

DOE 2321. 1B  
5-14-92

THIS PAGE MUST BE KEPT WITH DOE 2321. 1B, AUDITING OF PROGRAMS AND OPERATIONS.

DOE 2321 . 1B, AUDITING OF PROGRAMS AND OPERATIONS, HAS REVISED DOE 2321. 1A TO REFLECT ORGANIZATIONAL TITLE, ROUTING SYMBOL, AND OTHER EDITORIAL REVISIONS TO INCORPORATE CHANGES REQUIRED BY SEN-6. NO SUBSTANTIVE CHANGES HAVE BEEN MADE. DUE TO THE NUMBER OF PAGES AFFECTED BY THE REVISIONS, THE ORDER HAS BEEN ISSUED AS A REVISION.



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

ORDER

DOE 2321.1B

5-14-92

SUBJECT: AUDITING OF PROGRAMS AND OPERATIONS

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1. PURPOSE. To set forth audit responsibilities for the promotion of economy and efficiency in the administration of, or the prevention or detection of fraud and abuse in, programs and operations of the Department of Energy (DOE).
  2. CANCELLATION. DOE 2321.1A, AUDITING OF PROGRAMS AND OPERATIONS, of 3-28-90.
  3. 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), 1988 Revision, issued by the Comptroller General, which provides the standards for audits of governmental organizations.
    - c. Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments" (April 12, 1985), which establishes audit requirements for State and local governments that receive Federal aid.
  4. POLICY. The Inspector General (IG-1) 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 Department officials to make programmatic review of individual programs and enforce regulatory functions.
  5. RESPONSIBILITIES.
    - a. Inspector General (IG-1) shall:
      - (1) Provide coordinator and policy direction for auditing of programs and operation, of the Department, and the operations of operating contractors, other contractors, and financial assistance recipients, as provided by contract and law.

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- (2) Conduct audits of the activities of the Department and its contractors and financial assistance recipients, including cost-incurred, special, and audits to close out contracts and assistance awards, 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):
  - (a) Financial and compliance;
  - (b) Economy and efficiency; and
  - (c) Program results.
- (3) Conduct 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, conduct preaward audits of those contractors or financial assistance recipients for which the IG is or will be doing cost incurred auditing. Where the IG does not have audit cognizance, DOE management must make other arrangements.
- (5) For assigned State and local governmental entities, with respect to OMB Circular 4-128, carry out the responsibilities required of cognizant Federal audit agencies.
- (6) Develop the DOE-wide audit plan, considering, among other factors, requests and recommendations of officials of the Department. Coordinate with organizations having related functions to avoid unnecessary duplication, such as:
  - (a) The General Accounting Office;
  - (b) Management review activities within the Department; and
  - (c) Internal audit organizations of the Department's operating contractors, through the responsible DOE Field Office.
- (7) Authorize 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.

5-14-92

- b. Director of Procurement, Assistance and Program Management (PR-1) shall provide for preaward audits to support the procurement process of the Headquarters Procurement Operations Office.
- c. Heads of Field Elements will continue to have control over management review and operating contractors' internal audit staffs. Performance of these operations in conjunction with the Inspector General's audit effort will provide an effective overall audit and review program for the Department. Therefore, Field elements shall:
  - (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, the operating contractors internal audit staffs, and the IG.
  - (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 IG 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 operating contractors.

BY ORDER OF THE SECRETARY OF ENERGY:



DONALD W. PEARMAN, JR.  
Acting Director  
Administration and Human  
Resource Management