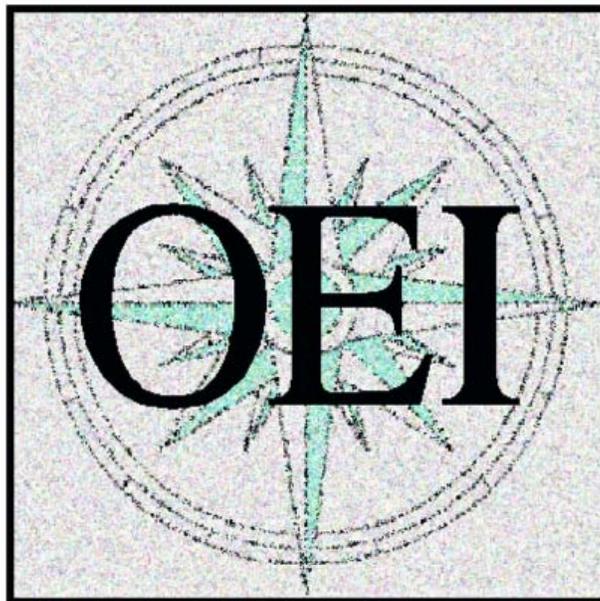


OEI INSPECTIONS GUIDEBOOK



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INTRODUCTION

This *Guidebook* provides a framework for many concepts OEI has worked with since its inception in 1985. The framework, based on a deductive logic process, provides both the inspection writer and the reader a logical roadmap for presenting the findings and recommendations in OEI reports.

The *Guidebook* is organized in two parts: Part One covers the categories of inspection reports OEI produces, the attributes of a finding, and the types of evidence needed to support the findings. These are the basic components of the framework that analysts and managers must understand when they conduct an inspection. Part Two applies this framework to the three principal documents produced in an inspection, namely, work plan proposals, designs, and reports.

Users of the *Guidebook* should keep in mind that the paradigm described is meant to provide clear guidance and direction, but that some inspections may require slight deviations from the norm. The *Guidebook* provides a path to follow, not a tunnel analysts are locked into.

Just as has OEI developed and successfully utilized guidebooks in the past, such as the *Technical Assistance Guides*, this *Guidebook* is meant to assist staff in conducting and reporting inspections that will be solid, convincing and produce positive change for HHS beneficiaries and taxpayers.

PART ONE: THE BASICS

CATEGORIES OF INSPECTION REPORTS

Every study begins with an objective, which asserts what the inspection is expected to accomplish. Objectives of OEI inspections are derived from the statutory mission described in the Inspector General Act. The Inspector General Act of 1978, as amended in 1988, established independent offices to ferret out fraud, waste, and mismanagement in departmental programs, and to promote economy and efficiency in the administration of programs and operations. In meeting this broad mission, OEI inspections focus on four main objectives. They are to determine (1) program effectiveness or results, (2) program economy and efficiency, (3) program compliance with requirements, and (4) or provide quick targeted management information.

Program Effectiveness or Results

Program effectiveness or results inspections measure the extent to which a program is achieving its goals and objectives. Inspection findings showing ineffective program results require sufficient, competent, and relevant evidence to support conclusions and recommendations. Weak management controls in program operations frequently result in failure to produce desired results.

Economy and Efficiency

Economy and efficiency inspections address whether an entity is acquiring, safeguarding, and using resources to achieve program objectives in the most productive manner. Weak management controls frequently lead to waste and abuse

Compliance

Compliance inspections address compliance with criteria established by laws, regulations, contract provisions, grant agreements, and other requirements. Weak management controls frequently lead to a lack of compliance.

Management Information

Management and information inspections use quick targeted analysis and surveys to provide information to decision makers. These are limited scope reviews and may not adhere (to the same degree) to the standards used in conducting formal inspections. The degree to which management controls are reviewed is dependent upon the objective of the inspection. They may involve specifically agreed upon procedures requested by a program official. Thus, the requestor assumes responsibility for the sufficiency of the procedures performed.

