U.S. Department of Energy
Washington, DC

LIMITED CHANGE

DOE O 224.3A

Chg 1: 12-18-2024
Chg 2: 01-17-2025

SUBJECT: LIMITED CHANGE TO DOE O 224.3A, *AUDIT COORDINATION, RESOLUTION, AND FOLLOW-UP*

1. EXPLANATION OF CHANGES. The Office of the Chief Financial Officer (OCFO) proposes this Limited Change to formalize specific, targeted updates to the Department's procedures for audit resolution and follow-up.

   Note: This change chart includes both Chg 1 (LtdChg) and Chg 2 (LtdChg) due to the short amount of time between the changes.

2. LOCATIONS OF CHANGES:

Page	Paragraph	Changed	To
	Throughout	OMB Circular A-50, *Audit Follow Up*	OMB Circular A-50, *Audit, Inspection, or Evaluation Follow-Up*
	Throughout	IG	OIG
1	1.a.	Establish policies, procedures, and responsibilities for the coordination of audit activities with the Office of Inspector General (OIG) and the Government Accountability Office (GAO). This order does not establish requirements relating to cooperation with the OIG; OIG access rights to Department of Energy (DOE) records, facilities, and personnel; or other OIG authorities. Department of Energy (DOE) O 221.2, *Cooperation with the Office of Inspector General*, current version, addresses Departmental requirements for cooperation with the OIG and OIG authorities. The OIG is the Office of Primary Interest for DOE O 221.2.	Establish policies, procedures, and responsibilities for the coordination of audit, inspection, and other activities with the Office of Inspector General (OIG) and the Government Accountability Office (GAO). This Order does not establish requirements relating to cooperation with the OIG; OIG access rights to Department of Energy (DOE) records, facilities, and personnel; or other OIG authorities. DOE Order (O) 221.2, *Cooperation with the Office of Inspector General*, current version, addresses Departmental requirements for cooperation with the OIG and OIG authorities. The OIG is the Office of Primary Interest for DOE O 221.2, current version.
1	1.c.	Establish an audit follow-up program for OIG and GAO audits in accordance with Office of Management and Budget (OMB)	Establish an audit follow-up program for OIG and GAO audits in accordance with Office of Management and Budget (OMB)

Page	Paragraph	Changed	To
		requirements in OMB Circular A-50, *Audit Follow Up*, and other references cited in section 7 of this Order.	requirements in OMB Circular A-50, *Audit, Inspection, or Evaluation Follow-Up*, and other references cited in section 8 of this Order.
1	2.	CANCELS/SUPERSEDES. This Order supersedes DOE O 224.3, *Audit Resolution and Follow-up Program*, dated 1-24-05; and cancels DOE O 2340.1C, *Coordination of General Accounting Office Activities*, dated 6-8-92, and DOE O 221.3A, *Establishment of Management Decisions on Office of Inspector General Reports*, dated 4-19-08. Cancellation of a directive does not, by itself, modify or otherwise affect any contractual or regulatory obligation to comply with the directive.	CANCELS/SUPERSEDES. This Order supersedes DOE O 224.3A, *Audit Coordination, Resolution, and Follow-up*, dated 10-22-20. Cancellation of a directive does not, by itself, modify or otherwise affect any contractual or regulatory obligation to comply with the directive.
1	3.a.(1)	This Order applies to each DOE Departmental Element, including the Power Marketing Administrations and the National Nuclear Security Administration (NNSA).	This Order applies to each DOE Departmental Element, including the Power Marketing Administrations, the Energy Information Administration (EIA), and the National Nuclear Security Administration (NNSA).
2	3.b.	Contractors. This Order does not apply to contractors. Departmental Elements are responsible for providing GAO with access to contractor information and personnel consistent with contract requirements. Contractors are required to provide access to information and personnel in support of GAO audits by applicable contract provisions, including Federal Acquisition Regulation (FAR) 52.215-2 (48 CFR 52.215-2), *Audit and Records—Negotiation*, and Department of Energy Acquisition Regulation (DEAR) 970.5204-3 (48 CFR 970.5204-3),	DOE Contractors. This Order does not apply to contractors. Departmental Elements are responsible for providing GAO with access to contractor information and personnel consistent with contract requirements. Contractors are required to provide access to information and personnel in support of GAO audits by applicable contract provisions, including Federal Acquisition Regulation (FAR) 52.215-2 (48 CFR 52.215-2), *Audit and Records—Negotiation*; and Department of Energy Acquisition Regulation (DEAR) 970.5204-3 (48 CFR 970.5204-3), *Access to and Ownership of*

Page	Paragraph	Changed	To
		Access to and Ownership of Records, or successor provisions.	*Records*, or successor provisions. Requirements for contractors to cooperate with the OIG are found in DOE O 221.2, current version
2	3.c.	Added.	Financial Assistance. This Directive applies to the Federal management of financial assistance programs, including the administration, oversight, or awarding of financial assistance agreements. This Directive does not apply directly to recipients of financial assistance.
2-3	3.c. - 3.e.	Renumbered.	3.d. - 3.f.
2	3.d.	Equivalencies and Exemptions for DOE O 224.3A. Requests for equivalencies and exemptions to this Order should follow the process outlined in DOE O 251.1, *Departmental Directives Program*, current version.	Equivalencies/Exemptions for DOE O 224.3A Chg 1. Requests for equivalencies and exemptions to this Order should follow the process outlined in DOE O 251.1, *Departmental Directives Program*, current version.
2	3.d.(1)(a)	Audits of contracts or grants requested by contracting officers.	Audits of contracts or grants requested by contracting officers that are not conducted by the OIG or performed under the direction of the OIG.
2	3.d.(1)(d)	OIG reports requiring immediate delivery to the Secretary regarding "particularly serious or flagrant problems, abuses, or deficiencies relating to the administration of programs and operations" in accordance with the provisions of the Inspector General Act of 1978; as amended, 5 United States Code (U.S.C), Appendix 3, section 5(d).	OIG reports requiring immediate delivery to the Secretary regarding "particularly serious or flagrant problems, abuses, or deficiencies relating to the administration of programs and operations" in accordance with the provisions of the Inspector General Act of 1978 [5 U.S.C. § 405(d)].
2	3.d.(1)(h)	GAO audits of DOE OIG activities.	GAO audits of DOE OIG activities that do not contain recommendations to the Secretary.
3	3.d.(2)	Equivalency. In accordance with the responsibilities and authorities assigned by Executive Order 12344, codified at 50 sections 2406 and 2511 and to ensure consistency through the joint	Equivalency. In accordance with the responsibilities and authorities assigned by Executive Order 12344, codified at 50 sections 2406 and 2511 and to ensure consistency throughout the joint

Page	Paragraph	Changed	To
		Navy/DOE Naval Nuclear Propulsion Program, the Deputy Administrator for Naval Reactors (Director) will implement and oversee requirements and practices pertaining to this Directive for activities under the Director's cognizance, as deemed appropriate.	Navy/DOE Naval Nuclear Propulsion Program, the Deputy Administrator for Naval Reactors (Director) will implement and oversee requirements and practices pertaining to this Directive for activities under the Director's cognizance, as deemed appropriate.
3	3.f.	OIG Inspection Reports. The Department will treat published OIG inspection reports and OIG audit reports in the same manner.	OIG Inspection Reports. The Department will treat OIG inspection reports and OIG audit reports in the same manner.
3	3.g.	Added.	OIG Agile and Special Project Reports. The OIG conducts non-audit activities resulting in written products that are intended for public release; the OIG may also provide management alerts reporting preliminary information from ongoing audit or inspection activities. The IG refers to these activities collectively as Agile and Special projects. Agile and special projects are performed in accordance with the Quality Standards for Federal Offices of Inspector General (the Silver Book), but the reports and activities may not adhere to the standards applicable to audits (Generally Accepted Government Auditing Standards) or inspections (the Quality Standards for Inspection and Evaluation). Section 4.c.(d) of this Order provides tailored guidance for the coordination and resolution of OIG agile and special project reports. The requirements in section 4.c. of this Order are applied to recommendations or suggestions contained in OIG agile and special projects reports when specified by the Office of the Chief Financial Officer (OCFO)

