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DIRECTIVE TITLE: U.S. Immigration and Customs Enforcement (ICE) Audit Liaison Office and Management of Audits Initiated by External Entities

1. **PURPOSE and SCOPE.** To establish U.S. Immigration and Customs Enforcement (ICE) policy and procedures for coordinating and responding to audits, inspections, and reviews conducted by the U.S. Government Accountability Office (GAO), the U.S. Department of Homeland Security (DHS) Office of the Inspector General (OIG), and other external auditing or inspectional entities. The Directive includes agency comment on Congressional testimony by these entities and defines the roles and responsibilities of the established Audit Liaison Office. This Directive applies to all ICE components.

2. **AUTHORITIES/REFERENCES.**

2.1. Department of Homeland Security Management Directive 0810.1, "Office of Inspector General";

2.2. Office of Management and Budget Circular No. A-50, Revised, "Audit Follow-up," (September 29,1982);

2.3. Public Law 96-226, General Accounting Office Act of 1980 (now the "Government Accountability Office");

2.4. Public Law 91-510, Section 236, Legislative Reorganization Act of 1970;

2.5. Public Law 100-S04, Inspector General Act Amendments of 1988;

2.6. 31 U.S.C.§§ 701-720;

2.7. 31 U.S.C. §§ 3529;

2.8. Public Law 107-296, (codified in Title 6 U.S.C.) Homeland Security Act of 2002;

2.9. Public Law 108-330, The DHS Financial Accountability Act of 2004;

2.10. 5 U.S.C. Appendix 3, Inspector General Act of 1978, as amended;

2.11. DHS Management Directive 0820, "GAO Relations";

2.12. 31 U.S.C. §§ 711 – 720, "Agency Reports";

2.13. OMB Circular A-11, Section 22, Communications with Congress and the Public and Clearance, dated November 14, 2002; and

2.14. The General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies, Title 1, Chapter 3, Functions of the General Accounting Office, Section 11, Legal Services; General Accounting Office "Agency Protocols," December 2002.

3. SUPERSEDED/CANCELED POLICY/SUMMARY OF CHANGES. This policy supersedes all Agency policy relating to audits, inspections, and reviews by GAO, OIG, or other external auditing entities. This directive will not infringe upon the authorities and responsibilities of the Office of Professional Responsibility.

4. BACKGROUND.

4.1. The ICE Assistant Secretary has directed the establishment of the Audit Liaison Office to provide oversight and management of all non-investigative GAO, OIG, and other-agency audit, inspection, and review efforts undertaken within the Agency.

4.2. The Audit Liaison Office will be the Agency's primary point of contact for all engagements by GAO, OIG, and other-agency auditing and inspectional entities.

4.3. The Audit Liaison Office is responsible for ensuring all audit, inspection, and review efforts undertaken by GAO, OIG, and other-agency auditing and inspectional entities are appropriately coordinated and responded to by ICE components in a timely fashion.

5. DEFINITIONS.

5.1. **Announcement.** Written notification to ICE of the intent to conduct a review, audit, or inspection.

5.2. **Audit/Inspection/Review.** For the purpose of this directive, the term "audit" will be used as a generic term covering audits, inspections, and reviews.

Audit- An audit is an administrative examination by the GAO, OIG, or other authorized entities (including contract support) of ICE organizations, programs, activities, functions, processes, or records. Audits are conducted in accordance with the Government Auditing "Yellow Book" Standards issued by the Comptroller General of the United States.

Inspection- An inspection is an administrative examination by the GAO, OIG, or other authorized entity (including contract support) to determine flaws in the execution of organizational programs, policies, and processes. Inspections rely upon the laws, rulings, regulations, directives, procedures, and processes applicable to an Agency or function. Inspections typically question, compare, and analyze the Agency's application and interpretation of these elements.

Review- A review is usually an administrative examination of broad scope for the purpose of gaining greater general understanding of a situation, topic, or process.

5.3. Audit Closure. An audit is closed through a formal request from the Agency after the Corrective Action Plan responses address the audit final report recommendations and are implemented to the satisfaction of the auditors. Audits are not closed just because a final report is issued.

