Command and Installation Audit Readiness Guide

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Accountability & Audit Readiness: Sustaining Army's Strength

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1.0 Introduction

Everyone in the Army is accountable for managing the Army's dollars and resources. Accountability leads to a stronger Army and a clean audit opinion, which proves we are responsible stewards of taxpayer dollars and justifies funds we request from Congress. Ultimately, accountability and audit readiness are inherent to the Army's mission because they allow us to better support the warfighter through better management of Army resources.

2.0 Purpose

The purpose of this guide is to assist Army Commands and Installations in becoming audit ready. This guide provides:

- An overview of audit readiness (section 3.0).
- A description of key supporting resources available to Commands and Installations for becoming audit ready (section 4.0).
- A description of key internal control activities identified for each Command and Installation, including authoritative guidance and/or policies related to the internal control activities and internal control deviations discovered by Army audit readiness teams during testing (section 5.0).

3.0 Audit Readiness Overview

The Army must transform itself to meet the financial and managerial requirements of the digital age, producing timely, accurate, and relevant information that is consistently auditable. To achieve this, the Army has created a Financial Improvement Plan (FIP) to reach audit readiness. The FIP is aligned with the Office of the Under Secretary of Defense (Comptroller) (OUSD(C)) Financial Improvement and Audit Readiness (FIAR) Plan to improve financial management, prioritize improvement activities, strengthen internal controls, and ultimately achieve auditability. To achieve the OUSD(C) FIAR Plan objectives, the USD(C) has identified two major financial improvement priorities:

- The Department's budgetary information, as contained in the Statement of Budgetary Resources (SBR).
- Information regarding the Existence & Completeness (E&C) of mission critical assets.

The Office of the Assistant Secretary of the Army (Financial Management & Comptroller) (OASA(FM&C)) Accountability & Audit Readiness Directorate publishes an annual audit readiness strategy that includes, among other items, a summary of the Army's audit readiness framework and accomplishments. The FY 2012 Army Audit Readiness Strategy, which summarizes Army's accomplishments during FY 2011 and its audit readiness efforts planned for FY 2012, is available on the Army Knowledge Online (AKO) website. Log into AKO (www.us.army.mil) and then paste this link into the browser window:

www.us.army.mil/suite/page/auditready

3.1 SBR

The SBR provides information on how budgetary resources were made available and how they were executed. Business processes (i.e., assessable units) included in Army's audit readiness efforts for the SBR are as follows:

- Funds Receipt, Distribution, and Monitoring
- Contracts
- Temporary Duty Travel
- Permanent Change of Station Travel
- Reimbursable Transactions (Military Interdepartmental Purchase Requests)
- Civilian Payroll
- Military Payroll
- Miscellaneous Payments
- Purchase Card Transactions
- Supply Requisition

3.2 E&C

E&C verifies existence (book to floor) and completeness (floor to book) of mission critical assets. Mission critical asset categories (i.e., assessable units) included in Army's audit readiness efforts are as follows:

- Military Equipment
- General Equipment
- Operating Materials & Supplies
- Real Property

4.0 Supporting Resources

The OASA(FM&C) Accountability & Audit Readiness Directorate provides several resources to assist Army Commands and Installations in preparing for audit readiness. Some of the key supporting resources available to Commands and Installations are described below.

4.1 Business Process Narratives and Flowcharts

Business process narratives and flowcharts provide a description of how personnel perform a specific business process, the risks the process poses to the financial statements, and the controls required to mitigate the risks. Narratives and flowcharts for business processes related to Statement of Budgetary Resources (SBR) audit readiness are available on the Army Knowledge Online (AKO) website (see section 3.0 of this guide for access information). Narratives and flowcharts for the mission critical assets categories (e.g., Operating Materials & Supplies (OM&S)) will be available soon on AKO.

4.2 Control Catalogues

Control catalogues list all identified internal control activities related to a specific business process. Control activities mitigate risks in business processes and can be manual or automated. The SBR Control Catalogue is available on the AKO website (see section 3.0 of this guide for access information). Control catalogues for the mission critical assets categories (e.g., OM&S) will be available soon on AKO.

4.3 Self-Assessment Internal Control Questionnaires

Self-assessment internal control questionnaires are provided to Commands and Installations that have been selected for an on-site audit readiness visit. The purpose of this questionnaire is to assist Commands and Installations in identifying existing key controls and to enable the audit readiness teams to identify key controls that should be in place (i.e., control gaps). The SBR internal control questionnaire is available on the AKO website (see section 3.0 of this guide for access information). Internal control questionnaires for mission critical assets categories (e.g., OM&S) will be available soon on AKO.

4.4 Audit Readiness Training

Audit readiness training ensures personnel at all levels have the knowledge and skills needed to function effectively in the audit readiness environment. The audit readiness training offers a comprehensive approach geared toward audit preparation and awareness.
The purpose of this training is to provide Commands and Installations with a basic understanding of Army audit readiness activities, the Army Financial Improvement Plan (FIP), internal control, internal control activities, testing, and corrective actions.

More information on audit readiness training is available on the AKO website (see section 3.0 of this guide for access information).

4.5 Business Process Controls Training

Business process controls training provides detailed guidance on internal control implementation requirements to include screen shots, specific GFEBS or other system transaction details, and documentation requirements. The purpose of this training is to provide Commands and Installations with a basic understanding of business process controls and the Army FIP requirements for business process control documentation.

More information on business process controls training is available on the AKO website (see section 3.0 of this guide for access information).

4.6 SBR Audit Support Handbook

The SBR Audit Support Handbook provides resources for Commands and Installations that are directly involved in Army SBR audit readiness efforts. This audit support handbook is organized by SBR business process and key controls. It includes standard operating procedures for retrieving information and documents from information management systems, such as the General Fund Enterprise Business System, to support audit readiness or auditors' requests.

The SBR Audit Support Handbook is available on the AKO website (see section 3.0 of this guide for access information).

5.0 Internal Controls by Organization

Internal control facilitates the effectiveness and efficiency of operations, helps ensure the reliability of internal and external reporting, and assists in compliance with laws and regulations. Office of Management and Budget Circular No. A-123 defines management's responsibility for internal control in Federal agencies. Internal control standards and the definition of internal

control are based on GAO, *Standards for Internal Control in the Federal Government*, November 1999, "Green Book." The Army's system of internal control has a key role in the management of risks that are significant to the fulfillment of its business objectives. This system of internal control includes control activities, such as authorizations, approvals, reviews, completeness tests, and reconciliations, to mitigate risks.

