



OSHA INSTRUCTION

U.S. DEPARTMENT OF LABOR

Occupational Safety and Health Administration

DIRECTIVE NUMBER: EAA 01-00-004

EFFECTIVE DATE: September 15, 2010

SUBJECT: Management Accountability Program

ABSTRACT

- Purpose:** This instruction revises agency policy and procedures for conducting a Management Accountability Program (MAP) field audit component applicable to agency programs and activities conducted by Regions and Area Offices.
- Scope:** OSHA-wide.
- References:** OMB Circular A-123, Subject: Management Accountability and Control, Revised December 21, 2004, which provides guidance on and establishes requirements for improving the accountability and effectiveness of Federal programs and operations. See paragraph III of this Instruction for additional references.
- Cancellations:** OSHA Instruction EAA 01-00-003, July 23, 2007, Management Accountability Program.
- State Impact:** State adoption not required. See Paragraph IV.
- Action Offices:** National, Regional and Area Offices.
- Originating Office:** Directorate of Evaluation and Analysis
Office of Evaluations and Audit Analysis
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By and Under the Authority of

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Assistant Secretary

Executive Summary

This Instruction establishes agency policy and provides procedures and guidelines for conducting a Management Accountability Program (MAP) audit component applicable to agency programs and activities conducted by Regions and Area Offices. OMB Circular A-123 sets out the policy that management controls should be an integral part of the entire cycle of planning, budgeting, management, accounting, and auditing. Controls should support the effectiveness and integrity of every step of the process and provide continual feedback to management. The MAP established by this Instruction is one component of OSHA's internal control system, as required by OMB Circular A-123.

Significant Changes

This Instruction revises the Management Accountability Program contained in OSHA Instruction EAA 01-00-0023, July 23, 2007 by maintaining and updating audit policies contained in that directive that still have current relevance, improving communication of audit priorities and response to audit findings, and clarifying and providing flexibility in the frequency, scope and methodology of field audits, and providing for greater, independent DEA participation in Regional and selected Area Office Audits..

This Instruction also updates the Management Accountability Program in the following manner in accordance with OSHA's April, 2009 Statement of Executive Action in response to Government Accountability Office (GAO) findings from the GAO report entitled "Whistleblower Protection Program Better Data and Improved Oversight Would Help Ensure Program Quality and Consistency (GAO-09-106).

- Change in Section IX. Responsibilities, A. 5, & 9
- Change in Section IX. Responsibilities, B. 2. c & e.
- Change in Section X. Audits; B. Conduct of Audits, 1. Frequency
- Change in Section X. Audits; B. Conduct of Audits; 2. Scope
- Change in Section X. Audits; B. Conduct of Audits; 3. Methodology, c.
- Change in Section X. Audits; C. Audit Reports; 4.

Management Accountability Program

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- I. Purpose. This Instruction sets forth agency policy and procedures for conducting a Management Accountability Program (MAP) audit component applicable to agency programs and activities conducted by Regions and Area Offices.
- II. Scope. This instruction applies OSHA-wide.
- III. References.
 - A. OMB Circular A-123, Internal Control Systems, Revised December 21, 2004, or current update.
 - B. GAO-03-673G, Government Accountability Office, Government Accounting Standards, 2007 Revision, or current update.
 - C. OSHA Instruction CPL 02-00-148 (CPL 2.148), Field Operations Manual (FOM), November 9, 2009, or current update.
 - D. OSHA Instruction CSP 01-00-002 (STP 2-0.22B), State Plan Policies and Procedures Manual, March 21, 2001, or current update.
 - E. OSHA Instruction FIN 02-00-003 (FIN 3.2), Financial and Administrative Monitoring of OSHA Grants and Cooperative Agreements, October 17, 2003, or current update.
 - F. OSHA Instruction CSP 02-00-002 (TED 3.6), Consultation Policies and Procedures Manual, January 18, 2008, or current update.
 - G. OSHA Instruction CPL 02-03-002 (DIS 0-0.9), Whistleblower Investigations Manual, August 22, 2003, or current update.
 - H. OSHA Instruction CPL 02-03-001 (DIS .7), Referral of Section 11(c) Discrimination Complaints to "State Plan" States, February 27, 1986, or current update.
 - I. OSHA Instruction CSP 03-01-003 (TED 8.4), Voluntary Protection Program (VPP) Policy and Procedures Manual, April 18, 2008, or current update.
 - J. OSHA Instruction CSP 03-02-002, OSHA Strategic Partnership Program for Worker Safety and Health, December 9, 2004, or current update.
 - K. OSHA Instruction CSP 04-01-001, OSHA Alliance Program, June 10, 2004, or current update.
- IV. Cancellations. OSHA Instruction EAA 01-00-003, July 23, 2007, Management Accountability Program