ATTRIBUTES OF A FINDING

By definition, the finding answers the objective of the inspection. Frequently, all attributes – criteria, condition, cause, and effect – will be necessary to address the objective, meaning that all attributes are required to adequately develop a finding. (The objective will dictate what attributes are necessary.) Separate banner statements, typically used to draw the reader’s attention to one or more attributes, will collectively address the objective, and the finding will be the “take away message” from the separate banners.

Criteria (What should be?)

Criteria are the standards used to determine whether a program meets or exceeds expectations. Criteria provide a point of comparison for the reader, helping to make sense of the inspection results. Analysts should select criteria that are reasonable, attainable, and relevant to the inspection objective.

Analysts should strive to determine the highest-order criteria. For example, those prescribed in law or regulation should take precedence over criteria established by management through program goals or memoranda. In some instances, specific criteria for a program may not exist. Analysts can overcome this deficiency by utilizing criteria established for similar programs or performance measures used in private industry, or by collecting the opinions of experts. Analysts should also decide whether the lack of criteria should be addressed in the report.

The following are examples of possible criteria:

- Purpose or goals prescribed by law or regulation or set by management;
- Technically developed standards or norms;
- Prior years’ performance;
- Performance of similar programs or entities;
- Performance in the private sector and,
- Expert opinions.

Examples

Objective: To assess End Stage Renal Disease (ESRD) home dialysis billing processes and identify any vulnerabilities in Medicare payments.

Criteria: According to the Carrier Manual, no payment can be made for any home dialysis items or services for a beneficiary unless a CMS-382 form has been filed. This form indicates that a beneficiary has selected home dialysis and whether the beneficiary has opted for Method I or Method II payment.

**Condition
(What is?)**

Simply stated, condition is the situation that exists. Condition can describe how well a program is operating, how many beneficiaries are being served, or how many mistakes occurred.

Examples

Objective: To assess End Stage Renal Disease (ESRD) home dialysis billing processes and identify any vulnerabilities in Medicare payments.

Condition: In 2000, Medicare allowed more than 5,000 claims for home dialysis related items and 7,000 facility claims of home dialysis support services despite the lack of a recorded CMS-382 form.

**Effect
(So what?)**

Effect also can have two meanings. When the inspection objectives include identifying the actual or potential consequences of a condition that varies (either positively or negatively) from the criteria, *effect* is a measure of those consequences. Effect, in this sense, demonstrates the need for corrective action. When the inspection objectives include estimating the extent to which a program has caused changes in physical, social, or economic conditions, *effect* is a measure of the program's impact, or the extent to which positive or negative changes can be identified and attributed to program operations.

Effect can be related to dollars (as in dollars misspent) or people (as in the number of beneficiaries receiving or not receiving services). The example below illustrates a dollar effect.

Examples

Objective: To assess ESRD home dialysis billing processes and identify any vulnerabilities in Medicare payments.

Effect (\$): In 2000, Medicare allowed \$9.5 million for potentially incorrect claims without a corresponding method selection recorded in the CWF, comprised of \$8.9 million for home dialysis related items and \$660,000 for facility claims of home dialysis support services.

**Cause
(Why?)**

Cause can have one of two meanings depending on inspection objectives. When the inspection objectives include explaining why a good or poor condition exists, *cause* becomes the reason for that performance. Identifying cause can assist analysts in making constructive recommendations. When the inspection objectives include the program's effect on changes in physical, social, or economic conditions, *cause* is evidence that the program produced observable changes.

Effort should be made to identify the *root cause* whenever a problem is identified. While staff lacking understanding of a new automated system may be a cause of delays in processing claims, the root cause would be management's failure to provide adequate staff training. Generally speaking, root cause is the result of poor management controls. Management controls include all activities for planning, organizing, directing, and controlling program operations. They help ensure that: (1) a program is meeting its objectives, (2) data are valid and reliable, (3) resources are expended consistent with laws and regulations, and (4) resources are adequately safeguarded. Causes and root cause are often identified through interviews with key officials after the inspection team has identified problems.

