

DEPARTMENT OF LABOR**Office of the Secretary****Secretary's Order 5-2008**

Subject: Management of United States Government Accountability Office Reports.

1. *Purpose.* To delegate authority and assign overall responsibility for coordinating, reviewing, and processing United States Government Accountability Office (GAO) reports.

2. *Authority.* This Order is issued under the authority of 5 U.S.C. 301 (Departmental Regulations); 29 U.S.C. 551 (Establishment of Department: Secretary; Seal); Reorganization Plan No. 6 of 1950 (5 U.S.C. Appendix 1); 31 U.S.C. 711-720 (Government Accountability Office, General Duties and Powers); and Office of Management and Budget (OMB) Circular A-50 (Audit Follow-up).

3. *Redelegations/Transfer of Authority.* Unless provided otherwise in this or another Secretary's Order, the authority delegated in this Order may be redelegated or transferred, as permitted by law or regulation.

4. *Reservation of Authority.* The submission of reports and recommendations to the President and the Congress concerning the administration of statutory or administrative provisions is reserved to the Secretary.

5. *Directives Affected.* Secretary's Order 02-2006 is cancelled. This Secretary's Order does not affect the authorities and responsibilities of the Office of the Inspector General under the Inspector General Act of 1978, as amended, or under Secretary's Order 4-2006 or any other Departmental directive. This Order does not affect the authorities and responsibilities assigned by any other Secretary's Order, unless otherwise expressly so provided in this or another Order.

6. *Background.* Title 31, Chapter 7 of the United States Code establishes GAO as an independent instrumentality of the U.S. Government independent of executive departments, and sets forth the duties and powers of its head, the Comptroller General. Among these duties is the responsibility to investigate the use of public money (31 U.S.C. 712); evaluate programs and activities of the U.S. Government (31 U.S.C. 717); and report to Congress on agency expenditures, contracts, administrative controls, and the status of fiscal accounts (31 U.S.C. 719). Federal agencies are charged with giving the Comptroller General specified information and permitting GAO

inspection of agency records (31 U.S.C. 716); agencies also may be afforded an opportunity to comment on draft GAO reports (31 U.S.C. 718). In addition, 31 U.S.C. 720 requires that following issuance of a GAO report that contains recommendations to the head of an Agency, the Agency must submit a written statement to the Senate Committee on Homeland Security and Governmental Affairs, the House Committee on Government Reform, the Committees on Appropriations of the Senate and the House; the Agency's statement must indicate the action taken by the Agency on the recommendations. Office of Management and Budget (OMB) Circular A-50 provides policies and procedures for use by executive agencies when considering reports issued by GAO where follow-up is necessary. OMB Circular A-50 also specifies those GAO reports for which Agency Heads will submit statements to OMB. Secretary's Order 2-2006 assigned responsibility for coordination of GAO reports to the Chief Financial Officer. As the focus of GAO reports shifts toward policy and programmatic issues and away from inquiries about financial matters, the Department has concluded that it is more appropriate for the Assistant Secretary for Policy to serve as the GAO liaison for the Department. This Order thus reassigns the role of GAO liaison to the Assistant Secretary for Policy. This shift will more closely align GAO liaison and coordination activities with agency mission.

7. *Scope.* These delegations apply to draft and final GAO reports as well as to related correspondence addressed to the Secretary of Labor or other DOL officials.

8. *Policy.* Findings, recommendations, or suggestions presented to the Department in a GAO report will be given prompt and careful consideration. DOL Agency Heads must act promptly on all recommendations that merit action. The action Agency will comment timely on the findings in a GAO report, indicating whether the recommendations will be adopted, considered further, or have been found to be unnecessary or unacceptable. Comments indicating agreement must include planned corrective actions and, where appropriate, dates for implementing these actions. If the recommendations are found to be unacceptable, the reasons for disagreement shall be fully explained. When disagreement is based on interpretation of law, regulation, or the authority of officials to take or not to take action, the response must include the legal basis.

9. *Delegation of Authority and Assignment of Responsibilities.*

A. *The Assistant Secretary for Policy* is delegated overall authority and assigned responsibility regarding the handling of GAO reports and will:

(1) Act as the DOL control official for all GAO audits, studies, and reports and all correspondence received from the Congress and other governmental agencies relating to such GAO matters.

(2) Serve as the GAO Liaison and point of contact for all GAO audits and studies (hereinafter, "reviews").

