OSHA INSTRUCTION

U.S. DEPARTMENT OF LABOR   **Occupational Safety and Health Administration**

DIRECTIVE NUMBER: EAA 01-00-005	EFFECTIVE DATE: 02/23/2017
SUBJECT: OSHA's Program for Internal Control	

ABSTRACT

Purpose: This Instruction provides agency-wide direction on the requirements for establishing and maintaining an effective system of internal control, including audit and evaluation programs. The Office of Management and Budget (OMB) Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control,* defines managements' responsibility for internal control for Federal agencies. Specifically, Federal managers have a fundamental responsibility to develop and maintain effective internal controls to ensure that agency programs operate and resources are used efficiently and effectively to achieve desired objectives.

This Instruction establishes the Occupational Safety and Health Administration (OSHA) Program for Internal Control (PIC) and its major components, the Management Audit Program (MAP) and the Evaluation and Analysis Program (EAP). The MAP will be used to assess the effectiveness and efficiency of OSHA's internal control implementation. The outcome and impact of OSHA programs, policies, procedures and standards will be assessed by the EAP.

Scope: OSHA-wide.

References: Office of Management and Budget (OMB) Circular A-123, Management's Responsibility for Enterprise Risk Management and Internal Control, Revised July 15, 2016 or update.

GAO-14-740G, Standards for Internal Control in the Federal Government, September 2014.

GAO-12-331G, Government Accountability Office, Government Auditing Standards, December 2011, or update.

Federal Managers' Financial Integrity Act of 1982.

Department of Labor, Secretary Order 14-2006, Internal Control Program, June 20, 2006.

Cancellations: OSHA Instruction EAA 01-00-004, September 15, 2010, Management Accountability Program.

State Impact: This Instruction describes a Federal program change for which State Plan State adoption is not required.

Action Offices: Area, Regional and National.

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Executive Summary

The Office of Management and Budget (OMB) Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, emphasizes the need to integrate and coordinate risk management and strong and effective internal control into existing business activities as an integral part of managing an organization. Internal controls are systems including policies, procedures and practices developed and implemented to manage and monitor agency programs/operations to ensure that goals and objectives are achieved as intended.

Consistent with OMB Circular A-123, this Instruction establishes the Program for Internal Control (PIC) which describes the OSHA's program for establishing, implementing and evaluating the effectiveness and efficiency of OSHA internal controls. This Instruction also establishes agency policy and provides procedures for the Management Audit Program (MAP), the component of the PIC designed to assess adequacy of internal controls for OSHA programs and provide reasonable assurance to agency management that operations are functioning as intended to meet program goals and objectives. The MAP establishes the policies and procedures to evaluate agency internal control through a formalized audit program. Assessment of the impact and outcome OSHA programs, policies, procedures and standards as will be conducted under the Evaluation and Analysis Program (EAP).

Significant Changes

This Instruction establishes the new OSHA Program for Internal Control, a formalized program that defines management's responsibility for establishing and maintaining an internal control program. The Management Accountability Program contained in OSHA Instruction EAA 01-00-004, September 15, 2010 is cancelled. The new MAP is established as a component of the PIC. It outlines updated internal audit policies, delineates responsibilities for Area and Regional Office audits, and expands the audit program to include National Office audits. The MAP establishes a new frequency requirement for conducting Area Office comprehensive on-site audits. New and updated appendices for the MAP have been developed to assist in the management of the program. Additionally, under the PIC, the EAP is established to conduct evaluations to assess the efficiency and effectiveness of OSHA programs, policies, procedures and standards as well as their impact. Finally, an Executive Steering Committee for Audit and Evaluation (ESCAE) is established by the PIC as an advisory group for this program.

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CHAPTER 1
INTRODUCTION

I.   Purpose. This Instruction sets forth agency policy and procedures for the OSHA Program for Internal Control (PIC) and its components the Management Audit Program (MAP) and the Evaluation and Analysis Program (EAP). The PIC and it components are applicable to all agency operations conducted by the Area, Regional and National Offices to assure the effective and efficient management of agency programs.

II.   Scope. This instruction applies OSHA-wide.

III.   References.

    A.   The Office of Management and Budget (OMB) Circular A-123, Management's Responsibility for Enterprise Risk Management and Internal Control, July 15, 2016 or update.

    B.   GAO-14-704G, Standards for Internal Control in the Federal Government, September 2014, or update

    C.   GAO-12-331G, Government Accountability Office, Government Auditing Standards, December 2011, or update.

    D.   Federal Managers' Financial Integrity Act of 1982.

    E.   Department of Labor, Secretary Order 14-2006, Internal Control Program, June 20, 2006.

IV.   Cancellations. OSHA Instruction EAA 01-00-004, September 15, 2010, Management Accountability Program.

V.   Federal Program Change. This Instruction describes a Federal program change for which State Plan State adoption is not required. However, States are required by CSP 01-00-004 (Chapter 6, Section III.B.1), 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 Offices. Directorate of Administrative Programs and Directorate of Technical Support and Emergency Management.

    B.   Action Offices. Area, Regional and National.

VII.   Significant Changes. This Instruction establishes the OSHA PIC, a formalized program defining management's responsibility for establishing and maintaining an internal control program. The Management Accountability Program contained in OSHA Instruction EAA 01-00-004, September 15, 2010 is cancelled. The new MAP is established as a component of the PIC. It outlines updated internal audit policies, delineates responsibilities for Area and Regional Office audits, and expands the audit program to include National Office audits. The MAP establishes a new frequency requirement for conducting Area Office comprehensive on-site audits. New and updated appendices for the MAP have been developed to assist in the management of the program. Additionally, under the PIC, the EAP is established to conduct evaluations assessing the efficiency and effectiveness of OSHA programs, policies, procedures and standards as well as their impact. Finally, the Executive Steering Committee for Audit and Evaluation (ESCAE) is established by the PIC as an advisory group for this program.

VIII.   Background. Effective internal controls are a major part of managing an organization. Internal controls are a series of organizational and procedural systems that safeguard operations and programs. Control systems are continuous actions and procedures that are integral to day-to-day program management. They are critical for minimizing operational risk and vulnerabilities and ensuring that the agency can achieve its intended mission, goals and objectives. Since OSHA was established by the OSH Act of 1970, the agency has affected policies, procedures and practices as part of its internal control. These include establishment of an organizational structure, and development of program policies and performance management using strategic and operating plans.

The OSHA PIC formalizes the agency's internal control program and establishes a comprehensive framework to develop, implement and assess the effectiveness of agency internal controls. The PIC includes an updated internal audit program and a program to evaluate and assess impact and outcome of agency programs. The MAP expands processes for Area and Regional Office audits and adds new requirements for the National Office audit program. MAP audits will be used to assess the efficiency and effectiveness of OSHA's internal controls implementation. The EAP assesses the outcomes and impact of OSHA programs.

The PIC also establishes the ESCAE to advise on the OSHA PIC and make recommendations to correct deficiencies or implement changes in the internal controls program. The ESCAE will also review and make recommendations on the implementation of the MAP and EAP.

IX.   Definitions.

Audit. A formal, systematic and disciplined approach designed to evaluate and improve the efficiency and effectiveness of internal controls. Audits are governed by professional standards, completed by individuals independent of the process being audited. An audit must be objective, impartial and independent.

Audit Criteria. Standards providing context for understanding the purpose of the program being audited. Criteria describe what requirements have been set for the agency or program. Audit criteria can be drawn from enabling statutes, the agency's mission statement, measurable goals and objectives, policies, procedures and requirements.

