

OLO Memorandum Report 2015-10

April 14, 2015

To: County Council

From: Leslie Rubin, Senior Legislative Analyst
Office of Legislative Oversight

Subject: School Systems with Offices of Inspectors General

In the past year, several Montgomery County public officials have discussed whether Montgomery County Public Schools should employ a dedicated inspector general (IG) for the school system. Of the over 16,000 school districts in the United States, only a small handful employ an inspector general to oversee the school system. This memorandum report summarizes research on eight school systems with inspectors general.

Authority and Scope of Report. This report stems from the Council's interest in information on and experiences of school systems that employ inspectors general. The Council requested this small-scale research report in the Office of Legislative Oversight's Amended FY15 Work Program, adopted via Council Resolution 17-1266 on November 25, 2014.

Methodology. Montgomery County Public Schools (MCPS) is the 16th largest school system in the Country.¹ This report describes offices of inspectors general in the 20 largest school systems in the Country – with student populations ranging from 125,000 students to over a million (see Table 1 on the next page). The report also describes the inspector general in Detroit Public Schools, which used to be one of the 20 largest school systems. Detroit Public School's student population declined from approximately 170,000 students in FY00 to just under 50,000 in FY14. OLO also examined Maryland's 24 school systems and found that none has an inspector general dedicated to the schools.

Background. Of the 20 largest school systems in the Country, seven employ inspectors general. Every system (whether it is a school system, a local government, or a federal agency) with an IG has its own laws, policies and/or guidelines outlining the IG's work. According to the Association of Inspectors General:

Inspectors general at all levels of government are entrusted with fostering and promoting accountability and integrity in government.... The public expects OIGs to hold government officials accountable for efficient, cost-effective government operations and to prevent, detect, identify, expose and eliminate fraud, waste, corruption, illegal acts and abuse.²

Of the remaining 13 school systems in the top 20, 11 have offices of internal audit. Internal auditing differs from the work of an IG. Internal auditing is:

[A]n independent, objective assurance and consulting activity designed to add value and improve an organization's operations ... by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.³

¹ <http://asumag.com/research/2014-asu-100-largest-school-districts-us-enrollment-2012-13>.

² www.inspectorsgeneral.org/files/2012/06/IGStandards_revised_july2012.pdf.

³ <http://www.theiia.org/guidance/standards-and-guidance/ippf/definition-of-internal-auditing/?search%C2%BCdefinition>.

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While inspectors general often perform work encompassed by an office of internal audit, IGs typically have greater authority and independence, which is key to an inspector general’s ability to perform work without external pressures or influence. Where internal audit offices often are a part of a larger office in an organization and perform work at the direction of superiors, offices of inspectors general (OIGs) tend to be stand-alone offices that determine their own work program and/or investigations and often have subpoena power to compel the production of documents or other information.

Table 1 summarizes the top 20 schools systems in the country plus Detroit, by 2012-2013 enrollment, and whether each system has an IG or an office of internal audit. Note that in the New York City school system, the title of the IG-equivalent is the “Special Commissioner of Investigations.” As noted below, Montgomery County Public Schools has an office of internal audit. While eight of Maryland’s other 23 schools systems have offices of internal audit (e.g., Baltimore City, Carroll County, Howard County, Prince George’s County), no Maryland school system, including MCPS, has an inspector general.

Table 1. Top 20 US School Systems by 2012-2013 Enrollment, plus Detroit

Rank	School System	Enrollment	IG or Internal Audit?
1	New York City, NY	1,036,053	Special Commissioner of Investigation
2	Los Angeles Unified, CA	655,494	Inspector General
3	Chicago, IL	403,461	Inspector General
4	Miami-Dade County, FL	354,236	Inspector General
5	Clark County, NV	311,429	Internal Audit
6	Broward County, FL	260,234	Internal Audit
7	Houston, TX	202,586	Inspector General
8	Hillsborough County, FL	200,287	Internal Audit
9	Hawaii, HI	183,251	Internal Audit
10	Orange County, FL	183,021	Internal Audit
11	Fairfax County, VA	181,536	Internal Audit
12	Palm Beach County, FL	179,494	Inspector General
13	Gwinnett County, GA	163,062	Internal Audit
14	Dallas, TX	158,680	Internal Audit
15	Wake County, NC	149,508	none
16	Montgomery County, MD	148,779	Internal Audit
17	Philadelphia, PA	143,898	Inspector General
18	Charlotte-Mecklenburg, NC	142,612	none
19	San Diego Unified, CA	130,270	Internal Audit
20	Duval County, FL	125,662	Internal Audit
...			
91	Detroit	49,854	Inspector General

Source: <http://asumag.com/research/2014-asu-100-largest-school-districts-us-enrollment-2012-13>

Table 2, on the next page, summarizes details about the eight offices of inspectors general described in this report, including 2013-2014 data for each school system and the FY14 budget and personnel in each OIG.

