

CEAO OCE Supplement to Army Regulation No. 36-2	Department of the Army U.S. Army Corps of Engineers Washington, DC 20314-1000	AR 36-2 30 December 1982
	Audit PROCESSING INTERNAL AND EXTERNAL AUDIT REPORTS AND FOLLOWUP ON FINDINGS AND RECOMMENDATIONS	
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DEPARTMENT OF THE ARMY
U.S. Army Corps of Engineers
Washington, D. C. 20314

DAEN-RMA

USACE Supplement 1
to AR 36-2

30 December 1982

Audit
PROCESSING INTERNAL AND EXTERNAL AUDIT REPORTS
AND FOLLOWUP ON FINDINGS AND RECOMMENDATIONS

Issue of further supplements to this regulation by Commanders FOA is permitted but is not required. If supplements are issued, Division Commanders and Cdr, separate FOA will furnish one copy of each to CDR USACE (DAEN-RMA) and (DAEN-ASP-R) WASH DC 20314; District Commanders will furnish required copies to appropriate Division Commanders.

AR 36-2, 15 May 1982, is supplemented as follows:

Page 1-3, Paragraph 1-6, Focal points. Add to subparagraph a the following: At HQ, USACE the focal point for GAO, DAS, USAAA and commercial audit reports is the Audit and Internal Review Division, RMD (DAEN-RMA).

Page 1-3, Paragraph 1-7, Audit Trends. Add the following: Internal review personnel at all levels are responsible for monitoring the action taken on audit trends applicable to Corps activities to determine whether similar conditions exist and if so, the corrective action taken or planned.

Page 2-1, Paragraph 2-1, US Army Audit Agency Audits. Add the following: Commanders of Corps field operating activities will send a written notice, through the division if applicable, to CDR USACE (DAEN-RMA) WASH DC 20314 whenever USAAA arrives to perform an audit and when they depart upon conclusion of the audit. The notice of their arrival will include the entrance date, the areas to be covered during the audit, and the estimated completion date. The notice of their exit will include the departure date and brief summary of their findings (Exempt report: paragraph 7-2o, AR 335-15).

Page 2-1. Paragraph 2-3. Responses to findings and recommendations. Add the following: The USAAA will furnish copies of the audit report direct to the audited activity simultaneously with the transmittal of copies to the Chief of Engineers. The commander to whom a recommendation is addressed will initiate corrective action as appropriate and provide an official command reply in accordance with procedures in paragraph 2-4 of the basic AR and this supplement.

This supplement supersedes OCE Suppl 1 to ARs 36-1, 36-6 and 36-20 all dated 29 May 1980.

Page 2-2, Paragraph 2-4, Procedures and instructions. Add to subparagraph i the following: Upon receipt of the audit report, the Audit and Internal Review Division (DAEN-RMA) will forward a written request through channels to the audited activity to submit the command reply. The reply package (FOA letter; inclosures, if any; and division indorsement, if applicable) will be forwarded in an original and the prescribed number of copies to CDR USACE (DAEN-RMA) WASH DC 20314. The requests for command reply will specify the number of copies required and the due date, which normally will be 30 days from the date of the USAAA letter transmitting the action copy of the audit report.

Page 3-1, Paragraph 3-4, Visits by Defense Audit Service auditors. Add subparagraphs (1) and (2) after subparagraph c.

(1) A teletype will be sent to DA WASH DC //DAEN-RMA// whenever DAS auditors arrive in a division, district or separate field operating activity to perform a survey or audit. District commanders will send information copies of such messages to the division commander. This teletype should include the title and scope of audit, DAS project number, number of auditors, date of visit and estimated completion date (Exempt report: paragraph 7-2o, AR 335-15).

(2) A Memorandum for Record covering the exit conference will be dispatched through the division, if applicable, to CDR USACE (DAEN-RMA) WASH DC 20314 no later than 10 working days following the exit conference. In the event DAS departs without an exit conference, the Audit and Internal Review Division (DAEN-RMA) should be so advised (Exempt report: paragraph 7-2t, AR 335-15).

Page 4-2, Paragraph 4-5, Release of information. Add to subparagraph f (3) the following: If the local commander has any question as to whether the budget data requested by GAO is current and complete, such data should be verified by telephone with DAEN-CWB or DAEN-ZCP-C as appropriate prior to release of the information.

Page 4-3, Paragraph 4-7, Coordination of General Accounting Office matters. Add the following: If the simultaneous presence of two or more external audit teams will cause undue disruption of activities, the local commander should try to rearrange the scheduled visits in coordination with the audit teams. If these efforts are unsuccessful, the matter should be referred through the respective channels of the audit agency and USACE for resolution.

