

U.S. Department of Energy
Washington, D.C.

ORDER

DOE O 224.2

Approved: 03-22-01
Sunset Review: 03-22-03
Expires: 03-22-05

SUBJECT: AUDITING OF PROGRAMS AND OPERATIONS

1. **OBJECTIVE.** To set forth audit responsibilities for the promotion of economy and efficiency in the administration of, or the prevention or detection of fraud, waste, and abuse in, programs and operations of the Department of Energy (DOE).
2. **CANCELLATION.** DOE 2321.1B, AUDITING OF PROGRAMS AND OPERATIONS, DATED 5-14-92. Cancellation of this Order does not, by itself, modify or otherwise affect any contractual obligations to comply with the Order. Canceled Orders that are incorporated by reference in a contract will remain in effect until the contract is modified to delete the reference to the requirements in the canceled Orders.
3. **APPLICABILITY.** This Order applies to all DOE Headquarters and field elements, including the National Nuclear Security Administration (NNSA).
4. **POLICY.** The Office of Inspector General (OIG) is responsible for all audits, as defined in paragraph 5a(2), of the programs and operations of DOE. This policy is not intended to supplant the authority of DOE officials to make programmatic reviews of individual programs and enforce regulatory functions.
5. **RESPONSIBILITIES.**
 - a. **Office of Inspector General.**
 - (1) Provides coordination and policy direction for auditing of programs and operations of the DOE and major facilities management contractors, other contractors, and financial assistance recipients, as provided by contract and law.
 - (2) Conducts audits of the activities of DOE and its contractors and financial assistance recipients that may encompass the following functions (as described by the "Government Auditing Standards"), but excluding preaward audits except as provided for in paragraph 5a(4):

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All Departmental Elements

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Office of Inspector General

- (a) financial and compliance;
 - (b) economy and efficiency; and
 - (c) program results.
 - (3) Conducts audits of contractors or financial assistance recipients as requested by other Federal agencies where DOE is the cognizant audit agency or for other reasons.
 - (4) At the request of DOE management or other Federal agencies, conducts preaward audits of those contractors or financial assistance recipients for which the OIG is or will be doing cost incurred auditing. Where the OIG does not have audit cognizance, DOE management must make other arrangements.
 - (5) For assigned entities, with respect to OMB Circular A-133, carries out the responsibilities required of cognizant Federal audit agencies.
 - (6) Develops the DOE-wide audit plan, considering, among other factors, requests and recommendations of officials of the DOE. Coordinates with organizations having related functions to avoid unnecessary duplication, such as:
 - (a) The General Accounting Office;
 - (b) Management review activities within DOE; and
 - (c) Internal audit organizations of DOE's major facilities management contractors, through the responsible DOE field office.
 - (7) Authorizes contracting of, or other arrangements for, audits as defined in paragraph 5a(2). Reasons for contracting or other arrangements may be objectives of the audits, urgency of need, and availability of auditor resources.
- b. Director, Office of Procurement and Assistance Management (MA-5) provides preaward audits to support the procurement process of the Headquarters Procurement Services Office.
- c. Heads of All Field Elements must continue to have control over major facilities management contractors' internal audit staffs. Performance of these operations, in conjunction with the OIG's audit effort, will provide an effective overall audit and review program for DOE. Therefore, field elements must:

- (1) Maintain a management review program and make evaluations of programs and projects under their cognizance to determine their status, improve operations, and determine the adequacy of the management of DOE resources.
- (2) Provide for effective coordination among field element management review programs, major facilities management contractors' internal audit staffs, and the OIG.
- (3) Provide support to the procurement process, as necessary, that includes conducting preaward audits and/or making arrangements for both preaward and post-award audits with the OIG or other cognizant Federal audit agencies.
- (4) Evaluate the adequacy of coverage, technical competence, objectivity, and independence of audits conducted by internal auditors of DOE major facilities management contractors.

6. REFERENCES.

- a. The Inspector General Act of 1978, Public Law (P.L.) 95-452, as amended, 5 United States Code (U.S.C.), App. 3, which sets forth the authority and functions of the Inspector General.
- b. "Government Auditing Standards" (for Audit of Governmental Organizations, Programs, Activities and Functions), 1994 Revision, issued by the Comptroller General, which provides the standards for audits of governmental organizations.
- c. Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" (June 24, 1997) which establishes audit requirements for States, local governments, and non-profit organizations.

7. CONTACT. Questions concerning this Order should be addressed to the Office of Inspector General, 202-586-3202.



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SECRETARY OF ENERGY