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Description of document:	Environmental Protection Agency (EPA) Office of Inspector General (OIG) EPA OIG Project Management Handbook, 2017
Requested date:	11-February-2017
Released date:	07-April-2017
Posted date:	16-April-2018
Source of document:	FOIA Officer EPA OIG 1200 Pennsylvania Avenue, NW Mail Code 2411T Washington, DC 20460-0001 Fax: (202) 566-0870 Email: OIG_FOIA@epa.gov FOIAOnline

APR 0 7 2017

Re: Freedom of Information Act Request (EPA-HQ-2017-004475) – Final Disposition Letter

This letter responds to your Freedom of Information Act request to the Environmental Protection Agency Office of Inspector General dated February 11, 2017, seeking disclosure "of the EPA OIG Project Management Handbook." The record responsive to your request is enclosed.

For your information, Congress excluded three discrete categories of law enforcement and national security records from the requirements of the FOIA. See 5 U.S.C. § 552(c) (2006 & Supp. IV 2010). This response is limited to those records that are subject to the requirements of the FOIA. This is a standard notification that is given to all our requesters and should not be taken as an indication that excluded records do, or do not, exist.

You may appeal this decision to the Counsel to the Inspector General, Office of Counsel, Office of Inspector General, 1200 Pennsylvania Avenue NW, Mail Code (2411T), Washington, D.C. 20460 or via email at oig_foia@epa.gov. The appeal must be made in writing and must be submitted no later than 90 calendar days from the date of this letter. The appeal letter and envelope should include the FOIA tracking number listed above and be marked "Freedom of Information Act Appeal."

Additionally, you make seek dispute resolution services from either the EPA FOIA Public Liaison (hq.foia@epa.gov; 202-566-1667) or the Office of Government Information Services (OGIS). OGIS serves as a bridge between FOIA requesters and agencies and can be reached by email at ogis@nara.gov, by phone at 1-877-684-6448, or by fax at (202) 741-5769.

If you have any questions concerning this matter, you may contact Scott Levine, EPA OIG FOIA Officer, at (202) 566-1512 or oig_foia@epa.gov.

Sincerely,

Susan Barvenik
Associate Counsel

Enclosure

U.S. ENVIRONMENTAL PROTECTION AGENCY

OFFICE OF INSPECTOR GENERAL

Project Management Handbook

**OIG Policy No. 101
as of January 11, 2017
Includes amendment 101-2**

Abbreviations

AFC	Audit Follow-Up Coordinator
AICPA	American Institute of Certified Public Accountants
AIG	Assistant Inspector General
CMR	Compliance Monitoring Review
CSB	U.S. Chemical Safety and Hazard Investigation Board
DAIG	Deputy Assistant Inspector General
DIG	Deputy Inspector General
EPA	U.S. Environmental Protection Agency
GAGAS	Generally Accepted Government Auditing Standards
GAO	U.S. Government Accountability Office
IG	Inspector General
IG Act	Inspector General Act of 1978
IGEMS	Inspector General Enterprise Management System
MATS	Management Audit Tracking System
OC	Office of Counsel
OCPA	Office of Congressional and Public Affairs
OI	Office of Investigations
OIG	Office of Inspector General
OMB	Office of Management and Budget
PII	Personally Identifiable Information
PLD	Product Line Director
PM	Project Manager
PMH	Project Management Handbook
PMRS	Performance Measurement Results System

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Chapter 1

Introduction and General Information

1.1 Purpose

This *Project Management Handbook* (PMH) describes for the employees of the U.S. Environmental Protection Agency (EPA) Office of Inspector General (OIG) the processes that the OIG will follow for conducting audits, attestation engagements,[1] program evaluations, related projects (hereafter referred to collectively as projects) and nonaudit services. The EPA OIG also serves as the OIG for the U.S. Chemical Safety and Hazard Investigation Board (CSB); thus, this PMH also applies to all projects related to the CSB. The projects are conducted on the EPA, CSB and/or other auditees, such as grant recipients (hereafter referred to as "the reviewed entities").

This PMH describes the OIG's key processes and controls that help the OIG comply with its mandatory obligations and operate within its discretionary authority, including those prescribed by the Inspector General Act of 1978 (IG Act),[2] as amended; and applicable *Government Auditing Standards*—also known as the "Yellow Book," or the generally accepted government auditing standards (GAGAS)[3]—issued by the U.S. Government Accountability Office (GAO). All citations refer to the December 2011 revision of GAGAS. The PMH describes the flow and requirements of each phase of our work and helps ensure the quality, consistency and timeliness of our products. For non-GAGAS projects, the extent to which the PMH will be followed should be discussed with the Assistant Inspect General (AIG) when planning the project. Financial statement audits should be managed in accordance with professional standards and follow the PMH whenever possible.

1.2 Generally Accepted Government Auditing Standards

The IG Act requires that, in carrying out its responsibilities to conduct audits of its agency's programs and operations, each Inspector General (IG) comply with GAGAS. For other projects, adherence to GAGAS is not required but may still be desirable. Other projects could be internal reviews of OIG activities and collection of information in support of the Council of the Inspectors General on Integrity and Efficiency. For these projects, the OIG Product Line Director (PLD), with AIG concurrence, may choose to conduct the review in conformity with GAGAS. Teams should document GAGAS

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[1] GAGAS, Chapter 2, paragraphs 2.05.b and 2.09.
[2] Inspector General Act of 1978.
[3] GAGAS, Chapter 3, paragraph 3.01.

compliance by completing the appropriate GAGAS compliance checklist contained in Appendix 1. The checklists can also be found on the Audit and Evaluation Resources page of the OIG intranet. For all OIG projects, the responsible PLD and AIG will specify which standards will be followed in conducting the audit, and those standards must be documented in the working papers.

As explained in GAGAS paragraph 2.15(b), GAGAS uses the word "should" to indicate a presumptively mandatory requirement. Auditors and audit organizations must comply with presumptively mandatory requirements in all cases where the requirement is relevant. The rare circumstances in which an audit organization may find it necessary to depart from the GAGAS requirement are explained in GAGAS paragraph 2.16.

GAGAS provides the option for attestation engagements, but the OIG policy is to only do these on an exception basis, and they must be approved by the AIG. Attestation engagements can cover a broad range of financial or nonfinancial objectives about the subject matter or assertion, depending on the users' needs. GAGAS incorporates by reference the American Institute of Certified Public Accountants' (AICPA's) Statements on Standards for Attestation Engagements. Additional requirements for performing attestation engagements in accordance with GAGAS are in Chapters 1, 2, 3 and 5 of GAGAS. Professional standards recognize attestation engagements that result in an examination, a review or an agreed-upon procedures report on a subject matter or on an assertion about a subject matter that is the responsibility of another party.

1.3 Independence

EPA OIG employees are responsible for meeting the Standards of Ethical Conduct for Employees of the Executive Branch[4] and, where applicable, the GAGAS General Standard for Independence.[5] The EPA also has Supplemental Standards for Ethical Conduct.[6] OIG Policy and Procedure 501, *Standards of Conduct,* summarize key standards of conduct for EPA OIG employees. GAGAS independence standards overlap with ethical standards that apply to all federal employees. Because auditing is essential to government accountability to the public, the public expects audit organizations and staff who conduct their work in accordance with GAGAS to follow ethical principles. The five ethical principles that guide our work are (1) the public interest; (2) integrity; (3) objectivity; (4) proper use of government information, resources and position; and (5) professional behavior.[7]

The EPA OIG as an organization, as well as its employees, must be independent, of mind and in appearance. Each OIG employee must approach his or her work objectively, with integrity and professional skepticism.

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[4] Standards of Ethical Conduct for Employees of the Executive Branch (June 2009), codified in 5 C.F.R. Part 2635.
[5] GAGAS Chapter 3, paragraphs 3.02 to 3.59.
[6] Supplemental Standards of Ethical Conduct for Employees of the Environmental Protection Agency, 5 C.F.R. Part 6401.
[7] GAGAS, Chapter 1, paragraph 1.14.

OIG Policy and Procedure 102, *OIG Independence*, discuss concerns about independence and how they should be addressed. OIG Procedure 102 states that OIG supervisors and managers must consider each threat to independence on its own and in light of other previous or current services. When considered in isolation, each threat may not be deemed significant or material, but when threats are considered cumulatively they could impair organizational and/or individual independence. GAGAS Section 3.14 discusses types of threats to independence. Supervisors and managers will also consider potential or actual impairments as they make staffing decisions, and are responsible for determining whether a potential engagement involves a nonaudit service.

Attempts to improperly adjust or influence an OIG project is a serious matter. If staff perceive that these attempts are underway, they must report them to the AIG, who is responsible for notifying the IG. In consultation with the AIG, the IG will decide how the matter will be resolved. The IG's resolution, including the rationale and the decision, must be documented in the OIG's AuditAudit system.

The Project Manager (PM) will notify the PLD, and document in the working papers, the analysis of threats to independence for an OIG project when a threat is identified. The analysis should describe the application of safeguards, if necessary, to reduce threats to an acceptable level. When new staff are added to project teams, the PM and PLD should ensure there are no potential or actual impairments to independence. The PLD will review the personal impairment forms, as required by OIG Procedures 102 and 501.

1.4 Nonaudit Services

The OIG may conduct nonaudit services.[8] Requests for assistance from EPA or CSB may constitute nonaudit services. As an independent but customer-oriented OIG, we should be open to considering such requests. However, GAGAS states that by engaging too extensively in nonaudit services, a government auditing entity can "step over the line" into management functions, or find itself reviewing its own suggestions made in providing the nonaudit service. To ensure that the sum total of nonaudit service being conducted OIG-wide does not create an independence impairment, the team and PLD should consult with their AIG and, if appropriate, the Deputy IG (DIG). OIG Policy and Procedure 102, *OIG Independence*, discuss impairment concerns and how they should be addressed. The PLD should ensure that independence documentation meets GAGAS requirements. However, for an organization such as the OIG, which performs GAGAS-compliant audits and attestation engagements, the nonaudit service product will state that

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[8] Nonaudit services are defined as professional services other than audits or attestation engagements, according to GAGAS, Chapter 2, paragraph 2.12. A critical component of determining whether a service is a nonaudit service is management's ability to effectively oversee the nonaudit service to be performed. The OIG staff member should determine that the audited entity has designated an official who possesses suitable skill, knowledge or experience; and that the individual understands the services to be performed sufficiently to oversee them. The staff member should document consideration of management's ability to effectively oversee nonaudit services to be performed (GAGAS, Chapter 3, paragraph 3.33-3.59).

any nonaudit services work performed does not constitute an audit conducted in accordance with GAGAS.[9]

1.5 Reviews of EPA OIG Activities

Generally, reviews of OIG activities will be done in accordance with OIG Policy and Procedure 017, *Internal Control Review*. Under this policy/procedure, internal reviews:

> Assess the efficiency and effectiveness of the OIG's internal activities, including how well the OIG is carrying out its financial responsibilities and complying with applicable laws, regulations, policies, and procedures.

However, there may be circumstances where a review of OIG activities will be done in accordance with the PMH and GAGAS. The AIG must approve conducting an internal review in accordance with the PMH. If done in accordance with the PMH, the report must contain a modified GAGAS statement because the OIG is not independent when reviewing its own activities.

1.6 Initiating and Accepting Projects

GAGAS requires that the OIG have policies and procedures for the initiation, acceptance and continuation of audits.[10] The EPA OIG's planning process is conducted through the Inspector General Enterprise Management System (IGEMS) assignment planning module or database. The assignment planning aids contained in the planning database include details on what factors are to be considered in determining whether to initiate or accept a project, and describes the process for approving projects. All projects must be approved in the assignment planning database before they can be started. As part of the planning process, OIG staff will assess whether there are any known impediments to OIG independence if the OIG were to initiate the assignment. The AIG or Deputy AIG (DAIG) will also assess whether the OIG will be able to comply with professional standards, legal requirements and ethical principles; and is acting within the legal mandate or authority of the OIG. If there is the potential that the OIG will not be able to comply, that will be considered in the decision to initiate the assignment, and will be disclosed in the report, as appropriate.

1.7 Quality

GAGAS provides a framework for performing OIG's oversight work with competence, integrity, objectivity and independence, to provide accountability and help improve government operations and services.[11] This PMH connects GAGAS to our project processes. PMH controls, checklists and explanations depend on the staff members' professional judgment to accomplish high-quality work.

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[9] GAGAS, Chapter 2, paragraph 2.12.
[10] GAGAS, Chapter 3, paragraph 3.89.
[11] GAGAS, page 1, first paragraph.

GAGAS identifies seven report quality elements:[12]

1. Accurate
   - ✓ Report findings are supported with sufficient, appropriate evidence with key facts and figures traceable to the evidence.
   - ✓ Report is fact-based, with a clear statement of sources, methods, assumptions and data limitations.
   - ✓ Report presents findings in the broader context of the issue.

2. Objective
   - ✓ Report is balanced in content and tone.
   - ✓ Report refrains from using adjectives or adverbs that imply unsupported conclusions.
   - ✓ Report recognizes the positive aspects of the program, if applicable.

3. Complete
   - ✓ Report contains sufficient, appropriate evidence to satisfy the objectives and promote an understanding of the matters reported.
   - ✓ Report states evidence and findings without omission of significant relevant information related to the objectives.
   - ✓ Report provides perspective on the extent and significance of reported findings (e.g., frequency of occurrence relative to the number of cases or transactions tested).
   - ✓ Report clearly states what was and was not done, including explicitly describing constraints imposed by restrictions on access to records.

4. Convincing
   - ✓ Report is responsive to the objectives.
   - ✓ Report's findings are presented persuasively and the conclusions and recommendations flow logically from the facts presented.

5. Clear
   - ✓ Report is easy for the intended user to read and understand.
   - ✓ Report uses language as clear and simple as the subject permits.
   - ✓ Report defines technical terms, abbreviations and acronyms.
   - ✓ Report makes effective use of titles, captions and topic sentences, as well as visual aids (such as pictures, charts, graphs and maps) to clarify and summarize complex material.

6. Concise
   - ✓ Report is no longer than necessary to convey and support the message.

7. Timely
   - ✓ Report provides relevant evidence in time to respond to officials of the audited entity, legislative officials, and other users' legitimate needs.

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[12] GAGAS, Appendix I, paragraph A7.02.

1.8　Documentation (Working Papers)

Working papers are the record of work performed supporting the basis for the report. Documentation must contain sufficient and appropriate evidence to support the findings, opinions, conclusions, judgments and recommendations in the report. Each working paper must contain sections to identify:

- ✓ Purpose—reason for the working paper and which step or sub-step is addressed, if it relates to a specific project guide step.
- ✓ Source—how or from whom the material or information was obtained, and/or interviewees' contact information (including organization, location, title, date and phone number).
- ✓ Scope—date ranges/dollar ranges of the items reviewed and/or as-of dates for information presented; any limitations; and, if applicable, the methodology or steps taken to reach a conclusion (e.g., how data was analyzed or spreadsheet developed).
- ✓ Results or Discussion—if applicable, the results, analysis or summary section that provide the details of the interview, meeting or information used to reach a conclusion.
- ✓ Conclusion—should be brief and clearly provide the conclusion arrived at by the staff member based on the analysis or the discussion material covered. The conclusion should be directly related to the purpose of the working paper. If a conclusion heading is present in the working paper and there is no conclusion, "N/A" should follow the heading.

Each working paper should be able to stand on its own and clearly convey the step being addressed from the project guide or why the working paper was prepared. Summary working papers contain a compilation of information from individual working papers. Information in summary working papers must be indexed and linked back to the individual working paper or source documentation so that the information can be easily found and verified. Teams can use the indexed summary working paper(s) to support draft and final reports.

Working papers must include evidence of supervisory (i.e., PLD and PM) review and support for any departures from GAGAS requirements. Each working paper should indicate who completed the work and when it was completed, to evaluate the timeliness of working paper review. Working papers are discussed in several sections of GAGAS.[13]

EPA OIG uses AutoAudit as a repository for documentation.[14] Team members are required to use AutoAudit for all projects. When AutoAudit cannot be used (e.g., classified or sensitive projects), decisions for documenting the project outside of AutoAudit must be approved by the AIG and explained in the IGEMS assignment module. Project documentation in AutoAudit or alternative location, as well as team

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[13] GAGAS, Chapter 3, paragraph 3.92; Chapter 4, paragraphs 4.15 through 4.16; Chapter 5, paragraphs 5.16 and 5.18; and Chapter 6, paragraphs 6.79 through 6.85.
[14] AutoAudit® is the current required application for automated working papers.

emails and hard-copy documentation, are subject to discovery in the course of litigation, as well as in a request for release to the public under the Freedom of Information Act. AutoAudit should specify any hard-copy working papers maintained outside the system, including the person responsible for maintaining the hard copies, and the team's plans for transferring such responsibility in the event it is needed.

