



**Association of Inspectors General
524 West 59th Street, 3532N
New York, New York 10018**

March 11, 2016

Joseph Ferguson
Inspector General
City of Chicago
Office of Inspector General
740 N. Sedgwick, Suite 200
Chicago, IL 60654

Dear Inspector General Ferguson,

On behalf of the Association of Inspectors General's (AIG) Peer Review Team (Team), I am writing to share with you some observations we made when we were at your offices from February 1, 2016 through February 4, 2016. The Team was invited to conduct a Peer Review of your organization's Investigations Section (IS) and Audit and Program Review Section (APR). The Team unanimously concluded that both the IS and APR Sections complied with the standards set by the (AIG) Principles and Standards for Offices of Inspector General, and the United States General Accountability Office (GAO) Government Auditing Standards. An earlier letter dated February 22, 2016 provided this unqualified opinion. The purpose of the present letter is to provide the comments shared with you and your executive staff during the exit conference that took place on February 4, 2016.

On February 4, 2016, the Team met with you and your executive leadership. We provided you with our general conclusion regarding compliance and noted several areas of distinction and consideration regarding the Sections. We also met separately with your Deputy Inspectors General (DIG) for IS and APR. In general, the same comments were shared in those, although more operational detail and operating considerations may have been provided to assist your executive team with their functional responsibilities.

The remainder of this letter will address Section-specific areas of distinction and consideration. These comments are based on the direct observations of the Team members assigned to review the Section; Team member interviews with external stakeholders; interviews with Section staff, including interviews with the DIG and Chiefs of each Section; case file reviews; review of Sectional administrative and operating

materials; and the professional judgment and experience of the Peer Reviewers. Once again, nothing in this management letter diminishes the Team's unanimous conclusion that both IS and APR met the AIG and GAO standards for the period under review.

Investigations Section – Areas of Distinction

- Case Management – During the previous Peer Review, the City of Chicago Office of Inspector General (COC-OIG) was in the process of improving and updating its Case Tracking software system, Remedy, to become fully capable of housing complaint intake and investigative activities assigned to Investigators. The current system's updates tracks all incoming complaints in one central location and enhances the ability of the Investigator to be able to cross reference their cases with the complaint.
- Complaint Intake Committee – The complaint review/decision process has been expanded to the creation of a Complaint Intake Committee (CIC) that is responsible for deciding the disposition of complaints received by the COC-OIG. The CIC includes management staff (Deputy Inspectors General and Chiefs) and available Assistant Inspectors General, who assemble in weekly meetings to make decisions regarding the handling of complaints received by the office. Senior staff and/or Investigators are also invited to attend as well. This new process allows for collaboration between units and provides for an opportunity for different perspectives to be voiced.
- Complete and Organized Case Files – Peer Review Team members reviewed closed case files during the review period (April 1, 2012 through December 31, 2015) and found the files to be complete, well-organized, and easy to decipher. All relevant case supporting materials were located with ease, and were consistent among staff members. Case files mirrored the Office's electronic database.
- Training and Professional Qualifications – Peer Review Team members reviewed investigative training files and found that all staff not only met, but exceeded requirements. Staff members believe that training opportunities are always available and that training is specific to their responsibilities. Peer Review Team members also reviewed staff resumes and found staff members to possess extremely high levels of experience and unique backgrounds. These two areas, training and professional qualifications, are truly what makes IS succeed.

Investigations Section – Areas of Consideration

- Complaint Intake Process – Currently, the Investigative Section is responsible for handling all incoming complaints (telephone, e-mail, walk-in, etc.) on a rotating basis, which results in approximately 2-3 days per month, where each Investigator is assigned to those responsibilities. Investigators understood the responsibility to handle these assignments; however expressed frustration that the rotating assignments took them away from their investigative responsibilities. The COC-OIG handles an extremely large volume of calls and complaints each year, that far exceed that of many OIG offices who have dedicated intake staff assigned to this responsibility. Not only does having a dedicated staff for intake purposes reduce the involvement of IS, it actually creates a centralized resource for all information received by the COC-OIG. Having various Investigators assigned at different times could potentially inhibit the flow of information concerning various complaints received. The COC-OIG should consider the creation of a role dedicated to the intake process.

