Audit Follow-Up Procedures

EXECUTIVE SUMMARY

We reviewed the audit follow-up procedures of the Office of the Executive Director (OED). Generally, we found that they were efficient and effective, and complied with the requirements of Office of Management and Budget (OMB) Circular A-50 (Audit Follow-Up).

BACKGROUND

The Executive Director is the Commission's designated audit follow-up official. A management analyst in the OED has day-to-day responsibility for audit follow-up.

As the follow-up official, the Executive Director makes the final decision when necessary on whether the Commission concurs with a recommendation. By the time the final audit report is issued, however, management generally concurs with Office of Inspector General (OIG) recommendations.

Every six months, the OED asks all offices with open recommendations to provide a status report on each recommendation. It determines whether corrective actions provided in management's response are adequate, consulting with the OIG when appropriate.

Recommendations are tracked in the Audit Recommendations Tracking System (ARTS), an ACCESS database used by both the OIG and the OED. [1] The OIG records the recommendation's letter number, a summary of the recommendation, the offices affected, the amount of questioned costs or funds put to better use, and OIG comments. When corrective action is completed, the OED changes the status of a recommendation in ARTS from pending to closed (the OIG cannot change the status of a pending recommendation).

OBJECTIVES AND SCOPE

Our objective was to determine whether the OED's audit follow-up procedures were efficient and effective, and complied with OMB Circular A-50. During the audit, we interviewed Commission staff, examined relevant documentation, and reviewed follow-up actions for a sample of eight audits.

We did not review follow-up procedures for recommendations of the General Accounting Office (GAO), because the OED indicated that GAO reviews actions taken on its

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[1] The OIG also uses a tracking system known as Roster. This system includes the audit number, title, report type, date started, primary staff, and report issue date. The OED has read only access to Roster.

recommendations. The audit was performed during August and September 2000 in accordance with generally accepted government auditing procedures.

AUDIT RESULTS

We found that overall, the OED's audit follow-up procedures were efficient and effective, and complied with OMB Circular A-50.   The OED requires offices to provide a status report on each recommendation every six months until the action on the recommendation is completed. It maintains adequate documentation of its audit follow-up activities, including written comments from offices on their planned or completed corrective actions.

The OED indicated that the ARTS system does not have a specific code for recommendations addressed to the regions. The absence of a code makes follow-up on these recommendations more difficult. To address this concern, the OIG plans to add a regional code to ARTS.