Teams should use the application's electronic tools, such as Doclinking or Anchor linking, when writing working papers and indexing reports.[15] Electronic links can be lost and are not retained when archived. As a result, all indexes or cross-indexes must include a description of the electronic link. Link descriptions will include the indexed working paper number and a brief explanation identifying the location of the relevant text. Link descriptions should be apparent and allow for the quick location for future reference.

Working papers should be clear, concise and easy to follow. Individual working papers that include multiple interviews, emails, documents and analyses are best broken up into separate working papers, lest they become overly complex and slow a reviewer's efforts to verify a team's work. Similarly, including the same piece of evidence multiple times in a set of working papers, or in one working paper, can negatively impact review time, and detracts from the conciseness of the evidence. It is more efficient to include a short excerpt if needed and cross-index to the original document. Source documents should be included only once in the set of working papers for a project, and cross-indexed to the supporting document. Limiting each working paper to addressing a specific step or sub-step from the project guide may help, depending on the complexity of the task.

It is not necessary for OIG staff to include the entire GAGAS or EPA OIG PMH in their working papers. The PMH is maintained on the EPA OIG intranet site. Where a team follows professional standards in conjunction with GAGAS (other than AICPA standards that GAGAS incorporates by reference),[16] the team should include a copy of those *other* standards—and the internet website where they are available and the date the website was accessed—in the working papers or permanent files. [Permanent files are a library of frequently used criteria or other information that could be used for multiple assignments. The AutoAudit Champions team provides guidance on setting up permanent files. See the link for updated information (oigintra/AATrainers.cfm) or contact the team through its email address (OIGAutoAudit_Champions@epa.gov)].

1.9 Product Line Responsibilities and Supervision

The PLDs and PMs are primarily responsible for working with their teams to complete OIG projects on time, within budget, and in compliance with standards and the PMH. Some responsibilities are shared and may be adjusted as circumstances warrant.

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[15] Directions on linking are contained on the OIG intranet on the AutoAudit page.
[16] GAGAS, Chapter 2, paragraphs 2.08 and 2.19 through 2.22.

Product Line Director

The PLD proposes the strategic direction for his or her product line; develops annual plans; and, through the annual planning process, ensures that projects undertaken support the OIG's strategic direction. The PLD assigns and monitors staff performance on projects. The PLD is expected to attend all meetings with OIG management, approve the report's message, and ensure the quality of work performed. The PLD may sign draft reports with the approval of the AIG. The PLD maintains effective working relationships with officials within and outside the reviewed entity. The PLD may represent the OIG in meetings with the Office of Management and Budget (OMB), congressional staff, interest groups, and other stakeholders. The PLD serves as a first-line supervisor and, with the assistance of PMs, communicates performance expectations, monitors performance and accomplishment of individual development plans, and conducts performance discussions.

Each PLD is responsible for ensuring that teams maintain the integrity of working papers in accordance with applicable standards and OIG policies. Likewise, PLDs must ensure that information in the OIG's automated systems is updated regularly and accurately by the team.

Project Manager

The PM assists the PLD in proposing the strategic direction and annual plan for the product line. The PM establishes objectives, monitors progress, and ensures the quality of projects. The PM is expected to attend and lead all meetings with OIG management, and recommend whether the project should continue to the field work phase. The PM is also responsible for conducting status briefings for the reviewed entity and OIG managers, developing the finding outlines[17] for the message agreement meeting, and preparing a written report that provides a clear and convincing message. The PM assists the PLD and enters data in the IGEMS assignment module and the Performance Measurement Results System (PMRS). The PM follows up on projects to ensure timely completion of corrective actions. The PM reviews the EPA's Management Audit Tracking System (MATS) at least every 6 months (or as often as requested by the PLD) to check the status of the EPA's progress in completing agreed-to corrective actions and identify completed corrective actions that can be reported as results in PMRS. The PM assists the PLD in reviewing staff individual development plans—providing on-the-job and other training opportunities consistent with individual development plans—and assists in performance appraisals.

For the purposes of the PMH, a PM is understood to be a GS-14. A GS-13 may, upon AIG approval and designation, be assigned the project management duties of a PM for the purposes of professional development.

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[17] See OIG Procedure 602, *Audit and Evaluation Report Writing Guide*, for a description of the elements of a finding; and also see the elements of findings in GAGAS, Chapter 4, paragraphs 4.10 through 4.14; Chapter 5, paragraphs 5.11 through 5.15; and Chapter 6, paragraphs 6.73 through 6.77.

Product Line Director <u>and</u> Project Manager

The PM and PLD are accountable for a project, and are responsible for deciding who will review the working papers. AIG (or designee) approval is needed if someone other than the PM or PLD will be reviewing working papers. The approval must be obtained prior to the start of the project, or when the decision is made that working paper review and approval will be done by someone other than the PM or PLD. The decision must be documented in the approved project guide. The designated reviewer(s) must review each working paper within 30 days of the team member completing the working paper.

Both the PM and PLD are responsible for making sure the draft and final reports are supported. The PM and PLD will certify that the report is ready for referencing and will review indexes as they deem necessary. How this is done is left to the PM and PLD. If someone other than the PM or PLD conducts this review, approval from the AIG (or his/her designee) is needed.

Team Members

All team members are responsible for carrying out the audit to ensure OIG products meet the seven GAGAS report quality elements described in Section 1.7. OIG staff members must use professional judgment in planning and performing audits and in reporting results. Professional judgment includes exercising reasonable care and professional skepticism. Reasonable care includes acting diligently in accordance with applicable professional standards and ethical principles; professional skepticism is an attitude that includes a questioning mind and critical assessment of evidence. Relying on professional knowledge, skills and experience is crucial to producing quality work, since judgments made are dependent upon the team members' competence and professional judgment.

1.10 Quality Assurance of Working Papers

The process of preparing and reviewing working papers contributes to the quality of a project. Supervisory (i.e., PLD and PM) review of the evidence that supports the findings, conclusions and recommendations in the report must be documented before the report is issued. To help the PLD and PM provide sufficient guidance and direction to staff, the team should prepare and place working papers in AutoAudit promptly (within 7 calendar days), as the team members gather and develop evidence. Evidence of supervisory review must be recorded in the working papers within 30 days of the working paper being completed. If a team member makes significant edits (changes or add facts or conclusions) to a working paper after it was initially reviewed and approved, the team member should notify the designated reviewer(s) so that the working paper can again be reviewed within 30 days.

Methods for documenting supervisory review that have worked well in the past include using the "Comment" feature in AutoAudit, recording the supervisory comments directly on a Working Paper Review Sheet (on the OIG intranet), or including a table at the top of each working paper that includes the comments. When the PLD and PM have no or

minor comments on a series of working papers, they should document supervisory review by ensuring that the working papers reflect the identity of the reviewer and the date the review took place. When the PLD and PM review and approve the working paper by initialing the working paper, it means: "I have reviewed the working paper and found it satisfactory." The approval of the working paper can be done via the electronic approval functions in AutoAudit or via the aforementioned "review tables" within the working paper. If the reviewer elects to use the electronic comment feature, the reviewer's closing of the comment means that the comment is resolved. All reviewer comments should be resolved within 30 days or before indexing begins, whichever is sooner.

1.11 Editing, Multimedia and Publishing

OIG Office of Congressional and Public Affairs (OCPA) staff help the team effectively communicate its mission and message by editing, publishing and distributing reports, as well as producing multimedia content. OCPA multimedia staff provide graphics support for all reports, as well as produce podcasts and videos with some reports, as selected by OCPA. Teams should consult OCPA's multimedia lead for all graphics and video guidance, and OCPA's Deputy AIG for podcast consideration.

Editors assist teams in developing memorandums and reports. Assistance with reports can begin as early as drafting of finding outlines or at the message agreement meeting. Reports should be submitted to editing via OIG_Editors@epa.gov. As "cold readers," editors offer additional perspective and insight into how to effectively convey the report message. Further, editors review reports to ensure that they are presented in a clear, concise and well-written manner. Editors also review other documents that are posted to the OIG public website or signed by the IG. The OIG web lead can assist and guide teams with any web presentation questions that are beyond the actual content of the documents.

1.12 Referencing

An audit organization performing audits in accordance with GAGAS must establish a system of quality control. This system should provide the organization with reasonable assurance that the organization and its personnel comply with professional standards and applicable legal and regulatory requirements. Independent referencing is a part of the OIG's system of quality control. Referencing is one way cited by GAGAS to assure reports are accurate.[18]

Referencing of OIG products provides reasonable assurance that the products in fact comply with GAGAS. Unless otherwise directed by the IG or DIG, OIG products conducted in accordance with GAGAS (e.g., draft, final, hotline and congressional reports) will be independently referenced prior to release to the reviewed entity and/or addressee. See OIG Policy and Procedure 006, *OIG Quality Control and Assurance Process*.

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[18] GAGAS, Appendix 1, paragraph A7.02a.

1.13 Legal Support and Sufficiency Reviews

The OIG Office of Counsel (OC) provides legal support to project teams, and reviews OIG products to address legal issues and citations. At any point during the review process when an OIG team recognizes that a project may involve a legal issue (e.g., projects regarding regulatory compliance, sensitive information, etc.), the team should contact OC. The primary means should be via email to OIGCounsel@epa.gov. Also, teams should contact OC prior to contacting or meeting with attorneys for the EPA or CSB (e.g., Office of General Counsel) or other entity. To facilitate the team's project work as it relates to legal issues, OC attorneys may review interview questions or attend meetings with the team. In addition, OC should be contacted if the team anticipates reviewing Federal Insecticide, Fungicide, and Rodenticide Act and Toxic Substances Control Act sensitive information. OC supervisors will assign one or more attorneys to the team to provide legal assistance. Early notice to OC allows the attorneys to research issues and provide legal advice in advance of the report writing phase. Early notice can also speed the legal review process.

The OC provides support through legal sufficiency reviews of all written products. The primary purpose of an OC legal sufficiency review is to ensure that discussion documents and OIG reports refer to the appropriate legal authorities; cite those authorities in the correct legal form; and include correct interpretation, application and description of those legal authorities. Legal authorities include statutes, regulations, executive orders, judicial opinions and policies. For more details on legal sufficiency reviews, please see OIG Policy and Procedure 505, *Legal Sufficiency Review*.

1.14 Illegal Acts

Potentially illegal activities identified during projects are not discussed or disclosed to the reviewed entity's management or external parties; instead, they should be discussed with the AIG and immediately referred to the OIG Office of Investigations (OI). Staff responsibility for detecting and reporting fraud, illegal acts or irregularities is described in GAGAS.[19] In addition, auditors' responsibility for detecting fraud is described in the AICPA's Statement of Auditing Standards 99, *Consideration of Fraud in a Financial Statement Audit*. See OIG Policy 103, *Coordinating Audits, Evaluations and Investigations Among OIG Offices,* for the EPA OIG coordination process to follow when referring potential illegal matters and fraud for investigation by OI.

1.15 Suspension of Projects

The AIG will approve or disapprove all project suspensions in writing. An email is sufficient. Suspensions are major events that impact a project team's timely completion of the project. The entity being reviewed will be notified via email by the team that no

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[19] GAGAS, Chapter 3, paragraph 3.68; Chapter 4, paragraphs 4.06 through 4.09k, 4.23, and 4.25 through 4.32; Chapter 5, paragraphs 5.07 through 5.10, 5.20 through 5.26, 5.29, 5.49 and 5.59; and Chapter 6, paragraphs 6.28 through 6.35.

additional work will be performed until further notice if the suspension is expected to be greater than 45 calendar days. Before work resumes on the project, the reviewed entity must be notified via email. Examples of valid major events for suspensions would include the team being placed on higher priority work for an extended period, the project being referred to OI, or the key staff member(s) assigned being on extended emergency or unanticipated leave. Suspensions must be documented by the team in the working papers and entered in the IGEMS assignment module. The update must be made by either the PLD or PM.

1.16 Access to Information and Use of Agency Audit Liaisons

In accordance with the IG Act of 1978, as amended, the OIG has access to all records, reports, audits, reviews, documents, papers, recommendations or other material available (including those considered deliberative/draft/in process) that relate to programs and operations within the reviewed entity over which the OIG has oversight authority. EPA Manual 2750 directs EPA staff to provide OIG access to records. In a January 2, 2015, memo, the EPA Administrator reiterated the need for EPA staff to work with the OIG.[20]

In general, OIG staff members have unrestricted access to all internal and external documents, records, reports, papers and other relevant information <u>available to</u> the agency, including full explanations regarding management actions and decisions, for the area under review.[21] "Available to" is not limited to information currently in the possession of an agency employee, but rather includes any information that the agency is entitled to obtain (e.g., information currently in the hands of a contractor, or information that the agency would have the right to demand be provided to it from another source). OIG employees are not prevented or impeded from access to any materials on the basis of privilege or enforcement sensitivity. For access to classified information, OIG staff need to have the proper clearance. The need to know is determined by the IG, not the agency.

All information requested by OIG personnel must be provided as quickly as practicable, directly from the requested agency personnel to the OIG requester. Teams should immediately report to the PLD any perceived or actual denial or unreasonable delay in production of requested records and the agency's reasons. If the PLD is unable to resolve the disputed request, the AIG and OC should be notified without delay and the communication and resolution about the concerns should be documented in AutoAudit.

OIG staff members may request interviews with agency employees to obtain information relevant to the project's topic. If an agency employee requests to have a union representative present during the interview, the OIG personnel may grant permission at their discretion; however, neither law nor policy entitles an agency employee to have a

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[20] EPA Memo - Working with OIG to Make EPA a High Performing Organization.

[21] GAGAS, Chapter 3, paragraph 3.30g and 3.31d; Chapter 4, paragraph 4.16; Chapter 5, paragraph 5.17; and Chapter 6, paragraph 6.85.

union representative present during a project interview. If questions arise regarding the requested presence of a union representative, OC should be contacted for advice.

If during the course of the project it becomes necessary to obtain emails from specific agency staff without agency staff's knowledge, the team will discuss this need with the PLD. Once the PLD has apprised the AIG/DAIG and obtained agreement that the records are necessary to complete the project, the PLD will notify OC of the requirement to obtain email records. OC's role in this process is to provide assurance that all legal requirements have been met. Once OC and the PLD have discussed and resolved any legal concerns, the requirement to obtain email records will be forwarded by the PLD to OI. OI will then make appropriate contacts with the EPA Office of Environmental Information to obtain the email records.

Audit liaisons should be used to obtain contact information and assist in coordinating the kickoff meeting with appropriate EPA or CSB personnel. The audit liaison is not intended to be the focal point for obtaining, collecting and transferring requested information from the EPA or CSB to the OIG staff. However, at the discretion of the OIG staff, the audit liaison may be used as a transfer point to consolidate requested information to be forwarded to OIG staff.

1.17 Communications With the Entity Reviewed

To help successfully facilitate a project that is fair, complete and objective, the OIG's policy is to communicate issues, preliminary observations, and the status of our work with the reviewed entity at a regular interval (at least every 4 to 6 weeks or as agreed to with the reviewed entity), beginning with the kickoff meeting. These meetings provide a valuable real-time opportunity to check in with the auditee on progress, time frames, and any preliminary observations or findings. It is also an opportunity to obtain early feedback on the issues the audit team has identified. Communication should occur throughout the project, including with the appropriate audit liaisons. The manner in which the communications take place—such as via email or meetings—is decided on a project-by-project basis, and should be agreed upon by the team and auditee(s). Teams will communicate preliminary findings to the reviewed entity in advance of issuing the official draft, to ascertain the factual accuracy of the findings and conclusions. Discussion documents, as discussed in Section 3.7 of this PMH, can also be used to convey findings, conclusions and recommendations.

Communication with the reviewed entity should be clearly documented. One way to make this readily apparent is to establish a section in the working papers that will document all communications with the reviewed entity regarding audit status, findings, conclusions and recommendations. This section is not meant to include actions such as interview write-ups or requests for information to answer specific steps in the project guide.

1.18 Congressional and Media Requests

When any OIG staff member receives an inquiry from Congress or the media about OIG work or operations, he or she will immediately refer the matter to OCPA and provide relevant information about the inquiry. OIG staff should not respond to any congressional or media inquiries on behalf of the OIG without coordinating their response with OCPA. Additional information for handling media inquiries, interviews and news releases, as well as communications with Congress, can be found in OIG Policy and Procedure 604, *OIG Media Relations*; and OIG Policy and Procedure 605, *OIG Congressional Relations*. Briefings may be provided to members of Congress or their staffs with the consent of the IG, and must be coordinated with OCPA.

