



ADMINISTRATIVE COMMUNICATIONS SYSTEM U.S. DEPARTMENT OF EDUCATION

DEPARTMENTAL DIRECTIVE

OIG: 1-101

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Inspector General

Coordination with ED-OIG When Planning for Audits to be Performed by Auditors Other Than ED-OIG

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For technical questions regarding this document, please contact Patrick Howard at 202-245-6949

Supersedes ACS Directive OIG: 1-101, Notification of ED-OIG When Planning for Audits to be Performed by Non-Federal Auditors for ED, dated 03/07/2006.

I. Purpose

The purpose of this Directive is to clarify the responsibilities of the U.S. Department of Education's (ED) Office of Inspector General (OIG) and ED's Principal Offices with respect to the acquisition of audit services performed for ED by certified public accountants, other Federal agencies, and/or any audit services practitioners other than OIG.

II. Policy

It is ED's policy that all Principal Offices wanting to obtain services covered by this Directive (see IV. Applicability) must coordinate with OIG for any acquisition.

III. Authorization

The Inspector General Act of 1978 [5 U.S.C. App.] states that it is the duty and responsibility of the Inspector General to conduct and supervise audits relating to the programs and operations of ED, and to provide leadership and coordination for activities within the purview of the OIG.

IV. Applicability

This Directive applies to all Principal Offices that want to obtain services covered by this Directive.

Services covered by this Directive are audits and attestation engagements performed under Government Auditing Standards, generally accepted auditing standards, and/or any standards promulgated by the Public Company Accounting Oversight Board. These services include financial statement audits, compliance audits, and audits relating to economy and efficiency in the administration of, or the prevention and detection of fraud and abuse in, programs and operations administered or financed by ED. Also covered by this Directive are services performed by auditors to support contracting activities, including reviews by auditors of accounting and purchasing systems, field pricing support by auditors, contract closeout audits, and interim audit services.

This Directive does not apply to the acquisition of consulting or non-audit services, including non-audit services procured relating to the review and approval of cost allocation plans and indirect cost proposals by the Office of the Chief Financial Officer.

V. Responsibilities, Requirements and Procedures

- A. The OIG will determine whether or not services covered by this Directive need to be acquired from entities other than OIG. Principal Offices wanting to obtain such services shall coordinate with OIG.
- B. Principal Offices needing services covered by this Directive shall contact the OIG Assistant Inspector General for Audit Services to discuss their needs and make a request for OIG to provide the services.
- C. If OIG and the Principal Office agree that the services should be procured from a contractor or other Federal agency, OIG, the Senior Procurement Executive (SPE) and the Principal Office will discuss and coordinate individual contracting actions or the arrangements for interagency agreements and funding.
- D. Any individual needing to acquire audit services under this Directive shall be identified as part of ED's acquisition planning process ([ACS Directive OCFO: 2-107 "Acquisition Planning"](#)) either by the OIG or the applicable principal office. Coordination and collaboration should take place between the Principal Office, the SPE, and OIG throughout the procurement process. OIG and the Principal Office will coordinate to ensure that the procurement is planned, made, monitored and evaluated in a manner that meets all needs and requirements.
- E. In consultation with the appropriate Principal Offices and the OIG, the SPE shall make the final determination concerning the acquisition of services covered by this Directive.
- F. Except as provided for herein, this Directive is not intended to alter existing contracting or interagency agreement processes or procedures ([see ACS Handbook OS-01: "Handbook for the Discretionary Grants Process"](#) and [ACS Directive OPEPD: 1-101 "Interagency Agreements"](#)). The provisions not altered by this Directive include requirements that contracts must be entered into by warranted Contracting Officers, duly authorized to enter into the contracts involved.
- G. OIG is the office within ED with responsibility for determining whether services covered by this Directive and procured from non-Federal auditors comply with professional standards. After the procurement is made, Principal Offices shall coordinate with OIG if questions arise about adherence to professional standards in performing the services.

- H. For audit reports procured pursuant to this Directive, coding of findings, distribution of reports, and audit resolution shall take place according to applicable procedures, including the requirements of ED's Audit Accountability and Resolution Tracking System. [Services covered by this Directive to support pre-award contracting activities are not subject to this provision.]