Page	Paragraph	Changed	To
			or the Director, Audits and Internal Affairs (AIA) (for NNSA matters).
3	3.h.	Added.	Audits Performed by the Inspector General for the Office of the Director of National Intelligence. The Intelligence Community Inspector General (ICIG) has statutory authority to audit the DOE Office of Intelligence and Counterintelligence. The audit resolution and follow-up requirements contained in this Order apply to audits of the Department of Energy performed by the ICIG.
4	4.a.(1)	Responsible Offices for Audit Coordination. Responsible offices for audit coordination are offices that perform audit coordination, resolution, and follow-up responsibilities as described in this Order. Each Departmental Element will designate a responsible office for audit coordination. Site and field offices may serve as a responsible office for audit coordination when designated by the cognizant Headquarters Departmental Element.	Offices Responsible for Audit Coordination. Each Departmental Element must designate an office responsible for audit coordination that performs audit coordination, resolution, and follow-up responsibilities on behalf of the Departmental Element as described in this Order. Site and field offices may serve as a responsible office for audit coordination when designated by the cognizant Headquarters Departmental Element.
4	4.a.(2)	Designating an Audit Coordinator for DOE Offices. The Head of the Departmental element will assign an audit coordinator for each responsible office for audit coordination. The audit coordinator has responsibility for coordinating the audit process from initiation of the audit to completion of corrective actions. Key audit coordinator responsibilities include: (a) Serving as the primary liaison with the GAO audit team or the OIG audit or inspection team during audit	Designating an Audit Coordinator for DOE Offices. The Head of the Departmental Element will assign lead and backup audit coordinators for each responsible office for audit coordination. The audit coordinators are responsible for coordinating the audit process from initiation of the audit to completion of corrective actions. Specific audit coordinator responsibilities are found in section 5.d. of this Order. (a) The designation of an audit coordinator does not affect the OIG's statutory authority

Page	Paragraph	Changed	To
		engagements; scheduling interviews and site visits; and providing documents to the auditors as requested. (b) Coordinating with supporting offices or other offices on audit matters as needed. (c) Coordinating responses and comments to audit reports. (d) Providing approved status updates on audit recommendations for incomplete corrective actions in the Departmental audit follow-up system. The designation of an audit coordinator does not affect the OIG's statutory authority to directly meet with or obtain information and documentation directly from DOE and contractors as discussed in DOE O 221.2, current version.	to directly meet with or obtain information and documentation directly from DOE employees and contractors as discussed in DOE O 221.2, current version. (b) As appropriate, the Head of the Departmental Element, the cognizant Under Secretary, or the Deputy Secretary may designate an individual to serve as the audit coordinator for a specific audit. The OCFO must be notified when such designations are made.
4	4.a.(3)	<u>Lead and Supporting Offices for Audit Engagements</u>. The Office of the Chief Financial Officer (OCFO) will designate a lead office for each audit engagement. The lead office is responsible for coordinating OIG or GAO requests for documents and information, scheduling requested meetings, and also coordinating site visits. The OCFO may also designate supporting offices for audits involving multiple offices. Supporting offices coordinate closely with the lead office during the audit, and must provide the lead office with any documents provided to the auditor.	<u>Lead and Supporting Offices for Audit Engagements</u>. The OCFO will designate a lead office for each audit engagement. The lead office is responsible for coordinating OIG or GAO requests for documents and information, scheduling requested meetings, and coordinating site visits as necessary. The OCFO may also designate supporting offices for audits involving multiple offices. Supporting offices must coordinate closely with the lead office during the audit and provide the lead office with any documents provided to the auditor in support of the audit engagement.
5	4.a.(4)(c)	<u>Entrance and Exit Conferences</u>. GAO schedules entrance conferences with DOE when initiating the start of an audit engagement. GAO schedules exit	<u>Entrance and Exit Conferences</u>. GAO schedules entrance conferences with DOE when initiating the start of an audit engagement. GAO schedules exit

Page	Paragraph	Changed	To
		conferences after they have completed their audit work and have provided a Statement of Facts or other preliminary draft document to DOE. The audit coordinator is responsible for scheduling the entrance and exit conferences. The appropriate management officials for the lead office must attend the entrance and exit conferences. The OCFO, supporting offices, and the designated attorney should be invited to entrance and exit conferences. The Head of the Departmental Element, the cognizant Under Secretary, or the Deputy Secretary may specify the individuals to be included in GAO entrance and exit conferences.	conferences after they have completed their audit work and have provided a Statement of Facts or other preliminary draft document to DOE. The lead office audit coordinator is responsible for scheduling the entrance and exit conferences. The appropriate management officials and subject matter experts designated by management for the lead office must attend the entrance and exit conferences. The OCFO, supporting offices, and the designated attorney should be invited to entrance and exit conferences. The Head of the Departmental Element, the cognizant Under Secretary, or the Deputy Secretary may specify individuals to be included in GAO entrance and exit conferences.
5-6	4.a.(4)(d)	Role of the Audit Coordinator. The audit coordinator is responsible for coordinating the entire audit process, from initiation of the audit to completion of any agreed-upon corrective actions. The audit coordinator for the lead office serves as the primary liaison between the Department (including Departmental contractors) and the GAO audit team(s) during the audit engagement. The audit coordinator is also responsible for retaining copies of documents provided to GAO during the audit; coordinating the legal review of sensitive documents or other information by the designated attorney; and ensuring that draft audit reports discussing classified or Unclassified Controlled Nuclear Information subject matters receive	Role of the Audit Coordinator. Audit coordinators are charged with coordinating the entire audit process for their program offices, from initiation of the audit to completion of all agreed-upon corrective actions. The lead office audit coordinator serves as the primary liaison between the Department (including Departmental contractors) and the GAO audit team(s) during the audit engagement. Lead and supporting office audit coordinators must retain copies of documents provided to GAO during the audit; coordinate the legal review of sensitive documents or other information with the designated attorney(s); and ensure that draft audit reports discussing classified or Unclassified Controlled Nuclear Information (UCNI) subject matters receive classification and

Page	Paragraph	Changed	To
		classification and UCNI reviews by the appropriate authorities. The audit coordinator for the supporting office assists in scheduling interviews with officials from the supporting office, and providing documents requested from the supporting office. Information provided to GAO must also be provided to the lead office. Detailed requirements for Audit Coordinators are listed in section 5.d. of this order. .	UCNI reviews by the appropriate authorities. Supporting office audit coordinators assist in scheduling interviews with officials from the supporting office and providing documents requested from the supporting office. Information provided to GAO must also be provided to the lead office. Detailed responsibilities for Audit Coordinators are listed in section 5.d. of this Order.
6	4.a.(4)(e)	Provision for Sensitive Documents and Other Information Requiring Legal Review prior to Release to GAO. The audit coordinator must provide sensitive documents as described in this section to the designated attorney for legal review and must handle the documents in accordance with guidance provided by the designated attorney. Sensitive documents include:	Provision for Sensitive Documents and Other Information Requiring Legal Review prior to Release to GAO. Audit coordinators must provide sensitive documents as described in this section to the designated attorney(s) for legal review and must handle the documents in accordance with guidance provided by the designated attorney(s) and DOE O 471.7, *Controlled Unclassified Information*, current version. Sensitive documents include:
6	4.a.(4)(e)2	Personally Identifiable Information (PII) and other information designated as Controlled Unclassified Information.	Personally Identifiable Information (PII) and other information designated as Controlled Unclassified Information (CUI).
7	4.a.(4)(h)	Added.	Requests for Controlled Unclassified Information (CUI). Refer requests for CUI to the Departmental Element responsible for the requested information.
7	4.a.(4)(h) - 4.a.(4)(k)	Renumbered.	4.a.(4)(i) - 4.a.(4)(l)
7-8	4.b.(1)	Lead Office for Report Responses. OCFO designates the Departmental Element(s) responsible for responding to draft and final audit reports. This	Lead Office for Report Responses. The OCFO designates the Departmental Element(s) responsible for responding to draft and final audit reports. This

Page	Paragraph	Changed	To
		is generally the Departmental Element responsible for responding to the largest number of report recommendations or the office with program or functional responsibility for the program that is the focus of the audit. The OCFO will serve as the lead office for Department-wide audits or when no other office has programmatic responsibility for the matter(s) under review.	is generally the Departmental Element responsible for responding to the largest number of report recommendations or the office with program or functional responsibility for the focus of the audit. The OCFO will serve as the lead office for Department-wide audits or when no other office has programmatic responsibility for the matter(s) under review.
8	4.b.(2)	<u>Supporting Offices for Report Responses</u>. OCFO designates other supporting offices that must approve the response. The Director, Audits and Internal Affairs (AIA), or successor position, designates NNSA offices that review and approve NNSA audit responses. The Director, AIA, or successor position, will coordinate with the OCFO as necessary for audits involving DOE elements.	<u>Supporting Offices for Report Responses</u>. The OCFO designates other supporting offices that must approve the response. The Director, Audits and Internal Affairs (AIA) (for NNSA matters), or successor position, designates NNSA offices that review and approve NNSA audit responses. The Director, AIA, or successor position, will coordinate with the OCFO as necessary for audits involving DOE elements.
8	4.b.(3)	<u>Protecting Pre-Decisional Audit Reports</u>. Draft OIG and GAO audit reports are pre-decisional documents provided by the auditor for review and comment by Departmental management. Report distribution is on a-need-to-know basis and public release of the report is prohibited. DOE contractors may receive draft reports or portions thereof on a need-to-know basis. (a) DOE offices are responsible for the protection of draft report content (including contractor protection of the draft report content) consistent with the protection(s) used by the OIG or GAO when transmitting the report.	<u>Distributing and Protecting Pre-Decisional Audit Reports</u>. Draft OIG and GAO audit reports are pre-decisional documents provided by the auditor for review and comment by Departmental management. Audit reports will be distributed by CFO to the audit coordinators for lead and supporting offices. Audit coordinators are responsible for further report distribution on a need-to-know basis. Public release of the draft report is prohibited. DOE contractors may receive draft reports or portions thereof on a need-to-know basis. (c) DOE offices are responsible for the protection of draft report content (including contractor protection of the draft report content)