- V. Federal Program Change. This Instruction describes a Federal program change for which State adoption is not required. However, States are required by CSP 01-00-002 (Chapter 7, section F), or current update to establish their own internal evaluation programs and are encouraged to follow guidelines in this Instruction in establishing priorities, frequency, scope and methodologies for their own internal evaluation programs.
- VI. Action Information.
- A. Responsible Office. Directorate of Evaluation and Analysis (DEA), Office of Evaluation and Audit Analysis.
 - B. Action Offices. National, Regional, and Area Offices.
 - C. Information Offices. National, Regional, Area Offices and State plans.
- VII. Significant Changes. This Instruction revises the Management Accountability Program contained in OSHA Instruction EAA 01-00-003, July 23, 2007, by maintaining and updating audit policies contained in that directive that still have current relevance, improving communication of audit priorities and response to audit findings, and clarifying the frequency, scope and methodology of field audits, and providing for greater, independent DEA participation in Regional and selected Area Office Audits.
- VIII. Policy. OSHA shall operate a MAP, which meets the requirements of OMB Circular A-123 and comports with the GAO Generally Accepted Government Auditing Standards. The MAP shall:
- A. Assess the efficiency and effectiveness of field activities in relation to established policies and procedures, and
 - B. Identify best practices and deficiencies in performance with the goal of improving program results.
- IX. Responsibilities.
- A. The Director of Evaluation and Analysis shall be responsible for:
 - 1. Establishing policy and procedures, and overseeing the MAP through periodic review of IMIS data and the Regions' audit reports.
 - 2. Ensuring that agency-wide audit priorities and critical audit topics are identified and are communicated as appropriate subjects for audit.
 - 3. Identifying OSHA-specific audit training needs and establishing training guidelines for Regional Audit Coordinators.

4. Communicating critical audit topics identified by the Assistant Secretary for inclusion in Regional audit plans.
5. Providing independent participation on all Regional Office comprehensive On-site Audits and in selected Area Office Audits.
6. Informing the Regional Administrators (RAs) of indications of potential problems identified from oversight of the MAP and, where appropriate, requesting explanations from the RAs.
7. Providing feedback, as appropriate, on audit work plans, report findings and recommendations to the RAs.
8. Serving as the focal point for the collection and dissemination of information concerning audits.
9. Tracking adherence to Regional annual audit plans and status of open audits.

B. Each RA shall be responsible for:

1. Designating a regional Audit Program Coordinator and ensuring that staff assigned to audits is familiar with this Instruction and audit requirements.
2. Preparing and submitting an annual audit plan to the DEA at the beginning of each fiscal year.
 - a. The annual audit plan will cover audit activity scheduled for the fiscal year and will include identification of offices/programs to be audited, descriptions of the types of audits scheduled and the time frames for the conduct of the audits.
 - b. Each Region's annual audit plan must schedule approximately one-fourth of its Area Offices and Regional Office programs for a comprehensive on-site audit.
 - c. The Region must coordinate with the DEA on scheduling its comprehensive, on-site Regional Office Audit so that the DEA can take part in all Regional Office audits during the four-year cycle for comprehensive, on-site audits.
 - d. The DEA shall be advised in writing of any major changes in these plans during the course of the year.

