

Subject: RELATIONS AND COMMUNICATIONS WITH THE U.S. GOVERNMENT
ACCOUNTABILITY OFFICE

1. PURPOSE. This Order establishes U.S. Department of Transportation (DOT or Department) responsibilities and policy for coordinating and communicating with the U.S. Government Accountability Office (GAO).
2. CANCELLATION.
 - a. DOT 2960.1C, Relations with the General Accounting Office and Follow-up on General Accounting Office Reports, dated 8-3-99;
 - b. DOT 1320.17A, Coordination of U.S. General Accounting Office Communications, dated 6-11-74.
3. REFERENCES.
 - a. 31 U.S.C. § 712(1) authorizes the Comptroller General of the United States (Comptroller General) of GAO to investigate all matters relating to the receipt, disbursement, and use of public money, and Section 712(3) authorizes GAO to analyze expenditures of each executive agency the Comptroller General believes will help Congress decide whether public money has been used and expended economically and efficiently. GAO typically conducts such reviews as audits.
 - b. 31 U.S.C. § 717(b) states the Comptroller General shall evaluate the results of a program or activity the Government carries out under existing law.
 - c. 31 U.S.C. § 718 outlines the availability of draft reports and discusses when an agency may comment on a part of a draft report for more than 30 days, only if GAO decides that it has been shown by the agency to be necessary and likely to result in a more accurate report. The report may not be delayed because the agency does not comment within the comment period.
 - d. 31 U.S.C. § 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 Homeland Security and Governmental Affairs, the House Committee on Oversight and Reform, the congressional committees with jurisdiction over the agency program or activity that is the subject of the recommendation, House and Senate Committees on Appropriations, and GAO before 180 calendar days after the date of the GAO final report.

- e. Office of Management and Budget (OMB) Circular A-50, Audit Follow-up, conveys policies and procedures for use by executive agencies when considering reports issued by GAO.
4. POLICY. It is the Department's policy to cooperate fully with GAO, while preserving, as appropriate, the Executive Branch's legitimate interests in confidentiality and integrity of the Department's decision-making process. The Department cooperates with GAO by: providing requested data and information, subject to the limitations identified in this Order; providing technical comments on and written management responses to draft GAO reports; timely addressing agreed upon recommendations in final GAO reports; and deriving full advantage from GAO findings and recommendations in the interest of improving the effectiveness, efficiency, and economy of the Department's programs and operations.
5. AUDIT LIAISONS.
- a. Primary Liaison. The Assistant Secretary for Administration (OST-M-1) has been delegated the authority for follow-up and resolution of GAO audit reviews. The Department's Director of the Office of Audit Relations and Program Improvement (OST ARPI or Departmental Audit Liaison) reports directly to the Assistant Secretary for Administration, and works with the OST ARPI staff, to serve as the primary liaison between the Department and GAO for all audits. OST ARPI coordinates and facilitates all GAO new audit announcements, audit entrance conferences, preliminary draft reports (*i.e.*, Statements of Facts), exit conferences, draft reports, and final reports for the Department. OST ARPI helps to ensure that the Department's position and actions are accurately and fully addressed during the audit process, and recommendations to improve programs and processes are expeditiously implemented. Consequently, all responses to GAO draft reports and final reports are coordinated through OST ARPI and signed by the Assistant Secretary for Administration or his/her designee.
 - b. Operating Administration (OA) Liaisons. Each operating administration (OA) designates a liaison who is knowledgeable of the audit process and the OA's relevant programs. OA Liaisons are the primary liaison between their OA, OST ARPI, and GAO for audits. OA Liaisons coordinate GAO new audit announcements, audit entrance conferences, preliminary draft reports (*i.e.*, Statements of Facts), exit conferences, draft reports, and final reports within their OA and with OST ARPI. OA Liaisons help to ensure that their OA's statements and actions are accurately and fully addressed during the audit process, and recommendations that the OA concurs with are expeditiously implemented. All responses to GAO draft reports and final reports are coordinated through the OA Liaisons and submitted to the OST ARPI for review and OST clearance.
6. AUDIT NOTIFICATION AND INITIATION.
- a. Notifying the Department. All GAO initial contacts with the Department are through OST ARPI. Any OA or office contacted directly by GAO should refer GAO to OST ARPI.

