GENERAL SERVICES ADMINISTRATION
Washington, DC 20417

ADM P 2030.2D
March 2, 2010

GSA ORDER

SUBJECT: Internal Audit Follow-up Handbook

1. Purpose. The purpose of this handbook is to provide policies and procedures for use by agency management when responding to and implementing recommendations in audit reports issued by the Office of Inspector General (OIG) and the U.S. Government Accountability Office (GAO).

2. Cancellation. ADM 2030.2C is canceled.

3. Nature of revision. Revisions incorporate updated agency audit follow-up procedures to be used when responding to GAO and terminology changes pertaining to OIG contract (preaward and postaward) reviews in accordance with the Yellow Book standards.

4. Scope. The order concerns actions taken before, during and after an audit report is issued by GAO and after an audit or contract report is issued by the OIG. The order describes the major responsibilities of the agency Audit Follow-up Official and the organizations and officials engaged in audit resolution and follow-up, and the relationships among them.

5. Background. The Internal Control and Audit Division (BEI), was established by ADM 5440.166, dated October 16, 1979, for controlling and monitoring the review and implementation of GAO and OIG internal audit reports. On October 1, 1981, BEI assumed lead responsibility for tracking the resolution and follow-up of OIG contract reports. BEI reports to the Administrator and Deputy Administrator, through the Office of the Chief Financial Officer (B), on the status of management decisions and implementation of final actions.

6. Authorities.

a. GAO Act of 1980, 42 U.S.C. 3523, et seq.

b. Legislative Reorganization Act of 1970, Section 236, Pub. L. 91-510

c. Supplemental Appropriations and Rescission Act of 1980, 42 U.S.C. 1751 et seq.

d. OMB Circular A-50 (Revised, September 29, 1982), Audit Follow-up

e. Federal Claims Collection Act of 1966, 31 U.S.C. 951-955

f. Federal Claims Collection Standards, 31 C.F.R. Parts 900-904

g. Contract Dispute Act of 1978, 41 U.S.C. 601 et seq.

h. Federal Acquisition Regulation 15-808, Price Negotiation Memorandum

i. Federal Acquisition Regulation 15-804-7, Defective Cost or Pricing Data

j. OMB Circular A-19, Legislative Coordination and Clearance

k. Inspector General Act Amendments of 1988, 5 U.S.C. Appx. 2 et seq.

l. Debt Collection Act of 1982, as amended, 5 U.S.C. 2 et seq.

m. OMB Circular A-129, Revised 11/2000, Managing Federal Credit Program

n. National Defense Authorization Act of 1996, Section 810, 104 Pub. L. 106, 5 U.S.C. Appx. 5 nt.

7. Policies, definitions, responsibilities, and procedures. Attached are policies, definitions, responsibilities, and procedures for responding to reports issued by the U.S. Government Accountability Office (GAO) and the Office of Inspector General (OIG), and resolving and implementing management's responses to the reports. Chapter 1 contains policies and responsibilities for the audit resolution and follow-up system. Chapter 2 concerns GAO audits and related procedures. Chapter 3 gives procedures related to OIG internal audit reports. Chapter 4 addresses the handling of OIG contract preaward and postaward reports. Chapter 5 concerns the implementation, follow-up, and tracking of all audit and contract reports. Chapter 6 contains procedures for the development of the Administrators Semiannual Report to the Congress. Appendix A contains timelines and templates for responding to GAO. Appendix B contains terms and definitions.

8. Implementing actions. The Heads of Services and Staff Offices, Regional Managerial Officials, the Inspector General, and the Deputy Administrator shall take all action necessary to implement this order.

/S/

Martha N. Johnson
Administrator

Attachment

AUDIT RESOLUTION AND FOLLOW-UP SYSTEM

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CHAPTER 1. GENERAL

1. Policy.

a. General Services Administration (GSA) management and contracting officials shall act promptly to resolve any differences over audit report findings and recommendations so that final resolution decisions are made within 6 months after the audit report is issued. Section 810, Prompt Resolution of Audit Recommendations, National Defense Authorization Act (February 10, 1996), reemphasized the requirement to resolve all report findings and recommendations within 6 months of the report issuance date (see Appendix D).

b. Section 810 also requires implementation of all corrective action by management officials within 12 months of the reports issuance date. The Act requires the Office of Inspector General (OIG) to include in its Semiannual Report to the Congress those audit reports where final action remains open 12 months after the reports issuance date. Refer to Chapter 4 of this handbook for discussions on 6-month implementation of OIG contract reports and litigation.

2. Responsibilities.

a. As GSAs Audit Follow-up Official, the Deputy Administrator oversees the agencys audit follow-up program and makes final decisions to resolve differences between agency management and the OIG.
b The Chief Financial Officer (CFO) is responsible for ensuring the adequacy of the agencys follow-up system, monitoring the resolution of audit report recommendations, ensuring the prompt implementation of corrective actions, and establishing and implementing GSA policies for controlling and accounting for monetary disallowances as required by OMB Circular A-50 (revised), and Pub. L. 100-504 (see Appendix C).

c. The Heads of Services and Staff Offices (HSSOs) and Regional Managerial Officials to whom audit report findings and recommendations pertain have primary responsibility for resolving and implementing recommendations within the given time frames. Contracting officers and management officials share the responsibility. The performance appraisals of officials responsible for implementing audit report recommendations shall rate their effectiveness in carrying out that responsibility.

d. The Internal Control and Audit Follow-up Officials are senior-level officials appointed by the HSSOs and Regional Managerial Officials that have the responsibility for ensuring that internal controls and audit follow-up required actions are continually monitored and completed on time.

e. The Internal Control and Audit Division Director (BEI).

(1) Under the direction of the Chief Financial Officer (CFO), monitors the operation of the agencys audit follow-up system and advises the CFO and the Audit Follow-up Official of significant issues pertaining to management decisions, contracting officer decisions and implementation of audit report recommendations;

(a) If BEI determines that resolved recommendation(s) have not been or are not being effectively implemented, BEI shall initiate a management review or request a follow-up audit from the OIG. Random reviews of implementation actions may be conducted at the discretion of BEI.

(b) BEI shall monitor management decisions of audit recommendations and ensure that resolved recommendations are implemented under the action plan agreements. BEI shall periodically verify managements implementation of management decisions through compliance reviews.

(2) Ensures that systems of follow-up, management decision, contracting officer (CO) decision and corrective action are documented and in place;

(3) Attends meetings and analyzes decision papers submitted by the Office of Inspector General (OIG) on disputed recommendations and recommends alternative courses of action to the Audit Follow-up Official;

(4) Coordinates all phases of the Government Accountability Office (GAO) audit process in GSA including:

(a) Acts as agency liaison with auditors and officials of GAO;

(b) Acts as agency liaison with GSA officials in the functional areas being audited, including attendance on behalf of the Administrator at opening and closing conferences (GAO entrance and exit meetings) he/she does not attend;

(c) Provides guidance to the Heads of Services and Staff Offices (HSSOs) and the Regional Managerial Officials in preparing draft and final report responses and comments;

(d) Reviews and concurs on the responses to GAO draft and final reports, and assists in coordinating such responses to GAO final reports;

(e) Prepares written statements to the Office of Management and Budget and the Congress on GAO reports;

(f) Establishes systems and procedures to fulfill the above responsibilities;

(5) Maintains an audit report control system that tracks and provides an accurate record of the status of audit reports from report issuance through final implementation of corrective action;

(6) Ensures timely implementation of resolved GAO and Office of Inspector General (OIG) audit report recommendations;

(7) Approves or disapproves all requests for extensions to action due dates;

(8) Coordinates action plan revisions with the OIG;

(9) Notifies the Audit Follow-up Official of OIG reports that remain unresolved 6 months after the report is issued;

(10) Advises the Audit Follow-up Official of any significant resolved audit report or audit recommendation where corrective action is not being implemented in a prompt, effective

manner. The Division Director has the authority to conduct independent management reviews or request OIG follow-up audits.

(11) Prepares semiannual reports for the Audit Follow-up Official to send to the Administrator, in accordance with OMB Circular A-50, Audit Follow-up (Revised), and Pub. L. 100-504, Inspector General Act Amendments of 1988 that require a report to be sent to Congress;

(12) Prepares weekly or monthly reports on the status of audit implementation;

(13) On an as-needed basis, reports to top agency officials and the OIG on management and contracting officer decisions and final action of audit report recommendations;

(14) Ensures that action plans for resolved audit report recommendations are sufficiently detailed for tracking and control and corrective actions are taken on resolved audit report recommendations;

(15) Ensures that the responsible finance office is notified of all resolved audit report recommendations resulting in amounts due the Government or amounts to be withheld from payment by the Government. This includes establishing memorandum accounts, documenting collection actions by means of offsets, suspension or termination of collection pending litigation, appeal or settlement action, collecting and transmitting documentation of all recoveries to the Office of Finance (BC), and other actions required by BC.

f. Service, Staff Office (SSO) and Regional Audit Liaisons. The SSO and Regional audit liaisons are appointed by their respective Head of Service, Staff Office or Regional Managerial Officials to ensure:

(1) Appropriate organizational contacts attend Government Accountability Office (GAO) entrance and exit meetings in coordination with the Internal Control and Audit Division (BEI).

(2) Responses to GAO draft and final reports involving their organizations are prepared on time to meet the response due date by their respective SSO or Region in coordination with BEI;

(3) Responses to OIG audit reports are prepared by their respective SSO or Region, specifying concurrence (with the accompanying action plan) or non-concurrence with each recommendation;

(4) BEI is provided with information to compile audit status reports either through documentation or notification; and

(5) BEI personnel have timely and complete access to all audit resolution records when field reviews are performed.

g. The Inspector General.

(1) Conducts independent audits and reviews of GSA programs, operations, activities, and contractors;

(2) Prepares responses to managements written determinations (the responses establish the resolution status of the corresponding OIG findings and/or recommendations);

(3) Reviews GSA programs, operations, and activities to ensure that timely corrective action has been taken on resolved audit recommendations;

(4) Follows up to ensure that management officials and contracting officers respond to OIG reports on a timely basis;

(5) Evaluates the adequacy of managements and contracting officer responses to OIG reports;

(6) Refers to the Audit Follow-up Official significant OIG audits and reviews that remain unresolved 6 months after a report was issued;

(7) Periodically evaluates OIG audit recommendations, resolution decisions, and corrective actions. Determines trends and systemic problems in GSA and recommends solutions; and

(8) Evaluates the audit follow-up system in GSA to determine whether it results in efficient, prompt, and proper resolution and corrective action on audit recommendations.

h. The Contracting Official.

(1) Ensures that a decision between the contracting officer (CO) and the auditor is achieved within the time frames established by this order;

(2) Notifies the Internal Control and Audit Division (BEI) and the auditor in writing or email when another CO is assigned to respond to the OIG contract report;

(3) Ensures that the process of resolving contract report disputes is adhered to, as established by this order; and,

(4) Ensures that the final action documentation to a contract report (prenegotiation position, price negotiation memorandum, notice that the proposed award is canceled, contract award, modifications, etc.) is submitted to the Regional Inspector General for Auditing (RIGA) with a copy to BEI.

i. The Chief Human Capital Officer. Responsible for establishing GSA-wide policy and procedures to ensure that the performance appraisals of appropriate management officials and, if appropriate, contracting officials reflect their effectiveness in resolving and implementing OIG findings and audit recommendations.

j. The Chief Acquisition Officer. Responsible for providing technical support to the Audit Follow-up Official on disputed audit recommendations involving procurement matters.

k. The General Counsel.

(1) Reviews management and contracting officer responses to OIG reports involving legal issues or decisions not to accept findings or audit recommendations and advises on the legality of the proposed response;

(2) Attends negotiation conferences with contractors or potential contractors when requested by the contracting officer;

(3) Provides BEI with information concerning the status of pending litigation, appeals or settlements;

(4) Provides the appropriate finance office with information regarding litigation risks on pending claims so that adjustments can be made to allow for doubtful accounts; and

(5) Provides BEI with verification of current status of audits in litigation.

CHAPTER 2. U.S. GOVERNMENT ACCOUNTABILITY OFFICE (GAO) AUDIT REPORTS

1. Issuance of reports. GAO audit reports (in letter or bound form) may be directed to (1) the Congress, (2) specific members of Congress, (3) Congressional Committees, (4) the Administrator,
(5) the Heads of Services or Staff Offices (HSSOs); or Regional Managerial Officials.

2. Responses to GAO notification letters. GAO transmits copies of all notification letters to the GSA Administrator via electronic mail to the Internal Control and Audit Division Director (BEI). GAO notification letters misdirected to other managers in GSA should be forwarded to the BEI Division Director.

a. BEI prepares an electronic mail summary to the Administrator, the Chief of Staff, the Deputy Administrator and responsible senior management.

b. BEI notifies the appropriate officials of the upcoming reviews, and ensures an entrance conference is set between GSA and GAO within the timeframe requested by GAO.

3. Responses to GAO reports containing no recommendations to GSA. GAO final reports without recommendations normally do not require a response from GSA. However, a response is required for GAO draft reports issued to GSA that do not contain recommendations.

a. Comments to GAO draft reports without recommendations containing sensitive issues require the preparation of a response on Administrator letterhead for the signature of the Administrator and shall go through the required agency review and concurrence process.

b. Comments or no comment responses to non-sensitive GAO draft reports without recommendations shall be submitted electronically to the BEI Division Director, (include a point of contact) in the required timeframe issued by BEI for transmittal to GAO. No comment responses shall include the reason(s) for submitting a no comment response. The BEI Division Director will electronically transmit GSAs comments to non-sensitive GAO draft reports without recommendations to the appropriate GAO auditor.

4. Responses to GAO reports containing recommendations to GSA. GAO draft and final reports containing recommendations require a response from GSA. The amount of time available for the agency to comment on a GAO draft report is determined on a facts-and-circumstances basis, i.e., the time the response is due back to the requester. GAO will generally give an agency from 7 to 30 calendar days to comment on a draft report. Statutory law requires the agency head to submit not later than 60 days after the date of the report a written statement of the actions to be taken in response to a GAO final report with recommendations.

a. In addition to the concurrence of the originating/responding organization(s), all formal responses to GAO draft and final reports require the review and concurrence of the Director of the Internal Control and Audit Division, the Chief Financial Officer, the General Counsel, the Associate Administrator for the Office of Congressional and Intergovernmental Affairs, and the Executive Secretariat Division prior to final correspondence package review by the Deputy Administrator, the Chief of Staff and the Administrator. In addition, final responses require the concurrence of the Office of Communications and Marketing (Z).

b. Draft reports. Draft reports are usually sent to GSA by GAO for oral or written comment before the final reports are issued. GSA only provides written comments. GAO normally publishes agency comments in final reports, depending on the type of comments and if the agency responded by the established deadline. The responding Heads of Services and Staff Offices (HSSOs) and Regional Managerial Officials are responsible for meeting the deadlines (see Appendix A). GSA responds to the Comptroller General of the United States, with a copy to the senior auditor in charge of the review, addressing the findings, conclusions, and recommendations for GSA in the draft report. The address, response timeline and required GSA response templates are in Appendix A.

(1) Response format for draft reports with recommendations or sensitive reports. Following the agency executive correspondence review process, the response is to be prepared in final form for the signature of the Administrator using one of the templates in Appendix A. Envelopes are not required. Responses should address the findings made to GSA. An action plan is not required when responding to GAO draft reports.

(2) Disagreement with managements response. The Director, Internal Control and Audit Division (BEI) will review the response to a GAO draft report through the Executive Secretariat Divisions administrative process and make revisions when necessary. In the event that BEI disagrees with the proposed response, BEI will work with the Head of a Service or Staff Office to resolve managements response. If resolution cannot be reached, BEI shall prepare and forward a decision paper to the Audit Follow-up Official for resolution.

(3) Distribution. The Executive Secretariat Division will provide the original signed letter and a scanned copy to BEI and BEI will ensure that GAO receives the response. The Executive Secretariat Division will provide copies of the response to the appropriate Heads of Services and Staff Offices, in accordance with agency distribution procedures and the correspondence package is returned to the originating office for filing purposes.

c. Final reports. Agency comments on final reports containing recommendation(s) directed to GSA shall be submitted to the appropriate Chairmen and Ranking Committee members, with copies to the Comptroller General and the Office of Management and Budget (OMB) Director. Responses may also be required to be directed to other Committees depending on the nature of the report. The responding Heads of Services and Staff Offices are responsible for meeting the deadlines (see Appendix A).

