

INDIAN AFFAIRS MANUAL

- 1.1 Purpose.** This chapter provides a general overview of internal review and audit liaison responsibilities carried out by the Indian Affairs (IA) Office of Internal Evaluation and Assessment (OIEA). These responsibilities include providing guidance and assistance to all IA organizations in the areas of internal controls, Single Audits, audit follow-up (external and internal), governance and management accountability; conducting internal control reviews of IA programs and monitoring recommended improvement actions; and facilitating compliance with laws, regulations, and policies to ensure accountability and effectiveness of IA programs.
- 1.2 Scope.** This policy applies to all programs and offices under the authority of the Assistant Secretary - Indian Affairs (AS-IA), including AS-IA offices, the Bureau of Indian Affairs (BIA) and the Bureau of Indian Education (BIE).
- 1.3 Policy.** It is the policy of IA to comply with all applicable federal laws and regulations and Departmental policies and procedures regarding external audits and internal control reviews, and to ensure that resources are available to facilitate compliance.
- 1.4 Authority.**
- A. Statutes and Regulations.**
- a. P.L. 97-255, Federal Managers' Financial Integrity Act of 1982 (FMFIA)
 - b. P.L. 104-208, Federal Financial Management Improvement Act of 1996 (FFMIA)
 - c. P.L. 103-576, Chief Financial Officers Act of 1990
 - d. P.L. 104-156, Single Audit Act of 1996
- B. Guidance.**
- a. Office of Management and Budget (OMB) Circular A-123 Revised, Management Accountability and Control
 - b. OMB Circular A-127, Financial Management Systems
 - c. OMB Circular A-50, Audit Followup
 - d. OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations
 - e. 340 Departmental Manual (DM) 1, Management Accountability and Control
 - f. 360 DM, Departmental Audits

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- g. 361 DM, Audit Followup

C. Handbooks.

- a. Department of Interior (DOI) Internal Control and Audit Follow-up (ICAF) Handbook

1.5 Overview.

The OIEA provides guidance and oversight to IA organizations to ensure compliance with Department, OMB, and other mandated internal control requirements, including:

- establishment, review and maintenance of internal controls for all programs, organizations and functions;
- development of an annual internal control review plan;
- conducting internal control reviews/assessments;
- identifying and working with programs to correct and monitor program and operational deficiencies; and,
- development of the IA Annual Assurance Statement for Internal Control to the Secretary of the Interior.

The office also serves as the IA Audit Liaison Office (ALO) to the Department, Assistant Secretary - Policy, Management and Budget, and Chief Financial Officer; the Department's Office of Inspector General; Government Accountability Office (GAO); and other agency Inspector Generals (e.g. Department of Education, Federal Communication Commission) pertaining to all audit issues, including tribal audit matters. As the ALO, the OIEA facilitates and assists with:

- leading and coordinating entrance conferences with internal and external audit organizations;
- coordinating field work and data requests, including timely and meaningful program office responses to draft reports;
- the development of program office correction action plans in response to audit recommendations;
- and tracking the implementation and closure of audit recommendations as needed.

Additionally, OIEA conducts its own internal reviews, assessments, and investigations to ensure programs achieve their intended results; resources are used consistently with agency mission; and resources are protected from waste, fraud, and mismanagement. The office also provides guidance and assistance to IA organizations on the Single Audit Act and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.

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1.6 Responsibilities.

- A. **Assistant Secretary - Indian Affairs** is responsible for ensuring that program and operational controls are established, maintained, evaluated, and reported on in order to provide reasonable assurance that programs achieve their intended results; resources are used consistently with agency mission; resources are protected from waste, fraud, and abuse; laws and regulations are followed; and reliable and timely information is maintained and used for decision making. The AS-IA is also responsible for facilitating a culture of integrity and accountability, including participating and responding in a timely manner to internal and external audits, investigations, and reviews; correcting and monitoring deficiencies when discovered and implementing recommendations as agreed; and implementing a quality assurance process to review and improve internal controls on an ongoing basis.
- B. **Directors, BIA and BIE, and IA Program Managers** are responsible for establishing and maintaining a system of internal control within their individual bureaus and offices, including ensuring consistency and compliance with all laws, regulations and guidance as outlined in 1.4 above. Specifically, they are responsible for: ensuring that program and operational controls are developed, implemented and functioning as intended; conducting and documenting control reviews in order to provide assurance statements to the AS-IA for annual reporting requirements; disclosing control weaknesses and developing and implementing corrective actions; and working with internal and external auditors and evaluators to respond to audits, investigations, and reviews in a timely and effective manner, including implementing recommendations as agreed.
- C. **IA Program Offices**, including AS-IA and Bureau Central Offices, Regional, and Agency offices are responsible for implementing and/or following a system of controls that facilitate effective and efficient use of resources and achieving program results, such as developing and following operational policies and procedures; developing and implementing improvements as needed to facilitate a strong control environment; and actively participating in internal and external audits, investigations, and reviews as required, including providing timely and accurate responses for data and other information requests.
- D. **OIEA** is responsible for:
1. Serving as the designated IA Internal Control Coordinator and ALO, meaning it is the point of contact for all Departmental and other agency audit activities.

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This responsibility includes facilitating and monitoring all IA activities pertaining to the conduct of audits, evaluations, reviews, and inspections to include audit follow-up (i.e., tracking corrective actions to recommendations).

2. Implementing and ensuring compliance with OMB Circular A-123, GAO, and Department Internal Control and Audit Follow-up policies and procedures. This includes developing an annual internal control review plan, conducting internal control reviews/assessments, identifying program and operational deficiencies to include recommendations, and developing the AS-IA Annual Assurance Statement for Internal Control.
3. Ensuring IA compliance with the Single Audit Act (OMB Circular A-133) through the review of Single Audit Reports submitted by the federally recognized tribes and tribal organizations, and communicating the findings and recommendations to management.