GAO initiates an audit by emailing a notification letter to the Director of OST ARPI. The GAO notification letter generally identifies the following:

- subject of the audit;
 - audit unique identification number (*i.e.*, audit 6-digit code);
 - source of the audit;
 - objectives or key questions of the audit;
 - OA(s) involved;
 - estimated start date for the audit;
 - time frame for holding an entrance conference between GAO and the Department; and
 - GAO team performing the audit and points of contact.
- b. Notifying Appropriate Management Officials. Once OST ARPI receives the GAO notification letter, it promptly sends a copy of the letter to OST offices and the applicable OA Liaisons. OA Liaisons are to disseminate the audit information to appropriate officials in their organization and identify the appropriate personnel to meet with GAO officials, as necessary.
- c. Entrance Conferences. An entrance conference is a meeting that GAO often holds with agency officials at the start of an audit. OST ARPI works directly with GAO and the OA Liaisons to schedule the entrance conference. The attendance of key agency officials—those responsible for programs and activities related to the objectives of the audit—is critical at the entrance conference, because it enhances the opportunity for a substantive exchange of information between GAO and the Department.

OST ARPI facilitates the entrance conference with GAO. At the entrance conference, GAO will discuss (1) the source of the work; (2) the roles and responsibilities of the GAO staff; (3) information needs (*e.g.*, data and access to agency officials); (4) key audit objectives (*i.e.*, research questions); (5) audit scope and methodology; and (6) an estimate of how long the audit will take. In addition, GAO will ask DOT officials general questions regarding the program being audited. GAO generally provides these discussion questions in advance of the entrance conference to ensure the appropriate agency officials are present to address them.

7. DATA COLLECTION AND ANALYSIS. After the entrance conference, Departmental and OA Audit Liaisons will facilitate GAO's data gathering activities within the Department or OA. These GAO activities may include conducting interviews of DOT officials, requesting documents and data, administering surveys or questionnaires, etc.
8. PROCEDURES FOR GAO RECORD REQUESTS.
- a. Record Requests. During the course of its work, GAO may provide written requests to obtain official Government records, documents, and data for review to discharge its duties. Where an OA or OST Office receives an oral request for information from GAO,

the OA or OST Office should work with the relevant Audit Liaison to arrange for GAO to submit the request in writing. The Department works with GAO to accommodate such requests.

- b. Document Markings. OAs and OST offices, in consultation with their Chief Counsels' Office or the Office of the General Counsel, should place appropriate markings on documents provided to GAO, as necessary. For example, DOT-originated material that contains information requiring protection against uncontrolled release that would be withheld from public disclosure pursuant to the Freedom of Information Act (FOIA) shall be marked with the following language, (or similar language with counsel's approval): *For Official Use Only by GAO. This material contains information that may be exempt from mandatory disclosure under FOIA. Dissemination to be determined by the U.S. Department of Transportation under 5 U.S.C. § 552. Contact [insert counsel's phone number] before distribution.*
 - c. Questions About GAO Record Requests. If the head of the OA or OST Office has questions about providing certain information to GAO, the Audit Liaison or other official from the OA or OST Office should contact OST ARPI and describe the information requested by GAO. As examples, such information may include budget information not yet submitted to Congress, deliberative and attorney-client communications, draft documents, personal notes, or other information. OST ARPI will request that GAO clarify the specific information requested and the need for the information. OST ARPI will work with the Assistant Secretary for Administration and the General Counsel, or their designees, to determine an appropriate arrangement, and elevate the decision if necessary. That discussion will also involve OA counsel and others, as appropriate. OST ARPI will communicate the Department's position to GAO.
9. PRELIMINARY AUDIT REPORTS AND EXIT CONFERENCES. After completing its data collection and analysis, GAO provides OST ARPI a Statement of Facts, a preliminary report consisting of the critical facts and key information GAO used to formulate its analyses and holds an exit conference with the Department and OA to discuss the document. GAO generally provides the Statement of Facts to OST ARPI, five to seven business days prior to the exit conference.

The Statement of Facts typically does not contain observations, preliminary conclusions, or potential recommendations. OST ARPI provides the Statement of Facts to relevant OST officials and the OA Liaison to review and comment to ensure the information is current, correct, and complete. OST ARPI provides GAO with the Department's written technical comments in advance of the exit conference.

GAO coordinates directly with OST ARPI to schedule and facilitate the exit conference. The exit conference is held with GAO and the Departmental and OA officials responsible for the issues related to the audit objectives. The attendance of key agency officials—those responsible for programs and activities related to the objectives of the audit—is critical at the exit conference. The conference may be held in person, by telephone, or by video.

The purpose of the exit conference is for the Department and OAs to confirm that the critical facts and key information that GAO used to formulate its analyses and findings are current, correct, and complete. GAO and Departmental and OA officials discuss the technical comments to the Statement of Facts with the goal of resolving any discrepancies. While GAO does not provide the Department with written recommendations in the Statement of Facts, GAO generally discusses its proposed recommendations at the exit conference. The Department and OAs have an opportunity to discuss with GAO whether they concur or non-concur with the recommendation(s), and provide alternate recommendation language or actions to address each recommendation.