(1) Response format. Responses are to be prepared in final form for the signature of the Administrator using one of the templates in Appendix A. Envelopes are to be included for each response letter. Responses should address the findings, conclusions, and recommendations made to GSA and identify any action taken or planned in response to each significant finding or

recommendation. An action plan for agency (BEI) tracking purposes (see Figure 5-1 in Chapter 5) is to be prepared for all planned actions and included in the response package. Action plans for BEI tracking purposes and supporting documentation submitted to BEI in response to GAO final reports do not leave GSA unless BEI receives a specific request from GAO.

(2) Disagreement with managements response. BEI will review the final response to a GAO final report and make revisions when necessary. In the event that BEI disagrees with the proposed response, BEI will work with the Head of a Service or Staff Office to resolve managements response. If resolution cannot be reached, BEI shall prepare and forward a decision paper to the Audit Follow-up Official for resolution.

(3) Distribution. The Office Executive Secretariat will mail out the responses, unless other guidance is provided by BEI, and will provide scanned copies to BEI. Copies of the final responses are sent to the appropriate Heads of Services and Staff Offices, in accordance with agency distribution procedures and the correspondence package is returned to the originating office for filing purposes.

(4) Office of Management and Budget Clearance. GSA responses to Congressional Committees, individual members of Congress or GAO, are subject to advance coordination and/or clearance by OMB when the statement:

(a) Expresses views on proposed or pending legislation as discussed in OMB Circular A-19;

(b) Deals with other agencies; or

(c) Deals with Executive Branch budget policies.

(5) Advance clearance requests. Requests for advance clearance and/or coordination will be coordinated through BEI. Written requests will be addressed to the Director, OMB, and will be forwarded in duplicate to BEI. Clearance with OMB shall be completed prior to issuance of the agency response.

CHAPTER 3. OFFICE OF INSPECTOR GENERAL INTERNAL AUDIT REPORTS

1. Issuance of reports. Office of Inspector General (OIG) internal reports may be directed to (a) the Heads of Services or Staff Offices (HSSOs), (b) the Administrator, (c) Regional Managerial Officials

a. Draft reports. Draft reports generally are issued to the audited organization(s) to allow them an opportunity to respond formally to findings and recommendations. Copies of draft reports normally are not forwarded to the Internal Control and Audit Division (BEI) and are not part of the formal audit resolution process. However, depending on the criticality, draft reports may be tracked by BEI.

b. Alert reports. During the course of an audit, the audit team may determine that a particular finding must be brought to managements attention immediately. In this instance, an alert report is issued to management with a copy to BEI. Management has the opportunity to submit comments to the alert report finding(s) once the final report is issued.

c. Final reports. Final reports present the final results of the audit and generally contain managements comments on draft reports. The report is issued to the audited organization(s) with a copy to BEI. Final reports are subject to the requirements stated in Chapter 5. For Regional audits, copies are also issued to the respective HSSO(s).

2. Management decision process. The Deputy Assistant Inspector General for Auditing (DAIGA) or Regional Inspector General for Auditing (RIGA) issues a final report to the audited organization, copy to BEI. Each audit report will contain a Management Decision Record (MDR) (see Figure 3-2.1).

a. Management will respond to the OIG internal audit report, copy to BEI, within 60 calendar days of report issuance (see Figure 3.2.2). The response shall include a completed MDR and action plan. For reports issued to Regional Managerial Officials, the Regional Managerial Officials response, including an action plan and completed MDR, is submitted to the appropriate Head of Service and Staff Office (HSSO), with copies provided to BEI and the DAIGA/RIGA, within 40 calendar days from the date of issuance of the audit report. Following approval, the HSSO submits a formal response with the action plan and MDR to the DAIGA/RIGA with a copy of each to BEI, within 60 calendar days from the date of issuance. If the DAIGA/RIGA has not received a copy of the action plan and MDR from the Regional Managerial Official within 45 calendar days, he/she shall follow up in writing to a Regional Managerial Officials or HSSO with a copy to the appropriate HSSO, BEI, and DAIGA/RIGA.

(1) Managements response indicating concurrence shall document actions already taken in response to a recommendation and action plans (see Chapter 5) for actions not yet taken. DAIGA/RIGA acceptance of the documentation as evidence of implementation of recommendations shall be forwarded to the HSSO in writing by the AIGA and shall constitute a management decision (copy to BEI).

(2) Managements response indicating non-concurrence shall state the basis for the determination. In cases involving legal issues, the response shall be cleared by the Office of General Counsel and shall reflect the legal basis for such decisions.

b. When agency management has not submitted a written determination within 60 calendar days, the DAIGA/RIGA shall notify the appropriate HSSO by memorandum, copy to BEI. If a response is not received within 7 calendar days from the date of the DAIGA/RIGA memorandum, the Assistant Inspector General for Auditing (AIGA) or designee will refer the matter to the Audit Follow-up Official for appropriate action.

c. Within 90 calendar days from the date of the audit report, the AIGA shall forward to the Head of Service and Staff Office (HSSO) a written response to managements determination on the audit, copy to the Internal Control and Audit Division (BEI); and for internal audits issued to Regional Managerial Officials, copy to the appropriate Regional Managerial Official, or HSSO.

(1) AIGA agreement with managements determination shall constitute resolution of the audit.

(2) In the event of disagreement with the management determination, the Office of Inspector Generals (OIGs) response shall explain the reason for disagreement and shall request that the appropriate Regional Management Official meet with the DAIGA/RIGA in an effort to resolve the matter, copy to BEI.

d. In instances of disagreement with agency management, the Regional Management Official, and the DAIGA/RIGA or designee shall meetwithin 105 calendar days from the date of the audit reportin an effort to achieve a management decision. The audit liaison official shall notify BEI of the date, time, and place of the meeting.

(1) If agreement is reached, the HSSO shall, as necessary, submit a revised response to the audit report to the DAIGA/RIGA, copy to BEI. Written concurrence by the AIGA on managements revised response constitutes a management decision.

e. If a management decision is not achieved at the Regional Management Official level, the HSSO and the AIGA or designee shall meet within 120 calendar days of the date of the report in an effort to achieve a management decision. The audit liaison official shall notify BEI of the date, time, and place of the proposed meeting.

(1) When agreement is reached, the HSSO shall submit a revised response to the audit report to the OIG, copy to BEI. Written concurrence by the AIGA to the response constitutes a management decision.

(2) If a management decision is not achieved, a decision paper will be prepared as described in subpar. f, below.

f. If a management decision is not achieved at the HSSO level, the IG or designee shall submit within 135 calendar days from the date of audit reporta decision paper to the Audit Follow-up Official, copy to BEI. The paper shall detail the areas of disagreement between management and the OIG, and shall request that the Audit Follow-up Official resolve the matter. The decision paper shall be sent for comment to the HSSO and returned to the OIG before it is submitted to the Audit Follow-up Official.
g. The Audit Follow-up Official may refer the matter to BEI for review but shall make a decision within 165 calendar days from the date of the audit report and document that decision on the decision paper. The Audit Follow-up Officials decision shall constitute a management decision. The Audit Follow-up Officials documented decision shall be forwarded to the HSSO, OIG, and BEI.

h. When monetary recoveries to the Government are involved, BEI will be notified that a management decision has been accomplished by issuance of an MDR. BEI will advise the Financial and Payroll Services Division (BCE) and Financial Services Division (BCF) of the amount of money and the contractors name so that a memorandum account may be established.

Figure 3-2.1 Example Management Decision Record for Internal Audit (follows)

Calculation of the Auditors Questioned Costs or Funds Put to Better Use:
The calculation below is the audit teams estimate of the potential recoveries/savings based on the information that
supported our report recommendations.

Response Timeline for Office of Inspector General (OIG) Final Audit Reports with Recommendations
Day 1
Final report issued to the audited organization.
Calendar day 40
For a reports issued to a Regional Managerial Official, the action plan and Management Decision Record (MDR) are due to the Head of Service or Staff Office (HSSO) with copies to the Deputy Inspector General for Auditing (DAIGA)/Regional Inspector General for Auditing (RIGA) and the Internal Control and Audit Division (BEI).

If DAIGA/RIGA has not received managements response within 45 days, a written request will be sent to the Regional Managerial Official with copy to HSSO and BEI.
Calendar day 60
HSSO clears the Regional Managements Officials action plan and sends it with the MDR to the DAIGA/RIGA, copy to BEI, as managements written determination.

For audits issued to organizations other than the Regions, the action plan and MDR are due to the DAIGA/RIGA, with copy to BEI.

If a written determination (and action plan) has not been submitted, the DAIGA/RIGA shall notify the HSSO in writing, copy to BEI.
Calendar day 90
AIGA will send a written response to the HSSO/Regional Managerial Official, agreeing or disagreeing with the management decision.
Calendar day 105
If there is a disagreement, the Regional Managerial Official and DAIGA/RIGA shall meet to achieve a management decision.
Calendar day 120
If a management decision is not achieved by the Regional Managerial Official, the HSSO and AIGA or designee will meet to achieve a management decision.
Calendar day 135
If a decision still is not achieved, the IG or designee will submit a decision paper to the Audit Follow-up Official, copy to BEI.
Calendar day 165
The Audit Follow-up Official will make a decision.
Calendar day 183
Deadline for a management decision, as required by Section 810, Prompt Resolution of Audit Recommendations.

Figure 3-2.2 Timeframes for Processing Actions on Internal Audits

CHAPTER 4. OFFICE OF INSPECTOR GENERAL CONTRACT REPORTS (PREAWARD AND POSTAWARD REPORTS)

1. Preaward reports. These are advisory reports prepared to provide the contracting officer (CO) with an evaluation of the data supporting a proposal. Reviews of initial pricing proposals, change orders, claims, and other preaward reviews involving findings on contractor estimates of future costs are considered preaward reports for purposes of this chapter. The contracting officer is provided the information in the report as a negotiating tool, and in addition to the requirements stated in par. 2, below, shall:

a. Notify the Regional Inspector General for Auditing (RIGA) and obtain concurrence before releasing the report to the contractor. Upon releasing it, the contracting officer shall send a copy of the transmittal letter to the RIGA and Internal Control and Audit Division (BEI).

b. Contact the RIGA before achieving a contracting officer decision, in accordance with Chapter 4, paragraph 2 (CH 4-2) so that a reasonable exchange of information can occur regarding the report and any disagreements the CO has with the report, in an attempt to resolve outstanding issues prior to commencement of negotiations.

c. Sign the Decision Record (DR) and submit to the RIGA, copy to the Internal Control and Audit Division (BEI), within 60 days of the report issuance date or before achieving a contracting officers decision, in accordance with CH 4-2, whichever is sooner.

(1) If the contracting officer does not submit within 60 calendar days of the report issuance date a signed DR, the RIGA shall notify the contracting officer by memorandum (copy to the supervisory contracting officer, the Assistant Inspector General for Auditing (AIGA), BEI, and, as appropriate, the contracting director, and Regional Managerial Official).

(2) If the DR is not received within 10 calendar days from the date of the RIGAs memorandum, the RIGA shall notify the AIGA, who shall refer the matter to the Audit Follow-up Official for action (copy of referral to BEI).

d. The contracting officer is to provide the RIGA advance notice of planned negotiation sessions with the contractor so plans can be made to attend and answer any audit-related matters.

2. Contracting officer decision on preaward reports. A preaward report is considered resolved when a contracting officer decision is made, when a contract price is negotiated, or when a decision is made to cancel the proposed award. OMB Circular A-50 (see Appendix C) exempts preaward reports from the 6-month management decision requirement. However, Section 810, Prompt Resolution of Audit Recommendations, of the National Defense Authorization Act, effective February 10, 1996 (see Appendix D), directs prompt resolution of all audit report findings and recommendations, including preaward reports, within 6 months of the report issuance date, and completion of final action within 12 months of the report issuance date.

a. The contracting officer shall notify the RIGA and obtain concurrence before releasing the report to the contractor. Upon releasing it, the contracting officer shall send a copy of the transmittal letter to the RIGA and BEI.

b. The contracting officer decision process begins when the OIG transmits a preaward report to the contracting officer. Each report will contain a Decision Record. See Figure 4-2, for an example of the Decision Record for Contract Reviews.

c. The contracting officer reviews the report for the purpose of either agreeing or disagreeing with the finding(s). Disagreements should be discussed with the RIGA after report review. Within 60 days of the report issuance date or prior to implementing the contracting officers decision in Chapter 4, paragraph 2 (CH 4-2), whichever is sooner, sign and return the DR to the Regional Inspector General for Auditing (RIGA). The RIGA shall sign the DR and forward it to the Audit Planning, Policy, and Operations Staff (JAO), copy to the contracting officer and BEI.

d. The contracting officers signature on the Decision Record (DR) represents:

(1) Agreement with the substance of each report finding(s), and/or agreement with the auditors calculation of and intent to achieve estimated savings for Funds Put to Better Use and/or Questioned Costs.

(2) Disagreement or partial disagreement with the report finding(s) when any of Chapter 4, paragraph 4.b(1) applies.

(a) Within 60 calendar days of report issuance date or prior to implementing the contracting officers decision in CH 4-2, whichever is sooner, sign and return the DR to the RIGA with a written justification containing the basis for decisions not agreeing with the report findings. In cases involving legal issues, the response shall be cleared by the Office of General Counsel and shall reflect the legal basis for such decisions. This will allow for opening the lines of communication to discuss differences. The RIGA may request and the contracting officer should consider temporarily suspending contracting actions.

(b) After a reasonable and timely discussion to clarify/understand each others position and resolve differences but no more than 75 days after the report issuance date, final decision to proceed rests with the contracting officer. The contracting officer shall prepare a document explaining their final position relative to the report finding(s), including rationale for not using the report findings, any discussions with the RIGA, and the position of the RIGA. Submit the document to the RIGA, copy to the supervisory contracting officer, contracting director, BEI and, as appropriate, the Regional Managerial Official.

(c) The RIGA, if in disagreement with the contracting officers final position or the original 60-day contracting officers response retains the right to escalate the issues to the appropriate agency officials. The RIGA shall notify the AIGA or designee, who will initiate contact with the appropriate agency officials to resolve the issues. Furthermore, the auditor may request to the CO and/or appropriate agency officials that actions be temporarily suspended in order to discuss the differences. This will allow for opening the lines of communication to resolve differences. Since the auditor shall not impede the COs decision-making process in administering the contract, final decision in proceeding rests with the CO.

(3) The OIG recognizes that prenegotiation objectives may involve the use of the report finding(s) as well as other techniques and procedures set forth in the FAR and/or other guidance. The OIG also recognizes that negotiations may not always yield the contracting officers targeted prenegotiation objectives or the auditors identified savings. The price negotiation memorandum (PNM) shall therefore summarize resultant negotiations as stated in the contracting officers prenegotiation objectives, including, the contracting officers discussion(s) with the RIGA and the reasons for any variations from the preaward report findings.

3. Postaward reports. Postaward reports normally are prepared to inform the contracting officer whether a contractor adhered to the contract terms and conditions or, for negotiated awards based on cost or pricing data, whether the data submitted by the contractor and used as the basis for price was current, accurate, and complete. The contracting officer (CO) shall use the information contained in the report to the extent possible, and in addition to requirements established in paragraph 4, below, shall:

a. Notify the Regional Inspector General for Auditing (RIGA) and obtain concurrences before releasing the report to the contractor. Upon releasing it, the contracting officer shall send a copy of the transmittal letter to the RIGA and the Internal Control and Audit Division (BEI).

b. Contact, the RIGA before achieving a contracting officer decision so that a reasonable exchange of information can occur regarding the report and any disagreements the CO has with the report, in an attempt to resolve outstanding issues prior to commencement of negotiations.-

4. Contracting officer decision on postaward reports.

a. The contracting officer decision process begins when the RIGA transmits the final postaward report to the contracting officer.

b. Section 810, Prompt Resolution of Audit Recommendations, of the National Defense Authorization Act, effective February 10, 1996 (see Appendix D), directs prompt resolution of all audit report findings and recommendations, including postaward reports, within 6 months of the report issuance dates, and completion of final action within 12 months of the report issuance date.

c. Within 60 calendar days from the date of the contract report, the contracting officer shall submit to the RIGA (copy to BEI) the contracting officers position using the Decision Record (DR). This document shall detail the contracting officers position on all costs questioned in the report. In the event of non-concurrence with the report, the response shall be cleared by the Office of General Counsel and shall reflect the legal basis for such decisions.

d. The RIGA shall communicate with the CO and appropriate officials to resolve any disagreements. If an agreement is reached, the RIGA shall document the issue of agreement and sign the bottom of the documented issue of agreement, obtain the CO signature on the same document, sign the DR, and submit all documents to the Audit Planning, Policy, and Operations Staff (JAO), with a copy to BEI and CO.