Page	Paragraph	Changed	To
		(b) Recipients of FOIA requests or requests for copies of draft reports must refer the requests to the OIG or GAO.	consistent with the protection(s) used by the OIG or GAO when transmitting the report. Recipients of FOIA or other requests for copies of draft reports must refer the requests to the OIG or GAO.
8-9	4.b.(3)	<u>Corrective Action Plans</u>. Corrective action plans should address the root cause of the audit finding. Planned corrective actions should provide reasonable assurance of preventing or detecting recurrence of the audit finding. Corrective action plans must include a timeline for completion of the corrective actions and designate responsibilities for implementing the plan. (a) Corrective actions for issues identified by auditors should not be delayed until issuance of a draft or final audit report. As appropriate, management should begin corrective actions when management agrees with concerns identified by the auditor during the course of the audit but prior to issuance of a draft or final report. (b) The response to the audit report should note key corrective action plan information including the planned actions, timelines for completion, and the management official or office responsible for implementing the corrective action plan. Management officials should develop more detailed implementation plans as needed to support completion of the planned corrective actions.	<u>Corrective Action Plans</u>. Corrective action plans should address the root cause of the audit finding and provide reasonable assurance of preventing or detecting recurrence of the audit finding. They must include a timeline for completing the corrective actions and designate responsibilities for implementing the plan. (a) Corrective actions for issues identified by auditors should not be delayed until issuance of a draft or final audit report. As appropriate, management should begin corrective actions when agreeing with concerns identified by the auditor during the course of the audit but prior to the issuance of a draft or final report. (b) The response to the audit report should note key information about the corrective action plan including the planned actions, timelines for completion, and the management official or office responsible for implementing the corrective action plan. Management officials should develop more detailed implementation plans as needed to support completion of the planned corrective actions. After approval, corrective action plans and milestone dates may be

Page	Paragraph	Changed	To
		(c) After approval, corrective action plans and milestone dates may be amended through an approved quarterly status update (see section 4.c.(5) of this policy).).	amended through an approved quarterly status update (see section 4.c.(5) of this Order).
9	4.b.(7)(a)	<u>GAO Statements of Fact and Other Draft Work Products</u>. GAO may provide the Department with a statement of facts, draft presentations or testimonies intended for Members of Congress, or other draft work products for review and comment.	<u>GAO Statements of Fact and Other Draft Work Products</u>. GAO may provide the Department with a statement of facts, draft presentations or testimonies intended for Members of Congress, or other informal draft work products for review and comment. GAO Statements of Fact are preliminary draft reports provided for review and comment by subject matter experts and management officials. The process allows DOE to negotiate appropriate changes with GAO prior to the development of a formal draft report, which will be provided both to DOE and to GAO's Congressional requestors.
9	4.b.(7)(a)<u>1</u>	Added.	Due dates for responding to GAO Statements of Fact and other informal draft products are coordinated with GAO on a project-by-project basis.
9	4.b.(7)(a)<u>1</u> - 4.b.(7)(a)<u>3</u>	Renumbered.	4.b.(7)(a)<u>2</u> - 4.b.(7)(a)<u>4</u>
9	4.b.(7)(a)<u>2</u>	The lead office is responsible for providing any necessary technical or factual comments on the draft documents, in coordination with supporting offices, and obtaining a classification review for draft work products in a classified or Unclassified Controlled Nuclear Information subject matter. Comments may be provided verbally at the exit conference or in writing, at the discretion of the lead office. Written comments	The lead office is responsible for providing any necessary technical or factual comments on the draft documents--in coordination with supporting offices, including the Office of General Counsel--and obtaining a classification review for draft work products in a classified or Unclassified Controlled Nuclear Information subject matter as needed. Comments may be provided verbally at the exit conference or in writing, at the discretion of the lead office. GAO may request

Page	Paragraph	Changed	To
		for non-NNSA audits should be provided to OCFO for review.	written comments following the exit conference. Written comments for non-NNSA audits should be provided to the OCFO and OGC for review.
9	4.b.(7)(a)3	For NNSA audits, comments on the statement of facts and other draft work products are coordinated through NNSA AIA.	For NNSA audits, comments on the statement of facts and other draft work products are coordinated through or the Director, AIA.
10	4.b.(7)(a)4	For NNSA audits that also involve DOE elements, NNSA AIA will coordinate proposed comments with the OCFO and supporting offices.	For NNSA audits that also involve DOE elements the Director, AIA, will coordinate proposed comments with the OCFO and supporting offices.
10	4.b.(7)(b)	GAO Draft Reports. DOE will respond to each draft report with recommendations to the Secretary and perform a classification review for draft reports in a classified or Unclassified Controlled Nuclear Information subject matter.	GAO Draft Reports. DOE will respond to each draft report with recommendations to the Secretary and will perform a classification review for draft reports in a classified or Unclassified Controlled Nuclear Information subject matter. When a GAO draft report contains sensitive data, a sensitivity review should be performed while reviewing the report and developing the response to the recommendations.
10	4.b.(7)(b)1	Due Dates. GAO generally provides 30 calendar days for a response. OCFO provides specific timelines for the preparation and coordination of the response to each audit report consistent with the amount of time provided by GAO for comments. Requests to GAO for additional time to respond to the report should be the exception and must be made by OCFO or NNSA AIA, or successor position, as applicable. GAO is not required to grant additional time for a response and GAO can issue the final report without DOE's input.	Due Dates. GAO generally provides 30 calendar days for a response. The OCFO provides specific timelines for the preparation and coordination of the response to each audit report consistent with the amount of time provided by GAO for comments. These timelines include reviews by the Under Secretary and the Office of the Secretary (OSE), which includes the Office of the Deputy Secretary. Requests to GAO for additional time to respond to the report should be the exception and must be made by the OCFO or the Director, Audits and Internal Affairs (AIA) (for NNSA

Page	Paragraph	Changed	To
			matters), or successor position, as applicable. Offices requesting additional time must submit an extension request to the OCFO. GAO is not required to grant additional time for a response and GAO can issue the final report without DOE's input.
10	4.b.(7)(b)2	Departmental Approval and Signature. The CFO reviews the response for transmittal to GAO on behalf of the Secretary. Responses are signed by the head of the Departmental Element for the lead office. OCFO coordinates approval of the response with Office of the Executive Secretariat as appropriate. The NNSA Director AIA, or successor position, approves or disapproves responses for the Administrator's signature when NNSA is the lead office. A copy is to be provided to OCFO.	Departmental Approval and Signature. The Chief Financial Officer (CFO) reviews the response for transmittal to GAO on behalf of the Secretary. Responses are signed by the Head of the Departmental Element for the lead office. The OCFO and program offices coordinate approval of the response with Office of the Executive Secretariat as appropriate. When NNSA is the lead office, the Director, Audits and Internal Affairs (AIA) approves or disapproves responses for the Administrator's signature. A copy is to be provided to the OCFO.
10-11	4.b.(7)(b)3	Recommendations Made Jointly to DOE and Other Agencies. When GAO makes joint recommendations to DOE and other agencies, the lead office should coordinate with the other agencies to determine if there is general agreement among the agencies regarding a response to the recommendation. The lead office should inform the OCFO and supporting offices if a planned response to a recommendation conflicts with the planned response of other agencies, and the reason(s) for the disagreement when providing the proposed response for review.	Recommendations Made Jointly to DOE and Other Agencies. When GAO makes joint recommendations to DOE and other agencies, the lead office should coordinate with the other agencies to determine if there is general agreement among the agencies regarding a response to the recommendations. The lead office should inform the OCFO and supporting offices if a planned response to a recommendation conflicts with the planned response of other agencies and include the reason(s) for the disagreement when providing the proposed response for review.
11	4.b.(7)(b)4	Reports without Recommendations. GAO provides draft reports to DOE for	Reports without Recommendations. GAO provides draft reports to DOE for