10. DRAFT AUDIT REPORTS. At the end of an audit, GAO provides OST ARPI a draft report for review and comment prior to issuing a final report. The draft report generally consists of facts and observations, findings, conclusions, and recommendations. GAO generally provides the Department 30 calendar days to review the product, but can range from 7 to 30 days for review.

The draft report is the final opportunity the Department has to (1) review the GAO document to ensure it is current, correct, and complete, and (2) provide a written management response which will be included in GAO's final report. OST ARPI provides the draft report to the appropriate Departmental officials and OA Liaisons to provide technical comments and a management response. OST ARPI also provides those officials and OA Liaisons with deadlines for the technical comments and management response.

OST ARPI determines the appropriate Departmental office or OA to draft the management response. The response is generally a 1-page letter representing the Department's position regarding GAO's findings and conclusions. The response also addresses whether the Department concurs, partially concurs or non-concurs with each recommendation, and includes a rationale for any disagreement.

The assigned office prepares the draft management response, which OST ARPI coordinates with the following OST offices for review and clearance: Budget, Policy, Governmental Affairs, Public Affairs, General Counsel, and Senior Procurement Executive. The Assistant Secretary for Administration generally is the signatory of the management response. OST ARPI transmits the signed written management response and the technical comments to GAO.

11. FINAL AUDIT REPORT and 180-DAY LETTER. GAO transmits the final report, which includes the Department's management response, to OST ARPI for distribution to the relevant Departmental officials and OA Liaisons. In accordance with the OMB Circular No. A-50 and 31 U.S.C. § 720, the Department provides Congress, OMB, and GAO, a response including corrective actions to implement the recommendation(s) within 180 days after GAO issues the final report.

OST ARPI provides the applicable OST office or OA Liaison with instructions and deadlines for drafting the corrective action plan for the 180-Day Letter. The corrective action plan includes a target action date for implementing the recommendation. OST ARPI coordinates

the corrective action 180-Day Letter with the following OST offices for review and clearance: Budget, Policy, Governmental Affairs, Public Affairs, General Counsel, and the Senior Procurement Executive. The Assistant Secretary for Administration generally is the signatory of the corrective action 180-Day Letter. The Office of the Assistant Secretary for Administration transmits the signed written corrective action 180-Day Letter to the Chairmen and Ranking Members of the Senate and House Committees on Appropriations and its Transportation subcommittees, Senate and House oversight committees, and the Director of OMB while OST ARPI transmits the corrective action 180-Day Letter to GAO.

12. AUDIT RECOMMENDATION FOLLOWUP. The applicable Departmental and OA Liaisons monitor and track progress on completing the corrective actions to implement the GAO recommendation(s). The applicable OST office or OA shall develop a corrective action plan including the recommendation, specific actions to implement the recommendation, the action office and responsible official, status of actions taken, and date for fully implementing the recommendation. It is the Department's policy to complete the actions to address the GAO finding(s) and implement the recommendation(s) in the final report with which the Department concurred expeditiously and in compliance with the milestones identified in the 180-Day Letter. In accordance with the Good Accounting Obligation in Government Act, P.L. 115-414, each year OST ARPI submits a report listing all open public GAO recommendations and their status for inclusion in DOT's annual budget justification to the Congress.

13. NON-AUDIT CORRESPONDENCE WITH GAO. All correspondence concerning Departmental policy shall be coordinated with the OST Executive Secretariat prior to signature or transmission outside the Department. The OST Executive Secretariat will forward all GAO correspondence in this category to the Office of the Assistant Secretary for Administration or to the Office of the General Counsel, for coordination. Correspondence requesting legal analyses or opinions will be forwarded to the Office of the General Counsel and all other correspondence will be forwarded to the Assistant Secretary for Administration.

The following types of correspondence with GAO are presumed to have Departmental policy implications and will be coordinated with the OST Executive Secretariat.

- Responses to GAO requests for legal opinions
- Correspondence that is, or could be, of concern to more than one OA or OST office; *e.g.*, correspondence which relates to a specific function, procedure, or practice which exists in another OA or OST Office

The OST Executive Secretariat will designate the Office of the General Counsel as the action office for all GAO correspondence addressed to the Secretary requesting legal analyses or opinions. For all other GAO correspondence addressed to the Secretary, the OST Executive Secretariat will designate the Office of Assistant Secretary for Administration as the action office.

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Washington

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Keith Washington
Deputy Assistant Secretary for Administration