

**CHAPTER 5**  
**ADDENDUM B**  
**Key Audit Follow-up Terms**

***Disallowed Cost*** - An incurred cost questioned by the audit organization that management has agreed should be repaid by the grantee.

***External Audit*** - A single or grant audit, or a contractor claim audit.

***Final Action*** - The completion or implementation of all actions to be taken regarding audit recommendations.

***Final GAO Report*** - GAO's final report to the Congress on its findings and recommendations.

***Financial Statement Audit*** - An audit conducted by the OIG or an independent auditor of the financial statements of a bureau/office.

***GAO Audit*** - An audit or review of Departmental programs that is conducted by the GAO at the request of the Congress, mandated by legislation, or for other purposes determined by the GAO to be in the best interest of the federal government.

***GAO Draft Report*** - A GAO report providing the analysis, findings, and conclusions of an audit.

***GAO Entrance/Exit Conference*** - Meetings held at the initiation and completion of GAO's audit work.

***Management Decision*** - The evaluation by management of the findings and recommendations made by the auditor and the issuance of an appropriate corrective action plan.

***Notification Letter*** - A GAO letter that provides a brief description of planned audit work.

***Oral Briefing*** - A briefing by GAO auditors to the Congressional requester which concludes the audit.

***Program Audit*** - An audit of programs operated by or funded by the Department.

***Referral*** - The process by which the OIG sends audit reports to the audit follow-up official for resolution and/or tracking of final implementation action.

***Resolution*** - The point at which agreement is reached regarding actions to be taken to implement audit recommendations.

***Single Audit*** - An audit of a grantee which is comprised of an audit of the entity's major federal and state award programs, conducted by state or local auditors.

***Questioned Cost*** - A cost that is questioned by auditors because the cost is not supported by adequate documentation.