



**NPD 9910.1A**  
 Effective Date: June 28, 2006  
 Expiration Date: June 28, 2020

**COMPLIANCE IS MANDATORY**

[Printable Format \(PDF\)](#)

Request Notification of Change (NASA Only)

**Subject: Government Accountability Office/NASA Office of Inspector General Audit Liaison, Resolution, and Follow-up Program - Updated w/Change 5**

**Responsible Office: Mission Support Directorate**

**CHANGE HISTORY**

Change No.	Date	Description
1	06/28/13	Revalidated with changes to incorporate NPR 1400.1, title changes, remove responsibilities out of policy and move to chapter 5, and clarify responsibilities in chapter 5..
2	10/16/14	Administrative edits made to correct the Audit Follow-up Official (AFO) information in paragraph 5b by changing it from "AFO (Director, Internal Controls and Management Systems)" to "AFO (Associate Deputy Administrator)."
3	01/25/15	Update to transfer responsible office from OICMS to Mission Support Directorate (MSD), update authorities and make additional administrative changes.
4	01/04/16	Changes to Attachment B to be consistent with the abolishment of the Office of Evaluation. Administrative edits and revised references to OMB A-123 (title change).
5	12/07/16	Changes to 1.Policy paragraph c. added the word "Enterprise" to "Risk Management"; in 4. Applicable Documents and Forms b. added the word "Enterprise" to "Risk Management".

**1. POLICY**

It is NASA's policy:

- a. To establish a robust program for audit liaison, resolution and follow-up to manage audit recommendations issued by the Government Accountability Office (GAO) and the NASA Office of Inspector General (OIG).
- b. To provide for the resolution and follow-up on audit recommendations issued by the GAO and the OIG as an integral component of sound management and is a responsibility shared by all NASA management officials. Responsive corrective action taken by management on GAO/OIG audit findings and recommendations is essential to improving the effectiveness and efficiency of NASA operations consistent with GAO's Standards for Internal Control in the Federal Government.
- c. To recognize, support, and utilize GAO/OIG audits of NASA activities as an important element of NASA's management system, consistent with Office of Management and Budget (OMB) Circular A-123, "Management's

Responsibility for Enterprise Risk Management and Internal Controls." Each NASA Center shall establish processes within its management systems to ensure prompt and proper management decisions and implementation of GAO/OIG audit recommendations.

- d. That these processes shall be consistent with guidance in OMB Circular A-50, Audit Follow-up, as well as the requirements of NPD 1280.1, NASA Integrated Management Systems, and NPD 1200.1, NASA Internal Control.
- e. That NASA personnel cooperate with and support the efforts of GAO and OIG representatives in the performance of all audits, evaluations, and reviews, and will work with auditors and other GAO and OIG representatives to provide an accurate, fair, and balanced representation of issues being evaluated.
- f. That in those instances where a management decision on a GAO/OIG audit recommendation is not made within six months, the NASA Audit Follow-up Official (AFO) will convene an Audit Resolution Meeting with appropriate management and audit organization officials for the purpose of reaching a management decision. A final management decision made by the AFO or the NASA Administrator is final and is not contingent upon GAO or OIG approval.
- g. That efforts shall be made to resolve potential nonconcurrences on GAO and OIG audit recommendations at the lowest possible management level.
- h. That agreed-upon corrective actions associated with audit recommendations shall be implemented in a timely manner, generally not to exceed one year from the issuance of the final audit report, dependent upon the complexity and scope of the corrective actions.
- i. Provide that Contracting Officers (COs) make the best possible use of contract audit advice.

