



Department of Energy
Washington, DC 20585

June 30, 2015

JM Chronology
JM RECEIVED - 7/2/2015
OUT FOR REVIEW - 7/6/2015
DRB DISCUSSION - 7/16/2015

MEMORANDUM FOR: INGRID KOLB
DIRECTOR, OFFICE OF MANAGEMENT
Carmelle Roben

THROUGH: *for* KEVIN T. HAGERTY
DIRECTOR, OFFICE OF INFORMATION RESOURCES

FROM: *Alison L. Doone*
ALISON L. DOONE
DEPUTY CHIEF FINANCIAL OFFICER

SUBJECT: Notice of Intent to Revise and Consolidate DOE Order 224.3, *Audit Resolution and Follow-up*, Order 2340.1C, *Coordination of General Accounting Office Activities*, and 221.3A, *Establishment of Management Decisions on Office of Inspector General Reports*

PURPOSE: To update and consolidate audit-related DOE orders.

JUSTIFICATION: The proposed order will consolidate three Departmental orders that provide requirements for responding to Inspector General (IG) and Government Accountability Office (GAO) reports, following up on recommendations from those reports, and working with GAO during the course of audit engagements. The CFO is the Office of Primary Interest (OPI) for Orders 224.3 and 2340.1C. The Office of Inspector General is the OPI for Order 221.3A and has agreed to include continuing requirements from the order in the proposed consolidated order.

Updates are needed to Order 224.3, *Audit Resolution and Follow-up*, to clarify and streamline the requirements for closure of audit recommendations. Policy updates are also needed to clarify Departmental processes for resolving questioned cost amounts identified by the IG. The intended policy updates will also resolve longstanding IG recommendations to clarify requirements for audit close-out.

Updates are needed to Order 2340.1C, *Coordination of General Accounting Office Activities*, to reflect current Departmental processes for working with GAO and responding to GAO reports. The updates will also include relevant best practices outlined in the joint CFO/General Counsel memorandum, *Best Practices for Coordination of GAO Audits*, and will clarify the definition of sensitive documents discussed in the memorandum.

Updates will be made to Order 221.3A, *Establishment of Management Decisions on Inspector General Reports*, to clarify requirements for responding to financial statement audit findings, refine the process for developing management decisions for IG reports, implement requirements from the Inspector General Act to express a management opinion on cost avoidance amounts identified by the IG, and clarify processes for responding to pre-decisional IG reports.

There are no valid external, consensus or other standards available which can be used in place of this directive.



IMPACT: The proposed directive does not duplicate existing laws, regulations or national standards and it does not create undue burden on the Department. No additional cost is expected to be associated with the implementation of this Order. There are no costs savings associated with the proposed changes.

WRITER: Office of the Chief Financial Officer, Tom Griffin (OPI), 202-586-5728

OPI/OPI CONTACT: Office of the Chief Financial Officer, John Wall (OPI), 202-586-5728

for

Ingrid Kolb, Director, Office of Management (MA-1):

Concur:  Nonconcur: _____ Date: 7/16/2015

<u>Standard Schedule for Directives Development</u>	<u>Days</u>
Draft Development	Up to 60 days
Review and Comment (RevCom)	30
Comment Resolution	30
Final Review	30
Total	150