(1) If the Regional Inspector General for Auditing (RIGA) is unable to achieve agreement, the RIGA has the option of escalating the issue or signing the Decision Record (DR).

(2) If the CO disregards established decision process procedures, the OIG retains the option to escalate in accordance with Chapter 4, paragraph 4

e.   If the contracting officer does not submit, within 60 calendar days of the report issuance date, a signed Decision Record (DR), the RIGA shall notify the contracting officer (CO) by memorandum, copy to the supervisory contracting officer, the Assistant Inspector General for Auditing (AIGA), BEI, and, as appropriate, the contracting director and the Regional Managerial Official. If the DR is not received within 10 calendar days from the date of the RIGAs memorandum, the RIGA shall notify the AIGA, who shall refer the matter to the Audit Follow-up Official for action (copy of referral to BEI).

f.   The OIG recognizes negotiations may not always yield the COs targeted objectives or the auditors identified savings. The price negotiation memorandum (PNM) shall therefore summarize resultant negotiations, as stated in the contracting officers negotiation objectives including, the contracting officers discussion(s) with the RIGA.

g. Within 75 calendar days from the date of the report.

(1) If the auditor agrees with the decision record, the auditor will sign the DR and forward the form to the Audit Planning, Policy, and Operations Staff (JAO),BEI and the contracting officer.

(2) If the auditor disagrees, the auditor may request to the CO and/or appropriate management officials that actions be temporarily suspended in order to discuss the differences. This will allow for opening the lines of communication to resolve differences. Since the auditor shall not impede the COs decision-making process in administering the contract, final decision in proceeding rests with the CO.
(3) The contracting officer shall summarize his/her actions in the PNM and submit a copy to the auditor and BEI.

h. CO decision meetings shall be as follows:

(1) Regional reviewswithin 80 calendar days from the date of the report, the Regional Managerial Official and RIGA shall meet to resolve the issue.

(a) If agreement is reached, the Regional Managerial Official shall submit a revised response to the RIGA, copy to BEI. The RIGA shall sign the DR.

(b) If the issue cannot be resolved, the RIGA may refer the matter to the appropriate Central Office Assistant Commissioner or equivalent and BEI. The RIGA shall notify the AIGA or designee, who will initiate contact with the appropriate Central Office Assistant Commissioner, to resolve the issue.

i. For Central Office audits or Regional audits not resolved at the Regional level, the Regional Management Official and the AIGA or designee shall meetwithin 90 days from the date of the reportin an effort to achieve a decision. The audit liaison official shall notify BEI of the date, time, and place of the meeting;

(1) If agreement is reached, the Regional Management Official will submit a revised response to the report to the Assistant Inspector General for Auditing (AIGA), copy to BEI. The AIGAs written concurrence with managements revised response constitutes a contracting officer decision.

(2) If a decision is not achieved, the AIGA or designee will request a meeting with the HSSO. These officials shall notify BEI of the date, time, and place of the meeting.

(3) If a decision is not achieved at the Regional Management Official, the Head of Service or Staff Office (HSSO) and the AIGA or designee will meet, within 105 calendar days of the date of report, in an effort to achieve a management decision.

(4) If agreement is reached, the HSSO shall submit a revised response to the report to the AIGA, copy to BEI. The AIGAs written concurrence with managements revised response constitutes a management decision.

(5) If a decision is not achieved, the Inspector General (IG) or designee shall advise the HSSO of his/her intention to prepare a decision paper for the Audit Follow-up Official.

j. If a management decision is not achieved at the HSSO/IG level, the IG or designee shall submit, within 120 calendar days from the date of the report, a decision paper to the Audit

Follow-up Official. This paper shall detail the areas of disagreement between agency management and the Office of Inspector General (OIG), and shall request that the Audit Follow-up Official make a final decision on the matter. The decision paper shall be given to the appropriate HSSO for comment and returned to the OIG for submission to the Audit Follow-up Official.

k. The Audit Follow-up Official may appoint an Acquisition Review Board to review and make recommendations on disputed report findings referred to the Audit Follow-up Official. The Acquisition Review Board shall consist of at least three members representing the Office of the Chief Financial Officer, the Office of General Counsel and the Office of the Government Wide Policy. The Board will transmit its recommendations to the Audit Follow-up Official within 140 calendar days from the date of the report.

l. The Audit Follow-up Official will notify within 150 calendar days from the date of the report, the HSSO, OIG and BEI of the final decision on any matter referred for management decision.

5. Procedures for monetary recoveries. The Chief Financial Officer shall have procedures that provide for:

(a) Establishing accounting controls over amounts owed to the Government as a result of management decisions;

(b) Establishing an account receivable for amounts owed to the Government, within 30 calendar days after receipt of the contracting officers demand for payment (the recording of the receivable is to be accomplished even though such determinations are subject to administrative appeal or litigation);

(c) Charging and recording of interest on audit-related debts using the interest rate at FAR 32.610, Demand for payment of contract debt and specified in contract clause FAR 52.232-17, Interest. In addition, penalty and administrative costs will be charged and recorded in accordance with the Debt Collection Act of 1982 and 41 C.F.R. 105-55.005.

(d) Pursuing collection of amounts due GSA in accordance with prescribed procedures for non-Federal receivables; and

(e) Monitoring write-offs of uncollectible accounts.

Calculation of the Questioned Costs and/or Funds Put to Better Use:
The calculation below is the audit teams estimate of the potential recoveries/savings based on the information that supported the report findings.

Non-Monetary Findings:

The report contains non-monetary findings which are briefly summarized below. We encourage the CO to achieve a mutual decision on the findings with the audit team, prior to negotiations,

as we believe the findings will impact the outcome of the COs negotiations.

Finding:____
____
____
____
____
____
____

Finding:

Finding:

CHAPTER 5. IMPLEMENTATION

PART 1. GOVERNMENT ACCOUNTABILITY OFFICE (GAO), OFFICE OF INSPECTOR GENERAL (OIG) INTERNAL AND CONTRACT REPORTS

1 Completion of action plans. Action plans shall be prepared in the format shown in Figure 5-1 for all recommendations. For recommendations containing a monetary recovery, the action plan should state clearly a due date when full recovery is anticipated. The following guidelines apply when completing an action plan:

a. Prepare one sheet for each recommendation. The Internal Control and Audit Division (BEI) will enter the data into its report control system for tracking purposes. When identical action(s) apply to more than one recommendation, they can all be shown on the same sheet.

b. If a recommendation requires more than 120 calendar days for complete implementation, show the planned actions in a series of steps at no more than 120-calendar day intervals. If the 120-day updates are not listed on the plan, BEI will request such updates.

c. If a recommendation requires an unfunded expenditure and cannot be programmed in the current fiscal year, then the expected date of funding should be shown on the action plan with action steps at 120-day intervals.

d. Stipulate realistic completion dates for each recommendation/action step. Offices will have to justify in writing dates challenged by BEI.

e. If implementation of an action step(s) has already been completed, shows completed on the action plan and include supporting documentation in the response package for management and OIG review and approval.

f. Section 810, Prompt Resolution of Audit Recommendations, of the National Defense Authorization Act, effective February 10, 1996 (see Appendix D), requires prompt resolution of all audit report findings and recommendations within 6 months of the report issuance date, and completion of final action within 12 months of the report issuance date. The Act requires the Office of Inspector General to report to Congress those audit reports where final action remains open 12 months after the report issuance date.

2. Follow-up on action plans.

a. Completed recommendations/action steps shall be supported by documentation. Generally, documents generated in the implementation of the recommendation are acceptable for this purpose. These documents shall also be labeled with the corresponding recommendation/action step number.

b. BEI shall assess the adequacy of documentation that it receives. BEI and the applicable Service/Staff Office/Region may request further documentation as required.

c. If documentation cannot be provided by the date due, the designated responding official will submit to BEI a written request (may be an e-mail) for an extension as soon as it is known an extension will be necessary. The request will explain why more time is needed. BEI will review the extension request and notify the service liaison of its acceptance.

d. If there is no request to extend the due date, BEI shall report the slippage in the monthly status report and notify the designated responding official until a new due date is requested or until acceptable documentation is received in BEI to complete action on the recommendation or step.

e. Significant recommendations with steps open and overdue for 60 calendar days or more after the initial due date will be brought to the attention of upper management. Upon notification by BEI, the Audit Follow-up Official shall meet with the Director of the Internal Control and Audit

Division and the HSSO involved discussing the delay. The meeting shall result in a final deadline for action. If the deadline is not met, the Audit Follow-up Official shall consider appropriate management action.

f. BEI shall notify the HSSO liaison, JAO, and responsible DAIGA by letter or e-mail when all recommendations have been satisfactorily implemented and the report has been closed.

g. If the Internal Control and Audit Division (BEI) determines that resolved recommendations have not been or are not being effectively implemented, BEI may initiate a management review or request a follow-up audit from the Office of Inspector General (OIG). Random reviews of implementation actions may be conducted at the discretion of BEI.

h. In the event a resolved action plan later requires changes or deletion (this refers to the actual step, not the due date), the Head of Service, Staff Office (HSSO) or their designated responding official will forward the new action plan along with a request for the change to BEI. BEI shall review the new action plan. Upon agreement, BEI will forward the revised action plan to the OIG for its review and concurrence.

i. BEI shall monitor management decisions of audit recommendations and ensure that resolved recommendations are implemented under the action plan agreements.

3. Litigation/investigation. Sometimes audit reports become the subject of litigation or investigation prior to completion of a management decision. In such instances, a management decision shall be held in abeyance until the completion of the action, at which time the 60-calendar day response time begins again. The OIG shall notify the appropriate RA and HSSO, copy to BEI, of the beginning and ending of the litigation or investigation.

4. OIG contract reports.

a. Section 810, Prompt Resolution of Audit Recommendations, of the National Defense Authorization Act, effective February 10, 1996 (see Appendix D), requires prompt resolution of all audit report findings and recommendations within 6 months of the report issuance dates, and completion of final action within 12 months of the report issuance date. The Act requires the Office of Inspector General to report to Congress those audit reports where final action remains open 12 months after the report issuance date.

b. Contracting officers negotiation with the contractor implementing the resolution of preaward and postaward reviews shall be in accordance with Federal Acquisition Regulation Part 15.

Figure 5-1. Action Plan Format (Part 1 of 2)

ACTION PLAN

Designated Responding Official: (name of responsible manager)
Contact Person: (contact person for recommendation)
Telephone Number: (phone number of contact person)
Date: (date plan was prepared) Audit Report
Number/Title Recommendation

Number Proposed Recommendation
Completion Date

Enter report number.
Enter abbreviated title of audit.

Enter recommendation number.

Enter last due date on action plan

Recommendation
Enter entire recommendation. (in this cell)
Action to be Taken Step by Step Enter each step to be taken to implement recommendation. Number steps consecutively. Supporting Documentation to be Sent to BEI.
Enter the type of documentation that will be sent to confirm completion of each step.
Documentation will be Sent Last Day of
Enter the due date each step will be completed by.

Figure 5-1. Action Plan Format Completed (Part 2 of 2)

ACTION PLAN

Designated Responding Official: Mitchell Robert, Division Director
Contact Person: Madelyn Kay, Management Analyst
Telephone Number: 1-703-924-2899
Date: 8/15/08 Audit Report
Number/Title Recommendation
Number Proposed Recommendation
Completion Date
A91800/P/5/V00098 1A 12/15/08

FSS Inventory Systems

Recommendation
The Commissioner to revise inventory handbook to include internal controls over computer systems.

Action to be Taken Step by Step
Supporting Documentation to be Sent to BEI Documentation will be Sent Last Day of

1. Prepare draft of handbook. Draft of handbook 8/15/08
2. Issue draft for comments. Copy of E-mail requesting comments. 10/15/08
3. Reconcile comments. E-mail notification to BEI 11/15/08
4. Issue final handbook Copy of final handbook 12/15/08

PART 2. OIG PREAWARD REPORTS

5. Completion of response.

a. Prenegotiation position. The contracting officer shall prepare his/her prenegotiation position which should include actions to be taken as a result of the report (e.g., cancellation of proposed award, or negotiation of a revised contract price). When a Final Decision by the Contracting officer is prepared as a result of disagreeing with the finding(s), the prenegotiation position shall incorporate this final decision.

b. Postnegotiation facts. Within 10 calendar days after the conclusion of the negotiation, the contracting officer will prepare and submit to the Regional Inspector General for Auditing (RIGA), copy to the Internal Control and Audit Division (BEI), a price negotiation memorandum (PNM) detailing the principal elements of the negotiation. The PNM shall be prepared in accordance with Federal Acquisition Regulation Part 15. In addition, the audit number should be cited in the applicable PNM.

6. Follow-up.

a. Where the negotiated amount varies significantly from the cost and pricing data and/or funds put to better use and/or questioned costs appearing in the report, and is unjustified, BEI shall review the variance with the contracting officer and appropriate management officials for an explanation. If appropriate, as determined by BEI, the matter may be referred to the Audit Follow-up Official for action.

b. BEI may conduct follow-up reviews and field visits at its discretion.

PART 3. OIG POSTAWARD REPORTS

7. Completing the contracting officer's position.

a. Implementation begins when the Regional Inspector General for Auditing (RIGA) or the Audit Manager countersigns the contracting officer's position memorandum and sends copies to the operating unit and the Internal Control and Audit Division (BEI). For reviews resulting in amounts due to the Government, BEI shall notify the Payroll, Accounting, and Financial Services, Heartland Center (6BC) or Accounting and Financial Services, Greater Southwest Center (7BC) that a memorandum account should be established.

b. Upon receipt of an appropriately countersigned contracting officer's position memorandum, the contracting officer starts negotiations with the contractor.

8. Completing the final response. Upon conclusion of negotiations with the contractor, the contracting officer shall prepare a price negotiation memorandum (PNM), which, among other things, will summarize the disposition of the report findings. Copies of the PNM, settlement agreement, contracting officer's findings and determinations and/or demand-for-payment letter are sent to the RIGA, BEI, and 6BC or 7BC. A final decision shall be rendered in 90 days, after the issuance of a contracting officer decision or a written position paper explaining why it is beneficial to the Government not to issue a decision at this time.

9. Collecting debts. The contracting officer will notify and provide supporting documentation to the 6BC or 7BC, copy to BEI, on any amounts due to GSA as a result of report findings. The finance office also will receive a copy of the demand letter and take action as prescribed in

Chapter 3, paragraph 2h, of this order. If negotiations result in no monetary recovery, BEI shall notify the appropriate regional finance division to delete the memorandum account.

Note: 7BC has responsibility for claims for PBS and 6BC has responsibility for all others.

10. Appeals. If a contractor appeals the final determination of a contracting officer, the contracting officer will notify 6BC or 7BC and BEI promptly of the appeal. When the dispute is settled or a decision is reached, the GSA Civilian Board of Contract Appeals will forward a copy of its decision to BEI. BEI will notify 6BC or 7BC of the decision. If settlement is reached before a decision, the contracting officer will notify BEI, and BEI shall notify 6BC or 7BC.

11. Litigation. In cases where the final decision of a contracting officer is litigated by a contractor, the contracting officer and the Office of General Counsel shall notify 6BC or 7BC and BEI promptly.

12. Follow-up and tracking.

a. BEI shall monitor the implementation of postaward reports until the resulting questioned costs are offset, recovered in full, and/or until outstanding amounts are officially declared uncollectible or are disallowed by the GSA Civilian Board of Contract Appeals or the U.S. Court of Appeals.

b. If the negotiated settlement price varies significantly from the questioned costs in the report, and is unjustified, BEI shall review the variance with the contracting officer and appropriate management officials for an explanation. If appropriate, as determined by BEI, the matter may be referred to the Audit Follow-up Official for action.

c. BEI may conduct follow-up reviews and field visits at its discretion.