Audit Evidence. Qualitative and quantitative facts used to assess program conditions. The evidence serves as the foundation upon which audit findings are built. Audit evidence is used to determine how well audit criteria are being met, and is used to determine how well policies are being implemented, procedures are being applied and requirements are being followed.

Best Practice. A method or technique that has consistently shown results superior to those achieved with other means and is used as a benchmark.

Control Activities. Formalized measures used to help ensure that management directives are carried out and that risks are addressed. Control activities include policies, procedures, and mechanisms established to ensure the agency meet its objectives, attain its goals and accomplish its mission.

Corrective Action. Action taken by the audited entity to correct identified deficiencies and/or produce recommended program improvements.

Evaluation.   A systematic method for collecting, analyzing and using information to answer questions about policies and programs, particularly about their efficiency and effectiveness.

Executive Steering Committee for Audit and Evaluation (ESCAE). The executive body that advises on all components of the OSHA PIC. It oversees the internal control programs, policies and procedures to achieve the agency mission, goals and objectives.

Government Accountability Office (GAO). An independent, nonpartisan agency of Congress. The GAO establishes government auditing standards and ensures that government is accountable to the American people by: evaluating how well government policies and programs are working; auditing agency operations to determine whether programs are operating efficiently, effectively and appropriately; and determining whether federal funds are being spent efficiently, effectively and appropriately.

Internal Control. Systems including policies, procedures and practices developed and implemented for all major program areas to direct, monitor and ensure that program goals and objectives are achieved as intended. Effective internal controls aim to ensure that policies are followed, objectives are met and programs achieve intended results.

Major Program Areas. The key or critical program areas operated by the agency in support of its mission, goals and objectives. The seven major program areas under the MAP are: (1) Safety and Health Enforcement; (2) Whistleblower Protection Programs;

(3) Compliance Assistance, Outreach and Cooperative Programs; (4) State Programs; (5) Administrative Programs; (6) Technical Support Programs; and (7) Training and Education.

Monitoring. An on-going process performed by management to ensure policies, procedures and processes are working as intended. Program managers use monitoring processes to verify that implemented internal controls are working on a routine basis and that risks are being identified and addressed in a timely and proactive manner.

Office of the Inspector General (OIG). Established by the Inspector General Act of 1978 and is found within each major Federal agency to provide independent and objective oversight of departmental programs through audits and investigations. OIG audits review the effectiveness, efficiency, economy, and integrity of all programs and operations and prevent and detect fraud, waste and abuse.

Performance Measures. Key indicators of a program or activity inputs, outputs, outcomes, productivity, timeliness, and/or quality. A means of evaluating policies and programs by measuring results against agreed-upon program goals or standards.

Risk. The possibility of an event occurring that will have an impact on the achievement of objectives. Risk is measured in terms of impact and likelihood.

Risk Assessment. The identification and analysis of relevant risks to the achievement of an organization's objectives to determine how those risks should be managed.

Generally Accepted Government Auditing Standards (GAGAS). The Government Auditing Standards published by the U.S. Government Accountability Office. The GAGAS, also known as the Yellow Book, provide a framework for conducting high-quality audits with competence, integrity, objectivity and independence.

CHAPTER 2
OSHA PROGRAM FOR INTERNAL CONTROL

I.   Introduction. This chapter provides information on the OSHA Program for Internal Control (PIC) and the requirements for establishing and maintaining an effective system of internal controls.

II.   Policy. Internal control systems help an organization operate more efficiently and effectively with assurances that established procedures are properly instituted, policies are consistently adhered to, and there is less likelihood for mismanagement, waste and abuse. In accordance with the Office of Management and Budget (OMB) Circular A-123, the OSHA PIC is established to ensure:

- Effective and efficient management of programs and resources;

- Reliable information obtained, maintained, reported and used for decision making; and

- Compliance with applicable laws, regulations and policies.

Components of the OSHA PIC include the Management Audit Program (MAP), the Evaluation and Analysis Program (EAP), and creation of an Executive Steering Committee for Audit and Evaluation (ESCAE). The MAP will be used to assess the effective and efficient implementation of OSHA's internal controls for its programs. The efficiency and effectiveness of OSHA programs, policies, procedures and standards as well as their impact and outcomes will be assessed by the EAP. The ESCAE will advise on the OSHA PIC and make recommendations to correct deficiencies or implement changes to improve overall program performance.

III.   PIC Internal Control Framework. OMB Circular A-123 requires management to maintain an effective internal control program in accordance with the Government Accountability Office (GAO), Standards for Internal Control in the Federal Government (GAO-14-704G). The PIC internal control framework consists of the following interrelated elements: control environment, risk assessment, control activities, information and communication, and monitoring. These elements make up the minimum requirements that agency management must establish, and they are the basis against which internal control is evaluated.

A.   Control Environment. The control environment sets the tone or culture of the organization and provides the discipline and structure to achieve its objectives and goals. Management and employees should establish an environment throughout the organization that includes:

1.   Compliance with laws and regulations;

2. Commitment to integrity and ethics;

3. Commitment to competence;

4. Effective organizational structure;

5. Assignment of authority and responsibility; and

6. Effective human resource management.

B. Risk Assessment. Management should identify internal and external risks that may prevent the organization from meeting its objectives. Risk may include factors/conditions that threaten the achievement of goal/objective such as major organizational changes, new initiatives or technology. Management must establish mechanisms or processes to identify and evaluate risks and establish appropriate control activities to eliminate or minimize any actual or perceived risks.

C. Control Activities. Control activities are management actions taken in response to risks that may prevent the agency from achieving its objectives. Control activities include policies, procedures, and practices that help ensure that the agency is accomplishing its mission, goals and objectives efficiently and effectively. These include establishing policies and procedures, directives, and strategic and performance plans and measures. These activities occur across the agency at all levels and in all functions.

D. Information and Communication. The agency must ensure the effective exchange of information both within the agency and with external parties on pertinent matters. Communication includes information on agency goals and objectives, operations and initiatives. Information communicated should be timely and accurate and should be communicated to relevant personnel at all levels within an organization. Communication can be formal or informal through reports, training, written policy and speeches.

E. Monitoring. Monitoring should occur in the normal course of business and is conducted as a part of routine program management. Program managers with the most knowledge of their own operations/policy must proactively identify risk, develop appropriate control activities (policies, procedures, etc.), and monitor them to verify that they are being followed. Timely adjustments must be made to correct deficiencies and mitigate risk. There are two types of monitoring:

1. Ongoing monitoring includes tasks, such as review of performance measures and indicators, reconciliations and supervisory oversight of program data, statistics, reports, and processes to identify deficiencies to make timely policy and procedural adjustments, as needed.

2.   Periodic monitoring includes conducting a more detailed quantitative and qualitative review and analysis of program/policy data to identify any deficiencies or areas for improvement. Periodic monitoring can also identify program areas for audit.

IV.   <u>Management Audit Program (MAP)</u>. The MAP is the agency's internal audit program. MAP audits are performed at the Area, Regional and National Office levels and involve objective and systematic assessments of the internal control systems for agency programs. Key objectives of the MAP are to focus on the organization's effectiveness and efficiency to improve program operations and provide information on cross-cutting issues and best practices. Chapter 3 of this Instruction provides detailed information on the MAP.