Page	Paragraph	Changed	To
		review and comment that do not have recommendations to DOE. No formal response or comments are required for such reports. The lead office may provide technical and general comments or may choose to provide a formal response intended for publication in the final report. Technical and general comments must be reviewed by OCFO, and formal responses must follow the standard Departmental approval process.	review and comment that do not have recommendations to DOE. No formal response or comments are required for such reports, but they should be reviewed for factual accuracy. The lead office may provide technical and general comments or may choose to provide a formal response intended for publication in the final report. The OCFO must review technical and general comments. Formal responses must follow the standard Departmental approval process. NOTE: When a GAO draft report contains sensitive data, a sensitivity review should be performed while reviewing the report.
11	4.b.(7)(c)1	The response constitutes the Department's management decision regarding corrective actions and satisfies the requirements for audit resolution outlined in OMB Circular A-50.	The response to GAO's final report constitutes the Department's management decision regarding planned and completed corrective actions, and thus satisfies the requirements for audit resolution specified in OMB Circular A-50. Management decision is defined further in section 7.g. of this Order.
11-12	4.b.(7)(c)3	Due Dates. The response should be approved and transmitted within 90 calendar days of the date of the final report, unless additional time is granted by OCFO in response to a written request for an extension. OCFO provides specific timelines for the preparation and coordination of each audit report. As specified by the Good Accounting Obligation in Government Act (known as the GAO-IG Act) (P.L. 115-414), agency responses to GAO final reports must be provided to Congress no later than 180	Due Dates. When there is no disagreement with GAO regarding the planned corrective actions and no requirement for interagency coordination, the response should be approved and transmitted within 60 calendar days of the date of the final report. Because DOE's formal audit follow-up process begins when the management decision is approved, the 60-day timeline is consistent with requirements in OMB Circular A-123, paragraph V.C., to complete agreed-upon corrective actions in a timely manner. Additionally, a prompt

Page	Paragraph	Changed	To
		calendar days after issuance of the report.	response to the final report is appropriate if there are no substantive changes planned to the draft report response; delayed responses may require status updates to reflect recent corrective actions completed. The OCFO may provide additional time to prepare the response when needed to discuss areas of disagreement with GAO, facilitate interagency coordination, allow for the development of a revised corrective action plan, or address other factors that may delay the management decision. The OCFO provides specific timelines for the preparation and coordination of each audit report. As specified by the Good Accounting Obligation in Government Act (known as the GAO-IG Act) (P.L. 115-414) and 31 U.S.C. 720, agency responses to GAO final reports must be provided to Congress no later than 180 calendar days after issuance of the report.
12	4.b.(7)(c)<u>4</u>	<u>Departmental Approval and Signature</u>. The CFO reviews the response for transmittal to the relevant Congressional committees on behalf of the Secretary. Responses are signed by the head of the Departmental Element for the lead office. OCFO coordinates approval of the response with Office of the Executive Secretariat as appropriate. The NNSA Director AIA, or successor position, approves or disapproves responses for the Administrator's signature when NNSA is the lead office. A copy is to be provided to OCFO.	<u>Departmental Approval and Signature</u>. The CFO reviews the response for transmittal to the relevant Congressional committees on behalf of the Secretary. Responses are signed by the Head of the Departmental Element for the lead office. The OCFO and program offices coordinate approval of the response with the Office of the Executive Secretariat as appropriate. When NNSA is the lead office, the Director, Audits and Internal Affairs (AIA), approves or disapproves responses for the Administrator's signature. A copy is to be provided to OCFO.

Page	Paragraph	Changed	To
12	4.b.(8)	<u>Specific Requirements for Responding to OIG Reports</u>.	<u>Specific Requirements for Responding to OIG Reports</u>. <u>NOTE</u>: See section 4.e. of this Order for direction on responding to OIG incurred cost audits.
13	4.b.(8)(a)	<u>OIG Preliminary Draft Reports</u>. OIG may provide the Department with a preliminary draft report for review and discussion.	<u>OIG Preliminary Draft Reports</u>. Upon completion of fieldwork, OIG provides the Department with a preliminary draft report for factual accuracy review and discussion, and to address any disagreement with the conclusions, findings, and recommendations, presented in the report. The Preliminary report process provides an opportunity to identify and resolve disagreements before the Department provides its response to the formal draft report, which is included in the final public OIG report. The OIG provides preliminary draft reports directly to the lead office audit coordinator, with copy to the OCFO.
13	4.b.(8)(a)<u>1</u>	The lead office is responsible for providing any necessary technical or factual comments on the draft documents, in coordination with supporting offices. Comments may be provided verbally at a meeting or in writing prior to the meeting. OCFO or NNSA AIA will coordinate with lead offices on written comments to preliminary reports as needed.	The lead office is responsible for providing any necessary technical or factual comments on the draft documents, in coordination with supporting offices. Offices should also highlight any potential disagreements with draft findings, conclusions, and recommendations at this time. Comments may be provided verbally or in writing prior to the meeting. The OCFO or the Director, NNSA Audits and Internal Affairs will coordinate with lead offices on written comments to preliminary reports as needed.
13	4.b.(8)(a)<u>2</u>	If responsible management officials disagree with the facts or conclusions in a preliminary draft report, the management officials should fully explain the reasons	If responsible management officials disagree with the facts or conclusions in a preliminary draft report, the management officials should fully explain the reasons

Page	Paragraph	Changed	To
		for disagreement and present applicable supporting documentation or other factual support. OIG will consider management's comments on the preliminary draft report, as well as any additional facts and documentation provided, make changes as appropriate, and issue an official draft report for formal comment.	for disagreement and present applicable supporting documentation or other factual support.
13	4.b.(8)(a)3	Added.	Lead Offices should inform the OCFO or NNSA AIA when there are significant disagreements or concerns with a preliminary draft report's content or recommendations. The OCFO or the Director, NNSA Audits and Internal Affairs will assess whether consultation with subject matter experts or other actions are appropriate to address the disagreements or concerns during the preliminary draft reporting stage.
13	4.b.(8)(b)	OIG Draft Reports. The Department will respond to each draft OIG report with recommendations that are provided for review and comment.	OIG Draft Reports. The Department will respond to each draft OIG report with recommendations that is provided for review and comment. Draft reports without recommendations to the Secretary should be reviewed for factual accuracy, if provided.
13-14	4.b.(8)(b)1	Due Dates. The OIG normally provides at least 15 business days for management to review and comment on draft reports. Requests for extensions should be in writing and directed to the official designated by the OIG. The request must include the reason for the request and projected delivery date. Offices must notify the OCFO of any extensions to the comment period.	Due Dates. The OIG normally provides at least 15 business days for management to review and comment on draft reports. At times, the OIG provides less than 15 business days for draft report review and comment. Requests for extensions should be in writing and provided to the OCFO or the Director, NNSA Audits and Internal Affairs consistent with current procedures. The request must include the reason for the

Page	Paragraph	Changed	To
			extension and the projected delivery date.
14	4.b.(8)(b)2	Content of the Response. The response should clearly indicate the Departmental Element's agreement or disagreement with the report's findings and recommendations.	Content of the Response. The response should clearly indicate the Departmental Element's agreement (concurrence) or disagreement (nonconcurrence) with the report's findings and recommendations.
14	4.b.(8)(b)2a	When concurring with the recommendations, the response should describe the planned corrective actions and provide estimated completion date for those actions. When agreeing with the report findings while disagreeing with specific recommendations, the response should explain reasons for the disagreement and describe any planned alternative corrective actions.	When concurring with the recommendations, the response should describe the planned corrective actions and provide estimated completion dates for those actions.
14	4.b.(8)(b)2b	Added.	When non-concurring in whole or in part with a recommendation, the response must explain the reason(s) for the disagreement and any alternative corrective actions planned or undertaken that are relevant to the recommendation.
14	4.b.(8)(b)2c	Added.	When agreeing with the recommendations while disagreeing with some elements of the report findings, the response should state the concurrence with the recommendations while explaining reasons for disagreement with the findings.
14	4.b.(8)(b)3	Added.	Resolving Questioned Costs. Inspector General reports may identify questioned cost amounts for both contracts and financial assistance awards, consistent with the definition of questioned costs contained in 5 U.S.C. 405(a). (See Section 4.e of this Order for responding to questioned cost

Page	Paragraph	Changed	To
			amounts identified in OIG incurred cost audits.) a. The resolution of OIG questioned costs is governed by provisions of the Federal Acquisition Regulations (FAR) for contracts and the Uniform Financial Assistance Guidance (Uniform Guidance) or DOE Financial Assistance Regulations (2 CFR 910) for financial assistance awards. b. When an OIG report identifies questioned costs, the cognizant Contracting Officer or Financial Assistance Officer, as applicable, must make a cost allowability determination. The response to any OIG recommendation to resolve questioned costs should indicate agreement to resolve the questioned costs only. The response should not prejudge the cost allowability determination that must be made by the Contracting Officer or Financial Assistance Officer, and thus should not contain details regarding agreement or disagreement with the OIG's questioned cost amounts. Furthermore, any details regarding the allowable cost determination may contain proprietary information. Thus, the details should not be included in the response to the OIG report, which is typically released publicly by the OIG.
14-15	4.b.(8)(b)3 - 4.b.(8)(b)5	Renumbered.	4.b.(8)(b)4 - 4.b.(8)(b)6
15	4.b.(8)(b)4	Approval. The response must be approved by the head of the Departmental Element designated to respond to the report, or delegated official.	Approval. The response must be approved by the Head of the Departmental Element designated to respond to the report or by a delegated official.