- e. The Regional Audit Coordinator shall notify the Office of Evaluation and Audit Analysis that the opening conference of any audit (comprehensive or focused) has occurred in writing immediately after the opening conference is completed.
3. Preparing reports for Regional and Area Office audits, whether on-site or not, in accordance with paragraph X.C. of this Instruction.
4. Ensuring that corrective actions have been taken to remedy any deficiencies identified as a result of Regional and Area Office audits.
5. Notifying the DEA of any policy and procedural issues having potential national implications. This action will be taken immediately upon discovery of these issues.

X. Audits. Audits of field activities are the main component of the MAP and RAs shall have responsibility for the audit of all operations within their Regions, and shall carry out this responsibility in accordance with the following:

A. Audit Topics.

1. Critical audit topics. These are defined as programs, policies, and practices which relate directly to OSHA's mission and which, if improperly executed, can seriously impact agency performance. These critical audit topics include programs, policies, and practices, which directly affect employers and employees and/or substantially influence the perceptions of both the public and government concerning OSHA's effectiveness. A checklist of audit topics is contained in Attachment A of this Instruction. This checklist will be updated, as needed, in consultation with appropriate program offices within the following major categories of agency operations and potential audit subject areas:
 - **Safety and Health Enforcement**
 - **Whistleblower Programs**
 - **Compliance Assistance Activities**
 - **Cooperative Programs**
 - **State Plan Monitoring**
 - **Consultation Program Monitoring**
 - **Information Systems Management**
 - **Office Management**
 - **Staff Training**

2. **Other Audit Topics.** Additional programs, policies, and practices may be audited. These other subjects, if any, may be designated by the Assistant Secretary, DEA or RAs.

B. **Conduct of Audits.** The frequency, scope and methodology of Regional and Area Office audits should be based on factors such as management continuity, audit history and nature of potential critical audit topics for the subject office.

1. **Frequency.**

- a. Some aspect(s) of each Regional and Area Office's operations shall be audited on an annual basis.
- b. A comprehensive on-site audit of each Area Office shall be done on a regularly scheduled basis, but at least every four years. (See paragraph IX.2.b & e.)

2. **Scope.** In the intervening years between a comprehensive on-site audit, an audit can focus on one or more selected audit topics or other aspects of an office's operations. For all scheduled comprehensive on-site audits, your audit must cover every audit topic managed in the office. For a scheduled focused audit, the RAs must select audit topics in which potential operational deficiencies could pose a significant vulnerability, including any critical audit topics identified by the National Office.

3. **Methodology.** There are three basic methodologies available for Regional and Area Office Audits:

- a. Off-site audits, consisting of data reports or other documentary information.
- b. Self-audits, consisting of an internal review of aspects of an operation(s). Self-audits may be comprehensive or focused. RAs are encouraged to use the self-audit approach to increase the scope of their audit programs and to provide indications of possible critical audit topics. However, self-audits shall not be used as the sole means to address subjects designated as critical audit topics.
- c. On-site audits, consisting of an independent review of the subject office's operation(s). In order to provide independent quality control, the DEA will participate in all Regional Office Audits and in selected Area Office Audits.

C. **Audit Reports.**

1. Audit reports initially should be submitted to the audited office in draft form. This permits the office being audited to comment upon the accuracy

of the findings before the report is finalized.

2. The report should list audit history, scope, period audited and the methodology used for the audit, along with significant findings and supporting documentation. The report should identify if any findings are repeat items since the last audit. Where corrective actions are not completed by the report date, specific time frames should be specified by the audited office management in the written response and may be modified at the discretion of the RA.
3. Normally, no more than 90 calendar days should elapse between an on-site closing conference and the response to the final audit report, except in extraordinary circumstances. The RAs should establish a process to accomplish the 90-day goal, including timelines, draft audit reports and comment period, and final audit report with formal response.
4. A complete audit report must be submitted to the DEA, for National Office review, within 30 days to the response to the final audit report and copies of work papers and documents must be maintained in accordance with an approved records retention schedule and available to DEA upon request. Where corrective actions are not completed by the date the report is due to DEA, you must specify in a written response the time frame for correcting the finding(s) and what interim steps will be taken prior to completion of corrective action for each outstanding finding.

