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HEALTH AFFAIRS
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TRICARE
MANAGEMENT
ACTIVITY

FEB 29 2008

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Policy for Responsibility for Department of Defense Inspector General and Government Accountability Office Audits

This memorandum supersedes guidance dated June 9, 2006, defining the process for issuance, control, responsibility, and assistance in supporting the Department of Defense (DoD) Inspector General (IG) and the Government Accountability Office (GAO) audits.

I consider supporting audits a very important aspect of our operations. All audit agencies provide an invaluable review of our operations and processes and provide information to Congress and DoD that affects our mission. It is imperative that we provide the highest level of support.

Recently, several responses to either GAO or DoD IG audit reports required herculean efforts to obtain signature within the prescribed timeline. Because it is so critical to meet these established GAO and DoD IG timelines in order to allow the reports to be published, or for the audit agencies to receive our comments on time, I think now is a good time to review audit support responsibilities within the TRICARE Management Activity (TMA).

Within TMA, the Office of the Chief Financial Officer (OCFO) is designated as the central oversight for all audits. This office assists the audit organizations with identifying and assigning points of contact (POC) to support audits. Upon identification to TMA of a new audit/information request, OCFO will notify the appropriate director (electronically). The appropriate director will identify a POC within his or her area of responsibility to be the functional person for the audit/information request within two business days of audit notification. To assist in this endeavor, two flow charts are provided to visually describe the TMA audit control process (Attachment 1). The flow charts have been continually updated since the last issuance to reflect the coordination/action officer responsibility.

Duties of the POC (when acting as the Primary Action Officer (PAO)) include setting up entrance and exit conferences; interaction with the audit team; conducting research to support the audit team; assisting the audit team with site visits; reviewing, preparing, and commenting on draft/final reports; preparation of monthly internal TMA

status updates, and providing information that the audit team may request. When the POC acts as the Collateral Action Officer (CAO), the role is to provide TMA's information/comments on draft/final reports to the PAO. A specific list of POC audit support responsibilities has been provided (Attachment 2).

Specific POC responsibilities regarding interaction with the audit team include coordination of any financial information to include charts, financial costs data, workload data, etc., with TMA/OCFO (Management Control and Financial Studies) prior to release to the audit team. POCs should also provide a draft of the proposed response for release to the DoD IG for their coordination process ***(GAO audit responses only***). Dr. S. Ward Casscells will sign all of the TMA and Office of the Assistant Secretary of Defense (Health Affairs) (OASD (HA)) PAO responses as the Assistant Secretary of Defense (Health Affairs) (ASD (HA)) unless time or other circumstances warrant a response being signed by someone else designated by the OASD (HA) front office.

In addition to supporting the audit team, the POC is required, within five business days following the end of each month, to provide a status report on each open DoD IG/GAO audit. The update format is attached. POCs are requested to provide this update monthly via e-mail utilizing the attached format. Please provide the update to the TMA audit liaison, Mr. Gunther Zimmerman, at *Gunther.Zimmerman@tma.osd.mil*.

I want to stress that POC responsibilities do not end once a response to a draft or final report is entered into Livelink. The action officer has the responsibility to track/follow the package through the coordination process to ensure all required coordinations are obtained and that the document is received in the OASD (HA) front office and signed within the prescribed timeline. CAOs need to be vigilant regarding the development of GAO/DoD IG audits assigned. Occasionally, CAO-assigned audits are published without TMA/HA knowledge.

Lastly, the DoD IG has an audit follow-up unit that reviews open audit actions every six months. PAOs are responsible for audits until all audit recommendations are closed to the satisfaction of the DoD IG.

Please share this guidance with your staff members who support DoD IG and GAO audits to ensure they understand the requirements in supporting audits.

Please feel free to direct any questions regarding this issue to Mr. Gunther Zimmerman, TMA/Management Control, at (703) 681–4360.