Page	Paragraph	Changed	To
15	4.b.(8)(c)1	Acceptance of the Management Response to the Draft Report as a Management Decision. A management decision is the official position taken by a program or functional management official on the unresolved findings and recommendations contained in a final OIG report. The purpose of the management decision is to specify the actual or planned corrective actions. The OIG may choose to accept the response to the draft report as the Department's management decision for that report.	Acceptance of the Management Response to the Draft Report as a Management Decision. A management decision is the official position taken by the Department on the unresolved findings and recommendations contained in a final OIG report. The purpose of the management decision is to specify the actual or planned corrective actions. The OIG may choose to accept the response to the draft report as the Department's management decision for that report.
15-16	4.b.(8)(c)2	Separate Management Decisions. When the OIG does not accept the response to the draft report as the management decision, management must prepare a separate management decision for the recommendations in the final report.	Separate Management Decisions. When the OIG does not accept the response to the draft report as the management decision, the Head of the Departmental Element must prepare a separate management decision for the recommendations in the final report. The management decision process elevates disagreements to a higher level of management for resolution. A separate management decision is unnecessary when the response to the draft report was signed by the cognizant Under Secretary, and there were no substantive changes made to the findings or recommendations contained in the final report. The management decision process does not apply to the resolution of questioned costs. The final resolution of questioned costs is made by the cognizant Contracting Officer. See 4.b.(8)(b)3 and section 4.e. of this Order.
16	4.b.(8)(c)2a	Due Dates. Management decisions should be provided to the OIG within 90 calendar days	Due Dates. Management decisions should be provided to the OIG within six months of

Page	Paragraph	Changed	To
		of issuance of the final report. OCFO provides specific timelines for the preparation and coordination of each management decision.	issuance of the final report, per the requirements of OMB Circular A-50. The OCFO provides specific timelines for the preparation and coordination of each management decision.
16	4.b.(8)(c)2b	Review, Approval, and Signature. The DOE CFO serves as the DOE Audit Follow-up official and works to resolve disagreements between the OIG and the Department. The CFO reviews, signs, and transmits management decisions to the OIG.	Review, Approval, and Signature. The DOE CFO serves as the DOE Audit Follow-up Official and works to resolve disagreements between the OIG and the Department prior to approval of the management decision.
16	4.b.(8)(c)2b1	The cognizant Under Secretary (if applicable) approves or disapproves the management decisions for non-NNSA audits. Management decisions for Departmental Elements reporting directly to the Deputy Secretary are approved or disapproved by the Head of the Departmental Element.	The cognizant Under Secretary (if applicable) approves or disapproves the management decisions for non-NNSA audits. Management decisions for Departmental Elements reporting directly to the Deputy Secretary are approved or disapproved by the Head of the Departmental Element. The CFO reviews, signs, and transmits management decisions to the OIG.
16-17	4.b.(8)(c)2b2	For NNSA audits, the Director AIA, or successor position, reviews and approves or disapproves the management decision for signature by the NNSA Administrator, coordinating with the OCFO for audits that involve DOE elements. NNSA will provide a copy of the management decision to OCFO.	For NNSA audits, the or the Director, NNSA Audits and Internal Affairs, or successor position, reviews and approves or disapproves the management decision to be provided for signature by the NNSA Administrator, coordinating with the OCFO for audits that involve DOE elements. NNSA will provide a copy of the management decision to the OCFO.
17	4.b.(8)(c)2c	Resolution of disagreements. The Inspector General may refer disagreements regarding management decisions to the Deputy Secretary.	Resolution of disagreements. The Inspector General may refer disagreements regarding approved management decisions to the Deputy Secretary.
17	4.b.(8)(c)3	Potential Cost Avoidance Identified by the OIG.	Potential Cost Avoidance Identified by the OIG. Consistent with the reporting requirements in 5 U.S.C. 405, the OIG may

Page	Paragraph	Changed	To
			identify recommendations that "funds be put to better use" as defined by 5 U.S.C. 405 (a)(5).
17	4.b.(8)(c)3a	To satisfy reporting requirements in the Inspector General Act, the response must state management's agreement or disagreement with any cost avoidance amounts identified by the OIG, explaining the reasons for any disagreement. (The term cost avoidance, as used in this Order, is synonymous with "funds put to better use" referenced in the Inspector General Act.).	To satisfy reporting requirements in 5 U.S.C. 405, the lead office must state management's agreement or disagreement with any cost avoidance amounts identified by the OIG, explaining the reasons for any disagreement. The determination must be provided no later than the first quarterly status update due after issuance of the final report.
17-18	4.b.(8)(d)	Added.	OIG Agile and Special Projects. 1. Technical Comments. The OIG has committed to providing proposed agile and special project reports to the appropriate officials. For the Department, the appropriate officials for coordinating comments on draft agile and special project reports are the designated Audit Coordinators for the affected offices, the OCFO, and the Director, NNSA Audits and Internal Affairs for NNSA-related products. 2. Drafts for Official Comment. The OIG will provide a draft of agile and special project reports to the Department for an official response. However, the timeline for providing a response may be abbreviated. To the extent feasible, the process for responding to agile and special project reports should mirror the response for responding to a normal draft OIG audit or inspection report. However, the Office of the Chief Financial Officer (OCFO) or the Director, NNSA

Page	Paragraph	Changed	To
			Audits and Internal Affairs (for NNSA matters) may provide additional specific instructions for the coordination of the response, as appropriate to the specific circumstances of the report.
18	4.c.(2)	<u>Role of the Audit Follow-up Official</u>. OMB Circular A-50 requires the CFO, as the DOE Audit Follow-up official, to monitor the completion of corrective actions. Audit follow-up activities cease when the actions meet the closure requirements specified in this Order.	<u>Role of the Audit Follow-up Official</u>. OMB Circular A-50 requires the CFO, as the DOE Audit Follow-up Official, to monitor the completion of corrective actions. Audit follow-up activities cease when the corrective actions meet the closure requirements specified in this Order.
18-19	4.c.(3) Second Paragraph	When the approved management decision states that corrective actions are completed or unnecessary, the audit report is closed upon issuance of the management decision and there is no formal follow-up process for that report.	a. When the approved management decision for a GAO report states that corrective actions are completed or unnecessary, the relevant recommendations will be closed following the process in section 4.c.(6) of this Order. b. When the approved management decision for an OIG report states that corrective actions are completed or unnecessary, the audit report or relevant recommendations are closed upon issuance of the management decision and there is no formal follow-up process for that report.
19	4.c.(4)	<u>Departmental Audit Follow-up System</u>. The OCFO maintains the Department's audit follow-up system as required by OMB Circular A-50. The system tracks audit recommendations and questioned costs identified in audit reports until corrective actions are completed.	<u>Departmental Audit Resolution and Follow-up System</u>. The OCFO maintains the Department's audit resolution and follow-up system as required by OMB Circular A-50. The system tracks audit recommendations and questioned costs identified in audit reports until corrective actions are completed. In addition to the follow-up tracking required by Circular A-50, DOE's system

Page	Paragraph	Changed	To
			tracks all active audits from the time of notification and serves as the system of record for DOE's audit report responses.
19	4.c.(5)	Required Status Updates. Departmental offices must provide quarterly status updates to the OCFO through the Departmental audit follow-up system on open recommendations (recommendations with planned corrective actions not yet completed) and unresolved questioned costs.	Required Status Updates. Departmental offices must provide quarterly updates to the OCFO on the status of open recommendations (recommendations with planned corrective actions not yet completed) and unresolved questioned costs.
19	4.c.(5)(a)	Form and Content of the Status Updates. The status updates must contain the status of corrective actions, including a description of progress made and an explanation for any delays in completing the corrective actions. Updates should be understandable to a non-technical expert, define any acronyms, and omit references to prior updates.	Form and Content of Quarterly Status Updates. The quarterly updates must contain the status of corrective actions, including a description of progress made and an explanation for any delays in completing the corrective actions. Updates should be understandable to a non-technical expert, define any acronyms, and omit references to prior updates.
19	4.c.(5)(a)	Comments by the OIG on Audit Status Updates. Each quarter the OIG reviews the quarterly status updates and may provide comments regarding the audit team's evaluation of the status of the corrective actions. Offices should address the OIG's prior quarter comments, if any, when providing the quarterly status update and closing recommendations. The CFO will resolve, as needed, substantial disagreements between the OIG and the office assigned, consistent with CFO responsibilities as the Audit Follow-up official.	Removed.
19	4.c.(5)(c)	Renumbered.	4.c.(5)(b)
19-20	4.c.(5)(c)	Added.	Status of Questioned Costs. Contracting Officers must provide quarterly updates to the OCFO on the status of questioned costs that Contracting Officers