The complete audit report shall contain the following elements in a DEA-approved format:

- a. Audited office location, date of audit, date of last audit, period being audited, titles of all audit team members and their assigned audit areas.
- b. Scope of audit (i.e., comprehensive or focused). If focused, identify the topics.
- c. Methodology (i.e., off-site, self-audit, or on-site).
- d. Significant findings. (Identify any repeat, unresolved findings or any unusual circumstances that occurred during the audited period that affected procedures).
- e. Recommendations, if any.
- f. Corrective Action/Dates/Disposition for each open or closed recommendation.
- g. All Audit Reports must include a list of the audited program areas with an assessment for each or identify the program area(s) having no deficiencies and/or applicable to the audit office. (See Attachment A for a list of program areas.)

h. Best Practices

5. In addition, if the audit has identified significant weaknesses in agency policies or procedures, the RA should include such findings in the audit summary and recommend appropriate program improvements.
6. The content of the audit reports may contain information pertaining to internal agency personnel practices and evaluations reflecting internal deliberations of the agency. Therefore, requests under the Freedom of Information Act (FOIA) for information contained in audit reports shall be evaluated carefully in conjunction with the agency FOIA officer and, if necessary, the Office of the Solicitor.

D. **Audit Follow-Up.** Follow-up actions shall be taken by the RAs to ensure that all problems identified by the audits have been corrected in a timely manner.

XI. **Audit Results.**

- A. The DEA's oversight of the MAP shall include tracking Regional compliance with this Instruction and the Regions' own audit plans. The DEA shall review Area and Regional Offices' operations as deemed necessary. Methods of oversight shall include review and analysis of IMIS data and the Regions' audit reports. Further, the DEA shall be responsible for revising the critical audit topics as necessary to ensure that they are current and complete. The RAs and National Office Directors shall be consulted concerning the designation of subjects as critical audit topics.
- B. The DEA shall serve as the focal point for the collection and dissemination of information concerning audits. This sharing of information shall include:
 1. Disseminating to appropriate offices any innovative ideas and approaches to solving problems, audit findings of general interest, special audit techniques which have proven to be effective, and identified training needs.
 2. Reporting to the Assistant Secretary and/or responsible program or field offices significant weaknesses in agency policies or procedures identified through the audit process and recommending appropriate corrective actions.
- C. The DEA will facilitate communications through appropriate means with and among Regions on all aspects of the MAP and audit function.
- D. The DEA will report annually to the Deputy Assistant Secretary on the status of the MAP and significant findings and/or trends.

Attachment A
Audited Program Areas

1. Inspection Targeting and Scheduling
2. Programmed Safety and Health Inspections
3. Construction Inspections
4. Fatality/Catastrophe Investigations
5. Complaints
6. Referrals
7. Verification of Abatement
8. Settlement of Cases
9. Case File Documentation
10. Citation Processing
11. Petitions to Modify Abatement
12. Technical Equipment/PPE
13. Information Technology
14. Response to Significant Events
15. Denial of Entry/Warrant Application
16. Management Controls (Use of Standard Weekly Reports)
17. Freedom of Information (FOIA) Requests
18. Federal Agency Programs
19. Area Office Outreach Activities
20. Whistleblower Protection Program
21. Safety and Health Program
22. Teams
23. State Plan Policies
24. Partnership Programs
25. VPP Programs
26. Alliance Program
27. Monitoring Consultation Projects
28. Property Accountability
29. GSA Vehicles
30. Records Systems
31. Space Management
32. Personnel Management
33. Personnel Actions and Procedures
34. Equal Employment Opportunity (EEO)
35. Timekeeping
36. Labor Relations – NCFLL Contract
37. Financial Management
38. Procurement
39. Debt Collection
40. Field Libraries
41. Training