## **2. APPLICABILITY**

- a. This NPD is applicable to NASA Headquarters and NASA Centers, including Component Facilities and Technical and Support Service Centers.
- b. This NPD applies to audits performed by the GAO, OIG, and other executive branch audit organizations.
- c. This NPD does not apply to criminal or administrative investigations conducted by the GAO, OIG, or other Federal law enforcement agencies.
- d. This NPD does not apply to audit resolution and follow-up activities associated with audits performed in conjunction with the Single Audit Act of 1984, as implemented by OMB Circular A-133 (Audits of States, Local Governments and Non-Profit Organizations), or contract audits performed by the Defense Contract Audit Agency (DCAA). See NASA FAR Supplement section 1842.7301.
- e. In this directive, all mandatory actions (i.e., requirements) are denoted by statements containing the term "shall." The terms: "may" or "can" denote discretionary privilege or permission, "should" denotes a good practice and is recommended, but not required, "will" denotes expected outcome, and "are/is" denotes descriptive material.
- f. In this directive, all document citations are assumed to be the latest version unless otherwise noted.

## **3. AUTHORITY**

- a. Inspector General Act of 1978, as amended, 5 U.S.C. App.
- b. Federal Managers' Financial Integrity Act of 1982, as amended, Pub. L. No. 97-255, 96 Stat. 814 (1982).
- c. Standards for Internal Control in the Federal Government, GAO-14-704G (September 10, 2014).

## **4. APPLICABLE DOCUMENTS AND FORMS**

- a. OMB Circular A-50, Audit Follow-up.
- b. OMB Circular A-123, Management's Responsibility for Enterprise Risk Management and Internal Controls.
- c. NPD 1200.1, NASA Internal Control.
- d. NPD 1280.1, NASA Integrated Management System Policy.

## **5. RESPONSIBILITY**

- a. The NASA Administrator shall be responsible for the following:

- (1) Ensuring the preparation of the annual Audit Follow-up Report, pursuant to the Inspector General Act (as amended), as a component of the annual Agency Financial Report (AFR).
- (2) Appointing a NASA AFO.
- (3) Make final determinations on the release of information in conjunction with GAO and OIG audits.
- (4) Make final management decisions on concurrences and non-concurrences not otherwise delegated to the AFO.

b. The AFO (Associate Deputy Administrator) shall be responsible for the following:

(1) Making management decisions within six months of the issuance of a final audit report (unless reserved by the Administrator) when nonconcurrences cannot be resolved at lower levels between NASA management and the auditors.

(2) Ensuring that NASA's audit follow-up processes, management decisions concerning audits, and corrective actions comply with OMB Circular A-50 and all other applicable laws and regulations.

c. The Deputy Director for Mission Support Directorate shall be responsible for, in addition to Officials-in-Charge (OIC) responsibilities, overseeing overall Agency implementation of audit liaison, resolution and follow-up activities, including periodic assessments of recommendations and corrective action to identify trends or system-wide problems and to recommend solutions.

(1) Overseeing overall Agency implementation of audit liaison, resolution and follow-up activities, including periodic assessments of recommendations and corrective action to identify trends or system-wide problems and to recommend solutions.

(2) Maintaining a comprehensive record of action taken on both monetary and nonmonetary findings and recommendations, as well as a follow-up action to ensure the completion of agreed-upon corrective actions.

(3) Ensuring that management decisions shall be made on audit recommendations issued by the GAO and OIG within a maximum of six months of the issuance of the final report.

(4) Preparing an annual report on the status of all open OIG audit reports for which final management action is pending shall be incorporated into NASA's annual AFR.

(5) Ensuring that the resolution and disposition of all audit reports are consistent with applicable laws, regulations, and Agency policy as provided by OMB Circular A-50.

d. OICs and Center Directors shall be responsible for:

(1) Ensuring timely responses to draft and final audit reports consistent with timelines in Attachment B.

(2) Ensuring implementation of agreed-upon recommendations as soon as practicable.

(3) Appointing an Audit Control Official (ACO) to be responsible for facilitating the resolution of nonconcurrences and other disagreements between management and the auditors at a level below the AFO.

(4) Ensuring that audit disputes (nonconcurrences) are negotiated at the lowest possible management level.

(5) Reporting to higher management levels on unresolved audit recommendations requiring resolution action.

(6) Appointing an Audit Liaison Representative (ALR) to implement and coordinate audit liaison, resolution, and follow-up activities within each organizational component and Center.