Page	Paragraph	Changed	To
			have determined to be unallowable, and costs for which an allowability determination has not yet been made. 1. Describe the status of any questioned cost amounts, if applicable. The update must include the total amount questioned by the OIG, the total amount for which an allowability determination has been made, and the total amount for which an allowability determination has not been made. 2. When an allowability determination has been made, the Contracting Officer's status update should specify the amounts determined to be allowable, the amounts determined to be unallowable, and the rationale for the determinations.
20	4.c.(5)(d)	Added.	<u>Response to the OIG-identified Potential Cost Avoidance Amounts (Funds Put To Better Use)</u>. Management must agree or disagree with potential cost avoidance amounts identified by the OIG to satisfy reporting requirements specified in 5 U.S.C. 405(9). Potential cost avoidance amounts identified by the OIG are specified in the monetary impact report accompanying the final OIG report. Agreement or disagreement must be indicated using the current template provided by the OCFO; agreement or disagreement must be determined by the designated management official who approved the response to the OIG draft report.
20	4.c.(6)	Added.	<u>Timeframe for Audit Recommendation Closure</u>. The

Page	Paragraph	Changed	To
			estimated completion dates in the management decision determine the expected closure date of an audit report recommendation. See 4.b.(8)(c) of this Order for the definition of management decision for an OIG report, and 4.b.(7)(c) of this Order for the definition of a management decision for GAO reports. When planned corrective actions have not been completed within the timeframe specified in the management decision, subsequent quarterly status updates must explain the reasons for the delay.
20-21	4.c.(6) Renumbered to 4.c.(7) – 4.c.(7)(a)	Recording Completion of Corrective Actions. Departmental offices must report completion of planned corrective actions quarterly in the Departmental audit resolution system. When corrective actions are complete, the quarterly status update must: (a) Provide a summary of actions taken in accordance with the corrective action plan. This final narrative for the closed corrective action plan must be complete, without referencing prior updates, and address the corrective action plan to document closure. (b) Explain the reasons for any alternate actions taken instead of the original corrective action plan. (c) Describe the status of any questioned cost amounts, if applicable. The status update should describe: 1 the total amount questioned, 2 the total amount pending an allowability determination; and 3 the amount for which an allowability determination has been made. When an allowability determination has	Completion of Corrective Actions. Departmental offices must report completion of planned corrective actions and proposed recommendation closures via their quarterly status update. Reporting Completion of Corrective Actions. When corrective actions are complete and a Departmental Element proposes closure of a recommendation, the quarterly status update must: 1 Be approved by the certifying official (see definition in 7.d. of this Order); 2 Provide a summary of actions taken in accordance with the corrective action plan. This final narrative for the closed corrective action plan must be complete, without referencing prior updates, and address the corrective action plan to document closure; 3 Explain the reasons for any alternate actions taken instead of the original corrective action plan;

Page	Paragraph	Changed	To
		been made, the status update should specify the amounts determined to be allowable or unallowable by the Contracting Officer. A record of the allowability determinations made by the Contracting Officer should be included in the Department's audit resolution system. (d) Identify the official approving the closure of the audit recommendation. (e) As appropriate or when requested by OCFO, upload relevant documents demonstrating the completion of corrective actions in the audit follow-up system.	4 Identify the name and title of the official approving the closure of the audit recommendation. The official must have delegated authority to approve audit recommendation closures for the Departmental Element; and 5 Include relevant supporting documentation demonstrating the completion of corrective actions.
20-21	4.c.(7)(b)	Added.	<u>Final Resolution of Questioned Cost Amounts</u>. Questioned costs are resolved when the Contracting Officer makes an allowability determination on the questioned cost amounts. A record of the allowability determinations made by the Contracting Officer should be included in the Department's audit resolution and follow-up system. Recoveries of disallowed costs must be reported to the OCFO separately as part of the Department's payment integrity reporting process. See 5.a.(12) of DOE Order 520.1B, *Financial Management and Chief Financial Officer Responsibilities,* regarding CFO responsibilities for the DOE Payment Integrity Program
21-22	4.c.(7) Renumbered to 4.c.(7)(c)	<u>GAO Review of Corrective Actions</u>. GAO reviews the status updates describing the completed corrective actions and indicates whether the completed corrective actions address audit recommendations. As a result of	<u>Closure of GAO Recommendations.</u> 1. <u>OCFO Review.</u> The OCFO reviews the proposed closure of GAO recommendations by the DOE certifying official (see

Page	Paragraph	Changed	To
		this review, GAO characterizes each recommendation on the GAO website as either open, or closed-implemented or closed-not implemented. As the DOE Audit Follow-up official, the CFO may consider GAO's review of the corrective actions and may reopen recommendations in the DOE audit follow-up system after consultation with the relevant DOE offices. CFO makes the final determination on closure of the GAO reports.	7.b. of this Order) to assess whether the planned corrective actions, as specified in the Department's management decision, have been completed. The OCFO may request supporting documentation as necessary to demonstrate completion of planned corrective actions. As the DOE Audit Follow-up Official, the CFO makes the final DOE determination on closure of GAO recommendations. For NNSA, the Director. Audits and Internal Affairs, approves the closure of recommendations. The OCFO records closure of the NNSA recommendations in the Department's audit resolution and follow-up system after verifying that the final update is complete and complies with policy. 2. <u>GAO Review of Closed Recommendations</u>. GAO reviews status updates and documentation describing the completed corrective actions, when provided after the OCFO closure review, and indicates GAO's perspective on whether the completed corrective actions address audit recommendations. As a result of this review, GAO indicates on their website whether there is agreement that DOE has completed appropriate corrective actions and describes the basis for any disagreement. As the DOE Audit Follow-up Official, the CFO may consider GAO's review of the corrective actions. When there is a disagreement between GAO and DOE regarding closure of

Page	Paragraph	Changed	To
			a recommendation, DOE should assess GAO's input and consider whether additional actions are warranted. The OCFO may reopen recommendations in the Department's audit resolution and follow-up system after consultation with the relevant DOE offices. The CFO makes the final DOE determination on closure of GAO recommendations as recorded in the Department's audit resolution and follow-up system. The Director, NNSA Audits and Internal Affairs, makes the final determination on closure of GAO recommendations assigned to NNSA.
22	4.c.(8) Renumbered to 4.c.(7)(d)<u>1</u>	<u>OIG Review of Corrective Actions</u>. The OIG reviews the status updates describing the completed corrective actions and indicates agreement or disagreement that the corrective actions have been completed. OIG agreement that planned corrective actions were taken does not necessarily reflect a determination that the corrective actions effectively addressed the underlying audit finding. OIG may perform follow-up audits, at its discretion, to assess the effectiveness of corrective actions. When the OIG indicates corrective actions have not been completed or otherwise fail to address the OIG's recommendations, DOE management should address the OIG's concerns in subsequent quarterly status updates. The status updates should also document any additional	<u>Closure of OIG Recommendations.</u> 1. The OIG reviews the status updates describing the completed corrective actions. In performing this review, the OIG may ask for additional documentation to support the responses. The OIG will then indicate agreement or disagreement that the corrective actions have been completed. OIG agreement that planned corrective actions were taken does not necessarily reflect a determination that the corrective actions effectively addressed the underlying audit finding. OIG may perform follow-up audits, at its discretion, to assess the effectiveness of corrective actions. a. When the OIG indicates corrective actions have not been completed or otherwise fail to address the OIG's

Page	Paragraph	Changed	To
		corrective actions taken in response to OIG comments. In the case of disagreements between the OIG and the Department, the CFO determines closure of the report.	recommendations, DOE management should address the OIG's concerns in subsequent quarterly status updates. The status updates should also document any additional corrective actions taken in response to OIG comments. This process ensures compliance with coordination requirements specified in OMB Circular A-50, paragraph III.1.(9). b. In the case of disagreements between the OIG and the Department, the CFO determines closure of the report for DOE elements, and the Director, NNSA Audits and Internal Affairs, determines closure for NNSA.
22-23	4.c.(9)	Timeframe for Audit Closure. The target dates in the management decision determine the expected closure date of an audit report. The Departmental Element must provide written justification and updated target completion dates when corrective actions are not completed by the expected completion dates stated on the management decision. CFO will notify DOE offices when target completion dates have not been met and new target completion dates need to be provided.	Removed.
22-23	4.c.(10)	Criteria for Audit Closure. OCFO records closure of OIG and GAO audits upon completion of the corrective action plan and upon finalization of allowability determinations on any questioned costs identified by the audit.	Removed.