V.   <u>Evaluation and Analysis Program (EAP)</u>. The EAP entails the assessment of the efficiency and effectiveness of OSHA programs, policies, procedures and standards as well as their impact on achievement of agency goals and objectives. Outcome evaluations also assess the effectiveness of agency programs in producing change or impacting worker safety and health. EAP designs and conducts evaluation and analytic studies in support of the agency's planning, operations, and management priorities. Chapter 4 of this Instruction provides detailed information for the EAP.

VI.   <u>Executive Steering Committee for Audit and Evaluation (ESCAE)</u>. The ESCAE is the executive body that advises on all components of the OSHA PIC. It oversees the internal control programs, policies and procedures to achieve the agency mission, goals and objectives.

    A.   <u>Membership</u>. The Deputy Assistant Secretary (DAS) for Enforcement will appoint the members of the ESCAE and chair the committee meetings. Membership will be:

        1.   Permanent members of the ESCAE: DAS for Enforcement, the Director of Administrative Programs, and the Director of Technical Support and Emergency Management.

        2.   Rotating members: Two additional Directorate Heads and two Regional Administrators will be appointed by the DAS, each for a two-year term.

    Other committee members may be appointed at the discretion of the DAS for Enforcement.

B.   Responsibilities. The ESCAE will meet twice during the fiscal year to discuss the status of PIC and issues related to the MAP and EAP. The ESCAE's overall focus will be on improving agency operations through the PIC. Additionally, the ESCAE has the responsibilities to:

1.   Review the internal audit reports (e.g., MAP summary report and any ad-hoc reports) and approve recommendations for additions or changes to OSHA's internal controls where such controls are lacking, not effective or are redundant.

2.   Ensure that MAP findings and EAP evaluations/studies, approved recommendations and best practices are shared with appropriate senior managers for follow-up and correction.

3.   Consider comments, input and recommendations for improvement from senior managers on the functioning of the PIC. Approve recommendations on areas for improvement by the MAP and areas in need of study by EAP.

4.   Approve OSHA program evaluations/studies in need of impact or outcome studies under the EAP.

5.   Communicate with the Assistant Secretary and direct the implementation of approved changes for the PIC.

VII.   PIC Roles and Responsibilities.

A.   Assistant Secretary and Deputy Assistant Secretaries. Will ensure that an effective agency internal control program is established and maintained as an integral part of operations to achieve the objectives of effective and efficient management and compliance with applicable laws and regulations.

B.   National Office Directors and Regional Administrators. Will ensure the implementation of the PIC framework elements that includes developing detailed policies, procedures and practices for all agency programs/operations. The PIC framework elements should be built into planning efforts and daily processes. Ensure proper implementation of the PIC framework for all agency programs/operations as follows:

1.   Organize and assign responsibilities in a manner that reasonably ensures that the agency's internal controls are developed, maintained and implemented to comply with all applicable requirements.

2. Take systematic and proactive measures to ensure processes that:

    a. Develop and implement appropriate, effective internal control for results-oriented management;

    b. Assess the adequacy of internal control in programs/operations and monitor effectiveness;

    c. Identify needed improvements, provide timely and effective action to correct deficiencies and modify internal controls as programs or conditions change;

    d. Coordinate and communicate across the agency to ensure that common issues among offices are addressed and that all programs are managed efficiently and effectively; and

    e. Obtain reliable and timely information for sound decision making in the management of agency programs/operations.

C. <u>OSHA Program Managers</u>. Effective internal controls are the responsibility of every manager. All program managers will establish internal controls for their respective program areas that include PIC elements as follows:

1. Establish the control environment for programs/operations. Define and delegate the areas of authority and responsibility, establish a hierarchy for reporting, support administrative policies and maintain proper knowledge and skills.

2. Perform risk assessments to identify conditions or events that could prevent the program from achieving its operational objectives and results. Risk assessments are a critical step in the process to determine the extent of required control activities.

3. Develop and implement control activities based on identified risk(s). Control activities include policies, procedures and mechanisms that should be in place to help ensure that program goals and objectives are met. Controls for major programs/operations, such as program directives, will be documented and communicated in an appropriate manner.

4. Establish processes to communicate the objectives of internal controls and control activities. Communication must be relevant, reliable and timely to all levels of personnel within the agency and external stakeholders.

5. Monitor and assess internal controls to ensure that they are properly designed, effective and up-to-date. Monitoring the effectiveness of

internal controls should occur in the normal course of business. Information gained through effective monitoring is important in prudent decision-making on agency policy and procedures. The ongoing or periodic oversight of the internal controls and control activities may include:

    a.   On-going checks and measurement of performance directed by management to ensure that processes are working as intended. Monitoring is performed by program offices to ensure quality and compliance with program/policy requirements. On-going monitoring such as supervisory oversight and reviews of program/performance data, including reports generated from OSHA Information System (OIS), Integrated Management Information System (IMIS), and other program-specific systems. Continuous tracking and review of performance indicators for both program and administrative activities (*e.g.,* budget, personnel, training, etc.)

    b.   Periodic monitoring using processes to verify that internal controls are working. It includes qualitative reviews and special studies to uncover deficiencies or determine effectiveness and efficiency of programs to be reported to higher levels of management.

D.   Directorate of Administrative Programs (DAP).

    1.   Develops policy and procedures for the OSHA PIC to include the development of standards and guidelines for establishing, assessing, correcting and reporting on internal controls.

    2.   Provides leadership, including management, oversight and guidance to the agency on the OSHA PIC.

    3.   Coordinates meetings and communications for the DAS of Enforcement and the ESCAE.

    4.   Serves as the OSHA liaison to the OIG for PIC-related matters.

E.   Directorate of Technical Support and Emergency Management (DTSEM), Office of Evaluations

1.   Establishes and revises policy and procedures for conducting EAP evaluations;

2.   Establishes staffing responsibility for the EAP;

3.   Coordinates evaluation timeframes and scope with the ESCAE and provides feedback on the feasibility and limitations of requested evaluations;

4.   Informs the ESCAE of findings and recommendations resulting from evaluations;

5.   Ensures that all evaluation reports are shared with DAP to be used as a tool to identify areas for audit; and

6.   Provides feedback on data/data systems to improve them for future use.

CHAPTER 3
MANAGEMENT AUDIT PROGRAM

I.   Introduction. The Management Audit Program (MAP) is the agency's internal audit program. This chapter outlines MAP requirements, processes and roles and responsibilities for the program.

II.   Policy. Managers are responsible for effectively managing all assigned programs/ operations within their organization by developing and implementing internal control systems in accordance with the OSHA Program for Internal Control (PIC). The MAP is critical to the OSHA PIC to assess the internal control systems developed and implemented at OSHA's Area, Regional and National Offices. MAP audits will look broadly at organizational performance and improvement. The specific objectives of the MAP are to:

A.   Assess the efficiency and effectiveness of internal controls related to established policies, procedures and systems of major program areas;

B.   Determine if internal controls are in compliance with applicable laws, policies and procedures;

C.   Identify deficiencies in internal controls, trends/systemic weaknesses and any risks or vulnerabilities to the agency; and identify emerging issues or risks before they become crises;

D.   Identify best practices and communicate them across the agency; and

E.   Recommend modification to policies and procedures, correct deficiencies/ weak-nesses and to strengthen the OSHA PIC.

