



APR 15 2002

Dear Tribal Leader:

This is to inform you of the establishment of an Indian Health Service (IHS) Headquarters Audit Review Team (HART). I have determined that a Headquarters interdisciplinary team is needed to review the report of findings on individual annual audits submitted by non-Alaska Title V, self-governance Tribes, in accordance with the Single Audit Act. The Director, Alaska Area IHS, is establishing a comparable team to review the report of findings on annual audits submitted by the Alaska Tribes. Reviews of the report of findings on annual audits submitted by Title I Tribes are to be conducted in the Area where contracts and funding agreements are signed.

The Single Audit Act (31 U.S.C. Section 7501) requires a Tribe or Tribal organization to submit an annual "Single Audit Report." The Single Audit is the primary tool for Awarding Officials to obtain information about the internal control structure and financial operations of the Tribe or Tribal organization.

The Single Audit process calls for the Awarding Official to be the Audit Resolution Official. For non-Alaska Title V self-governance compacts and funding agreements, the Awarding Official is the Director, IHS. The Director, IHS, is therefore, the Audit Resolution Official. To fulfill this responsibility, I am establishing a process that will enable me to make a final decision that is well supported and in accordance with existing law, regulation, and the applicable Department policies.

To ensure that audit resolution matters are handled in an orderly and timely basis, the HART will review the report of findings from the Audit Resolution Advisory Team, Division of Acquisition and Grants Management (DAGM), Office of Management Support (OMS), on individual annual audits submitted by Title V, self-governance Tribes in accordance with the Single Audit Act. The HART is composed of the following members:

1. Deputy Director, OMS (Chair)
2. Office of Tribal Self-Governance Representative
3. Division of Acquisition and Grants Management, OMS, Representative
4. Division of Financial Management, OMS, Representative
5. Division of Regulatory and Legal Affairs, OMS, Representative

Currently, there are a number of audits that require review by the HART. It is my intention that these audits will be addressed as expeditiously as possible. However, in some cases, the HART may need to request the cooperation of Tribes, the Single Audit Clearinghouse, and/or the National External Audit Review Center to obtain documents for their review. To support the

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Timely review and resolution of findings in the future, I am directing the HART to establish procedures to monitor the receipt of single audits at each review point.

I appreciate your cooperation in this process and look forward to working with you to resolve the non-Alaska Title V self-governance single audit findings.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Michael H. Trujillo". The signature is fluid and cursive, written over a light gray rectangular background.

Michael H. Trujillo, M.D., M.P.H., M.S.
Assistant Surgeon General
Director