To efficiently address all congressional and media inquiries, an electronic copy of each notification memo and OIG memo communicating OIG acknowledgement of resolution of recommended actions should be provided to the OIG_WEBPOSTINGS@EPA.GOV email box immediately upon issuance, for posting to the OIG website as appropriate. A copy of all final reports should be provided to the OCPA Congressional and Media Liaison concurrent with sending the report to the OCPA editors for IG approval. This is for informational purposes, not for review and approval by the OCPA Congressional and Media Liaison.

1.19 Paperwork Reduction Act

The general purpose of the Paperwork Reduction Act of 1995 is to minimize the federal paperwork burden on the public. The act outlines specific procedures for the collection of information from 10 or more non-federal respondents that require approval by OMB and publication of notices in the Federal Register. OMB guidance on the Paperwork Reduction Act requires agencies to certify to OMB that the collection of information is the least burdensome way of obtaining information necessary for the proper performance of its functions. The collection should not duplicate information that has already been collected, and should have a practical utility. Teams with project plans requesting the collection of information from 10 or more non-federal sources should consult as early as possible with OC to ensure compliance with Paperwork Reduction Act requirements. Teams may not avoid the Paperwork Reduction Act by requesting another entity to act for the OIG in collecting information from non-federal entities (e.g., requesting an association to poll its members). Consultation with OC should be documented in AutoAudit.

Chapter 2
Preliminary Research

2.1 Introduction

Preliminary research is a fact-finding process to identify, obtain and analyze operational, performance, financial and other program information to:

- Validate the usefulness of the proposed objectives (in the assignment suggestion) and redefine as appropriate.
- Begin developing finding outlines which, to the extent appropriate based on the objective, may include the elements of the finding – criteria, condition, cause, effect and recommendations. The focus of preliminary research is on the development of criteria, condition and effect.
- Conclude whether investing time in field work is likely to result in a worthwhile report with recommendations that could improve the reviewed entity's operations (efficiency and effectiveness) and/or human health and the environment; save money; question costs; and/or identify/eliminate fraud, waste and abuse.

The scope and length of this phase is dependent upon the nature of the project, and should be determined by the team considering GAGAS and other appropriate requirements.[22] Generally, teams will complete preliminary research within 90 days of the kickoff meeting. AIGs may approve alternate timeframes that are documented in the working papers. As part of planning for preliminary research, the team develops a project guide with specific objectives, and includes steps to perform limited data gathering, including tests of internal controls; collects information sufficient to identify potential conditions and effects; and determines whether field work is justified.

An interim meeting with the AIG and DAIG should be held about 30 days after the kickoff meeting. The purpose of the meeting is to ensure that nothing has come to the team's attention that would justify not proceeding with the audit.

At the conclusion of preliminary research, the team will hold a go/no-go meeting with office management. The meeting will likely result in one of three options:

- Not continuing with the assignment and issuing a cancellation memorandum.
- Go decision, with sufficient information collected to proceed into report writing. This option may include a short period of additional preliminary research if data collection is substantially complete.
- Go decision, and the assignment continuing into the field work phase.

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[22] GAGAS incorporates by reference the AICPA standards for financial audits and attestation engagements, and adds additional requirements for conducting and reporting on financial audits and one type of attestation engagement (examinations). See GAGAS, Chapters 4 and 5, for specific requirements.

In some instances, the OIG may decide to use a combination of these options. For example, if the team identifies significant, time-critical issues, management may decide to issue a management alert on one issue and continue with field work on other issues. Management alerts are discussed in Chapter 4, Section 4.2. The results of the go/no-go meeting and estimated final report date will be communicated in an email to the DIG within 2 weeks of the go/no-go meeting, as described in Section 2.10.

Generally, the sequence of activities during preliminary research is as described below. This list is an overview of the process; see detailed sections of this chapter for specific requirements:

- Hold preliminary research meeting.
- Start on preliminary research guide.
- Issue notification memorandum.
- Develop and approve preliminary research guide.[23]
- Hold kickoff meeting with agency.
- Hold 30-day meeting with AIG and DAIG.
- Complete steps in the preliminary research guide, document results in working papers, and update agency periodically.
- Hold go/no-go meeting with AIG management.
  - No-go decision.
    - Issue cancellation memorandum.
  - Go decision and proceed to field work.
    - Agree on product, calendar days and staff days.
    - Prepare project summary and obtain approval from DIG.
    - Proceed with field work as described in Chapter 3.
  - Go decision and proceed directly to report writing.
    - Agree on product, calendar days and staff days.
    - Prepare project summary and obtain approval from DIG.
    - Conduct a short period of additional preliminary research (if applicable).
    - Hold message agreement meeting with AIG and continue with process described in Chapters 3 and 4.

2.2 Option to Not Conduct Preliminary Research

In some cases, preliminary research may not be necessary. For example, preliminary research is generally not conducted on required or mandatory projects. If the team has sufficient information from other OIG work that allows the team to plan field work and estimate the final report date without preliminary research, management may move directly into field work. Even though preliminary research is not conducted, the following activities listed below and described in this chapter in further detail should still be performed as part of the project:

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[23] In some cases, teams may develop and complete portions of the preliminary research guide before issuing the notification memorandum.

- Assess the project risk.
- Coordinate with other OIG offices.
- Prepare a project guide.
- Issue a notification memorandum.
- Conduct a kickoff meeting with the reviewed entity.
- Conduct a 30-day meeting (not applicable for required audits)
- Provided estimated timeframes to the AIG.
- Issue an email to the DIG with objectives and final report date.

2.3 Project Risk

During preliminary research and prior to starting field work, we have the best opportunity to reduce project risk to an acceptable level. Project risk is the possibility that our findings, conclusions, recommendations or assurance may be improper or incomplete. GAGAS explains that assessing project risk involves both qualitative and quantitative considerations, such as (1) time frames, complexity or sensitivity of the work; (2) size of the program in terms of dollar amounts and number of citizens served; (3) adequacy of the audited entity's systems and processes to detect inconsistencies; (4) significant errors or fraud; and (5) OIG staff's access to records. Project risk includes the risk that auditors or evaluators will not detect a mistake, inconsistency, significant error or fraud in the evidence supporting the project.

Project risk can be reduced by taking such actions as (1) increasing the scope of work; (2) adding specialists, additional reviewers and other resources to perform the project; (3) changing the methodology to obtain additional evidence, higher-quality evidence, or alternative forms of corroborating evidence; or (4) aligning the findings and conclusions to reflect the evidence obtained. Throughout the project, the team should assess project risk.[24] The team must plan the project to reduce risk to an appropriate level to provide reasonable assurance that the evidence is sufficient and appropriate to support the findings and conclusions.

2.4 Initial Project Planning

GAGAS states that planning is a continuous process throughout the audit, and that auditors may need to adjust the objectives and scope and methodology as work is being completed (unless objectives are set by statute or legislative oversight).[25] During initial project planning, teams should do the following:

Meet with those who suggested the project. Before the notification memo is sent to the EPA or CSB, if the team conducting the work is different from the team that developed the suggestion, the team should meet with the PLD and other OIG staff who developed the project to gain an understanding of how the project was conceived and it supports the OIG Strategic Plan, and obtain any available background information. This meeting should

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[24] GAGAS, Chapter 6, paragraphs 6.05 and 6.07.
[25] GAGAS, Chapter 6, paragraph 6.07.

address topics such as what information supported the decision to suggest the project, how the objectives were determined, the expected results, and the project's relevance to related work. Such meetings should be documented in the working papers.

Hold a preliminary research meeting. During a preliminary research meeting, consider how broad the objective(s) is/are and how much preliminary research work is needed to develop a workable scope and methodology. A narrowly scoped objective may be sufficient when trying to achieve timelier reporting. The preliminary research meeting is intended to provide the team with a clear understanding of the purpose of the project and the expected outcomes. After the meeting, the team decides whether to revise the objectives developed during the planning process. The AIG, or their designee, should review and approve any revisions to the objectives made during the planning process. The preliminary research meeting must be documented and, at a minimum, lead to the development of a project guide.

Coordinate with other OIG offices. In accordance with OIG Policy 103, *Coordinating Audits, Evaluations, and Investigations Among OIG Offices*, prior to issuing the preliminary research notification memorandum, the team will contact other OIG product line offices in the Office of Audit and Office of Program Evaluation to determine whether they have related work in process or recently completed. Likewise, OI should be contacted to determine whether it has any open cases or has completed investigations in the subject area. The team should also review the OIG annual plan to consider how other projects' subjects might relate to the current project. If there are multiple projects, teams should work to coordinate projects to minimize the time and work burdens on the agency. Coordination with other OIG staff may be appropriate to determine, where possible, how impacts on the EPA or CSB may be mitigated.

2.5 Project Guide

The project guide is the team's most tangible tool for managing its work from preliminary research to issuance of a final product(s). The project guide helps the team focus on areas with the most significant impact to the environment and/or the EPA's or CSB's operations.[26] In reviewing and approving project guides, the PLD will determine that the (1) proposed objectives will likely result in a useful report; (2) the guide adequately addresses relevant risks; (3) proposed scope and methodology are adequate to address the objectives, and project steps clearly describe what type of evidence is needed; (4) available evidence is likely sufficient and appropriate for the purposes of the project; and (5) sufficient staff, supervisors and specialists with collective professional competence and resources are available to perform the project and meet expected timeframes for completion.[27] The PLD reviews and approves the guide prior to the kickoff meeting and/or entrance conference.

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[26] GAGAS, Chapter 6, paragraphs 6.04, 6.06 through 6.12, 7.37, 6.40 through 6.44, 6.51 through 6.52, and A6.02.
[27] GAGAS, Chapter 6, paragraph 6.52.

The guide helps demonstrate the team's implementation of the GAGAS planning standard that requires OIG staff to adequately plan to address the project objectives, and document the planning. It is a tool used by the team to map out the questions, how the questions will be answered, and the specific steps to get those answers. The guide also allows the team to order the work steps (some sequential, some concurrent); plan how much time should be invested; and assign responsibility to individual team members. For preliminary research, the project guide should, at a minimum, include steps to identify the criteria, condition and effect.[28] By planning early in the project, the team has a greater chance of avoiding risks that impede its goal of obtaining sufficient and appropriate evidence. The project guide is a living document that should be adjusted throughout the course of the project, with revisions approved by the PM or PLD.[29] The project guide includes, but is not limited to:

- Background information, including legal and regulatory environment.
- Objectives.
- Scope.
- Locations where work is expected to be performed.
- Potential sources of information/data.[30]
- Listing of team members. (Whenever possible, work should be assigned to allow staff to meet developmental goals identified in their individual development plans.)
- Staff time and travel budget estimates.
- Working paper review responsibilities.
- Specific steps to answer the objectives.[31] Each step should identify:
  o Staff assigned to carry out the steps.
  o Space for linking steps to supporting working papers.

The following steps are generally conducted during preliminary research and should be included in the project guide as applicable. In developing the project guide, project teams should review GAGAS (specifically, the sections identified in the footnotes below, to ensure the assignment complies with GAGAS).

- Review applicable laws, regulations, policy and guidance regarding the program or operation (criteria).
- Assess compliance with laws and regulations.[32]
- Obtain and review program budgets and resource allocations.
- Obtain and review prior OIG and GAO reports on the EPA or CSB and status of corrective actions.[33]
- Review congressional reports and testimony.
- Determine and obtain key criteria to support the project objectives.

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[28] Steps related to cause and recommendations should normally be addressed in the field work guide.
[29] GAGAS, Chapter 6, paragraphs 6.06 and 6.07.
[30] GAGAS, Chapter 6, paragraphs 6.38 through 6.39.
[31] GAGAS, Chapter 6, paragraphs 6.56 through 6.78.
[32] GAGAS, Chapter 6, paragraphs 6.28 through 6.35.
[33] GAGAS, Chapter 6, paragraph 6.36.

- Determine the need to obtain specialized electronic data processing expertise to review internal controls for automated information systems, if relevant to the project objectives.[34]
- Identify data key to the objectives and, if appropriate, examine a sample of data.
- Review vulnerability assessments, assurance letters, the EPA or CSB Management Challenges, and related documents under the Federal Managers' Financial Integrity Act.
- Identify applicable databases and other useful resources.
- Identify internal and management controls to be evaluated and tested.[35]
- Identify information system controls that support significant internal controls or data/evidence to be obtained.[36]
- Perform a literature search (via the internet and other sources).
- Assess the risk of fraud (have a fraud discussion).
- Assess monetary benefits and efficiency. (Additional information on identifying and recording efficiencies can be found at OIG Policy and Procedure 104, *Identifying and Recording Funds to be Put to Better Use.*)

In preparing the project guide, the team should also consider the following issues if applicable to the project objectives.

Sampling. If the team decides to use sampling, the approach for selecting a sample will depend on the project objective and may require testing of controls to ensure the accuracy of the data being used. As with any examination procedure, a sampling approach should be considered carefully by the team because a poor decision can lead to inaccurate results and conclusions. Prior to sampling, some factors a team needs to determine include:

- A reasonable and manageable sample size.
- How important the area under review is to fulfilling the objectives of the project.
- Reliability or confidence from other OIG examination procedures performed in the area.
- Population size, such as the number of units or transactions and the monetary amounts involved.

Additional expertise. The team should determine whether it needs additional expertise from within the OIG or from outside consultants. If known, the PLD should notify the AIG or DAIG, who will coordinate with the OIG Office of Management to procure the services of outside consultants in a timely manner. If possible, these experts and consultants should participate in the preliminary research meeting. The EPA offers document translation services that the team can use. Contact information for these services is on the Audit and Evaluation Resources page on the OIG intranet.

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[34] GAGAS, Chapter 6, paragraph 6.45.
[35] GAGAS, Chapter 2, paragraph 2.11; Chapter 4, paragraphs 4.10, 4.17b, 4.17c, and 4.19 through 4.22; Chapter 5, paragraph 5.11; Chapter 6, paragraphs 6.10b, 6.15c, and 6.16 through 6.22; and Appendix I, Supplemental Guidance, paragraphs A.03 through A.06.
[36] GAGAS, Chapter 6, paragraphs 6.16 and 6.23 through 6.27.

Coordination with OCPA. If a project is performed at the request of Congress or other external stakeholders, or if the team is aware that Congress or other external stakeholders have an interest in the topic, the team should coordinate with OCPA to obtain input from those parties as appropriate. Teams should not communicate with congressional staff or the media without first consulting OCPA. See OIG Policy and Procedure 605, *OIG Congressional Relations*, for additional details on congressional relations.

Controls for sensitive information. The team needs to determine whether Personally Identifiable Information (PII) will be used during the project. The EPA has defined PII as a Social Security number or other comparable identification number, financial information, or medical information associated with individuals. OMB has directed federal departments and agencies to protect and safeguard PII. Accordingly, teams need to ensure proper use and protection of PII. For additional information, consult OIG Policy and Procedure 413, *Protection of Personally Identifiable Information*.

The team should discuss early whether it will obtain any other controlled unclassified or sensitive information[37] and the need to report on that information.[38] Some information is protected from release by specific law. For example, proprietary information, such as trade secrets or other commercial/financial information, must be protected and access restricted (e.g., the Toxic Substances Control Act and the Federal Insecticide, Fungicide, and Rodenticide Act proprietary information). Staff must comply with all relevant policies, regulations and statutes to properly safeguard proprietary and sensitive information both in project work documentation and reports or other OIG products. Teams should consult OC regarding decisions of how or whether this type of information will be reported.

Records management concerns. Staff must comply with records management requirements, which include handling of hard copy and automated working papers. Information can be highly sensitive if the disclosure or loss of that information would seriously affect the EPA's or CSB's ability to function, such as information that is covered by privileges, like the deliberative process privilege or law enforcement information. Additionally, other sensitive information can include data whose loss would acutely embarrass the EPA or CSB, or possibly subject the EPA or CSB to litigation or impair the EPA's or CSB's long-term ability to fulfill its mission. If the team has questions about whether specific information is sensitive, or if the EPA or CSB claims that it is, the team should contact OC and the OIG Records Manager.