Examples

Objective: To assess ESRD home dialysis billing processes and identify any vulnerabilities in Medicare payments.

Cause: Fiscal Intermediary billing specialists stated that if the CWF were to reject the claim based on the lack of a method selection on the CWF, then the FI would not pay the claim. Nonetheless, claims appear to be paid without the method selection on file. Therefore, the edit appears not to be working properly.

**Special Note
About Attributes**

It is often unclear when something is criteria, condition, cause, or effect. Often, the same information can address a different attribute based on the inspection objective. It is up to the analyst to present information in a way that helps the reader understand what attribute is being addressed. Below are examples of when the same answer to different questions can lead to addressing a different attribute.

Two questions:

- Do Foster Care providers receive medical histories for children in their care?
- Why are children in Foster care not receiving necessary health services?

One answer:

- Foster Care providers do not receive medical histories for children in their care.

Answering the first question offers condition, while answering the second question offers cause. If the answer were written as “Children in Foster Care do not receive medical treatment because their Foster Care providers do not receive medical histories,” cause is more clearly indicated.

Two questions:

- Did Medicare pay more because the same procedures are reimbursed at different rates based on settings?
- How much more did Medicare pay because the same procedures are reimbursed at different rates based on setting?

One answer:

- Medicare paid an estimated \$1.1 billion more for services provided in settings with the higher reimbursement.

Answering the first question offers condition, while answering the second question offers effect. If the answer were written as “Variation in reimbursement rate resulted in Medicare paying \$1.1 billion more for services,” effect is more clearly indicated.

**Recommendation
(What can be?)**

Recommendations should be geared for impact, resulting in actions to correct problem areas and to improve operations. They should be substantiated by the report findings. Recommendations are most constructive when they are directed at resolving the cause of identified problems, action oriented, specific, addressed to parties that have the authority to act, feasible, and, to the extent practical, cost-effective. At its core, the recommendations section provides a concise response to the

cause of the problem, which is directly related to the inspection objective.

The recommendation section should be limited to making recommendations and not geared to restating the argument (use conclusion leading into recommendations for this objective). A logical connection between the identified causes and the recommendation also should exist.

Example (both summary/conclusion and recommendations)

The findings indicate that there are vulnerabilities in Medicare's current ESRD payment policies - vulnerabilities that may worsen with the growth of Medicare's ESRD population. Because of policy, Medicare and beneficiaries paid an additional \$15.3 million for CCPD under Method II. Medicare paid claims without existing method selection data in the Common Working File, resulting in \$9.5 million in incorrect payments, while other Medicare funds are put at risk due to claims processing vulnerabilities. As such, the analysts make recommendations designed to strengthen the integrity of ESRD claims processing and direct CMS to reevaluate existing policies.

- Request statutory change in reimbursement policy to limit payments for Method II CCPD kits to that of Method I.
- Ensure that claims are not paid unless a valid method selection form has been recorded by (1) confirming that its contractors are aware of proper system edits, (2) instituting specific edits in the CWF, and (3) examining the host systems used by contractors to verify that system alerts are in place and operating.
- Review and collect Medicare overpayments on incorrect claims and correct vulnerabilities by (1) conducting an internal review of the identified problems in this report and re-adjudicating the claims, (2) correcting the vulnerabilities that lead to these payments, and (3) conducting reviews for subsequent years. The OIG will share the individual cases and is willing to share computer programs used to identify potentially incorrect payments to assist CMS in addressing these vulnerabilities.