This section documents internal control activities by organization, specific authoritative guidance and policy criteria, and internal control exceptions (deviations). In addition, the assessable unit is documented for ease of reference. Internal control activities that apply to all assessable units are listed as "Army-wide." The internal control activities within each assessable unit have been written in a manner to satisfy the Army's key control objectives and to meet external requirements, including United States Generally Accepted Accounting Principles (U.S. GAAP) and applicable laws and regulations. Fundamental control criteria, however, are that:

- Transactions are properly conducted in accordance with management's general and specific authorizations.
- Transactions are properly accounted for and accurately and promptly recorded.
- The assets and records of the Army are adequately safeguarded.

Below is an example of the format for this section.

Section 5.0 Format

5.X [Army Organization]: *Identifies the specific Army organization that executes the control activity.*

5.X.X [Control Name]: *Identifies the specific control name as stated in the control catalogue.*

[Narrative]: *Describes the control activity for execution.*

Assessable Unit: *Identifies the specific assessable unit under which the control activities are performed. An assessable unit can be a line item, process, system, class of assets (e.g., military equipment), or class of transactions (e.g., contractor payments).*

Criteria (Policy): *Identifies pertinent authoritative guidance and policy, where applicable.*

Deviation(s) Found: *Identifies internal control exceptions found during testing. While not all control activities are based on specific authoritative guidance or policy,* ***these exceptions must be corrected in order for the Army to reach audit readiness.***

The OASA(FM&C) Accountability & Audit Readiness Directorate will update this guide on a quarterly basis, adding newly identified areas for improvement as the audit readiness work evolves.

5.1 G-8: Resource Management & Budget Functions

This section covers activities carried out by resource management and budget offices. Note that the "resource management" category includes functions carried out by Resource Management Offices, Directorate of Resource Management, and Garrison Resource Management Offices. The budget category includes any office that executes budget functions and may operate under many different titles.

5.1.1 Statement of Funds (SOF) Review

A program analyst generates a daily SOF report and reviews it to ensure that obligations and expended authority do not exceed allotments. This review is evidenced by a signature and date on the SOF report.

Assessable Unit: Army-wide
Deviation(s) Found: Control currently not in place.

5.1.2 Joint Reconciliation Program (JRP)

A budget analyst performs a tri-annual review under the JRP to identify obligations in excess of allotments and unliquidated obligations that require de-obligation. This review is evidenced by a preparer and reviewer signature and date on the JRP report.

Assessable Unit: Army-wide
Criteria (Policy): "Standards for Recording and Reviewing Commitments and Obligations: Tri-Annual Reviews of Commitments, Obligations, Accounts Payable, and Accounts Receivable," DoD FMR 7000.14-R, Volume 3, Chapter 8, Section 80401.
Deviation(s) Found: None. Control has not yet been tested.

5.1.3 Journal Entries

All journal entries and supporting documentation are reviewed and pre-approved by an Army Accountant (or equivalent) prior to processing. This review and approval is evidenced by a signature and date on the journal voucher.

Assessable Unit: Army-wide
Criteria (Policy): "Financial Reports Roles and Responsibilities: Journal Voucher (JV) Preparation," DoD FMR 7000.14-R, Volume 6a, Chapter 2, Section 020208.
Deviation(s) Found: Control currently not in place.

5.1.4 Department of Defense (DD) Form 577

Authorizing officials and certifying officials must have delegated authority to authorize obligations and certify funds as evidenced by a DD Form 577, Appointment/Termination Record - Authorized Signature, or an equivalent form.

Assessable Unit: Army-wide
Criteria (Policy): "Certifying Officers, Departmental Accountable Officials, and Review Officials: Disbursing Policy and Procedures," DoD FMR 7000.14-R, Volume 5, Chapter 33, Section 3306.
Deviation(s) Found: None. Control has not yet been tested.

5.1.5 Standard Operating Procedures (SOP) Existence

SOPs for recording transactions, underlying events, and processing transactions exist and are accessible to process and control owners.

Assessable Unit: Army-wide
Deviation(s) Found: None. Control has not yet been tested.

5.1.6 SOP Review

SOPs for recording transactions, underlying events, and processing transactions are reviewed by Command Headquarters annually for compliance with U.S. GAAP and Army or Department of Defense regulations and for completeness. This review is evidenced by the signature and date on the SOP.

Assessable Unit: Army-wide
Deviation(s) Found: None. Control has not yet been tested.

5.1.7 Feeder System Access Controls

Access to feeder systems (e.g., Automated Time Attendance and Production System (ATAAPS), Defense Travel System (DTS), Standard Procurement System/Procurement Desktop-Defense (SPS/PD2), U.S. Bank Access Online (AXOL), Standard Army Retail Supply System-1 (SARSS-1)) is restricted to appropriate personnel. This is evidenced by signature and date on the DD Form 2875, or equivalent.

Assessable Unit: Army-wide
Deviation(s) Found: None. Control has not yet been tested.

5.1.8 Manual Journal Voucher Entry Review

Management performs a weekly review of all journal vouchers manually entered into the General Fund Enterprise Business System (GFEBS) for accuracy. This review is evidenced by the signature and date on the report.

Assessable Unit: Army-wide
Deviation(s) Found: None. Control has not yet been tested.

5.1.9 Collections Received Reconciliation

Checks received by the Command are recorded on the collection log. The Command performs a monthly reconciliation between the collection log and the credit memo report generated from GFEBS. All differences are documented and resolved promptly. This reconciliation is evidenced by the signature and date of the preparer on the reconciliation report.

Assessable Unit: Army-wide
Criteria (Policy): "Collections," DoD FMR 7000.14-R, Volume 5, Chapter 10.
Deviation(s) Found: None. Control has not yet been tested.

5.1.10 Collections Clearing Account Report

Management performs an annual review of the collections clearing account report (reports may be specific to each assessable unit) to identify receipts and ensure that collections are posted to

the appropriate obligation. All differences are documented and resolved promptly. This review is evidenced by the signature and date of the reviewer on the report.

Assessable Unit: Army-wide
Criteria (Policy): "Collections," DoD FMR 7000.14-R, Volume 5, Chapter 10.
Deviation(s) Found: None. Control has not yet been tested.

5.1.11 Collections Reconciliation Report

Management performs a monthly review of the collections reconciliation report (reports may be specific to each assessable unit) and compares the deposit information to the collections reconciliation report. All differences are documented and resolved promptly. This review is evidenced by the signature and date of the reviewer on the report.

Assessable Unit: Army-wide
Criteria (Policy): "Collections," DoD FMR 7000.14-R, Volume 5, Chapter 10.
Deviation(s) Found: Control currently not in place.

