



**U.S. Department of  
Transportation**

Office of the Secretary  
of Transportation

# ORDER

2960.1C

8-03-99

**Subject: RELATIONS WITH THE GENERAL ACCOUNTING OFFICE AND  
FOLLOWUP ON GENERAL ACCOUNTING OFFICE REPORTS**

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1. PURPOSE. This Order provides guidance for Department of Transportation (DOT) personnel regarding their interactions with General Accounting Office (GAO) representatives conducting the United States Comptroller General's (CG) statutory responsibilities. Further, it establishes DOT policies and procedures for action on GAO draft and final reports.
2. CANCELLATION. DOT 2960.1B, Relations with the General Accounting Office and Followup on General Accounting Office Reports, dated 5-11-88.
3. REFERENCES.
  - a. Title 31 U.S.C., Section 712(1) authorizes the CG to investigate all matters relating to the receipt, disbursement, and use of public money.
  - b. Title 31 U.S.C., Section 712(3) authorizes the CG to analyze each executive agency's expenditures to help the Congress decide whether public money has been used and expended economically and efficiently.
  - c. Title 31 U.S.C., Section 716(a) requires agencies to provide information the CG requires about the duties, powers, activities, organization, and financial transactions of the agency. Section 716(b) provides the CG authority to initiate a civil action in the United States district court for the District of Columbia to compel access to records.
  - d. Title 31 U.S.C., Section 717(b) authorizes the CG to evaluate the results of Federal programs or activities.
  - e. Title 31 U.S.C., Section 718(b) requires agencies to respond to GAO requests for written comments concerning a draft GAO report within 30 calendar days.
  - f. Title 31 U.S.C., Section 720(b) requires the head of an agency to submit a written statement on actions taken in response to recommendations contained in a GAO report. This statement shall be submitted to the Senate Committee on Governmental Affairs, the House Committee on Government Reform and Oversight, and House and Senate Committees on Appropriations within 60 calendar days after receiving a GAO final report.

- g. Office of Management and Budget (OMB) Circular A-50, Audit Followup, conveys policies and procedures regarding audit followup.
4. BACKGROUND. The CG, who heads GAO and serves as an agent of the Congress, is authorized and directed by law to audit and review the activities of Federal agencies. GAO conducts independent examinations for the Congress to determine how effectively the subject agency discharges its responsibilities. This may include examination of fund administration, property utilization, and the conduct of programs to determine if they are run effectively, efficiently, and economically.
5. POLICY. It is the Department's policy to cooperate fully with GAO. The Department cooperates with GAO by: providing requested data and information, subject to the limitations identified in paragraph 9 of this Order; commenting on draft reports; responding to recommendations included in final reports; and deriving full advantage from GAO findings and recommendations in the interest of improving operations.
6. LIAISON WITH GAO.
- a. Primary Liaison. The Assistant Secretary for Administration (M-1) has been delegated the authority and responsibility for maintaining a central control and liaison point for interactions with GAO. The DOT audit liaison reports directly to the Assistant Secretary. All initial interactions about new GAO assignments are coordinated with or through the DOT liaison. Similarly, arrangements for exit and comment meetings are coordinated with or through the DOT liaison. All departmental comments to GAO draft reports and departmental replies to final GAO reports are produced in concert with the DOT audit liaison and are signed by the Assistant Secretary for Administration.
  - b. Contact Points. Each operating administration (OA) designates a GAO liaison at a sufficiently high organizational level to ensure that responsibilities prescribed in this Order are effectively implemented.
7. AUDIT NOTIFICATION AND INITIATION.
- a. Departmental Notification. GAO notifies the DOT liaison in writing via e-mail prior to initiating any new assignment activity in the Department. This formal notification, signed by GAO's Transportation Issue Area Director or Associate Director, is to occur before GAO conducts any interviews or meetings with departmental or OA officials. The DOT liaison will ensure that heads of cognizant OAs, departmental offices, and appropriate liaisons are promptly informed of new GAO assignments. The GAO notification identifies the subject, assignment code, scope, objectives, congressional requester, offices to be



contacted, estimated starting date, and GAO contacts. GAO may also provide the DOT liaison a list of specific interests, questions, or document requests. These lists will be disseminated as appropriate to facilitate the progress of GAO's efforts.