Page	Paragraph	Changed	To
		For OIG audits, closure will not occur until OIG comments are considered.	
23	4.c.(11) Renumbered to 4.c.(7)(d)2	Resolution of Questioned Costs. The cognizant Contracting Officer must resolve contract and financial assistance costs questioned by the OIG before the audit report can be closed. Questioned costs are resolved when the Contracting Officer has made a final determination on the allowability of the questioned costs.	Resolution of OIG Questioned Costs. The cognizant Contracting Officer must resolve contract and financial assistance costs questioned by the OIG before the audit report can be closed. Questioned costs are resolved when the Contracting Officer has made a final determination on the allowability of the questioned costs.
22-23	4.c.(12)	Supplemental Reporting on Recoveries of Disallowed Costs. After audit closure, offices must report actual collections of disallowed costs, costs deemed to be allowable after appeal, and amounts later determined to be uncollectible. The Inspector General Act requires this information for reporting purposes. To the extent practical, CFO will satisfy this reporting requirement through the existing improper payment reporting process.	Removed.
24	4.d.(3)(a)3	There is a short time frame for responding to financial statement findings; management may provide an initial corrective action plan as part of the response and develop a more detailed plan for later action as appropriate. The Department's audit resolution system must reflect management's revision or approval of corrective action plans.	There is a short time frame (2 to 3 days) for responding to financial statement findings; management may provide an initial corrective action plan as part of the response and develop a more detailed plan for later action as appropriate. The Department's audit resolution system must reflect management's revision or approval of corrective action plans.
24	4.d.(3)(b)1	Findings that Relate to Financial Reporting. The program or functional office with direct responsibility for a finding drafts and the management official responsible for that office signs the management response. The	Findings that Relate to Financial Reporting. The program or functional office with direct responsibility for a finding drafts the management response and the management official responsible for that office signs the

Page	Paragraph	Changed	To
		CFO Office of Finance and Accounting drafts and signs management responses for findings relating to the OCFO's direct responsibilities.	management response. The CFO Office of Finance and Accounting drafts and signs management responses for findings relating to the OCFO's direct responsibilities.
24	4.d.(3)(e)	Corrective Actions for Financial Statement Audit Findings. Offices shall begin implementing and tracking corrective actions as soon as the response to a formal audit finding, which includes a commitment to correct the issue, is signed by the responsible office(s). Actions should not be delayed pending inclusion of final findings in the formal management letter. Offices shall provide quarterly status updates until completion of corrective actions.	Corrective Actions for Financial Statement Audit Findings. Offices shall begin implementing and tracking corrective actions as soon as a response to a formal audit finding which includes a commitment to correct the issue is signed by the responsible office(s). Actions should not be delayed pending inclusion of final findings in the formal management letter. Offices shall provide quarterly status updates until the completion of corrective actions.
24	4.d.(3)(i)	Management Letter. To close the financial statement audit, the OIG provides a management letter to the Department that transmits the final audit findings and recommendations. Final audit findings and recommendations included in the management letter will be updated quarterly until closed [see paragraph 4.h.(4)].	Management Letter. To close the financial statement audit, the OIG provides a management letter to the Department that transmits the final audit findings and recommendations. Final audit findings and recommendations included in the management letter will be updated quarterly until closed.
25-27	4.e.	Added entire section.	OIG Incurred Costs Audits.
27-29	4.f.	Added entire section.	Audits of Financial Assistance Recipients and Subrecipients performed by the OIG.
29	5.a.(2)	Leads Departmental coordination with the OIG and GAO and assists offices with ongoing audit engagements as needed. Within NNSA Director, AIA, leads coordination with the OIG and GAO and assists offices with ongoing audit engagements as needed.	Leads Departmental coordination with the OIG and GAO and assists offices with ongoing audit engagements as needed. In coordination with the Director, Audits and Internal Affairs, leads NNSA coordination with the OIG and GAO and assists offices with ongoing audit engagements as needed.

Page	Paragraph	Changed	To
29	5.a.(3)	Serves as the Agency's Audit Follow-up Official, as defined by OMB Circular A-50, *Audit Follow-Up*.	Serves as the Department's Audit Follow-up Official, as defined by OMB Circular A-50, *Audit, Inspection, or Evaluation Follow-Up*. See 5.b. for NNSA responsibilities pertaining to NNSA which reside with the Director, NNSA Audits and Internal Affairs.
30	5.a.(7)	Reviews the Department's responses to GAO draft reports, GAO final reports, and OIG final reports on behalf of the Secretary (for elements other than NNSA and BPA). As necessary, coordinates Departmental responses to informal reports and presentations provided by the OIG and GAO for Departmental comment.	Reviews the Department's responses to GAO draft reports, GAO final reports, and OIG final reports on behalf of the Secretary (for elements other than NNSA). As necessary, coordinates Departmental responses to informal reports and presentations provided by the OIG and GAO for Departmental comment.
30	5.a.(8)	Maintains the Department's audit resolution system and tracks the closure of GAO and OIG audit reports.	Maintains the Department's audit resolution system and tracks the closure of GAO and OIG audit reports and recommendations.
30	5.a.(9)	Reviews quarterly status reports and assesses the timeliness and responsiveness of milestones established and corrective actions taken or planned. As necessary, provides reports to senior Departmental managers on significant audit follow-up issues	Reviews quarterly status reports and assesses the timeliness and responsiveness to milestones established and corrective actions taken or planned. Reviews proposed closure of GAO recommendations and supporting documentation. Provides final DOE determination on the closure of GAO recommendations. As necessary, provides reports to senior Departmental managers on significant audit follow-up issues
30	5.b.	<u>Director, Audits and Internal Affairs, NNSA (or successor position)</u>.	<u>Director, Audits and Internal Affairs (AIA), NNSA (or successor position)</u>.
30	5.b.(3)	Approves responses to OIG and GAO draft and final reports for NNSA related audits, consistent with current NNSA policy and delegations, and provides copies to OCFO.	Approves responses to OIG and GAO draft and final reports for NNSA related audits, consistent with current NNSA policy and delegations, and provides copies to the DOE OCFO.

Page	Paragraph	Changed	To
30	5.b.(4)	Added.	Approves or disapproves all NNSA recommendations for closure.
30	5.c.(2)	Provide quarterly reporting on the status of open audit recommendations and completion of corrective actions to the OCFO through the DOE Audit Follow-up system.	Provide quarterly reporting on the status of open audit recommendations and completion of corrective actions to the OCFO through the Department's audit resolution and follow-up system.
31	5.c.(6)	Designate an audit coordinator for the DOE element and, if applicable, approves the designation of audit coordinators for site and field offices responsible audit offices, if applicable.	Designate audit coordinators for the DOE element and approve the designation of audit coordinators for site and field elements' responsible audit offices, if applicable.
31	5.c.(8)	Provide annual certification, or current organizational policy, to the OCFO of:	Provide to the OCFO annual certification, or current organizational policy, of:
31	5.d.(1)	Serve as the primary liaison with the audit team during audit engagements with responsibility for scheduling interviews, scheduling site visits, and coordinating timely response to auditors' requests for information and documents.	Serve as the primary liaison with GAO audit teams; OIG audit or inspection teams; and other Departmental audit coordinators during audit engagements, as appropriate. Schedule meetings, interviews, and site visits, and coordinate timely responses to auditors' requests for information and documents.
31-32	5.d.(2)	Transparently keeps Heads of Departmental Elements informed of activities and decisions relating to ongoing audit engagements, as appropriate. Provide advance notification of sensitive issues that may be included in audit reports to OCFO and senior management.	Inform Heads of Departmental Elements of activities and decisions relating to ongoing audit engagements and audit recommendations, as appropriate. Provide advance notification of sensitive issues that may be included in audit reports to the OCFO and senior management within the Departmental Element.
32	5.d.(3)	Coordinate with other DOE offices as needed during the course of an audit and refer significant disagreements or concerns relating to ongoing audit engagements to the OCFO for resolution.	Coordinate with other Departmental offices as needed during the course of an audit and refer significant disagreements or concerns relating to ongoing audit engagements to the OCFO for resolution.

