

receives the training necessary to oversee audits. Provide the auditor with orientation in Sport Fish and Wildlife Restoration program administrative processes, policies, and procedures.

(5) Establish the objectives of the audit of the Federal Assistance Program grantees.

(6) Develop and maintain the Audit Guide.

(7) Ensure the auditor adheres to the Audit Guide.

(8) Summarize and disseminate common findings from ongoing audits and their resolutions, without breaching the confidentiality of the audit process. Information will be provided on a regularly scheduled basis.

(9) Provide technical assistance on audit issues to the Regional Office staff and the Assistant Director—Wildlife and Sport Fish Restoration prior to and during the development of the CAP.

(10) Coordinate with the Chief, Division of Policy and Directives Management, and the OIG to determine appropriate means of responding to audit-related Freedom of Information Act (FOIA) requests and for distributing final audit reports and final CAPs.

E. The Chief, Division of Policy and Directives Management, will:

(1) Oversee activities of the Service Audit Liaison Officer, who, in turn, serves as liaison to PFM and OIG regarding Federal Assistance grantee audit followup as described in 417 FW 4.

(2) Advise Service officials on audit liaison matters.

(3) Track the implementation of audit recommendations and report to the Directorate and PFM on grantee audit followup.

1.7 Who maintains audit resolution files? The Regional Director is responsible for maintaining audit resolution files through the completion of the succeeding audit of the grantee. The office or Region that administers the grants being audited will maintain the following documents in the audit resolution file:

A. Audit resolution correspondence, incoming and outgoing.

B. OIG final audit report.

C. Approved CAP for audit findings.

D. Documentation provided by the grantee and used by the Regional Director to verify that the grantee resolved each finding or implemented the auditor's recommendation.

E. Documentation that the audit has been officially closed out.

1.8 What are the definitions for terms used in this Part?

A. *Appeal*. A deliberative process that the grantee initiates when he/she does not agree with the Service's

determinations, corrective actions, or the resolutions contained in the CAP.

B. *Audit*. Examination of Federal Assistance Program grantees conducted by the Department of the Interior, OIG, other Federal agencies, or independent public accountants for compliance with applicable Acts, regulations, accounting principles, and Service policy.

(1) *Audit Finding*. Questioned costs, compliance issues, and other matters identified in the audit report.

(2) *Audit Recommendation*. Actions proposed by the auditor to address audit findings.

C. *Audit Guide*. A document prepared by the auditor in consultation with the Chief, Division of Federal Assistance (Washington Office). The Chief will consult with the Regional Director(s) and grantee(s) as necessary. This guide provides the information, background, and general guidelines necessary to conduct audits. It will be available to all parties.

D. *Audit Reports*

(1) *Draft Audit Report*. The report that is prepared by the auditor after the audit exit conference and provided to the Service and the grantee for official comments.

(2) *Final Audit Report*. The auditor's report issued after the official comment period has expired. It includes the auditor's findings and recommendations, comments received on the draft audit report, and the auditor's response.

E. *Auditor*. A public accountant or a Federal, State, or local government audit organization that meets the general standards specified in Generally Accepted Government Auditing Standards.

F. *Corrective Action*. Specific action(s) to resolve an audit finding in a manner consistent with the Service determination.

G. *Corrective Action Plan*. A plan prepared by the Service in consultation with the grantee for addressing all audit findings and implementing sustained recommendations contained in audit reports. At a minimum, it contains four components: Auditor's Findings and Recommendations, Service Determination, Corrective Action, and Resolution.

H. *Engagement Letter*. The official notification of a pending audit from the auditor to the grantee, including a request for information.

I. *Entrance Conference*. The meeting involving the auditor, the Service, the grantee, and others, if needed, that officially begins the audit fieldwork.

J. *Exit Conference*. The optional meeting at the conclusion of the fieldwork, involving the auditor, the

Service, the grantee, and others, to review the preliminary results of the audit.

K. *Federal Assistance Program*. A Program that administers the responsibilities of the Secretary of the Interior under the Federal Assistance in Sport Fish Restoration Act, Federal Assistance in Wildlife Restoration Act, Clean Vessel Act, Coastal Wetlands Act, the Partnerships for Wildlife Act, and other Acts that establish grant programs. The Service's Division of Federal Assistance fulfills these responsibilities.

L. *Fieldwork*. Work that the auditor performs between the entrance and exit conference.

M. *Final Action*. The completion of all actions, including documentation, necessary to implement a specific audit recommendation and resolve an audit finding.

N. *Grantee*. The entity to which the Service awards a grant and who is accountable for use of the Federal funds provided.

O. *Office of Financial Management (PFM)*. The Department of the Interior organization under the Assistant Secretary—Policy, Management, and Budget, that tracks audit recommendations to final action.

P. *Office of Hearings and Appeals*. The Department of the Interior organization responsible for disposition of grantee appeals to the Secretary of the Interior.

Q. *Office of Inspector General (OIG)*. The Department of the Interior organization responsible for conducting, supervising, and coordinating audits, evaluations, investigations, and other activities relating to programs and operations of the Department.

R. *Planning*. A dynamic process involving the auditor, the Service, and grantees, that continues throughout the audit and which includes identifying the scope of the audit, the audit schedule, and milestones; who will conduct the audit; points of contact; logistical requirements; issues of potential concern; and the detailed steps for conducting the audit.

S. *Resolution*. A process to address and resolve each finding and recommendation in the audit report.

T. *Scope*. The depth and coverage of work conducted to accomplish the audit objectives. The scope of the audit includes the financial and program elements, time period, and locations to be covered by the audit. Scope is set by the auditor, who should exercise due professional care, sound judgment, and consideration of the nature and character of the engagement.

U. *Service Audit Liaison Officer*. The Washington Office representative who