Page 4-3, Paragraph 4-8, Notice of intent to audit. Add the following: A teletype will be sent to DA WASH DC//DAEN-RMA//, with information copy to division as applicable, whenever GAO auditors arrive in a Corps field

operating activity to perform a survey or review. The teletype should include the title and scope of audit, GAO assignment code, number of auditors, date of visit and estimated completion date (Exempt report: paragraph 7-2o, AR 335-15).

Page 4-3, Paragraph 4-9, Conduct of the audit. Add the following: During a GAO visit the field activity involved will keep CDR USACE (DAEN-RMA) informed of any significant review developments. In addition to the advance notice of major findings required by paragraph 4-14 of basic regulation, the following information will be forwarded by teletype, telecopier or telephone as it becomes available:

- a. Temporary suspension of audit work.
- b. Expansion of the review to field activities other than those initially designated.
- c. Changes in the previously reported scope of review.

Page 4-4, Paragraph 4-13, Letter reports. Add the following: Commanders may not make a direct reply to GAO reports of any type without specific approval of HQ, USACE. Upon receipt of a letter report, the division or separate field operating activity auditor will contact the Audit and Internal Review Division (DAEN-RMA) to mutually determine the significance of the findings. If significant, the proposed reply will be forwarded to CDR USACE (DAEN-RMA) WASH DC 20314 for review by higher authority. Upon receipt of HQ approval, field activities will then make a direct reply to GAO letter reports. A copy of the report and reply will be furnished to HQDA (DAIG-AI) WASH DC 20310 and CDR USACE (DAEN-RMA) WASH DC 20314 at the time the reply is submitted to the GAO regional office. Reply should be made within 45 days after initial receipt of the report.

Page 4-4, Paragraph 4-15, Report of exit conference. Add to subparagraph a the following: The Memorandum for Record covering the exit conference will be forwarded through the division, if applicable, and CDR USACE (DAEN-RMA) WASH DC 20314 to HQDA (DAIG-AI) WASH DC 20310 no later than 10 working days following the exit conference. In the event GAO departs without an exit conference, the Audit and Internal Review Division (DAEN-RMA) should be so advised (Exempt report: paragraph 7-2t, AR 335-15).

Page 5-1, Paragraph 5-1, Guidelines. Add subparagraphs (1) and (2) after subparagraph a.

- (1) The Audit and Internal Review Division (DAEN-RMA) will monitor follow-up action taken on GAO and DAS reports. When follow-up action is

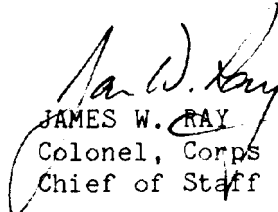
required at field level, the Chief, Audit Branch at the respective Corps FOA will be so advised and a target date will be established for completion of the follow-up action. A copy of the follow-up report, prepared in accordance with paragraph 2-16e(1), OCE Suppl 1 to AR 11-7, will be submitted to CDR USACE (DAEN-RMA) WASH DC 20314 upon completion of the follow-up review.

(2) When the command reply to USAAA report is forwarded to HQ, USACE, the Chief, Audit Branch at Corps FOA will establish a suspense date for follow-up on corrective action taken or planned, as indicated in the command reply. The Chief, Audit Branch will keep the Audit and Internal Review Division (DAEN-RMA) informed by telephone as to the initial suspense date, follow-up actions completed, and/or slippages in the suspense date until all follow-up actions have been completed. A copy of the follow-up report, prepared in accordance with paragraph 2-16e (1), OCE Suppl 1 to AR 11-7, will be submitted to CDR USACE (DAEN-RMA) WASH DC 20314 upon completion of the follow-up review.

Page 5-1, Paragraph 5-3, Follow-up Status Report. Add to subparagraph c the following: The semiannual reports for the periods ending 31 March and 30 September, consolidated by division, will be submitted to reach CDR USACE (DAEN-RMA) WASH DC 20314 by the 15th of the month following the reporting period.

Page 5-1, Paragraph 5-3, Follow-up Status Report. Add to subparagraph f the following: Corps FOAs will report only internal review disagreements in this section. Part III will include those internal review reports where unresolved disagreements between the auditors and operating officials were adjudicated by the local commander during the period and those elevated for adjudication but still unresolved at the end of the period. Any disagreement that cannot be resolved at a lower level must be adjudicated by the local commander within 180 days from the date of the internal review report. Therefore, if any unresolved items are reported in parentheses as more than six months old, the transmittal letter will provide a complete explanation.

FOR THE COMMANDER:


JAMES W. RAY
Colonel, Corps of Engineers
Chief of Staff