TYPES OF EVIDENCE

The OEI policy, which is based on the PCIE Quality Standards and Comptroller General “Yellow Book” standards, *requires that sufficient, competent, and relevant evidence must be obtained to afford a reasonable basis for the findings, conclusions, and recommendations.* The four broad types of evidence are:

Physical evidence	Physical evidence is obtained by analysts through direct inspection or observation of people, property, or events. Such evidence may be documented in memoranda, photographs, drawings, charts, maps, or physical samples.
Documentary evidence	Documentary evidence consists of written information, such as letters, reports, contracts, accounting records, and other documents relating to the inspection. Documentary evidence can be in electronic or hard copy format.
Analytical evidence	Analytical evidence includes computations, comparisons, separation of information into components, and rational arguments. To illustrate, testimonial evidence may be further analyzed and conclusions drawn by evaluators.
Testimonial evidence	Testimonial evidence is obtained through inquiries, interviews, or questionnaires. Testimonial evidence is particularly useful in identifying cause.

TESTS OF EVIDENCE

Sufficiency	Evidence is sufficient when there is enough to support the analyst’s findings. In determining sufficiency of evidence, it is helpful to consider whether there is enough evidence to persuade a reasonable person about the validity of the findings. Statistical methods may be used to establish sufficiency.
Competency	Evidence is competent when it is valid and reliable. Competence is established by ensuring that the evidence either was obtained by using a professionally accepted methodology or was obtained from a knowledgeable, experienced, reliable, and independent source.
Relevance	Evidence is relevant when it has a logical, sensible relationship to the issue it seeks to prove or disprove. The evidence should make the finding, conclusion, and recommendation convincing and useable.

Generally, evidence obtained from independent sources outside an entity provides greater assurance of reliability. Evidence obtained under an effective system of management controls is more competent than that obtained where controls are weak or nonexistent. Evidence obtained through direct physical examination, observation, computation, and inspection is more competent than evidence obtained indirectly. However, when the subject of the inspection or a third party collects data, we must assess validity and reliability. This is particularly true for data obtained from computer-based systems.

Vectoring evidence strengthens inspection reports. Using different sources and types of evidence makes the findings, conclusions, and recommendations stronger. For example, when evidence from different sources is consistent analysts can be more confident that they accurately represent the current condition. Similarly, a finding is strongest when physical, documentary, analytical, and testimonial evidence provide the same results. It may be useful to use other types of evidence (if available) to buttress findings based largely on testimonial evidence.

TYPES OF INSPECTION REPORTS

There are several types of inspection reports. The type depends upon the objective of the inspection and type of evidence supporting the attribute. They are as follows:

Type A

IG SIGNED, HIGH PROGRAM IMPACT, INVOLVING SAVINGS AND POLICY CHANGE:

These reports contain significant control deficiencies, significant beneficiary impact, opportunities for significant program savings, or generally require a major policy change. These reports ***must have strong evidence that underpins the findings, conclusions, and recommendations.*** Testimonial evidence alone would generally not be sufficient to support the findings, conclusions, and recommendations.

Type B

IG SIGNED, RESPONSES TO AGENCY AND CONGRESSIONAL REQUESTS:

These reports involve replies to requests from the Congress, the Secretary, or other Department officials. Often, Type B reports would have similar findings as noted in Type A reports. Unless otherwise requested, these reports must also have strong evidence supporting our findings, conclusions, and recommendations. Analysts would generally use multiple types of evidence, as indicated in the matrix (see page 17).

Type C

IG/DIG SIGNED, INVOLVE PROGRAM WEAKNESSES/ MANAGEMENT CONTROL WEAKNESSES LESS SEVERE:

These inspection findings are not material to the program meeting its overall objectives, weaknesses in the management controls are not material as they relate to the total operations and minimal beneficiary impact, and recommended policy changes are minor to the total operation of the program. Identified cost recoveries or savings are not material to the total program. These reports may not meet the importance level to transmit to an Assistant Secretary over the IG's signature. However, these reports generally should be supported with multiple types of evidence.