- b. Notifying Cognizant Management Officials. All liaisons receiving copies of GAO notifications from the DOT liaison are expected to disseminate the information to appropriate officials in their organization to ensure that those officials are informed about GAO's work, and that those officials may initiate actions to expedite and facilitate GAO's work. Facilitating actions include but are not limited to: identifying appropriate personnel to meet with GAO representatives, assembling background information for briefings, and arranging for access to records within the guidelines of Paragraph 9.
- c. Initial Contact. The GAO will make all initial contacts in the Department through the DOT liaison. Any OA or office contacted directly by GAO should determine whether a notification letter has been received. Any contact occurring prior to official notification should be referred to the DOT liaison.
- d. Entrance Conferences. After official notification, GAO may contact either the DOT liaison or the OA liaison to initiate arrangements for an entrance conference. If an OA liaison is contacted directly by GAO, the OA liaison should ensure that the DOT liaison is notified in advance of the date, time, and location of the meeting. In some cases, the OA liaison acting in concert with the DOT liaison, may determine that an entrance conference is not necessary. This is most likely to occur in instances where GAO conducts similar or recurring work and points of contact, issues, and methodology are well known.
  - (1) Representation. The level of management representation at the entrance conference depends on the preferences of the cognizant office or OA, the nature of the audit, and its sensitivity. The audit liaison should ensure that appropriate management levels are notified of the meeting.
  - (2) Attendance Sheet. The DOT or OA liaison prepares a sign-in sheet for the meeting. The sheet identifies the meeting's purpose, date, and subject, and includes columns for the attendee's name, organization, title, and phone number. Copies should be provided to the GAO representatives and other interested attendees. The original is kept on file.
  - (3) Meeting Content. The audit liaison is responsible for facilitating the meeting. During the entrance conference GAO provides information regarding the nature of its work. The meeting also provides an opportunity for management officials to ask GAO questions regarding the work. GAO may

also request initial background information for the meeting; however, entrance conferences are not the appropriate forum for the audit staff to begin detailed questioning of the Department's staff unless arrangements have been made in advance.

8. GAO WORK IN PROGRESS. Subsequent to the entrance conference, GAO may work directly with cognizant departmental officials to conduct its data gathering activities. This may include requests for documentation and departmental records, personal interviews, and administering questionnaires. The DOT and OA liaisons are available to facilitate GAO's activities and assist program officials upon request. GAO advises the Department of any significant changes in the scope of ongoing audit work.
  - a. In-process Briefings - During the course of an assignment, DOT may request that GAO provide in-process briefings to obtain information about the status of GAO efforts and its findings to date. These meetings can be mutually beneficial in helping the Department gain maximum benefit from GAO's efforts while also providing GAO with an opportunity to verify its work.
9. GAO ACCESS TO RECORDS. During the course of its work, GAO may request and will be provided access to official Government records and documents associated with its audit work. GAO will under most circumstances be afforded access to, and copies of, the records requested without requiring a written request for the information. As specified below, GAO may under certain limited circumstances be asked to provide a written request for certain information, or as provided by statute, be precluded from access to particular documents.
  - a. Written Requests for Information. Except as described below, GAO's oral requests for access to information will be accommodated and written requests for information will only occur for special cases. If the request for information is particularly voluminous, requires substantial or extraordinary efforts on the part of departmental personnel, or the documents contain proprietary or confidential information submitted to an office or OA, or classified information, the office or OA may contact its audit liaison, who in concert with OA management and the DOT liaison, may ask GAO to provide a written request for the information. The written request will state the statutory provision providing GAO access to the data, specify GAO's requirement for the information, and in the case of proprietary or confidential information submitted to an office or OA, or classified information, will explain the safeguards to be applied to protect the information from disclosure. Under 31 USC 716(e), GAO is obligated to respect any restrictions on disclosure of the information imposed by DOT, and must be advised of those restrictions in writing.



