette*, and *discretion*—may provide insights on how OIGs can evolve in the next 40 years.

The First (effective) American Inspector General

The public origin story of the American Inspector General begins with no less a figure than the father of our country, George Washington, and no less hallowed ground than Valley Forge. In 1777, the condition of the Continental Army was deplorable. In the words of one military historian, “Unfed, unpaid, insufficiently sheltered, and literally naked, the army presented a picture of inefficiency almost beyond remedy.” General Washington saw a need for an Inspector General to bring order by helping to establish “one uniform set of manoeuvres (sic) and manual.”



Meanwhile in Paris, Benjamin Franklin had recruited for the army a young former Prussian Army captain, Baron Frederick Von Steuben (*pictured at right*), who had served as aide-de-camp to Frederick the Great. Applying his famous Yankee ingenuity,

Franklin “doctored” Von Steuben’s resume to present him as a former lieutenant general, a grade more acceptable to the Congress. General Washington accepted Von Steuben on a trial basis, and after Von Steuben got to work at Valley Forge, he proved himself indispensable. Von Steuben was briefly preceded by a few other inspectors general with less memorable names, pedigrees, and eventual legacies. He is considered the first effective American Inspector General. On the day he retired, General Washington sent a last letter to Von Steuben in which he wrote: "I wish to make use of this last moment of my public life to signify in the strongest terms, my entire approbation of your conduct, and to express my sense of the obligations the public is under to you, for your faithful and meritorious services."

The military Inspector General system continues to this day serving as the “eyes, ears, and conscience” of the commander. Congress expanded this concept to 12 civilian agencies in 1978 with the passage of the Inspector General Act, after Watergate and years of public spending scandals.

At the bill signing ceremony, President Carter remarked:

I think it's accurate to say that the American people are fed up with the treatment of American tax money in a way that involves fraud and mismanagement and embarrassment to the Government. I consider and these Members of the House and Senate behind me consider the tax money to be a matter of public trust. We've not yet completely succeeded in rooting out the embarrassing aspects of government management—or mismanagement. This bill will go a long way toward resolving that problem. - President Jimmy Carter, October 12, 1978

The IG Act affords greater independence for civilian Inspectors General, with IGs appointed by the President and confirmed by the Senate without regard to political affiliation and solely on the basis of integrity and demonstrated ability. Further, agency heads may not interfere in audits and investigations, and the Inspector General may only be removed by the President. In 1988, Congress amended the IG Act to create 30 additional IGs. This number has since been further expanded to its current 73 Inspectors General.

As American origin stories go, this one couldn’t be any better. But it does leave out the French connection, and this break in lineage unfortunately causes us to overlook how we may learn from the evolution of the position in France.

Inspectors Générale

France's IG origin story preceded ours by about 100 years. In 1668, King Louis XIV appointed an Inspector General for the French Army and whose duties included inspecting the troops and reporting directly to the King. In 1797, the French government created an Inspector General for Finance. This position evolved into today's Inspection Générale des Finances (IGF), with comparable Inspectors General for Social Affairs, National Education, Administration, and National Police.

While there are some significant differences between Inspectors Générale and their American cousins, the two have much in common. IGF inspectors conduct financial audits and performance evaluations to assess the efficiency and effectiveness of public

policies. IGF inspectors are bound by professional standards to ensure their work reaches “the highest level of independence, objectivity and confidentiality,” and IGF reports are publicly available and posted online (*screenshot of web site to right*).



As Baron Louis said in 1831, “The IGF is the arm and the eye of the minister.”

French Lessons

Prestige

The Inspection Générale des Finances has been part of the Grand Corps of the French State since the 18th century. It recruits the top graduates from France's top ranked school of public administration, École nationale d'administration (ENA). The ENA curriculum is designed to train the “future senior executives of the State” and focuses on law, politics, economics, and financial analysis. Students are assessed on their ability to prepare, design, implement and evaluate public policies; and their ability to manage public innovation initiatives. There are other career paths to the Inspection Générale des Finances to include specialized skills such as statistics or economics,

and the very-continental “Outside Tower” for executives with 10 years of public sector experience.