(7) Appointing or delegating to the ALR, a primary point of contact to represent management for each specific GAO or OIG audit for which the OIC has principal program or funding responsibility.

(8) Ensuring that GAO and OIG representatives have free and unfettered access to all files, documents, premises, and employees, except as limited by applicable laws.

e. ALRs represent organizational management in implementing and coordinating their respective audit liaison, resolution, and follow-up processes, and shall:

(1) Maintain accurate records of the status of audit reports and recommendations through the entire process from issuance of the audit announcement through implementation of final management action;

(2) Facilitate management decisions on disagreements arising from audit reports and attempts to achieve initial resolution at the lowest level practicable.

(3) Establish and maintain continuous liaison and coordination among all parties throughout the entire audit process, particularly in those instances involving more than one program, installation, or organizational level.

(4) Ensure significant and relevant activities, (e.g., entrance and exit conferences; interim status briefings; requests

for extension of final management action dates; disposition of requests for extension of final management action dates; and the auditor's disposition of audit recommendations), are documented in a timely and accurate manner in NASA's Audit and Assurance Information Reporting System (AAIRS).

f. Contracting Officers (COs) shall be responsible for:

- (1) Ensuring the proper disposition and prompt recovery of disallowed costs in conjunction with contract audits.
- (2) Making the best possible use of contract audit advice.
- (3) Taking into full consideration the findings and recommendations made by auditors.
- (4) Making prompt, proper, and sound management decisions in resolving the disputes between COs and contract auditors on the disposition of audit findings and recommendations.
- (5) Ensuring expedient disposition, including fund recovery actions, of contract audit reports after resolution.
- (6) Ensuring full documentation of significant differences between the audit recommendation and final management action, including rationale for deviations from the audit recommendation.
- (7) Establishing and maintaining continuous dialogue between contracting, audit, and audit followup personnel to achieve the most effective process possible.

g. NASA employees at all levels shall be responsible for:

- (1) Reporting to the Inspector General any possible illegal, wasteful, or criminal activities.
- (2) Providing full and accurate responses to inquiries by the GAO and OIG subject to legal restrictions.

## **6. DELEGATION OF AUTHORITY**

None.

## **7. MEASUREMENT/VERIFICATION**

- a. Number of OIG audit reports with recommendations unresolved six months or more after issuance of a final audit report.
- b. Number of OIG audit reports with recommendations resolved but not implemented within one year after issuance of a final audit report.
- c. Disposition of questioned costs and funds put to better use.

## **8. CANCELLATION**

- a. NPD 1200.1B, Internal Management Controls and Audit Liaison and Follow-up, dated June 1, 2000.
- b. NPD 9910.1A, Government Accountability Office/NASA Office of Inspector General Audit Liaison, Resolution, and Follow-up Program dated June 28, 2008.

### **Revalidated Change 3, January 25, 2015, Original signed by:**

/s/ Michael D. Griffin  
Administrator

## **ATTACHMENT A: REFERENCES**

- A.1 The Budget and Accounting Act of 1921 (Pub. L. 5-13.42 Stat.20)
- A.2 NPD 1000.3 The NASA Organization
- A.3 NPD 9800.1, NASA Office of Inspector General Programs
- A.4 GAO-05-35G GAO's Agency Protocols