- b. Documents Not Routinely Available to GAO. The GAO is not afforded access to a limited number of documents, including:
- (1) budget information that has not been submitted to the Congress;
  - (2) restricted or draft reports prepared by other Federal entities;
  - (3) draft management studies, surveys, or reports, unless approved by applicable OA or departmental management;
  - (4) draft audit reports prepared by the Office of Inspector General unless approved by the Inspector General;
  - (5) personal notes relating to projects, meetings, or conferences, unless the notes are considered official documentation;
  - (6) materials, which if disclosed to the CG, could reasonably be expected to substantially impair the Federal Government's operations; and
  - (7) 5 U.S.C. 552(b)(7) exempts investigatory records compiled for law enforcement purposes only to the extent that providing such records to GAO:
    - (a) could reasonably be expected to interfere with enforcement proceedings;
    - (b) would deprive a person of a right to a fair trial or an impartial adjudication;
    - (c) could reasonably be expected to constitute an unwarranted invasion of personal privacy;
    - (d) would disclose the identity of a confidential source;
    - (e) could reasonably be expected to disclose investigative techniques and procedures; or
    - (f) could reasonably be expected to endanger the life or physical safety of law enforcement personnel.
- c. Exemptions from GAO Access to Records. If the head of an organization in the Department is concerned about disclosing certain information to GAO, the audit liaison or other official from the organization should contact the DOT liaison and describe the information in question and the reasons for concern. At that time, the cognizant organization together with the Assistant Secretary for Administration may make a determination to ask GAO to provide a written request for the information that describes the specific information being

requested, the GAO's need for the information, and the provisions that provide GAO access to the information.

- (1) The Assistant Secretary for Administration in consultation with the General Counsel will make the final decision to deny GAO requests for access to information.
- (2) Once GAO's written request for the information is received, it will be evaluated by the cognizant organization, the Assistant Secretary for Administration, and the General Counsel. The DOT liaison will work with these offices to determine if arrangements can be negotiated that meet both the Department's and GAO's needs. If a negotiated settlement cannot be reached, and GAO continues to assert its need for and right to the information, the cognizant organization working with the DOT liaison and the Department's attorneys will, within 20 calendar days from the date of the request, prepare a response to GAO describing any materials withheld and the reasons they are being withheld.

d. Judicial Enforcement of Access. If the Department denies GAO access to information under 31 U.S.C. 716 (b), the CG is authorized to initiate a civil action in the U.S. District Court for the District of Columbia to compel the Department to produce required documents.

10. EXIT AND COMMENT CONFERENCES. At the conclusion of its audit work, GAO meets with departmental management officials to discuss and obtain comments on its results. GAO will first provide an opportunity for an exit conference with a preliminary draft report called a statement of facts. This will be followed by an opportunity to provide oral or written comments on a full draft report. If oral comments are provided at a meeting, the Department may, under some circumstances request the opportunity to provide written comments for inclusion in the GAO final report. See paragraph 11 for further discussion.

a. Arrangements. GAO contacts either the DOT or OA liaison to arrange comment meetings. These meetings are not to be arranged by program officials. When OA liaisons arrange meetings, the DOT liaison is to be informed as soon as possible. Management should be provided with at least 5 working days to review draft materials before an exit meeting, and usually somewhat longer before a comment meeting. To ensure that management has adequate time to review written materials before a meeting, meeting arrangements will not be finalized until the Department has received copies of the draft materials from GAO.