The most famous alumni of both ENA and the Inspection Générale des Finances is Emmanuel Macron, President of France (*pictured at right*). Other prominent alumni of the Inspection Générale des Finances include the former head of the European Central Bank, former director of the World Trade Organization, former president of the Pasteur Institute, and many other business and political leaders. An entry level position at IGF is a recognized gateway to positions of greater responsibility.



Is IGF able to recruit the best because of its reputation, or is its reputation owing to its history of recruiting the best? Some factors at play in France would not be permitted in America, such as the ability of members of the Grand Corps to take temporarily leave from the government to work in industry. Regardless, it is undeniable that IGF’s prestige and reputation begets influence on government policy to promote economy, efficiency, and effectiveness. And its influence has been significant and sustained.

OIGs of the future can elevate the prestige and influence of their office through strategies and plans to attract the best. It is not enough to hope; OIGs have to give people a reason to choose their office. Within the confines of the larger federal civil service system, federal OIGs can become an employer of choice by using available flexibilities to create pay-for-performance systems, professional development programs, and alternative work schedules. The Government Accountability Office has made significant progress in these areas.

OIGs can also emphasize recruitment of specialized skills or mid-level “Outside Tower” candidates who can provide program expertise. With employee attrition rates increasing as more employees are less interested in career-long employment with one employer, OIGs should consider embracing this reality and provide pathways to prepare employees for positions of greater responsibility. OIGs should take the long-view of return on investment in employees’ professional development, recognizing that successful and grateful alumni can be powerful champions for an organization.

Finally, OIGs should consider the findings and "promising practices" in OPM's recent [2018 Federal Workforce Priorities Report](#), including focusing on employee health, recognition, and leadership development.

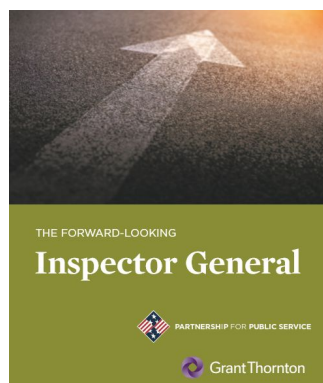
Expertise

The Inspection Générale des Finances emphasize expertise and a multidisciplinary approach. It recruits critical thinkers who can synthesize information. Auditing is the method by which they conduct their work, but it is not *per se* their work. According to the IGF:

Inspectors take care to adopt a multi-disciplinary approach to topics, combining economic and financial expertise, management control techniques, quantitative and qualitative analyzes, cross-sector and country-level benchmarking, legal consultations, and more. The IGF also relies on the synergies allowed by the combination of auditing techniques acquired in the control missions, and the methodologies of the board.

Another hallmark of the Inspection Générale des Finances is its recognition that it may not always have the necessary expertise. In their words, “the missions of the IGF are . . . enriched by collaboration with other services or bodies, each bringing knowledge of a sector or a different technical competence. Thus, in 2015, nearly half of the IGF’s evaluation and advisory missions were ‘joint,’ that is to say carried out in partnership with another control body.” IGC also takes into account academic scholarship when relevant to their evaluations.

OIGs of the future can increase their sphere of influence by examining and realigning their workforce. The 2017 [Office of Management and Budget Memo M-17-22](#) called for agencies to develop comprehensive plans to “align the Federal workforce to meet the needs of today and the future.” Although still in its infancy, the future of government oversight may well have one foot planted in evidence-based policymaking. In September 2017, the bipartisan Commission on Evidence-Based Policymaking released its [report](#) on ways to increase the availability and use of data in order to build evidence about the effectiveness and efficiency of government programs. Evidence is an OIG’s basic work product, and it’s critical that OIGs are positioned to contribute with highly-qualified staff experienced in qualitative and quantitative analysis, as well as auditing and investigative techniques.