Type D

IG/DIG/RIG SIGNED QUICK PROGRAM ASSESSMENTS, ANALYSIS, AND SURVEYS:

These reports provide quick response information and/or analysis for program users. When performed at the request of a particular entity the requestor or intended recipient fully concurs with the data gathering methodology.

All Type A, B, and C reports should contain commonly used finding attributes showing condition, criteria, cause, effect, and recommendations. To the extent possible, Type D reports should also contain these elements of a finding.

The following matrix provides guidance on the relationship between evidence and reports. The matrix shows for each of the four report types, the preferred types of evidence to support the findings, conclusions, and recommendations. However, the types and amount of evidence needed to support a finding depend entirely on the objectives of the inspection. The overarching test should be: ***Is there enough competent and relevant evidence to persuade a reasonable person of the validity of the findings?***

Because of the significance of Type A and Type B reports, the standards of evidence to “lead a prudent person to the same conclusion” are much higher than inspections with less critical results. As shown in the matrix, these inspections should normally be supported by multiple sources of corroborating evidence. The designation “primary” in the matrix indicates that the specific type of evidence would be desirable for the particular report category. For example, for Type A and Type B reports, analysts would expect to find various uses of physical, documentary, and analytical evidence in addition to testimonial evidence. Generally, testimonial evidence for these significant reports would ***not be sufficient alone***. Other types of evidence would be needed to further corroborate evidence obtained from testimonial sources. These principles should be used to guide evaluators in the proper selection of evidence to meet the specific inspection objective.

Primary (P) and Secondary (S) Categories of Evidence

REPORTS	Physical	Documentary	Analytical	Testimonial
Type A: National Policy/ Significant Program Savings	P	P	P	S
Type B: Response Congressional Request	P	P	P	S
Type C: Management Control/Program Weaknesses	S	P	P	S
Type D: Management Advisory/Information	S	S	P	P

PART TWO: PUTTING THE BASICS TO WORK

WORK PLAN PROPOSALS

In proposing and selecting work, it is the goal of the Office of Evaluation and Inspections to focus efforts on areas of greatest impact within the Department. Determining the potential extent of impact is based on a variety of factors, including known or suspected problems and weaknesses, overall program budgets, and number of beneficiaries affected, to name a few. In addition to potential impact, each work proposal should include the title, objectives, background, issues, and methodology of the proposed study.

Key to the evaluation of work plan proposals is the rationale section, discussed below. Work plan proposals must reflect sufficient research to allow sound decisions on whether to pursue areas of work.

New Rationale Section

The purpose of this section is to provide the “why” - why the inspection should be conducted, why the inspection topic should have priority over other topics, and why OEI, specifically, should commit resources to conducting the inspection. Support for the inspection may come from congressional mandates, Office of Inspector General or Administration priorities, program budgets or overall program growth, known or suspected weakness in this or similar programs, lack of recent oversight, or potential for impact on beneficiaries, to name a few.

The rationale section should describe criteria and a rudimentary sense of condition. If potential causes and effects were identified while developing the rationale section, these should be described as well. An insufficiently developed rationale section may lead the Work Plan Committee to return the proposal for further work or to reject the proposal outright.

INSPECTION DESIGNS

Designs represent the culmination of the pre-inspection work and must lay out a clear blueprint of the inspection work to follow. They must convince the reader that the objective(s) of the inspection are significant and the questions posed are answerable. They must provide a plan on what data to collect, why they are being collected, and what will be done with them.

In essence, the design establishes the framework of the inspection itself. As such, the design must ensure that:

- Each attribute of a finding is incorporated and accounted for;
- The types of data and analysis proposed will provide evidence that is sufficient, competent, and relevant and would lead a prudent person to the same conclusion; and,
- The types and amounts of evidence proposed relate to the objective(s) and type of inspection report.