III.   Requirements. The MAP audits will comport with elements of Generally Accepted Government Auditing Standards (GAGAS) to ensure the following:

A.   Conducted by individuals independent of bias to ensure objectivity in the audit process;

B.   Use of structured methodology and requirements for planning and evaluation using established criteria/standards; and

C.   Preparation of audit reports that effectively communicate findings, conclusions and recommendations.

IV.   Responsibilities.

    A.   <u>Assistant Secretary and Deputy Assistant Secretaries</u>. Ensures the effective operation of the agency internal audit program in accordance with the MAP policy.

    B.   <u>Director of Administrative Programs, Office of Audit (DAP/OOA)</u>.

        1.   Establishing policy and procedures for conducting MAP audits;

        2.   Informing the National Office Directors and Regional Administrators of potential problems identified and providing feedback, as appropriate, on Annual Audit Work Plans, report findings and recommendations to the National Office Directors and Regional Administrators;

        3.   Serving as the focal point for the collection and dissemination of information concerning MAP audits and sharing key findings and best practices with appropriate agency offices and the Executive Steering Committee for Audit and Evaluation (ESCAE);

        4.   Ensuring annually that audit topics are clearly communicated to the Area, Regional and National Offices, including communicating audit topics identified by the Assistant Secretary and ESCAE for inclusion in the Annual Audit Work Plans;

        5.   Reviewing and approving each Regional Office's Annual Audit Work Plan, and tracking adherence to each Regional Office's Audit Work Plan and the status of open audits;

        6.   Establishing annually the Regional and National Office Audit Work Plans;

        7.   Identifying OSHA-specific audit training needs and establishing training guidelines in coordination with the Directorate of Training and Education for Regional Audit Coordinators and audit team members; and

        8.   Leading and conducting independent participation on all National and Regional Office on-site audits.

    C.   <u>Director of Technical Support and Emergency Management (DTSEM)</u>.

        1.   Implementing the Evaluation and Analysis Program (EAP); and

        2.   Coordinating with DAP on conducting EAP studies. (See Chapter 4)

D. <u>National Office Directorates</u>.

    1.   Coordinating with the Director of DAP/OOA to provide specific audit topic recommendations for their program areas;

    2.   Coordinating with the DAP/OOA on defining audit review areas and criteria for their program requirements;

    3.   Providing audit team member support as requested by the DAP/OOA; and

    4.   Developing and/or modifying internal controls for their program areas in response to MAP audit recommendations.

E. <u>Regional Administrators</u>.

    1.   Ensuring the proper implementation of the Regional Office audit program in accordance with the requirements of the MAP;

    2.   Designating resources, including appropriate staff such as a Regional Audit Coordinator (RAC) and audit team members, and ensuring that staff members assigned to audits are familiar with this Instruction and audit requirements;

    3.   Notifying the DAP/OOA of any policy and procedural issues having potential national implications. This action will be taken immediately upon discovery of these issues;

    4.   Reviewing regional audit reports and identifying trends, systemic weaknesses and best practices and communicating the information to DAP/OOA;

    5.   Ensuring the timely submission of final audit reports to DAP/OOA;

    6.   Ensuring that follow-up actions are taken so that all deficiencies are corrected in a timely manner; and

    7.   Providing audit team member support as requested by the DAP/OOA.

F. <u>Area Directors</u>.

    1.   Ensuring the proper implementation of the audit program in the Area Office, including conducting self-audits in accordance with the Annual Audit Work Plan;

2.   Providing support to the MAP by allowing Area Office staff to participate as audit team members; and

3.   Identifying and correcting audit deficiencies in accordance with MAP requirements.

G.   Regional Audit Coordinators (RAC).

1.   Leading the day-to-day management of the regional audit program in accordance with the requirements of the MAP;

2.   Preparing and submitting an Annual Audit Work Plan to DAP/OOA at the beginning of each fiscal year and communicating information on MAP audits as follows:

a.   Provide an explanation/rationale for the selection of audit topics, scope and methodology as requested by DAP/OOA;

b.   Advise DAP/OOA, in writing, of any major changes in these Audit Work Plans during the course of the year; and

c.   Provide notification to DAP/OOA, in writing, of audit opening dates in accordance with the Audit Work Plan.

3.   Conducting audits of the Area and Regional Offices and special audits, in accordance with the Annual Audit Work Plan;

4.   Preparing reports for Regional and Area Office audits in accordance with this Instruction;

5.   Providing timely notification to alert the appropriate officials in the Regional/and or National Office on audit matters needing immediate attention; and

6.   Monitoring and reporting the status to DAP/OOA of corrective actions taken to remedy any deficiencies identified as a result of Regional and Area Office audits.

V.   Audit Protocol. A formal, systematic and disciplined approach designed to evaluate and improve the efficiency and effectiveness of internal controls. All MAP audits will follow the requirements outlined in this section. Additional information on audit planning and management can be found in Appendix D, Requirements for Audit Planning and Management.

A. Annual Audit Work Plans.

1. Selection of audit program areas/topics is of critical importance to any audit program. The seven Major Program Areas operated by the agency to be included in annual audit work plans are:

    a. Safety and Health Enforcement

    b. Whistleblower Protection Programs

    c. Compliance Assistance, Outreach and Cooperative Programs

    d. State Programs

    e. Administrative Programs

    f. Technical Support Programs

    g. Training and Education

    Additionally, Appendix B, Table 2 of this Instruction contains the major program areas/audited activities tracking sheet. This listing identifies many of the audited program activities/components for each of the major program areas. This listing is intended to serve as guidance rather than a comprehensive list of all agency activities. Each Region is responsible for identifying all other program activities within its jurisdiction for inclusion in the audit program.

2. In coordination with the ESCAE, prior to each fiscal year, DAP will issue direction to the Regions, as necessary for the annual MAP audit cycle, including:

    a. A list of major program areas and program activities/components for inclusion in annual audit work plans prepared by the Regional Offices to audit their Area Offices; and

    b. Listing of any focused/special audit program areas/topics based on recommendations from studies/reports from OSHA Directorates and Regions and external groups (*e.g.,* OIG, GAO).

3. An Annual Audit Work Plan for the fiscal year must be developed by the Regional Office using the MAP Annual Audit Work Plan template found in Appendix A of this Instruction. Annual Audit Work Plans will include information on the audit details as described in Sections B and C below.

In addition to DAP and ESCAE direction, the Annual Audit Work Plan must be developed using sound selection criteria to ensure audits will benefit the Region and result in improvements to programs/operations. The following should be considered when selecting the audit topics, scope/type and methodology:

a.   Audit history/follow-up requirements;

b.   Specific issues/areas of concern based on routine/periodic monitoring and risk assessments;

c.   Significant organizational policy or procedural changes;

d.   Emerging issues;

e.   External inquiries/interest; and

f.   Resource considerations.

4.   Annually, DAP/OOA will develop a Regional and National Office audit work plan, in coordination with ESCAE, outlining the National Office Directorates and Regional Offices scheduled for an audit during the fiscal year.

B.   Audit Type/Scope.

1.   Comprehensive. This audit includes the review of all major program areas in a designated operational unit in an Area, Regional or National Office Directorate.

2.   Focused. This audit includes the review of one or more major program areas and select activities/components in a designated operational unit(s) in an Area, Regional or National Office Directorate.

3.   Special Audit. This audit is generally conducted at the request of the ESCAE, the Assistant Secretary, or recommended by DAP/OOA and focuses on a select program activity(ies).