5.4. Corrective Action. Action taken to eliminate a deficiency or to realize an opportunity identified in an audit recommendation. Corrective action to be taken is communicated through a Corrective Action Plan (CAP). Agencies have a set period following the publishing of an audit final report --usually 60 to 90 days-- to provide detailed and specific CAPs to auditors. For OIG audits, these plans must typically be implemented in full within 364 days.

5.5. Departmental Audit. Audits occur at the Department or Agency level. The Departmental Liaison serves as the lead official for Department-level audits and participating agencies support the Departments' efforts. For Agency-level audits, agencies respond independently through the Department, or in conjunction with other DHS agencies.

5.6. Departmental Liaison. The designated DHS management official who, on behalf of the Secretary, coordinates Organizational Element (Agency) responses to OIG and GAO audits and inspections.

5.7. Draft Report. The draft presentation of audit findings. Agencies are typically afforded 30 calendar days to comment on GAO and OIG draft reports, barring exigent circumstances such as Congressional committee meetings or hearings, or calls for testimony. Agency responses are published in the final report.

5.8. External Entity (Entities). Any government agency or DHS organizational element not directly assigned under the operational control of ICE, but possessing authority or permission to audit the Agency (i.e., GAO, OIG, and the Internal Revenue Service).

5.9. Final Report. The final presentation of audit findings. When the OIG transmits a final report to the Secretary, it is considered to have been published and released. GAO final reports are simultaneously published to Congress, the Department, and the Agency. Unclassified final reports are most often placed in the public domain by the auditing entity.

5.10. Finding. The answer to a key question posed by auditors or a deficiency noted by auditors and typically accompanied by recommendations.

5.11. Objectives. A list of key questions that establish the scope of an audit. Objectives are provided when the entity notifies an agency that an audit will be conducted.

5.12. Redaction. Deletion of information from materials that is to be provided to auditors.

5.13. Responses. The Agency, through the knowledge of its Subject Matter Experts (SMEs) responds to auditor requests by providing either technical responses directly or by formally written substantive responses.

Technical responses- Fulfilling auditor requests for policies and procedures, access to data, site visits, briefings, presentations, demonstrations, interviews, and conducting technical reviews of reports or testimony. Technical responses can be an immediate sharing of readily available technical information, data or materials by the auditors. Written explanative technical responses must be developed in order to properly communicate context or procedures.

Substantive responses- A question that is posed to the Agency as a whole, or when a managerial perspective or context is sought by the auditor. Substantive responses are the prerogative of the Assistant Secretary or delegated Executives.

5.14. Sensitivity Review. A review conducted by the attorney detailed to the Audit Liaison Office to ensure that law enforcement sensitive information is correctly classified and documents are labeled accordingly.

5.15. Spin-Off Audit. An audit of narrower scope that is initiated during the course of a larger, overarching audit. Spin-off audits are related to the original audit, but are in fact separate, independent audits.

5.16. Statement of Facts. At the time of, or prior to, the exit conference, the auditing entity might provide ICE with a Statement of Facts that outlines the substantive findings. Statements of Facts do not have recommendations, usually precede draft reports, and are not substitutes for the reports.

5.17. Status. The state of a recommendation. There are three states auditors commonly use to advise an agency whether or not a response to a recommendation is acceptable: (1) Unresolved and Open, (2) Resolved and Open, and (3) Resolved and Closed.

Unresolved and Open- The Agency has not sufficiently addressed the recommendation by either taking the specific action recommended or by providing an acceptable CAP or alternative solution. As such, the recommendation's status remains "open" and the Agency must continue to provide responses to the auditing entity until the recommendation is deemed closed.

Resolved and Open- The Agency has addressed the recommendation by providing an acceptable CAP or alternative solution to the auditing entity. However, the Agency has not sufficiently demonstrated to the auditors that the CAP or solution is actually being implemented; at this stage the agency must continue to work toward resolving the recommendation.

Resolved and Closed- The Agency has addressed the recommendation by providing an acceptable CAP or alternative solution to the auditing entity. The Agency has also sufficiently demonstrated to the auditors that the CAP or solution has been or is being implemented.