2.6 Preliminary Research Notification Memorandum

If preliminary research is conducted, who is notified and what do you tell them?
In planning the project, the team shall communicate to the entity being reviewed, or those requesting the assignment, information about a project in a preliminary research

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[37] Executive Order 13556, Controlled Unclassified Information, November 4, 2010, Executive Order 13556.
[38] GAGAS, Chapter 4, paragraphs 4.40 through 4.44; Chapter 5, paragraphs 5.39 through 5.43; and Chapter 7, paragraphs 7.39 through 7.43.

notification memorandum. A template of the notification memorandum is on the writing and editing page of the OIG intranet (go to the intranet and use the most up-to-date template each time you do a notification memo). Usually, the notification memo is addressed to the Assistant Administrators or Regional Administrators. The AIG, or designee, will approve all notification memos prior to issuance. After the notification memo is edited by OCPA, the AIG will either sign the memo or delegate that responsibility to the PLD.

When a law or regulation requires reporting project results to Congress, or a congressional committee has requested it, the OIG team members, in consultation with OCPA, should use their professional judgment in deciding what pertinent information needs to be communicated to the cognizant legislative committees. The team should not communicate information if doing so could significantly impair its ability to obtain sufficient, appropriate evidence. Examples include when OIG staff plan to conduct unannounced cash counts, unannounced site visits, or procedures related to indicators of fraud.[39]

The description of the project objectives in the memo should be as specific as possible, but should note that the objectives are preliminary and subject to change. Any change in the objective must be communicated to the auditee in writing and documented in the working papers. If the audit team is aware of data or resource needs at this time, the memo should request that the reviewed entity provide those data or resources to the extent possible, and that those items be provided before or during the kickoff meeting. Although not every team may have done enough early research to follow this advice, adding this request to the memo could save time, and may allow the team to cover substantive questions during the kickoff meeting. Before requesting access to particular data systems, the team should check whether other OIG staff members already have access. Teams should check with the OIG Office of Management's Performance Analysis and Strategic Solutions Directorate and, depending on the particular system, other OIG staff experienced in particular areas (e.g., financial accounting systems, procurement and grant systems, various media-related systems, etc.) to ensure internal OIG coordination and avoid duplication or inefficiency in work processes.

How do you notify? The team should plan on issuing the Preliminary Research Notification Memorandum at least 15 days before the kickoff meeting. A PDF of the original signed and dated memo should be emailed to expedite notification to the addressees and all those listed as receiving "cc" copies. The template identifies staff who should receive copies of the notification memorandum (the template is constantly being updated, so always go to the most up-to-date template). Teams should also submit the notification memorandum to the OIG_WEBPOSTINGS@epa.gov email address so that is can be posted on the OIG public website. The PDF and its transmittal to the addressees must be retained in the working papers. If the project is in response to a congressional or other request, OCPA's Congressional and Media Liaison also provides the requester a copy of the notification memo.

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[39] GAGAS, Chapter 4, paragraphs 4.03 through 4.04; Chapter 5, paragraphs 5.04 and 5.05; and Chapter 6, paragraphs 6.47 through 6.49.

For hotline assignments, there is no requirement for a formal notification memorandum. The PLD will determine when it is appropriate for the team to provide a courtesy email to the appropriate agency contacts to communicate that the OIG is starting a review of a hotline allegation. The email should include the assignment's objectives. If a decision is made to expand the review of the hotline complaint into a full audit, a notification memorandum should be issued at that time. The full audit will go through the initiation process described in Section 1.6.

2.7 Kickoff Meeting With the Reviewed Entity

The team will arrange a kickoff meeting with the entity being reviewed after sending a notification memo. During this meeting, the team:

- Discusses the purpose and objectives of preliminary research.
- Explains the applicable audit process.
- Establishes contact points.
- Discusses data needs.

The kickoff meeting also provides an important first opportunity to manage expectations with the agency; reinforce OIG credibility with a constructive, neutral and professional tone; and ensure the agency is aware of the requirements and procedures in EPA Manual 2750, including expectations for providing timely report comments and timely and complete responses to OIG information requests. This meeting helps identify ways the project will add value to the operations of the reviewed entity and result in improved protection of human health and the environment. The team should also discuss timeframes to periodically meet with the reviewed entity to discuss issues identified during preliminary research.

In 2016, the agency requested, and the IG agreed, that regional audit follow-up coordinators be included on invitations for kickoff meetings. If the OIG has identified the regions where work will be performed, Audit Follow-Up Coordinators (AFCs) for those regions will be shown as "Required" on the invite, and the remaining regional AFCs will be included as "Optional." If the OIG has not determined the regions where work will be performed at the time of project kickoff meetings or entrance conferences, all regional AFCs will be included as "Optional."

2.8 Preliminary Research Work

During the preliminary research work, the team executes the steps from the guide to answer the preliminary research objectives and identify potential or actual findings. The preliminary research phase should allow the team to gain a solid understanding of the subject, gather sufficient detail information, and test the validity of that information. Based on that information, the team should decide, with reasonable assurance, whether a finding or potential conditions exist that would necessitate continuing the project.

Finding outlines should be developed as work progresses. If the use of untested techniques (such as a survey instrument) is being considered for field work, the techniques can be tested and further developed during preliminary research. Preliminary research should conclude when the team has answered the preliminary research objectives, or identified conditions or issues that require further detailed review.

Learn about internal controls. To meet GAGAS requirements, teams need to gain an understanding of internal controls related to the project's objectives and scope.[40] Internal controls serve as a defense in safeguarding assets and preventing and detecting errors; fraud; noncompliance with provisions of laws, regulations, contracts or grant agreements; or abuse. They consist of organizational procedures and written policies adopted by management to prevent fraud, waste and abuse; and to help assure the program is meeting its mission, goals and objectives. Management should have controls in place to safeguard assets and prevent and detect errors; fraud; and violations of laws, regulations, contract provisions and grant agreements.

Internal controls include the plan, policies, methods and procedures adopted by management to meet its missions, goals and objectives; the processes for planning, organizing, directing and controlling program operations; and the systems for measuring, reporting and monitoring program performance. The team will review internal controls to determine whether they are sound in design, and will also test controls to determine whether they work as intended. The team must obtain sufficient and appropriate evidence to support conclusions on whether controls work as intended.

Normally, teams can obtain an understanding of internal controls by making inquiries or observations, inspecting documents and records, testing transactions, or reviewing other auditors' reports. The project guide should document the work to be done to understand and test internal controls.

Federal tools on internal controls. Several documents are available to help teams review internal controls. They are:

- GAO's *Standards for Internal Controls in the Federal Government* (November 2014, Green Book)
- GAO's *Internal Control Management and Evaluation Tool* (GAO-01-1008G, August 2001). The tool is based on the federal internal control standards, and provides a systematic, organized and structured approach to assessing the internal control structure. Use of this tool as it relates to a project's objectives is highly recommended.
- OMB Circular A-123, Management's Responsibility for Enterprise Risk Management and Internal Control (July 2016).

Information system controls. An understanding of information system controls is also important when information systems are used extensively throughout the program under

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[40] GAGAS, Chapter 6, paragraphs 6.16 through 6.22.

review and the fundamental business processes related to the audit objectives rely on information systems.[41] Information system controls are significant to the audit's objectives if the team determines that it is necessary to assess the effectiveness of information system controls to obtain sufficient and appropriate evidence. A sufficient understanding of these controls should be obtained to assess risk and plan the project within the context of the objectives.

The OIG Office of Management's Performance Analysis and Strategic Solutions Directorate staff can assist teams in obtaining and analyzing the data they need to meet their project objectives. For example, the staff can assist with data sorting, merging and conversion of data from many diverse formats into a single format, and pulling samples from data sets. The directorate's staff can also assist teams by contacting a program office to obtain data access, and provide tools for extracting and converting data from any platform within the EPA or CSB.

2.9 30-Day Meeting

The 30-day meeting will include the team, PM, PLD, DAIG and AIG. The AIG may delegate his or her meeting duties to the DAIG. The meeting will be informal and take place within 30 days of the kickoff meeting. If no preliminary research was done, the meeting should take place within 30 days of the entrance conference. This meeting will involve a preliminary assessment to determine whether the project should proceed. The team should discuss at the meeting the work completed to date, the potential benefits of continuing the work, and whether continued work is feasible or necessary. Next steps or options for the project will be briefly discussed. The meeting should be documented in the working papers. If a decision is made to not continue with the project, the DIG should be informed. If the DIG approves, a cancellation memorandum will be issued as described in the next section. A 30-day meeting is not necessary for required projects.

2.10 Go/No-Go Meeting

At the go/no-go meeting, the team will recommend whether the project should move into field work or reporting (a "Go Decision"), or the team should stop work and issue a cancellation memo (a "No-Go Decision"). The go/no-go meeting may result in one or more of these options:

- No-go decision.
- Go decision and proceed to field work.
- Go decision and proceed directly to report writing, with the option of a short period of additional preliminary research (if appropriate).

No-Go Decision. If the team recommends a no-go decision, the team should provide management with information to support that decision. This information can include:

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[41] GAGAS, Chapter 4, paragraphs 4.19 through 4.24; and Chapter 6, paragraphs 6.11, and 6.23 through 6.27.

- Background information on the program or activity reviewed.
- Summary of the work performed.
- Summary of what was found.
- Rationale for no-go decision.
- Recommendations for other projects, if identified.

If a no-go decision is made, the team will prepare a brief cancellation memo (not a report) of one paragraph to notify the EPA or CSB. The DIG/IG will approve project cancellation before issuance of the cancellation memo to the agency. The no-go option will be used for hotline complaints where the team does not find the complaint to be substantiated. The cancellation memo should briefly outline the objective(s) and provide a one-or-two-sentence explanation as to why the OIG will not perform additional field work. Sample text is as follows.

> We have reviewed a hotline complaint regarding (subject of complaint/allegation). According to the complaint, (explain the complaint/allegation). We found no evidence to support this (these) allegation(s).

The cancellation memo does not contain any finding elements. A cancellation memo will not contain attachments with additional OIG analyses/data or conclusions reached by the OIG. Independent referencing of the cancellation memo is not required. The memo will be signed by the AIG or designee. If the project was the result of a hotline complaint, a copy will be sent to the OI Hotline Coordinator. The date of the cancellation memo constitutes the end of the assignment. The cancellation memo is not assigned a report number. A copy of the cancellation memo should be sent to OIG_WEBPOSTINGS@epa.gov for posting on the OIG public website.

Go Decision With Field Work. If the team believes it should proceed with the project and needs to conduct additional field work, the go/no-go meeting will be used to convey the results of preliminary research and the plan for field work. Sufficient information should be analyzed to present a convincing argument about whether the project should proceed, given the expected costs and benefits of further work. Information needed to present a convincing rationale to OIG management includes:

- **Background**. Describe relevant introductory information about the program or activity to be reviewed (e.g., purpose and program's importance to the EPA or CSB, including the amount of funds involved).

- **Results of Preliminary Research**. Summarize the results of preliminary research. Two tools that have been found to be effective in summarizing preliminary research and presenting the scope and methodology for field work are the design matrix and potential finding outline. The design matrix lays out the objectives, what data is needed, the proposed methodology, and possible limitations in the project design. A finding outline can also be used to identify what elements of the finding have been developed, and the elements of the finding

that need to be developed further during field work. Examples of these two tools can be found on the Audit and Evaluation Resources page of the OIG intranet.

- **Expected Benefits**. Describe the potential consequences of the conditions identified during preliminary research as they relate to potential monetary benefits or achieving EPA or CSB goals. Explain the benefits of performing additional field work, such as corrective actions to address the causes of the conditions. See OIG Policy and Procedure 104, *Identifying and Recording Funds to be Put to Better Use*.

- **Potential Objectives**. Identify the potential objective(s) to be addressed during field work and whether there will be changes from what was in the notification memorandum.

- **Scope and Methodology**. Identify the time period or range of operation for which the issues are to be reviewed. The team should be able to describe the anticipated breadth and depth of coverage needed to address the issues.

- **Location and Resources**. Based on preliminary research, identify the locations where field work is anticipated and provide estimates on the resources needed to issue a final report, the milestones for the field work and reporting phases, the amount of travel funds required, and any external consulting support necessary. Special training needs should also be discussed.

The meeting should include a further discussion of the information described in the preceding section and decisions on the objectives and the scope and methodology. Decisions should be made on the evidence needed and tests of evidence, to provide reasonable assurance that there will be sufficient and appropriate evidence to address the objectives and support findings and conclusions. When deciding the type and extent of work to perform, the team should also discuss "significance." Significance means the relative importance of a matter, considering such factors as the effect and relevance of the matter, the needs and interests of a third party, and the impact of the matter to the audited program.[42] The meeting should focus on how the proposed project is expected to improve environmental or operational quality, and result in monetary benefits. The meeting should also address when project results should be communicated, and the most efficient way to accomplish the project. The meeting should strive to reach consensus about how the project can best focus on customer needs while satisfying OIG requirements. The go/no-go meeting should result in an agreed-upon product and calendar and staff days, as described below.

Go Decision and Proceed to Report Writing. In some instances the team may have fully developed findings and recommendations at the go/no-go meeting, or substantially all information needed to write the discussion document. If so, the team may recommend proceeding with report writing or a short period of additional preliminary research before proceeding to report writing. If the team plans to propose going directly to report writing

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[42] GAGAS, Chapter 6, paragraph 6.04.

or a short period of additional research, the teams should provide an outline of the findings and recommendations, the type of product, and an estimate of report timeframes, staff days (costs), and any other costs. The go/no-go meeting will be used to review the findings and recommendations to ensure that all issues have been addressed. The report writing process should start with a message agreement meeting, if not done concurrent with the go/no-go meeting, as described in PMH Section 3.6.

Before making the decision to proceed to report writing from preliminary research, teams should review and complete as much of the GAGAS compliance checklist as possible to ensure that GAGAS-required elements have been completed. See Appendix 1 for GAGAS checklists.

Agreed-Upon Product and Calendar and Staff Days. If a go decision is made by the AIG, teams will come to agreement during the meeting with their AIG, or shortly after the meeting, on the product, and an estimate of calendar days, staff days, and travel or other costs. The required measures, as identified by the DIG, are the final report date and estimated costs, which include staff days and travel. The AIGs may identify other milestones that teams will track and be accountable for.

When estimating dates and costs, keep in mind that agreed-upon milestones are those to which all participating OIG staff will be held accountable. It is important to input accurate data into the IGEMS assignment module milestones tab, because this data will be used to judge all participants' timeliness and cost. The OIG intranet's Audit and Evaluation Resources contains sample spreadsheets to assist teams in estimating milestone dates.

DIG Memorandum. If a go decision is made to either proceed with field work or directly to a report, no later than 2 weeks after the go decision, the AIG (or designee) will provide the DIG with an email identifying the following:

- Assignment objective.
- Proposed next step – either additional field work or proceed to report writing.
- Summary of the findings, conclusions and recommendations to the extent developed.
- Total project costs and final report issuance data.
- A description of the product (report type).

The DIG will provide an email concurrence or call for a meeting with the team as appropriate. The DIG approval should be documented in the working papers and the approved final report date and costs entered into IGEMS.

If changes are needed to the AIG- or DIG-designated milestones, the PLD should notify the AIG of the revised date and cost. The AIG will notify the team if the revised date is approved. The team will update IGEMS with the revised milestones. If there is a change to the final report date or total cost, the AIG (or designee) shall inform the DIG of the need to revise the final report date or total cost.

2.11 Management Alert

If during a project the team identifies a significant, time-critical issue, the information can be conveyed through a management alert. The management alert may be an interim report, to be followed by an additional report, or it can be the final report with no more to follow. Details on management alert report formats are in Chapter 4, Section 4.2. Reporting requirements for early communication of information can also be found in GAGAS Chapter 6, paragraph 6.78.

Chapter 3
Field Work

3.1 Introduction

Field work consists of collecting sufficient, appropriate evidence to determine the extent and significance of issues identified during preliminary research; the cause of those issues; and what action the EPA or CSB should take to address the cause. Finding outlines should be developed as field work progresses. Frequent and open communication with the EPA or CSB and other stakeholders is critical to the successful completion of field work.

Generally, the sequence of activities during field work is as described below. However, activities can be done concurrently unless stated otherwise in the chapter. This list is an overview of the process; see detailed sections of this chapter for specific requirements.

- Revise project guide.
- Issue revised notification memorandum if objectives have changed.
- Hold entrance conference.
- Complete field work and update agency periodically.
- Hold message agreement meeting.
- Finalize discussion document.
- Have OC review discussion document.
- Issue discussion document.