CHAPTER 6. THE ADMINISTRATORS SEMIANNUAL REPORT TO THE CONGRESS

1, Report submission requirement. In accordance with the Inspector General Act of 1987, as amended, the Administrator submits to Congress a report summarizing management decisions and final actions taken on audit recommendations at GSA. The report must explain why final action on any audit had not been taken one year after the management decision date. The report is submitted semiannually covering audit activities from October 1 through March 31 and April 1 through September 30, with required dates for submission to the Congress by November 30 and May 31 of each year.

2. Data verification. Data in the semiannual is developed and verified through various reporting mechanisms.

a. The match report serves as the basis for the Semiannual Report to the Congress. The report is used to verify internal, preaward and postaward data between the BEI and OIG databases.

b. A litigation report is developed by BEI. BEI formally requests the Office of General Counsel (OGC) to verify the accuracy and completeness of contracts in litigation. OGC provides verification of the data contained in the report to BEI by the cutoff date originally set by BEI.
JANE'S Q: FOLLOWING IS a. and b. versus c. and d.?

a. The collections report is developed by BEI and electronically forwarded to the Heartland Finance center for verification. The verified data is sent back to BEI by the cutoff date originally set by BEI.

b. Internal audits and preaward/postaward review liaison reporting is a result of data verification for internal audits and preaward/postaward report data posted on the BEI web site. Updated information is forwarded from the liaisons to BEI by the cutoff date originally set by BEI.

CHAPTER 7. DATA INTEGRITY BOARD RESPONSIBILITIES

1. Purpose. Establishment of a Data Integrity Board within the General Services Administration.

2. Requirement. The Computer Matching and Privacy Protection Act of 1988 (CMA) requires that each agency establish a Data Integrity board in order to carry out specific computer matching functions(see appendix H for an overview of the act).

3. Responsibilities. The Data Integrity Board will conduct computerized comparisons of two or more automated systems of record in order to determine a persons eligibility under a Federal benefit program; recoup improper payments under a federal benefit program; and compare federal payroll or personnel records with each other or with non-federal records (Refer to Appendix G).

a. Board responsibilities include providing guidance and reporting annually to Congress and OMB on GSAs matching activities.
JANE'S Q: Rule of two. . .? i.e., no paragraph b.

4. Membership. The CMA mandates the agencys Data Integrity Board consist of senior officials designated by the head of the agency and include the Inspector General (who may not serve as chairman) and the Chief Information Officer. OMB guidance also recommends that the agency Privacy Act officer serve as the boards secretary. While much of the work of the board may be delegated, approval of the matching agreement cannot be delegated(see appendix F).

5. Appointments to the Data Integrity Board. The Data Integrity Board at GSA will consist of the following agency personnel(see appendix F).

a. Chief Information Officer (Chair)
b. Inspector General
c. Director, Internal Control and Audit Division (BEI)
d. Privacy Act Officer, OCHCO

Appendix A.

Response Timeline to the Government Accountability Office (GAO)
GSA No Comment responses to non-sensitive GAO Draft Reports without Recommendations*
Subject to Change Depending on GAOs Response Time Limitations to the Hill
Day 1
Draft GAO report email notification received by the Director, Internal Control and Audit

Division (BEI), with attached GAO letter and report addressed to the Administrator.
Email sent from the BEI Division Director notifying the Administrator, Chief of Staff, Deputy Administrator and other responsible Heads of Services, Staff Offices (as required).
GSA response time dependent upon time limitations for GAOs response to the Hill.
Day 2 or Later (before due date)
The no comment electronic response with an explanation for the no comment (include the point of contactname, title and telephone number) to be sent to the BEI Division Director for review from the Head of Service, Staff Office, or delegated high-level manager.
Day 2 or Later (upon receipt from the responsible organization)
The BEI Division Director notifies GAO electronically with a No Comment response from GSA.

*BEI will notify the responding organization when responses to draft reports without recommendations that include sensitive issues require the signature of the Administrator. The response timeline will be readjusted by BEI in accordance with the required GAO response due date.

Appendix A. (cont.)

Response Timeline to the Government Accountability Office (GAO)
Draft Reports with Recommendations (30 Days)
Subject to Change Depending on GAOs Response Time Limitations to the Hill

Day 1
Draft GAO report email notification received by the Director, Internal Control and Audit Division (BEI) with attached GAO letter and report addressed to the Administrator.
Email sent from the BEI Division Director notifying the Administrator, Chief of Staff, Deputy Administrator and responsible Heads of Services, Staff Offices (as required) to include the GAO response due date. GSAs response to GAO draft reports with recommendations is normally 30 days.*
Response time may be less depending on time limitations for GAOs response to the Hill.
BEI staff provides guidance to responsible agency Service/Staff Office/Regional liaisons to ensure a response is provided to the GAO draft report.
Day 1 and ForwardGSA Allotted Response Time
2 Weeks
Originating organization responsible for preparing a response allotted 2 weeks to prepare and concur on the response. Envelopes are required to be included in the response package addressed to the Comptroller General and the GAO Director in charge of the review (receiving a cc copy).

1 Week
1 week allotted for the concurrence process prior to submission to the Administrators office for signature.
Office of the Chief Financial Officer (BEI and B)
Office of General Counsel (L)
Office of Congressional and Intergovernmental Affairs (S)
Executive Secretariat Division (ACMC)

1 WeekOffice of Administrator Approval and ACMC or BEI Distribution to GAO
1 week required for the concurrence/signature approval process in the Office of the Administrator.
ACMC will send the response to GAO unless previous arrangements have been made with BEI, i.e., GAO will pick up the original letter from BEI, etc.
A scanned copy of the letter is sent from ACMC to BEI.

Appendix A. (cont.)

Response Timeline to the Government Accountability Office (GAO)
Final Reports with Recommendations (60 Days)
(60-day response time required by 31 U.S.C. 20cannot be changed.)

Day 1
Final GAO report email notification received by the Director, Internal Control and Audit Division (BEI) with attached GAO letter and report addressed to the Administrator.
Email sent from the BEI Division Director notifying the Administrator, Chief of Staff, Deputy Administrator and other Heads of Services, Staff Offices (as required) to include GAO response due date.
GSAs response to the Committees/Subcommittees for GAO final reports with recommendations is
60 days (cannot be changed).
BEI staff provides guidance to responsible agency Service/Staff Office/Regional liaisons to ensure a response is provided to the GAO final report.
Day 1 and ForwardGSA Allotted Response Time
4 Weeks
Originating organization responsible for preparing the response allotted 4 weeks to prepare and concur on the response. Envelopes are to be included in the response package for each addressee and those receiving cc copies.

2 WeeksGSA Concurrence Process
2 weeks allotted for the concurrence process prior to submission to the Administrators office for signature.
Office of the Chief Financial Officer (BEI and B)
Office of General Counsel (L)
Office of Congressional and Intergovernmental Affairs (S)
Office of Communications and Marketing (Z)
Executive Secretariat Division (ACMC)

2 WeeksOffice of Administrator Approval and ACMC Distribution to the Hill w/ccs to the Comptroller General (GAO), the GAO Director in charge of the review and the Director of OMB
2 weeks required for the concurrence/signature approval process in the Office of the Administrator.
ACMC will mail the out the letters.
Scanned copies of the letters are sent from ACMC to BEI.

Appendix A. (cont.)

Addresses/Salutations for the Current Chairs and Minority Members (Part 1 of 5)
Senate/House Committees and Subcommittees
Responding to GAO Final Reports with Recommendations
(Subject to Change)

If the requesters are not listed below, they should also be included to receive a response signed by the Administrator.
Addressed envelopes should be included in the response package. The Honorable
Chairman, Committee on Homeland Security
and Governmental Affairs
United States Senate
Washington, DC 20510

Dear Mr. Chairman: The Honorable
Ranking Minority Member
Committee on Homeland Security
and Governmental Affairs
United States Senate
Washington, DC 20510

Dear Senator (insert last name):
The Honorable
Chairman, Subcommittee on Oversight of
Government Management, the Federal
Workforce and the District of Columbia
United States Senate
Washington, DC 20510

Dear Mr. Chairman: The Honorable
Ranking Minority Member
Subcommittee on Oversight of
Government Management, the Federal Workforce and the District of Columbia United States Senate
Washington, DC 20510

Dear Senator (insert last name):
The Honorable
Chair, Ad Hoc Subcommittee on Contracting Oversight
United States Senate
Washington, DC 20510

Dear Madam Chair: The Honorable
Ranking Minority Member
Ad Hoc Subcommittee on Contracting
Oversight
United States Senate
Washington, DC 20510

Dear Senator (insert last name):
The Honorable   Chair, Committee on Environment
and Public Works
United States Senate
Washington, DC 20510

Dear Madam Chair: The Honorable
Ranking Minority Member
Committee on Environment
and Public Works
United States Senate
Washington, DC 20510

Dear Senator (insert last name):

Addresses/Salutations for the Current Chairs and Minority Members (Part 2 of 5)
Senate/House Committees and Subcommittees
Responding to GAO Final Reports with Recommendations
(Subject to Change)

If the requesters are not listed below, they should also be included to receive a response signed by the Administrator.
Addressed envelopes should be included in the response package. The Honorable
Chairman, Subcommittee on Transportation and Infrastructure
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

Addresses/Salutations for the Current Chairs and Minority Members (Part 3 of 5)
Senate/House Committees and Subcommittees
Responding to GAO Final Reports with Recommendations
(Subject to Change)

If the requesters are not listed below, they should also be included to receive a response signed by the Administrator.
Addressed envelopes should be included in the response package.
The Honorable
Chair, Subcommittee on Economic
Development, Public Buildings and
Emergency Management
House of Representatives
Washington, DC 20515

Dear Madam Chair: The Honorable
Ranking Minority Member
Subcommittee on Economic Development, Public Buildings and Emergency Management
House of Representatives
Washington, DC 20515

Dear Representative (insert last name):
The Honorable Chairman, Committee on Oversight
and Government Reform
House of Representatives
Washington, DC 20515

Dear Mr. Chairman: The Honorable
Ranking Minority Member
Committee on Oversight
and Government Reform
House of Representatives
Washington, DC 20515

Dear Representative (insert last name):
The Honorable
Chairman, Subcommittee on the Federal Workforce, Postal Service, and the District of Columbia
Washington, DC 20515

Dear Mr. Chairman: The Honorable
Ranking Minority Member
Subcommittee on the Federal Workforce,
Postal Service, and the
District of Columbia
Washington, DC 20515

Dear Representative (insert last name):

Addresses/Salutations for the Current Chairs and Minority Members (Part 4 of 5)
Senate/House Committees and Subcommittees
Responding to GAO Final Reports with Recommendations
(Subject to Change)

If the requesters are not listed below, they should also be included to receive a response signed by the Administrator.
Addressed envelopes should be included in the response package. The Honorable
Chair, Subcommittee on Government
Management, Organization, and Procurement
House of Representatives
Washington, DC 20515

Dear Madam Chair: The Honorable
Ranking Minority Member
Subcommittee on Government
Management, Organization,
and Procurement
House of Representatives
Washington, DC 20515

Dear Representative (insert last name):
The Honorable Chairman, Committee on Appropriations
House of Representatives
Washington, DC 20515

Dear Mr. Chairman: The Honorable
Ranking Minority Member
Committee on Appropriations
House of Representatives
Washington, DC 20515

Dear Representative (insert last name):
The Honorable   Chairman, Subcommittee on Financial
Services and General Government
House of Representatives
Washington, DC 20515

Dear Mr. Chairman: The Honorable
Ranking Minority Member
Subcommittee on Financial Services
and General Government
House of Representatives
Washington, DC 20515

Dear Representative (insert last name):

Addresses/Salutations for the Current Comptroller General/OMB Director (Part 5 of 5)
Responding to GAO Final Reports with Recommendations
(Subject to Change)

When responding to GAO final reports with recommendations, include the name/title of the GAO Comptroller General and the OMB Director on the cc line of the letter.   Addressed envelopes should also be included in the correspondence packages.   The addresses for the envelopes are provided in the chart below. The Honorable*
Acting Comptroller General
of the United States
U.S. Government Accountability Office
Washington, DC 20548

Dear Mr. or Ms.:

*Note: (1) Responses to draft reports with recommendations are only addressed to the Comptroller General with a cc: to the senior GAO auditor (full name) in charge of the review.
(2) Responses to final reports are addressed to the Committees/ Subcommittees listed in tables on pages
16 19. The Comptroller General will be listed on the cc line of the letter for GSA responses to final GAO reports with recommendations. The Honorable*
Director

Office of Management and Budget
Washington, DC 20503

Dear Mr. or Ms.:

*Note: (1) Responses to draft reports do not go to OMB.
(2) Responses to final reports are addressed to the Committees listed in the preceding table and others requested by GAO. The Director of OMB will be listed on the cc line of the letter after the Comptroller General and the GAO Director in chart of the review for GSA responses to final GAO reports with recommendations.

Response Template
GAO Draft Report with Recommendations
Agree with the Recommendations

The Honorable Gene L. Dodaro
Acting Comptroller General of the United States
U.S. Government Accountability Office
Washington, DC 20548

Dear Mr. Dodaro:

The U.S. General Services Administration (GSA) appreciates the opportunity to review and comment on the draft report, GSA Global Supply Stock Program (GAO-09-000). The U.S. Government Accountability Office (GAO) recommends that the GSA Administrator monitor and report to Congress on the annual level of small business participation in the proposed Direct Vendor Delivery (DVD) Program for the first three full fiscal years of the program.

We agree with the findings and the recommendation and will take appropriate action. GSA commits to monitoring and providing reports to Congress annually on the level of actual small business participation in the DVD Program for each of the first full three fiscal years of the program.

Should you have any questions, please contact me. Staff inquiries may be directed to (name of the contact, title, organization at (703) 555-1212).

Sincerely,

(Insert Name)
Administrator

cc: (name of the GAO Director in charge of the review and the organization)

Response Template
GAO Draft Report with Recommendations
Partially Agree with the Recommendations

The Honorable Gene L. Dodaro
Acting Comptroller General of the United States

U.S. Government Accountability Office
Washington, DC 20548

Dear Mr. Dodaro:

The U.S. General Services Administration (GSA) appreciates the opportunity to review and comment on the draft report, Purchasing Practices in the Federal Government (GAO-09-000). The U.S. Government Accountability Office recommends

We agree in part to the findings and recommendations. Substantive comments to the findings and recommendations are provided below:

1.

2.

Technical comments that update and clarify statements in the draft report are enclosed.

Should you have any questions, please contact me. Staff inquiries may be directed to (name of the contact, title, organization at (703) 555-1212).

Sincerely,

(Insert Name)
Administrator

Enclosure

cc: (name of the GAO Director in charge of the review)

U.S. General Services Administration
Technical Comments
U.S. Government Accountability Office Draft Report
Purchasing Practices in the Federal Government (GAO-09-000)

Page 20, second paragraph, 2nd sentence: Change the credit card program to the purchase card program.

Page 25, last paragraph, 3rd sentence: Change

Response Template
GAO Draft Report with Recommendations
Disagree with the Findings and Recommendations

The Honorable Gene L. Dodaro
Acting Comptroller General
of the United States
U.S. Government Accountability Office
Washington, DC 20548

Dear Mr. Dodaro:

The U.S. General Services Administration (GSA) appreciates the opportunity to review and comment on the U.S. Government Accountability Office (GAO) draft report, Telecommunications in the 22nd Century (GAO-09-000).

We disagree with the findings and recommendations. The draft report does not accurately reflect the progress we have made in the Telecommunications program, contains a number of misleading and factual inaccuracies, and omits important information. Substantive comments to the findings and recommendations are provided below:

1. Recommendation 1: GAO recommends

We disagree with the recommendation. Time limits for agency input are stipulated through the Office of Management and Budget Circular A-XXX. GSA is not authorized to change the time limits.

2. Recommendation 2: As a result of GAOs investigation into the initial development of the program, GAO recommends

We disagree with the finding and the recommendation. GSA started the program in 2005. The initial development was a result of

Technical comments that update and clarify statements in the draft report are enclosed. Should you have any questions, please contact me. Staff inquiries may be directed to (name of the contact, title, organization at (703) 555-1212).

