Berkeley Lab
Lawrence Berkeley National Laboratory

LBNL FY27 Internal Audit Plan

The LBNL FY27 Internal Audit Plan describes the projects that will be performed in FY27 based on contractual requirements and results of our annual risk assessment. In addition to these projects, the plan also allocates resources as needed to potential supplemental projects, audit follow-up and investigations that may arise during the year. A summary list of all the projects can be found at the end of the document.

Internal Audit follows the principle of a flexible audit plan that includes adequate resources set aside for varying risk coverage and possible adjustments in the project mix should the need arise to respond effectively to evolving risks and emerging issues during the year.

Required Projects

1. **FY26 UCNL Home Office Costs**

   Based on DOE Contract 31 Clause H.4, the DOE Contracting Officer (CO) requests Internal Audit to perform an audit FY26 UCNL home office costs charged to LBNL. The CO provisionally approved home office costs of $2,017,045 for the 12-month period through September 30, 2026. The audit will verify if such costs are allowable, allocable, and reasonable, and within the terms of the DOE Contract. The results of the audit form the basis for DOE's approval and final determination of UCNL home office costs for FY27.

2. **FY27 OMB A-123 IT General Controls**

   This is an audit of selected information technology (IT) controls to support compliance with the Office of Management and Budget Circular A-123 (OMB A-123) requirements related to financial reporting, and as a component of the Federal Managers Financial Integrity Act (FMFIA). OMB A-123 defines management's responsibility for ensuring adequate internal controls reside within the financial processes and reporting structure throughout the Lab.

3. **Gift Administration and Reporting (Contractor Supported Research (CSR)) - Systemwide**

   A systemwide audit to evaluate the effectiveness of internal controls over gift administration and reporting. Areas of review will include donor vetting and screening, administration of donor intent, management of unspent gift balances and compliance with federal gift reporting requirements.

The gifts program audit will assess compliance with DOE Contract 31, Clause H.27 Contractor-Funded Institutional Supporting Research and Development, and LBNL policy requirements on the use of gift funds for research. The audit will evaluate the adequacy of internal controls over the gifts acceptance and administration process. The scope will include Contractor Supported Research funds from the Berkeley Lab Foundation, UC Fee, or other sources of UC funding.

4. **Access Management - Systemwide**

   A systemwide audit to assess whether access to university and Laboratory systems and data is appropriately granted, monitored, reviewed, and removed, with a focus on user accounts, privileged access, service accounts, automated accounts, AI-enabled agents, and other high risk access pathways.

Risk-Based Projects

5. **7533956 Intra-University Transaction (IUT) - UCB EH&S Shared Services**

   This is an audit of IUT #7533956 to UC Berkeley for Environment, Health & Safety (EH&S) services supporting LBNL-funded personnel working on the UC Berkeley campus. The scope will include a review of this cost-reimbursable IUT, with an estimated value of approximately $1,311,963.90 for compliance with the DOE Contract (Appendix G) and Procurement Standard Practice 44.1 (Intra-University Transactions). We will perform an audit of payments for the IUT during the period of performance up to FY22 to determine if the invoiced costs comply with the IUT agreement and are allowable and allocable.

6. **7701185 Intra-University Transaction (IUT) - UCB EH&S Shared Services**

   This is an audit of IUT #7701185 to UC Berkeley for Environment, Health & Safety (EH&S) shared services supporting LBNL-funded personnel working on the UC Berkeley campus. The scope will include a review of this cost-reimbursable IUT, with an estimated value of approximately $1,164,627 for compliance with the DOE Contract (Appendix G) and Procurement Standard Practice 44.1 (Intra-University Transactions). We will perform an audit of payments for the IUT during the period of performance up to FY24 to determine if the invoiced costs comply with the IUT agreement and are allowable and allocable.

Advisory Service Projects

7. **Annual Report on Executive Compensation**

   This advisory review will include the data accuracy of the Lab's 2026 Annual Report of Executive Compensation submitted to UCOP. Each year, UC fulfills its requirement to present a report to the State Legislature and to the public on the compensation of its senior managers. UCOP requires that each campus and national laboratory submit an annual report on compensation for a specific population. For the Lab, the reporting population includes members of the Senior Management Group and division directors whose compensation meet the annual reporting threshold. Compensation threshold in 2023 was $387,700. Last audit in September 2024 – No significant issues identified.

8. **Undefined Risk Based Advisory Service Placeholder**

   Possible Topics:

   PEMP 8.3 DOE BSO concern: Internal Audit will conduct an advisory review of LBNL's Foreign National Access Program (FNAP) to assess whether current staffing, governance, and operational processes are sufficient to sustainably meet evolving DOE foreign national access requirements. The review will identify resource and operational risks including staffing gaps, workload capacity constraints, manual process dependencies, and scalability concerns, and provide recommendations to strengthen long-term resourcing, accountability, and compliance readiness in response to DOE/BSO concerns under PEMP 8.3.

   BSO concerns: While LBNL's progress in implementing its FNAP is noted, the deficiency in meeting full requirements remains a concern in the current environment. BSO encourages LBNL to develop a long-term resourcing plan to meet full requirements.

   Project Velocity: Provide a risk-based advisory assessment of DOE order streamlining impacts on prime contract requirements, governance, operational processes, performance metrics, and efficiencies. Evaluate upstream and downstream risks, implementation readiness, stakeholder change resistance, and potential compliance or control gaps to support leadership during transition activities.

Supplemental Audits

Projects to be determined based on emerging and evolving risks, issues, and management requests for ad hoc reviews.

Audit Follow-Up

Verification of completion and evaluation of effectiveness of management actions performed as a result of prior audits.

Investigations

Investigation of whistleblower complaints and potential improper governmental activity, requested by Lab management, Locally Designated Official and the Investigation Workgroup.