3.2 Revise Project Guide

Using the information gathered during preliminary research, the team revises the project guide as necessary. Project guides will be approved and signed by the PLD prior to the entrance conference. In reviewing and approving project guides, the PLD will determine that the (1) proposed objectives will likely result in a useful report; (2) the guide adequately addresses relevant risks; (3) proposed scope and methodology are adequate to address the objectives, and that project steps clearly describe what type of evidence is needed; (4) available evidence is likely sufficient and appropriate for the purposes of the project; and (5) sufficient staff, supervisors and specialists, with collective professional competence and resources, are available to perform the project and meet expected timeframes for completion.[43]

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[43] GAGAS, Chapter 6, paragraph 6.52.

While the approved project guide should address sampling and testing methodologies[44] as appropriate, more specific sampling methods may be formulated during the field work phase. In most cases, the PM, in consultation with the PLD, can approve project guide changes, such as the decision to omit steps in the guide. Documentation of the approval, and a brief explanation as to why the step is no longer necessary, will be included in the guide or project working papers. Significant changes to the guide must be approved by the PM or PLD.

3.3 Project Notification Memorandum

Before the entrance conference, if there is a change in the objectives or if a preliminary research notification memorandum was not already issued (no preliminary research was conducted), a project notification memorandum is prepared. A template of the notification memorandum is on the Audit and Evaluation Resources page of the OIG intranet. The template includes the current list of who should be receiving copies of the notification memorandum; always use the most up-to-date template. The updated notification memorandum is issued after the objectives and final report date have been approved by the DIG. The notification memo is to be reviewed by the editors prior to issuance. If a second memorandum is needed, it should note the initiation of the field work phase, identify the field work objectives and locations where work will be performed, and include any information requests. If there are two notification memos, both memos will be posted to the OIG public website. While objectives are most likely to be changed between preliminary research and field work, there may be other occasions during a project where an objective needs to be revised. Any change in the objective must be approved by the AIG and communicated to the auditee in writing and documented in the working papers.

3.4 Entrance Conference

The team will hold an entrance conference with the reviewed entity if the objectives have changed. During the entrance conference, or as part of an update meeting for the agency, the team:

- Reports its results from the preliminary research phase, if applicable.
- Discusses the project objectives, time frames, data, resource and space needs, and status of requested information if not yet received.
- Shares the project design with the reviewed entity.

Throughout the field work phase, it is essential for the OIG team to keep the reviewed entity informed of issues identified. The team should regularly (every 4 to 6 weeks) update action officials responsible for the program or activity to discuss issues under development, unless the action officials agreed to some other method of communication. The manner in which the communications take place, such as via email or meetings, is

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[44] GAO's *Assessing the Reliability of Computer-Processed Data*, July 1, 2009 ([GAO-09-680G](#)), is a guide to assist auditing staff in ensuring the reliability of computer-based data.

decided on a project-by-project basis, and should be agreed upon by the team and auditee(s). The communication and meeting results should be documented in the working papers.

Regional audit follow-up coordinators should be included on invitations for entrance conferences. If the OIG has identified the regions where work will be performed, AFCs for those regions will be shown as "Required" on the invite, and the remaining will be included as "Optional." If the OIG has not determined the regions where work will be performed at the time of project kickoff meetings or entrance conferences, all regional AFCs will be included as "Optional."

3.5 Field Work Conducted

During field work, the team carries out the work as described in the project guide. The team collects sufficient, appropriate evidence for analysis. This evidence is used to provide a reasonable basis for findings and conclusions.[45] Throughout field work, the team's work is documented in working papers and maintained in AutoAudit.[46] Documentation related to planning, conducting field work and reporting should contain sufficient information. In assessing the sufficiency of evidence, OIG staff should determine whether enough evidence has been obtained to persuade a knowledgeable person that the findings are reasonable. During field work, the team may develop issues that warrant the EPA's or CSB's immediate attention, for which the OIG may issue a management alert. Management alerts are described in Chapter 4. The team will continue with field work and complete all other steps leading to a final report.

As the work is completed, and at the conclusion of field work, steps in the project guide are indexed to the supporting working papers, and the GAGAS compliance checklist is updated to verify compliance with GAGAS. Compliance checklists for performance audits, financial audits and attestation engagements are included in Appendix 1. Based on all of the work, the team will assess whether the evidence is sufficient and appropriate to provide a reasonable basis for the findings, conclusions and recommendations. This assessment should be made before the message agreement meeting.

3.6 Message Agreement Meeting

The team will hold a meeting to agree on the product's message, reporting method, report outline, and written report content and format. In addition to the team and the PLD, attendees shall include the AIG and DAIG. Other OIG offices responsible for reviewing the report, such as OCPA (the editors or Congressional and Media Liaison) and OC can be invited. The Congressional and Media Liaison should specifically be invited if the project is the result of a congressional request.

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[45] GAGAS, Chapter 4, paragraphs 4.10 through 4.14 and 4.15 through 4.16; Chapter 6, paragraphs 6.56 through 6.72 and 6.73 through 6.77.
[46] GAGAS, Chapter 4, paragraphs 4.15 through 4.16; Chapter 5, paragraph 5.16; and Chapter 6, paragraphs 6.79 through 6.85.

Teams should provide materials for attendees to review prior to the message agreement meeting. Office of Program Evaluation staff should prepare an initial draft of the report, for discussion at the message agreement meeting, and provide it to the AIG a week in advance of the meeting. Office of Audit staff can provide either a document detailing the elements of the finding, a discussion document, or an initial draft of the report. OIG Procedure 602, *Audit and Evaluation Report Writing Guide*, describes the elements of the findings and format of reports.

3.7 Communicating Preliminary Findings and Recommendations in Discussion Documents

Communicating written preliminary findings to the reviewed entity will be done via a written discussion document prior to the draft report being issued. The discussion document should be provided to the expected action official(s) and copies provided to managers and staff who are directly responsible for the specific program/activity. The discussion document should include what we found, what we may recommend, and the expected action official. The discussion document provides an opportunity for the reviewed entity to evaluate and comment on the findings and recommendations prior to issuing the official draft report. It also helps avoid surprises and allows the reviewed entity to have sufficient time to provide responses with intended corrective actions and estimated completion dates. The agency will be allowed 15 days to respond to the discussion document. Oral comments should be encouraged, as opposed to written comments. The agency's response to the discussion document, or a meeting on the discussion document, must be documented in the working papers. The team should keep the AIG and DAIG aware of disagreement by the reviewed entity with findings and recommendations included in the discussion document.

Discussion documents can take many forms: finding outlines, position papers, or a look similar to a draft report. In consultation with the AIG and DAIG, the PM and PLD will provide direction to the team on the format of the discussion document. The format of the discussion document should be one that achieves the goal of verifying the accuracy of conclusions and an opportunity to discuss recommendations with the reviewed entity while considering OIG timeliness and workload. Discussion documents must be reviewed by OC prior to issuance.[47] The preparation and review process for discussion documents is generally as follows:

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[47] See OIG Procedure 505, *Legal Sufficiency Review*.

Discussion Document

<div style="text-align:center; color:red;">
Write Discussion Document
↓
AIG Review (Office of Audit only)
↓
Legal Review & Clearance
(see exception described below)
↓
PLD Approval
↓
Issue Discussion Document
</div>
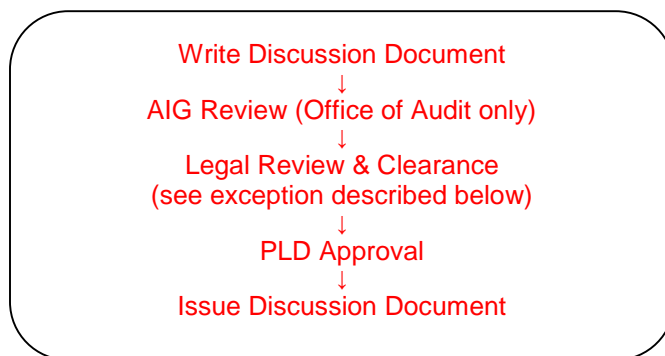
If the discussion document contains substantially the same information and is in the same basic format as draft report, the discussion document will be reviewed by editing and quality assurance, following the same process as a draft report. However, under unusual circumstances, such as the fact that the discussion document is not going straight to final, the AIG and Counsel may agree that referencing is not necessary.

If there is an ongoing investigation on a related matter, release of the discussion document should be coordinated with OI as described in OIG Policy 103, *Coordinating Audits, Evaluations, and Investigations Among OIG Offices*.

Discussion documents are provided to the reviewed entity with the following cautionary language at the bottom of the first page.

> This is a discussion document on the subject audit conducted by the Office of Inspector General (OIG) of the [U.S. Environmental Protection Agency or the U.S. Chemical Safety and Hazard Investigation Board]. You are not authorized to distribute or disclose this discussion document or its contents, except that you may distribute it to other persons in your organization to obtain their review and comments on the document's subjects.

Additional cautionary language may be needed in certain discussion documents, such as discussion documents that contain proprietary or sensitive information. However, such language should not prevent the team from sending the discussion document electronically. Details on cautionary language are in the OIG Procedure 602, *Audit and Evaluation Report Writing Guide*.

The OIG may occasionally need to bypass issuing discussion documents to the EPA or CSB. These exceptions may include, but are not limited to, management alerts, hotline reports, or responses to congressional requests.[48]

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[48] If the assignment is the result of a congressional request, do not identify the requester by name or committee position; instead, only refer to a congressional request.

3.8 Meet With Reviewed Entity

After preparing a discussion document, the team should extend an invitation to meet with the reviewed entity to obtain comment. Although meetings are encouraged, the reviewed entity can provide the OIG with written comments instead of, or in addition to, a meeting. The agency is not required to provide comments. A record of oral meeting comments and any written comments will be included in the working papers. The working papers will also reflect the team's analysis and handling of the comments and how the comments, as appropriate, are reflected in the draft report. Based on the meeting with the agency on the discussion document, if the agency agrees or requests to move directly to the final report, the team may obtain a written response to the discussion document. Skipping the draft report should only be done in limited circumstances and with approval of the AIG.

Chapter 4
Reporting

4.1 Introduction

Written reports are the OIG's primary products. OIG reports must communicate results in a meaningful, useful, timely and balanced manner for the EPA, CSB, Congress and the public.[49] Developing the report should begin during the preliminary research and field work phases. OIG Policy and Procedure 602, *Audit and Evaluation Report Writing Guide,* explains OIG report contents, format and style, and is a supplement to this PMH. OIG Policy and Procedure 603, *OIG Report Editing and Distribution,* provides additional guidance regarding the process for report editing and distribution. Reports should be written in accordance with OIG Policy and Procedure 607, *OIG Writing Style Guide*. Report templates, distribution policy and guidance, checklists, and other helpful writing tools may be found on the OIG's intranet under Audit and Evaluation Resources.

The reporting process generally follows the sequences described below, though in some cases, upon AIG and Counsel approval, concurrent reviews may be done.

Draft Report

Write Draft Report
↓
AIG Approval of Content
↓
Editing & Clearance
↓
Legal Sufficiency Review & Clearance
↓
Referencing & Clearance
↓
AIG Approval to Issue
↓
Issue Draft Report

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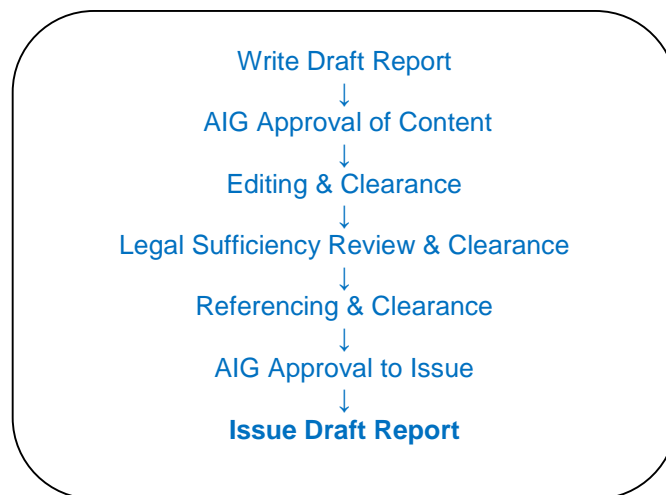
[49] GAGAS, Chapter 4, Standards for Financial Audits, paragraphs 4.03, 4.04 and 4.48; Chapter 5, Standards for Attestation Engagements, paragraph 5.04, 5.05 and 5.47; Chapter 7, Reporting Standards for Performance Audits, paragraphs 7.03 through 7.07; and Appendix I, Supplemental Guidance, paragraph A7.02.