5.18. ICE Subject Matter Expert (SME). Person identified by each Program as possessing substantive technical or managerial knowledge of an issue under review by an auditor.

5.19. Technical Review. The review of an auditing entity's draft audit report or testimony. The purpose of a technical review is to identify spelling, grammar, sentence structure, contextual, and factual errors.

5.20. Tracking. The use of business processes and information systems to monitor correspondence, visits, meetings, compliance, performance, and other administrative actions associated with audits.

6. POLICY. All ICE employees are responsible for cooperating with representatives of the GAO, OIG, and external auditing agencies, and for providing documentation in a timely and efficient manner in accordance with Agency procedures.

7. RESPONSIBILITIES.

7.1. The Director, Audit Liaison Office shall:

1) Report to the ICE Chief of Staff;

2) Refer all investigative matters to the Office of Professional Responsibility;

3) Implement all aspects of this directive, including oversight, administration, performance management, and general management of all audit-related matters;

4) Establish and maintain relations with auditing entities and Departmental personnel to facilitate the conduct of audits;

5) At the onset of audit, meet with relevant ICE Directorates or Chief Officers to inform them of the scope of the audit and develop a strategy to address the audit's objectives.

6) Ensure that ICE personnel provide documents, responses to draft and final reports or other inquiries, and CAPs in a timely manner to GAO, OIG, or other-agency representatives;

7) Ensure that the ICE Directorates or Chief Officers properly review any documentation to be submitted to auditors;

8) Inform Senior Executive leadership of any matter that requires immediate attention, including the releasability of certain information;

9) Ensure that all correspondence, official Agency responses, entrance and exit notifications, and draft and final reports are recorded on the Audit Liaison shared drive and hard copies are filed appropriately;

10) Ensure sensitivity reviews of Agency responses and information are conducted by the detailee from the Office of the Principal Legal Advisor;

11) Ensure that official Agency responses to GAO, OIG, or audit-related inquiries are properly formatted, grammatically correct, and address the intent of the recommendation or inquiry;

12) Review, revise, and submit to Senior Executives all Agency responses, unless the Director is designated as the signatory of the response;

13) Meet with Directors, Chief Officers, and senior management officials to review open recommendations and discuss actions necessary to improve progress toward closure;

14) Track, monitor, and report the status of all CAPs;

15) Inform Senior Executives and relevant Directorates of the closure of an audit.

16) Report the status of all audits and open recommendations weekly to ICE Senior Executives and the Director of Office of Congressional Relations;

17) Provide for annual training of employees on the Agency Audit Liaison Program, to include individual employee responsibilities;

18) Report employee violations of this policy or the referenced authorities to the appropriate management officials; and

19) Delegate these duties as appropriate.

7.2. Program Directors / Chief Officers shall:

1) Select personnel from their immediate staffs to serve as Audit Coordinators and act on their behalf for all audit matters;

2) Properly review any documentation to be submitted to auditors; and

3) Ensure employee compliance with this directive.

7.3. Portfolio Managers are responsible for:

1) Reporting to the Director, Audit Liaison Office;

2) Maintaining open communication with GAO, OIG, and audit officials once an audit has been initiated to ensure that all requests are met in a timely manner by ICE personnel;

3) Maintaining open communication with all relevant SMEs and/or Audit Coordinators who are assigned to ongoing audits to ensure all documentation, including official Agency responses, are provided to the GAO, OIG, and other-agency auditing entities in a timely manner;

4) Managing all aspects of audits, including assigning audit-related tasks to Agency personnel, arranging and conducting meetings and conferences, keeping accurate records of all meeting attendance, minutes, documents requested, SMEs contacted, and all other correspondence exchanged during the audit process;

5) Updating, cataloging and maintaining all relevant information and documents on the Audit Liaison Office shared drive, including entrance and exit notifications, draft and final reports, correspondence, official Agency responses, etc. Paper files of all documents must be maintained and tracked in a similar fashion, and preserved in accordance with applicable records retention directives and policy;

6) Obtaining and distributing responses to audit-related materials, including correspondence, substantive and technical responses, reports, statements of fact, etc.;

7) Ensuring that official Agency responses to GAO, OIG, or auditor inquiries are properly formatted, grammatically correct, and address the intent of the recommendation or inquiry; and

8) Tracking the status of each audit recommendation until all are closed by the auditing entity.

