

SBA

SOP 90 11 4

**Relations with the
General Accounting Office**

Office of the Chief Financial Officer

U.S. Small Business Administration



**SMALL BUSINESS ADMINISTRATION
STANDARD OPERATING PROCEDURE**

National

SUBJECT: Relations with the General Accounting Office	S.O.P.		REV
	SECTION 90	NO. 11	4

INTRODUCTION

1. Purpose. To provide procedures and guidance to SBA personnel in their relationships with the General Accounting Office representatives engaged in carrying out the statutory audit responsibilities of the Comptroller General.
2. Personnel Concerned. All SBA Employees.
3. Directives Cancelled. SOP 90 11 3, dated 1/16/80.
4. Originator. Office of the Chief Financial Officer.

AUTHORIZED BY:		EFFECTIVE DATE October 19, 1998
J. Larry Wilson Chief Financial Officer		PAGE 1

SBA Form 989 (5-90) Ref: SOP 00 23

TABLE OF CONTENTS

Paragraphs	Page
1. What is the Purpose of the SOP?.....	6
2. What Legislative Authority is Given to the GAO?	6
3. Who is the Agency GAO Liaison?.....	6
4. What are the Functions of the Agency GAO Liaison?	6
5. What Records are Accessible to the GAO?.....	6
6. What Information May be Disclosed to the GAO?	7
7. What are the Procedures for Handling GAO Requests for Information?	8
8. What is the GAO Tracking Report?	9
9. What are Other Reporting Requirements with the GAO?	9
Appendix 1	12
GAO Tracking Report.....	12

1. What is the Purpose of the SOP?

This SOP updates and provides procedures and guidance to SBA personnel, except employees of the Office of the Inspector General (OIG), in their relationships with the General Accounting Office (GAO) representatives engaged in carrying out the statutory audit responsibilities of the Comptroller General.

2. What Legislative Authority is Given to the GAO?

The United States GAO, as an agency in the legislative branch, has been given broad statutory authority by the Budget and Accounting Act of 1921 and the Budget and Accounting Procedures Act of 1950, to audit, review, or investigate the accounting, financial, and related operations of Government agencies.

3. Who is the Agency GAO Liaison?

The Chief of the Accounting and Auditor Support Group of the Financial Administrative Staff, Office of the Chief Financial Officer, serves as the Agency GAO Liaison. The Office of the Inspector General is **not** required to coordinate requests for information from GAO with the Agency GAO Liaison.

4. What are the Functions of the Agency GAO Liaison?

- a. The Agency GAO Liaison coordinates all GAO requests for information except requests for information from the Office of the Inspector General (OIG). GAO requests must be submitted in writing to the Agency GAO Liaison. The Agency GAO Liaison will forward the request to the appropriate Management Board member for a response.
- b. The Agency GAO Liaison ensures that all responses to the GAO are cleared with the Office of Congressional and Legislative Affairs (CLA) and the Office of General Counsel (OGC).

5. What Records are Accessible to the GAO?

- a. The Budget and Accounting Act of 1921 authorizes representatives of the GAO who review, audit, or undertake investigations upon the direction of Congress, be given access to, and allowed to examine records that permit them to carry out their duties and responsibilities.

- b. **Internal Audit Reports.** The Agency internal audit reports and associated working papers shall be made available to GAO representatives. Supplementary data and information with respect to findings and recommendations contained in audit reports, management's position with respect thereto, corrective action taken, etc., must also be furnished. Such supplementary data, when available, must be furnished concurrently with the release of audit reports, or as soon as practicable.
 - c. **Other Reports.** Except as provided in subparagraphs 2 and 3 below, management-type surveys, studies, or reports may be released to the GAO representatives by the Agency Management Board member who directed the preparation of such reports. If the Management Board member who directed the preparation of such reports believes that the release of such report would inhibit frank and candid expression, unduly interfere with the decision making process, or otherwise would not be in the public interest, he/she must promptly forward any GAO request with his/her recommendations to the Administrator for final decision. To the extent possible, management-type reports, when made available to the GAO, should be accompanied by a statement summarizing SBA's position with respect to the recommendation of the report. Position statements are not required in connection with minor findings.
 - (1) **Classified Information.** Agency employees are not authorized to release classified information to GAO representatives. Only the Office of Security Operations in the Investigations Division of the Inspector General is authorized to make the appropriate "need to know" determination, check security clearance of the GAO representatives, and, where appropriate, release classified information.
 - (2) **SBA Reports of Investigation.** These will be furnished only with the approval of the Inspector General
 - (3) **Reports of Other Agencies.** Reports of non-SBA offices (including FBI reports) shall not be released unless the written consent of such agency has been obtained.
6. **What Information May be Disclosed to the GAO?**
- a. When the source of the GAO inquiry is a standing committee acting on a matter within its jurisdiction, the Senate or House Committee on Small Business, or any duly authorized representative of such standing or select committees, or when the investigation is pursuant to an order of Congress, information and files will be made available if the request is made in writing. When information is confidential business information as defined under Section 1905 "Disclosure of Confidential Information" of Title 18 of the

United States Code, the Privacy Act, or the Freedom of Information Act, that fact must be brought to the attention of GAO representatives, along with the SBA's understanding that disclosure of such information to sources other than those set forth in this paragraph would not be authorized.

