

Council of Inspectors General on Financial Oversight

Guidelines for Establishment and Operation of Working Groups to Evaluate the Financial Stability Oversight Council

I. Authority and Purpose

Section 989E(a)(3) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act, Pub. L. No. 111-203) grants the Council of Inspectors General on Financial Oversight (CIGFO) the authority to convene a working group, by a majority vote, for the purpose of evaluating the effectiveness and internal operations of the Financial Stability Oversight Council (FSOC).

II. Establishment Procedures

The establishment of a CIGFO Working Group shall be conducted on a case-by-case basis and approved by a majority vote of the CIGFO membership. The voting and quorum rules for establishing a CIGFO Working Group shall be the same as those in the operating charter of the CIGFO. All votes of the CIGFO on whether to approve the establishment of a CIGFO Working Group shall be considered a matter of official business.

CIGFO Working Groups may be proposed by any Inspector General then serving as a member of the CIGFO. Each proposal for an FSOC evaluation shall be made in writing and contain a clearly defined objective and scope. Consistent with the Dodd-Frank Act, each proposed evaluation of the FSOC must be related to the effectiveness and internal operations of the FSOC. Recognizing that proposals may contain varying degrees of complexity, the timing of the CIGFO's vote for approval shall be handled expeditiously at the discretion of the Chair of the CIGFO within 30 calendar days unless a CIGFO member requests additional time to review the proposal, in which case the time for the vote may be extended an additional 15 calendar days. The vote may be taken in person or by email at the discretion of the Chair of the CIGFO.

III. Composition, Resources, and Leadership

Each Inspector General then serving as a member of the CIGFO may participate in the work of a CIGFO Working Group. To enable the CIGFO Working Group to carry out its duties, the Inspectors General who are members of the CIGFO are authorized to detail staff and resources to a CIGFO Working Group. If the scope of an evaluation to be conducted by a CIGFO Working Group may affect the programs and operations of a particular Inspector General's agency, the Inspector General for that agency shall be given the opportunity to participate in the work of the CIGFO Working Group.

For each CIGFO Working Group established under these Guidelines, one Inspector General from the CIGFO membership shall be designated by the Chair of the CIGFO as the Lead Inspector General. The Lead Inspector General of the CIGFO Working Group will serve as the head of the CIGFO Working Group during the course of the FSOC evaluation and shall be responsible for:

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- Presenting regular progress updates on the CIGFO Working Group's operations at each CIGFO quarterly meeting (consistent with section IV, below);
- Ensuring that the evaluation is performed in conformance with applicable standards and guidelines;
- Providing legal counsel, as appropriate, in support of the CIGFO Working Group;
- Ensuring the timely completion of all required reports of the CIGFO Working Group and presenting such reports to the CIGFO for review (consistent with section V, below);
- Ensuring that the CIGFO Working Group's evaluation remain within the clearly defined objective and scope throughout the course of the evaluation (consistent with section II, above); and
- Providing, at the conclusion of the CIGFO Working Group's evaluation, a copy of all final reports, including all key supporting documents, to the Chair of the CIGFO (consistent with section VI, below).

In the event that the Lead Inspector General is an Inspector General other than the Chair of the CIGFO, the responsibilities of the Lead Inspector General shall not be construed as conflicting with the authorities and responsibilities of the Chair of the CIGFO.

IV. Progress Updates

Updates on the progress of an established CIGFO Working Group shall be provided at each quarterly meeting of the CIGFO. More frequent updates may be requested by the Chair of the CIGFO.

V. Reporting

A CIGFO Working Group established under these Guidelines is required to submit regular reports to both the FSOC and the Congress on its evaluations of the FSOC. Any report of the CIGFO Working Group shall not be made unless authorized by a majority vote of the CIGFO. The vote on whether to approve a report shall be handled expeditiously at the discretion of the Chair of the CIGFO within 30 calendar days unless a CIGFO member requests additional time to review the report, in which case the time for the vote may be extended an additional 15 calendar days. The vote may be taken in person or by email at the discretion of the Chair of the CIGFO. The Chair of the CIGFO is authorized to require status reports, including any significant issues or findings to date, from a CIGFO Working Group at any time.

VI. Records Maintenance and Retention

Each Office of Inspector General (OIG) that participates in a CIGFO Working Group shall be responsible for appropriately maintaining, safeguarding, making available for peer review, and retaining documentation related to the OIG's involvement in the evaluation, consistent with

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applicable laws, standards, and guidelines. In addition, as a matter of procedure, at the conclusion of any CIGFO Working Group evaluation, it shall be the responsibility of the Lead Inspector General to transmit a copy of the final report to the Chair of the CIGFO.

As for quality control over CIGFO issued audit products, CIGFO relies on the systems of quality control established by the individual CIGFO Working group members. The CIGIE Audit Committee determined that work performed by individual CIGFO members on Working Group projects would be subject to the respective members' individual external peer review. In other words, there would be no external peer review of CIGFO as a separate entity.

VII. Applicable and Appropriate Laws, Regulations, and Guidance

The operations of all CIGFO Working Groups established under these Guidelines shall conform to the appropriate laws, regulations, standards, and guidance applicable to Inspectors General and the Inspector General community.

VIII. Amendments to Guidelines

These Guidelines may be amended, or additional provisions included, by a majority vote of the CIGFO membership.