- b. Determining the Type of Meeting. To ensure an adequate response to the meeting by OA and departmental officials, it is important to determine whether the meeting GAO is requesting is
  - (1) an exit meeting on a statement of facts to be followed by an opportunity to comment on a full draft of the report, or
  - (2) a comment session on a full draft of the report. (See Paragraph 11 for details.)
- c. Premeetings. For GAO draft reports dealing with multiple organizations or particularly sensitive or complex topics, and for reports on which the audit liaison anticipates extensive comments, a premeeting may be called. This meeting may include participants from the cognizant offices or OAs and OST. The purpose of the premeeting is to:
  - (1) identify relevant issues;
  - (2) resolve or identify the means to work around any internal disagreements;
  - (3) identify and organize the comments;
  - (4) determine a strategy for providing the comments; and
  - (5) identify a principal spokesperson for the meeting, if desired.
- d. Representation. The level of management representation depends on the type of meeting. To ensure appropriate program level representation, it may be useful to ask the GAO point of contact whether there are any specific agency representatives with whom GAO worked during its study, that ought to be present at the meeting.
  - (1) Exit Meetings - When an exit conference is followed by either a comment meeting or an opportunity to provide written comments, it is usually sufficient to have program officials and any other management officials present at the meeting that the OA deems appropriate. However, executive officials should be present if the topic is particularly sensitive, or if there is substantial and significant difference with GAO's findings.
  - (2) Comment Meetings - When the Department is being asked to provide comments for the record on a full draft of the report, it is essential that the meeting be attended by program and management officials thoroughly familiar with the issues, as well as executive level officials who can speak for the Department on the topic.
- e. Attendance Sheet. The DOT or OA liaison prepares an attendance sheet for the meeting. The sheet identifies the meeting's purpose, date, and subject, and

includes columns for the attendee's name, organization, title and phone number. Copies are provided to the GAO representatives, and other interested attendees, and the liaison keeps the original on file.

- f. Conducting the Meeting. The DOT and OA audit liaisons are responsible for facilitating the meeting. As facilitator, the liaison initiates and closely monitors the proceedings and ensures that the meeting flows freely, decorum is maintained, and key points are clearly and effectively communicated. The audit liaison should review the GAO report prior to the meeting and may participate in the meeting by providing comments regarding the draft report's facts, logic, analysis, or presentation.

11. COMMENTING ON DRAFT REPORTS. At the conclusion of its audit work, GAO usually requests that the Department provide written or oral comments on its draft report. Oral comments are most often provided for GAO draft reports that elicit only minor substantive comments, technical, or editorial comments. In cases where the Department has significant and substantial differences with the findings and conclusions in the draft report, it is advisable to begin preparation of written comments upon receipt of the draft report, although discussions with GAO can be convened in an attempt to resolve those differences. To the extent those discussions are successful at resolving any significant and substantial differences, the Department may opt to provide oral as opposed to written comments. Alternatively, if the Department convenes an oral comment session with GAO, and during the course of the comment session it becomes clear that we will be unable to rectify any significant and substantial concerns with the draft, the Department may at the meeting indicate its intent to provide written comments to the report. GAO's general policy is to accept written comments for inclusion in the final report, as long as they are provided within specified acceptable timeframes not to exceed 30 calendar days from the date DOT receives the draft report. The Department's comments will be included in GAO's final report. Oral comments are included in summary form, while written comments are reproduced, in their entirety, as an appendix to the report.

- a. Draft report copies.- GAO will provide the DOT liaison with 10 copies and the OA liaison with at least 5 copies of all draft reports forwarded to the Department for comments. The DOT liaison will work with GAO to ensure that cognizant offices and OA liaisons promptly get a sufficient number of copies to facilitate review. GAO may also provide draft reports electronically via e-mail.
- b. Preparation. The DOT liaison will work directly and cooperatively with the cognizant OA liaison and technical staff to formulate proposed departmental comments. The DOT and OA audit liaison will ensure that the proposed



departmental comments satisfactorily addresses the issues in a manner which accurately and effectively portrays the Department's and the OA's perspective.