- b. When the source of the GAO inquiry is an individual congressman not covered by paragraph 6a above, materials that are public information under SOP 40 03, "Disclosure of Information," can be made available. Requests for information that is confidential business information under 18 U.S.C. 1905, or is privileged under SOP 40 03 or the Privacy Act of 1974, shall be referred immediately to the Agency GAO Liaison. GAO may request information maintained by OIG directly from the OIG, and nothing in this paragraph precludes the OIG from providing such information directly to the GAO.
- 7. What are the Procedures for Handling GAO Requests for Information?**
- a. If the GAO directly contacts the program office for any information, the program office must refer the call to the Agency GAO Liaison. All GAO requests for information must be submitted in writing to:
 - U.S. Small Business Administration
 - Agency GAO Liaison
 - Office of the Chief Financial Officer
 - 409 3rd Street, SW., Suite 6000, Mail Code - 3513
 - Washington, DC 20416
 - b. The Agency GAO Liaison will forward the request to the appropriate Management Board member, who will coordinate the scheduling of an entrance conference with the GAO contact to review the request and GAO's use of the information. The Agency GAO Liaison is to be notified of this entrance conference and will attend. This entrance conference is to be scheduled within 3 business days from the initial GAO contact, and may be held over the telephone. This paragraph does not apply to the activities of the OIG.
 - c. The Agency GAO Liaison and the Management Board member are to be notified orally or in writing of any additional visits to SBA by GAO or additional requests for information. The Agency GAO Liaison will assist in facilitating the response and ensuring that the Agency program offices cooperate with the GAO and provide all necessary assistance.
 - d. All proposed Agency written responses to be submitted to the GAO must be cleared by both the Assistant Administrator of the Office of Congressional and Legislative Affairs and the General Counsel. At the conclusion of the

request for information or Agency GAO visits, the appropriate Management Board member should schedule an exit conference with the GAO representative to transmit the information and provide any final instructions on its interpretation and/or use.

- e. The Inspector General (IG) has statutory authority to communicate directly with Congress and as such, the OIG is not required to notify the Agency GAO Liaison of visits to the OIG by GAO representatives, or additional requests for information. The OIG is not required to clear responses to GAO requests for information through CLA or OGC.

8. **What is the GAO Tracking Report?**

On a monthly basis, the Agency GAO Liaison will prepare a GAO Tracking Report listing all GAO information requests outstanding within the Agency. This listing is provided to the Management Board members (see appendix 1).

9. **What are Other Reporting Requirements with the GAO?**

- a. **Reporting.** It is the policy of the GAO to advise agencies of their findings resulting from an inquiry/audit, unless the nature of their activities precludes such disclosure, or unless Congress has requested that the findings should not be divulged. Many times, GAO audits may result in reports to the Congress; therefore, on completion and receipt of an audit or survey, the appropriate Management Board member should provide a report to the Administrator, incorporating a succinct summary of GAO findings and recommendations, an indication of concurrence or disagreement with each recommendation, a summary of action taken or proposed, and any other pertinent comments. This report should be forwarded to the Agency GAO Liaison and to any SBA office impacted by specific recommendations. If findings and recommendations are considered minor by the program office and not related to an SBA program or to a system deficiency, no report is needed.
- b. **Reports to Activities.** GAO regional managers occasionally forward letter reports on local findings of minor significance directly to SBA Management Board members and request Agency comment. Such reports should be answered by the receiving office, if appropriate, after receiving proper clearances as set forth in paragraph 7d above. A copy of the reply and the GAO report should be furnished to the Agency GAO Liaison. If the Management Board member believes the issues of the report require comments from other offices of the Agency, necessary information should be furnished to the responsible offices and the Agency GAO Liaison. If the report and accompanying comments are determined by the Management

Board member to be significant to the SBA, he/she should follow instructions on the development of a summary report to the Administrator as described in paragraph 9a above.

- c. **Audit Reports.** Proposed GAO audit reports to Congress requesting SBA's views and comments shall be forwarded to the Agency GAO Liaison. The Agency GAO Liaison will be responsible for coordinating the Agency's reply. In this regard, the Agency GAO Liaison will contact the appropriate Management Board member to prepare the Agency's response, and ensure that the proper Agency clearances are obtained as set forth in paragraph 7d above.

Appendix 1
GAO Tracking Report