Audit and Program Review Section – Areas of Distinction

- Training and Professional Qualifications – Peer Review Team members reviewed APR training files and found that all staff met, and exceeded, training requirements. Staff members believed that training opportunities are always available and that training is specific to their responsibilities. Peer Review Team members also reviewed staff resumes and found staff members to possess extremely high levels of experience and unique backgrounds. These two areas, training and professional qualifications, are truly what makes APR succeed.
- Complete and Organized Case Files – Peer Review Team members reviewed closed case files during the review period and found the files to be complete, well-organized and easy to decipher. All relevant case supporting materials were located with ease, and were consistent among staff members. APR has established an electronic filing database through the COC-OIG's share drive that is fluid, consistent, and coherent. The Peer Reviewer was able to move through each area of APR's work papers with little to no guidance.
- Audit Planning and Risk Assessment – The COC-OIG's audit planning process has been expanded to include input from the public, City Departments, as well as the Mayor's office. Peer Review Team members met with members of the Mayor's office who expressed positive responses to being included in the COC-OIG's audit planning. APR is also in the process of piloting a new risk assessment approach that will assist

in project planning and allow the COC-OIG to focus on areas of highest risk. This approach will also provide a uniform method for project planning.

- Independent Review – The COC-OIG established an Independent Review process that involves a peer review prior to being sent to the Chief or DIG. This new process is welcomed by APR staff and provides for additional accountability amongst staff. Additionally, this process allows staff additional insight into an area with which they may not have had previous experience.

Audit and Program Review Section – Areas of Consideration

- Remedy – Although APR has access and ability to utilize the Remedy database, it is unable to fully utilize Remedy in an audit environment. APR staff use Remedy on a very limited basis because Remedy is a case management system. Although APR staff have developed their own internal system in the COC-OIG's share drive, an audit-based system will increase their efficiency. The COC-OIG should determine whether an audit-based system will meet the needs of APR.

An overall area of distinction is the newly formed Center for Information Technology and Analytics (CITA) division that serves all members of the COC-OIG. CITA conducts data analytics in support of the COC-OIG's mission and manages its structural and operational Information Technology infrastructure. While these functions have always been a part of the COC-OIG, the roles were sub-divided prior to January 2015. CITA compiles large data sets for statistical models, trends, predictions, and analyses that enable the COC-OIG to develop cases, conduct city-wide program reviews and audits, and monitor city-wide hiring practices.

As this forward-thinking approach matures, it will allow the COC-OIG to further enhance its proactive capabilities in identifying areas of waste, fraud, abuse, and mismanagement. CITA staff are engaged and eager to take on their new roles. As part of its emerging role within the COC-OIG, CITA will need to learn the needs and requirements of the respective COC-OIG divisions. Conversely, COC-OIG divisions will need to involve CITA during the early stages of its projects, cases, etc. This cross-collaboration will provide for a truly effective environment

Lastly, we would like to commend you on leading a laudable organization. The sheer size of the governmental operations that your office oversees and your office's jurisdiction and responsibility are unparalleled by any other local government inspectors general office. Your office is unique, and as Peer Reviewers, we had an insightful learning experience. We hope that you find our comments helpful and we look forward to continuing to support your organization's needs in the future.

Inspector General Joseph Ferguson
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Please feel free to contact me or any member of the Peer Review Team if you have any questions.

Yours truly,



Flora Tran
Team Leader, AIG Peer Review for COC-OIG, February 2016
Peer Review Committee, Association of Inspectors General

cc:

James Mazer, Team Member, AIG Peer Review for COC-OIG, February 2016
Edyth Porter-Stanley, Team Member, AIG Peer Review for COC-OIG, February 2016