

PUBLIC SUBMISSION

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U.S. Department of Energy Audit Guidance: For-Profit Recipients

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Audit Guidance: For-Profit Recipients

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General Comment

See attached file(s)

Attachments

Response to DOE For Profit Audit Federal Register Notice

Response to U.S. Department of Energy Request for Information

Federal Register Notice 2011-32622

U.S. Department of Energy Audit Guidance: For-Profit Recipients

1. Attachment I, Section G – Due Dates and Submissions – It appears that DOE has removed instruction pertaining to subrecipient submissions. Are subrecipients now expected to submit the audit report package to DOE directly or should these still be submitted to the prime recipient? If the former, how are prime recipients subject to OMB Circular A-133 to become aware of any findings that may require action as required by OMB Circular A-133?
2. Attachment I, Section P – Management Decision – The draft guidance indicates that DOE is responsible for management decisions pertaining to findings identified in audit reports of direct awards. Are prime recipients still responsible for management decisions pertaining to findings identified in audit reports of subrecipients?
3. Attachment I, Section E – Audit Objectives: Definition of “segment” – I request clarification regarding the definition of a “segment.” Is it DOE’s intention to exclude subsidiary companies of a parent company from classification as a “segment”? For example, if parent company A has two subsidiaries – companies B and C – that are separate legal entities and both companies B and C enter into assistance agreements with DOE, would DOE consider companies B and C to be divisions and, ergo, segments of Company A or would companies B and C be assessed independently? Assume that Company A proper has \$0 in DOE expenditures and did not directly receive an award from DOE whereas companies B and C both independently have \$500,000 in DOE expenditures.
4. Attachment II, Section B – Suggested Audit Procedures – Compliance: When an indirect cost rate has not been identified in the terms and conditions of an award, but rather rates are specified in the PMC 123 Budget Justification Form, should the auditor assess the approved rate and any subsequent true-up of actual costs incurred to that rate or should the auditor proceed by auditing the rates used to charge the project as represented in submitted reimbursement requests?
5. Attachment II, Section G: The guidance omits recommended audit procedures for procurement activities. Does DOE have guidance regarding what documentation should be maintained to demonstrate that the “reasonable cost” standard has been met?
6. Attachment II, Section H: The guidance specifically identifies two OMB memoranda pertaining to ARRA reporting requirements. However, OMB Memorandum 10-34 is the most current document, including reporting data element definitions that existed within the referenced audit period. Is it DOE’s intention for the auditors to test against the historical memoranda or shall the auditors utilize the best available data?