What follows is a review of the major sections of an OEI inspection design that highlights where and how the attributes, types of evidence, and types of inspection reports should best be reflected. (Refer to the procedures manual for information on the sections dealing with budget, staffing, schedule, and impact.)

Objectives

Objectives assert what an inspection is expected to accomplish. They must be clear and measurable, keeping in mind that OEI inspections focus on four main objectives stemming from the Inspector General Act. They are to determine:

- Program effectiveness or results,
- Program economy or efficiency,
- Program compliance, or
- Management information.

Furthermore, the objective(s) stated in the design should establish a framework for the inspection report, with each objective generally leading to a complete finding (i.e., encompassing all the attributes). Thus designs with multiple objectives will likely yield multiple inspection reports or inspections with multiple findings.

The challenge of a well-articulated objective lies in part in achieving the right balance between scoping it broadly enough to be compelling and

meaningful, and narrowly enough to be able to bring appropriate evidence to bear on it.

Background

The background for the design must succinctly provide the following:

- A recap of the inspection's rationale (see proposal), which should describe the criteria, at least a rudimentary sense of condition, and potential causes and effects;
- Relevant context for the program being studied, including any special departmental or Secretarial interests;
- Program information such as funding, individuals affected, existing management controls, legislative and regulatory history, and relevant stakeholders;
- Framework for the inspection;
- Definitions of unfamiliar terminology; and,
- Review of other OIG work in this area (including OEI and OAS).

Scope

The scope discusses the parameters of an inspection by identifying the areas to be covered. This section should refer to the specific focus of the inspection and any limits that affect areas of inquiry that the inspection will not pursue.

Issues

In many respects, the issues section represents the core of the inspection. Issues are posed as questions and represent a next level of specificity after the objective(s). How will OEI achieve the design objective(s)? By addressing the issues. Thus, the issues section must:

- Be organized around the objectives (one set of issues per objective);
- Incorporate those attributes of a finding appropriate to the stated objective. For example, the issues should raise questions about determining condition, cause, and effect (i.e., the analytic questions); and,
- Be answerable by means appropriate to OEI resources and with evidence considered to be sufficient, competent, and relevant.

Methodology

At a minimum, the methodology section must describe the following:

- Types of data to be collected (physical, documentary, analytical, and testimonial);
- Their sources;
- Methods for collecting them; and,
- Any known major limitations to the data.

Those details must be appropriate for the inspection objective(s). This section should also describe the following details, as needed:

- Sampling methods, including population and universe size;
- Respondents;
- Methods for ensuring data reliability;
- Cost avoidance and/or recovery techniques to be employed;
- Computer applications to be used in collecting and/or analyzing the data; and,
- Contractors to be used.

Analysis Plan

The analysis plan ties together the inspection objective(s), issues, and methodology. It ensures that the issues detailing each objective have sources of competent and relevant evidence. It clearly lays out the types of evidence and the analysis plans for each. It is where comparisons against criteria are described.

The analysis plan lends itself to presentation in a grid, as in the example below, though it is not required.

Objective	Issue	Data Types	Analysis Methods
To determine if Medicare payments for chiropractic treatments are reasonable, necessary, and meet Federal guidelines.	What proportion of paid Medicare claims for chiropractic services do not meet the payment criteria in the Medicare carriers manual?	<ul style="list-style-type: none"> ▪ Chiropractic record review (documentary) ▪ Claims analysis (documentary) 	<ul style="list-style-type: none"> ▪ Compare records against criteria ▪ Calculate cost if inappropriate claims ▪ Project costs to the universe

Products

The products section identifies the plan for presenting the inspection results and should anticipate which type(s) of report(s) will be issued given the objective(s), attributes, and evidence. It should also reflect that each objective generally leads to one finding, thus multiple objectives would likely lead to multiple inspection reports.

Audience

This section identifies the primary audiences for the final report.

INSPECTION REPORTS

While each report will vary depending on inspection type, availability of evidence, and objectives, this section furnishes a format and guidance for preparing OEI reports.

