

- Tracking agreed to corrective actions through full implementation and providing GAO with the information necessary to complete its closure of the recommendation; and
- Notifying the program and bureau ALO's of Departmental closure and GAO concurrence.

Program Assistant Secretary - The program assistant secretary is responsible for insuring that a timely and appropriate response is provided to GAO and Congress on matters under their purview. The program assistant secretary is also responsible for designating a senior management official to function as the audit liaison officer at the assistant secretary level. It is preferable that the program assistant secretary level ALO is a senior management official within the immediate office of the program assistant secretary.

Assistant Secretary Audit Liaison Officer - The ALO for the program assistant secretary's office has been delegated responsibility for program management of the audit follow-up function for the assistant secretary's office. The ALO is responsible for:

- Receiving all audit information pertaining to the program assistant secretary's area of responsibility;
- Keeping the assistant secretary and senior program management informed of audit issues related to their specific program area;
- Providing information and direction to bureau ALO's under their program area; and
- Ensuring that responses to both GAO draft and final reports are coordinated within the assistant secretary's office to ensure senior management concurrence with responses developed by program staff within established timeframes set by the Department.

Bureau Director - The bureau director is responsible for insuring that the program assistant secretary is provided with a document for signature in a timely manner to ensure that GAO and Congress are provided with a response within the timeframe allotted. The bureau director is also responsible for designating an official to function as the audit liaison officer at the bureau level.

Bureau Audit Liaison Officer - The ALO is responsible for program management of the audit follow-up function at the bureau/office level. The bureau ALO is responsible for:

- Coordinating audit activity at the bureau and program office level;
- Scheduling entrance/exit conferences with GAO;
- Receiving both draft and final reports for the bureau;
- Coordinating internal bureau surnames;
- Providing proposed response to the assistant secretary ALO; and
- Maintaining a current status of corrective actions on open recommendations; providing a status update to PFM semiannually; and, providing closure memoranda to PFM.

**SECTION 6
CHAPTER 3
GAO AUDIT PROCESS**

Notification Letters

The Department is notified by letter addressed to the Director of PFM of the initiation of GAO audits. The PFM GAO desk officer notifies the program assistant secretary, the assistant secretary ALO, the bureau/office ALO, the Department Budget Office, and other Departmental offices with program oversight, of the pending audit. GAO's notification letter provides the scope and objectives of the proposed audit, the requesters name, additional information if the audit is mandated by legislation, and the name of the team within GAO assigned to perform the audit. GAO's notification letter usually also provides the name of the GAO Assistant Director and Analyst-in-Charge responsible for conducting the audit (see flow chart of the GAO audit process at the end of this chapter).

Entrance Conferences

Entrance conferences are held to formally acquaint Departmental staff with the GAO team assigned to conduct the audit. At the entrance conference, the GAO team summarizes what the Congressional requestor has asked GAO to provide, furnishes an outline of the proposed work, timeframes involved, scheduled site visitations, any questions or requests for documentation GAO requires, and responds to any questions by Departmental staff regarding the conduct of the audit. Entrance conferences ensure that Departmental staff fully understand the scope of the proposed audit.

Entrance conferences are scheduled by the bureau/office ALO, unless they involve more than one program area. If reviews involve more than one program area, the PFM GAO desk officer will schedule the entrance conference and notify the affected bureau ALO's and Departmental offices.

Actual GAO Audit

The actual GAO audit period is usually twelve to sixteen months. GAO initiates its work with the notification letter, followed by an entrance conference, the survey phase (which is the work development stage), and the actual audit. GAO concludes their assignment with an exit conference with program staff prior to issuance of the draft report.

Exit Conferences

An exit conference is held between GAO and program staff at the conclusion of its work. It is important for senior management to ensure that appropriate officials attend the exit conference or are provided with a summary of the exit conference. The exit conference is where the GAO Team provides the Department with a Statement of Facts which summarizes its findings and possible report recommendations, if any. Departmental officials have the opportunity at the exit conference to offer clarifying information or provide GAO with updated information.