C.   Audit Methodology. There are three methodologies for conducting Area, Regional and National Office audits.

1.   On-site audits. An audit team will conduct the review at the location of the Area, Regional or National Office/Directorate being audited. On-site audits should generally be limited to one week. On-site audit protocol will include interviews and review of program documentation.

2. Off-site audits. An audit team will review program documentation and data remotely. Off-site audit protocol will include interviews and other communications by telephone and e-mail.

3. Self-audits. An internal audit conducted by the Area or Regional Office staff of their program areas/activities. Self-audits shall not be used as the sole means to evaluate a program area/activity.

The self-audit methodology provides an opportunity to conduct a self-assessment; however, this methodology has limitations. In addition to a lack of objectivity and independence, a self-audit does not allow for a fresh perspective that can look beyond the day-to-day activities to uncover program areas needing improvement. This methodology should only be used in special circumstances when on-site and off-site methods cannot be used or in conjunction with a prior on-site/off-site audit of an Area/Regional Office. For example, a self-audit can be used to assess the implementation of corrective actions. The Annual Audit Work Plan must include the justification when selecting the self-audit method.

D. Audit Team Membership. Audit team members should have experience and training in conducting audits and have appropriate subject matter knowledge. All team members must be free from biases. With the exception of the self-audit methodology, team members must be organizationally independent from the audited program or office. Audit team composition will vary depending on the audit type, methodology and location. The general guidance for audit team size is 3 – 5 members.

VI. Audits of Area Offices. Coordination of the Area Office audits is the responsibility of the Regional Office and is managed by the Regional Audit Coordinator.

A. AO Audit Type/Scope. Each Area Office within a Region must receive an independent, comprehensive on-site audit at least once every five years. In the intervening years, focused audits of a select program area(s)/activity(ies) must be conducted for each office in the Region (including the Regional Office) not receiving comprehensive audits.

1. The comprehensive on-site audit will review all Major Program Areas. However, the level of detail or scope of the review for each program area/activity will be decided based upon identified or potential risks/vulnerabilities. The following criteria will be used to evaluate risks/vulnerabilities:

a. Audit history, previous findings, results/status of corrective actions;

b.   Results of the all audits (comprehensive, focused or special) across the Region for trends and systemic issues;

c.   Regional Office program monitoring/oversight indicating operational/performance issues or data anomalies and outliers, and

d.   DAP/OOA input/feedback.

There may be certain program areas that will have minimum review requirements. The DAP/OOA will include that information in the guidance on preparing the Annual Audit Work plans that will be issued at the beginning of the fiscal year.

2.   The Area Office focused /special audit topic(s) will be selected using the same risk-based criteria as described above for the Area Office on-site audits. Regional Offices must select audit topics in which potential program/operational deficiencies would pose a potential risk/vulnerability in achieving program or operational goals and objectives.

B.   <u>AO Audit Methodology</u>.

1.   On-site Area Office audit will include off-site preparation and on-site audit processes:

a.   Off-site preparation/research:
- Review of agency/Regional Office policy and procedures
- Review of Area Office program data (*e.g.*, OIS reports)
- Organizational charts
- Process flows
- Measurable program/performance indicators/benchmark data

b.   On-site work activities:
- Interviews
- Review of records, reports
- Review of data and tracking systems
- Review of sample or program case files

2.   Off-site audit Area Office:

a.   Off-site audit conducted by the Regional Audit Coordinator and select audit team members; and

b.   Telephone communications/interviews and document sharing by e-mail and folders on shared drives.

3. Self-audits: The RAC must ensure AO and RO staff conducting the self-audit is provided instructions to conduct the audit in accordance with MAP requirements including using proper audit protocol, documenting findings and the using audit report template and worksheet.

C. <u>AO Audit Team Membership</u>. Area Office audit teams should generally be comprised of 3 – 5 members and will include:

1. Regional Audit Coordinator;

2. Regional/Area Office (staff from other Area Offices in the Region) program staff; and

3. Experienced audit team member(s) from another Region (optional).

VII. <u>Audits of Regional Offices</u>. Coordination of Regional Office audits is the responsibility DAP/OOA and the RO/RAC.

A. <u>RO Audit Type/Scope</u>. The OOA will conduct a comprehensive on-site audit of 2 - 3 Regional Offices every year and focused/special audit of a select program area(s) to include all or select Regional Offices on an as-needed basis.

In the intervening years between OOA comprehensive audits, the RO/RAC must conduct focused audits of select RO program area(s)/activity(ies)

1. The Regional Office comprehensive on-site audit will review all major program areas. However, the level of detail or scope of the review for each program area/activity will be decided based upon identified or potential risks/vulnerabilities. The following criteria will be used to evaluate risks/vulnerabilities:

a. Previous Regional Office audit results/status of corrective actions;

b. Results of the Area Office audits (comprehensive, focused and special);

c. Regional Office program data/documentation indicating trends, systematic weakness or areas of concern;

d. National Office Directorate/Program Office input/feedback;

e. Agency priorities and initiatives;

> f.　　Results of studies/reports for external groups (*e.g.,* OIG, GAO); and
>
> g.　　ESCAE feedback/direction.

2.　　The Regional Office focused/special audit topic(s) will be selected using the same criteria as described above for the Regional Office on-site audits.

　　There may be certain program areas that will have minimum review requirement as specified by the Assistant Secretary, ESCAE or DAP/OOA.

B.　　<u>RO Audit Methodology</u>.

1.　　Regional Office comprehensive on-site audit will include off-site preparation and on-site audit processes as follows:

> a.　　Off-site preparation/research:
> - Review of relevant Federal laws and regulations and other agency and department requirements
> - National and Regional Office program policies/procedures
> - Technically developed practices and norms
> - Organizational charts
> - Process flows
> - Performance measures and key indicators of a program's inputs, outputs, outcomes, productivity and timeliness
> - Review of Regional Office program data (OIS reports)/ documentation
> - Benchmark data
>
> b.　　On-site work activities:
> - Interviews
> - Review of records and reports
> - Data and tracking systems
> - Review of a sample of program case files (requested in advance so that the Regional Office can obtain from Area Offices if necessary). Case files will be reviewed for verification purposes only and on an as-needed basis.

2.　　Regional Office focused/special audits will be conducted primarily off-site.

> a.　　Telephone and other electronic communications for interviews and meetings; and

b.   Document sharing by e-mail and folders on shared drives.

C.   <u>RO Audit Team Membership</u>. Regional Office audit team should generally be comprised of 3 -5 members and will include:

1.   One or more members from the DAP/OOA;

2.   One or more representatives from the National Office directorates (subject matter experts); and

3.   One or more experienced audit team members(s) from another Region.

VIII.   <u>Audits of National Office Directorates</u>. DAP/OOA is responsible for coordination of the National Office audits.

A.   <u>NO Audit Type/Scope</u>.

1.   Each year, DAP working with ESCAE shall select one of the following:

a.   One program activity from each National Office Directorate to be audited;

b.   One National Office Directorate for a comprehensive audit of all applicable program areas ; or

c.   A special audit topic focused on enhancing management of program operations.

2.   The National Office audit program areas will be decided based upon identified or potential risks/vulnerabilities for that program area. The following criteria will be used to evaluate risks/vulnerabilities:

a.   Results of the Area and Regional Office audits (comprehensive, focused and special);

b.   Program data/documentation indicating trends and systemic weaknesses or areas of concern;

c.   Regional Office input/feedback;

d.   Agency priorities and initiatives;

e.   Results of studies/reports for external groups (*e.g.,* OIG, GAO); and

<dl>
<dd>

f.   Input from the Office of the Assistant Secretary and the ESCAE.

