

**Governor's Office of Homeland Security
and Emergency Preparedness
State of Louisiana**

JOHN BEL EDWARDS
GOVERNOR



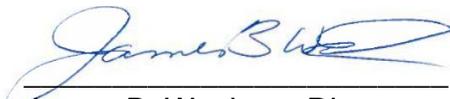
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DIRECTOR

**Inspections, Audits, and Investigations Procedures Policy
Policy number: GEN-0018**

Issue Date: January 9, 2017

Revised Date:

Approval:


James B. Waskom, Director

I. POLICY

It shall be the policy of GOHSEP for all employees and contractors to cooperate with the Appointing Authority or his designee by fully participating and cooperating during inspections, audits, and investigations. These include those conducted by the U.S. Department of Homeland Security (DHS), Office of Inspector General (OIG), law enforcement agencies, independent audit firms acting on behalf of the DHS-OIG, the Louisiana Office of Inspector General (LA-OIG), and the Louisiana Legislative Auditor (LLA). It shall be GOHSEP policy to assign a high priority to the resolution of audit recommendations and to provide immediate corrective action, consistent with U.S. and State laws, regulations, policies, and directives.

II. PURPOSE

This policy establishes the standard operating procedures (SOPs) governing GOHSEP employees and contractors in the event of inspections, audits and investigations conducted by the DHS-OIG, LA-OIG, and the LLA. The purpose of this policy is to ensure adequate agency-wide communications and to promote economy, efficiency, and effectiveness in a manner that creates value and cost savings for the public we serve.

III. APPLICABILITY

This policy applies to all GOHSEP employees and contractors.

IV. DEFINITIONS

- A. DHS-OIG 90 day letter** – DHS-OIG requires FEMA, GOHSEP and the auditee collectively to respond to the final audit Report within 90 days, setting forth a response to audit recommendations containing the Corrective Action Plan (CAP) and status of the resolution of the audit recommendations (FEMA provides GOHSEP and the auditee **30 days** to submit a response to the final audit report).
- B. Announcement (Acknowledgement) Letter** – The auditor will send an official letter to the federal awarding agency, the recipient, and the sub-recipient formally announcing the upcoming engagement and scope of audit, including data requests for discussion in the entrance conference.
- C. Auditee** – Refers to the recipient or sub-recipient named in the Audit Announcement Letter.
- D. Audit “field work”** – Refers to the period of time when the auditor is working in the auditee’s location, interviewing personnel and reviewing documents.
- E. Auditing agency** – Refers to the U.S. Department of Homeland Security (DHS), Office of Inspector General (OIG), the Louisiana Office of Inspector General (LA-OIG), or the Louisiana Legislative Auditor (LLA). *This policy does not refer to GOHSEP’s sub-recipient monitoring program regarding desk and site visits or audits conducted by the Government Accountability Office (GAO), Internal Revenue Service (IRS), the Defense Contract Audit Agency, and audits of state and local governments or private non-profit organizations conducted in compliance with the Single Audit Act.*
- F. Corrective Action Plan (CAP)** –
For DHS-OIG audits, the FEMA audit manager is responsible to initiate a written CAP containing actions to resolve the issues raised, applicable comments, and specific timeframes which must include agreement (concur) or disagreement (non-concur) with the audit report’s recommendations.
- For the LA-OIG and LLA audits, the GOHSEP audit liaison is responsible to initiate a written CAP containing actions to resolve the issues raised, applicable comments, and specific timeframes which must include agreement (concur) or disagreement (non-concur) with the audit report’s recommendations.
- G. Disallowed Costs** – An incurred cost questioned by the audit organization that management has agreed should not be charged to the source of funding (includes all means of finance; federal state general fund, statutory dedicated, and interagency transfer).

