

Department of the Interior Bureau of Ocean Energy Management Manual

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Series: Administrative

Part 361: Audit

Chapter 1: Audit Follow Up

Office of Primary Responsibility: Office of Budget and Administration

BOEMM 361.1

1.1 **Purpose.** This manual chapter provides policy and identifies responsibilities for the Bureau of Ocean Energy Management (BOEM) external audit follow-up. Audit follow-up is an integral part of organization management.

1.2 **Scope.** This manual chapter applies to audits performed by the Office of Inspector General (OIG) and Government Accountability Office (GAO). OIG performs audits for the Department of the Interior (DOI) and reports to the Secretary of the Interior. GAO is a legislative branch agency responsible for auditing and evaluating programs, activities, and financial operations of the executive branch.

1.3 **Objectives.** This manual chapter identifies responsibilities and procedures for working with OIG and GAO audit teams and responding to draft and final audit reports.

1.4 **Authority.**

A. Office of Management and Budget Circular No. A-50 Revised, “Audit Follow Up.”

B. 361 Departmental Manual 1, “General Audit Follow-Up Responsibilities.”

1.5 **Reference.** GAO-14-704G, “Standards for Internal Control in the Federal Government” (Green Book).

1.6 **Definitions.** The term “external audit” for BOEM purposes includes program and performance evaluations conducted by OIG and GAO.

1.7 **Policy.** It is the policy of BOEM to respond timely to data requests and reports, implement audit recommendations with which BOEM concurs, and meet or exceed the DOI annual goal for implementing and closing external audit recommendations.

1.8 Responsibilities.

A. Director.

- (1) Reviews and signs proposed DOI responses to OIG and GAO draft and final reports.
- (2) Reviews and signs proposed requests to close OIG and GAO audit recommendations.
- (3) Reviews and signs quarterly audit status reports to the DOI Office of Financial Management (PFM).

B. Deputy Director.

- (1) Reviews and approves proposed DOI responses to OIG and GAO draft and final reports.
- (2) Reviews and approves proposed requests to close OIG and GAO audit recommendations.
- (3) Reviews and approves quarterly audit status reports to PFM and the OIG Audit Follow-Up Coordinator.

C. Chief, Office of Budget and Administration (OBA).

- (1) Reviews proposed DOI response to OIG and GAO draft and final reports, reviews requests to close audit recommendations assigned to BOEM, and reviews quarterly audit status reports required by PFM and the OIG Audit Follow-Up Coordinator.

D. Chief, OBA, Administration and Compliance Branch.

- (1) Supervises the BOEM Audit Liaison Officer (ALO).
- (2) Reviews the ALO's proposed DOI response to OIG and GAO draft and final reports, reviews requests to close audit recommendations assigned to BOEM, and reviews quarterly audit status reports required by PFM and the OIG Audit Follow-Up Coordinator.

E. Audit Liaison Officer (ALO).

- (1) The ALO is the primary BOEM staff responsible for coordination with PFM on external audit-related matters and is responsible for distributing OIG and GAO notifications of new audit engagements to relevant BOEM leadership, management, subject matter experts (SMEs), and staff.

- (2) Coordinates with PFM to schedule entrance and exit conferences with OIG and GAO and other relevant DOI offices and bureaus.
- (3) Gathers input from BOEM subject matter experts to respond to OIG and GAO data requests.
- (4) Prepares proposed DOI response to draft OIG and GAO reports directed to BOEM and final reports with recommendations assigned to BOEM.
- (5) Coordinates with other bureaus and DOI offices to respond to draft and final OIG and GAO reports directed to both BOEM and other DOI offices and bureaus.
- (6) Prepares requests to close OIG and GAO recommendations assigned to BOEM.
- (7) Prepares quarterly audit status reports required by PFM and the OIG Audit Follow-Up Coordinator.
- (8) Provides BOEM-approved responses to draft and final audit reports, closure requests, and quarterly audit status reports to PFM and the OIG Audit Follow-Up Coordinator.
- (9) Advises BOEM leadership, management, SMEs, and staff on the OIG and GAO audit process.

1.9 **Procedures.** OIG and GAO audits have the same general process: notification of initiation of a new audit engagement, entrance conference, collection and analysis of data, review Statements of Facts (GAO only), exit conference, issuance of draft and final reports, and implementation and closure of recommendations. DOI annual guidance adds specific annual goals and timelines. See the appendix for a more detailed description of OIG and GAO procedures to evaluate DOI programs.

1.10 **Reporting Requirements.**

A. OIG requires quarterly audit follow-up reports. Quarterly audit status reports are due to the OIG Audit Follow-Up Coordinator in the second month of each quarter.

B. PFM issues annual guidance on required reporting. PFM requires a quarterly report on the status of implementing and closing GAO audit recommendations from bureaus and DOI offices with GAO recommendations. Reports are due to PFM 15 days following the end of the first, second and third quarters of the fiscal year; the report for the fourth quarter (end of the fiscal year) is due to PFM on September 30. PFM reports to the Assistant Secretary-Policy, Management, and Budget (AS-PMB) on the status of closing audit recommendations and progress toward the annual goal for implementing and closing external audit recommendations.

External Audit Process

Action	Responsible Party
INITIATE AUDIT	
Send announcement or notification of audit or evaluation engagement.	GAO/OIG
Arrange entrance conference.	PFM
Attend entrance conference.	ALO, SMEs, and BOEM management
Request data and documents.	GAO/OIG
Gather data and documents.	SMEs
Provide data and documents to the audit team.	ALO
STATEMENT OF FACTS (GAO only)	
Issue Statement of Facts summarizing GAO's collection of facts on which the draft report is written.	GAO
Distribute GAO Statement of Facts to DOI offices and bureaus.	PFM
Review Statement of Facts and prepare to discuss at exit conference.	ALO, SMEs, and BOEM management
EXIT CONFERENCE	
Arrange exit conference.	PFM
Attend GAO exit conference and discuss GAO's Statement of Facts; attend OIG exit conference.	ALO, SMEs, and BOEM management
DRAFT REPORT	
Issue draft report for 30-day review.	GAO/OIG
Distribute draft report.	PFM and ALO
Review draft report and prepare BOEM response to draft report for inclusion in DOI response.	ALO, SMEs, and BOEM management
Sign DOI response to draft report with recommendations for BOEM. AS-PMB signs DOI response if recommendations are directed to both BOEM and bureaus not under ASLM.	ASLM/AS-PMB
FINAL REPORT	
Issue final report.	GAO/OIG
Distribute final report.	PFM and ALO
Review final report and prepare proposed BOEM response to final report for inclusion in DOI response to final report with recommendations for BOEM.	ALO, SMEs, and BOEM management
Sign DOI response to GAO final report with recommendations for BOEM. AS-PMB signs DOI response if recommendations are directed to both BOEM and bureaus not under ASLM.	ASLM/AS-PMB
IMPLEMENT AND CLOSE RECOMMENDATIONS	
Implement recommendations with which BOEM concurs.	SMEs and BOEM management
Close GAO recommendations for BOEM.	PFM and GAO
Close OIG recommendations for BOEM.	OIG