(3) Review all written comments on draft and final GAO reports.

(4) Resolve all disagreements that may arise between DOL agencies regarding responses to GAO reports, both draft and final.

(5) Act as DOL's liaison to other Federal Departments and agencies for GAO report matters.

(6) Notify appropriate DOL agencies promptly of planned GAO work.

(7) Designate action agencies to prepare responses to GAO reports and stipulate the deadline required for such responses.

(8) Maintain liaison with GAO concerning all reports and responses.

(9) Provide oversight of DOL's responses to GAO reports, both draft and final, monitor DOL's implementation of accepted recommendations, and provide periodic reports to the Deputy Secretary.

(10) Provide advice and assistance to Agency Heads with regard to GAO findings, recommendations, or suggestions.

(11) Establish policies and procedures for DOL's responses to GAO reviews and reports.

(12) Apprise the Deputy Secretary on a quarterly basis, or other timeframe as designated by the Deputy Secretary, of active GAO reviews and reports relating to the Department.

(13) Provide semi-annual reports to the Secretary on the status of all unresolved reports over six months old.

B. DOL Agency Heads will:

(1) Expediently review and comment on GAO's findings and recommendations, and submit all responses to the Office of the Assistant Secretary for Policy (OASP) for clearance through the Executive Secretariat.

a. Draft GAO reports: In general, DOL must provide responses to draft GAO reports in ten business days; therefore, all agency responses are due to OASP at least six business days before the response is due to GAO so there is sufficient time for the clearance process. Technical responses to draft GAO reports generally do not require

clearance, unless the subject of the report is of such significance or importance that OASP recommends clearance. In such instances, OASP will so notify the Agency that the response will be sent to Exec Sec for clearance.

b. Final GAO reports: DOL is required by law to respond to final GAO reports and recommendations within 60 calendar days. Therefore, agency responses to final GAO reports are due to OASP 14 calendar days before the response is due to Congress, GAO and OMB.

(2) Establish sufficient controls to ensure timely preparation of comments on final GAO reports which are to be furnished to Congressional committees, OMB, and GAO; and timely implementation of accepted recommendations.

(3) Designate an individual and an alternate within the Agency to serve as the central contact for the OASP regarding GAO review and report activities and related matters.

(4) Inform OASP of all communications received from the GAO, Congress, or other government agencies pertaining to GAO reports.

(5) Ensure that appropriate departmental clearances on responses to GAO reports are obtained, including coordinating with SOL to obtain OMB clearances when the agency's response expresses views on proposed or pending legislation or deals with other agencies

or with executive branch budget policies. Items found at issue during the response clearance phase will promptly be brought to the attention of the OASP.

(6) Ensure that cleared responses to GAO reports are properly prepared and signed and transmitted to Congressional committees, OMB, and/or GAO within mandated time frames, as required.

C. In addition to programmatic responsibilities assigned under section B, *the Assistant Secretary for Administration and Management* is delegated authority and assigned responsibility for:

(1) Ensuring that any transfer of budgetary resources arising from this Order is fully consistent with the established requirements of the Department.

(2) Assuring that performance standards of appropriate officials reflect effectiveness in resolving and implementing GAO recommendations.

D. In addition to programmatic responsibilities assigned under section B, *the Chief Financial Officer* is delegated authority and assigned responsibility for providing advice and assistance to DOL agencies in response to GAO reports concerning issues of financial management.

E. In addition to programmatic responsibilities assigned under section B, *the Solicitor of Labor* is delegated authority and assigned responsibility to:

(1) Provide legal advice and assistance to all officials of the Department relating to the authorities of this Order.

(2) Review proposed agency submissions of records and responses.

F. *The Assistant Secretary for Congressional and Intergovernmental Affairs* is delegated the authority and responsibility as follows:

(1) Review of, along with other agencies through the Executive Secretariat clearance process, proposed agency submissions and responses.

(2) Communication with congressional committees and members of Congress on matters related to GAO reports. Such communications shall include handling inquiries from committees and members as well as making arrangements for briefings, hearings, and other meetings as necessary. OCIA shall coordinate with both the Agency having responsibility for the subject of a GAO report and with OASP.

(3) Transmittal of copies of DOL's response to GAO reports to congressional committees and members of Congress, as appropriate.

10. *Effective Date.* This Order is effective immediately.

Dated: July 23, 2008.

Elaine L. Chao,
Secretary of Labor.

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