Sincerely,

(Insert Name)
Administrator

Enclosure
cc: (name of GAO Director in charge of the review w/enclosure)

U.S. General Services Administration
Technical Comments
U.S. Government Accountability Office Draft Report
Telecommunications in the 22nd Century (GAO-09-000)

Page 1, paragraph 3: GAO states, In 2007, GSA... Replace with In fiscal year 2007, GSA...

Page 11, Table 4: Change GSA Federal Technology Service to GSA Federal Acquisition Service.

Response Template

GAO Draft Report without Recommendations Comments/Corrections/Updates

The Honorable Gene L. Dodaro
Acting Comptroller General of the United States
U.S. Government Accountability Office
Washington, DC 20548

Dear Mr. Dodaro:

Thank you for the opportunity to comment on the U.S. Government Accountability Office draft report, "Data Mining (GAO-09-000). Substantive comments are provided below.

1. Revise the term SmartPay to read GSA SmartPay due to copyright and trademark restrictions.

2. A privacy impact assessment for the GSA SmartPay program is not required by OMB-03-22 since GSA SmartPay is not contracting for information technology systems, we contract for financial systems.

Technical comments that update and clarify statements in the draft report are enclosed and incorporated herein by reference. Should you have any questions, please contact me. Staff inquiries may be directed to (name of the contact, title, organization at (202) 555-1212)..

Sincerely,

(Insert Name)
Administrator

Enclosure

cc: (name of the GAO Director in charge of the review)

U.S. General Services Administration
Technical Comments
U.S. Government Accountability Office Draft Report
Data Mining (GAO-09-000)

Page 20, paragraph 1: Change Directors to Assistant Commissioners.

Page 30, paragraph 3:   Add, as required by GSAs Office of Governmentwide Policy at the end of the last sentence.

Response Template
Letter to the Committees/Subcommittees
Final GAO Report with Recommendations

The Honorable (insert name)
Chairman, Committee on Oversight
and Government Reform
House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

The U.S. General Services Administration (GSA) is pleased to provide you with our response to the U.S. Government Accountability Office (GAO) final report entitled "GSA: Weak Controls and Missing Assets" (GAO-09-000).

The GAO report is a useful tool in our pursuit of continuous improvements to our operations. We have reviewed the report in depth and have developed a comprehensive action plan to address the two recommendations made to GSA.

Specific actions being taken in response to each of the recommendations are enclosed. We are confident that these actions will satisfactorily remedy the concerns raised by GAO. If you have any questions, please contact me. Staff inquiries may be directed to (name of the high-level official/contact, title, organization at (202) 555-1212).

Sincerely,

(Insert Name)
Administrator

Enclosure

cc: Gene L. Dodaro, Acting Comptroller General, Government Accountability Office
(name of the GAO Director in charge of the review)
Peter R. Orszag, Director, OMB

U.S. General Services Administration
Actions Planned to Address the Recommendations in the
GAO Final Report, "GSA: Weak Controls and Missing Assets" (GAO-09-000)

Recommendation 1
Clearly define roles and responsibilities of each party in interagency agreements and particularly those related to reviewing and approving invoices.

Action
A revised Interagency Agreement (IA) has been developed and implemented across GSA programs addressing roles and responsibilities of client agencies in reviewing invoices. The revised section generally provides the following:

GSA will ensure that this IA is signed by an official who is authorized to sign interagency agreements and will comply with applicable procurement laws, regulations, and policies in all matters related to this IA. To provide the client with value added services, GSA will assign the necessary contracting, technical, legal, management, and financial personnel to:

a) provide overall project management advice and support related to the bona fide need;
b) assist the client in defining key project objectives and detailed requirements; and
c) conduct market research and develop an acquisition strategy responsive to program/project requirements.

Recommendation 2
Clearly document labor rates, ceiling limits, treatment of overtime hours and other key terms of cost determination for all contracts, task orders, and related agreements.

Action
Implement a Project Performance Management (PPM) team. Upon full implementation, the

PPM team will have responsibility for assuring that labor rates, including ceilings, overtime and related terms, are enforced throughout the duration of the contract or task order.

Ceiling Rate Guidance - All Millennia task orders will include an attachment documenting the negotiated ceiling rates.

Appendix B. Terms and Definitions

a. Alert reports. OIG reports issued when significant audit concerns need to be conveyed to management before the completion of an ongoing review or contracting deficiencies need to be addressed by management before proceeding with contract negotiation or award. Due to the nature of the concern, alert reports generally do not contain formal recommendations, but focus on notifying GSA management of the weakness or deficiency identified.

b. Audit Follow-up Official. A high-level official designated by the Administrator responsible for overseeing audit follow-up and resolution within the General Services Administration (GSA). The GSA Audit Follow-up Official is the Deputy Administrator.

c. Government Accountability Office (GAO) audit. GAO has broad authority to investigate all matters related to the receipt, disbursement, and expenditure of Federal funds and evaluate the results of a program carried out under existing law when ordered by either house of Congress, when requested by a committee or jurisdiction or on the initiative of the Comptroller General. The Comptroller General is the head of GAO.

d. Implementation reviews. Assessment of actions taken to address audit recommendations.

e. Internal audit. An appraisal of GSA activities, performed by the Office of Inspector General (OIG), to ensure that activities are administered efficiently and are achieving the desired results.

f. Contract Reviews. A review of the records and/or performance of an organization outside of GSA that has received or is expected to receive a GSA contract. Contract (preaward/postaward) reviews may be conducted for GSA by the OIG or other Federal agencies.

(1) Preaward review. Advisory reviews conducted on pending contract awards, modifications and claims for which funds have not yet been obligated/awarded.

(2) Postaward review. Reviews of contracts that have been awarded and for which funds have been expended. These reviews are conducted to evaluate the level of contract compliance. Such audits may result in monetary recoveries and will be resolved within 182 days from report issuance.

g. Management Decision Record (MDR) and Decision Record (DR). The control record that accompanies the issuance of a GSA internal audit (MDR) and contract (preaward/postaward) (DR) report. It is used in the resolution process to document management decisions for internal audits and contracting officer decisions for contract reviews, and final actions in compliance with this Order. A copy of the appropriate form will be sent by the audit office to the management official or contracting officer addressed in an OIG report each time a report is issued.

h. Recommendation. A course of action recommended to agency management that is intended to improve operations and correct deficiencies identified by an audit report. Recommendations can include both financial and non-financial findings.

i. Responses to audit reports. Management's, i.e. the Head of a Service, Staff Office or Regional Managerial Official, written determination for internal audits and contracting officer's position for contract reviews.

(1) Completion of the MDR or DR and, if applicable, written comments by management or contracting officer indicating agreement or disagreement with report findings and/or recommendations. In addition, when responses include statutory or regulatory basis for any disagreement or the authority of officials to take or not to take action, the legal basis will be provided.

(2) Responses to internal audits will include an action plan unless there is a disagreement.

j. Action plan. Managements plan for implementing GAO and OIG internal audit recommendations. The action plan shall state the planned corrective actions, target dates for completion of actions, and supporting documentation to be sent verifying completion (see Figure 51 in Chapter 5).

k. OIG response to management's written determination. A letter prepared by OIG audit officials stating that the OIG agrees or disagrees with management's response to the OIG report. OIG agreement with management's response resolves the report findings and/or recommendation(s). If the OIG disagrees with management's response, the reasons for disagreement will be stated.

l. Questioned cost. A cost that is questioned by the OIG and include factors such as:

(1) An alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds;

(2) A finding that, at the time of the review, the cost is not supported by adequate documentation; or

(3) A finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable.

m. Unsupported cost. A cost that is questioned by the OIG because the OIG found that, at the time of the review, the cost was not supported by adequate documentation. The amount of unsupported cost is part of the total of questioned cost or funds put to better use.

n. Disallowed cost. A questioned cost that the contracting officer, has agreed that should not be charged to the Government.

o. Recommendation that funds be put to better use. A recommendation by the OIG that funds could be used more efficiently if the contracting officer took actions to implement the report findings, including:

(1) Reductions in outlays;

(2) Deobligation of funds from programs or operations;

(3) Withdrawal of interest subsidy costs on loans or loan guarantees, insurance, or bonds;

(4) Costs not incurred by implementing report findings related to the operations of the establishment, a contractor or grantee;

(5) Avoidance of unnecessary expenditures noted in preaward reviews of contract or grant agreements; or

(6) Any other savings specifically identified.

p. Management or contracting officer decision. The evaluation by management or contracting officer of the findings and/or recommendations included in an OIG report and the issuance of a final decision concerning their response to such findings and/or recommendations, including actions concluded to be necessary.

q. Final action.

(1) The completion of all actions that management and the contracting officer has concluded are necessary in order to implement the findings and/or recommendations included in an OIG report; and

(2) In the event that management or the contracting officer concludes no action is necessary, final action occurs when a management or contracting officer decision has been made.

Note: This includes negotiation, settlement, award, appeals, litigation, and collection actions for OIG contract reviews.

r. Documentation. Paperwork related to the management or contracting officer decision and implementation process, consisting of memorandums, letters, and responses, that leaves a trail to enable a third party to reconstruct the management or contracting officer decisions and final actions taken.

s. Reinstated (or allowed) cost. A cost first questioned by the auditors but found to be allowable.

t. Price negotiation memorandum (PNM). A memorandum prepared by the contracting officer detailing the discussions/negotiations conducted with the offeror/contractors. For decisions involving monetary recoveries, this document and/or the contracting officer's findings and determinations serve as the basis for the contracting officer's demand-for-payment letter.

u. Procurement Management Reviews. The Procurement Management Review (PMR) Program, located in the Office of Governmentwide Policy, was developed to assist GSA acquisition professionals and procurement managers in improving business practices and operational efficiency and effectiveness. This is achieved by periodically reviewing contract files and work processes of acquisition activities, documenting findings, recommending corrective actions, and following-up on completing those actions. PMR reports also provide the Chief Acquisition Officer and Senior Procurement Executive with an evaluation of the integrity of the procurement process in achieving agency goals; an assessment of compliance with statutory, regulatory, and policy requirements; and a procurement management consulting service that identifies and shares best practices.

v. Receivable. The amount owed the Government pursuant to the contracting officer's issuance of a final determination notice and demand for payment.

w. Offset. The process of settling a debt by offsetting amounts due a contractor under an ongoing or succeeding contract.
x. Holdback or retainage. Money withheld from a contractor pending verification of completion of the terms and conditions of the contract.

y. Demand letter. Formal notice to the contractor of a debt owed the Government. It is prepared by the contracting officer in accordance with FAR 32.610, demand for payment of contract debt, and advises the contractor that payment will be made within 30 days of becoming due or interest will be assessed at the rate established by the Secretary of the Treasury pursuant to Pub. L. 92-41 (85 Stat. 97) for the Renegotiations Board. The use of this interest rate, referred to as the Renegotiations Board Interest Rate, is required by sec. 12 of the Contract Disputes Act of 1978, Pub. L. 95-563, (41 U.S.C. 611).

z. OIG decision paper. A summary of the facts pertaining to a disagreement between management and the OIG about the proposed corrective action or disagreement with findings and/or recommendations made in an OIG report.

Appendix C
Circular No. A-50, Revised
September 29, 1982
TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Audit Follow-up

1. Purpose. This circular provides the policies and procedures for use by executive agencies when considering reports issued by the Inspectors General (IGs), other executive branch audit organizations, the Government Accountability Office (GAO), and non-Federal auditors where follow-up is necessary.

2. Rescissions. This revision replaces and rescinds Circular No. A-50, "Executive branch action on Government Accountability Office reports," Revised, dated January 15, 1979, and incorporates certain provisions previously set forth in Circular A-73, "Audit of Federal operations and programs," Revised, dated November 27, 1979.

3. Authority.
a. Budget and Accounting Act of 1921, as amended (31 USC 16 & 53).
b. Section 236 of the Legislative Reorganization Act of 1970.
c. Supplemental Appropriations and Rescissions Act of 1980 (P.L. 96-304).
d. Appropriations Act of 1981 (P.L. 96-526).
e. 4 CFR 101-105, Federal Claims Collection Standards.
f. GAO Policy and Procedures Manual for Guidance of Federal Agencies (Title 2-Accounting).

4. Background. The principal objectives of this revision are:
a. To specify the role of the designated audit follow-up officials, and the role of Inspectors General with regard to audit follow-up.
b. To strengthen the procedures for resolution of audit findings and corrective action on recommendations contained in audit reports issued by IGs, other audit organizations, and the GAO.
c. To clarify the applicability of the Circular to regulatory and preaward audits.
d. To emphasize the importance of monitoring the implementation of resolved audit recommendations in order to assure that promised corrective action is actually taken.
e. To improve accounting and collection controls over amounts due the Government as a result of claims arising from audits.

5. Policy. Audit follow-up is an integral part of good management, and is a shared responsibility of agency management officials and auditors. Corrective action taken by management on resolved findings and recommendations is essential to improving the effectiveness and efficiency of Government operations. Each agency shall establish systems to assure the prompt and proper resolution and implementation of audit recommendations. These systems shall provide for a complete record of action taken on both monetary and non-monetary findings and recommendations.

6. Definitions.

a. Responses to Audit Reports -- Written comments by agency officials indicating agreement or disagreement on reported findings and recommendations. Comments indicating agreement on final reports shall include planned corrective actions and, where appropriate, dates for achieving actions. Comments indicating disagreement shall explain fully the reasons for disagreement. Where disagreement is based on interpretation of law, regulation, or the authority of officials to take or not to take action, the response must include the legal basis.

b. Resolution.

(1) For most audits, the point at which the audit organization and agency management or contracting officials agree on action to be taken on reported findings and recommendations; or, in the event of disagreement, the point at which the audit follow-up official determines the matter to be resolved. A report may be considered resolved despite the right of persons outside the agency to negotiate, appeal, or litigate. Resolution of a report with respect to parties outside the Government does not preclude further consideration of issues in the report by agency management.

(2) For preaward contract audits, the point at which the agreement is reached, a contract price negotiated, or proposed award canceled, whichever occurs first.

(3) For GAO reports, the point at which the agency responds to the Congress, as required by the Legislative Reorganization Act of 1970.

c. Corrective Action -- Measures taken to implement resolved audit findings and recommendations.

d. Disallowed Costs -- An incurred cost questioned by the audit organization that management has agreed should not be charged to the Government.

7. Responsibilities.

a. Agency Head. Agency heads are responsible for:

(1) Designating a top management official to oversee audit follow-up, including resolution and corrective action.

(2) Assuring that management officials throughout the agency understand the value of the audit process and are responsive to audit recommendations.

b. Management Officials. Agency management officials are responsible for receiving and analyzing audit reports, providing timely responses to the audit organization, and taking corrective action where appropriate. Where management officials disagree with an audit recommendation, the matter shall be resolved by the follow-up official.

c. Audit Follow-up Official. The audit follow-up official has personal responsibility for ensuring that (1) systems of audit follow-up, resolution, and corrective action are documented and in place, (2) timely responses are made to all audit reports, (3) disagreements are resolved, (4) corrective actions are actually taken, and (5) semi-annual reports required by paragraph 8.a. (8) below are sent to the head of the agency.

d. Inspectors General. Inspectors General or other audit officials are responsible for (1) making independent audits and investigations of their agencies' programs, operations, activities, and functions; (2) overseeing the work of non-Federal auditors performed in connection with Federal programs; and (3) reviewing responses to audit reports and reporting significant disagreements to the audit follow-up official.

e. Comptroller General. The Comptroller General is the head of the GAO, a legislative branch agency responsible for auditing and evaluating programs, activities, and financial operations of the executive branch.

8. Action Requirements.

a. Follow-up Systems. Agencies shall assign a high priority to the resolution of audit recommendations and to corrective action. Systems for resolution and corrective action must meet the following standards:

(1) Provide for appointment of a top-level audit follow-up official.

(2) Require prompt resolution and corrective actions on audit recommendations. Resolution shall be made within a maximum of 6 months after issuance of a final report or, in the case of audits performed by non-Federal auditors, 6 months after receipt of the report by the Federal Government. Corrective action should proceed as rapidly as possible.