School Systems with Offices of Inspectors General

Table 2. Summary of School System and Offices of Inspectors General Data

School District	NYC	Los Angeles	Chicago	Miami-Dade	Houston	Palm Beach	Philadelphia	Detroit
IG Established	1990	1998	1994	2007	2005	2003	2003	2009
Reports to...	Commissioner of Investigations	Board of Education	Board of Education*	School Board	Board of Education	School Board	School Reform Commission	Emergency Manager
FY14 District Data								
Schools/Programs	1,665	714	664	471	274	184	218	103
Employees	134,426	60,139	41,579	44,432	21,148	21,548	17,570	6,535
FY14 Budget (\$ millions)								
District	\$19,900	\$13,000	\$5,600	\$4,300	\$1,900	\$2,300	\$2,700	\$1,000
OIG	\$5.2	\$7.1	\$1.8	\$0.8	\$1.4	\$2.1	\$0.4	\$0.6
OIG Employees	65	52	17	5+	23	18	4	5

* The Chicago Public Schools inspector general is appointed by the Mayor of Chicago. The position reports information and makes recommendations to the Board of Education, but the position is independent of the Board.

+ Staffing supplemented from the office of the inspector general for Miami-Dade County, when needed.

Source: School system web sites and interviews with school system personnel

1. City School District of the City of New York

<http://www.nycsci.org/>

In FY14, the City School District of the City of New York had just over one million students, 1,665 schools and programs, and a budget of \$19.9 billion. In 1990, the NYC school system had an inspector general. However, a Joint Commission on Integrity in the Public Schools, “found that the Office of the Inspector General must be independent of those whom it is called upon to investigate....”⁴

Consequently, the Mayor of New York City created the position of Deputy Commissioner of Investigation for the City School District of the City of New York (now called the “Special Commissioner”) via Executive Order. To provide independent, the position is housed in New York City’s Department of Investigation, rather than under the Board of Education. The head of the City’s Department of Investigation appoints the Special Commissioner.

The Executive Order creating the position also establishes the Special Commissioner’s powers and duties and the school system’s obligation to cooperate with the Special Commissioner. The Special Commissioner is charged with investigating complaints of “alleged acts of corruption or other criminal activity, conflicts of interest, unethical conduct, and misconduct” by the Board of Education, Chancellor, Community School Boards, and Community Superintendents.

The Special Commissioner of Investigation is an employee of the Department of Investigation. His staff are funded by the Board of Education, which passes through funds to the Department of Investigation for the employees. To remain independent of the school system, the Mayor’s Office of Management and Budget,

⁴ Executive Order No. 11, Deputy Commissioner of Investigation for the City School District of the City of New York, June 28, 1990.

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not the Board of Education, is responsible for overseeing the budget of the Office of the Special Commissioner. In FY14, the Office of the Special Commissioner had a budget of \$5.2 million and 65 positions. The Office of the Special Commissioner of Investigation (SCI) processed 5,287 complaints in 2014 – a record number for the Office. The SCI opened 784 investigations, closed 741, and had substantiated findings in 32% of investigations. The SCI also monitored 229 investigations originally referred to other agencies (such as the New York City Police Department) and opened investigations in 179 of those cases.

The SCI website is sparse – including links to released reports, a link to the executive order creating the office, and information about contacting the office. The office has a toll-free 24-hour hotline. Table 3 summarizes the number of published reports released by the office in the past five years. The reports range from investigations into alleged school-related and non-school-related illegal activity by school system employees, to misappropriation of school system resources, to allegations of student bullying. Many of the investigations related to allegations of teachers’ or administrators’ sexual contact with students.

Table 3. Number of Reports Released on NYC Special Commissioner of Investigation Website, 2010-2014

	2010	2011	2012	2013	2014
Number of Reports on Website	14	8	15	5	12

Source: SCI website

2. Los Angeles Unified School District

http://notebook.lausd.net/portal/page?_pageid=33,256485&_dad=ptl&_schema=PTL_EP

In FY14, the Los Angeles Unified School District (LAUSD) had over 650,000 students, 714 schools and programs, and a budget of \$13.0 billion. The school district established an Office of the Inspector General in 1998. In FY14, the office had a budget of \$7.1 million and 52 positions.

