

Sub j ect : CONFLICT RESOLUTION MECHANISM FOR INSPECTOR GENERAL
REPORTS

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8-30-00 PURPOSE

This chapter describes the mechanism to be used to settle disagreements between an Operating Division (OPDIV) and the Office of the Inspector General (OIG) over an OIG report. The process begins on the date the report is issued, and ends no later than six months after that date, as prescribed in OMB Circular A-50. The mechanism is intended to encourage settlement at the lowest organizational level, nearest the program in question, but allows for escalation of the conflict through the Assistant Secretary for Management and Budget to the Under Secretary, if necessary. The Under Secretary makes the final decision.

8-30-10 THE FOUR STEPS OF THE PROCESS

- A. The conflict resolution mechanism applies to all OIG final internal reports on Departmental operations. Its purpose is to resolve serious disagreements between the Inspector General and an OPDIV on Office of Inspector General (OIG) findings within six months of issuance of the OIG report. It should be noted that separate resolution rules apply to external OIG reports on grantees and contractors (see the **HHS** Grants Administration Manual, Chapter 1-105). Resolution of "material **weakness**"/"non-conformance" problems reported in OIG reports will be resolved in accord with Departmental policy established under the Federal Managers Financial Integrity Act (FMFIA) program.
- B. The steps of the conflict resolution mechanism are as follows:
 1. **STEP 1**: The OPDIV staff shall state non-concurrence to the OIG. If the OIG agrees, resolution occurs. If the OIG does not agree **WITHIN SIXTY DAYS** after the date of the final OIG report, go to step 2.

2. **STEP 2:** An OPDIV representative of comparable rank shall meet with an official of the **OIG**. If agreement is reached, resolution occurs. If agreement is not reached **WITHIN NINETY DAYS** after the date of the final **OIG** report, go to step 3.
3. **STEP 3:** The **OIG** formally appeals to the Departmental Audit Follow-up Official, the **ASMB**. A copy of the appeal is given to the OPDIV. Both the **OIG** and the OPDIV furnish written positions to the **ASMB** within thirty days (see 8-30-30, below, for the prescribed format). If the **ASMB** achieves agreement or makes a decision which satisfies both sides, resolution occurs. If agreement is not achieved **WITHIN 135 DAYS AFTER** the date of the final **OIG** report, go to step 4.
4. **STEP 4:** The **IG**, the **ASMB**, or the OPDIV Read may request that the matter be taken up by the Audit Resolution Council (**ARC**) (see 8-30-20, below). The Council advises the Under Secretary, who makes the final decision **WITHIN 180 DAYS AFTER** the date of the final **OIG** report.

8-30-20 THE AUDIT RESOLUTION COUNCIL

- A. The Audit Resolution Council exercises executive-level oversight of, and advises the Under Secretary on, the Department's audit resolution and follow-up activities.
- B. The Council is chaired by the Under Secretary. Its members are the Assistant Secretary for **Management** and Budget, the Inspector General, the General Counsel, and any other official appointed by the Under Secretary.
- C. Staff support to the Council is provided by the **ASMB**.
- D. The Council will:
 1. Review and make recommendations to the Under Secretary on the resolution of internal **OIG** reports on Departmental operations on which an OPDIV has not made a management decision within six months of the issue date of the report:

2. Wake recommendations to the Under Secretary concerning the establishment or clarification of Department policy in matters arising from OIG reports;
 3. Recommend corrective action to the Under Secretary in cases where management has failed to carry out agreements made as a result of OIG reports.
- E. The Council will meet as required by step 4 of the conflict resolution mechanism (described above in 8-30-10, B.4). The Inspector General, the Assistant Secretary for Management and Budget, or an **OPDIV** head, may request a meeting of the council.

8-30-30 FORMAT FOR SUBMISSION OF CASES TO THE DEPARTMENTAL AUDIT FOLLOW-UP OFFICIAL UNDER STEP3 OF THE PROCESS

- A. After the OIG files a **formal** appeal to the Audit Follow-Up Official, the OIG and the OPDIV will each provide a summary of the case - not exceeding two pages - in the following format:
1. Title, IG number, and date of issuance of the report;
 2. List of IG findings and recommendations agreed to;
 3. List of IG findings and recommendations not agreed to;
 4. Statement of the issue and supporting arguments (in bullet form):
 5. Impact analysis including:
 - a. Budget and financial data quantifying the cost or savings to the Federal, State and Local Government, program or service providers, and program beneficiaries:

- b. Assessment of the benefits to be achieved and identification of who benefits:
 - c. Assessment of any adverse consequences from the recommendation and identification of who would be adversely affected:
 - d. Description of the results of previous reviews or decisions on **this issue** (budget, **policy, or** legislative reviews, etc.)
- B. Assessments of costs, **benefits** and adverse consequences should **be** quantified to the extent possible.
- c. **Basic** documents, such as the OIG report and related correspondence between the OIG and the OPDIV, should be referenced in the two page summary and attached to it.