(3) Specify criteria for proper resolution and corrective action on audit recommendations, whether resolution is in favor of the auditor or an auditee. These criteria should provide for written plans for corrective action with specified action dates, where appropriate.

(4) Maintain accurate records of the status of audit reports or recommendations through the entire process of resolution and corrective action. Such records shall include appropriate accounting and collection controls over amounts determined to be due to the Government.

(5) Provide a means to assure timely responses to audit reports and to resolve major disagreements between the audit organization and agency management or contracting officials. The process should provide sufficient time to permit resolution to take place within the 6-month limit.

(6) Assure that resolution actions are consistent with law, regulation, and Administration policy; and include written justification containing, when applicable, the legal basis for decisions not agreeing with the audit recommendation.

(7) Provide for coordinating resolution and corrective action on recommendations involving more than one program, agency, or level of Government.

(8) Provide semi-annual reports to the agency head on the status of all unresolved audit reports over 6 months old, the reasons therefore, and a timetable for their resolution; the number of reports or recommendations resolved during the period; the amount of disallowed costs; and collections, offsets, write-offs, demands for payment and other monetary benefits resulting from audits. These reports should include an update on the status of previously reported unresolved audits.

(9) Provide for periodic analysis of audit recommendations, resolution, and corrective action, to determine trends and system-wide problems, and to recommend solutions.

(10) Assure that performance appraisals of appropriate officials reflect effectiveness in resolving and implementing audit recommendations.

(11) Provide for an evaluation of whether the audit follow-up system results in efficient, prompt, and proper resolution and corrective action on audit recommendations. The first evaluation will be made within one year of the date of this Circular, and evaluations will be made periodically thereafter.

b. Special Requirements. The following additional requirements apply to Government Accountability Office reports:

(1) Draft Reports. The GAO normally issues draft reports to agencies for their review and comment, so that final reports may incorporate agency views. In accordance with 31 USC 53(f)(1), agencies shall provide comments on draft GAO reports with 30 days of issuance. However, the law provides that, if an agency cannot respond to a report within 30 days, the agency may request additional time from GAO to comment.

(2) Final Reports. The GAO issues final reports to the Congress or the head of an agency. Agencies are required to respond to these reports in accordance with instructions contained in paragraphs (3) and (4) below.

(3) Statements to the Office of Management and Budget. The agency head will submit a statement to the Director of OMB within 60 calendar days after formal transmittal of a GAO report to the agency when at least one of the following applies:

(a) The report contains a specific recommendation for the head of the agency;
(b) The report contains financial statements accompanied by either a qualified audit opinion or a disclaimer of opinion:
(c) The report indicates a violation of the Antideficiency Act, which has not been reported to the appropriate authorities;
(d) The report indicates a violation of other laws; or
(e) When requested to comment by OMB.

The agency statement should identify the GAO report by number and date (i.e., GAO/GGD-82-00, dated January 30, 1982), and be submitted in duplicate. It should inform the OMB of the agency views on the findings and recommendations made by the GAO. It should also identify any action taken, or planned, in response to each significant finding or recommendation.

If the agency response to a draft GAO report accurately and adequately reflects its current views, a copy of those comments will be sufficient.

When corrective action is incomplete, still under study, or planned, the agency will include a statement of when it expects action to be completed, and will report on corrective action after it is completed.

The agency should include in its statement to OMB copies of statements required by Section 236 of the Legislative Reorganization Act of 1970. See paragraph (4) below. These statements may be used to satisfy the initial reporting requirements to OMB. The statements should be accompanied by any additional information not provided to the Congress, but required by this section of the Circular.

(4) Statements to Congressional Committees. In accordance with Section 236 of the Legislative Reorganization Act of 1970, when a GAO report contains recommendations to the head of an agency, the agency shall:

(a) Submit a written statement to the Senate Committee on Governmental Affairs and the House Committee on Government Operations, no later than 60 days after the date of such report. This statement will report the action taken or to be taken by the agency with respect to the recommendations to the head of the agency.

(b) Submit a written statement to the Committees on Appropriations of the Senate and the House of Representatives, in connection with the first request for appropriations for that agency submitted to the Congress more than 60 days after the date of the GAO report. This statement will report the action taken by the agency with respect to the recommendations to the head of the agency.

Two copies of the above statements will be submitted on the same date to the OMB and the GAO.

(5) Advance Clearance and/or Coordination Requirements. Agency statements to Congressional committees, individual Members of Congress or the GAO, will be subject to advance coordination and/or clearance by OMB when the statement:

(a) Expresses views on proposed or pending legislation. See Circular A-19, "Legislative coordination and clearance."

(b) Deals with other agencies, or with executive branch budget policies.
Requests for advance clearance and/or coordination will be addressed to the Director, OMB, and will be forwarded in duplicate. Clearance action will be completed prior to transmittal of the statement.

9. Applicability to Regulatory Audits. The requirements for resolution and corrective action contained paragraph 8.a. shall be applied to those reports of agency units responsible for regulatory or inspection activities involving the review of financial matters that may result in:

a. Fines or penalties;
b. Assessments or price adjustments; or
c. Other monetary recoveries by the Government.

The agency audit follow-up official shall ensure that appropriate follow-up systems are in place for these units. Separate subsystems may be used.

10. Applicability to Preaward Contract Audits. Audit reports involving recommendations on contractor estimates of future costs are subject to the provisions of this Circular. However, since such reports generally are resolved by negotiation of a contract price, they are not subject to the time limits or reporting requirements set forth in paragraphs 8.a.(2), (5), and (8). The requirement for records on the status of reports set forth in paragraph 8.a.(4) may be met by records maintained in official contract files.

11. Accounting and Collection Controls. In order to ensure effective recovery action, each agency will establish accounting and collection controls for amounts due the Government as a result of resolved audit findings and recommendations. Unless otherwise required by statute, all claims arising from audit disallowances shall be collected in accordance with Federal Claims Collection Standards.

a. Recording Receivables. Amounts due the Government shall be recorded promptly as accounts receivable on the completion of the acts, which entitle an agency to collect such amounts. For example, on matters where the auditor has the authority to make final determinations, such determinations are to be recorded as receivables at the time the audit report is issued. Audit recommendations that are subject to management concurrence will be recorded as accounts receivable within 30 days of being resolved. The recording of the receivable is to be accomplished even though the decision to collect is subject to administrative appeal or litigation by persons outside the agency.

b. Interest Charges. Interest on audit-related debts shall begin to accrue no later than 30 days from the date the auditee is notified of the debt. To discourage unwarranted appeals, interest shall continue to accrue while the appeal is underway. The interest rate applied shall be that prescribed by the Treasury Fiscal Requirements Manual (I TFRM 6-8000).

c. Allowance for Uncollectable Amounts. Consideration shall be given to the potential for collecting audit-related debts. An allowance account shall be established to reflect that amount of receivables estimated to be uncollectable.

d. Payment of Debts. Procedures should be established to assure that the payment of audit-related debts does not result in charges to other Federal programs or in a reduced level of program activity.

e. Exception. There may be instances where a portion of the funds on a grant, contract, or other agreement is held back: (1) as a safeguard against overpayment; (2) pending completion, final inspection or approval of work; or (3) in accordance with other provisions of a grant or contract. In such instances, it is not necessary to record a receivable, since disallowed costs may be offset against undisbursed funds in the grant or contract audited.

12. OMB Responsibility. OMB will continue to work with agency audit follow-up officials and Inspectors General to ensure that the provisions of this Circular are implemented.

13. Information Contact. Inquiries should be directed to the OMB Financial Management Division at 395-3993 or to the OMB Debt Collection Staff at 395-3967.

14. Sunset Review Date. This Circular shall have an independent policy review to ascertain its effectiveness three years from the date of issue.

David A. Stockman
Director
Appendix D

Appendix E

S.908
Public Law: 100-504 (10/18/88)
SPONSOR: Sen. Glenn (introduced 04/03/87)

SUMMARY AS OF:

(REVISED AS OF 09/30/88 -- Conference report filed in House, H. Rept. 100-1020)

Title I: Inspector General Act Amendments - Inspector General Act Amendments of 1988 - Amends the Inspector General Act of 1978 to establish an Office of Inspector General in the Departments of Justice and of the Treasury and in the Federal Emergency Management Agency. Conforms the Offices of Inspector General in the Departments of Energy and Health and Human Services and in the Railroad Retirement Board to the Inspector General Act of 1978. Establishes an Office of Inspector General in the Nuclear Regulatory Commission and in the Office of Personnel Management. Transfers to the new Offices of Inspector General the functions of specified existing audit and investigation units.

Authorizes the Chairman of the Nuclear Regulatory Commission to delegate supervision of the Inspector General only to another member of the Commission.

Authorizes the Secretary of the Treasury to restrict the Inspector General's activities when they involve sensitive information relating to ongoing criminal investigations, undercover operations, the identity of confidential sources, national security and intelligence and counterintelligence matters, and deliberations and decisions on certain policy matters.

Grants the Inspector General of the Department of the Treasury oversight responsibility for internal investigations performed by the Office of Internal Affairs of the Bureau of Alcohol, Tobacco and Firearms, the Office of Internal Affairs of the United States Customs Service, the Office of Inspections of the United States Secret Service, and internal audits as well as internal investigations performed by the Office of Assistant Commissioner (Inspection) of the Internal Revenue Service.

Provides for procedures governing the Inspector General's access to taxpayer returns and return information.

Declares that no audit or investigation by the Inspector General or of the IRS shall affect a final decision of the Secretary under the internal revenue laws.

Subjects the Inspector General of the Department of Justice to the authority, direction, and control of the Attorney General with respect to audits or investigations, or the issuance of subpoenas, which require access to certain sensitive information. Requires the Inspector General to give particular regard to the activities of the Counsel, Office of Professional Responsibility and the audit, internal investigative, and inspection units with a view to avoiding duplicative efforts.

Requires the Attorney General to transmit any report required to be transmitted to the appropriate congressional committees to the Committees on the Judiciary and Governmental Affairs of the Senate and the Committees on the Judiciary and Government Operations of the House.

Authorizes the Attorney General to transfer 20 investigation positions from the Office of Inspector General to the Office of Professional Responsibility for employee misconduct investigations.

Provides for uniform salaries for Inspectors General.

Designates certain Federal entities in which there shall be established an Office of Inspector General.

Requires the Inspector General to be appointed by, report to, and be under the general supervision of the head of each Federal entity. Requires the head of any Federal entity who removes an Inspector General from office to communicate the reasons for such removal to the Congress.

Declares the Chief Postal Inspector of the United States Postal Service to be the Inspector General of the U.S. Postal Service and shall be appointed by, report to, and be under the general supervision of the Postmaster General. Declares that the Chief Postal Inspector may be removed or transferred from office with the concurrence of the Governors of the Postal Service. Requires that the Congress be notified of the reasons for such removal or transfer.

Describes the authority of Inspectors General to hire personnel.

Provides that the Inspector General of the Board of Governors of the Federal Reserve System is subject to limitations similar to those placed on the Inspector General of the Department of the Treasury for activities involving sensitive information.

Requires the head of each Federal entity to report annually to the Director of the Office of Management and Budget on specified audit matters.

Expands the scope of information to be included in semiannual reports of each Inspector General. Requires semiannual reports listing audits that were not resolved within one year after the date on which an audit determination was made.

Authorizes Inspectors General to administer to or take from any person an oath, affirmation, or affidavit when necessary.

Requires the President to include in the budget submission a separate appropriation account for appropriations for each Office of Inspector General.

Requires that an audit entity of the Federal Government perform any reviews of Offices of Inspector General to determine whether internal controls are in place and whether audit standards, policies, and procedures are being followed.

Provides that when the Coast Guard operates as a service of a department or agency other than the Department of Defense, a member of the Coast Guard shall be deemed to be an employee of such department or agency.

Requires a report to the Director of the Office of Management and Budget and to the Congress by the head of each designated Federal entity on that entity's status in implementing an Office of Inspector General.

Title II: Government Printing Office Inspector General - Government Printing Office Inspector General Act of 1988 - Establishes an Office of Inspector General in the Government Printing Office to: (1) conduct and supervise audits and investigations relating to the Government Printing Office; (2) provide leadership and coordination and recommend policies to promote economy, efficiency, and effectiveness; and (3) provide a means of keeping the Public Printer and the Congress fully and currently informed about problems and deficiencies.

Provides for the appointment of the Inspector General by the Public Printer and sets forth the duties and responsibilities of such Office.

H. R. 928
One Hundred Tenth Congress of the United States of America

AT THE SECOND SESSION

Begun and held at the City of Washington on Thursday,
the third day of January, two thousand and eight

An Act

To amend the Inspector General Act of 1978 to enhance the independence of the Inspectors General, to create a Council of the Inspectors General on Integrity and Efficiency, and for other purposes.
Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the Inspector General Reform Act of 2008.

SEC. 2. APPOINTMENT AND QUALIFICATIONS OF INSPECTORS GENERAL.

Section 8G(c) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended by adding at the end Each Inspector General shall be appointed without regard to political affiliation and solely on the basis of integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigations..

SEC. 3. REMOVAL OF INSPECTORS GENERAL.

(a) ESTABLISHMENTS.Section 3(b) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended by striking the second sentence and inserting If an Inspector General is removed from office or is transferred to another position or location within an establishment, the President shall communicate in writing the reasons for any such removal or transfer to both Houses of Congress, not later than 30 days before the removal or transfer. Nothing in this subsection shall prohibit a personnel action otherwise authorized by law, other than transfer or removal..

(b) DESIGNATED FEDERAL ENTITIES.Section 8G(e) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended by striking shall promptly communicate in writing the reasons for any such
removal or transfer to both Houses of the Congress. and inserting shall communicate in writing the reasons for any such removal or transfer to both Houses of Congress, not later than 30 days before the removal or transfer. Nothing in this subsection shall prohibit a personnel action otherwise authorized by law, other than transfer or removal..

SEC. 4. PAY OF INSPECTORS GENERAL.

(a) INSPECTORS GENERAL AT LEVEL III OF EXECUTIVE SCHEDULE.

(1) IN GENERAL.Section 3 of the Inspector General Act of 1978 (5 U.S.C. App.), is amended by adding at the end the following:

(e) The annual rate of basic pay for an Inspector General (as defined under section 12(3)) shall be the rate payable for level III of the Executive Schedule under section 5314 of title 5, United States Code, plus 3 percent..

(2) TECHNICAL AND CONFORMING AMENDMENTS.Section 5315 of title 5, United States Code, is amended by striking the item relating to each of the following positions:

(A) Inspector General, Department of Education.
(B) Inspector General, Department of Energy.
(C) Inspector General, Department of Health and Human Services.
(D) Inspector General, Department of Agriculture.
(E) Inspector General, Department of Housing and Urban Development.
(F) Inspector General, Department of Labor.
(G) Inspector General, Department of Transportation.
(H) Inspector General, Department of Veterans Affairs.
(I) Inspector General, Department of Homeland Security.
(J) Inspector General, Department of Defense.
(K) Inspector General, Department of State.
(L) Inspector General, Department of Commerce.
(M) Inspector General, Department of the Interior.
(N) Inspector General, Department of Justice.
(O) Inspector General, Department of the Treasury.
(P) Inspector General, Agency for International Development.
(Q) Inspector General, Environmental Protection Agency.
(R) Inspector General, Export-Import Bank.
(S) Inspector General, Federal Emergency Management Agency.
(T) Inspector General, General Services Administration.
(U) Inspector General, National Aeronautics and Space Administration.
(V) Inspector General, Nuclear Regulatory Commission.
(W) Inspector General, Office of Personnel Management.
(X) Inspector General, Railroad Retirement Board.
(Y) Inspector General, Small Business Administration.
(Z) Inspector General, Tennessee Valley Authority.

(AA) Inspector General, Federal Deposit Insurance Corporation.
(BB) Inspector General, Resolution Trust Corporation.
(CC) Inspector General, Central Intelligence Agency.
(DD) Inspector General, Social Security Administration.
(EE) Inspector General, United States Postal Service.

(3) APPLICABILITY TO OTHER INSPECTORS GENERAL.

(A) IN GENERAL.Notwithstanding any other provision of law, the annual rate of basic pay of the Inspector General of the Central Intelligence Agency, the Special Inspector General for Iraq Reconstruction, and the Special Inspector General for Afghanistan

Reconstruction shall be that of an Inspector General as defined under section 12(3) of the Inspector General Act of 1978 (5 U.S.C. App.) (as amended by section 7(a) of this Act).

