



To enhance mission performance, TSA is committed to promoting a culture founded on its values of Integrity, Innovation and Team Spirit.

1. **PURPOSE:** This directive provides TSA policy and procedures for responding to audits of TSA programs and activities conducted by the Government Accountability Office (GAO) and the DHS Office of Inspector General (OIG).
2. **SCOPE:** This directive applies to all TSA personnel.
3. **AUTHORITIES:**
 - A. 31 USC 711 - 720, Agency Reports
 - B. 31 USC 3529, Requests for Decisions of the Comptroller General
 - C. DHS MD 0810.1, *The Office of Inspector General*
 - D. DHS MD 0820, *General Accounting Office Relations*
 - E. OMB Circular A-50, *Revised Audit Follow-up*, dated September 29, 1982
 - F. OMB Circular A-11 § 22, *Communications with Congress and the Public and Clearance*, dated November 14, 2002
 - G. Legislative Reorganization Act of 1970 § 236
 - H. The Aviation and Transportation Security Act (ATSA) of 2001
 - I. The Homeland Security Act of 2002, Public Law 107-296 (codified in Title 6, USC)
 - J. The Inspector General Act of 1978, as amended
4. **DEFINITIONS:**
 - A. Audit Engagement: A generic term referring to an audit, review, or inspection of programs/operations of TSA that may involve field visits, document reviews and interviews of agency personnel. The audit engagement is usually preceded by a Notification Letter which identifies the requester(s) and summarizes the objectives of the audit.
 - B. Entrance Conference: Initial meeting in which the Government Accountability Office (GAO) or the Office of the Inspector General (OIG) discuss the source of their work, roles and responsibilities of the staff, specific information needs (e.g. data and access to agency officials), key objectives (research questions), sites where auditors expect to conduct their work, the need for any precautions to protect data or information, such as special clearances and estimated length of the audit.

- C. Exit Conference: Concluding meeting of an audit in which GAO or OIG explains the critical facts and key information used to formulate their conclusions, findings, and recommendations. The exit conference also provides an opportunity for both TSA and GAO or OIG to ensure that information, conclusions, and findings are current, correct, and complete.
- D. Government Accountability Office (GAO): Federal agency responsible for conducting audits at the request of congressional committee or subcommittee chairs or ranking members of Congress to help meet constitutional oversight responsibilities and to improve the performance and accountability of the Federal government.
- E. Office of Inspector General (OIG): The DHS component responsible for conducting and supervising audits, investigations, and inspections relating to DHS programs and activities.

5. RESPONSIBILITIES:

- A. Office of the Special Counselor (OSC) is responsible for managing the timely sharing, coordination, and protection of information related to transportation security, including audits.
 - (1) Office of Audit Liaison (OAL) within OSC is responsible for coordinating TSA involvement for all audits and reviews undertaken by GAO and OIG.
 - (2) Office of Sensitive Security Information (SSI) within OSC is responsible for the review and analysis of audit-related documents and reports determined to be SSI to ensure that they are appropriately marked and properly handled prior to their release to either GAO or OIG.
- B. Office of Chief Counsel (OCC) is responsible for providing an attorney-advisor to participate in the entrance conference and remain actively involved throughout the audit process to provide legal advice and to ensure OCC review of documents, reports, and agency responses prior to release to GAO.
- C. Office of Security is responsible for review and analysis of audit-related documents and reports determined to be classified national security information to ensure that they are appropriately marked and properly handled prior to their release to either GAO or OIG.
- D. Office of Finance and Administration (OFA) is responsible for the clearance of financial related information provided on behalf of TSA.
- E. Office of Strategic Communications and Public Affairs (SCPA) is responsible for responding to media inquiries regarding audit reports based on information provided by OAL.
- F. Assistant Administrators are responsible for designating audit points-of-contact (POCs) to work with program officials to obtain and provide audit-related information and responses to OAL.
- G. All TSA employees are responsible for cooperating fully in complying with audit requests to ensure that information is provided in a timely manner.

6. POLICY:

- A. Fulfilling audit requests is required under the broad audit authority of GAO and OIG to view all official agency documents, in accordance with applicable law, regardless of classification (dependent on auditor clearance level).
- B. OAL shall work cooperatively with representatives of GAO and OIG in responding to requests for audit information, consistent with the policies of DHS and TSA.
- C. OCC shall participate with OAL in all entrance and exit conferences for audits in which TSA is the primary DHS element involved.