5.1.12 Reimbursable Agreement Budget Analyst Review

Budget analyst reviews the reimbursable agreement (e.g., DD Form 448, Military Interdepartmental Purchase Request, Department of Army (DA) Form 3953, Purchase Request and Commitment) to ensure the following:

- Goods or services listed on the agreement are within the scope of the performer's (Army) mission.
- Performer has the authority and capacity to perform the work.
- Command (e.g., Operations, G3) reviews for validity of requirement.
- Performer can begin the work before the requestor's funds expire.
- Work Breakdown Structure (WBS) Element is accurate.

This review and approval is evidenced by a signature and date on the Reimbursable Agreement.

Assessable Unit: Reimbursable (In)
Criteria (Policy):

- "General Reimbursement Procedures and Supporting Documentation," DoD FMR 7000.14-R, Volume 11A, Chapter 1.
- "Economy Act Orders," DoD FMR 7000.14-R, Volume 11A, Chapter 3.

Deviation(s) Found:

- The description or amount of the goods or services was incorrect.
- The WBS Element on the reimbursable agreement was incorrect.

5.1.13 Work Breakdown Structure Review

Budget Office management function reviews the WBS Element in GFEBS and writes the WBS Element listed on the source document (e.g., reimbursable acceptance agreement) to ensure accuracy.

Assessable Unit: Reimbursable (In)
Deviation(s) Found: Components of the WBS Element did not match the reimbursable agreement.

5.1.14 Sales Order Review/Reconciliation

Another budget analyst, other than the budget analyst who creates the sales order, reviews the sales order to the reimbursable agreement and the spending authority from offsetting collection accounts (i.e., U.S. Standard General Ledger (SGL) accounts 4221 and 4210) in GFEBS to ensure that the data entered into the system is complete and accurate. All differences are documented and resolved promptly. This review is evidenced by the signature and date of the reviewer.

Assessable Unit: Reimbursable (In)
Criteria (Policy):

- "General Reimbursement Procedures and Supporting Documentation," DoD FMR 7000.14-R, Volume 11A, Chapter 1.
- "Statement of Budgetary Resources," DoD FMR 7000.14-R, Volume 6B, Chapter 7.
- "Offsetting Receipts," DoD FMR 7000.14-R, Volume 11A, Chapter 17.

Deviation(s) Found:

- The description or amount of the goods or services on the sales order did not match the reimbursable agreement.
- The WBS Element on the reimbursable agreement or GFEBS was incorrect.
- The accounting transactions created did not offset each other.
- The accounting transaction amount did not match the amount on the reimbursable agreement.

5.1.15 Revenue Recognized to Cost Incurred Reconciliation

A budget analyst performs a monthly reconciliation of revenue recognized to cost incurred to ensure costs are complete and revenue is recognized appropriately. All differences are documented and resolved promptly. This review is evidenced by signature and date of the preparer and reviewer on the reconciliation worksheet.

Assessable Unit: Reimbursable (In)
Criteria (Policy):

- "Project Orders," DoD FMR 7000.14-R, Volume 11A, Chapter 2.
- "Reimbursements and Revenue Recognition," DoD FMR 7000.14-R, Volume 11B, Chapter 11.

Deviation(s) Found: Control currently not in place.

5.1.16 L1 Review/Approval

The budget analyst reviews the purchase request (PR) to ensure the following:

- All information entered is accurate (no errors in math, wording, etc.).
- All information is consistent with the purchase requisition.

This review is evidenced by the Budget Analyst's L1 approval in GFEBS.

Assessable Unit: Reimbursable (Out)
Criteria (Policy): "Standards for Recording and Reviewing Commitments and Obligations," DoD FMR 7000.14-R, Volume 3, Chapter 8.
Deviation(s) Found:

- Information contained on a PR did not match what was listed on the corresponding contract. These inaccuracies could lead to the improper recording of an obligation within the financial statements. Accurate recording of an event or transaction is a critical element of internal controls within an organization. Reviewing documentation for accuracy and completeness before initiating, processing, or approving a transaction is necessary for proper financial reporting.
- Command personnel manually bypassed the traditional GFEBS workflow structure. This manual bypass allows personnel with both Level 1 and Level 4 approval authority to execute both approvals on the same PR. This is a violation of segregation of duties.

5.1.17 L4 Review/Approval

A secondary budget analyst reviews the PR to verify the following:

- Cost and quantity are accurate.
- Appropriate reimbursable authority exists for established bona fide need.
- Appropriate line of accounting (LOA) is used and written on the source document (reimbursable agreement).

This review is evidenced by the Secondary Budget Analyst's L4 approval in GFEBS.

Assessable Unit: Reimbursable (Out)
Criteria (Policy): "Standards for Recording and Reviewing Commitments and Obligations" DoD FMR 7000.14-R, Volume 3, Chapter 8.
Deviation(s) Found:

- Information contained on a PR did not match what was listed on the corresponding contract. These inaccuracies could lead to the improper recording of an obligation within the financial statements. Accurate recording of an event or transaction is a critical element of internal controls within an organization. Reviewing documentation for accuracy and completeness before initiating, processing, or approving a transaction is necessary for proper financial reporting.
- Command personnel manually bypassed the traditional GFEBS workflow structure. This manual bypass allows personnel with both Level 1 and Level 4 approval authority to execute both approvals on the same PR. This is a violation of segregation of duties.

5.1.18 L5 Review/Approval

A Budget analyst, other than the L4 approver, reviews the purchase order (PO) to verify the L4 approval and acceptance agreement signature from the performer is present.

This review is evidenced by the third budget analyst's L5 approval in GFEBS.

Assessable Unit: Reimbursable (Out)
Criteria (Policy):

- "Receipt and Distribution of Budgetary Resources at the Execution Level," DoD FMR 7000.14-R, Volume 3, Chapter 15.
- "General Reimbursement Procedures and Supporting Documentation," DoD FMR 7000.14-R, Volume 11A, Chapter 1.

Deviation(s) Found: The approval was not performed or the name of the budget analyst who approved the Purchase Request was not shown in the financial input system.

5.1.19 Reimbursable Agreements to GFEBS Reconciliation

A Budget Analyst performs a monthly reconciliation of reimbursable agreements to obligations in GFEBS to ensure all obligations are accurately recorded. All differences are documented and resolved promptly. This reconciliation is evidenced by the signature and date of the reviewer.

Assessable Unit: Reimbursable (Out)
Criteria (Policy): "Administrative Control of Funds," DoD FMR 7000.14-R, Volume 14, Chapter 1.
Deviation(s) Found: None. Control has not yet been tested.

5.1.20 Receipt and Acceptance for Reimbursable Goods/Services

The requestor receives goods and services and compares the items or invoice (for services) received to the PO. Receipt and acceptance is evidenced by the signature and date of the reviewer on a receiving report or invoice.

Assessable Unit: Reimbursable (Out)
Deviation(s) Found: None. Control has not yet been tested.

