



Department of Energy

Ames Site Office
9800 South Cass Avenue
Argonne, Illinois 60439

AUG - 3 2012

Dr. Alexander King, Director
Ames Laboratory
Iowa State University
Ames, Iowa 50011-3020

Dear Dr. King:

SUBJECT: PROPOSED AUDIT PLAN FOR FISCAL YEAR 2013 – AMES
LABORATORY

Reference: Email, F. Dunshee to C. Baebler/J. Stricker, dated 06/15/12, Subject:
Same as Above

Attached is the DOE-CH-CFO approval letter for Ames Laboratory's FY2013 Internal
Audit Plans.

If you have any questions regarding the above, please contact me at (630) 252-2408.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jennifer A. Stricker".

Jennifer A. Stricker
Contracting Officer

cc: F. Dunshee, Ames Lab, w/encl.



Department of Energy

Office of Science
Chicago Office
9800 South Cass Avenue
Argonne, Illinois 60439

JUL 31 2012

MEMORANDUM FOR MARK MICKELSEN
OFFICE OF INSPECTOR GENERAL

FROM: MARY T. SUNDERLAND *M. Sunderland*
ACTING CHIEF FINANCIAL OFFICER

SUBJECT: AUDIT PLANS FOR FISCAL YEAR 2013

Office of Science guidance requires that the Integrated Service Center review and approve the Management and Operating (M&O) Contractor's Internal Audit plans for Fiscal Year (FY) 2013. We have reviewed and approved the Internal Audit plans for Argonne National Laboratory, Ames Laboratory, Lawrence Berkeley National Laboratory, Brookhaven National Laboratory, and Fermi National Accelerator Laboratory. The Internal Audit Plan for Princeton Plasma Physics Laboratory is currently still in draft and should be finalized and transmitted to DOE for final approval in a couple of days. Upon receipt by our Office, we will transmit their DOE approved Audit Plan under a separate memorandum.

The internal audit plans included with this memorandum were all based on risk ranking methodology and include unallowable cost reviews. Additionally, the plans also took into consideration the significant issues that present potential vulnerabilities as identified in the February 2012 memorandum from your organization. The internal audit plans and highlights are included as an attachment.

If you have any questions, please contact James Gotchie of my staff at (630) 252-2278 or at james.gotchie@ch.doe.gov.

Attachments:
As Stated



Integrated and Management and Operating Contractor

Contract DE-AC02-07CH11358

Audit Planning Form

Fiscal 2013

PROPOSED

Attachment C

Cognizant IG Regional Office:
Name and Address of Contractor:

Eastern Region, Oak Ridge
Iowa State University
Dr. Alexander H. King
Director, Ames Laboratory
311 TASF Ames, Iowa 50011

Estimated start and stop times depend on many variables, including the auditee management time schedules, as such these dates are yet to be determined. Also, the work days by audit unit are estimated; if unanticipated issues arise within an audit unit, it may be appropriate to extend audit work. The reference number indicates the priority in which the audit units are planned to be prioritized. Also this is an estimated plan at this time and requests from DOE and/or Contractor or Ames Lab management priorities could cause adjustments. If there is a need for adjustments, this would be requested for approved by appropriate parties. Not all areas of risk environment are covered in any one annual plan due to limited resources and budgets. Audit projects are based on the risk scores assigned to the auditable units as per the enclosed methodology. All identified areas in the risk environment are listed in the table that identifies the estimated risk score. Also, the management challenge areas as per FY 2013 Audits and Inspections Workplan Guidance (issued 2/3/2012 by the DOE) were considered in evaluating the overall plan. It is recognized that risks are dynamic in nature such that emerging risks may impact audit plans.

Reference #	Audit Name/Other Work	Start Date, Estimated*	End Date, Estimated*	Estimated Days
#13.1	<p>Incurring Costs Audit/Transaction Testing Allowable Costs, GAAP, Cost Allocations. This will include planning and completion of audit analyses pertaining to:</p> <ul style="list-style-type: none"> • Reconciliation of accounts to the Statement of Costs Incurred and Claimed • General Ledger Change Analysis • Review of identified erroneous payments • Unallowable cost review for each business system that follows including: <ul style="list-style-type: none"> ✓ Isolating and identifying the relevant population of costs and units within the frame of the population. ✓ Developing an appropriate sampling plan. • Internal control reviews and transaction testing for unallowable costs of the Payroll business system • Internal control reviews and transaction testing for unallowable costs of the Accounts Payable business system • Internal control reviews and transaction testing for unallowable costs of the Travel business system • Internal control reviews and transaction testing for unallowable costs of the Credit Card business system • Royalty income expenditures • Other systems may be reviewed as well, as based on risk analyses. 	10/1/12	9/30/13	100
#13.2	<p>Financial Statements' Reviews:</p> <p>This will include review of: the adequacy of supporting detail for various substantive asset and liability balances includes objectives to assure</p> <ul style="list-style-type: none"> • The assets and liabilities as presented are: <ul style="list-style-type: none"> ✓ accurate ✓ exist ✓ include valid estimations, where appropriate ✓ valuations are reasonable ✓ recognition timing is correct (recognized in the correct 	10/1/12	9/30/13	75

