

December 10, 2007

MEMORANDUM TO: William M. McCabe
Chief Financial Officer

FROM: Stephen D. Dingbaum **/RA/**
Assistant Inspector General for Audits

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF THE
BUDGET FORMULATION PROCESS (OIG-05-A-09)

REFERENCE: CHIEF FINANCIAL OFFICER MEMORANDUM
DATED NOVEMBER 20, 2007

Attached is the Office of the Inspector General's analysis and status of recommendations as discussed in the agency's response dated November 20, 2007. Recommendations 1 through 3 are resolved. Please provide an updated status of the resolved recommendations by March 31, 2008.

If you have any questions or concerns, please contact me on 415-5915.

Attachments: As stated

cc: V. Ordaz, OEDO
M. Malloy, OEDO
P. Tressler, OEDO

Audit Report
Audit of the Budget Formulation Process
OIG-05-A-09

Status of Recommendations

Recommendation 1: Clarify, in coordination with the Executive Director for Operations, the roles and responsibilities of the Chief Financial Officer and Executive Director for Operations in the budget formulation process.

Agency Response Dated
November 20, 2007: These recommendations are being addressed as aspects of a revised Management Directive and Handbook 4.7, Planning, Budgeting, and Performance Management (MD 4.7). MD 4.7 is scheduled to be finalized in February 2008.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives a copy of the final MD 4.7, and determines that it clarifies the roles and responsibilities of the Chief Financial Officer and Executive Director for Operations in the budget formulation process.

Status: Resolved.

Audit Report
Audit of the Budget Formulation Process
OIG-05-A-09

Status of Recommendations

Recommendation 2: Document the decision-making process and roles and responsibilities of the Program Review Committee.

Agency Response Dated
November 20, 2007: These recommendations are being addressed as aspects of a revised Management Directive and Handbook 4.7, Planning, Budgeting, and Performance Management (MD 4.7). MD 4.7 is scheduled to be finalized in February 2008.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives a copy of the final MD 4.7, and determines that it documents the decision-making process and roles and responsibilities of the Program Review Committee.

Status: Resolved.

**Audit Report
Audit of the Budget Formulation Process
OIG-05-A-09**

Status of Recommendations

Recommendation 3: Document the budget formulation process to ensure a logical, comprehensive sequencing of events that provides for obtaining early Commission direction and approval.

Agency Response Dated November 20, 2007: These recommendations are being addressed as aspects of a revised Management Directive and Handbook 4.7, Planning, Budgeting, and Performance Management (MD 4.7). MD 4.7 is scheduled to be finalized in February 2008.

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives a copy of the final MD 4.7, and determines that it documents the budget formulation process to ensure a logical, comprehensive sequencing of events that provides for obtaining early Commission direction and approval.

Status: Resolved.