7. PROCEDURES:

- A. The TSA audit process includes participating in interviews and meeting, reviewing and providing documents, commenting on draft reports, and responding to findings and recommendations.
 - (1) A summary of key steps for responding to a GAO audit is shown in Appendix A, *Quick Guide to the TSA GAO Audit Process*.
 - (2) A summary of key steps for responding to an OIG audit is shown in Appendix B, *Quick Guide to the TSA OIG Audit Process*.
- B. Detailed TSA audit coordination and response procedures are described in the [TSA Audit Guidance Handbook](#) available via the TSA Intranet.

8. EFFECTIVE DATE AND IMPLEMENTATION: This directive is effective immediately upon signature.

APPROVAL

Signed

8/1/2008

Kimberly Walton, Special Counselor

Date

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Quick Guide to the TSA GAO Audit Process

GAO notifies TSA of new audit engagement through DHS

If GAO contacts you without prior notification from TSA, please refer the GAO employee to the TSA Office of Audit Liaison to coordinate the request. Also notify your program office GAO POC.

GAO conducts Department/Agency Entrance Conference

A TSA Liaison typically attends a Departmental entrance meeting where GAO and DHS outline the scope of work and timeline with the DHS Organizational Element(s). In some cases, TSA may hold a pre-entrance meeting to discuss the upcoming audit and any strategies we may wish to employ.

GAO requests program interviews and documents

The TSA GAO Liaison will conduct a pre-brief with the interviewee from the TSA program office. Most documents that are requested by GAO need to be provided within a ten day period of the request.

Statement of Fact and Technical Comment are issued for review

After GAO conducts a document review and interviews, they will often issue a “Statement of Fact” to confirm the information provided by an agency. TSA will be asked for technical comments to provide to GAO.

GAO conducts an Exit Conference

The exit conference typically comes after the statement of fact is issued to clarify any discrepancies. Each TSA office involved in the audit will be invited to attend.

GAO issues the Draft Report

GAO will issue a draft report that includes their findings and recommendations. The Office of Strategic Communications and Public Affairs is typically looped into the process at this point to develop talking points as a response to the report for the media.

TSA provides a formal agency response to GAO

The agency is afforded anywhere from 7 – 30 days to provide a formal response to a GAO report. Typically, technical comments are provided, which may or may not be accepted by GAO, in addition to formal comments that are published verbatim in the report.

Final Report is issued

For high profile audits, congressional testimony is possible.

Agency conducts follow-up on recommendations

OAL will coordinate responses to the recommendations in the Final Report. OMB Circular A-50 requires the agency to issue a follow-up letter on the recommendations within 60 days of issuance of the report. This letter goes to OMB and relevant congressional committees. GAO audit follow up is possible.

Quick Guide to the TSA OIG Audit Process

OIG notifies TSA of new audit engagement

The OIG notifies TSA of its intent to conduct an audit, inspection, or review. TSA receives a copy of the announcement letter and initiates contact with the audit manager. The OAL liaison notifies the TSA OIG POCs and subject matter experts who will need to be involved in the audit.

OIG conducts Entrance Conference

A TSA Liaison notifies the relevant program office's points of contact (POCs) of the pending audit and schedules an entrance conference. In some cases, TSA may hold a pre-entrance meeting to discuss the upcoming audit and any strategies to employ.

Meetings, Fieldwork, Requests for Information

The TSA Liaison serves as the primary POC for the OIG team. The Liaison facilitates communication between the auditors and TSA personnel, reserves workspace when necessary, oversees the work of the team in an effort to ensure efficient workflow, and is responsible for tracking any and all documents provided.

OIG issues a Discussion Draft

The OIG team discusses its findings and draft recommendations, perhaps leading to a request for more information and, occasionally, to a successful resolution of recommendations before they become part of the formal record. Clarification is often requested and presented at these meetings.

OIG conducts an Exit Conference

At the conclusion of each audit engagement, the OIG team schedules an exit conference to discuss tentative findings and recommendations with relevant TSA personnel (including OAL).

OIG issues the Draft Report

Following the exit conference, the OIG team will provide a draft report and request TSA comment prior to issuing the report in final form. In addition to the formal TSA response to recommendations that becomes part of the IG report, we often submit a list of technical corrections and suggestions for deletions or changes in wording to make the final report more accurate. The involvement of the Office of Strategic Communications and Public Affairs depends on the anticipated amount of coverage of the audit in the media. TSA is often asked for a response on a public report.

TSA provides a formal response to the OIG

TSA is afforded an opportunity to respond. The standard response time allotted by the OIG is 30 calendar days. Typically, technical comments are provided, which may or may not be accepted by the OIG, in addition to formal comments that are published verbatim in the report.

Final Report is issued

For high profile audits, congressional testimony is possible.

Agency conducts follow-up on recommendations

OAL will coordinate responses to the recommendations in the Final Report. A follow-up letter on the recommendations will be forwarded to the OIG within 90 days of issuance of the report.