EXECUTIVE SUMMARY

The Executive Summary is a digest or synopsis of the entire report. It is intended for busy readers who lack the time to read the detailed report. It must stand alone and convince busy decision makers of needed action.

The Executive Summary highlights inspection objectives, background (including scope and methodology), findings, conclusions, recommendations, and agency comments.

The Executive Summary must be clear, easy to read, and concise. Generally, executive summaries should be limited to two pages.

Usually, the Executive Summary can be lifted directly from a well-written report with little rewriting. For example, titles and charge paragraphs for each finding in the report text can often be lifted and used for the findings section of the Executive Summary.

Likewise, the conclusion and recommendations in the Executive Summary are essentially the same as in the report text.

OBJECTIVE

Use the same objective statement as shown in the introduction of the report.

BACKGROUND

Include only background information that a busy reader needs for understanding the findings, conclusions, and recommendations.

Briefly explain rationale for the inspection. Specifically, was the inspection in response to a request? If so, by whom? Was it an OEI-initiated inspection? Why?

Highlight the scope and methodology from the introduction section of the report, including time period of the inspection.

FINDINGS

Busy decision makers may only read the findings, conclusion, and recommendations sections of the Executive Summary. Therefore, the findings must be clear and flow logically into the conclusions and recommendations.

Usually the finding, banners, and charge paragraph for each finding in the report text can be lifted and used in the findings section of the Executive Summary.

Each finding should contain all the attributes of a finding (criteria, condition, cause, and effect) as applicable.

Each finding should show the major types and extent of evidence (*physical, documentary, testimonial, and analytical*) used to support it.

CONCLUSION AND RECOMMENDATIONS

Conclusions and recommendations can be presented separately or jointly depending on the message.

While the conclusion may be summarized for conciseness, the recommendations should use the same words, in the same order, as presented in the body of the report.

AGENCY COMMENTS

Summarize agency comments in a concise manner. State whether the agency concurred with the recommendations. For disagreements, summarize why and rebut as appropriate. For concurrence, summarize action taken and planned in response to the report.

Note that full text of agency comments on the report will be included in an appendix.

INTRODUCTION

OBJECTIVE

The objective is a concise, well-focused sentence stating what the inspection aims to achieve. Use specific, actionable statements (i.e., “to determine”). Avoid vague, non-specific statements.

BACKGROUND

Include only background information that a reader needs for understanding the report findings, conclusion, and recommendations. Look to the design background for reference.

Explain the rationale for the inspection. For example, is inspection in response to a request from the Secretary, Congress, or others? Was the inspection initiated by OEI in response to perceived cost, access to care, or other concerns?

SCOPE and METHODOLOGY

Scope and Methodology can be presented separately or jointly depending on extent and complexity of work done.

The scope and methodology give readers the details needed to judge the merits of the findings, conclusion, and recommendations, and to replicate the inspection if desired.

Succinctly state the inspection scope and methodology. Include complex scope and methodology details in an appendix for readers who desire a more technical description of how the findings were developed.

Scope: Describe the depth and breadth of work to accomplish the inspection objective.

Generally, the scope answers the following questions:

- Who, in terms of organizations, were included in the inspection?
- What programs and activities were evaluated?
- When was the inspection conducted?
- What time period was indicated in the analysis?
- How many claims, providers, beneficiaries, etc. were included?

Include any limitations and qualifications associated with the inspection. State specifically work that was and was not done to achieve the inspection objective.

When work is limited due to constraints, such as time, resources, scope, and data availability, show the constraints and limitations. For example, in cases where inspection objectives are particularly narrow in focus, and broader objectives may be inferred, it may be useful to state

why the broader objectives were not pursued.

Methodology: Describe how and what was done to accomplish the inspection objective.

Clearly explain the data gathering techniques and types of evidence used (*physical, documentary, testimonial, analytical*).