Departmental staff also have the opportunity after the exit conference to begin preparing for the issuance of the draft report. ALOs ensure that senior management is aware of the exit conference results and possible draft report recommendations, provides both management and program staff with the opportunity to discuss GAO's findings and recommendations, and concurs on possible corrective actions prior to the actual issuance of the draft report. This is important because it eliminates last minute coordination between the assistant secretary's office and program staff and ensures that the Department will be able to respond to GAO within prescribed timeframes.

Issuance of Draft Report

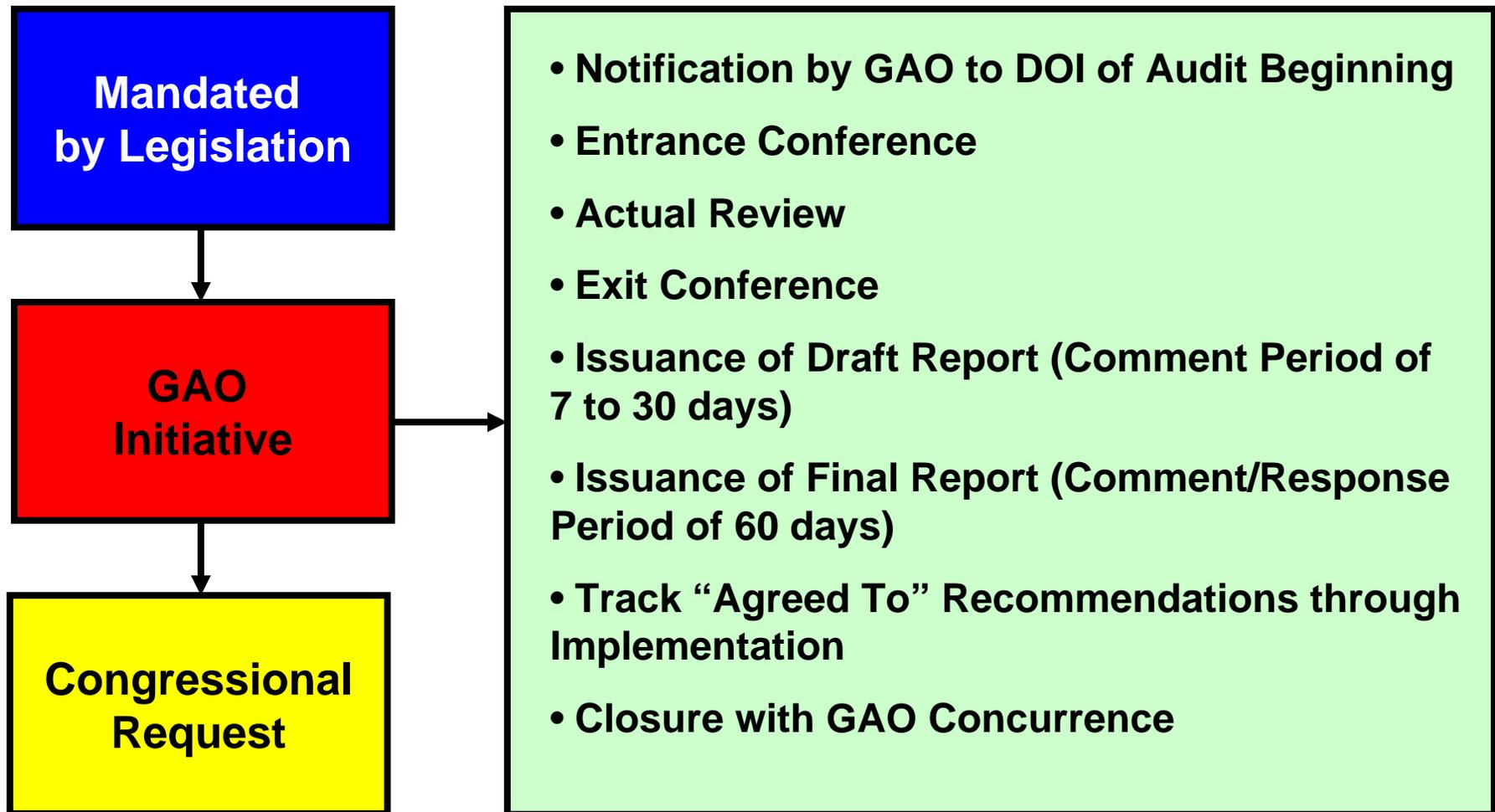
When the GAO draft report is issued to the agency, it is formally transmitted to the Department for review and comment. PFM receives all draft reports for the Department and transmits draft reports to the assistant secretary-level ALO, the bureau/office ALO, the Department's Budget Office, and Departmental offices with program oversight, along with guidance for preparing the Department's response. Draft reports usually have a response turnaround period of 7 to 30 calendar days. The Department's policy is to provide **written comments on all GAO products with recommendations** unless otherwise requested by GAO. When GAO has requested that comments be provided orally, the comments must be developed in writing and shared with Departmental offices with program oversight in the same manner as the coordination of written responses. It is the responsibility of the PFM GAO desk officer to ensure that GAO captures the oral comments as presented.