- H. Draft Report (may be issued)** – Upon the conclusion of the audit fieldwork, a draft report containing the findings, recommendations and proposed CAP is circulated among agency management for final comments.
- I. Field Entrance Conference** – Meeting where the assigned auditor explains in general terms the audit goals and objectives, the general time frame, etc.
- J. Field Exit Conference** – When the auditor completes field work, the preliminary results are usually contained in a draft report summarizing the audit results along with recommendations for corrective action. The Auditor will hold an exit conference with the recipient of an audit and discuss and validate information in the draft report. The Auditee may provide informal comments during or soon after the exit conference for incorporation into the final report, including requesting changes to specific wording in the report and revisions for relevant missed or misunderstood information.
- K. Final Report** –
For DHS-OIG audits: the final report is issued to FEMA at the end of the audit engagement, is distributed to Congress and is released publicly on the OIG website. The Final Report generally contains FEMA’s proposed CAP resolution process, any recipient or sub-recipient comments, and follow-up requirements.

For LA-OIG and LLA audits: the final report is issued to the Appointing Authority at the end of the audit engagement, is distributed to agency management and is released publicly on the LA-OIG or LLA websites. The Final Report generally contains the agency’s proposed CAP resolution process and follow-up requirements.
- L. Findings** – Significant issues identified during an audit, such as non-compliance with State law, terms and conditions in a federal award or grant, and/or agency procedures, and may be related to both monetary and non-monetary issues.
- M. GOHSEP Audit Liaison** –
For DHS-OIG audits: the liaison shall be the licensed attorney or attorneys consisting of the GOHSEP Legal Section as assigned by the agency Executive Counsel and shall be the primary point of contact throughout the duration of the audit and for audit follow-up.

For LA-OIG and LLA audits: the liaison shall be assigned by the Appointing Authority and shall be the primary point of contact throughout the duration of the audit and for audit follow-up.

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

O. Request for Information (RFI) – The auditor can request data at any point during the audit. This may include but is not limited to electronic files, hardcopy files, emails, etc.

V. PROCEDURES

A. Institution of audit:

- i. It shall be the policy of GOHSEP that all announcement letters, whether for inspections, audits, or investigations, be formally addressed and submitted to the Appointing Authority and copied to the Executive Counsel.
- ii. In the event that the auditing agency addresses or submits an announcement letter to an employee other than the Appointing Authority, that employee shall then direct the auditing agency to GOHSEP's policy that all announcement letters be addressed and submitted to the Appointing Authority and copied to the Executive Counsel. This policy in no way alleviates the requirement to immediately forward such communication to the Appointing Authority.
- iii. Upon initial notification by the Appointing Authority of the audit announcement letter, the GOHSEP Audit Liaison shall initiate contact with the sub-recipient, if applicable, named as auditee in the announcement letter and schedule a pre-entrance conference meeting for the purpose of outlining the audit process and roles and responsibilities in accordance with standard operating procedures as may be promulgated by and for the Legal Section from time to time.
- iv. To ensure that the sub-recipient auditee's expectations are properly set, the assigned GOHSEP Audit Liaison may supply to the sub-recipient auditee appropriate resources and materials such as FEMA, DHS-OIG, and GOHSEP handouts, brochures, and materials explaining and outlining audit roles and responsibilities in preparation for the entrance conference.
- v. To accomplish adequate and efficient communication and situational awareness, involved GOHSEP employees shall be provided, as required, notice of the institution of an audit and invited to attend the field entrance conference, exit conferences and any field briefings conducted during audit fieldwork.

B. Audit Field Work:

- i. All GOHSEP employees and contractors are responsible for responding to RFIs in a timely manner. Data requests from the auditing agency shall be directed to the assigned GOHSEP Audit Liaison who may coordinate with GOHSEP employees or contract personnel in order to fulfill such requests, while maintaining standards to protect confidential (trade secrets) or personally identifiable information (PII) as referenced in GOHSEP's policy GEN-0013.
- ii. Upon request by the GOHSEP Audit Liaison, GOHSEP employees and contractors shall provide requested materials and other relevant information (even if not specifically requested). GOHSEP employees and contractors shall also supplement materials responsive to any RFI upon becoming aware of new information not previously provided. GOHSEP employees and contractors are not to conceal information or obstruct inspections, audits or investigations, or other inquiries by the audit official.
- iii. Fulfillment of data requests:
For DHS-OIG audits: requests are due to the GOHSEP Audit Liaison 48 hours prior to the auditor's deadline, or as soon as reasonably possible.
For LA-OIG and LLA audits: if requests are to be reviewed by the Audit Liaison, requests are due to the Audit Liaison 48 hours prior to the auditor's deadline, or as soon as reasonably possible. If requests have been approved by the Audit Liaison to be send directly to the auditor, requests must be submitted by the auditors established deadline, providing a copy to the Audit Liaison.