**1. Timeline: Agency Response to OIG Draft Report (21-days\*)**

Process Phase:	Response Formulation	Mandatory Concurring Offices	Final Review/Approval Authority	Signature Authority
<b>Responsible Organization(s):</b>	<ul style="list-style-type: none"> <li>Office of Primary Responsibility*</li> </ul> <p><i>*(In conjunction with content-dependent formulation partners)</i></p>	<ul style="list-style-type: none"> <li>Mission Support Directorate</li> <li>Office of Legislative and Intergovernmental Affairs</li> <li>Office of the Chief Financial Officer</li> <li>Office of General Counsel</li> </ul> <p><i>(Additional concurrences may be required based on subject matter)</i></p>	<ul style="list-style-type: none"> <li>Executive Secretariat</li> <li>Associate Administrator for Strategy and Plans</li> <li>Deputy Associate Administrator</li> <li>Chief of Staff</li> <li>Associate Administrator</li> <li>Deputy Administrator</li> <li>Administrator</li> </ul>	<ul style="list-style-type: none"> <li>Official-in-Charge: Office of Primary Responsibility</li> </ul>
<b>Duration (days):</b>				
<b>Calendar</b>	<b>7 days</b>	<b>7 days</b>	<b>7 days</b>	<b>0 days</b>
<b>Cumulative</b>	<b>7 days</b>	<b>14 days</b>	<b>21 days</b>	<b>21 days</b>

\*Note: While the OIG generally provides for a 21-day response period to draft reports, extensions of due date are considered on a case-by-case basis.

**2. Timeline: Agency Response to GAO Draft Report (30-days\*)**

Process Phase:	Response Formulation	Mandatory Concurring Offices	Final Review/Approval Authority	Signature Authority
<b>Responsible Organization(s):</b>	<ul style="list-style-type: none"> <li>Office of Primary Responsibility*</li> </ul> <p><i>*(In conjunction with content-dependent formulation partners)</i></p>	<ul style="list-style-type: none"> <li>Mission Support Directorate</li> <li>Office of Legislative and Intergovernmental Affairs</li> <li>Office of the Chief Financial Officer</li> <li>Office of General Counsel</li> </ul> <p><i>*(Additional concurrences may be required based on subject matter)</i></p>	<ul style="list-style-type: none"> <li>Executive Secretariat</li> <li>Associate Administrator for Strategy and Plans</li> <li>Deputy Associate Administrator</li> <li>Chief of Staff</li> <li>Associate Administrator</li> <li>Deputy Administrator</li> <li>Administrator</li> </ul>	<ul style="list-style-type: none"> <li>Official-in-Charge: Office of Primary Responsibility</li> </ul>
<b>Duration (days):</b>				
<b>Calendar</b>	<b>10 days</b>	<b>10 days</b>	<b>10 days</b>	<b>0 days</b>
<b>Cumulative</b>	<b>10 days</b>	<b>20 days</b>	<b>30 days</b>	<b>30 days</b>

\*Note: While the GAO generally provides for a 30-day response period to draft reports, extensions of due date are considered on a case-by-case basis.

**3. Timeline: Statement of Actions to Congress in Response to GAO Final Reports (60-days\*)**

Process Phase:	Response Formulation	Mandatory Concurring Offices	Final Review/Approval Authority	Signature Authority
<b>Responsible Organization(s):</b>	<ul style="list-style-type: none"> <li>Office of Primary Responsibility*</li> </ul> <p><i>*(In conjunction with content-dependent formulation partners)</i></p>	<ul style="list-style-type: none"> <li>Mission Support Directorate</li> <li>Office of Legislative and Intergovernmental Affairs</li> <li>Office of the Chief Financial Officer</li> <li>Office of General Counsel</li> </ul> <p><i>(Additional concurrences may be required based on subject matter)</i></p>	<ul style="list-style-type: none"> <li>Executive Secretariat</li> <li>Associate Administrator for Strategy and Plans</li> <li>Deputy Associate Administrator</li> <li>Chief of Staff</li> <li>Associate Administrator</li> <li>Deputy Administrator</li> <li>Administrator</li> </ul>	<ul style="list-style-type: none"> <li>Administrator*</li> </ul>
<b>Duration (days):</b>				
<b>Calendar</b>	<b>30 days</b>	<b>15 days</b>	<b>15 days</b>	<b>0 days</b>
<b>Cumulative</b>	<b>30 days</b>	<b>45 days</b>	<b>60 days</b>	<b>60 days</b>

\*Note: Statement of Actions response period and signatory established by 31 U.S.C 720.

Figure 1, Timelines - Agency Responses to GAO and OIG Audit Reports

(URL for Graphic)

None.

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