Final Report

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Revise Final Report
        ↓
AIG Approval of Content
        ↓
Editing & Clearance
        ↓
Referencing & Clearance
        ↓
Legal Sufficiency Review & Clearance
        ↓
AIG Approval to Issue
        ↓
Editing
        ↓
DIG Review & Approval
        ↓
Editing
        ↓
IG Approval
        ↓
Editing Assigns Report #
        ↓
Publish Final Report
```
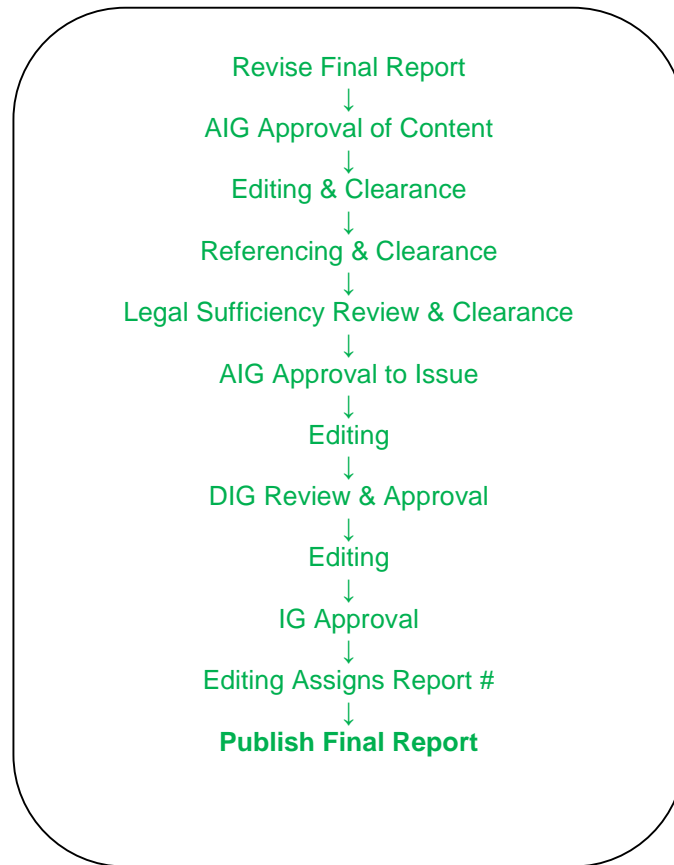
4.2 Report Types and Formats

The OIG produces three types of written reports: GAGAS compliant (which includes modified GAGAS), non-GAGAS and internal. The OIG uses a variety of formats to communicate work results. The team will determine both the type and format of the report to produce, considering the extent of information necessary to convey results and conclusions to customers. Any deviations from the types or formats of reports the OIG issues need to be approved by the AIG and DIG or IG, and documented in the working papers. Key report formats are:

1. **Chapter**—Used to convey project results. The reports address complex and/or multiple issues.

2. **Memorandum**—Used to convey project results that do not need to be broken down by chapter.

3. **Briefings**—Used to communicate results quickly, or provide project status to the EPA or CSB. Information can also be presented through such techniques as a

PowerPoint presentation, videos and other electronic media. Briefing reports should be used in rare instances and only with AIG approval.

Reports to CSB will use a letter format for the transmittal memorandum rather than a memorandum format.

Besides conforming to one of these formats, some reports will be designated as management alert reports.

Management Alert Reports: These reports are used to convey significant, time-critical issues to the EPA or CSB management. A Management Alert may be issued as an unmodified or modified GAGAS report (with or without recommendations) or as a non-GAGAS report (without recommendations), depending upon the extent of the work performed and approval of the AIG. A Management Alert may either represent the final report on the assignment, or may be a time-critical interim report issued before the team completes the work and fully addresses the objectives. A Management Alert that serves as a time-critical interim report might not have fully developed findings and conclusions, and reporting is focused only on the time-critical issue(s). Interim unmodified or modified GAGAS reports could have recommendations, but teams should use due care in making recommendations if OIG work is still ongoing without fully developed findings. Non-GAGAS reports will not include recommendations.

For all Management Alerts, the team must request a meeting with the EPA or CSB to discuss the findings, conclusions and any recommendations identified. Prior to the meeting, the team must provide the EPA or CSB with a document that includes sufficient information for the agency to verify the factual accuracy of the findings, and comment on any recommendations that are planned for the Management Alert. After the meeting, the team must analyze and document its analysis of the EPA's or CSB's comments in the working papers and, as appropriate, reflect those comments in the issued Management Alert.

4.3 Report Content

OIG reports must present results clearly, accurately and objectively. Objectively means that the presentation of the report is free of bias and is also balanced in context and tone. A report's credibility is significantly enhanced when it presents evidence in an unbiased manner and in the proper context. This means presenting results impartially and fairly. The tone of the report is important because it may encourage decision makers to act on the team's findings and recommendations. A balanced tone can be achieved when reports present sufficient, appropriate evidence to support conclusions while refraining from using adjectives or adverbs that characterize evidence in a way that implies criticism or unsupported conclusions.

Reports should always explicitly state the source of evidence and the assumptions used in the analysis. Teams should consider the "humanity factor," such as the impact findings can have on human lives, when reporting findings. When warranted, the report should

recognize the positive aspects of the program in a "Noteworthy Achievements" section, if it is applicable to the project's objectives (this recognition is optional). Noteworthy achievements are intended to highlight self-initiated actions taken by the EPA that are above and beyond normal requirements. If noteworthy achievements occur during the course of the project, the report should frame those achievements as being influenced by OIG work. Inclusion of positive program aspects may lead to improved performance by other government organizations. The EPA or CSB staff or officials may provide comments on the positive aspects of their program or activities. Documentation or other sufficient and appropriate evidence should support their comments if they are included in the report. The team will consult with the PLD to determine the steps needed to test the accuracy of the documentation provided by the EPA or CSB.

4.4 Complete Draft Report

Using the discussion document and comments from the reviewed entity, the team prepares the official draft report in accordance with the OIG Procedure 602, *Audit and Evaluation Report Writing Guide*. When preparing each draft report, the team should use the most up-to-date template, which can be found on the OIG intranet. Once the draft is prepared, it is:

- Reviewed and accepted by the PM, PLD and AIG.
- Edited by OCPA.
- Reviewed for legal sufficiency by OC.
- Referenced by the independent referencers.
- Approved for release by the AIG (or IG/DIG if necessary). (If significant changes are made by the AIG, DIG or IG, the report may again need to go through editing, legal sufficiency or quality assurance, depending on the nature of the changes.)
- Signed by the AIG or designee and distributed to the reviewed entity.

All of the work associated with the bullets above is to be included in the working papers. While not required, teams can request the editors to review the draft report again after it has been reviewed by OC and referencers and before it is approved for release.

All OIG GAGAS-compliant reports will include one of the following types of statements:[50]

- **Unmodified GAGAS compliance statement.** The team will state that the audit was performed in accordance with GAGAS when all applicable, unconditional and presumptively mandatory GAGAS are followed or the team has followed all unconditional requirements and documented justification for departures from mandatory requirements and achieved the objectives through other means.[51]

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[50] GAGAS, Chapter 2, paragraphs 2.23 through 2.25; Chapter 4, paragraph 4.18; Chapter 5, paragraph 5.19; and Chapter 7, paragraphs 7.30 through 7.31.
[51] GAGAS Chapter 2, paragraph 2.24(a).

- **Modified GAGAS compliance statement.** The team will state that the audit was performed in accordance with GAGAS, except for specific applicable standards that were not followed; or, the team will state that because of the significance of the departure(s) from the requirements, the team was unable to, and did not, perform the audit in accordance with GAGAS. Situations when the team uses modified compliance statements also include scope limitations, such as restriction of access to records, government officials, or other individuals needed to conduct the audit. When the team uses a modified GAGAS statement, the team needs to disclose in the report the applicable requirement(s) not followed; the reasons for not following the requirement(s); and how not following the requirement(s) affected, or could have affected, the audit and the assurance provided.[52]

When projects comply with all applicable GAGAS requirements, the report must include the following statement (GAGAS Section 7.30):

> We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

As noted above and in Section 1.4, the OIG may issue certain reports that are not intended to, and do not, comply with GAGAS. For such reviews, the report will note that the review was not performed consistent with GAGAS.

4.5 Editing, Indexing, Legal Sufficiency Review and Referencing Draft Report

All reviewers (i.e., editors, attorneys and referencers) will provide notice to the team when:

1. A report is received and/or a reviewer is assigned to the report.
2. The review starts.
3. The review is complete (and provide comments as needed).
4. A report clears review.

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[52] GAGAS Chapter 2, paragraph 2.24(b).

Lengthy or complex reports, as well as reviewer workload at the time of request, may affect the time it takes to conduct the review. Reviewers should keep teams apprised of any delays.

After the team completes the draft report, the team submits the report to the OCPA editors' group email account, OIG_Editors@epa.gov. Teams should allow 10 business days for the editors to provide comments. Editors should inform teams if additional time beyond the 10 business days is needed within 2 business days of receiving the draft report, or as soon as possible. The team and/or OCPA will incorporate changes as appropriate.

After being cleared by editing, the team will send the draft report by email to OC attorneys at OIGCounsel@epa.gov for the legal sufficiency review. The email subject line should clearly identify the report name or subject matter. The message should include the following information:

- Whether the report or document is a discussion document, draft report or final report.
- Whether the matter has already been handled by an attorney, and who that attorney was.
- Any other pertinent information.

The primary purpose of the legal review is to ensure that OIG products sent to the EPA, CSB or outside entities: refer to the appropriate legal authorities; cite those authorities in correct legal form; and include correct interpretation, application and description of those legal authorities. The team should include the results of the legal review process in the working papers. An OC attorney-generated email or other document providing comments or clearance is sufficient to document the legal review. Teams should allow 5 business days for resolution of OC comments.

As the report is being written, teams should start indexing the report to supporting working papers. The indexed report should reflect changes made by editors and legal counsel. The PM and PLD are accountable for making sure the draft reports are supported. How this is done is left to the PM and PLD. If someone other than the PM or PLD verifies indexes, AIG approval is needed. Before reports are sent for referencing, PMs and PLDs need to certify that the draft report is properly indexed and fully supported by the working papers. More specific guidance for indexing is on the OIG intranet in the *Referencers' Corner*. Appendix 2 includes the certification memorandum to be signed by the PM and PLD.

Once the OC attorney clears the draft report as legally sufficient, the team sends the report, along with the PM/PLD certification indicating that the draft report is indexed and fully supported, to the independent referencers at OIG Referencers@epa.gov. The PM and PLD should complete the GAGAS compliance checklist (Appendix 1) and certification memorandum (Appendix 2) before submitting the draft report to the

referencer. Teams should allow 10 business days for all referencing comments to be made and resolved by the project team.

Referencing is a quality control mechanism intended to check the accuracy of information contained in reports. Referencing ensures that sufficient, appropriate evidence exists in the working papers to afford a reasonable basis for reported findings and recommendations. It also confirms that work product presentation is complete and consistent, facts accurately reflect evidence in the working papers, and findings and recommendations are logical.[53] The independent referencer performs referencing of the main facts (elements of findings) contained in the report, and spot-checks other information for factual accuracy and adequate support. See OIG Policy and Procedure 006, *OIG Quality Control and Assurance Program*, for more information on referencing.

After referencing is completed, the team submits the report to the AIG (and IG/DIG if required) for approval to release. If IG/DIG review is required for a draft report, teams should allow 10 calendar days for Immediate Office (IG/DIG) review, excluding team responses to any comments.

Draft Report Review Process Timeframes

Review Step	Business Days for Action *
Editing	10
Legal Sufficiency Review	5
Referencing	10

* The timeframes for editing are based on providing initial comments, while legal sufficiency and referencing are based on resolution.

In special circumstances, such as tight timeframes for a required report with a specific due date, these review timeframes may need to be revised to expedite the process. In those circumstances, the PLD should consult well in advance with the reviewers to arrange a mutually acceptable schedule.

4.6 Draft Report Submitted to Reviewed Entity

To verify information and receive a written response to our recommendations, the OIG provides a draft report to the reviewed entity for comments.[54] When ready, the AIG (or designee) will sign the report and the team will distribute it to the reviewed entity. The draft report should be issued after the agency has received, and had an opportunity to respond to, the discussion document. Teams should make sure that they distribute the reports to regional offices they visited. If the project involved obtaining information from non-EPA organizations, such as states or private parties, teams may wish to offer the non-EPA parties an opportunity to comment on sections of the report where their information was used. PLDs should identify these opportunities and discuss the need to obtain comments from non-EPA organizations with the AIG and DAIG.

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[53] GAGAS, Appendix I, Sections A8.02a through A8.02e.
[54] GAGAS, Chapter 4, paragraph 4.34; Chapter 5, paragraph 5.33; and Chapter 7, paragraph 7.33.

As with the discussion document, draft reports must only be released to officials of the reviewed entity and other parties who have a need to respond to the report or otherwise know its contents. Cautionary language will be included on the report cover and inside pages to indicate the report is a draft.

Federal Acquisition Regulation 15.404-2(c)(1)(i) prohibits auditors from revealing audit recommendations and conclusions for some contract audits (e.g., proposal audits) with the offeror/contractor without concurrence of the contracting officer. These assignments are considered to be cost analyses, and are resolved by the contracting officer. For some grant audits, final resolution of OIG report issues is by the grants official via a final determination letter to the auditee. Such reports may also contain proprietary information, and there may be restrictions on report content and distribution. Questions on report content or distribution should be discussed with the PLD and AIG.

4.7 Response by Reviewed Entity

The reviewed entity should provide a response to report findings[55] and recommendations in the timeframe specified in the transmittal memo. Responses for performance reports should be submitted within 30 days of the draft report's issue date, while responses for reports on specific assistance agreements should be submitted within 45 days. Agency management may request an extension for responding to a draft report. Any request should come from the action official. The AIG will approve any extensions.

The OIG may issue reports with no recommendations that do not require a response. However, the reviewed entity will still be provided an opportunity to comment prior to issuance. The timeframe for comment may be reduced.

The reviewed entity should provide agreement or disagreement with the findings and recommendations, and list intended corrective actions with planned completion dates. The agency response may offer alternative solutions, with rationale, to the report's findings and recommendations. The OIG will evaluate these alternatives and determine whether they are acceptable. The OIG's evaluation of the response will be documented in the working papers for final report support, and the status of recommendations entered in the IGEMS assignment module to document resolution in the tracking system. The reviewed entity may indicate that the corrective actions have already been completed. When this is asserted, the team should request supporting documentation to verify that the corrective actions have been completed.

The OIG evaluation of the response should identify the status of each recommendation as one of the following:

- C – Corrective action completed. (This means that the EPA or CSB has agreed with the recommendation and completed the corrective action(s)).

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[55] GAGAS, Chapter 4, paragraphs 4.33 through 4.39; Chapter 5, paragraphs 5.32 through 5.38; and Chapter 7, paragraphs 7.33 through 7.38.

- R - Recommendation resolved with corrective action pending. (This means that the EPA or CSB has agreed with the recommendation and provided planned completion date(s) for the corrective action(s)).
- U – Recommendation unresolved with resolution efforts in progress. (This means that the EPA or CSB disagreed with the recommendation or has not provided sufficient information on the intended corrective action(s) and planned completion date(s)).

The OIG will consider pertinent views of responsible officials concerning the OIG's findings and conclusions, as well as specific responses to each recommendation and what corrective action is planned. In instances when the OIG is unable to reach consensus on the proposed response, the team will notify the EPA and follow the agency's audit resolution process provided in EPA Manual 2750. In instances when the agency response to the draft report identifies the corrective action(s) taken or planned and provides planned completion dates that satisfy the intent of the recommendations, the team can close the final report in the IGEMS assignment module immediately upon issuance. (Closing the final report in the IGEMS assignment module indicates that resolution has been reached for all recommendations, not necessarily that all recommendations have been completed.) When a report is closed upon issuance, the transmittal memorandum should state that the OIG may make periodic inquiries of the reviewed entity's progress in implementing corrective actions resulting from our work.

4.8   Exit Conference

After evaluating the EPA's or CSB's response to the draft report, the team should meet with the agency for an exit conference.[56] Unless the EPA or CSB indicates that an exit conference is not necessary, the OIG team will hold an exit conference with the reviewed entity and other interested parties as appropriate. When the exit conference is held—in relation to the preparation of the final report—may vary. The preference in the Office of Program Evaluation is that staff ask the AIG, or designee, if they wish to meet or discuss agency comments prior to holding the exit conference. Office of Audit staff may hold the exit conference while the final report is being revised.

Exit conferences are conducted to inform and discuss with the EPA or CSB the findings and recommendations. Exit conference discussions are to focus on the information presented in the draft report and the EPA's or CSB's response. The OIG team and the EPA or CSB seek to ensure that facts are accurately presented and that differences in conclusions and recommendations are understood to the extent practicable. Whenever the team has planned or proposed modifications to draft report findings and recommendations, the team should obtain, within a reasonable period of time, the reviewed entity's concurrence or nonconcurrence with the planned or proposed modifications to draft report findings and recommendations, along with intended

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[56] Office of Program Evaluation staff should schedule an exit conference after issuing the draft report. Unneeded exit conferences can be canceled. Office of Program Evaluation teams should review comments from the agency within 2 weeks of receipt and hold the exit conference shortly thereafter.

corrective actions and planned completion dates. The DIG should be notified by the AIG as soon as possible if there is significant disagreement with OIG report findings, recommendations or corrective actions.

4.9   Complete and Issue Final Report

After receiving the response to the draft report and holding an exit conference, the OIG prepares a final report in accordance with the OIG Procedure 602, *Audit and Evaluation Report Writing Guide*. Once the final report is prepared, it is:

- Reviewed by the PM, PLD and AIG.
- Edited by an OCPA editor.
- Indexed, reviewed and certified by the PM and PLD to address changes from the draft to final report.
- Referenced by the independent referencer.
- Reviewed for legal sufficiency by an OC attorney.
- Approved by the AIG for release.
- Edited by an OCPA editor before DIG review.
- Reviewed and approved by the DIG.
- Submitted to the OCPA editors for submission to IG.
- Approved and signed by the IG.
- Distributed and posted on the OIG public website by OCPA.

To facilitate review, teams can highlight changes from draft to final reports.

