



SPECIAL INSPECTOR GENERAL FOR AFGHANISTAN RECONSTRUCTION

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Arnold Fields, Inspector General

August 6, 2010

Honorable Phyllis K. Fong
Inspector General, U.S. Department of Agriculture
Chair, Council of the Inspectors General
on Integrity and Efficiency (CIGIE)

Dear Ms. Fong:

SIGAR is working aggressively to implement the suggestions made in the peer evaluation draft report we received on July 16, 2010, and to remediate the concerns identified earlier in CIGIE's peer reviews of the Audits and Investigations Directorates. We accept all of the CIGIE team's suggestions and expect to have implemented them by September 30, 2010. We are providing our detailed responses to those suggestions in the attachment to this letter.

We appreciate that the capstone report acknowledges that the peer review was conducted far earlier in SIGAR's existence than would be the norm and that the scope of the peer review was unprecedented. Not only did the CIGIE team employ 26 auditors and investigators, but this is the first time CIGIE has produced a capstone report on the overall operations of an Inspector General. We also appreciate the acknowledgement in the capstone report that SIGAR is a young organization and that the peer review standards are intended to be applied to more mature organizations.

We have instituted processes to ensure high-quality work and to accomplish our mission in Afghanistan with the greatest success possible. We are continuing to address all the areas needing improvement and are giving top management attention to 4 specific areas:

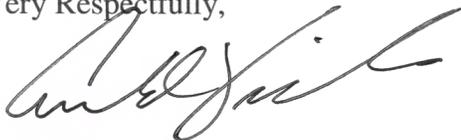
- (1) We are establishing a team to develop a robust process to systematically obtain stakeholder input, identify and mitigate risks, and set work priorities consistent with SIGAR's legislative mandate. Among other activities, the team will reach out to other Inspectors General and obtain input on best practices to use in developing a risk-based strategic plan for audit and investigations that is commensurate with SIGAR's mission and constraints.
- (2) We are correcting deficiencies identified in the peer reviews of audits and investigations by establishing and clarifying policies and procedures; developing checklists and other tools to ensure compliance; continuing to provide training; and conducting internal compliance inspections and follow-up on the recommendations made by the peer review teams.

(3) We are enhancing quality assurance by both (a) continuing and expanding the Audit Directorate's program of quality control checks and activity monitoring to maintain reasonable assurance the Directorate is conducting its work in conformity with applicable professional standards and (b) establishing a comprehensive Self-Inspection Program in the Investigations Directorate by August 31, 2010. As part of the overall quality assurance initiative for Investigations, we are immediately putting into place an independent monitor with extensive experience in federal law enforcement policies, procedures, and standards. This monitor will act as a neutral expert in reviewing, evaluating, and to the extent necessary, further enhancing the comprehensiveness and effectiveness of SIGAR's responses to the peer review's suggestions.

(4) We are developing systems to better assess performance of our organization as a whole, as well as of individual staff.

We will be contacting CIGIE within the next several months to schedule follow-up reviews.

Very Respectfully,



Arnold Fields, Inspector General
Special Inspector General for Afghanistan Reconstruction

Attachments: 1

cc: The Honorable Jon Rymer, Inspector General FDIC
The Honorable Richard Moore, Inspector General TVA
Mr. Ben Wagner, Deputy Inspector General TVA