5.1.21 AO Travel Order Review

An approving official (AO) reviews travel orders to ensure the following:

- Temporary Duty (TDY) travel is for a valid, mission-critical purpose.
- Dates of travel are in accordance with the proposed business travel need.
- Whether leave is requested in conjunction with TDY.
- Expenses requested are justifiable and in accordance with the Joint Travel Regulations/Joint Federal Travel Regulations (JTR/JFTR).

This review is evidenced by the AO's approval of the Travel Order in the Defense Travel System (DTS).

Assessable Unit: TDY Travel
Criteria (Policy):

- "Temporary Duty Travel Allowances," Joint Travel Regulations (JTR), Volume 2 Appendix O.
- "Travel Policy and Procedures: Defense Travel System," DoD FMR 7000.14-R Volume 9, Chapter 2.
- **Deviation(s) Found:** None

5.1.22 AO Travel Voucher Review

An AO reviews all travel vouchers to ensure the following:

- Receipts for lodging and expenses greater than $75 are attached.
- Receipts are valid and legible.
- If the voucher is signed by a non-DTS entry agent, there is a signed DD 1351-1, Travel Voucher or Subvoucher, attached.

- Daily lodging rate matches the receipt.
- If leave is taken, the per diem entitlement is updated to reflect this.
- All expenses are related to the trip.
- Rental car fuel is paid correctly.
- Mileage and fuel are claimed correctly.

The review is evidenced by the AO's approval of the Travel Voucher in DTS.

Assessable Unit: TDY Travel
Criteria (Policy):

- "Temporary Duty Travel Allowances," Joint Travel Regulations (JTR), Volume 2 Appendix O.
- "Travel Policy and Procedures: Defense Travel System," DoD FMR 7000.14-R, Volume 9, Chapter 2.

Deviation(s) Found: None

5.1.23 DTS and GFEBS Reconciliation

In the absence of effective system interface controls, a designated official performs a monthly reconciliation of all travel orders in DTS against obligations recorded in GFEBS to ensure that all travel orders are recorded as obligations. Any reconciling differences are cleared within 30 days of identification. This reconciliation is evidenced by signature and date on the reconciliation.

Assessable Unit: TDYTravel
Criteria (Policy):

- "Temporary Duty Travel Allowances," JTR, Volume 2 Appendix O.
- "Travel Policy and Procedures: Defense Travel System," DoD FMR 7000.14-R, Volume 9, Chapter 2.
- "Defense Travel System—Financial Field Procedures Guide," DTS Financial Field Procedures Guide.

Deviation(s) Found: Control currently not in place.

5.1.24 Unprocessed Voucher Reconciliation

The AO runs an un-submitted voucher list as well as a signed status report for vouchers on a monthly basis and investigates all travel orders that are still outstanding for greater than five business days after travel end date. The AO will follow-up with the traveler to determine why a travel voucher has not been submitted. AOs will retain all correspondence with traveler and associated reconciliations.

Assessable Unit: TDY Travel
Criteria (Policy):

- "Defense Travel System—Financial Field Procedures Guide," DTS Financial Field Procedures Guide, Version 10.16, Chapter 2.2.
- "Travel Policy and Procedures: Temporary Duty Travel," DoD FMR 7000.14-R, Volume 9, Chapter 5.

Deviation(s) Found: Control currently not in place.

5.1.25 Government Purchase Card (GPC) Purchase Request (PR) Approval

For all purchases, the AO or billing official (BO) reviews the hard copy purchase request to verify that all purchases are appropriate and allowable. This review and approval is evidenced by AO/BO signature on the hard copy purchase request. If the purchase is related to prohibited items or purchases that require pre-purchase approval, an additional signature by a supervisor is required.

Assessable Unit: GPC
Criteria (Policy): "Standards for Recording and Reviewing Commitments and Obligations," DoD FMR 7000.14-R, Volume 3, Chapter 8.
Deviation(s) Found: Copies of Purchase Requests were not maintained.

5.1.26 Resource Management Officer (RMO) Approval of Hard Copy Purchase Request

An RMO reviews the hard copy purchase request, to verify funds availability. This review and approval is evidenced by the RMO's signature on the hard copy purchase request.

Assessable Unit: GPC
Criteria (Policy): "Standards for Recording and Reviewing Commitments and Obligations," DoD FMR 7000.14-R, Volume 3, Chapter 8.
Deviation(s) Found: Control currently not in place.

5.1.27 AO/BO GPC Statement Reconciliation

The AO/BO reviews all transactions on the card statement to reconcile to the supporting documentation (approved PR, receiving report or invoice, verification of receipt spreadsheet, pre-purchase approval, and approval exception documentation) to ensure that all transactions are valid and complete. All differences are documented and resolved promptly. This review is evidenced by the approval in AXOL.

Assessable Unit: GPC
Deviation(s) Found:

- The AO/BO did not retain supporting documentation verifying the purchase was valid and reasonable.
- Statements were not readily available.

5.1.28 AXOL and GFEBS Reconciliation

In the absence of effective system interface controls, a budget analyst performs a monthly reconciliation of approved credit card statements in AXOL to the obligation per GFEBS. All differences are documented and resolved promptly. This review is evidenced by signature and date of the preparer and reviewer on the reconciliation.

Assessable Unit: GPC
Criteria (Policy): "Standards for Recording and Reviewing Commitments and Obligations," DoD FMR 7000.14-R, Volume 3, Chapter 8.
Deviation(s) Found: None. Control has not yet been tested.

5.1.29 AO/BO Contract Payment Card Reconciliation

For credit card purchases associated with contracts, the AO/BO reconciles the card statement to the contract payment cardholder's transaction register. The AO/BO verifies that the vendors are appropriate and amounts align with the bank statement. All differences are documented and resolved promptly. This review and approval is evidenced by the AO/BO's signature on the bank statement.

Assessable Unit: GPC
Deviation(s) Found: AO/BO did not maintain a signed and dated copy of the bank statement showing review and approval of credit card purchases associated with contracts.

5.1.30 RMO Consolidated Transaction Reconciliation

For credit card purchases associated with contracts, the RMO verifies the LOA in GFEBS matches the LOA on the consolidated transaction register and confirms the amount per the bank statement is not in excess of the obligation. All differences are documented and resolved promptly. This review is evidenced by signature and date on the associated bank statement.

Assessable Unit: GPC
Deviation(s) Found: Control currently not in place.

5.1.31 Convenience Checks Segregation of Duties

For proper segregation of duties, the following duties and responsibilities are segregated among different roles:

- Requestor
- Checkbook holder
- AO/BO
- RMO

This is supported by Army policies and procedures, as evidenced by separate signatures on the PR and/or the checkbook log.