7.4. The Principal Legal Advisor shall: Detail one GS-0905 Attorney to the Audit Liaison Office.

7.5. Attorney (Detailee), Office of the Principal Legal Advisor (OPLA) is responsible for:

1) Conducting sensitivity reviews of all documentation, data, and official Agency responses prior to its release to GAO, OIG, and audit officials to ensure all documents are properly designated and not redacted;

2) Serving as legal counsel at GAO, OIG, or external auditing entity entrance and exit conferences and meetings when necessary, and in resolving issues pertaining to release of information of pre-decisional, law enforcement sensitive, third-party, or litigation-related nature.

7.6. Audit Coordinators are responsible for:

1) Accepting all taskings by the Audit Liaison Office as priority assignments and completing them in a timely manner;

2) Coordinating Program and SME responses through Director-level immediate staffs;

3) Ensuring responses meet the quality standards established in section 8.5 of this directive;

4) Apprising the Audit Liaison Office regularly of the status of Program responses; and

5) Reporting in detail to the Audit Liaison Office the status of all CAPs initiated as a result of an audit.

7.7. Subject Matter Experts are responsible for:

1) Responding to all audit-related taskings as administrative priorities;

2) Serving as the principal expert with substantive contextual and technical knowledge of the issues subject to the audit;

3) Providing the Audit Liaison Office with all auditor requests for information, data or materials;

4) Conducting technical reviews;

5) Researching, developing and writing thorough technical and substantive responses, and submitting the responses in a timely fashion to auditors through the Audit Liaison Office;

6) Verifying the accuracy of all requested information and/or official Agency responses through their respective Directors or Chief Officers prior to submission to the Audit Liaison Office;

7) Ensuring that all materials, data, and documents to be provided to auditors are submitted to the Audit Liaison Office for cataloging, tracking, and transmittal; and

8) Reviewing audit statements of fact, draft reports, final reports, and responding accordingly.

7.8. ICE Personnel are responsible for:

1) Responding to all audit-related taskings and information requests as administrative priorities;

2) Making themselves available for audit-related meetings and interviews;

3) Notifying the Audit Liaison Office of auditor information requests so as to ensure that the requests are not redundant or delayed;

4) Transmitting all agency materials and information to auditors through the Audit Liaison Office;

5) Completing annual training set forth by the Audit Liaison Office; and

6) Complying with the applicable authorities and references cited herein concerning allegations of criminal activity, misconduct, fraud, waste, and abuse.

8. PROCEDURES.

8.1 **Phase 1: Announcement or Notification of Engagement.** GAO, OIG, or other-agency auditors notify ICE or DHS in writing of the intent to conduct an audit review, or inspection.

8.2 **Phase 2: Entrance Conference.** The Portfolio Manager will arrange an entrance conference for the auditing entity under their purview and obtain as much information in advance regarding the audit scope and information sought. The Portfolio Manager will notify the appropriate Audit Coordinator(s) and provide the advance information. Audit Coordinators will ensure that the appropriate SMEs attend the entrance conference and are prepared to actively participate. During the entrance conference, the auditors will communicate the purpose and scope of the review and seek to obtain a fundamental understanding of the issue or program being audited.

8.3 **Phase 3: Audit Fieldwork.** Audit fieldwork commences following the entrance conference. The Audit Coordinator and Portfolio Manager will coordinate with SMEs in the Field Offices and Headquarters to facilitate interviews of ICE personnel by auditors and access to systems and information.

1) Auditor Support. Programs will provide administrative and information technology support to auditors whenever requested, including access to copiers, fax machines, telephones, cubicle space, and office supplies.

2) Site Visits. To avoid adverse impact upon operational activities and ensure personnel are available for information sharing or interview, site visits and verification of clearances will be scheduled after the auditors submit a site visit request to the Audit Liaison Office.