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Contract DE-AC02-07CH11358
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	fiscal period), ✓ cost allocations to the contract are correct. All of the above objectives are to be evidenced by appropriate and relevant and sufficient source documentation. • Statements generated by the DOE that represent Ames Laboratory's financial positions and results of operations are in agreement to that of Ames Laboratory internal statements for the Fiscal period.			
#13.3	Conference Management	10/1/12	9/30/13	20
#13.4	Medical Insurance Payments	10/1/12	9/30/13	30
#13.5	Safety Training for Sub Contractors	10/1/12	9/30/13	30
#13.6	Institutional Memory	10/1/12	9/30/13	30
#13.7	Plant and Facilities Management	10/1/12	9/30/13	30
	SUBTOTAL: AUDITS			315
	OTHER			
13.01	Follow- Ups to Prior Agreements from Audit	Ongoing	Ongoing	20
13.02	Physical Inventories	Ongoing	Ongoing	10
13.03	Contingency for Management Requests	Ongoing	Ongoing	20
13.04	Quality Assurance: Internal Audit	Ongoing	Ongoing	10
	SUBTOTAL: OTHER			60
Subtotals:	Audits and All Other			375

Description	Estimated Days
Managerial Time: Budgets, Plans, Ad-Hoc Requests	25
Holidays and Personal Leave	35
Continuing Education	20
Total Other Time	80
Total All Time	455

Total: 260+ (260*.75)= 455 (1.75 FTE's)

Integrated and Management and Operating Contractor

Contract DE-AC02-07CH11358

Audit Planning Form

Fiscal 2013

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Cognizant IG Regional Office:
Name and Address of Contractor:

Eastern Region, Oak Ridge
Iowa State University
Dr. Alexander H. King
Director, Ames Laboratory
311 TASF Ames, Iowa 50011

Submitted By:



Fran M. Dunshee
Manager, Internal Audit
Ames Laboratory

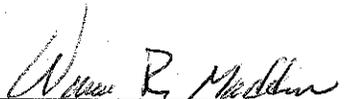
6/15/12
Date

2013 Internal Audit Plan Supported By:



Dr. Alexander H. King
Director,
Ames Laboratory

5-30-12
Date



Mr. Warren R. Madden
Vice-President, Business and Finance ISU
Member of Oversight Board

6/15/12
Date



THE Ames Laboratory

Creating Materials & Energy Solutions

U.S. DEPARTMENT OF ENERGY

Internal Audit Office
June, 2012

Ms. Cynthia Baebler
Manager, Ames Site Office

Ms. Jennifer Stricker
Contracting Officer, Ames Site Office

Mr. William Lubecke
IG Audit Manager, Chicago

SUBJECT: Audit Plan Proposed: Fiscal Year 2013 Ames Laboratory

Department of Energy's (DOE) Office of Science requires that the Management and Operating (M&O) Contractor's Internal Audit groups prepare and submit Proposed Audit Plans. The Proposed Audit Plans are to be based on risk ranking methodology, including unallowable cost reviews. Also, Audit Plans should take into consideration the significant issues that present potential vulnerabilities as identified in the February 3rd, 2012 memorandum.

The Proposed Plan enclosed was developed based on assessed risks of units in the audit environment, using units promulgated in the OIG Audit Manual, with the addition of units perceived as applicable to the Ames Laboratory environment. Also, testing for unallowable costs is provided in the Proposed Plan. A description of the risk methodology used is enclosed as is the list of assessed risk scores for units in the audit environment for Ames Laboratory. It is recognized that risks are dynamic in nature such that emerging risks may impact audit plans. Also, the work days by audit unit are estimated; if unanticipated issues arise within an audit unit, it may be appropriate to extend audit work.

Please call me if you have questions or if more information is desired on any of the proposed audit units. Since the Proposed Audit Plan is based upon ranking of estimated risks, not all areas at risk may be included.

Sincerely,

Fran Dunshee,
Manager, Internal Audit
Ames Laboratory

Cc: Dr. Alexander King
Mr. Warren Madden