Assessable Unit: GPC
Deviation(s) Found: Units did not retain a copy of the purchase request with four approval signatures for items.

5.1.32 AO/BO Bank Statement Reconciliation

An AO/BO reconciles the card statement to the check log, checkbook register, request forms, and invoices. All differences are documented and resolved promptly. This reconciliation is evidenced by the AO/BO approval in AXOL.

Assessable Unit: GPC
Deviation(s) Found: None. Control has not yet been tested.

5.1.33 AXOL Intermediate Document (IDoc) Report

Management reviews monthly the AXOL IDoc Report from GFEBS posted to AKO to ensure that all transactions interfaced appropriately from AXOL into GFEBS. All differences are documented and resolved promptly. This review is evidenced by the signature and date on the report.

Assessable Unit: GPC

Criteria (Policy): "Federal Financial Management Improvement Act of 1996 Compliance, Evaluation and Reporting," DoD FMR 7000.14-R, Volume 1, Chapter 3.
Deviation(s) Found: None. Control has not yet been tested.

5.1.34 Billing Official LOA Review

An RMO reviews the LOA assigned to each billing official when assigned and on a yearly basis. This review is evidenced by the signature on a program management report out of AXOL.

Assessable Unit: GPC
Deviation(s) Found: None. Control has not yet been tested.

5.1.35 Miscellaneous Payments Invoice Review (Misc Pay Invoice Review)

The activity owner reviews the invoice or supporting documentation to ensure that the charges are legitimate and accurate. This review and approval is evidenced by the signature of the activity owner on the Standard Form (SF) 1034, Public Voucher for Purchases and Services other than Personal, or equivalent documentation, or equivalent documentation, noting approval.

Assessable Unit: Miscellaneous Payments
Deviation(s) Found:

- SF 1034 or equivalent documentation was not signed by the activity owner to show evidence of review and approval.
- The invoice or supporting documentation was not readily available to provide evidence that charges are legitimate and accurate.

5.1.36 SF 1034 Certification Review

The SF 1034 certifier (independent of the SF 1034 creator) reviews the completed SF 1034 to ensure the following:

- Information on the SF 1034 matches the supporting documentation.
- The GFEBS obligation amount equals the SF 1034 amount.
- Charges are incurred during the period of performance.
- Charges are incurred within the life of funds.
- Proper LOA is assigned.

This review and approval is evidenced by the certifying signature of the SF 1034 certifier on the SF 1034.

Assessable Unit: Miscellaneous Payments
Criteria (Policy): "Contract Payment Policy and Procedures: Miscellaneous Payments," DoD FMR 7000.14.R, Volume 10, Chapter 12.
Deviation(s) Found:

- The SF 1034 was not signed by an independent SF 1034 certifier to show evidence of review and approval.
- The SF 1034 was signed by the SF 1034 certifier but the GFEBS obligation amount does not match the SF 1034 amount.

5.1.37 Delegated Authority for Supplies (DA Form 1687)

The supply technician must have delegated authority to request and/or receive supplies as evidenced by a signed DA Form 1687, Notice of Delegation of Authority – Receipt for Supplies (or an equivalent form).

Assessable Unit: Supply Procurement
Deviation(s) Found: Control currently not in place.

5.1.38 Commander's Exception Report Bona Fide Need Review

A designated official from the Unit reviews the Commander's exception report to ensure that there is a bona fide need for all purchase requests. This review and approval is evidenced by the authorized signature on the Commander's exception report or equivalent (e.g., IMCOM DA Form 2407, Maintenance Request).

Assessable Unit: Supply Procurement
Criteria (Policy): "Standards for Recording and Reviewing Commitments and Obligations," DoD FMR 7000.14-R, Volume 3, Chapter 8.
Deviation(s) Found: Control currently not in place.

5.1.39 MRF/NSF Funds Availability Review

The budget analyst reviews the manager review file (MRF)/non-sufficient funds (NSF) from SARSS2A/C to check the availability of funds in GFEBS for all supplies requested. This review is evidenced by the budget analyst's signature and date on the MRF/NSF or email approval with MRF/NSF attached.

Assessable Unit: Supply Procurement
Deviation(s) Found: Control currently not in place.

5.1.40 Supply Receipt Verification

The unit representative receives supplies and validates that all goods have been received. This is evidenced by the unit representative's signature and date on the DD Form 1348, DOD Single Line Item Requisition System Document (Manual), or an equivalent form.

Assessable Unit: Supply Procurement
Criteria (Policy): "Army Regulation—Inventory Management: Supply Policy Below the National Level," AR 710-2, Chapter 2, Section 2–8.
Deviation(s) Found: Control currently not in place.

5.1.41 SARSS and GFEBS Reconciliation

In the absence of effective system interface controls, a budget analyst performs a monthly reconciliation of purchases completed in SARSS to obligations (i.e., undelivered orders, delivered orders) in GFEBS to ensure that all obligations are recorded and recorded accurately. All differences are documented and resolved promptly. This review is evidenced by the signature and date of the preparer and reviewer on the reconciliation.

Assessable Unit: Supply Procurement
Criteria (Policy): "Standards for Recording and Reviewing Commitments and Obligations," DoD FMR 7000.14-R, Volume 3, Chapter 8.

Deviation(s) Found: None. Control has not yet been tested.

5.1.42 SARSS Threshold Review

Management performs an annual review of the SARSS threshold for reasonableness and accuracy. This review is evidenced by signature and date on the associated screen shot.

Assessable Unit: Supply Procurement
Deviation(s) Found: None. Control has not yet been tested.

5.1.43 SARSS, Funds Control Module (FCM), and GFEBS Interface Exception Error Reports

Management reviews the SARSS, FCM, and GFEBS interface exception error reports to ensure that all transactions interfaced appropriately. All differences are documented and resolved promptly. This review is evidenced by the signature and date on the reports.

Assessable Unit: Supply Procurement
Deviation(s) Found: None. Control has not yet been tested.

5.2 G-4: Logistics

This section covers activities by logistics personnel that includes, but is not limited to, asset management and inventory control. As audit readiness efforts expand across the Army, this section will be updated to include additional controls around asset and supply management, real property management, and other logistics areas.

Class V Asset Management

5.2.1 Standard Operating Procedures (SOP)

SOPs are accessible and are reviewed annually to ensure they are in accordance with United States Generally Accepted Accounting Principles (US GAAP) and Army Regulations (ARs) to appropriately account for assets for all processes. The SOP review is evidenced by the signature and date on the SOPs.