Elder Granger
Major General, MC, USA
Deputy Director

Attachments:
As stated

DISTRIBUTION:

Chief of Staff, HA
Office of the Acting Deputy Assistant Secretary of Defense (Health Budgets and Financial Policy) (Lieutenant Colonel McCloud)
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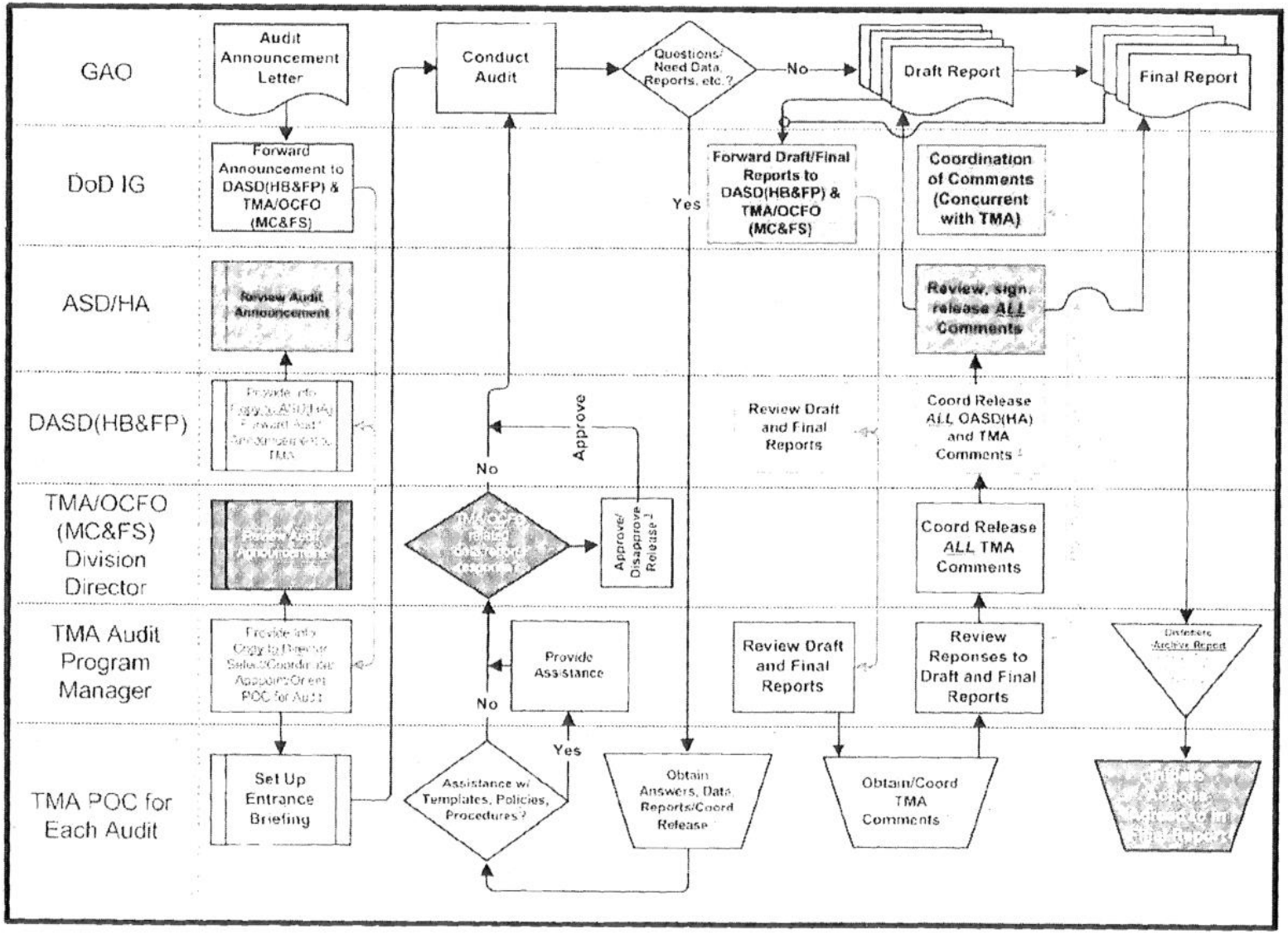
Regional Director, TRICARE Regional Office - West
Director, TRICARE Area Office - Europe
Director, TRICARE Area Office - Pacific
Director, TRICARE Area Office - Latin America/Canada