The final report includes the reviewed entity's response, generally as an appendix to the report, and a summary of the OIG's evaluation of the reviewed entity's response within the body of the report. (Separate technical comments will generally not be included, except as decided on a case-by-case basis.) The report will address whether the OIG considers the reviewed entity's response to be sufficient, and whether the actions planned meet the intent of the recommendation. Oral comments obtained that result in modifications to the report should be summarized and presented to the reviewed entity to verify accuracy.[57] If the reviewed entity disagrees with a recommendation, our comments will offer a brief rebuttal, if needed, to address the pertinent issues. If a detailed rebuttal is necessary, a separate appendix may be included in the report. Conversely, the team should modify the report as necessary if the team determines the reviewed entity's comments are valid and supported with sufficient and appropriate evidence.

The final report includes a transmittal memorandum that may briefly summarize the report, and will explain the action required when any planned actions or completion dates do not meet the intent of the recommendation(s). The template for the transmittal memorandum is located on the OIG intranet. The action required by the agency will vary depending on the status of the resolution of recommendations. Examples of the action required language for the final report transmittal are contained in Appendix 3. The

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[57] GAGAS, Chapter 7, Reporting Standards for Performance Audits, paragraph 7.34.

transmittal memo should point out that the response to our final report will be posted on the OIG's public website, along with OIG's comments on that response, so that readers can see how the reviewed entity plans to address the recommendations and whether the OIG believes that actions taken or planned meet the intent of the recommendation.

After preparing the final report, the team will send the report to the OCPA editors' email account (OIG_Editors@epa.gov) for review. Teams should allow 5 business days for the editor to provide comments, unless the editor has notified the team that additional review time is needed. After receiving comments from the editor, the team will make OCPA's recommended changes to the final report and obtain clearance from the editors.

The team then indexes changes to the final report to the supporting working papers; information in the final report that did not change from the draft report should not be indexed and independently referenced again. The PM and PLD are accountable for making sure the final reports are supported. The PM and PLD review the new indexes, sign the certification form indicating the final report is ready for referencing, and send the report to the independent referencer. Teams should allow 5 business days for the referencer to complete the review.

After the PLD ensures all referencing comments are resolved, the PLD sends the final report to OC for the final legal sufficiency review. Teams should allow 5 business days for legal sufficiency review to be completed, unless OC has notified the team of the need for additional time.

After review by the OCPA editor, independent referencer, OC attorney and AIG, the editors will take another look at the report prior to submission to the DIG. After editor approval, the team then submits the report to the DIG for review. Teams should allow 8 business days for DIG review, excluding time needed to respond to any comments. Once the DIG approves the report, the team submits the report to the OCPA editors for submission to the IG for review and approval (when submitting the report to the editors, the team should also provide the DIG and OC legal sufficiency approvals). Prior to submitting the final report to OCPA for IG review, the PM and PLD shall ensure that the results of the report are entered accurately into the IGEMS assignments module. Directions for entering report information into the IGEMS are located on the OIG intranet. After obtaining IG approval, OCPA editors will then obtain a report publication number from IGEMS and prepare the final report, to include inserting the IG's signature in the transmittal memorandum. OCPA will prepare and distribute the report according to the OIG Policy and Procedure 603, *OIG Report Editing and Distribution*.

Final Report Review Process Timeframes

Review Step	Business Days for Action *
Editing	5
Referencing	5
Legal Sufficiency	5
DIG	8

* The timeframes for editing and DIG review are based on providing

initial comments, while legal sufficiency and referencing are based on resolution.

Decisions by senior OIG officials (IG, DIG, AIGs) that significantly affect the substantive content of the report—such as removing a finding or not issuing a report—will be documented in the working papers. The senior OIG officials who make these decisions must prepare the explanation supporting their decision for inclusion in the working papers. The AIG will notify the IG if the documentation for decisions reached by senior OIG officials have not been received. If a portion of a report or an entire report itself is not issued, the AIG and IG shall make a determination based on the facts and circumstances of whether and how to communicate the reason for terminating the project and/or limiting distribution of the report to the audited entity or those requesting the audit.[58] This discussion, and the basis for it, must be documented in the working papers.

The team will document any limitations on report distribution (e.g., the report contains proprietary or other sensitive information) in the working papers.[59]

After a report is issued, if the team or any OIG staff discovers that the OIG did not have sufficient and appropriate evidence to support the reported findings and conclusions, they will immediately contact the appropriate AIG, the DIG and the IG. The AIG will be required to notify the EPA or CSB in writing about the issue. A decision will also be made on the need to conduct additional work to reissue the report, which will be documented in PMRS. The AIG for OCPA will be notified so that the report can be removed from the OIG's website and, if deemed necessary, a public notice posted.[60]

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[58] GAGAS, Chapter 6, paragraph 6.50.
[59] GAGAS, Chapter 4, paragraphs 4.40 through 4.45; Chapter 5, paragraphs 5.39 through 5.44; and Chapter 7, paragraphs 7.39 through 7.44.
[60] GAGAS, Chapter 7, paragraph 7.07.

Chapter 5
Post-Report Responsibilities

5.1 Introduction

OIG responsibility for a project does not end when it issues a final report. The team must finalize documentation, assess the EPA's or CSB's response to the final report as appropriate, update internal tracking systems, identify opportunities for continuous improvement, and check the EPA's or CSB's progress in implementing recommendations. Referencers lock the working papers so that external reviewers can see that the evidence behind the findings has not been altered after the fact. The EPA's or CSB's response to the final report must be evaluated to see if it satisfies the intent of the recommendations. Internal OIG tracking systems must be updated. The OIG does some follow-up work on selected OIG-issued work products, including financial work products, to assess the reviewed entity's progress in implementing agreed-to actions on selected OIG recommendations. The team must identify opportunities for improving OIG processes. Projects are reviewed and receive compliance review scores.

The sequence of activities after the final report is issued is generally:

- Recording of accomplishments in PMRS.
- Closing of electronic working papers.
- Holding a lessons learned meeting.
- Completing compliance monitoring review by quality assurance staff.
- Obtaining and reviewing a response to a final report, if necessary.
- Periodically reviewing the status of completion of recommendations.

5.2 Closing Projects in AutoAudit

The working papers officially record the evidence that supports the report. It provides assurance that the work was appropriately supervised. It shows that supervisory review occurred before the report was issued, and that supervisors reviewed the evidence supporting the findings, conclusions and recommendations.[61] External and internal reviewers of OIG quality will look at how well the team ensured the integrity of the evidence by closing and locking down the working papers.

Closing Working Papers. Working papers for projects will need to be prepared for closure within 2 weeks of publication of the last report or memorandum.[62] Proper completion of working papers means that the designated reviewer shall approve all

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[61] GAGAS, Chapter 6, paragraphs 6.82 and 6.83.
[62] Deviations from the 2-week requirement can be approved on a case-by-case basis by the AIG for assignments such as the annual financial statement audit, Federal Information Security Modernization Act audit, vulnerability assessments, etc. Deviations will be documented in the working papers.

working papers, and the PLD or his/her designee shall complete the job by reviewing and saving the completion tables with the completed project status and the project closure date, respectively. To avoid the need for mass approval of the working papers, the designated reviewer is encouraged to complete review and approval of working papers throughout the project. Instructions on closing working papers can be found at the AutoAudit Champions intranet site.

Notify the Referencers. The PLD shall email the Office of Audit or Office of Program Evaluation referencer when projects are completed and ready to be locked. As an added control, one of the referencers will verify that all working papers were reviewed and approved, and will lock the project once it is listed as "Completed" in AutoAudit. Locking the working papers retains the links to the working papers but prevents anyone from making changes to the working papers. The application becomes its own archive application identified by fiscal year once the last assignment is locked in the AutoAudit application. The AutoAudit Administrator modifies the Access Control List for the application to 'Read' only access, making the application an archive application. The assignments are retained in accordance with the EPA Records Management Schedules.

Use PMRS for Post-Issuance Documentation. All post-report documents pertaining to the EPA's or CSB's response, requests for extensions, resolution, lessons learned, the EPA or CSB actions on OIG recommendations, etc., shall be put into PMRS by PLDs and PMs. Buttons have been added to PMRS to allow for document additions. In the results portfolio, there are two places to add documents. The first is an area called "Follow-up/Support Documents," which is not recommendation-specific; the documents will appear in the order of the date/time they were entered into PMRS. The second area is in the results portfolio associated with the individual lines under the goals sections. For example, if there are four recommendations for improvement, click on the line and a window will appear with a tab for adding recommendation-specific support documents.

5.3 Response to the Final Report and Resolution

As expressed by OMB Circular A-50, corrective actions taken by management on resolved findings and recommendations are essential to improving government operations. The OIG is responsible for alerting the EPA or CSB to unresolved recommendations. EPA Manual 2750 provides policy and direction for the EPA program managers to report and coordinate their intended corrective actions with the OIG. Procedures for responding to and implementing recommendations in reports issued to CSB are described in the document "CSB Audit Follow-up and Recommendation Closure Procedures."

When the OIG issues a report, data is uploaded from IGEMS to the EPA's MATS, and a corresponding record is created for a report to the EPA. This record provides an electronic file to document the (1) status of the reports in the resolution process, (2) the agreed-to corrective actions, and (3) any corrective actions performed by the action officials in response to the report's recommendations. This record in MATS remains active until all corrective actions addressing the report's recommendations have been implemented and certified as complete. Once the corrective actions have been certified as complete by the

EPA's Action Official, the MATS record is then classified as inactive. CSB documents its recommendation in an audit tracking log. The reviewed entity's actions are subject to review by the OIG.

Unresolved Recommendations. PLDs will maintain a schedule of when responses to final reports are due. Once the OIG has received a response to the final report, the OIG team will review and evaluate whether the reviewed entity's taken or planned corrective actions and completion dates meet the intent of the recommendations. Where the EPA or CSB response is unclear or incomplete, the team needs to obtain agreement in writing from the reviewed entity on clarifications or improvements to the planned corrective actions and completion dates. The OIG will notify the Action Official in writing, within 15 calendar days of receipt of the response to the final report, on the resolution status of each recommendation, stating agreement or disagreement. If the team determines all recommendations are resolved, the OIG will also notify the reviewed entity in the memorandum that the OIG is closing the report in the OIG tracking system. Guidance on acceptance memos is included on the OIG intranet under "Job Tools/Writing and Editing."

The reviewed entity's response, OIG memorandums on the status of recommendations (when not all recommendations are resolved), and the OIG acceptance memorandum are to be submitted to the OIG_WEBPOSTINGS@epa.gov for posting on the OIG public website, and are recorded in PMRS. The date of the OIG acceptance memorandum showing that all recommendations are resolved will also be the report closeout date in the IGEMS assignment module. If the team disagrees with the EPA's or CSB's proposed actions, the report remains open in IGEMS until agreement is reached. The EPA's audit resolution process detailed in EPA Manual 2750 should be followed. Closing the report in the IGEMS assignment module indicates that the team accepts all of the reviewed entity's proposed actions and believes that those actions meet the intent of the recommendation(s). If the OIG does not agree with the Deputy Administrator's final decision, the disagreement should be reported in the Semiannual Report to Congress.

The team's analysis of the reviewed entity's response will also be documented in PMRS. Teams must ensure that documentation in PMRS clearly lists the corrective actions' resolution. This is especially important if there has been an extended exchange of corrective information between the OIG and the reviewed entity, or if the response is written as a general memorandum instead of indicating agreement with each recommendation.

Resolved Recommendations. The EPA or CSB will continue tracking implementation of agreed-to corrective actions until all actions are completed in the EPA's MATS or the CSB tracking system. As required by OIG Procedure 005, *OIG Follow-Up Procedure*, OIG staff will periodically review the EPA's tracking system to check the status of the EPA's progress in completing agreed-to corrective actions and identifying completed corrective actions that can be reported as results in PMRS. As part of this process, the OIG may also request documentation supporting the progress or completion of actions taken to implement the EPA's or CSB's corrective actions.

If the EPA or CSB finds that it is unable to meet the planned dates for completing corrective actions or believes alternative corrective actions from those originally planned are warranted, the EPA or CSB should notify the OIG indicating the reasons for revising planned completion dates or proposing alternative corrective actions. The OIG will acknowledge the EPA's or CSB's notification, advise the EPA or CSB of any concerns that may adversely affect the resolution and implementation of report findings and recommendations, and update PMRS.

5.4 Follow-Up on Selected Reports

Conducting audits to follow up on prior reports will encourage the EPA or CSB to:

- Take needed actions to improve human health and the environment, business practices, and accountability.
- Promote economy, efficiency and effectiveness within EPA and CSB operations.

These audits also provide evidence of the OIG's contribution to achieving those improvements. Each AIG, in consultation with his or her PLDs, will identify the need for follow-up work during the annual planning process. As part of the planning process, the AIG and PLD will make decisions on the scope and objectives of the follow-up reviews. For more details on the OIG's follow-up process, see OIG Procedure 005, *OIG Follow-Up Procedure.*

5.5 Project Assessment and Improvement

Our goal is to continuously improve our practices and, thereby, the quality, timeliness and cost of our products. Therefore, teams should hold a "lessons learned" meeting to serve as the basis for building knowledge for future projects. The PM is responsible for holding the meeting, and all staff who participated on the project are expected to participate. The AIG and DAIG are to be invited to the meeting, as well as edit, legal and referencing staff. Topics for lessons learned meetings could include:

- Project management/progress in achieving goals.
- Tools and methods used in the project.
- Project structure and organization.
- Accomplishment of the project within budget.
- Quality and timeliness of the final product.
- Project results.

The discussion should focus on what has worked, what has not worked, and what new things need to be done in the future. Teams should document lessons learned in PMRS for use on current and future projects.

Though the lessons learned meeting should happen at the end of a project, teams can and should discuss, accumulate and document lessons learned throughout the project. Ongoing lessons learned discussions can be held in conjunction with preparation of status reports or during team meetings.

5.6 System of Quality Controls

GAGAS requires that we have a system of quality controls that provides a reasonable assurance of complying with professional standards. Part of this system is monitoring of quality, which is an ongoing periodic assessment of work completed to determine whether the professional standards are followed and the OIG is operating according to this PMH. Our system of quality control includes the use of Compliance Monitoring Reviews (CMRs). The CMR results, trends and resulting recommendations are summarized in a quality control report. We also use the CMR results and the knowledge from referencing or participation in lessons learned meetings to detect trends and identify areas needing improvement, which may require process changes and/or changes to this PMH. The CMR and related quality control report demonstrate that the OIG continually strives to improve the timeliness, responsiveness and value of its products and services. The CMR is included in Appendix 4.

GAGAS Compliance Checklists

GAGAS Compliance Checklist – Performance Audits

Instructions for completing – Identify whether the GAGAS and PMH requirements were completed, and include working paper references or working paper links. GAGAS citations are meant to generally cover topics in the checklist. If there are multiple working papers to satisfy a requirement, such as documentation of supervisory review, initial and date of the PM and PLD in the comment section is sufficient. Completed checklist is to be provided to quality assurance when providing the draft report for review. If a requirement is not applicable ("N/A"), please explain in the comment column.

Requirement	Yes	No	N/A	W/P link	Comment
Was the independence of the team assessed at the beginning of the audit and when adding new team members? (GAGAS 3.02 – 3.59, PMH 1.3)					
Assessment of audit risk (GAGAS 6.05)					
Planning (GAGAS 6.06)					
Audit guide approved prior to kickoff and/or entrance conference (GAGAS 6.51, PMH 2.5)					
Obtain an understanding of the program or program component (GAGAS 6.13 – 6.15)					
Obtain an understanding of internal control (GAGAS 6.16 – 6.22)					
Understanding of information system controls (GAGAS 6.23 – 6.27)					
Assessment of compliance with laws and regulations (GAGAS 6.28 – 6.29)					
Assess the risk of fraud (GAGAS 6.30)					
Evaluate whether audited entity has taken appropriate action to address findings and recommendations from previous audits (GAGAS 6.36)					
If work of others was used, were procedures performed that provide a sufficient basis for using the work? (GAGAS 6.40)					
Communication with auditee management (GAGAS 6.47 – 6.50) through regular meetings or communications with audited entity (PMH Section 1.17)					
Approval of project milestones and adjustments to project milestones (PMH 2.10)					

Requirement	Yes	No	N/A	W/P link	Comment
Supervising Staff (GAGAS 6.53 – 6.55, PMH 1.9)					
Sufficient guidance and direction to staff (i.e., team meetings, review notes)					
Documentation of supervisory review of working papers (*PM and PLD will certify compliance with this requirement with their initials and date in the notes column or link to certification memo*)					
Documentation of supervisory and management review of reports (PMH 4.6 and 4.10)					
Obtaining sufficient, appropriate evidence					
Sufficient, appropriate evidence was obtained to provide a reasonable basis for the findings and conclusions (GAGAS 6.56 – 6.72) (*PM and PLD will certify compliance with this requirement with their initials and date in the notes column or link to certification memo*)					
Elements of the finding were developed (link to finding outlines) (GAGAS 6.73 – 6.78)					
30-day meeting held (PMH 2.9)					
Go/No-Go meeting held (PMH 2.10)					
Message agreement meeting held (PMH 3.6)					
Preparing documentation					
Did the auditors prepare documentation, in reasonable form and content, for the circumstances of the project that contained evidence supporting the findings, conclusions and recommendations before the report was issued? (GAGAS, 6.80, 6.81) (*PM and PLD will certify compliance with this requirement with their initials and date in the notes column or link to certification memo*)					