Assessable Unit: Operating Materials & Supplies (OM&S)
Criteria (Policy): "U.S. Army Material Command—Logistics: Preparation of Standing Operating Procedures (SOP) for Ammunition Operations," Army Materiel Command (AMC) Regulation 700-107.
Deviation(s) Found:

- SOPs did not exist.
- Governing SOPs lacked the proper authorizations. SOPs did not contain any evidence that the installation Commander, organizational leadership, or supervisors approved or authorized the SOPs.
- SOPs did not conform to the required format.
- SOPs did not document the handling of discrepancies during the inventory process.

5.2.2 Safeguarding of Assets

Security procedures align with requirements in AR 190-11. Category (CAT) I & II assets are stowed in properly safeguarded storage locations equipped with the intrusion detection system (IDS) and/or a requirement for two separate individuals with authorization to access only one key (A or B) is in place to ensure adequate security is enforced in accordance with the local SOPs and ARs. Ammunition storage areas are secured with a secondary fenceline where security guards only permit entry to individuals with cleared access. Vehicles entering and leaving the gate are inspected and searched at random.

Assessable Unit: OM&S
Criteria (Policy): "Military Police—Physical Security of Arms, Ammunition, and Explosives," AR 190-11 (Available only on AKO).
Deviation(s) Found: Two retail locations demonstrated inconsistencies in management of two-key system for CAT I storage locations.

5.2.3 System Access

Information system management personnel appropriately authorize system access to the accountable property system of record (APSR) via a Department of Defense (DD) Form 2875, System Access Authorization Request (SAAR) or equivalent documentation. System access

authorization is evidenced by the information system manager's or designee's signature and date on the DD Form 2875 or equivalent.

Assessable Unit: OM&S
Criteria (Policy):

- "Information Management—Information Assurance," AR 25-2.
- "Department of Defense Directive—Information Assurance (IA)," Department of Defense (DoD) Directive 8500.1.
- "Department of Defense Instruction—Information Assurance (IA) Implementation," DoD Instruction 8500.2.

Deviation(s) Found:

- The Logistics Modernization Program (LMP) Office could not show the approval documentation for any user on the user access list because emails and helpdesk ticket files were not labeled or organized.
- Documentation was not maintained to show active users and their roles within the APSR.
- Retail sites using SAAS-MOD locally manage all servers and do not use DD Form 2875s to process user access requests.

5.2.4 Summary Schedules

Monthly system generated summary schedules from the APSR reflect accumulated materiel that is reviewed by management to ensure proper classification and summarization of materiel. All classification and summarization errors and omissions are investigated and resolved. The review and resolution of discrepancies are evidenced by the item manager's signature on the summary schedule.

Assessable Unit: OM&S
Criteria (Policy): "Logistics—U.S. Army Munitions Reporting System" AR 700-19.
Deviation(s) Found: None. Control has not yet been tested.

5.2.5 Quarterly Reporting Approval

Quarterly financial reports are compiled using DoD Financial Management Regulation standards. Account balances and related disclosures are compared with underlying documents or supporting details and evaluated by Joint Munitions Command supervisors on a quarterly basis as evidenced by a signature and date on the period close package.

Assessable Unit: OM&S
Criteria (Policy):

- "Accounting Policy and Procedures: Inventory and Related Property," DoD FMR 7000.14-R, Volume 4, Chapter 4.
- "Logistics—U.S. Army Munitions Reporting Systems," AR 700-19.
- "Finance and Accounting Policy Implementation—DFAS Indianapolis Center," DFAS-IN 37-1.

Deviation(s) Found: None. Control has not yet been tested.

5.2.6 Quality Assurance Reviews

Command performs biennial quality assurance reviews to ensure that procedures are in compliance with Army regulations and APSR records are supported by source documentation as evidenced by a signature and date on the command inspection checklist in accordance with AR 710-2 and AMC-R 740-27.

Assessable Unit: OM&S
Criteria (Policy):

- "Inventory Management: Supply Policy Below the National Level," AR 710-2.
- "Army Material Command – Ammunition Inventory and Accountability," AMC-R 740-27.

Deviation(s) Found: None. Control has not yet been tested.

5.2.7 Condition Code Changes (Retail/Wholesale)

Condition code changes are approved by the quality assurance specialist (ammunition surveillance) (QASAS) or equivalent as evidenced by the QASAS's signature and date on DA Form 4508, Ammunition Transfer.

Assessable Unit: OM&S
Criteria (Policy):

- "Accounting Policy and Procedures: Inventory and Related Property," DoD FMR 7000.14-R, Volume 4, Chapter 4.
- "Accounting for Inventory and Related Property," Statement of Federal Financial Accounting Standards (SFFAS) #3.

Deviation(s) Found: Some retail locations exhibited deviations in evidence of QASAS signature on the DA Form 4508.

5.2.8 Condition Code Change Posting (Retail)

The stock control technician receives the signed DA Form 4508, reviews for completeness, and posts the condition code changes to the APSR within 24 hours as evidenced by a posting date and initials on the DA Form 4508.

Assessable Unit: OM&S
Criteria (Policy):

- "Inventory Management: Supply Policy Below the National Level," AR 710-2.
- "Inventory Management: Supply Support Activity Supply System: Manual Procedures," DA PAM 710-2-2 chapter 8, paragraph 2; paragraph 24-33a.

Deviation(s) Found: Transactions were not recorded in the APSR within 24 hours.

5.2.9 Condition Code Change Posting (Wholesale)

The QASAS initiates an inspection in the Munitions History Program (MHP) and posts the condition code change. The Chief of Surveillance or equivalent electronically approves the condition code change in MHP within 24 hours, which automatically posts the condition code change to LMP.

Assessable Unit: OM&S

Criteria (Policy): "Requisition and Issue of Supplies and Equipment—Requisitioning, Receipt, and Issue System," AR 725-50 section 5-44.
Deviation(s) Found:

- Minimal deviations evidencing posting initials on key supporting documentation.
- Minimal deviations of posting exceeding required time frames.

5.2.10 Surveillance Inspection (Retail/Wholesale)

The QASAS or equivalent reviews the DD Form 1348-1A, Issue Release/Receipt Document or DD Form 1149, Requisition and Invoice/Shipment Document. The QASAS or equivalent conducts an inspection of the munitions for damage. This review is evidenced by the QASAS or equivalent signature and date on the DD Form 1348-1A or DD Form 1149.

Assessable Unit: OM&S
Criteria (Policy):

- "DoD Supply Chain Material Management Regulation," DoD 4140.1-R section 3.8.
- "Supply Bulletin—Inspection of Supplies and Equipment: Ammunition Surveillance Procedures," Standard Bulletin (SB) 742-1.

Deviation(s) Found: Retail and wholesale locations exhibited deviations in evidence of QASAS signature on the receipt documentation such as DD Form 1348-1A and/or DA Form 3151-R, Ammunitions Store Slip.

