

schedules the audit exit conference with the Service and the grantee, to occur on a mutually agreeable date. This conference is an opportunity for the grantee and the Service to request or provide further clarification on the potential findings and to address any other concerns relating to the conduct of the audit. Participants include the auditor and representatives of the Service and the grantee.

3.13 Can audit findings change as a result of the exit conference? Yes. The auditor takes information received during the exit conference under advisement. The auditor may modify the findings or recommendations before preparing the draft audit report.

3.14 Will the grantee and the Service have an opportunity to review and respond to audit findings in the draft audit report? Yes.

A. After receipt of the draft audit report, the grantee has 30 calendar days to:

- (1) Concur with the audit findings and recommendations;
- (2) Offer clarifying language for incorporation into the report; or
- (3) Disagree with audit findings or recommendations, and provide additional information, if appropriate, to support the grantee's position on specific audit findings.

B. The grantee may ask the Regional Director for additional review time. This written request must include supporting justification. The Regional Director responds in writing to the grantee's request and instructs the auditor and the grantee accordingly.

C. The auditor will summarize the grantee's response in the final report and include the complete text of the grantee's response as an attachment.

3.15 Will the auditor respond to the grantee's written comments on draft audit report findings and recommendations? Yes. The auditor responds to the grantee's comments in the final audit report.

3.16 Who issues the final audit report, and to whom is it issued? The OIG issues the final audit report to the Service Director, with a copy to the Chief, Division of Federal Assistance and the Assistant Director—Wildlife and Sports Fish Restoration. The OIG also sends copies of the report to the appropriate Regional Director and the Service Audit Liaison Officer. The Chief, Division of Federal Assistance (Washington Office), distributes informational copies to all other Regional Directors.

3.17 Who provides the final audit report to the grantee? The Regional Director immediately transmits a copy of the final audit report to the grantee.

3.18 Who can distribute the final audit report to the public? The OIG originates the final audit report and is responsible for distribution per 43 CFR 2.15. The final audit report is available for distribution to the public by the OIG at the time it is issued.

3.19 Will final audit reports appear on the Internet? As the "office of record", the OIG makes the decision to post final audit reports on the Internet in accordance with Departmental regulations (43 CFR 2.15). They will post final audit reports after appropriate review and as time allows. Requests for copies of final audit reports not found on the OIG's Internet site should be directed to the FOIA Officer, Office of the Inspector General.

3.20 Can a grantee register a formal complaint regarding the conduct of the audit? Yes. A grantee may register a written complaint with the Regional Director at any point during the audit.

Chapter 4, Audit Resolution (417 FW 4)

4.1 What is the purpose of this chapter? This chapter establishes policy and procedures for tracking and resolving findings and implementing recommendations from audits of Federal Assistance Program grantees. See 417 FW 1 for authorities, responsibilities, and definitions. Other chapters in this Part establish policy and procedures for audit planning, conducting and reporting, and appeals.

4.2 When does audit resolution begin? The formal audit resolution process begins on the date the OIG issues the final audit report per 361 DM. However, the Regional Director will work with the grantee while the audit is in progress to resolve issues that the auditor identifies. Exhibit 1 provides the maximum timeframes for each phase of the audit resolution process.

4.3 Who prepares the CAP? The Regional Director and the grantee negotiate the terms of the CAP through written and oral discussions of the auditor's findings and recommendations, the grantee's comments, the auditor's response, and the Service's determination. The Regional Chief, Division of Federal Assistance, in coordination with the grantee and the Chief, Division of Federal Assistance (Washington Office), prepares the CAP for the Regional Director's signature.

4.4 How much time does the Service have to prepare a CAP? The OIG must receive the CAP not later than 90 calendar days from the date the OIG issued the final audit report.

A. The Regional Director has 45 calendar days to prepare the CAP and submit it to the Assistant Director—

Wildlife and Sport Fish Restoration, attention: Division of Federal Assistance (Washington Office).

B. The Assistant Director—Wildlife and Sport Fish Restoration has 30 calendar days to review the CAP, concur, and return to the Regional Director.

C. The Regional Director has 15 calendar days to approve the CAP and forward it to the OIG.

D. If the Regional Director and the Assistant Director—Wildlife and Sport Fish Restoration do not concur with the CAP, the matter is referred to the Director and timeframes are as indicated in Exhibit 1.

4.5 Can the Service request additional time to prepare the CAP? If the Assistant Director and Regional Director cannot resolve their differences, the Director will make the final decision. The Assistant Director may request a 30-calendar-day extension from the OIG if needed.

4.6 What are the content and format for a CAP?

A. A cover page that clearly identifies the grantee audited, the years audited, and the report number. Obtain this information from the title of the OIG's final audit report.

B. The CAP addresses all audit findings and recommendations that the OIG identifies in the final audit report. The CAP contains, at a minimum:

(1) Auditor's Findings and Recommendations. The OIG identifies findings and recommendations that we must address in the CAP.

(2) Service Determination. The Service sustains (accepts) or does not sustain (rejects) each finding and recommendation. Sustained recommendations from the final audit report must result in planned corrective actions. If the Regional Director does not sustain an audit finding, he or she explains the basis, including legal citations, for that determination. The CAP addresses both sustained and nonsustained findings.

(3) Corrective Action. This component identifies specific corrective action(s) to resolve the finding consistent with the Service Determination. It specifies necessary actions, target dates, and the person responsible for carrying out each action. It also specifies how the grantee should implement the corrective actions to resolve the issues.

(4) Resolution. This component describes documentation that we require of the grantee to verify implementation of the corrective action(s).

4.7 Who must review and concur with the CAP? The Assistant Director—Wildlife and Sport Fish Restoration will