

Audit
Audits, Reviews, and Surveys Performed by External Audit Agencies

History. This revises III Corps and Fort Hood Regulation 36-1 dated 23 July 1984.

Summary. This regulation prescribes policies and procedures relevant to the relationship between III Corps and external audit agencies. This regulation also prescribes responsibility and reporting procedures relevant to audits conducted at III Corps units and staff activities.

Applicability. This regulation applies to all units, organizations, activities assigned or attached to Fort Hood, and subordinate units that are located on Fort Hood, or supported by III Corps and Fort Hood.

Changes. Changes to this regulation are not official unless authenticated by the Directorate of Information Management (DOIM).

Supplementation. Local supplementation of this regulation is prohibited without the approval of The Office of Internal Audit.

Suggested improvements. The proponent for this regulation is the Office of Internal Audit. Send comments and suggested improvements to the Commander, III Corps and Fort Hood, ATTN: AFZF-AUD, Fort Hood, Texas 76544-5056.

FOR THE COMMANDER:

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Summary of change

III Corps and Fort Hood Regulation 36-1
Audits, Reviews, and Surveys Performed by External Audit Agencies

This revision dated 26 September 2002—

- Lists the correct title for AR 36-2.
- Rescinds the applicability to tenant units.
- Realigns formatting conventions to comply with DA digital publishing policy.

OVERVIEW

1

Purpose

This regulation prescribes policies and procedure relevant to the relationship between III Corps and Fort Hood and external audit agencies such as:

- The U.S. General Accounting Office (USGAO).
- U.S. Army Audit Agency (USAA).
- The DOD Inspector General (DODIG).

1a

Required and Related References

Section I. Required references

AR 36-2, Audit Reports and Follow-up (cited in block 3c; 3d)
 AR 36-5, Auditing Service in the Department of the Army (cited in block 3c; 3d)

Section II. Related references.

This section not used.

Section III. Referenced forms

FHT Form 1853,

1b

Abbreviations and Terms

The glossary defines abbreviations and special terms used in this regulation.

1c

POLICY

2

General

Complete responsiveness to external audit requirements is desired, but individuals in contact with the audit representatives are cautioned to refrain from registering complaints or making unsolicited comments.

- All remarks and/or replies to inquiries from the auditors should address the specific questions asked and should be candid, pertinent, and completely justifiable.
- Off-hand or impetuous comments made by personnel to external auditors during the course of discussion sessions can be misinterpreted as official position statements.
 - Such comments are a liability to the government.
 - All personnel will refrain from making off-hand or impetuous comments to external auditors.

2a

External Audit Agencies

All correspondence and reports pertaining to the audit by external audit agencies will be sent to:

Office of The Internal Audit
 ATTN: AFZF -AUD
 1001 101st Tank Battalion Avenue, Room W102
 Fort Hood, Texas 76544-5056

2b

**Replies
To
Findings**

The replies to findings and recommendations and statements of fact obtained by the Office of Internal Audit from all applicable activities and staff offices will be considered the command position.

- Coordinate the command position with each activity or staff office affected by the audit.
- The Office of Internal Audit will forward the approved official command position to the applicable external audit agencies and higher headquarters.
- Copies will be forwarded to:
 - Headquarters, FORSCOM, Internal Review Office.
 - III Corps Inspector General.

Established suspense dates for replies will be adhered to.

2c

RESPONSIBILITY

3

**Office of
Internal
Audit**

The Office of Internal Audit, Headquarters, III Corps and Fort Hood, will provide command liaison and coordination for all external audit agencies and will: .

- Inform the interested major subordinate commands (MSCs), non-divisional units, and III Corps and Fort Hood staff sections upon receipt of information that an external audit will be conducted at III Corps and Fort Hood.
- Designate the staff action office for the impending audit.
 - The staff action office is normally the office most directly affected by the audit.
 - When the functional areas to be audited are not readily discernible, designation of the staff action office is announced by Internal Audit after coordination with the Command Group.
- Arrange entrance and exit conferences with the Command Group and include representatives from appropriate:
 - MSCs.
 - Non-divisional units.
 - Staff offices.
- Perform follow-up audits and/or verifications of actions taken or to be taken, as specified in command replies.
 - Accomplish follow-up audits and/or verifications within six months after the completion date of the original audit.
 - Follow-up audits and/or verification will determine whether actions have been carried through as stated in the command reply.
- Appoint a representative from the Office of Internal Audit to be present at all exit briefings at the battalion or division-level before the formal exit briefing with the III Corps Command Group.
 - Ensures that Internal Audit has current information on findings and disagreements with any findings at the user level.

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**Office of
Internal
Audit
(continued)**

- The individual who initiates liaison action on a particular audit is responsible for action of the audit until the audit is complete.

3a

**Staff Action
Office**

The designated staff action office will appoint an installation project officer and provide the name of the appointee to Internal Audit.

When the audit report, tentative findings and recommendations, or letter report include MSCs, non-divisional units, or other staff elements of the headquarters, the staff action officer will obtain replies to findings and recommendations and a statement of facts.