The LAUSD Office of the Inspector General (OIG) undertakes projects (1) based on complaints filed with the office, (2) based on requests from the Board of Education, and (3) based on its own initiative. Reporting to the Board of Education, the OIG divides its work into three broad areas – internal audits, contract audits, and investigations – with a Deputy Inspector General overseeing each area. Each spring, the OIG performs a risk assessment to shape an annual work plan for the office. The most common types of investigations in FY14 were performing due diligence related to charter schools and related to contracts or vendors – making up 65% of the office’s investigative work.

California state law codifies the OIG’s authority, authorizing the Inspector General to conduct audits and investigations, grant subpoena powers, provide assurances of confidentiality in investigations, and impose penalties for providing false information to the OIG. The IG, however, does not have any enforcement power. State law also prohibits the OIG from investigating allegations of crimes against children, which must be referred to a law enforcement agency.

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The OIG's website includes completed audit reports, annual reports, and contact information, including a toll-free hotline. The FY14 Annual Report is available here:

http://notebook.lausd.net/pls/ptl/ptl_apps.nbk_doc_info.docinfo_qu?p_doc_id=1303574

Table 4 summarizes the LAUSD OIG's activity in FY14, including monetary benefits from the Office's work.

Table 4. Summary of FY14 Activity, LAUSD Office of the Inspector General

Report Type	Planned Projects	Completed Projects	Monetary Benefits
Internal Audit	47	25	\$35,038
Contract Audit	69	45	\$2,906,629
Investigations	160	131	*
Total	276	201	\$2,941,667

*Money identified, but none received in FY14

Source: FY14 OIG Annual Report to the Board of Education

3. Chicago Public Schools

http://cps.edu/About_CPS/Departments/Pages/InspectorGeneral.aspx

In FY14, Chicago Public Schools (CPS) had just over 400,000 students, 664 schools and programs, and a \$5.6 billion budget. The Office of the Inspector General, established in 1994, had a budget of \$1.8 million and 17 positions.

The powers and the duties of the Chicago Public Schools Inspector General are set out in Illinois state law, which gives the Inspector General "authority to conduct investigations into allegations of or incidents of waste, fraud, and financial mismanagement in public education..."⁵ The Mayor of Chicago appoints the schools' Inspector General – without consent or approval of the City Council or the Board of Education. Mayor Rahm Emanuel appointed a new Inspector General in December 2014.

The inspector general reports on and make recommendations regarding investigations to the Chicago Public Schools' Board of Education.⁶ By law, however, the IG is independent of the Board of Education and the school system finance authority. State law and Chicago Board of Education Rule 3-8 also require the Inspector General to "perform other duties requested by the Board including, but not limited to, investigation into employee misconduct, including allegations of criminal activity by employees."

⁵ 105 IL Comp. Stat. § 5/31-13.1(a).

⁶ The mayor of Chicago also appoints members of the Chicago Board of Education and Chicago Public Schools' Chief Executive Officer, who is the equivalent of a superintendent.

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The next table summarizes the top five types of complaints filed with the Inspector General in FY14.

Table 5. Top 5 Complaint Types Filed in FY14, CPS Inspector General

Type of Complaint	#	%
Residency	269	20%
Inattention to Duty	189	14%
Discourteous Treatment	140	10%
On Duty Criminal Conduct	95	7%
Contractor Violations	70	5%
All Other	572	43%
Total	1,335	100%

Source: Chicago OIG FY14 Annual Report

Of the 1,335 complaints filed, the OIG opened investigations in 280 – or 21% of complaints. The annual report emphasized that the OIG is not sufficiently staffed to fully carry out its mission: “As previously reported by this office, the inability to investigate more complaints creates a substantial risk that instances of fraud and employee misconduct go undetected.”⁷

The OIG’s website includes a complaint form, a fraud hotline number and links to annual reports, but does not include written findings or reports from completed investigations. The FY14 Annual Report is available online at http://cps.edu/About_CPS/Departments/Documents/OIG_FY_2014_AnnualReport.pdf and does include descriptions of investigations initiated or completed in FY14.