Responses to GAO draft reports are prepared by program staff for the program assistant secretary's signature, and are transmitted to the bureau/office ALO for content review. Bureau/office ALO's should ensure that each draft report's recommendations have been addressed in the proposed response. If a draft report involves more than one bureau/office within the Department, the PFM GAO desk officer will either assign responsibility for coordinating each bureau's comments into one consolidated Departmental response to a specific bureau/office ALO, or the PFM GAO desk officer will request comments from each involved bureau/office. At this point, the PFM GAO desk officer will consolidate the comments into one Departmental response, which will be signed by the Department's Designated Agency Audit Follow-Up Official.

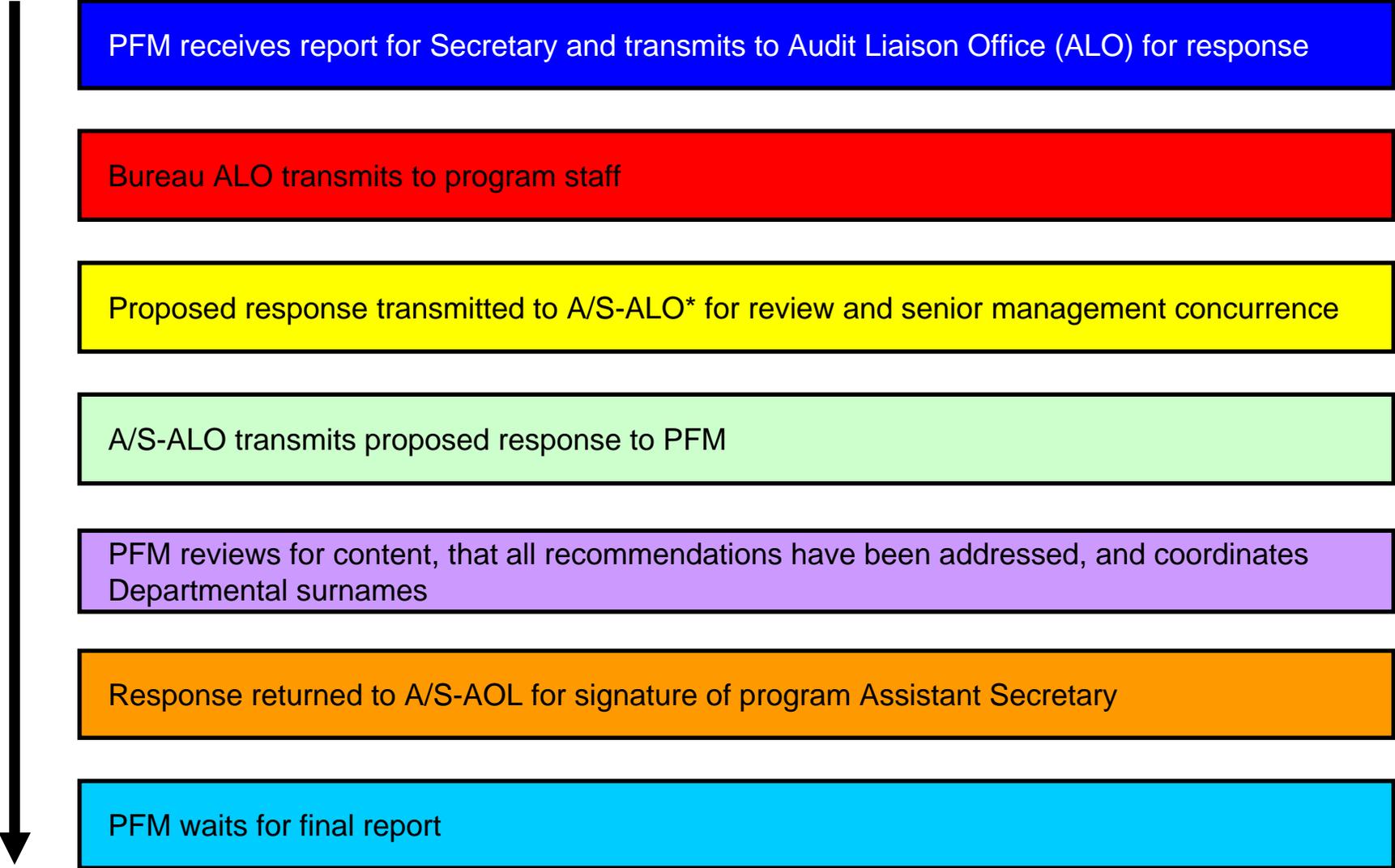
Issuance of Final Report

GAO's final report is issued to the Secretary of the Interior and received in PFM on behalf of the Secretary. PFM provides copies of the final report to the program assistant secretary ALO, the involved bureau/office ALO, the Departmental Budget Office, and all other Departmental offices with program oversight. If GAO's final report contains recommendations to the Secretary of the Interior, the Department is required by 31 U.S.C. 720 to prepare, within 60 calendar days of receipt, a written statement of actions that have been or will be taken on GAO's recommendations. The PFM GAO desk officer assigns responsibility for the response to the appropriate program assistant secretary. If the GAO Final Report involves more than one program assistant secretary area of responsibility, the Department's response should be prepared for the Designated Agency Followup official's signature.

Processing of Government Accountability Office (GAO) Audit Reports



Processing GAO Draft Audit Reports



PFM receives report for Secretary and transmits to Audit Liaison Office (ALO) for response

Bureau ALO transmits to program staff

Proposed response transmitted to A/S-ALO* for review and senior management concurrence

A/S-ALO transmits proposed response to PFM

PFM reviews for content, that all recommendations have been addressed, and coordinates Departmental surnames

Response returned to A/S-AOL for signature of program Assistant Secretary

PFM waits for final report

* A/S-ALO: Assistant Secretary level audit liaison officer

Processing GAO Final Audit Reports

PFM receives report for Secretary and transmits to ALO for response

Bureau ALO transmits to program staff

Proposed response transmitted to A/S-ALO for review & senior management concurrence (A/S surname required)

A/S-ALO transmits proposed response to PFM

PFM reviews for content, that all recommendations have been addressed, and coordinates Departmental surnames

Response returned to A/S-ALO for signature of program Assistant Secretary

PFM tracks corrective action through full implementation

PFM seeks GAO concurrence that full implementation has been achieved

PFM notifies A/S-ALO and bureau ALO of closure and removes from tracking