A 2017 report from the Partnership for Public Service and Grant Thornton entitled “[The Forward Looking Inspector General](#),” (pictured at left) cited the need for IG offices to rethink the skill sets required for the future. According to the report, OIGs need “employees who can analyze big data sets, think of new methodologies for examining federal programs and have information technology skills to evaluate federal IT systems.” The Office of Personnel Management GS-343 program and management analyst job series produces versatile and

diverse candidates to perform some of this work. Such analysts, in fact, make up the majority of GAO's auditing staff. Other relevant positions may include public health officials, contracting officers, attorneys, engineers, actuaries and other professionals. These specialized skills can be beneficial in both the audit and investigative disciplines. OIGs should also examine co-sourcing arrangements to obtain technical expertise from private industry. Specialization in auditing and investigative techniques should not be discounted, but at a minimum all employees need to know the business in which they operate and possess the requisite analytical skills.

Rigor

The IGF method is founded on the concept of *rigor*.

In the U.S., the government auditing standards call for “sufficient, appropriate evidence” while investigative standards call for “thorough” investigations. The concept of sufficiency of audit evidence has a parallel in American jurisprudence with the legal concept of “sufficiency of the evidence.” In the legal context, sufficient means adequate to meet the applicable evidentiary standard (i.e., preponderance of the evidence, clear and convincing, or beyond a reasonable doubt). In the context of government audits, it means enough evidence to persuade a knowledgeable person that the findings are reasonable.

Rigor denotes something more, and is generally defined as *extremely* thorough and *exhaustive*. In the French audit and investigation process, the IGF describes rigor as follows:

The methods of investigation and analysis of the Inspectorate General of Finance are first marked by the rigorous objectification of the facts. “Objectivizing” an idea or a perception implies supporting it with concrete, verified and quantified elements. This work of objectification requires a precise, clear and demanding approach, in audit and control work as in those of evaluation and consulting. The IGF attaches particular importance to the robustness, relevance and quality of its methods, which are enriched by on-site surveys, quantitative data analysis and conflicting procedures with the administrations concerned.

The IGF, moreover, emphasizes “cross-checking points of view, with each additional focus shedding light on the complexity of the public policies that the missions focus on.” This vetting of work product suggests a level of effort and consideration beyond the “obtain and report the views of responsible officials” standard found in the U.S. While in practice there may be little difference between the two standards, the French standard at least stands closer to the scientific method in description and precision.

OIGs of the future can increase their sphere of influence by adopting a *rigor* mindset and consistently demonstrating this mindset to stakeholders. Mistakes happen, but few things undermine an audit and investigative organization’s credibility more than sloppy or incomplete work. Sharing preliminary findings with management and vetting draft reports—and being genuinely open to consideration of other points of view—are effective ways to demonstrate this rigor. These steps produce the highest quality work product; however, care must be taken to maintain the appearance of independence and objectivity. Independence does not mean devoid of any contact or interaction. It means being free from undue influence which would call into question the objectivity of the OIG’s findings.

Palette

One word that is definitely not part of the U.S. oversight lexicon is *palette*. The French system, on the other hand, emphasizes the need to provide options to management. Per the IGF:

At the end of a mission, proposals are frequently formulated in the form of scenarios or options palettes, the objective being to offer the decision-maker several possible solutions, by clarifying the advantages and disadvantages of each. The proposals are subject to an opportunity and feasibility assessment according to the constraints and objectives identified during the mission.

Presenting options to management, who are the ultimate decision-makers, is done “in order to grasp the reality and formulate relevant and operational proposals.”