Page	Paragraph	Changed	To
32	5.d.(4)	For GAO Audits, coordinate the legal review of sensitive documents and other information by the designated attorney and handles sensitive documents and other information in accordance with guidance provided by the designated attorney.	For GAO Audits, coordinate the legal review of sensitive documents and other information with the designated attorney, and handle sensitive documents and other information in accordance with guidance provided by the designated attorney.
32	5.d.(6)	Coordinate responses to informal reports and presentations provided by the OIG and GAO with supporting offices.	Coordinate responses to informal reports and presentations provided by the OIG and GAO with supporting offices, as appropriate.
32	5.d.(7)	Assist in drafting responses to OIG preliminary draft reports, GAO statements of fact, informal reports, questionnaires, presentations, draft and final audit reports and coordinate responses with supporting offices as appropriate.	Assist in drafting responses to OIG preliminary draft reports, GAO statements of fact, informal reports, questionnaires, presentations, draft and final audit reports. Coordinate responses with supporting offices, as appropriate.
32	5.d.(8)	Provide responses to OIG preliminary drafts, GAO statements of fact, draft reports, final reports, informal reports, questionnaires, and presentations for review and concurrence by the Under Secretary, the Office of General Counsel (OGC), the Office of Congressional and Intergovernmental Affairs (CI), and the Office of Public Affairs (PA) in accordance with the requirements of DOE O 224.3A.	Provide responses to GAO statements of fact, draft reports, final reports, informal reports, questionnaires, and presentations for review and concurrence by supporting offices; the cognizant Under Secretary; the Office of General Counsel (OGC); the Office of Congressional and Intergovernmental Affairs (CI); the Office of Public Affairs (PA); and the Office of the Secretary (OSE) in accordance with the requirements of this Order.
32	5.d.(9)	Added.	Provide responses to OIG preliminary drafts, draft reports, final reports, informal reports, questionnaires, and presentations for review and concurrence by supporting offices in accordance with the requirements of this Order.
32	5.d.(9) - 5.d.(10)	Renumbered.	5.d.(10) - 5.d.(11)
32	5.d.(10)	Obtain concurrence of the OCFO on responses to draft GAO	Obtain OCFO concurrence on responses to draft GAO reports,

Page	Paragraph	Changed	To
		reports, final GAO reports, and final OIG reports.	final GAO reports, and final OIG reports
32	5.d.(11)	Provide quarterly status updates on audit recommendations for incomplete corrective actions and confirms the management official designated by the head of the Departmental Element approved the updates.	Provide quarterly status updates, as approved by the management official designated by the Head of the Departmental Element, for open audit recommendations assigned to the Departmental Element. If proposing closure of a recommendation, include supporting documentation.
32	5.e.	Office of the Assistant Secretary for Congressional and Intergovernmental Affairs (CI). Review proposed Departmental responses to draft and final GAO reports as appropriate. For NNSA lead audits, the NNSA Office of External Affairs performs this function.	Office of Congressional and Intergovernmental Affairs (CI) (or NNSA CI when NNSA is the lead office). Review proposed Departmental responses to draft and final GAO reports as appropriate. For NNSA lead audits, the NNSA Office of External Affairs performs this function.
32	5.f.	Office of Public Affairs (PA) (or NNSA Office of External Affairs when NNSA is lead office). Review proposed Departmental responses to draft and final GAO reports as appropriate.	Office of Public Affairs (PA) (or NNSA Office of Communications when NNSA is lead office). Review proposed Departmental responses to draft and final GAO reports as appropriate.
32	5.h.	Contracting Officers. (1) Resolve questioned costs identified by audits. (2) Provide information to the audit coordinator on the resolution of questioned costs as required to support quarterly reporting.	Contracting Officers. (1) Per the FAR, determine whether questioned costs identified by audits are allowable. (2) Provide information to the audit coordinator on cost allowability determinations made for questioned costs as required to support quarterly reporting. (3) Resolve the recommendations and questioned costs contained in OIG incurred cost audits and provide closure documentation to the OCFO via audit coordinator.
33	6	Added.	INVOKED STANDARDS. This Order does not invoke any DOE

Page	Paragraph	Changed	To
			technical standards or industry standards as required methods. Note: DOE O 251.1, current version, provides a definition for "invoked technical standard."
33-35	6. - 8.	Renumbered.	7. - 9.
33	7.b.	Added.	Certifying Official. The management official with delegated authority to approve audit recommendation closures for the Departmental Element. The Certifying Official is responsible for ensuring the stated corrective actions are completed.
33	7.b.	Renumbered.	7.c.
34	7.d.	Renumbered.	Delegation. Delegations of authority provide officials with the legal authorization to execute specific authorities and carry out specific duties.
34	7.c.	Renumbered.	7.e.
34	7.e.	Departmental Element. Departmental Element, as used in this Directive, has the same definition as in DOE Order 251.1, *Departmental Directives Program*, current version.	Departmental Element. Departmental Element, as used in this Directive, has the meaning specified by the definition of Head of Departmental Element contained in DOE Order 251.1, *Departmental Directives Program*, current version.
34	7.f.	Added.	Designation. Designations provide officials with the legal authorization to execute specific authorities and carry out specific duties when the originating document (e.g., Public Law or DOE Order) directs that an individual be designated to be responsible for those specific authorities or duties.
34	7.g.	Added.	Management Decision. A management decision is the official position taken by a program or functional management official on the unresolved findings and

Page	Paragraph	Changed	To
			recommendations contained in a final audit report. The purpose of the management decision is to specify the actual or planned corrective actions.
34	7.h.	Added.	Subject Matter Expert (SME). An individual who—by education, training, qualifications, and/or other experience—is a recognized expert in a particular field, subject, topic, system, equipment, standard, or work process.
34	8.a.	Public Law 95-452, *Inspector General Act of 1978*, dated 10-12-78, as amended by Public Law 100-504 and Public Law 110-409 (5 U.S.C).	Chapter 5 of Title 5 of the United States Code, which contains the current codification of Public Law 95-452, *Inspector General Act of 1978*, dated 10-12-78, as amended, and related statutes.
34	8.b.	Public Law 96-226, *the General Accounting Office Act of 1980*, Title 1, as amended by Public Law 91-510, the Legislative Reorganization Act of 1970, Section 236 (31 U.S.C. 701-720).	Public Law 96-226, *the General Accounting Office Act of 1980*, Title 1, dated 4-3-80, as amended by Public Law 91-510, the Legislative Reorganization Act of 1970, Section 236 (31 U.S.C. 701-720).
34	8.c.	Public Law 101-576, *Chief Financial Officers Act of 1990* (31 U.S.C. 901-903).	Public Law 101-576, *Chief Financial Officers Act of 1990*, dated 11-15-90 (31 U.S.C. 901-903).
34	8.d.	Public Law 106-65, *National* Nuclear Security Administration Act, as amended, dated 10-5-99, (50 U.S.C. 2401).	Public Law 106-65, *National Defense Authorization Act for Fiscal Year 2000* (known as the National Nuclear Security Administration Act), dated 10-5-99, as amended (50 U.S.C. 2401).
34	8.e.	*The Good Accounting Obligation in Government Act* (known as the GAO-IG Act) (P.L. 115-414).	*The Good Accounting Obligation in Government Act*, as amended (known as the GAO-IG Act) (P.L. 115-414).
34	8.g.	Added.	31 U.S.C. 720 Section (b) (2), *Agency Reports*.
34-35	8.g. - 8.s.	Renumbered.	8.h. - 8.t.

Page	Paragraph	Changed	To
35	8.j.	OMB Circular No. A-50 (revised), *Audit Follow-up,* dated 9-29-82.	OMB Circular No. A-50 (revised), *Audit, Inspection, or Evaluation Follow-Up,* dated 11-7-24.
35	8.k.	OMB Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*.	OMB Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, dated 7-15-16.
35	8.l.	OMB Bulletin No. 19-03, *Audit Requirements for Federal Financial Statements*, dated 08-02-19, or successor policy.	OMB Bulletin No. 19-03, *Audit Requirements for Federal Financial Statements*, dated 08-27-19, or successor policy.
35	8.m.	GAO-19-55G, *GAO's Agency Protocols*, dated 8-27-19.	GAO-19-55G, *GAO's Agency Protocols*, dated 1-23-19.
35	8.r.	DOE O 471.3, *Identifying and Protecting Official Use Only Information*, current version.	DOE O 471.7, *Controlled Unclassified Information*, current version.
35	9.	CONTACT. Address questions concerning DOE O 224.3A to the Office of the Chief Financial Officer, Office of Financial Policy and Audit Resolution.	CONTACT. Address questions concerning DOE O 224.3A to the Office of the Chief Financial Officer, Office of Financial and Audit Management.