3b

**Installation
Project
Officer**

The installation project officer will:

- Arrange for necessary office space, furniture, and equipment required by external auditors.
- Coordinate visits by external auditors to any area outside the staff action office functional area.
- Submit a report to the Office of Internal Audit
 - Daily for USGAO audits.
 - Weekly for all other external audits.
 - Reports will include:
 - Persons interviewed.
 - Documents reviewed.
 - Potential problem areas.
 - Significant discussions.
 - There is not an established delivery medium or format for reports.
 - Users may choose the option that best fits their resources.
- Upon receipt of a request from external auditors for copies of official records and reports, and before granting access to and release of such records, refer to:
 - Chapter 4, AR 36-2 (Audit Reports and Follow-up).
 - Paragraph 4, AR 36-5 (Auditing Service in the Department of the Army).
 - Furnish a copy of all records given to external auditors to the Office of Internal Audit.
 - Internal Audit will retain the records and all attachments for reference.
- Address any questions concerning authority to turn over records and reports to external auditors to the office of Internal Audit.
- Know policy and procedure outlined in AR 36-2 and AR 36-5.
- Consider responses to audit reports as tentative findings and recommendations or letter reports obtained by the staff action officer, and prepare and forward to Internal Audit a single proposed command position.

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Installation Project Officer (continued)

- Maintain a close working relationship with the office of Internal Audit and the external auditors who are working on Fort Hood.
- Attend all informal exit briefings below corps-level or have a representative from that office attend.

3c

Unit Project Officer

Each MSC, non-divisional unit, and Headquarters, III Corps and Fort Hood staff offices will designate a unit project officer when notified that an external audit agency will conduct an audit of its activities.

If the audit is within the activities of the staff action office, the installation project officer will perform this duty.

The unit project officer will:

- Arrange for necessary office space, furniture, and equipment required by external auditors.
- Coordinate visits by external auditors to any area outside the staff action office functional area.
- Submit a report to the Office of Internal Audit
 - Daily for USGAO audits.
 - Weekly for all other external audits.
 - Reports will include:
 - Persons interviewed.
 - Documents reviewed.
 - Potential problem areas.
 - Significant discussions.
 - There is not an established delivery medium or format for reports.
 - Users may choose the option that best fits their resources.
- Upon receipt of a request from external auditors for copies of official records and reports, and before granting access to and release of such records, refer to:
 - Chapter 4, AR 36-2 (Audit Reports and Follow-up).
 - Paragraph 4, AR 36-5 (Auditing Service in the Department of the Army).

3d

PROCEDURE

4

When External - Audit Representatives are Involved

The Office of Internal Audit will be informed immediately when an external audit representative expresses an intention to expand or change the original scope of the audit, review, or survey (hereafter called audit) or desires to visit other areas which are related or unrelated to the audit being conducted.

4a

**Official
Position**

If requested by external audit representatives for the Army position on any findings or recommendations developed during an audit, operating personnel will inform the audit representatives that the Army position can only be obtained from the Secretary of the Army.

The official Fort Hood position will be given to external auditors only after The Command receives a final report of audit.

The Office of Internal Audit will be advised on any request by external auditors for an Audit report, either draft or final, of any other external audit agency or The Command replies Thereto.

Access will not be provided to any external audit agency to any report or the replies without the express permission of the Office of Internal Audit.

4b

INSTRUCTION

5

**USAAA and
DODIG
Report**

Following are instructions for replying to USAAA and DODIG reports:

- Statement of finding: cite the title of the finding as shown in the audit report.
- Additional facts:
 - State facts that may not be in the report, but that are pertinent to the conditions cited by the agency.
 - Address each paragraph of the report, or a portion thereof, that is not agreed with or which requires clarification.
 - Present extenuating circumstances which may have caused the situation.
 - Address the specific examples of operating deficiencies cited in the finding and indicate the action taken.
- Recommendation: repeat the recommendation outlined in the audit report.
- Action taken:
 - State whether the Commander's position is concur or nonconcur.
 - Present a concise statement of action taken on concurrences.
 - If action taken is contemplated, state which action will be taken and a target date when action will be taken or completed.
 - Present a summary of the justification for a nonconcurrency.
- When more than one recommendation is involved, address each separately following the format in the recommendation bullet in this block.

5a

**USGAO Fact
Summary**

Following are instructions for replying to GAO statements of facts:

- Audit identification: cite title of audit as shown in the fact summary.

(continued on next page)

**USAGO
Fact
Summary
(continued)**

- Summary of USGAO findings and/or allegations:
 - Present a concise extract from the fact summary.
 - Include identification to chapter or section, page and paragraph.
- Additional facts:
 - Cite facts that are pertinent to the USGAO statement or allegation which are not in the report.
 - Cite extenuating circumstances, which may have caused the situation.
 - Address specific examples of operating deficiencies cited in the report.
- Command position:
 - Provide a full disclosure of the position taken by the agency.
 - Acknowledge the condition if true.
 - If the condition is not true, provide a full discourse of the command position based on the additional facts presented.
- Action taken or contemplated.
 - Present a concise statement of action taken.
 - If action taken is contemplated, state which action will be taken and a target date when action will be taken or completed.
 - This is necessary only where there is a condition which required action.)

5b

Glossary

Abbreviations

DOIM

Directorate of Information Management

DODIG

Department of Defense Inspector General

GS

General staff

IAW

In accordance with

LTC

Lieutenant Colonel

MSC

Major subordinate command

SC

Signal Corps

USGAO

US General Accounting Office

USAAA

US Army Audit Agency

Special terms

Public accounting firms