Clearly explain the types of analysis conducted - e.g., comparative, regression, aggregation, correlation, frequency, time series.

Describe sampling processes and state why particular processes were chosen.

Consider a simple table or chart for showing the scope and methods used, particularly for complex inspections.

Identify significant assumptions made in conducting the inspection.

While not typically a caption, the statement below represents that the OIG has certified that the standards were followed.

“We conducted this inspection in accordance with the *Quality Standards for Inspections* issued by the President’s Council on Integrity and Efficiency.”

FINDING

This section communicates the results of OEI’s analysis relevant to the inspection objectives. It begins with a charge paragraph and is followed by a statement of overall finding and then a series of banners (i.e., bolded statements) and supporting text that elaborates on the criteria, cause, condition, and effect.

As all OEI products, this section should be written deductively. The deductive logic process should link each of the following report segments: objective to charge paragraph; charge paragraph to banners; banners to paragraphs under the banners; and topic sentences to individual paragraphs.

The finding should be presented in the context of the evidence obtained.

Use tables and charts whenever appropriate.

CHARGE PARAGRAPH

This paragraph or paragraphs summarizes the overall message of the report and the extent and types of evidence used to support it. The charge highlights the four finding attributes -

criteria, condition, cause and effect. All subsequent material elaborates on the summary in the charge paragraph.

STATEMENT OF OVERALL FINDING

The finding statement answers the question(s) that are raised in the objective statement.

BANNERS AND SUPPORTING TEXT

Following the charge paragraph, this section will include banners (bolded statements) appropriate to the message and the explanatory text underneath. The text will detail the evidence and elaborate on the attributes. There is no set order for the banners in describing the attributes. In most reports there will be a banner for each attribute as follows:

- Showing expectations or requirements relative to the inspection objective (criteria);
- Identifying program operations relative to inspection objective (condition);
- Indicating positive or negative results of difference between criteria and condition (effect); and,
- Explaining why the difference between criteria and condition exists (cause).

Normally there will be one overall finding. On rare occasions, there may be multiple findings that follow the format noted above.

CONCLUSION AND RECOMMENDATIONS

The Conclusion and Recommendation Section can be presented separately or jointly depending on the message. The Conclusion section generally emphasizes the cause(s) and effect(s) of the condition(s) described in the body of the report. Ideally, it convinces the reader that action needs to be taken to correct the situation(s) described in the report and prepares the reader for the recommendations that follow.

The conclusion and recommendations should always be presented in context of inspection work done and the findings, including consideration for prior inspection work, and limitations and constraints on agency operations.

Conclusion: Logical inferences and interpretation about a program based on inspection findings.

The strength of conclusions depends heavily on the persuasiveness of evidence supporting the findings and the logic used to formulate the conclusions.

Recommendations: Improvements in HHS policy and operations based on inspection work done and the resulting findings.

Recommendations are most constructive when they are:

- directed at resolving the cause of identified problems;
- action oriented and specific;
- addressed to parties that have the authority to take corrective action; and,
- feasible and cost-effective.

Recommendations should be directed at potentially significant and material improvement in policy and operations.

Recommendations to affect compliance with laws and regulations and improve management controls should be made when significant weaknesses are found.

AGENCY COMMENTS

Describe who commented on the draft report and whether they concurred with the recommendations.

Describe any action the agency has taken or plans to take as a result of the work.

Present a rebuttal, as necessary, for any recommendation that the agency disagreed with and continue to support based on the inspection findings.

Provide the full agency comments on the report as an appendix.

APPENDIX

Use Appendices for material that interrupts the development, flow, and understanding of report findings, conclusions, and recommendations.

Examples:

Complex scope and methodology

Scoring, calculations, and estimates

Agency comments

COMPARISON OF THE OLD INSPECTION MODEL WITH THE ATTRIBUTE MODEL

Old Inspection Model

Attribute Model