GAO AUDIT PROCESS FLOW DIAGRAM - NEW AUDIT



POC Responsibilities

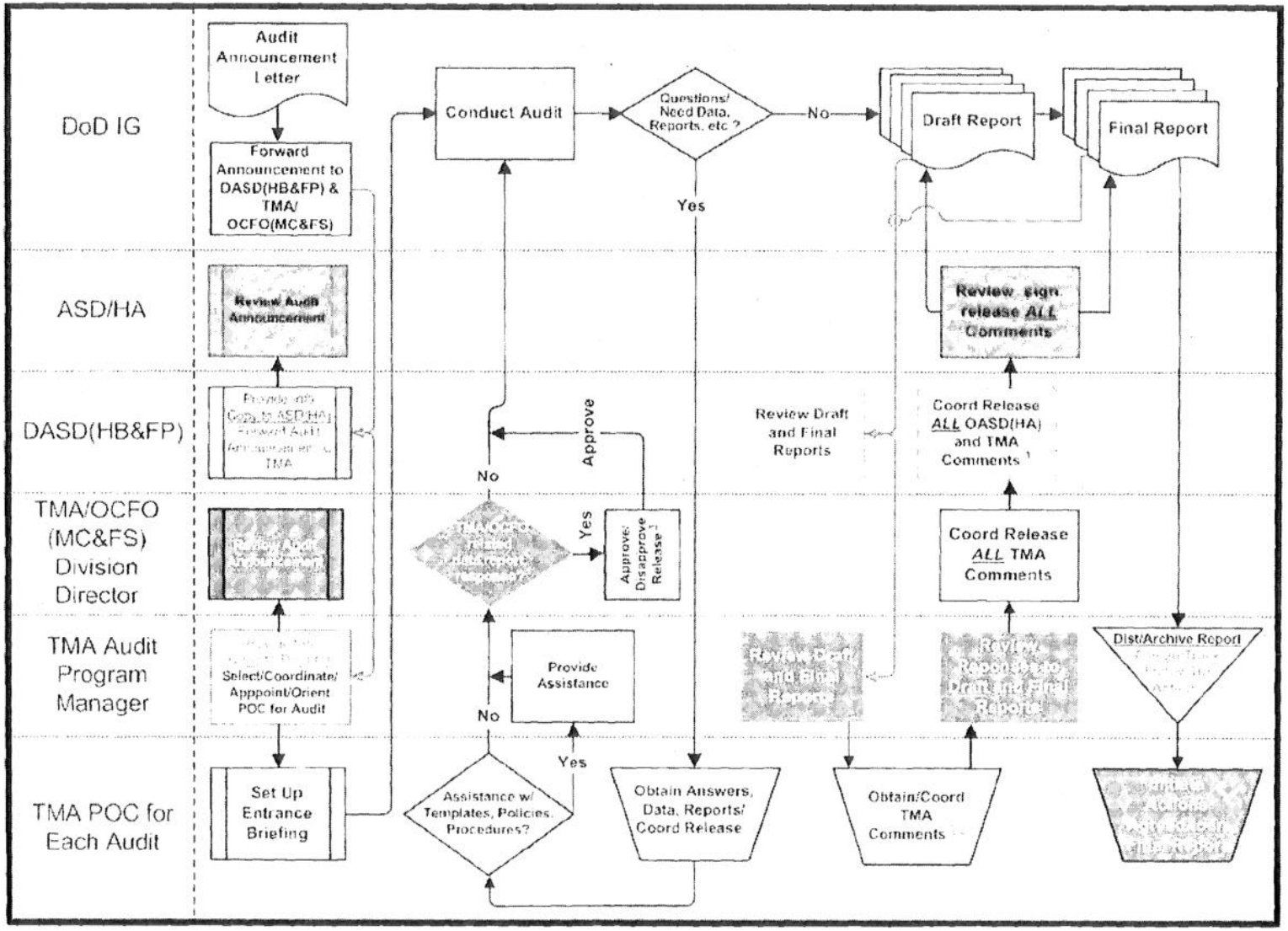
1. Manage all TMA aspects of audit
2. Serve as SME for audit
3. Gather/Clear/Forward all requested documents, reports, etc. [Clear all TMA/RM related through TMA/RM Director]
3. Prepare update report monthly on progress of audit, significant issues, etc.
4. Review draft/final reports and prepare/coordinate comments for ASD(HA) signature

Program Manager Responsibilities

1. Liaison to DoD IG, GAO
2. Select POC and prepare assignment documents
3. Develop TMA policies on audit management
4. Coordinate semi-annual audit follow-up report
5. Provide guidance, templates, audit examples
6. Maintain audit database and library

[1] Note: All comments on all reports are routed through DoD OGC for coordination before forwarding to ASD(HA) for final approval and signature