4. Miami-Dade County Public Schools

<http://www.miamidadeig.org/MDCPS2.html>

In FY14, Miami-Dade County Public Schools had just over 370,000 students, 471 schools and programs, and an annual budget of \$4.3 billion. Since 2007, the Miami-Dade County Inspector General (for the County) also has served as the Inspector General for the School Board. In FY14, five Office of the Inspector General employees and a budget of \$0.8 million were dedicated to the school system, with supplemental staffing from the larger OIG, when needed. This arrangement provides an added layer of independence for the OIG from the School Board.

An “Interlocal Agreement” between the County and the County School Board governs the relationship between the two with regard to the Inspector General. The Interlocal Agreement gives the OIG jurisdiction to investigate all School Board programs, records, contracts, transactions, and activities and to report findings to the School Board and the Superintendent.

In 2013, the OIG began the GO BIG oversight program to provide oversight of the school system’s general obligation bond program. The Office monitors selected capital procurements and follows the project from design through construction.

⁷ Chicago OIG 2014 Annual Report at p. 2.

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The OIG responded to 89 complaints related to the school system in FY14, including complaints about:

- Abuse of leave time,
- Bribery,
- Bid collusion, and
- Fraud.

Individuals are assured anonymity when filing complaints and the OIG has a fraud hotline.

The OIG reported that “[t]hrough FY 2013-14, the audits and investigations performed by the SB OIG have resulted in over \$2.6 million in averted losses, projected savings, financial recoveries, and increased revenues for the school district.”

The OIG’s website includes information on how to file a complaint, annual reports, and investigations reports. The FY14 Annual Report is available at <http://www.miamidadeig.org/2015MDCPS/2014mdcpsAnnualReport.pdf>

5. Houston Independent School District

<http://www2.houstonisd.org/HISDConnectDS/v/index.jsp?vnextoid=0884c3838950f110VgnVCM1000028147fa6RCRD&vnextchannel=c7782f796138c010VgnVCM10000052147fa6RCRD>

In FY14, the Houston Independent School District had 200,000 students, 274 schools and programs, and a budget of \$1.9 billion. The school system’s Inspector General reports to the Board of Education. The OIG had an FY14 budget of \$1.4 million and 23 positions.

The school district’s adopted budget describes the OIG as follows:

The Office of the Inspector General is responsible for conducting a broad, comprehensive program of financial, compliance, operational, activity fund, campus, construction, information systems, and property tax audits within the district. It issues fact-filled reports based on professional audit, investigative, and inspection standards. Standards shall comply with those promulgated by appropriate professional oversight organizations, such as the American Institute of Certified Public Accounts, the Institute of Internal Auditors, Association of Certified Fraud Examiners, and other such professional oversight organizations.

The Houston school’s OIG does not have a website and no published reports from the office – either annual or investigative – were found.

In 2013, the Institute of Internal Auditors presented a report to the school district finding that the Houston OIG did not conform to the International Standards for the Professional Practice of Internal Auditing.⁸ In a blunt conclusion, the Institute of Internal Auditors reported that:

⁸ http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=5&ved=0CDwQFjAE&url=http%3A%2F%2Fwww.houstonisdwatch.com%2Ffiles%2F100386%2F157022612-Audit-of-HISD-Inspector-General-s-Office.pdf&ei=Yf3cVOnvJsG1ggSDs4SwAQ&usg=AFQjCNEUHyfXsItJ3wP7yINy-Y4MY_o9A&bvm=bv.85761416,d.eXY&cad=rja

The annual risk assessment and audit planning process [of the Office of the Inspector General] is not effective in prioritizing areas for audit. There is limited input from key stakeholders when conducting the risk assessment and developing the annual audit plan, the plan is not clearly linked with an entity-wide view of risk, and there is no linkage between audit plan objectives and supporting resource requirements. The annual audit plan is not shared with key stakeholders in the organization beyond the Board Audit Committee. Concepts of governance, risk management, and control are not specifically addressed in the audit plan. An internal audit methodology has not been specifically defined and documented for Internal Audit to ensure that infrastructure and processes are consistent with the Standards and that work can be performed efficiently, effectively, consistently, and with a high level of quality. Planning for individual engagements, supported by an engagement level risk assessment, is not defined and or documented in audit work papers. Audits are executed based upon an approved work program, but are inconsistent in terms of quality and level of documentation supporting conclusions. Audit reports could be enhanced by including recommendations for management action and by improving timeliness, especially related to E-Rate matters. There is no formal follow-up process to monitor the status of observations raised during the audit reporting process.