</dd>
</dl>

B.   <u>NO Audit Methodology</u>. National Office audits will be conducted on-site at the National Office.

C.   <u>NO Audit Team Membership</u>. The National Office audit team should generally be composed of 3 - 5 members and will include:

1.   One or more members from the DAP/OOA; and

2.   One or more representatives from the National Office Directorates and/or the Region.

IX.   <u>Audit Reports</u>.

A.   All MAP audit reports must be completed and submitted to DAP/OOA within 120 days from the opening of the audit. For all MAP audits, the RAC will:

1.   Notify DAP/OOA, in writing when the audit is opened and establish a process to ensure the audit is completed within 120 days, including drafting the audit report, obtaining comments, and issuing the final audit report. See Appendix D, Requirements for Audit Planning and Management for guidance on managing all the phases for conducting an audit.

2.   Use the template found in Appendix B, MAP Audit Report Template. The MAP audit report must include information for all elements outlined in the template.

3.   Complete the MAP audit worksheet found in Appendix C for each audited program activity. The completed worksheet must be maintained as part of the audit file.

4.   Include language in the report reflecting a time line for corrective action of identified audit findings where corrective actions are not completed by the due date of the final audit report.

5.   Include best practices and any significant weaknesses in agency policies or procedures that may need to be further evaluated by the Regional or National Office.

X.   Audit Results.

    A.   DAP/OOA will facilitate communication between Regions and National Office Directorates on all aspects of the MAP audit results.

    B.   DAP/OOA shall serve as the focal point for the collection and dissemination of information concerning the audits results. This sharing of information shall include:

        1.   Disseminating to appropriate offices any best practices, 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 Deputy Assistant Secretary and/or responsible program or field offices any significant weaknesses in agency policies or procedures identified through the audit process and recommendation of appropriate corrective actions.

    C.   DAP will report periodically to the DAS for Enforcement and the ESCAE on the status of the MAP audits, significant findings and/or trends. Additionally, ESCAE will be informed of any recommendations that require significant corrective action or program/policy change requiring modifications to the overall PIC.

XI.   Freedom of information Act (FOIA). 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 FOIA for information contained in audit reports shall be evaluated carefully by the agency FOIA Officer and the Office of the Solicitor.

CHAPTER 4

EVALUATION AND ANALYSIS PROGRAM

I.   Introduction. The Evaluation and Analysis Program (EAP) is a facet of the agency's Program for Internal Controls (PIC) that assesses the efficiency and effectiveness of OSHA's programs, policies, procedures and standards as well as their impact. Not all evaluations conducted by the OSHA Directorate of Technical Support and Emergency Management's Office of Evaluations (DTSEM/OE) will be EAP evaluations. This chapter outlines the requirements, processes, and roles and responsibilities for evaluations conducted under the PIC.

II.   Policy. It is the responsibility of Federal agencies to ensure that taxpayer dollars are used efficiently and effectively. This necessarily involves evaluating programs, policies, procedures and standards to determine whether they are operating as intended, to determine whether desired outcomes are achieved, and to recommend improvements. The specific objectives of the EAP are as follows:

   A.   Design and conduct evaluations of OSHA programs using mathematical, statistical, econometric, and other scientific methods;

   B.   Examine root causes, effects, and opportunities for program improvement;

   C.   Develop conclusions and recommendation that influence systemic changes and promote improved delivery of the Agency's mission.

III.   Requirements. To ensure the integrity of all evaluations conducted under the EAP, these evaluations will comport with the Generally Accepted Government Audit Standards (GAGAS) as follows:

   A.   All work will adhere to the GAGAS principles of independence and professional judgment. Evaluators will exercise independence both of mind and appearance and will maintain an attitude of impartiality -- having intellectual honesty and being free of conflict of interests. Evaluators will use professional judgment to include reasonable care (acting diligently in accordance with applicable professional standards and ethical principles) and professional skepticism (a questioning mind and critical assessment of evidence);

   B.   The staff assigned to perform an evaluation will collectively possess adequate professional competence needed to address the objectives and perform the work;

   C.   Methodologies will be developed with an understanding of available data and criteria for evaluation in order to obtain reasonable assurance that the

evidence is sufficient and appropriate to support all findings and conclusions;

    D.   All findings will be based on an assessment of criteria, condition, cause and effect as they relate to the objectives of the evaluation.

V.   <u>Responsibilities.</u>

    A.   The Director of DTSEM/OE will be responsible for:

        1.   Establishing and revising policy and procedures for conducting EAP evaluations;

        2.   Establishing staffing responsibility for the EAP;

        3.   Coordinating evaluation timeframes and scope with the Executive Steering Committee for Audit and Evaluation (ESCAE) and providing feedback on the feasibility and limitations of requested evaluations;

        4.   Informing the ESCAE of findings and recommendations resulting from evaluations;

        5.   Ensuring all evaluation reports are shared with DAP to be used as a tool to identify areas for audit;

        6.   Providing feedback on data and data systems in order to improve them for future use.

    B.   The Director of Administrative Programs is responsible for implementing the MAP and will:

        1.   Provide DTSEM with copies of MAP audits conducted by the Regional Audit staff or National Office Audit staff;

        2.   Coordinate with DTSEM on conducting MAP audits (see Chapter 3).

    C.   National Office Directors and Regional Administrators are responsible for:

        1.   Coordinating with the DTSEM/OE to conduct evaluations directed by the ESCAE;

        2.   Providing the DTSEM/OE with access to any records, data, or other information needed to conduct evaluations directed by the ESCAE;

3.   Ensuring that evaluations performed by the Regions are conducted appropriately and adhere to relevant principles. DTSEM will direct regions to resources applicable to their evaluation needs upon request.

V.   Evaluation Protocol. An evaluation is a systematic method for collecting, analyzing, and using information to answer questions about projects, policies and programs, particularly about their effectiveness and efficiency. EAP Evaluations will generally follow the requirements outlined in this section.

A.   Evaluation Planning.

1.   Evaluations can be conducted on any program or policy and will generally seek to answer questions that fall into the following groups:

- Implementation: Were the program's activities put into place as originally intended?
- Effectiveness: Is the program achieving the goals and objectives it was intended to accomplish?
- Efficiency: Are the program's activities being produced with appropriate use of resources such as budget and staff time?
- Cost-Effectiveness: Does the value or benefit of achieving the program's goals and objectives exceed the cost of producing them?
- Attribution: Can progress on goals and objectives be shown to be related to the program, as opposed to other things that are going on at the same time?

2. DTSEM will coordinate with the ESCAE to identify evaluation topics for consideration.

B.   Type/Scope of Evaluations.

1.   Formative Evaluation - determines the feasibility of a program before it is fully implemented. It assesses the needs to be filled and examines the early stages of the program.

2.   Implementation (Process) Evaluation – examines the operation of the components of a program to determine whether program activities have been implemented as intended. Unexpected developments can be identified and accounted for rather than waiting until a program is fully implemented.

3.   Outcome Evaluation – assesses the short and long-term results of a program and measures them against defined target outcomes.

4.   Impact Evaluation – evaluates the overall net effects, intended or

unintended, of the program. Determines whether the program was effective at achieving its ultimate goals.

