

# New Law Requires Agencies to Report on Outstanding IG Recommendations

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On January 3, 2019, President Donald Trump signed into law the [Good Accounting Obligation in Government Act](#) (GAO-IG Act), which requires agency reporting on outstanding inspector general (IG) recommendations, among other things. The act requires covered agencies to include in their annual budget justifications information on outstanding recommendations made by their respective IGs, including

- a list of each public IG recommendation that was published at least one year before submission of the annual budget justification and for which no final action was taken;
- the status of each aforementioned public IG recommendation, which contains an explanation as to why no final action or action not recommended was taken and a timeline to implement each outstanding unimplemented recommendation that the agency has decided to adopt; and
- an explanation of any discrepancies between information on IG recommendations required under the GAO-IG Act and the semiannual report required under [Section 5](#) of the [Inspector General Act of 1978, as amended](#) (IG Act).

## Applicability

The GAO-IG Act applies to (1) executive branch agencies identified as federal "[establishments](#)" or "[designated federal entities](#)" (DFEs)" under the IG Act and (2) legislative branch agencies. Agency budget justifications, therefore, must collectively include information on outstanding recommendations made by 70 out of 74 statutory IGs. (See this [CRS report](#) for a list of the 74 IGs and a broader discussion of their roles and responsibilities.) The GAO-IG Act does not appear to require agencies to report on recommendations from the four statutory IGs listed below. They are not designated as IGs for establishments or DFEs under the IG Act, nor are they in the legislative branch.

- 1. Special Inspector General for Afghanistan Reconstruction (SIGAR)
- 2. Special Inspector General for the Troubled Asset Relief Program (SIGTARP)
- 3. IG for the Central Intelligence Agency (CIA)
- 4. IG for the Intelligence Community (IC)

## Purpose of the Act

The GAO-IG Act aims to increase the transparency of outstanding IG recommendations and improve agency accountability for tracking and resolving them. Prior to the act, federal statutes generally did not require agencies to report to Congress on the number and status of all outstanding IG recommendations or to explain why they remain outstanding. Rather, IGs alone were required under [Section 5](#) of the IG Act to provide in [semiannual reports](#) to Congress certain information on such recommendations. The [Senate report](#) accompanying the bill that became law states:

By disclosing open recommendations and being required to explain the lack of implementation in an agency's budget request, agencies will be held more accountable for unimplemented recommendations and Congress and the public can more readily scrutinize an agency's funding request in light of unfulfilled efficiency improvements that may yield cost savings.

## Differences in Agency and IG Reporting Requirements

The GAO-IG Act and IG Act appear to create two separate reporting processes on outstanding IG recommendations: one managed by agencies and one managed by IGs. These distinct processes might help Congress highlight key differences in how agencies and IGs characterize the status of a particular recommendation. However, fundamental and practical differences appear to exist in underlying agency and IG reporting requirements relating to outstanding IG recommendations. These differences may affect comparisons of their total number and status between agencies and IGs.

For example, the GAO-IG Act requires covered agencies to annually report on the *status of each outstanding unimplemented recommendation* issued at least a year prior and a timeline for implementation. By contrast, the IG Act requires IGs to semiannually report *a summary of each audit, inspection, or evaluation report* issued in the preceding six months that contains any outstanding unimplemented recommendations. Further, specificity of reported information varies across IGs. (See, for example, reports by IGs for the Departments of [State](#) and the [Interior](#).)

## Past Legislation on Outstanding IG Recommendations

Congress has previously considered reforms to enhance the transparency of outstanding IG recommendations. For example, the [IG Recommendation Transparency Act of 2018](#) would have required, among other things, (1) IG semiannual reports to include the total number and status of open IG recommendations and (2) the development of a searchable database containing all open IG recommendations. The [Council of Inspectors General on Integrity and Efficiency](#) (CIGIE) asserted that it could [build and maintain](#) such a database on [Oversight.gov](#) provided that Congress appropriates funds to do so.

## Issues for Congressional Consideration

As agencies implement the IG-related requirements of the GAO-IG Act, Congress may consider the issues below and their impact on congressional oversight of IG recommendations.

- **Applicability.** Whether required reporting in the act captures public recommendations made by all 74 statutory IGs—including SIGAR, SIGTARP, and IGs for the CIA and IC—and possible statutory changes needed to cover all IGs.
- **Agency implementation.** When agencies will begin reporting required information (e.g., FY2020 budget justification) and any related implementation difficulties.
- **Varied reporting between agencies.** The potential for varied levels of specificity on outstanding IG recommendations across agencies, how variation might affect congressional oversight, and possible mechanisms to mitigate such variation (such as including standard guidance in [OMB Circular A-11](#)).
- **Differences between agencies and IG recommendations.** Factors that contribute to such differences (such as different underlying statutory reporting requirements) and whether changes are needed to allow for better comparisons of recommendations identified by agencies and IGs.
- **Utility of reporting requirements.** Whether the act enhances congressional oversight of outstanding IG recommendations, such as by enabling systematic tracking of them, and/or the development of a comprehensive list of outstanding recommendations.

- **Impact on outstanding IG recommendations.** How the act might affect outstanding IG recommendations, such as the total number government-wide, the length of time they remain unimplemented, and how they are prioritized for resolution by agencies and IGs.
- **Impact of IG recommendations database.** Whether CIGIE plans to develop an IG recommendations database, the specifications and cost estimates for the database, and its potential impact on the implementation and/or utility of the IG reporting requirements in the act.
- **Audit follow-up.** Whether the reporting requirements present opportunities to improve audit follow-up procedures, such as possible revisions to [OMB Circular A-50](#).