The Institute of Internal Auditors assessed the OIG at the request of the school board's audit committee.

6. The School District of Palm Beach County, Florida

<http://palmbeachschools.org/inspectorgeneral/>

In FY14, the School District of Palm Beach County, FL had just under 179,000 students, 184 schools and programs, and an annual budget of \$2.3 billion. The school district's Office of the Inspector General had a \$2.1 million budget and 18 positions. The OIG performs financial audits, performance audits, and investigations. The School Board established the OIG in 2003 to:

- Incorporate a full time program of investigation, audit, inspection, and program review.
- Provide increased accountability, promote fiscal responsibility, assist management in the establishment and maintenance of effective systems of control, and provide increased oversight in improving District operations.
- Assist in improving operations, including deterring, and identifying fraud, waste, abuse, and illegal acts.⁹

School Board policy grants the Inspector General authority to investigate and audit all facets of the school system, including information from and related to vendors and other entities that have relationships with the school system. To promote independence and objectivity of the OIG, the policy also requires that the office be peer reviewed through the Inspector General Institute and prohibits interference with the office's work by Board Members, the superintendent, the administration, and school system staff.¹⁰

⁹ See Office of the Inspector General Annual Report for Fiscal Year 2014, at p. 1.

¹⁰ See Rules of the School Board of Palm Beach County, Florida, Policy 1.092, Inspector General.

<http://www.schoolboardpolicies.com/p/1.092>

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In FY14, the Palm Beach County OIG performed audits related to school money collection and leasing of school facilities and several performance audits. The Office received 100 complaints in FY14. The most common type of complaint was related to employee misconduct or personnel issues.

Table 5. Top 5 Complaint Types Filed in FY14, Palm Beach County Schools Inspector General

Type of Complaint	#	%
Employee Misconduct/Personnel Related	38	38%
Charter School Related	19	19%
Other	13	13%
Financial	8	8%
Student Safety & Welfare	8	8%
Ethics Related	6	6%
Illegal Activity/Theft/Misuse	3	3%
Academics	2	2%
Falsification of Documents/Records	2	2%
Procurement Related	1	1%
Total	100	100%

Source: School District of Palm Beach County OIG FY14 Annual Report

Data about the OIG includes a ratio of the cost of audit work to the savings identified through the work, summarized in the next table. In the Palm Beach County schools, for every dollar spent on audit, the school system identified \$1.52 in savings in FY13 and \$1.68 in FY14.

Table 6. Ratio of Audit Costs to Savings Identified, Palm Beach County Schools

	FY13	FY14
Palm Beach County	\$1:\$1.52	\$1:\$1.68
National Average	\$1:\$0.83	\$1:\$0.83

Source: Palm Beach County Schools' FY14 and FY15 Adopted Budgets

The FY14 Annual Report is available at

[http://www.boarddocs.com/fl/palmbeach/advisory/Board.nsf/files/9SQ5H571E71D/\\$file/2015-02%20OIG%20Annual%20Report%20for%20FY2014%20\(2\).pdf](http://www.boarddocs.com/fl/palmbeach/advisory/Board.nsf/files/9SQ5H571E71D/$file/2015-02%20OIG%20Annual%20Report%20for%20FY2014%20(2).pdf)

7. The School District of Philadelphia

<http://webgui.phila.k12.pa.us/offices/i/inspectorgeneral/>

In FY14, the School District of Philadelphia had over 131,000 students, 218 schools and programs, and a budget of \$2.7 billion. In 2001, the School District of Philadelphia was taken over by the Commonwealth of Pennsylvania and the school board replaced by a School Reform Commission. The Governor appoints three members of the Commission and the Mayor of Philadelphia appoints two. The School Reform Commission established the Office of the Inspector General in 2003.

In January 2015, the school system's first Inspector General – hired in 2003 – retired. Rather than hiring a new IG, the Inspector General for the City of Philadelphia assumed the task of school oversight, at least through the end of this fiscal year. The retiring school system IG expressed hope that the relationship would become permanent. The staff in the school's OIG will continue in their positions, but report to the City's IG.

A school district policy establishes the authority of the Inspector General to investigate suspected fraudulent activity. The policy also provides the IG access to records and property and provides for confidentiality in OIG investigations.