5.2.11 Munition Handler Review (Retail)

The munition handler verifies that the munitions' information on the DD Form 1348-1A and the DA Form 3151-R or count sheet agrees with the assets received or removed as evidenced by the munition handler's signature on the DA Form 3151-R.

Assessable Unit: OM&S
Criteria (Policy):

- "Army Material Command (AMC) Regulation Storage and Supply Activities: Ammunition Inventory and Accountability," AMC Regulation 740-27, section 4-2g(1).
- "Department of Army Pamphlet Inventory Management Supply Support Activity Supply System: Manual Procedures," DA PAM 710-2-2, section 3-23b.

Deviation(s) Found: Some retail and wholesale locations exhibited deviations in evidence of QASAS signature on the receipt documentation such as DD Form 1348-1A and/or DA Form 3151-R.

5.2.12 Munitions Handler Review (Wholesale)

The munitions handler scans the two-dimensional barcode on the materiel for any movement of the asset and scans the ammunition transfer record (ATR) designating the movement location as evidenced by the munition handler's signature on the ATR and username on the scan file.

Assessable Unit: OM&S
Criteria (Policy):

- "AMC Regulation Storage and Supply Activities: Ammunition Inventory and Accountability," AMC Regulation 740-27, section 4-2g(1).
- "Department of Army Pamphlet Inventory Management Supply Support Activity Supply System: Manual Procedures," DA PAM 710-2-2, section 3-23b.

Deviation(s) Found: None. Control has not yet been tested.

5.2.13 Issued / Turned-In Munitions Verification (Retail)

Issues are reconciled and verified by the Ammunition Manager or equivalent with a signature and date on the DA Form 581, Request for Issue and Turn-In of Ammunition. Turn-Ins are inspected and signed by a QASAS or equivalent as evidenced by signature and date on the DA Form 581.

Assessable Unit: OM&S
Criteria (Policy): "Department of Army Pamphlet Inventory Management Supply Support Activity Supply System: Manual Procedures," DA PAM 710-2-2 section 23-24.
Deviation(s) Found: Most retail activities exhibited deviations in evidencing required verification signatures on both issue and turn-in DA Form 581s.

5.2.14 Prepare Shipment Verification (Retail/Wholesale)

The QASAS conducts a final inspection of the shipment to verify the accuracy and safety of the shipment as evidenced by signature and date on the DD Form 1348-1A or DA Form 3151-R.

Assessable Unit: OM&S
Criteria (Policy):

- "Department of Defense Supply Chain Materiel Management Regulation," DoD 4140.1-R section 3.8.
- "Supply Bulletin - Inspection of Supplies and Equipment: Ammunition Surveillance Procedures," SB 742-1 Chapter 12.

Deviation(s) Found: Retail and wholesale locations exhibited deviations in evidence of QASAS signature on the shipping documentation such as DD Form 1348-1A.

5.2.15 Document Match (Retail)

The storage planner or stock control clerk compares the information on the following forms to the DA Form 3151-R:

- Receipt—DD Form 1348-1A, DD Form 250, Material Inspection and Receiving Report, or DD Form 1149.
- Shipment—DD Form 1348-1A.
- Issue/Turn-In—DA Form 581.

If the information reconciles, the storage planner or stock control clerk will post the transaction within 24 hours to the APSR as evidenced by initialing and dating the supporting documentation packet.

Assessable Unit: OM&S
Criteria (Policy):

- "Department of Defense Supply Chain Materiel Management Regulation," DoD 4140.1-R section 3.8.
- "Department of Army Pamphlet Inventory Management Supply Support Activity Supply System: Manual Procedures," DA PAM 710-2-2, sections 3-23, 8-2, and 10-4.

Deviation(s) Found: Some retail activities exhibited deviations of required signatures or initials on documents such as DD Form 1348-1A and/or DA Form 3151-R.

5.2.16 Document Match (Wholesale)

The storage planner or stock control clerk compares the information on the following documentation to the scan file and then confirms receipt in SmartChain, which automatically interfaces with LMP.

- Receipt—DD Form 1348-1A, DD Form 250, or DD Form 1149.
- Shipment—DD Form 1348-1A.

A reconciliation of the scan file to the ATR is performed to verify the asset was properly posted in LMP. If the information reconciles, the storage planner or stock control clerk will post the transaction within 10 days for receipt or three days for shipment as evidenced by initialing and dating the supporting documentation packet.

Assessable Unit: OM&S
Criteria (Policy): "Army Regulation Requisition and Issue of Supplies and Equipment - Requisitioning, Receipt, and Issue System," AR 725-50 sections 5.13 and 5.14.
Deviation(s) Found:

- Minimal deviations evidencing posting initials on key supporting documentation.
- Minimal deviations of posting exceeding required time frames.

5.2.17 Demilitarization Certification (Retail/Wholesale)

The demilitarization of OM&S assets is confirmed by the demilitarization supervisor and the QASAS as evidenced by the signatures and date on the DD Form 4508.

Assessable Unit: OM&S
Criteria (Policy):

- "Army Materiel Command - Disposals of Supplies and Equipment," AMC-R 755-8 section 3.3.
- "Supply Bulletin - Inspection of Supplies and Equipment: Ammunition Surveillance Procedures," SB 742-1 section 10-6.

Deviation(s) Found: Some retail and wholesale activities exhibited deviations with required signatures on the DA Form 4508.

5.2.18 Demilitarization Posting (Retail)

The stock control technician receives the signed DA Form 4508, reviews for completeness, and posts the condition code changes to the APSR within 24 hours as evidenced by a posting date and initials on the DA Form 4508.

Assessable Unit: OM&S
Criteria (Policy): "Army Materiel Command - Disposals of Supplies and Equipment," AMC-R 755-8 section 3.1.
Deviation(s) Found:

- Minimal deviations evidencing posting initials on key supporting documentation.
- Minimal deviations of posting exceeding required time frames.

5.2.19 Demilitarization Posting (Wholesale)

The demilitarization planner receives the DA Form 4508 and updates the demilitarization control log for the assets demilitarized. The demilitarization planner posts the reduction of inventory to LMP within three days of the demilitarization event.

Assessable Unit: OM&S
Criteria (Policy): "Army Materiel Command—Disposals of Supplies and Equipment," AMC-R 755-8 section 3.1.
Deviation(s) Found:

- Minimal deviations evidencing posting initials on key supporting documentation.
- Minimal deviations of posting exceeding required time frames.

5.2.20 Inventory Adjustment Approval (Retail/Wholesale)

Inventory adjustments based on physical inventory counts are approved by the accountable officer and inventory supply officer as evidenced by the signatures and date on the DA Form 444, Inventory Adjustment Report.