C.   Data Collection. There is no one specific data collection method for all evaluations. The objectives and available resources will often determine the type of data collection that is feasible for a given evaluation. The DTSEM/OE team working on PIC evaluations will assess the validity and reliability of the data used and will disclose any issues identified as part of the evaluation report. The following is a list of common methods used either alone or in combination:

1.   Quantitative Methods
   • Archival research (data already exist in a database)
   • Surveys
   • Questionnaires
   • Performance tests
   • Observation checklists

2.   Qualitative Methods
   • Interviews
   • Document review
   • Focus groups
   • Open-ended questionnaires
   • Case studies
   • Participant observations

D.   Analysis. The analytical methods available for an evaluation depend heavily on the available data. It is imperative that the limitations of the data are taken into consideration when determining the appropriate method of analysis. Data must fit the assumptions of the analysis methods used to ensure the integrity of the results. The following is a list of potential methods for analyzing data collected in an evaluation:

1.   Descriptive statistics – Used with quantitative data, describes the population. Common descriptive statistics include frequencies, central tendencies, distribution, and associations. Given the limitations to available data, descriptive statistics will be used most often in EAP evaluations.

2.   Inferential statistics – Used with quantitative data, draws inferences about a population based on a sample. Common inferential statistics include probabilities, causal associations, and predictive models.

3.   Pattern analysis – Used with qualitative data, systematically identifies patterns in qualitative data.

VI.   Evaluation Reports.

   A.   At a minimum, evaluation reports will provide the objectives, scope,
          methodology, and results of the evaluation. When appropriate, the report will
          also include conclusions and recommendations and a discussion of any limitations
          affecting the results.

   B.   Reports will include a description of the objectives, scope and methodology used
          in the evaluation. This information is necessary to allow readers to understand
          why the evaluation was conducted, the nature of the work, and the context in
          which the work was conducted. This is also where the author will describe any
          limitations to the data or methodology used, and how it may or may not affect the
          results of the evaluation.

   C.   All reports will present sufficient, appropriate evidence in support of all findings,
          conclusions, and recommendations. Findings should include all elements
          necessary to address the objectives of the evaluation. Reports should include all
          conclusions drawn regarding the evaluation objectives. All limitations and
          uncertainties regarding the evidence used in support of findings and conclusions
          will be clearly disclosed and the effects of the limitations clearly explained in
          order to prevent misleading report users.

   D.   Report recommendations will flow logically from conclusions and will seek to
          correct deficiencies and other findings identified. Recommendations will be
          aimed at improving programs, policies, and performance when the potential for
          improvement is demonstrated through evaluation findings and conclusions.

VII.   Evaluation Results.

   A.   DTSEM/OE will facilitate communication of evaluation results and
          recommendations to the Assistant Secretary and the ESCAE.

   B.   DTSEM will report periodically to the ESCAE on the status of the EAP
          evaluations, significant findings and/or trends. Additionally, ESCAE will be
          informed of recommendations that require significant corrective action or
          program/policy change requiring modifications to the overall PIC.

VIII.   FOIA Requirements. The content of evaluation 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 evaluation reports shall be evaluated by the agency
        FOIA officer and the Office of the Solicitor.

APPENDIX A
MAP Annual Audit Work Plan Template

Region: **Fiscal Year:**

Office Name	Type/Scope			Methodology			Focused/Special - Audited Program Activity(ies)	Opening Date	Date due to NO
	Comp	Focused	Special	On-site	Off-site	Self*			

*Self-audit: Please attach an explanation for the selection of this methodology.

APPENDIX B
MAP AUDIT REPORT TEMPLATE

United States Department of Labor
Occupational Safety and Health Administration

Region ___

Management Audit Program

{Comprehensive, Focused or Special} Audit
_____Area Office

Audit Team Members

DATE

Name of Area Director/Regional Administrator

Executive Summary:

The executive summary must include a brief description of the details of the audit including dates, office description, audit history (date of last comprehensive audit, summary of previous audit findings), scope, methodology, findings and recommendations.

I.   **Key Audit Milestone Dates:**

Please provide dates for each of the following:

Opening Conference:
Closing Conference:
Draft Report:
Final Report:

II.   **Scope and Methodology:**

Provide a description of the type of audit conducted and the programs, activity(ies), issues or systems examined. Describe audit criteria and evidence (types of interviews conducted, documentation reviewed, sampling conducted, etc.) analyzed and evaluated to support audit findings or conclusions.

III.   **Findings and Recommendations:**

For each audit finding describe*:*

Criteria: (*Objective standard of measurement – List appropriate National/Regional policies and procedures, any relevant DOL policies, and other federal laws and regulations, etc.)*

Condition: (*What is or has happened based on the facts/evidence determined by interviews, analysis, verification, and sampling/testing)*

Cause: (*Why the condition exists or occurred or why there is a deviation from the requirement/criteria)*

Effect: (*What are the consequences?)*

Recommendation: (*Specific action focused on process/procedures to correct a deficient condition/cause or alleviate the adverse effects of a condition)*

IV.   **Best Practices:**

V.   **Management Action Plan:**

Complete *Table 1, Management Action Plan* for each audit finding/recommendation describing management's response for a proposed corrective action(s) and estimated completion date(s).

VI.   **Audited Program Activities Tracking Sheet:**

Complete *Table 2, Major Program Areas/Audited Activities Tracking Sheet* to identify all program activities audited for each MAP audit and if any audit findings were identified.

Table 1: Management Action Plan

FINDING	RECOMMENDATION	MANAGEMENT RESPONSE (CORRECTIVE ACTION)	ESTIMATED COMPLETION DATE

Table 2: Major Program Areas/Audited Activities Tracking Sheet

NOTE: This listing is not a comprehensive list of all agency activities. Please add any other program activities operated/managed in offices under your jurisdiction. For each MAP audit, please complete this tracking sheet and submit it with the audit report.

MAJOR PROGRAM AREAS/AUDITED ACTIVITIES	Audit Findings			Number of Findings	Number of Repeat Findings
	Y	**N**	**NA**		
SAFETY AND HEALTH ENFORCEMENT					
Inspection Targeting and Scheduling					
Programmed Safety and Health Inspections					
Construction Inspections					
Fatality/Catastrophe Investigations					
Complaints					
Referrals					
Verification of Abatement					
Settlement of Cases					
Case File Documentation					
Citation Processing					
Petitions to Modify Abatement					
Technical Equipment/PPE					
OIS/Management Controls					
Response to Significant Events					
Denial of Entry/Warrant Application					
Federal Agency Programs					
WHISTLEBLOWER PROTECTION PROGRAM					
Intake and evaluation of complaints					
Conduct of the investigation					
Case Disposition					
Complaint withdrawal request					
Documentation and Secretary's Findings					
Remedies and Settlement Agreements					
Section 11(c) Complaints					
Whistleblower Training					
OUTREACH, COMPLIANCE ASSISTANCE AND COOPERATIVE PROGRAMS					
Outreach Activities					
OSHA Strategic Partnership Program					
Voluntary Protection Programs					
Alliance Program					
Onsite Consultation Program					
Safety and Health Achievement Recognition Program					

MAJOR PROGRAM AREAS/AUDITED ACTIVITIES	Audit Findings			Number of Findings	Number of Repeat Findings
	Y	N	NA		
STATE PROGRAMS					
State Plan Monitoring					
Complaint Management (CASPA)					
ADMINISTRATIVE PROGRAMS					
Property Accountability					
GSA Vehicles					
Records Systems					
Space Management					
Personnel Management					
Equal Employment Opportunity					
Timekeeping					
Labor Relations					
Financial Management					
Procurement					
Debt Collection					
Grants Management					
Information Technology					
Audit Program					
Freedom of Information (FOIA) Requests					
TECHNICAL SUPPORT PROGRAMS					
OSHA Medical Examination Program					
Hearing Conservation Program					
Medical Access Orders					
Safety and Health Management System					
E- Correspondence					
Technical Equipment/Personal Protective Equipment					
TRAINING AND EDUCATION					
Outreach Training Program					
Susan Harwood Training Grants					
CSHO Training Program					
OTHER (Please list any other program activities specific to your office)					

APPENDIX C
MANAGEMENT AUDIT PROGRAM (MAP)
AUDIT WORKSHEET

This worksheet is designed to be a guide for Regional Audit Coordinators (RACs) to document the audit process and to ensure essential information is available to provide a demonstrable link between the audit report and the work performed, which can support the findings, conclusions and recommendations.