- c. Time Requirements. By law, the Department has a maximum of 30 calendar days from the date the draft is received to provide written comments to GAO. As a practical matter, the Department is rarely offered more than 15 calendar days to provide comments. The DOT liaison will work with GAO management to ensure, to the extent possible, that the Department is afforded sufficient time to provide comments.
  - d. Format for Written Comments on GAO Draft Reports. The Department's comments on GAO draft reports will be prepared in the format prescribed by the DOT liaison.
  - e. Review and Clearance. The proposed written comments are coordinated with the cognizant Administrator, the Department's Assistant Secretaries, the General Counsel, and others as appropriate. The Department's Inspector General receives, for information, a copy of all proposed departmental comments at the time it is coordinated at the Assistant Secretary level. Upon approval by these offices, and accommodation of comments as appropriate, the proposed reply is provided to the Assistant Secretary for Administration for final review, signature, and transmittal to GAO.
12. FINAL REPORT RECEIPT AND DISTRIBUTION. GAO provides the DOT liaison with copies of all reports in which audit work was conducted at the Department. The DOT liaison ensures that reports are distributed to the appropriate OAs, their liaisons, and OST offices. Typically, GAO will provide 25 copies of all final reports to the DOT liaison, and 10 copies directly to cognizant OA liaisons.
13. FINAL REPORT RESPONSES. Whenever GAO issues a final report which contains recommendations to the Department or any of its OAs, the Secretary is required by 31 U.S.C. 720 to respond to the recommendations.
- a. Initial Preparation. The proposed departmental reply is prepared in the format prescribed by the DOT liaison. The DOT liaison may work directly with the OA staff and audit liaison to formulate a proposed departmental reply. The DOT liaison and the OA audit liaison will ensure that the proposed departmental reply satisfactorily addresses the issues in a manner which accurately portrays the Department's and the OA's or office's perspective.
  - b. Content. Replies to GAO reports include a departmental position statement and a response to each recommendation in the report. The response to each

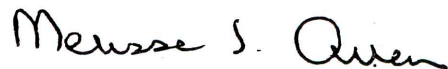
recommendation states the Department's position, i.e., concur, concur in part, or nonconcur, and provides an explanation sufficient to support the position. For those recommendations that receive a concur or concur in part, action taken or planned to implement the recommendation will be identified in the response, along with a milestone for action completion. Recommendations that receive a nonconcur will include an explanation of the basis for the position.

- c. Oversight. The DOT liaison provides oversight for replies to GAO reports. The DOT liaison will review the proposed reply to ensure that it is responsive to the report and recommendations, appropriately formatted, and may modify the proposed reply as necessary. If clarification or other refinements to the technical content of the reply are needed, the DOT liaison will consult with the appropriate offices and the cognizant audit liaison to ensure accuracy.
- d. Review and Clearance. The proposed reply is coordinated with the cognizant Administrator, the Department's Assistant Secretaries, the General Counsel, and others as appropriate. The Department's Inspector General receives, for information, a copy of all proposed departmental comments at the time it is coordinated at the Assistant Secretary level.
- e. Final Processing. After receiving all records of coordination, the DOT liaison evaluates any comments received and incorporates changes as appropriate. Cognizant OAs or departmental offices will be contacted regarding comments that require substantial modification to the proposed reply or additional information. Any nonconcurrence will be resolved prior to transmitting the report for signature. Subsequently, the proposed reply is provided to the Assistant Secretary for Administration for final review, signature, and transmittal to GAO.
- f. Time Limits for Agency Responses. The Department is required to provide a written statement on actions taken in response to recommendations in GAO final reports within 60 calendar days of the report's transmittal to the Secretary.
- g. Departmental Response Recipients. After the departmental reply is signed, the DOT liaison will send copies to the:
  - (1) Chairman, House Committee on Government Reform and Oversight;
  - (2) Chairman, Senate Committee on Governmental Affairs;
  - (3) Chairman, House Committee on Appropriations;
  - (4) Chairman, Senate Committee on Appropriations;
  - (5) Director, Office of Management and Budget;



- (7) GAO's Issue Area Planner for Transportation; and
  - (8) the cognizant OA liaison.
14. RECOMMENDATION FOLLOWUP. After a final reply is transmitted to the Congress and GAO, the cognizant OA will track progress on completing action identified in the reply. In addition, the DOT liaison may periodically track progress on recommendation implementation. It is the Department's policy to complete action on GAO recommendations expeditiously in compliance with the milestones identified in the departmental reply.

FOR THE SECRETARY OF TRANSPORTATION



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