Was source of information consistently identified on working papers, to evaluate whether the evidence is sufficient and appropriate? (GAGAS 6.61 and PMH 1.8)					
Were discussion documents provided and discussed with the agency? (PMH 3.7)					

Reporting Standards for Performance Audit – Assess the draft and final report for compliance with GAGAS (last requirement is for final report only)

Requirement	Yes	No	Draft report page*	Comments
Auditors should include in the report a description of the audit objectives and the scope and methodology used for addressing the audit objectives. (GAGAS 7.09 – 7.13)				
In the audit report, auditors should present sufficient, appropriate evidence to support the findings and conclusions in relation to the audit objectives. (GAGAS 7.14 – 7.18)				
Auditors should include in the audit report (1) the scope of their work on internal control and (2) any deficiencies in internal control that are significant within the context of the audit objectives and based upon the audit work performed. (GAGAS 7.19 – 7.20)				
When auditors conclude—based on sufficient, appropriate evidence—that fraud; noncompliance with provisions of laws, regulations, contracts or grant agreements; or abuse, either has occurred or is likely to have occurred which is significant within the context of the audit objectives, they should report the matter as a finding. (GAGAS 7.21 – 7.23)				
Auditors should recommend actions to correct deficiencies and other findings identified during the audit and to improve programs and operations when the potential for improvement in programs, operations and performance is substantiated by the reported findings and conclusions. (GAGAS 7.28 – 7.29)				
The report should contain an appropriate statement regarding compliance with GAGAS. (GAGAS 7.30 – 7.31)				
FINAL REPORT – Were agency comments obtained and accurately summarized? (GAGAS 7.32 – 7.38) (PMH 4.8)				

(Signature and date – Project Manager)

(Signature and date – Product Line Director)

* Indicate the version of the draft report that was used for this assessment. It can be the draft report to editor, legal or quality assurance.

GAGAS Compliance Checklist – Financial Statement Audits

<u>Instructions for completing</u> – Identify whether the GAGAS and PMH requirements were completed, and include working paper references or working paper links. GAGAS citations are meant to generally cover topics in the checklist. If there are multiple working papers, such as documentation of supervisory review, initial and date of the PM and PLD is sufficient. Completed checklist is to be provided to quality assurance when providing the draft report for review. If a requirement is not applicable ("N/A"), please explain in comment column.

Requirement	Yes	No	N/A	W/P link	Comments
Previous Audits - Auditors should evaluate whether the audited entity has taken appropriate corrective action to address findings and recommendations from previous engagements that could have a material effect on the financial statements or other financial data significant to the audit objectives. (GAGAS 4.05)					
Did the audit consider the risk of fraud and noncompliance with laws and regulations in compliance with AICPA requirements and GAGAS? (GAGAS 4.06 – 4.09)					
For audit findings, did the auditors plan and perform procedures to develop the elements of the findings that are relevant and necessary to achieve the audit objectives? (GAGAS 4.10 – 4.14)					
Audit documentation – did the audit include: (a) documentation of supervisory review prior to report release, (b) documentation of any departures from GAGAS (GAGAS 4.15). (c) a sufficient and appropriate record of the basis for the auditor's report, and (d) evidence that the audit was planned and performed in accordance with GAGAS and applicable legal and regulatory requirements (AICPA AU-C Section 230.05)?					
Did the report include information on internal controls and compliance with laws and regulations? (GAGAS 4.17)					
Did the report include views of responsible officials? (GAGAS 4.33 – 4.39)					

(Signature and date – Project Manager)

(Signature and date – Product Line Director)

GAGAS Compliance Checklist – Attestation Engagements

Instructions for completing – Identify whether the GAGAS and PMH requirements were completed, and include working paper references or working paper links. GAGAS citations are meant to generally cover topics in the checklist. If there are multiple working papers, such as documentation of supervisory review, initial and date of the PM and PLD are sufficient. Completed checklist is to be provided to quality assurance when providing the draft report for review. If a requirement is not applicable ("N/A"), please explain in comment column.

Requirement	Yes	No	N/A	W/P link	Comments
Previous Audits - Auditors should evaluate whether the audited entity has taken appropriate corrective action to address findings and recommendations from previous engagements that could have a material effect on the financial statements or other financial data significant to the objectives. (GAGAS 5.06)					
Did the audit consider the risk of fraud and noncompliance with laws and regulations in compliance with AICPA requirements and GAGAS? (GAGAS 5.07 – 5.10)					
For audit findings, did the auditors plan and perform procedures to develop the elements of the findings that are relevant and necessary to achieve the audit objectives? (GAGAS 5.11 – 5.15)					
Documentation – did the audit include: (a) documentation of supervisory review prior to report release (GAGAS 5.16b), (b) documentation of any departures from GAGAS (GAGAS 5.16c), and (c) a sufficient and appropriate record of the basis for the auditor's report (GAGAS 5.16a)?					
Did the report include information on internal controls and compliance with laws and regulations? (GAGAS 5.20 – 5.26)					
Did the report include views of responsible officials? (GAGAS 5.32 – 5.38)					

(Signature and date – Project Manager)

(Signature and date – Product Line Director)

Certification Memorandum

Report Review Certification

I have reviewed the [Draft/Final] report titled [Report Title/Project Number], and assured that it was prepared in accordance with all OIG quality control procedures. The report meets applicable OIG policies and generally accepted government auditing standards. [*Add only if appropriate:* Where standards were not followed, the working papers contain a rationale.]

This review ensures that:

- The report is complete and fully answers the project objectives.

- The report has been properly indexed to the supporting working papers.

- All working papers have been reviewed and the entire report is supported by sufficient and appropriate evidence.

- The report complies with all OIG policies concerning disclosure of sensitive or confidential information.

- Comments and appropriate response(s) from the reviewed entity have been included in the report (final reports).

_____
Project Manager/Date

_____
Product Line Director/Date

Final Report Action Required

The wording of the action required section of the final report will vary depending upon whether the agency has agreed with the recommendations or not. The action required section for assistance agreement audits is also different from performance audits. Below is sample language to use when describing the action required.

Agency provided acceptable corrective actions and milestone dates in response to the draft report

> In accordance with EPA Manual 2750, your office provided acceptable corrective actions and milestone dates in response to OIG recommendations. All recommendations are resolved and no final response to this report is required.

Agency agreed with recommendation(s), but additional information needed on corrective action(s)

> In accordance with EPA Manual 2750, the [*office name*] is required to provide a written response to this report within 60 calendar days. The office should include planned corrective actions and completion dates for all unresolved recommendations. The response will be posted on the OIG's public website, along with our memorandum commenting on the response. The response should be provided as an Adobe PDF file that complies with the accessibility requirements of Section 508 of the Rehabilitation Act of 1973, as amended. The final response should not contain data that should not be released to the public; if the response contains such data, the office should identify the data for redaction or removal, along with corresponding justification.

Agency did not agree with recommendation(s)

> The report recommendation is unresolved. In accordance with EPA Manual 2750, the resolution process begins immediately with the issuance of this report. We are requesting a meeting within 30 days between the [*action official's title*] and the OIG's Assistant Inspector General for [*Audit or Program Evaluation*]. If resolution is still not reached, the [*office name*] is required to complete and submit a dispute resolution request to the Chief Financial Officer to continue resolution.

Assistance Agreement Audits (if over $250,000 in questioned costs)

> In accordance with EPA Manual 2750, you are required to provide us your proposed management decision on the findings and recommendations in this report before you formally complete resolution with the grant recipient. Your proposed management decision is due in 120 days, or on [*date*].

Compliance Monitoring Review

See Section 5.6, System of Quality Controls, for a description of the purpose and use of the Compliance Monitoring Review (CMR). Each measure includes a reference to where the requirement is in the PMH. PMH sections reference GAGAS requirements. The maximum points for the review is 100.

Each section of the CMR has a space for notes regarding the scoring. Those completing the CMR should use this space to explain the reasons for any deductions and any areas for improvement. The information in these sections will be used in preparing the annual quality control review.

> **Planning and Execution (12 points)**: The planning and execution of the assignment will be evaluated using the following factors.
>
> • Project Guide (including objectives, scope and methodology for each objective) is approved by the Product Line Director prior to meeting with EPA or CSB. Changes to the project guide for field work are also approved timely. (GAGAS 6.51-6.52, PMH Section 2.5 and 3.2) – 2 points
>
> • Project design and objectives discussed with the EPA or CSB prior to or at kickoff meeting or entrance conference. (GAGAS 6.47, PMH Section 2.7 and 3.4) – 2 points
>
> • Steps in the project guide are indexed to the supporting working papers (or explanation provided as to why the step was not completed). (PMH 2.5 and 3.2) – 3 points
>
> • Product Line Director/Project Manager reviews the indexing to the supporting working papers and completes the certification memorandum prior to draft and final report being submitted to quality assurance. (GAGAS A3.10(b), PMH 4.6) – 2 points
>
> • GAGAS compliance checklist(s) completed prior to draft and final report being submitted to quality assurance. (PMH 4.6) – 3 points
>
> **Communication with agency and OIG management (13 points)** – The assignment will be evaluated on it communications with agency and OIG management.
>
> • Team meets/communicates periodically (at least every 4 to 6 weeks) with the EPA or CSB management to discuss the status of the work and preliminary observations, and to verify the factual accuracy of the evidence gathered. (GAGAS 6.47, PMH 1.17) – 5 points
>
> • Discussion document distributed and discussed with the EPA or CSB. (GAGAS 6.47, PMH 3.7 and 4.4) – 3 points

- 30-day meeting held with OIG management. (PMH 2.9) – 1 point

- Preliminary findings prepared and submitted to AIG prior to the message agreement meeting, (PMH 3.6) – 2 points

- Revisions to measured milestone dates and cost are communicated to management, and management approval documented in working papers. (PMH 2.10) – 2 points

Supervision (30 points) - In scoring supervision, the intent is that supervisors or those designated in the guide as first- and second-level reviewers **complete and document working paper review with regular frequency** to meet the GAGAS supervision standard. (GAGAS 6.53-6.54, PMH 1.9) Elements of supervision include providing sufficient guidance to staff members, staying informed about significant problems encountered, reviewing the work performed, and providing effective on-the-job training. Reviews of working papers will be documented. Points will be awarded for supervision in the following manner:

- Supervisory Reviews: The specific computation is shown on the CMR. *The maximum number of points that can be accumulated for supervisory reviews is 15.*

- Resolved reviewer notes: The specific computation is shown on the CMR. *The maximum number of points that can be accumulated for reviewer notes is 15.*

Report Quality (20 points) – The quality of the report will be evaluated using the elements described in GAGAS A7.02.

- Accurate and complete (15 points) – See GAGAS A7.02(a) and (c) for definitions. The quality of indexing will be assessed as part of this element as referencing is discussed as part of accuracy in GAGAS A.702(a).

- Objective, convincing and clear (5 points) – See GAGAS A7.02 (b), (d) and (e).

Timeliness (15 points) – The timeliness of the report will be evaluated using the following factors. (GAGAS A.702(g))

- Preliminary research is completed within 90 days of kickoff meeting. Preliminary research will be considered complete when the AIG makes the decision on whether to proceed – 3 points. If there is no preliminary research, the points will be distributed to the other factors related to timeliness.

- Draft report is provided to OCPA for editing within the agreed-upon timeframe: 6 points if within 30 calendar days of the agreed-upon time, 4 points if within 60 days, 2 points if within 90 days, and 0 points if more than 90 days. If a suspension was approved by the AIG, the amount of time related to the suspension will be deducted from the elapsed time. If there was no preliminary research, the scoring will

be 7.5 points if within 30 calendar days, 5 points if within 60 days, 3 points if within 90 days, and 0 points if more than 90 days.

- Draft report is provided to OCPA for editing within the agreed-upon staff days: 6 points if within 10%, 4 points if within 20%, 2 points if within 30%, or 0 points if more than 30%. If there was no preliminary research, 7.5 points if within 10%, 5 points if within 20%, 3 points if within 30%, or 0 points if more than 30%.

In some cases, information on the date the draft report was sent to OCPA and actual staff days as of when the report is sent to OCPA may not be available. For example, if an assignment goes from discussion draft to final, there would be no date for draft report to editor or actual staff days to editor. In those cases, the quality assurance staff member will identify some other date for which information is available for evaluating timeliness and cost, and explain the decision to the team. In selecting another timeframe, the quality assurance staff will consider that review time by editors, counsel and quality assurance may not be within the team's control.

Post-Reporting/Data Quality (10 points) - Teams will be evaluated on whether they complete their post-reporting responsibilities and the completeness of the data in the IGEMS assignment module.

- Working papers are completely closed and OIG referencers notified within 2 weeks of the final report issuance. (PMH 5.2) – 2 points

- Lessons learned meeting held with AIG or DAIG, generally within 14 days of final report issuance. When reports are issued around holidays or staff are not available, lessons learned meeting will be held as soon as possible. (PMH 5.5) – 2 points

- Accurate data (staff and calendar days) is entered into the appropriate assignment milestones tab in IGEMS. (PMH 2.10 and OIG Procedure 004) – 6 points

Compliance Monitoring Review

Background Information

Report Title:			
Report #		Date of Kickoff	
Assignment #		Date of Entrance Conference	
Product Line Director		Date of Draft Report	
Product Manager		Date for Final Report	
Project Cost		Other Pertinent Information	

Planning and Execution – 12 points

Project Guide (including objectives, scope and methodology for each objective) is approved by the Product Line Director prior to meeting with the reviewed entity. Changes to the project guide for field work are approved timely – 2 points	
Project design and objectives discussed with the reviewed at kickoff meeting or entrance conference – 2 points	
Steps in the project guide are indexed to the supporting working papers (or explanation provided as to why the step was not completed) – 3 points	
Product Line Director/Project Manager reviews the indexing to the supporting working papers and completes the certification memorandum prior to draft and final report being submitted to quality assurance – 2 points	
GAGAS compliance checklist completed prior to draft and final report being submitted to independent referencing – 3 points	
Section Total	
Notes related to planning and execution:	

Communication - 13 points

Team meets/communicates periodically (at least every 4 to 6 weeks) with EPA or CSB management to discuss the status of the work and preliminary observations, and to verify the factual accuracy of the evidence gathered – 5 points	
Discussion document distributed and discussed with EPA or CSB – 3 points	
30-day meeting held with OIG management – 1 point	
Preliminary findings prepared and submitted to AIG prior to the message agreement meeting – 2 points	
Revisions to measured milestone dates and cost are communicated to management, and management approval is documented in working papers – 2 points	
Section Total	
Notes related to communication:	

Supervision – 30 points	
Note: The rating assigned to review comments/disposition and to the number of supervision reviews are added for a net supervision score as follows:	
Sample a number of working papers prepared during the course of the audit for timeliness of supervisory review (worksheet attached). Working paper reviews should be performed at least every 30 days. Working paper reviewer(s), if different than the Product Line Director and Project Manager, are designated in the approved project guide.	

Working papers prepared by staff that are reviewed timely
   Number of working papers sampled   ____
   Number of sampled working papers reviewed timely ____	

Total percent of working papers prepared that are reviewed timely	
Total percent of working papers reviewed timely x 15	

Resolved reviewer notes:
  Number of reviewer notes _____
  Number of review notes addressed and resolved ____	

Total percent of review notes resolved	
Total percent of review notes resolved times x 15	
Section Total	
Notes related to supervision:	

Report Quality – 20 points	
Accurate and complete (15 points) – See GAGAS Appendix 1, paragraphs A7.02(a) and (c), for definitions. The quality of indexing will be assessed as part of this element, as referencing is discussed as part of accuracy in GAGAS paragraph A.7.02(a). Reason for any deductions:	
Objective, convincing and clear (5 points) – See GAGAS Appendix 1, paragraphs A7.02(b), (d) and (e). Reason for any deductions:	
Notes related to report quality:	
Section Total	

Timeliness – 15 points	
Preliminary research is completed within 90 days of kickoff meeting, unless otherwise approved by the AIG. Preliminary research completion will be when the AIG makes the decision on whether to proceed – 3 points If there is not preliminary research, the points will be distributed to the other factors related to timeliness.	

Timeliness – Comparison of original agreed-to date of draft to editor with actual date of draft to editor. If the actual draft to editor is within 30 days (6 points), within 60 days (4 points), within 90 days (2 points), over 90 days (0 points). If no preliminary research, within 30 days (7.5 points), within 60 days (5 points), within 90 days (3 points), over 90 days (0 points). If a suspension was approved by the AIG, the amount of time related to the suspension will be deducted from the elapsed time. Agreed-to date for draft report to editor _____ Actual date of draft report to editor _____ Days project suspended (if applicable)	
Notes on timeliness calculation:	
Cost – Comparison of estimated cumulative staff days for draft to editor with actual cumulative staff days at draft to editor. (Measure will use actual cumulative staff days as presented on the IGEMS milestone page.) If actual staff days is within 10% of agreed-to staff days (6 points), within 20% of agreed-to staff days (4 points), within 30% of agreed-to staff days (2 points), over 30% of agreed-to staff days (0 points). If no preliminary research, actual staff days is within 10% of agreed-to staff days (7.5 points), within 20% of agreed-to staff days (5 points), within 30% of agreed-to staff days (3 points), over 30% of agreed-to staff days (0 points). Agreed to cumulative staff days _____ Actual cumulative staff days _____	
Notes on cost calculation:	
Section Total	
Post Reporting/Data Quality – 10 points	
Working papers are completely closed and OIG references notified within 2 weeks of final report – 2 points	
Lessons learned meeting held with AIG or DAIG, generally within 14 days. When reports are issued around holidays and staff are not available, lessons learned meeting will be held as soon as possible – 2 points	
Accurate data is entered into the required IGEMS assignment milestones tab – 6 points	
Notes on post reporting/data quality:	
Section Total	

Overall Score		
	Possible Points	**Points Earned**
Planning and Execution	12	
Communication	13	
Supervision	30	
Report Quality	20	
Timeliness	15	
Post Reporting/Data Quality	10	
Total	**100**	

Working papers sampled.

W/P	Prepared	Reviewed	Comments	
				1
				2
				3
				4
				5
				6
				7
				8
				9
				10
				11
				12
				13
				14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
				25