An audit worksheet must be completed and maintained in the file along with all supporting evidence and documentation for all MAP audits.

Region/Directorate:

Audited Office:

Audit Team Member(s)/Program Area covered:

List the name and title of all audit team members. In addition, please indicate the program areas/activities on which each audit team member worked.

SUMMARY:

Dates of Audit:

Scope/Type (Comprehensive/Focused/Special):

List of Focused/Special - Audited Program Activity(ies):

Methodology (On-site/Off-site/Self):

Audit Review Time Period:

COMPLETE THE INFORMATION BELOW FOR EACH PROGRAM AREA AUDITED.

Major Program Area:

Audited Program Activity: (*e.g., Fatality Case Review, Case File Preparation, Whistleblowers, etc.*)

Criteria *(List appropriate National/Regional policies and procedures, any relevant DOL policies, and other federal laws and regulations, etc.):*

Were case files, records, transactions, etc. examined? {*Yes/No*}
(If no, continue with condition)

What was examined? {*Case files, records, transactions, etc. Please specify*}

How many case files, records, transactions, etc., were examined? {*Enter number*}

How many case files, records, transaction, etc., were found to be deficient? {*Enter number*}

What is the total number of case files, records, transactions, etc. that could have been looked at for the audit period (i.e., what is the universe of case files, records, transactions, etc.)? {*Enter number*}

Condition: *(What we found, usually in comparison to the criteria)*

Cause: *(Why the condition happened)*

Effect: *(Risk or negative or positive consequences that result from the condition)*

Recommendation: *(What we propose would remedy the situation if the effect is negative)*

Summary of Response/Proposed Corrective Actions:

Does the Response meet the Intent of the Recommendation? (*Yes/No – if No, explain why*)

Have corrective actions been initiated? (*Yes/No – if No, skip to disposition*)

Are corrective actions complete? (*Yes/No – if No skip, to disposition*)

Date corrective actions completed:

Disposition: *(If corrective actions have not been initiated or if corrective actions have been initiated but are not yet complete, please provide the expected completion date and interim steps that have been/will be taken prior to completion of the corrective action.)*

Structure of Interviews: *(Please attach notes from all interviews related to this program area, including the names and titles of all staff interviewed.)*

APPENDIX D
REQUIREMENTS FOR AUDIT PLANNING AND MANAGEMENT

The following information describes the requirements for planning and managing a successful audit. Audit processes are outlined below in three major phases: pre-audit planning, audit analysis (on-site fieldwork) and audit response. These requirements must be followed for all MAP audits.

Pre-Audit Planning Phase

- Establish the Annual Audit Work Plan. This is a critical step in an effective audit program. The Annual Audit Work Plan must be developed in accordance with the MAP requirements. Some other key factors to consider for developing your Annual Audit Work Plan:

  o Establish audit efforts to evaluate programs based on risk and vulnerabilities;
  o Review prior audit findings and determine if the audit produced meaningful results that improved operations; and
  o Get input from program managers on issues/areas of concern for inclusion in the audit work plan.

- Identify the location, scope, methodology, objectives and dates for the MAP audit.

- Identify the audit team members and consider the following:

  o Objectivity and organizational independence of the individual;
  o Knowledge and expertise based on audited program activities; and
  o Availability of the individual to participate in all aspects of the audit process, including report preparation.

- Establish an audit process with a timeline or schedule to keep the audit on track including:

  o Define team member assignments/responsibilities;
  o Prepare background information and training for the team members;
  o Set tentative meeting dates for planning audit activities;
  o Discuss the 120-day period to complete the audit; and
  o Set tentative due dates for completion of audit work.

- Manage the audit report process by establishing:

  o Due dates for audit team members to submit information to the audit team lead;
  o Due date to produce the draft report; and
  o Time limits for review, comment for the management response by the Area Office or audited office.

- Conduct background research:

  - Review organizational/staffing charts;
  - Review legal and regulatory requirements, and the program strategic plans, goals, resources, and outcomes;
  - Review any prior audit reports conducted for the Area Office or audited Office;
  - Review of Area Office program or audited office data/documentation such as OIS reports; and
  - Review program measures/indicators.

- Develop audit plan/criteria:

  - For audited program activities, identify all reference documents and review the requirements. Reference documents include: national/regional policies and procedures, any relevant DOL policies, and other federal laws and regulations;
  - Auditor resources for researching policy/audit criteria are available on the DAP/OOA webpage; and
  - Review/prepare audit questions.

- Communication Plan:

  - Send notification to the appropriate contact regarding the audit with the following information:

    - Dates of the audit;
    - Proposed scope and areas to be covered by the audit;
    - Opening and closing meeting dates;
    - Tentative interview schedule;
    - Request for documents, records, files, etc., that the audit team will review on-site; and
    - Request work area and other needs for the audit teams' use while on-site.

Audit Analysis Phase

- Conduct opening conference:

  - Introduce audit team;
  - Discuss objectives and scope of the audit;
  - Describe audit process including schedule, on-site work, report issuance; and
  - Notify the DAP/OOA, in writing, that the audit has been initiated.

- Conduct field work:

  - Review documentation and data;
  - Review implementation of policies and procedure for the following:

- Does the documented policy/procedure respond to the standard?
- Are the procedures being consistently followed?
- Have the policy/procedures been communicated?

  - o Conduct interviews with appropriate managers and staff; and
  - o Analyze the information/data.

- Conduct closing conference:

  - o Summarize major findings/best practices and areas of concern;
  - o Discuss possible recommendations (if determined); and
  - o Discuss the next steps in the audit process.

Audit Response Phase

- Audit team prepares the draft audit report which presents the initial findings, conclusions and recommendations and ensures that:

  - o The MAP audit report template is followed;
  - o Conditions are evaluated against applicable audit criteria;
  - o Findings and conclusions are adequately supported;
  - o Recommendations are meaningful and will result in improving the program or office operations.

- Audit team lead shares the draft audit report with the Area Office or audited office to review for:

  - o Any factual errors in the evidence supporting the findings;
  - o Any information omitted or missing from the report; and
  - o Acceptance/agreement with audit recommendations.

- Respond to any clarifying questions as soon as possible after issuance of the draft audit report and obtain any additional documentation necessary to support findings.

- Stay within the established timeframe and due dates established in the Annual Audit Work Plan.

- Keep the tone of the report balanced and constructive. An audit is most effective when an auditee has meaningful feedback and actionable recommendations that help facilitate program/operational improvements.