(B) PROHIBITION OF CASH BONUS OR AWARDS.Section 3(f) of the Inspector General Act of 1978 (5 U.S.C. App.) (as amended by section 5 of this Act) shall apply to the Inspectors General described under subparagraph (A).

(4) ADDITIONAL TECHNICAL AND CONFORMING AMENDMENT. Section 194(b) of the National and Community Service Act of 1990 (42 U.S.C. 12651e(b)) is amended by striking paragraph (3).

(b) INSPECTORS GENERAL OF DESIGNATED FEDERAL ENTITIES.

(1) IN GENERAL.Notwithstanding any other provision of law, the Inspector General of each designated Federal entity (as those terms are defined under section 8G of the Inspector General Act of 1978 (5 U.S.C. App.)) shall, for pay and all other purposes, be classified at a grade, level, or rank designation, as the case may be, at or above those of a majority of the senior level executives of that designated Federal entity (such as a General Counsel, Chief Information Officer, Chief Financial Officer, Chief Human Capital Officer, or Chief Acquisition Officer). The pay of an Inspector General of a designated Federal entity (as those terms are defined under section 8G of the Inspector General Act of 1978 (5 U.S.C. App.)) shall be not less than the average total compensation (including bonuses) of the senior level executives of that designated Federal entity calculated on an annual basis.

(2) LIMITATION ON ADJUSTMENT.
(A) IN GENERAL.In the case of an Inspector General of a designated Federal entity whose pay is adjusted under paragraph (1), the total increase in pay in any fiscal year resulting from that adjustment may not exceed 25 percent of the average total compensation (including bonuses) of the Inspector General of that entity for the preceding 3 fiscal years.

(B) SUNSET OF LIMITATION.The limitation under subparagraph (A) shall not apply to any adjustment made in fiscal year 2013 or each fiscal year thereafter.

(c) SAVINGS PROVISION FOR NEWLY APPOINTED INSPECTORS GENERAL.

(1) IN GENERAL.The provisions of section 3392 of title 5, United States Code, other than the terms performance awards and awarding of ranks in subsection (c)(1) of such section, shall apply to career appointees of the Senior Executive Service who are appointed to the position of Inspector General.

(2) NONREDUCTION IN PAY.Notwithstanding any other provision of law, career Federal employees serving on an appointment made pursuant to statutory authority found other than in section 3392 of title 5, United States Code, shall not suffer a reduction in pay, not including any bonus or performance award, as a result of being appointed to the position of Inspector General.

(d) SAVINGS PROVISION.Nothing in this section shall have the effect of reducing the rate of pay of any individual serving on the date of enactment of this section as an Inspector General of

(1) an establishment as defined under section 12(2) of the Inspector General Act of 1978 (5 U.S.C. App.) (as amended by section 7(a) of this Act);
(2) a designated Federal entity as defined under section 8G(2) of the Inspector General Act of 1978 (5 U.S.C. App.);
(3) a legislative agency for which the position of Inspector General is established by statute; or
(4) any other entity of the Government for which the position of Inspector General is established by statute.

SEC. 5. PROHIBITION OF CASH BONUS OR AWARDS.
Section 3 of the Inspector General Act of 1978 (5 U.S.C. App.) (as amended by section 4 of this Act) is further amended by adding at the end the following:

(f) An Inspector General (as defined under section 8G(a)(6) or 12(3)) may not receive any cash award or cash bonus, including any cash award under chapter 45 of title 5, United States Code..

SEC. 6. SEPARATE COUNSEL TO SUPPORT INSPECTORS GENERAL.
(a) COUNSELS TO INSPECTORS GENERAL OF ESTABLISHMENT.
Section 3 of the Inspector General Act of 1978 (5 U.S.C. App.) (as amended by sections 4 and 5 of this Act) is further amended by adding at the end the following:
(g) Each Inspector General shall, in accordance with applicable laws and regulations governing the civil service, obtain legal advice from a counsel either reporting directly to the Inspector General
or another Inspector General..

(b) COUNSELS TO INSPECTORS GENERAL OF DESIGNATED FEDERAL ENTITIES.Section 8G(g) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended by adding at the end the following:

(4) Each Inspector General shall

(A) in accordance with applicable laws and regulations governing appointments within the designated Federal entity, appoint a Counsel to the Inspector General who shall report to the Inspector General;
(B) obtain the services of a counsel appointed by and directly reporting to another Inspector General on a reimbursable basis; or
(C) obtain the services of appropriate staff of the Council of the Inspectors General on Integrity and Efficiency on a reimbursable basis..

(c) RULE OF CONSTRUCTION.Nothing in the amendments made by this section shall be construed to alter the duties and responsibilities of the counsel for any establishment or designated Federal
entity, except for the availability of counsel as provided under sections 3(g) and 8G(g) of the Inspector General Act of 1978 (5 U.S.C. App.) (as amended by this section). The Counsel to the Inspector General shall perform such functions as the Inspector General may prescribe.

SEC. 7. ESTABLISHMENT OF COUNCIL OF THE INSPECTORS GENERAL ON INTEGRITY AND EFFICIENCY.
(a) ESTABLISHMENT.The Inspector General Act of 1978 (5 U.S.C. App.) is amended by

redesignating sections 11 and 12 as sections 12 and 13, respectively, and by inserting after section 10 the following:

SEC. 11. ESTABLISHMENT OF THE COUNCIL OF THE INSPECTORS GENERAL ON INTEGRITY AND EFFICIENCY.

(a) ESTABLISHMENT AND MISSION.

(1) ESTABLISHMENT.There is established as an independent entity within the executive branch the Council of the nspectors General on Integrity and Efficiency (in this section referred to as the Council).
(2) MISSION.The mission of the Council shall be to
(A) address integrity, economy, and effectiveness issues that transcend individual Government agencies; and
(B) increase the professionalism and effectiveness of personnel by developing policies, standards, and approaches to aid in the establishment of a well-trained and highly skilled workforce in the offices of the Inspectors General.

(b) MEMBERSHIP.
(1) IN GENERAL.The Council shall consist of the following members:
(A) All Inspectors General whose offices are established under (i) section 2; or (ii) section 8G.
(B) The Inspectors General of the Office of the Director of National Intelligence and the Central Intelligence Agency.
(C) The Controller of the Office of Federal Financial Management.
(D) A senior level official of the Federal Bureau of Investigation designated by the Director of the Federal Bureau of Investigation.
(E) The Director of the Office of Government Ethics.
(F) The Special Counsel of the Office of Special Counsel.
(G) The Deputy Director of the Office of Personnel Management.
(H) The Deputy Director for Management of the Office of Management and Budget.
(I) The Inspectors General of the Library of Congress, Capitol Police, Government Printing Office, Government Accountability Office, and the Architect of the Capitol.

(2) CHAIRPERSON AND EXECUTIVE CHAIRPERSON.
(A) EXECUTIVE CHAIRPERSON.The Deputy Director for Management of the Office of Management and Budget shall be the Executive Chairperson of the Council.
(B) CHAIRPERSON.The Council shall elect 1 of the Inspectors General referred to in paragraph (1)(A) or (B) to act as Chairperson of the Council. The term of office of the Chairperson shall be 2 years.

(3) FUNCTIONS OF CHAIRPERSON AND EXECUTIVE CHAIRPERSON.
(A) EXECUTIVE CHAIRPERSON.The Executive Chairperson shall
(i) preside over meetings of the Council;
(ii) provide to the heads of agencies and entities represented on the Council summary reports of the activities of the Council; and
(iii) provide to the Council such information relating to the agencies and entities represented on the Council as assists the Council in performing its functions.
(B) CHAIRPERSON.The Chairperson shall

(i) convene meetings of the Council
(I) at least 6 times each year;
(II) monthly to the extent possible; and
(III) more frequently at the discretion of the Chairperson;
(ii) carry out the functions and duties of the Council under subsection (c);
(iii) appoint a Vice Chairperson to assist in carrying out the functions of the Council and act in the absence of the Chairperson, from a category of Inspectors General described in subparagraph (A)(i), (A)(ii),
or (B) of paragraph (1), other than the category from which the Chairperson was elected;
(iv) make such payments from funds otherwise available to the Council as may be necessary to carry out the functions of the Council;
(v) select, appoint, and employ personnel as needed to carry out the functions of the Council subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and
the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates;
(vi) to the extent and in such amounts as may be provided in advance by appropriations Acts, made available from the revolving fund established under subsection (c)(3)(B), or as otherwise provided by law,
enter into contracts and other arrangements with public agencies and private persons to carry out the functions and duties of the Council;
(vii) establish, in consultation with the members of the Council, such committees as determined by the Chairperson to be necessary and appropriate for the efficient conduct of Council functions; and
(viii) prepare and transmit a report annually on behalf of the Council to the President on the activities of the Council.
(c) FUNCTIONS AND DUTIES OF COUNCIL.
(1) IN GENERAL.The Council shall
(A) continually identify, review, and discuss areas of weakness and vulnerability in Federal programs and operations with respect to fraud, waste, and abuse;
(B) develop plans for coordinated, Governmentwide activities that address these problems and promote economy and efficiency in Federal programs and operations, including interagency and interentity audit, investigation, inspection, and evaluation programs and projects to deal efficiently and effectively with those problems concerning fraud and waste that exceed the capability or jurisdiction of an individual agency or entity;
(C) develop policies that will aid in the maintenance of a corps of well-trained and highly skilled Office of Inspector General personnel;
(D) maintain an Internet website and other electronic systems for the benefit of all Inspectors General, as the Council determines are necessary or desirable;
(E) maintain 1 or more academies as the Council considers desirable for the professional training of auditors, investigators, inspectors, evaluators, and other personnel of the various offices of Inspector General;
(F) submit recommendations of individuals to the appropriate appointing authority for any appointment to an office of Inspector General described under subsection (b)(1)(A) or (B);
(G) make such reports to Congress as the Chairperson determines are necessary or appropriate;

and
(H) perform other duties within the authority and jurisdiction of the Council, as appropriate.

(2) ADHERENCE AND PARTICIPATION BY MEMBERS.To the extent permitted under law, and to the extent not inconsistent with standards established by the Comptroller General of the United States for audits of Federal establishments, organizations, programs, activities, and functions, each member of the Council, as appropriate, shall
(A) adhere to professional standards developed by the Council; and
(B) participate in the plans, programs, and projects of the Council, except that in the case of a member described under subsection (b)(1)(I) , the member shall participate only to the extent requested by the member
and approved by the Executive Chairperson and Chairperson.

(3) ADDITIONAL ADMINISTRATIVE AUTHORITIES.
(A) INTERAGENCY FUNDING.Notwithstanding section 1532 of title 31, United States Code, or any other provision of law prohibiting the interagency funding of activities described under subclause (I), (II), or (III) of clause (i), in the performance of the responsibilities, authorities, and duties of the Council
(i) the Executive Chairperson may authorize the use of interagency funding for
(I) Governmentwide training of employees of the Offices of the Inspectors General;
(II) the functions of the Integrity Committee of the Council; and
(III) any other authorized purpose determined by the Council; and
(ii) upon the authorization of the Executive Chairperson, any department, agency, or entity of the executive branch which has a member on the Council shall fund or participate in the funding of such activities.
(B) REVOLVING FUND.
(i) IN GENERAL.The Council may
(I) establish in the Treasury of the United States a revolving fund to be called the Inspectors General Council Fund; or
(II) enter into an arrangement with a department or agency to use an existing revolving fund.

(ii) AMOUNTS IN REVOLVING FUND.
(I) IN GENERAL.Amounts transferred to the Council under this subsection shall be deposited in the revolving fund described under clause (i)(I) or (II).
(II) TRAINING.Any remaining unexpended balances appropriated for or otherwise available to the Inspectors General Criminal Investigator Academy and the Inspectors General Auditor Training Institute shall be transferred to the revolving fund described under clause (i)(I) or (II).

(iii) USE OF REVOLVING FUND.
(I) IN GENERAL.Except as provided under subclause (II), amounts in the revolving fund described under clause (i)(I) or (II) may be used to carry out the functions and duties of the Council
under this subsection.

(II) TRAINING.Amounts transferred into the revolving fund described under clause (i)(I) or (II) may be used for the purpose of maintaining any training academy as determined by the Council.
(iv) AVAILABILITY OF FUNDS.Amounts in the revolving fund described under clause (i)(I) or (II) shall remain available to the Council without fiscal year limitation.

(C) SUPERSEDING PROVISIONS.No provision of law enacted after the date of enactment of this subsection shall be construed to limit or supersede any authority under subparagraph (A) or (B), unless such provision makes specific reference to the authority in that paragraph.

(4) EXISTING AUTHORITIES AND RESPONSIBILITIES.The establishment and operation of the Council shall not affect
(A) the role of the Department of Justice in law enforcement and litigation;
(B) the authority or responsibilities of any Government agency or entity; and
(C) the authority or responsibilities of individual members of the Council.

(d) INTEGRITY COMMITTEE.
(1) ESTABLISHMENT.The Council shall have an Integrity Committee, which shall receive, review, and refer for investigation allegations of wrongdoing that are made against Inspectors General and staff members of the various Offices of Inspector General described under paragraph (4)(C).
(2) MEMBERSHIP.The Integrity Committee shall consist of the following members:
(A) The official of the Federal Bureau of Investigation serving on the Council, who shall serve as Chairperson of the Integrity Committee, and maintain the records of the Committee.
(B) Four Inspectors General described in subparagraph (A) or (B) of subsection (b)(1) appointed by the Chairperson of the Council, representing both establishments and designated Federal entities (as that term is defined in section 8G(a)).
(C) The Special Counsel of the Office of Special Counsel.
(D) The Director of the Office of Government Ethics.

(3) LEGAL ADVISOR.The Chief of the Public Integrity Section of the Criminal Division of the Department of Justice, or his designee, shall serve as a legal advisor to the Integrity Committee.
(4) REFERRAL OF ALLEGATIONS.
(A) REQUIREMENT.An Inspector General shall refer to the Integrity Committee any allegation of wrongdoing against a staff member of the office of that Inspector General, if
(i) review of the substance of the allegation cannot be assigned to an agency of the executive branch with appropriate jurisdiction over the matter; and
(ii) the Inspector General determines that
(I) an objective internal investigation of the allegation is not feasible; or
(II) an internal investigation of the allegation may appear not to be objective.
(B) DEFINITION.In this paragraph the term staff member means any employee of an Office of Inspector General who
(i) reports directly to an Inspector General; or
(ii) is designated by an Inspector General under subparagraph (C).

(C) DESIGNATION OF STAFF MEMBERS.Each Inspector General shall annually submit to the Chairperson of the Integrity Committee a designation of positions whose holders are staff members for purposes of subparagraph (B).
(5) REVIEW OF ALLEGATIONS.The Integrity Committee shall
(A) review all allegations of wrongdoing the Integrity Committee receives against an Inspector General, or against a staff member of an Office of Inspector General described under paragraph (4)(C);
(B) refer any allegation of wrongdoing to the agency of the executive branch with appropriate jurisdiction over the matter; and

(C) refer to the Chairperson of the Integrity Committee any allegation of wrongdoing determined by the Integrity Committee under subparagraph (A) to be potentially meritorious that cannot be referred to an agency
under subparagraph (B).

(6) AUTHORITY TO INVESTIGATE ALLEGATIONS.
(A) REQUIREMENT.The Chairperson of the Integrity Committee shall cause a thorough and timely investigation of each allegation referred under paragraph (5)(C) to be conducted in accordance with this paragraph.
(B) RESOURCES.At the request of the Chairperson of the Integrity Committee, the head of each agency or entity represented on the Council
(i) may provide resources necessary to the Integrity Committee; and
(ii) may detail employees from that agency or entity to the Integrity Committee, subject to the control and direction of the Chairperson, to conduct an investigation under this subsection.