C. Action Requirements for DHS-OIG audits:

- i. The Audit Liaison shall be responsible for timely responding to each audit report recommendation with adequate and succinct supporting documentation such as cost analyses or auditee-provided supplemental data, ensuring the auditee timely responds to each audit report recommendation with quality and credible exhibits, fulfilling any RFIs from FEMA or the DHS-OIG, coordinating staff or contractor attendance at Entrance and Exit Conferences, and maintaining effective communication with the management of the Program (i.e. HM/PA) being audited.
- ii. For DHS-OIG audits: with the exception of audit reports which are closed upon issuance, the auditee and GOHSEP collectively have 30 days proportioned evenly (15 days for the auditee and 15 days for GOHSEP) from the date of the issuance of the final audit report to provide FEMA a written response to the recommendations. The assigned Audit Liaison shall ensure the auditee timely responds within its apportioned time period, fully addressing each recommendation and including reliable attachments and/or credible evidence able to be corroborated by independent third party sources.

- iii. Upon receipt of the auditee's formal written response, the GOHSEP Audit Liaison shall timely supplement the auditee's response by drafting a response to be submitted to FEMA on behalf of the agency. GOHSEP's response shall attach the auditee's response and include any supplemental data or legal research.

D. Follow-up Systems:

- i. The assigned Audit Liaison shall be responsible for managing and tracing audit report recommendations and report follow-up actions, timely completing monthly reporting requirements, coordinating follow-up by the federal awarding agency and/or the auditing agency, instructing internal and external auditors on follow-up results for internal agency financial audits, and maintaining current knowledge of State law and federal rules and regulations affecting audit practices.
- ii. The assigned GOHSEP Audit Liaison shall coordinate with the auditee, the GOHSEP Appeals Manager, and FEMA respecting any appeals and/or arbitrations to be submitted by the auditee due to funding disallowances resulting from a DHS-OIG audit.
- iii. In the event of a successful appeal and/or arbitration, GOHSEP employees are responsible for reporting any such renewed obligations of funding related to the auditee to the assigned GOHSEP Audit Liaison for audit report follow-up actions and monthly reporting requirements.

VI. RESPONSIBILITY

All employees and contractors are responsible for adhering to all aspects of this policy.

VII. AUTHORITIES

- A. Inspector General Act of 1978, as amended.
- B. Code of Federal Regulations, Title 2: Part 200.
- C. DHS Directive 077-1: "Instruction on Follow-up and Resolution for OIG Report Recommendations," dated Jan. 31, 2011.
- D. DHS Management Directive 0810.1: "The Office of the Inspector General"
- E. GAO Policy and Procedures Manual for Guidance of Federal Agencies (Title 2-Accounting).
- F. DHS-OIG Frequently Asked Questions
(https://www.oig.dhs.gov/index.php?option=com_content&view=article&id=46&Itemid=147).
- G. DHS correspondence to all DHS employees re: "Cooperation with the Office of Inspector General," dated April 8, 2008
(https://www.oig.dhs.gov/assets/PDFs/OIG_Chertoff_Revised.pdf).
- H. Article III, Section 11 of the Constitution of the State of Louisiana

- I. Louisiana Revised Statutes, Title 24, Chapter 8, Part I
- J. Louisiana Revised Statute, Chapter 49, 220.24, Part VI

VIII. QUESTIONS

Questions regarding this policy should be directed to the Executive Counsel or his designee at (225) 925-7500.

IX. VIOLATIONS

Employees found to have violated this policy may be subject to disciplinary action up to and including termination.