DoD IG Audit Process Flow Diagram - New Audit



POC Responsibilities

1. Manage all TMA aspects of audit
2. Serve as SME for audit
3. Gather/Clear/Forward all requested documents, reports, etc. [clear all TMA/RM related through TVA/RM Director]
4. Prepare update report monthly on progress of audit, significant issues, etc.
5. Review draft/final reports and prepare/ coordinate comments for ASD(HA) signature

Program Manager Responsibilities

1. Liaison to DoD IG, GAO
2. Select POC and prepare assignment documents
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TRICARE Management Activity Primary Action Office
Department of Defense Inspector General/Government Accountability Office Audit Support

Primary Action Office Responsibilities
(Primary Action Office for the Department of Defense)

The role of the TRICARE Management Activity (TMA) point of contact (POC), the Primary Action Office (PAO) in support of a Government Accountability Office (GAO)/Department of Defense (DoD) Inspector General (IG), or other audit, has a full "life-cycle" responsibility for each audit. The PAO responsibility is initiated with receipt of the Audit Announcement Letter and concludes with the closure of all open audit recommendations. The following are the major responsibilities to be performed by the assigned TMA POC supporting an audit:

- Selected by the appropriate director after notification of a new audit.

- Makes contact with the DoD IG POC to make arrangements for entrance meetings for all audits, including GAO audits. The TMA PAO assumes responsibility for obtaining conference room, dial-in, or video teleconference capabilities, and determining an acceptable meeting date/time.

- Participates in the entrance meeting to understand audit agency plans for audit and TMA's role in supporting the audit.

- Supports the audit team during the research phase of the audit. Includes obtaining any and all information requested by the audit team, and also identifying/obtaining additional TMA functional support required to address audit team requests for information. Pre-decisional and all out-year financial data cannot be released.

- At completion of the research phase, the PAO serves as the TMA POC responsible for scheduling and hosting the exit conference. The purpose of this meeting is usually to review a discussion draft or statement of facts, or draft of the soon-to-be released draft report.

- Following the exit conference, the PAO will receive for formal review the draft report. The PAO reviews the report and develops formal comments on audit reports. This includes discussion drafts of proposed reports/draft reports and final reports. The PAO prepares and forwards completed proposed response packages for signature utilizing Livelink. The PAO is responsible for tracking the package in Livelink until the response is signed by the Assistant Secretary of Defense (ASD) (Health Affairs) (HA)).

- TMA is allowed to make no comment "responses" to the GAO/DoD IG where there are no audit recommendations. No comment responses may be made to the GAO/DoD IG by PAO Chief Functional Officers or the Deputy ASDs.

- A report with recommendations requires an ASD (HA) signed response.

- Responsible for the DoD IG semiannual review of any open audit recommendations not closed as a result of the Department's response to the final report. Responds to the semiannual request from TMA/Office of the Chief Financial Officer (Management Control and Financial Studies) for review/comments on open recommendations.

- Once all open audit recommendations are closed, PAO responsibility ends.

Department of Defense Inspector General/Government Accountability Office Audit Support

Collateral Action Officer Responsibilities
(Secondary to assigned Department of Defense Primary Action Office)

The role of the TRICARE Management Activity (TMA) Action Officer supporting a Government Accountability Office/Department of Defense (DoD) Inspector General as a Collateral Action Officer (CAO) involves providing support to another DoD activity who is acting as the Department's Primary Action Officer. The CAO's responsibility in support of the Primary Action Office is initiated with receipt of the Audit Announcement Letter and concludes with the closure of all open audit recommendations. The following are the major responsibilities to be performed by the assigned TMA CAO:

- The TMA CAO is selected by the appropriate director after notification of new audit.

- The TMA CAO reviews point of contact information from TMA/Office of the Chief Financial Officer (Management Control and Financial Studies) and contacts the Primary Action Office (PAO) to offer support for the subject audit.

- The TMA CAO attends the entrance meeting and provides support to the PAO/audit team during the research phase of the audit.

- If requested, the TMA CAO reviews any documents issued by the audit team (i.e., statement of facts, draft report, and final report) in order to provide expertise to the audit PAO.

- Provides comments on draft and final reports to the PAO.

- Develops and answers open audit recommendations issued for the semiannual open audit recommendation tasking.

- Once all open audit recommendations are closed, the TMA CAO responsibility ends.