The identification of options is not typically done in the U.S. oversight system. OIGs make recommendations in reports to address the cause of identified findings. Recommendations should be specific, practicable, cost effective, and measurable. The identification of options, however, is not prohibited by government auditing standards. GAO, who is responsible for establishing government auditing standards, has guidance on “[How to get Action on Audit Recommendations](#)” which highlights alternative solutions and the notion of cooperation:

At times, more than one course of action would correct an identified deficiency. When one is clearly better than the others, it should be recommended. When there is no clear basis for selecting one course of action over the others, all should be included along with the pros and cons of each.

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Recommendations are more likely to be accepted when agency managers (or committee members and staff, where applicable) believe that auditors are

constructively looking for improvements and have demonstrated a willingness to cooperate in making them. When a recommendation as originally made is not accepted, rapport and mutual respect may make it possible to find acceptable alternative solutions.

OIGs of the future can increase their sphere of influence by adopting a cooperative and flexible mindset and consistently communicating this mindset to management. The traditional model of oversight or internal audit follows a pattern of fact finding, reporting, and management response. Disputes typically surface during the draft report phase, after positions have become entrenched. A more cooperative model would call for earlier sharing of preliminary findings and increased discussions over proposed or alternative corrective actions to address the findings. It is entirely possible that management, on occasion, may have greater insight into how best to fix a problem identified by an independent OIG. At the least, getting management involved in the process will likely increase their commitment to the agreed-upon solution.

Discretion

The final concept from the Inspection Générale des Finances, *discretion*, is the most foreign to our system, most challenging to apply, and the one most identified with French culture. The IGF puts it simply as follows: “The Service pays particular attention to discretion, an essential guarantee of the trust of its sponsors and interlocutors.”

The closest parallel in the U.S. system is perhaps the U.S. Postal Inspection Service, who until 1996 functioned as both the OIG and law enforcement arm of the U.S. Postal Service. It was founded by Benjamin Franklin and is considered one of the oldest U.S. law enforcement agencies. The Postal Inspection Service was nicknamed the “Silent Service” and famed for the manner in which it discreetly went about its audit and investigative business.

In our current system, each OIG may exercise its professional judgment on how to share its work with the media. This has led to individual differences and recriminations in a few agencies with management decrying that their OIG was seeking press for purposes of self-aggrandizement and the OIG countering that raising public awareness is the fundamental role of a watchdog.

A 2015 report from the IBM Center for the Business of Government entitled [*Balancing Independence with Positive Engagement: How Inspectors General Work with Agencies and Congress*](#) (pictured at right) identified trust and



confidence in the Inspector General as a key success factor. The challenge is to develop a good working relationship, but not too good as to suggest that the Inspector General has impaired his or her independence and is no longer viewed as objective. As one congressional staff member remarked in the IBM report, congressional committee staff “watches for ‘capture’ of an OIG by the agency.” This report also noted the good practice of the Inspector General avoiding public surprises.

OIGs of the future can increase their sphere of influence by adopting a *discretion* mindset and consistently demonstrating this mindset to management. Effective watchdogs must be independence always, and bark when necessary. This is an IG’s statutory duty to Congress and the agency head. OIGs are also called to promote accountability and transparency, which includes their own oversight activities. In the U.S. system, discretion cannot mean to avoid causing offense, which would be fundamentally contrary to the concepts of independence and objectivity. Discretion can mean, though, being cautious (non-speculative), discerning (differentiating), judicious (good judgment), and barking in a manner which is not intended to draw attention to oneself but to draw attention to the threat.

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In the past 40 years, the U.S. Inspector General system has matured into the most robust and independent oversight system in the world (*below, some IGs gather following the 2016 OIG annual awards ceremony honoring staff accomplishments*). Congress has ensured that OIGs have the necessary authorities, and members and staff have relied upon OIG work for congressional hearings and legislation.



OIGs have responded by delivering significant results, including \$138 billion in potential savings and \$88 billion in investigative recoveries in the last five years alone.

There is much that the French can learn from our system, just as we can learn from theirs.

Merci mes amis!

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