Currently, the school's OIG website does not contain any reports – either audit/investigations reports or annual reports. The website indicates how to file a report, including an anonymous tip line, and currently lists the City IG as the school system IG. The City OIG's FY14 annual report describes the six-month-long agreement with the school system, where the City's IG will conduct investigations and make recommendations on developing an effective OIG for the school system.

8. Detroit Public Schools

http://detroitk12.org/admin/inspector_general/

Since March 2009, Detroit Public Schools has been in a “financial emergency,” a state law designation, and an Emergency Manager appointed by the Governor oversees the school district. In 2009, the City's first Emergency Manager created the school system's Office of Inspector General and the IG reports directly to the City Manager. The IG has an independent status to investigate all schools, departments, personnel and programs.¹¹

In FY14, Detroit Public Schools had a little more than 48,000 students, 103 schools and programs, and a \$1.0 billion budget. Compared to 2000, when enrollment at Detroit Public Schools was approximately 170,000 students – the school system today is one third the size.

The IG has investigative authority over all school district departments, personnel, and programs, and over vendors and contractors doing business with the school system.

The mission of the OIG is to ensure integrity, economy, efficiency and effectiveness in the operations of the Detroit Public Schools by conducting meaningful and accurate investigations, forensic audits, and program reviews, to detect and deter waste, fraud and abuse.¹²

¹¹ Detroit OIG FY14 Annual Report.

¹² Ibid.

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The IG's FY14 Annual Report summarizes investigations undertaken by the office, and the information indicates that the Detroit OIG primarily conducts investigations, rather than program and financial audits. The OIG initiated 43 investigations in FY14 and has a fraud hotline for anonymous reporting. The next table breaks down the complaints filed with the OIG by type of complaint.

Table 7. Number of Complaints Filed with Detroit OIG, FY14 and FY10-13

	FY14	FY10-13
Ethics Violation	10	84
Employee Misconduct	7	0
Abuse	5	55
Mismanagement	5	48
Theft	4	186
Vendor Fraud	4	46
Payroll Fraud	3	76
Criminal Activity	2	51
Other	3	82
Total	43	628

Source: Detroit Public Schools' OIG FY14 Annual Report

The FY14 Annual Report is available at

http://detroitk12.org/admin/inspector_general/docs/2014.06.30_Annual_Report.pdf

Conclusions. This research report provides information about school systems in the United States that employ dedicated inspectors general. Research showed that seven of the 20 largest school systems in the United States have inspectors general. Of the 20 largest school systems:

- Five of the offices of inspector general are in one of the 10 largest school systems.
- For the 10 school systems ranked 11-20 by student population, only two have inspectors general.
- Only one system in the top 20 smaller than Montgomery County Public Schools has an IG.

Many of the documents governing these OIGs, whether in state law or school district policy, emphasize the importance of independence of the inspectors general and the need for the IGs to be free from influence or pressure by school boards, superintendents, and school district employees and vendors. Some school systems, such as in New York City and Detroit, have their IG or equivalent report to individuals outside of the school system to increase IG independence. Two school systems – Miami-Dade County and Philadelphia – currently have contractual agreements where the local government's inspectors general will also serve as the inspector general for the school systems.

The mission statements for the OIGs described in this report describe the need for "integrity," "responsibility," and "accountability" in these school systems and OIG annual reports show that fiscal oversight is an integral part of the work of these inspectors general. The information about the school systems in this report highlight a few key considerations for the success of an office of the inspector general.

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First, the effectiveness of any OIG will depend on the ability of the office to remain independent of any potential external pressure or influence – whether from within or outside of the organization or system that the IG oversees. Model legislation for establishing an OIG developed by the Association of Inspectors General highlights the need to clearly establish independence for OIGs and their work.

Second, the effectiveness of any OIG will depend on the resources made available to the office – and can impact an office’s ability to maintain its independence. The Chicago Public School’s FY14 OIG annual report noted that the IG’s office was understaffed, hindering its ability to fulfill its mission. The FY14 budgets and personnel for the eight offices described in this report varied considerably – from \$400,000 to \$7.1 million and from four to 65 staff members. In each of the school districts, the budgets for the offices of inspector general make up less than 1/10th of 1% of a district’s budget.

And finally, identifying the right leadership and staff for an OIG plays an important role in an office’s effectiveness. An independent audit of the office of the inspector general for the Houston Independent School District revealed, among other things, that the office’s processes and procedures were ineffective for properly identifying risks in the system, the quality of the audit work and documentation was inconsistent, and the office had no process to follow up on the findings from reports.