(7) PROCEDURES FOR INVESTIGATIONS.
(A) STANDARDS APPLICABLE.Investigations initiated under this subsection shall be conducted in accordance with the most current Quality Standards for Investigations issued by the Council or by its predecessors (the Presidents Council on Integrity and Efficiency and the Executive Council on Integrity and Efficiency).
(B) ADDITIONAL POLICIES AND PROCEDURES.
(i) ESTABLISHMENT.The Integrity Committee, in conjunction with the Chairperson of the Council, shall establish additional policies and procedures necessary to ensure fairness and consistency in
(I) determining whether to initiate an investigation;
(II) conducting investigations;
(III) reporting the results of an investigation;
and
(IV) providing the person who is the subject of an investigation with an opportunity to respond to any Integrity Committee report.
(ii) SUBMISSION TO CONGRESS.The Council shall submit a copy of the policies and procedures established under clause (i) to the congressional committees of jurisdiction.

(C) REPORTS.
(i) POTENTIALLY MERITORIOUS ALLEGATIONS.For allegations described under paragraph (5)(C), the Chairperson of the Integrity Committee shall make a report containing the results of the investigation
of the Chairperson and shall provide such report to members of the Integrity Committee.
(ii) ALLEGATIONS OF WRONGDOING.For allegations referred to an agency under paragraph (5)(B), the head of that agency shall make a report containing the results of the investigation and shall provide such
report to members of the Integrity Committee.

(8) ASSESSMENT AND FINAL DISPOSITION.
(A) IN GENERAL.With respect to any report received under paragraph (7)(C), the Integrity Committee shall
(i) assess the report;
(ii) forward the report, with the recommendations of the Integrity Committee, including those on

disciplinary action, within 30 days (to the maximum extent practicable) after the completion of the investigation,
to the Executive Chairperson of the Council and to the President (in the case of a report relating to an Inspector General of an establishment or any employee of that Inspector General) or the head of a designated
Federal entity (in the case of a report relating to an Inspector General of such an entity or any employee of that Inspector General) for resolution; and
(iii) submit to the Committee on Government Oversight and Reform of the House of Representatives, the Committee on Homeland Security and Governmental Affairs of the Senate, and other congressional
committees of jurisdiction an executive summary of such report and recommendations within 30 days after the submission of such report to the Executive Chairperson under clause (ii).

(B) DISPOSITION.The Executive Chairperson of the Council shall report to the Integrity Committee the final disposition of the matter, including what action was taken by the President or agency head.
(9) ANNUAL REPORT.The Council shall submit to Congress and the President by December 31 of each year a report on the activities of the Integrity Committee during the preceding fiscal year, which shall include the following:
(A) The number of allegations received.
(B) The number of allegations referred to other agencies, including the number of allegations referred for criminal investigation.
(C) The number of allegations referred to the Chairperson of the Integrity Committee for investigation.
(D) The number of allegations closed without referral.
(E) The date each allegation was received and the date each allegation was finally disposed of.
(F) In the case of allegations referred to the Chairperson of the Integrity Committee, a summary of the status of the investigation of the allegations and, in the case of investigations completed during the preceding fiscal year, a summary of the findings of the investigations.
(G) Other matters that the Council considers appropriate.

(10) REQUESTS FOR MORE INFORMATION.With respect to paragraphs (8) and (9), the Council shall provide more detailed information about specific allegations upon request from any of the following:
(A) The chairperson or ranking member of the Committee on Homeland Security and Governmental Affairs of the Senate.
(B) The chairperson or ranking member of the Committee on Oversight and Government Reform of the House of Representatives.
(C) The chairperson or ranking member of the congressional committees of jurisdiction.
(11) NO RIGHT OR BENEFIT.This subsection is not intended to create any right or benefit, substantive or procedural, enforceable at law by a person against the United States, its agencies, its officers, or any person..

(b) ALLEGATIONS OF WRONGDOING AGAINST SPECIAL COUNSEL OR DEPUTY SPECIAL COUNSEL.
(1) DEFINITIONS.In this section
(A) the term Integrity Committee means the Integrity Committee established under section 11(d)

of the Inspector General Act of 1978 (5 U.S.C. App), as amended by this Act; and
(B) the term Special Counsel refers to the Special Counsel appointed under section 1211(b) of title 5, United States Code.
(2) AUTHORITY OF INTEGRITY COMMITTEE.
(A) IN GENERAL.An allegation of wrongdoing against the Special Counsel or the Deputy Special Counsel may be received, reviewed, and referred for investigation by the Integrity Committee to the same extent and in the
same manner as in the case of an allegation against an Inspector General (or a member of the staff of an Office of Inspector General), subject to the requirement that the Special Counsel recuse himself or herself from the consideration of any allegation brought under this paragraph.

(B) COORDINATION WITH EXISTING PROVISIONS OF LAW.This subsection does not eliminate access to the Merit Systems Protection Board for review under section 7701 of title 5, United States Code. To the extent that
an allegation brought under this subsection involves section 2302(b)(8) of that title, a failure to obtain corrective action within 120 days after the date on which that allegation is received by the Integrity Committee shall, for purposes of section 1221 of such title, be considered to satisfy section 1214(a)(3)(B) of that title.
(3) REGULATIONS.The Integrity Committee may prescribe any rules or regulations necessary to carry out this subsection, subject to such consultation or other requirements as might otherwise apply.
(c) EFFECTIVE DATE AND EXISTING EXECUTIVE ORDERS.
(1) COUNCIL.Not later than 180 days after the date of the enactment of this Act, the Council of the Inspectors General on Integrity and Efficiency established under this section shall become effective and operational.
(2) EXECUTIVE ORDERS.Executive Order No. 12805, dated May 11, 1992, and Executive Order No. 12933, dated March 21, 1996 (as in effect before the date of the enactment of this Act) shall have no force or effect on and after the earlier of
(A) the date on which the Council of the Inspectors General on Integrity and Efficiency becomes effective and operational as determined by the Executive Chairperson of the Council; or
(B) the last day of the 180-day period beginning on the date of enactment of this Act.

(d) TECHNICAL AND CONFORMING AMENDMENTS.
(1) INSPECTOR GENERAL ACT OF 1978.The Inspector General Act of 1978 (5 U.S.C. App.) is amended
(A) in sections 2(1), 4(b)(2), and 8G(a)(1)(A) by striking section 11(2) each place it appears and inserting section 12(2); and
(B) in section 8G(a), in the matter preceding paragraph (1), by striking section 11 and inserting section 12.

(2) SEPARATE APPROPRIATIONS ACCOUNT.Section 1105(a) of title 31, United States Code, is amended by striking the first paragraph (33) and inserting the following: (33) a separate appropriation account for appropriations for the Council of the Inspectors General on Integrity and Efficiency, and, included in that account, a separate statement of the aggregate amount of appropriations requested for each
academy maintained by the Council of the Inspectors General on Integrity and Efficiency..

SEC. 8. SUBMISSION OF BUDGET REQUESTS TO CONGRESS.
Section 6 of the Inspector General Act of 1978 (5 U.S.C. App.) is amended by adding at the end the following:
(f)(1) For each fiscal year, an Inspector General shall transmit a budget estimate and request to the head of the establishment or designated Federal entity to which the Inspector General reports. The budget request shall specify the aggregate amount of funds requested for such fiscal year for the operations of that Inspector General and shall specify the amount requested for all training needs, including a certification from the Inspector General that the amount requested satisfies all training requirements for the Inspector Generals office for that fiscal year, and any resources necessary to support the Council of the Inspectors General on Integrity and Efficiency. Resources necessary to support the Council of the Inspectors General on Integrity and Efficiency shall be specifically
identified and justified in the budget request.
(2) In transmitting a proposed budget to the President for approval, the head of each establishment or designated Federal entity shall include
(A) an aggregate request for the Inspector General;
(B) amounts for Inspector General training;
(C) amounts for support of the Council of the Inspectors General on Integrity and Efficiency; and
(D) any comments of the affected Inspector General with respect to the proposal.
(3) The President shall include in each budget of the United States Government submitted to Congress
(A) a separate statement of the budget estimate prepared in accordance with paragraph (1);
(B) the amount requested by the President for each Inspector General;
(C) the amount requested by the President for training of Inspectors General;
(D) the amount requested by the President for support for the Council of the Inspectors General on Integrity and Efficiency; and
(E) any comments of the affected Inspector General with respect to the proposal if the Inspector General concludes that the budget submitted by the President would substantially
inhibit the Inspector General from performing the duties of the office..

SEC. 9. SUBPOENA POWER.
Section 6(a)(4) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended
(1) by inserting in any medium (including electronically stored information, as well as any tangible thing) after other data; and
(2) by striking subpena and inserting subpoena.

SEC. 10. PROGRAM FRAUD CIVIL REMEDIES ACT.
Section 3801(a)(1) of title 31, United States Code, is amended
(1) in subparagraph (D), by striking and after the semicolon;
(2) in subparagraph (E), by striking the period and
inserting ; and; and
(3) by adding at the end the following: (F) a designated Federal entity (as such term is defined under section 8G(a)(2) of the Inspector General Act of 1978);.

SEC. 11. LAW ENFORCEMENT AUTHORITY FOR DESIGNATED FEDERAL ENTITIES.
Section 6(e) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended
(1) in paragraph (1) by striking appointed under section 3; and

(2) by adding at the end the following:
(9) In this subsection, the term Inspector General means an Inspector General appointed under section 3 or an Inspector General appointed under section 8G..

SEC. 12. APPLICATION OF SEMIANNUAL REPORTING REQUIREMENTS WITH RESPECT TO INSPECTION REPORTS AND EVALUATION REPORTS.
Section 5 of the Inspector General Act of 1978 (5 U.S.C. App.) is amended
(1) in each of subsections (a)(6), (a)(8), (a)(9), (b)(2), and (b)(3)
(A) by inserting , inspection reports, and evaluation reports after audit reports the first place it appears; and
(B) by striking audit the second place it appears; and
(2) in subsection (a)(10) by inserting , inspection reports, and evaluation reports after audit reports.

SEC. 13. INFORMATION ON WEBSITES OF OFFICES OF INSPECTORS GENERAL.
(a) IN GENERAL.The Inspector General Act of 1978 (5 U.S.C. App.) is amended by inserting after section 8K the following:

SEC. 8L. INFORMATION ON WEBSITES OF OFFICES OF INSPECTORS GENERAL.
(a) DIRECT LINKS TO INSPECTORS GENERAL OFFICES.
(1) IN GENERAL.Each agency shall establish and maintain on the homepage of the website of that agency, a direct link to the website of the Office of the Inspector General of that agency.
(2) ACCESSIBILITY.The direct link under paragraph (1) shall be obvious and facilitate accessibility to the website of the Office of the Inspector General.
(b) REQUIREMENTS FOR INSPECTORS GENERAL WEBSITES.
(1) POSTING OF REPORTS AND AUDITS.The Inspector General of each agency shall
(A) not later than 3 days after any report or audit (or portion of any report or audit) is made publicly available, post that report or audit (or portion of that report or audit) on the website of the Office of Inspector General;
and
(B) ensure that any posted report or audit (or portion of that report or audit) described under subparagraph (A)
(i) is easily accessible from a direct link on the homepage of the website of the Office of the Inspector General;
(ii) includes a summary of the findings of the Inspector General; and
(iii) is in a format that
(I) is searchable and downloadable; and
(II) facilitates printing by individuals of the public accessing the website.

(2) REPORTING OF FRAUD, WASTE, AND ABUSE.
(A) IN GENERAL.The Inspector General of each agency shall establish and maintain a direct link on the homepage of the website of the Office of the Inspector General for individuals to report fraud, waste, and abuse. Individuals reporting fraud, waste, or abuse using the direct link established under this paragraph shall not be required to provide personally identifying information relating to that individual.
(B) ANONYMITY.The Inspector General of each agency shall not disclose the identity of any individual making a report under this paragraph without the consent of the individual unless the Inspector General determines that such a disclosure is unavoidable

during the course of the investigation..
(b) REPEAL.Section 746(b) of the Financial Services and General Government Appropriations Act, 2008 (5 U.S.C. App. note; 121 Stat. 2034) is repealed.
(c) IMPLEMENTATION.Not later than 180 days after the date of enactment of this Act, the head of each agency and the Inspector General of each agency shall implement the amendment made by this section.

SEC. 14. OTHER ADMINISTRATIVE AUTHORITIES.
(a) IN GENERAL.Section 6(d) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended to read as follows:
(d)(1)(A) For purposes of applying the provisions of law identified in subparagraph (B)
(i) each Office of Inspector General shall be considered to be a separate agency; and
(ii) the Inspector General who is the head of an office referred to in clause (i) shall, with respect to such office, have the functions, powers, and duties of an agency head or appointing authority under such provisions.
(B) This paragraph applies with respect to the following provisions of title 5, United States Code:
(i) Subchapter II of chapter 35.
(ii) Sections 8335(b), 8336, 8344, 8414, 8468, and 8425(b).
(iii) All provisions relating to the Senior Executive Service (as determined by the Office of Personnel Management), subject to paragraph (2).
(2) For purposes of applying section 4507(b) of title 5, United States Code, paragraph (1)(A)(ii) shall be applied by substituting the Council of the Inspectors General on Integrity and Efficiency (established by section 11 of the Inspector General Act) shall for the Inspector General who is the head of an office referred to in clause (i) shall, with respect to such office,..
(b) AUTHORITY OF TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION TO PROTECT INTERNAL REVENUE SERVICE EMPLOYEES.Section 8D(k)(1)(C) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended by striking physical security and inserting protection to the Commissioner of Internal Revenue.

Speaker of the House of Representatives.
Vice President of the United States and
President of the Senate.

Appendix F

Appendix G

RESPONSIBILITIES OF DATA INTEGRITY BOARD

As stated in OMB guidance, the data Integrity Board may delegate much of its work to less senior members, but it may not delegate approval of matching agreements. Accordingly, the Board itself may actually need to convene only as necessary to consider matching program proposals and ensure matching programs are carried out efficiently, effectively, and in conformance with applicable laws. In this regard as stated in the OMB guidance, the Board should designate a representative to answer questions on matching both from within the agency and from outside entities. The specific responsibilities of the Board include the following:

(a) Review, approve, and maintain all written agreements for receipt or disclosure of agency records for matching programs;

(b) Review all matching programs in which the agency participates and determine compliance with applicable laws and requirements and assess the costs and benefits;

(c) Provide interpretation and guidance to agency components and personnel on the requirements of this section for matching programs;

(d) Report annually to the agency head, the Senate, the House, and OMB on the composition of the board, including any changes during the year; a list of all matching programs in which the agency participated during the reporting year; the results of the cost/benefit analysis for each prospective program; a description of any matching agreement of the Board rejected and an explanation of the rejection; a list of violations and alleged violations of matching agreements, and any corrective action; and a discussion of any litigation involving the agencys participation in any matching program.

(e) Serve as a clearinghouse for information on the accuracy, completeness and reliability of records used in matching programs; and

(f) Review agency recordkeeping and disposal policies and practices for matching programs.

Appendix H

OVERVIEW OF THE COMPUTER MATCHING ACT (CMA)

The Computer Matching Act (CMA) applies only to a computerized comparison of records that meets certain conditions. To be covered, a match must include at least one federal system of records as defined by the Privacy Act, that is, a group of records from which information is retrieved by the name of the individual or some other identifier. Moreover, to fall under the CMA, a match must either (1) use Federal personnel or payroll records or (2) involve Federal benefit programs, which include programs funded by the Federal Government that provide cash or in-kind assistance in the form of payments, grants, loans, or loan guarantees to individuals.

The CMA also lists a number of non-covered matches. These include matches (1) to produce aggregate statistical data without any personal identifiers, (2) using only records from systems of records maintained by that agency if the purpose of the match is not to take any adverse financial, personnel. Disciplinary or other adverse action against Federal personnel and (3) to produce background checks for security clearances of Federal personnel or Federal contractor personnel.

Procedural requirements under the CMA include the following:

(a) The agency component seeking to conduct a match must prepare a matching agreement for Data Integrity Board approval that provides all of the information relevant and necessary to permit the Board to make an informed decision.

(b) All approved matching agreements must be published in the Federal Register and sent to the Senate Committee on Governmental Affairs forty days before the match can begin.

(c) Subjects of matches must be given due process rights. The agency generally cannot take any adverse action against an individual without independently verifying the accuracy of the information produced by the match, and the agency must give either direct or constructive notice that records may be subject to a computer match. Notice can be given, for example, by providing notice on the benefit application form or on a notice that arrives with the benefit.