3) Information Requests. Auditor technique is to request information either through the Audit Portfolio Manager or directly from an employee or Subject Matter Expert. The information requests are most often presented during telephone conversations or by e-mail. These requests might be redundant at times because an audit team's members might ask multiple Agency employees for the same information. To preclude devoting finite personnel resources to redundant requests, Agency personnel should immediately forward all new information requests from auditors to the Audit Portfolio Manager. In this way, the requests can be vetted for redundancy, tracked electronically, and fulfilled with greater efficiency.

4) Sensitivity Review. All Agency-owned materials and information will be reviewed for sensitivity by counsel prior to release. This review will be conducted by the attorney detailed to the Audit Liaison Office and in consultation with other counsel as appropriate. All documents and data transmitted to or provided to auditors and inspectors will contain the following statement:

"This document may contain confidential, privileged or law enforcement sensitive information and is not for release, review, retransmission, dissemination or use by anyone other than the intended recipient in the Department of Homeland Security, in this case the Office of the Inspector General. The Department of Homeland Security's Audit Liaison Office must specifically approve further release, review, transmission, dissemination or use of this information, on a case-by-case basis. This includes release, review, transmission, dissemination to, or use by, the Government Accountability Office."

8.4. Phase 4: Exit Conference. When audit fieldwork is completed, the auditing entity usually schedules an exit conference to discuss its findings. Exit conferences are an opportunity to explain and collaborate with auditors, so Portfolio Managers will assist auditors in scheduling exit conferences and ensure that appropriate Agency representatives attend.

1) Statement of Facts. At the time of or prior to the exit conference, the auditing entity might provide ICE with a Statement of Facts that present the findings. Departmental liaisons and Portfolio Managers ask for the statement in advance of the exit conference to facilitate productive discussion at the meeting.

If the statement is presented in advance, the ICE officials should review the statement and prepare articulate technical and substantive comments that the auditing entity would typically incorporate in the draft report. Portfolio Managers are responsible for tasking the Statement of Facts to all designated SMEs and officials as deemed appropriate.

8.5. Phase 5: Draft Report. Once the auditing entity has collected sufficient information, it will compile its findings and recommendations into a draft report. The Portfolio Manager distributes the draft report and tasks the appropriate personnel with conducting a review and developing any necessary response.

1) Standards for Reviews and Responses:

a) *Technical Reviews-* Supporting material must only be provided to correct an error in fact or demonstrate an important concept or context. Substantive responses bearing Assistant Secretary signature are not required for technical reviews, but must be transmitted through the Audit Liaison Office.

b) *Technical Responses-* Technical responses written to explain or communicate context or procedures should be researched, supported by documentation whenever possible, fully developed, and written well. Technical responses and supporting materials will be submitted to the Audit Liaison Office for Executive review and transmittal.

c) *Substantive Responses-* Must be researched, fully developed, and written so as to be accurate, thorough, and stated well. New substantive responses to be provided to the auditors, must be submitted to the Audit Liaison Office with appropriate Executive approvals.

2) Executive Review: Substantive responses submitted for Assistant Secretary review and signature must be reviewed and approved at the Program Director level prior to submission to the Audit Liaison Office.

8.6. **Phase 6: Final Report.** The auditing entity publishes its final report with the Agency response to the draft report included in the appendices. If a sufficient resolution is indicated in the official Agency response to the draft report, the auditing entity might close some or all of the recommendations. The auditing entity will indicate whether or not a recommendation has been closed in the final report by indicating a recommendation's status. Unless all of the recommendations stated by the auditing entity have been closed at the time of the final report, the corrective action phase will commence.

8.7. **Phase 7: Corrective Action.** Following publishing of the final report, should the status of any recommendation be "Unresolved and Open" or "Resolved and Open," the agency must develop and submit its CAP. GAO usually affords agencies 60 or 90 days to do this. OIG usually affords agencies 90 days.

8.8. The Agency must report the status of "Unresolved and Open" and "Resolved and Open" recommendations to the auditing entity until each recommendation is "Resolved and Closed."

9. **ATTACHEMENTS.** None.

10. **NO PRIVATE RIGHT STATEMENT: This Directive is an internal policy statement of ICE, and is not intended to and does not create any rights, privileges, or benefits, substantive or procedural, enforceable by any party against the United States; its department, agencies, or other entities; its officers or employees; or any other person.**

APPROVED Julie Myers

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