Assessable Unit: OM&S
Criteria (Policy):

- "Army Regulation Physical Security of Arms, Ammunition, and Explosives," AR 190-11 (Available only from AKO).
- "Army Regulation Property Accountability—Policies and Procedures for Property" Accountability," AR 735-5.
- "Army Regulation Inventory Management—Supply Policy Below the National Level," AR 710-2.

Deviation(s) Found: None.

5.2.21 Physical Inventory (Retail/Wholesale)

The accountable officer conducts a physical inventory of all OM&S assets twice a year for CAT 1 items or annually for CAT 2 items using count sheets. All unresolved differences between the count sheet and the APSR are adjusted in the APSR. The physical inventory is approved by the inventory control lead as evidenced by the Memorandum of Successful Inventory.

Assessable Unit: OM&S
Criteria (Policy):

- "Army Regulation Physical Security of Arms, Ammunition, and Explosives," AR 190-11 (Available only from AKO).
- "Army Regulation Property Accountability - Policies and Procedures for Property" Accountability, AR 735-5.
- "Army Regulation Inventory Management—Supply Policy Below the National Level," AR 710-2.

Deviation(s) Found: Retail and wholesale activities exhibited minimal deviations of evidencing completed inventories because of missing signatures on completed inventory counts.

Real Property Management

Audit readiness processes have focused on assets with an initial acquisition value that equals or exceeds the DoD capitalization threshold of $20,000.

5.2.22 System Access

Information system manager or designee appropriately authorizes system access to the accountable property system of record (APSR) (i.e., Integrated Facilities System (IFS) and General Fund Enterprise Business System (GFEBS)) based on user roles and responsibilities via DD Form 2875, or equivalent documentation, evidencing proper access request and authorization.

Assessable Unit: Real Property (RP)
Criteria (Policy):

- "Army Regulation - Information Management: Information Assurance," AR 25-2.
- "Department of Defense Directive—Information Assurance (IA)," DoD Directive 8500.1.
- "Department of Defense Instruction—Information Assurance (IA) Implementation," DoD Instruction 8500.2.

Deviation(s) Found:

- Documentation was not maintained to show active users and their roles within the APSR.
- System access authorization is not documented on DD Form 2875, or equivalent.

5.2.23 Physical Inventory

The real property specialist or the real property accountable officer (RPAO) conducts a physical inventory of all real property at least once every five years (three years for historical assets). The Commander reviews the physical inventory results for approval. This control is evidenced by the Commander's signature and date on the annual certification of physical inventory results memo.

Assessable Unit: RP
Criteria (Policy): AR 405-45
Deviation(s) Found:

- Supporting documentation for a physical inventory was not maintained.
- A physical inventory of real property at least once every five years had not been conducted.

5.2.24 Verification of APSR Posting

The RPAO performs monthly reviews of IFS reports to identify input errors, unauthorized transactions, or missing records of RP asset transactions as evidenced by the RPAO's signature and date on the monthly IFS report.

Assessable Unit: RP
Deviation(s) Found: None. Control has not yet been tested.

5.2.25 Acceptance of Real Property

Constructed PP&E, including capital improvements, included in the real property inventory system is approved by the RPAO with delegated authority in writing as evidenced by a signature and date on DD Form 1354, Transfer and Acceptance of DoD Real Property.

Assessable Unit: RP
Criteria (Policy):

- "Real Estate - Real Property Inventory Management," AR 405-45.
- "Supplemental Policy to Army Regulation / Department of Army Pamphlet 405-45: Management Control Evaluation Checklist Installation Real Property Management," Supplemental Policy to AR/DA PAM 405-45.

Deviation(s) Found:

- Supporting Documentation was not retained to supporting real property transactions.
- Fields completed filled in on the DD Form 1354 did not match or could not be validated per supporting documentation.
- Individuals who signed DD Form 1354 did not have written delegation of authority to approve real property transactions.
- Transactions were not recorded in the APSR within 10 days of project acceptance.

5.2.26 Transfer-In of Real Property

Transferred Real Property included in the real property inventory system is approved by the RPAO, with delegated authority, as evidenced by a signature and date on the DD Form 1354.

Assessable Unit: RP
Criteria (Policy):

- "Real Estate - Property Inventory Management," AR 405-45.
- "Supplemental Policy to Army Regulation /Department of Army Pamphlet 405-45: Management Control Evaluation Checklist Installation Real Property Management," Supplemental Policy to AR/DA PAM 405-45.

Deviation(s) Found: Transactions were not recorded in the APSR within 10 days of project acceptance.

5.2.27 Disposal of Real Property

Disposed real property is supported by DD Form 1354 (for transfers-out) or DA Form 337, Request for Disposal of Buildings and Improvements (for disposals) that has been approved by the RPAO with delegated authority in writing, as evidenced by a signature and date, and removed from the real property inventory.

Assessable Unit: RP
Criteria (Policy):

- "Real Estate - Real Property Inventory Management," AR 405-45.
- "Supplemental Policy to Army Regulation /Department of Army Pamphlet 405-45: Management Control Evaluation Checklist Installation Real Property Management," Supplemental Policy to AR/DA PAM 405-45.

Deviation(s) Found:

- Supporting documentation was not retained to supporting real property transactions.

- Assets were not removed from the APSR within 10 days of project disposal.
- Fields completed filled in on the DD Form 1354 or DA Form 337 did not match or could not be validated per supporting documentation.
- Key supporting documentation, including McKinney Act determination and environmental, cultural, and historical protection requirements, was not retained.

5.2.28 System Access Annual Review

System access to the accountable property system of record (APSR) (IFS and /or GFEBS) is periodically monitored by the installation to ensure that current users need access and user roles are appropriate. This review is evidenced by the information system manager's or designee's signature and date on the system user report or equivalent.

Assessable Unit: RP
Criteria (Policy):

- "Army Regulation—Information Management: Information Assurance," AR 25-2.
- "Department of Defense Directive—Information Assurance (IA)," DoD Directive 8500.1.
- "Department of Defense Instruction—Information Assurance (IA) Implementation," DoD Instruction 8500.2.

Deviation(s) Found: There are no internal control activities in place to ensure that system access is reviewed for appropriateness and modified, where applicable.

5.2.29 IFS to GFEBS Reconciliation

In the absence of effective system interface controls, an analyst performs a quarterly reconciliation between RP assets in IFS and RP assets in GFEBS to ensure that all assets are appropriately recorded and classified by comparing information listed full inventory reports generated from both systems. The appropriate personnel investigate and resolve the error. This control is evidenced by signature and date of the preparer and reviewer on the reconciliation worksheet.

Assessable Unit: RP
Criteria (Policy):

- "Army Regulation—Information Management: Information Assurance," AR 25-2.
- "Department of Defense Directive—Information Assurance (IA)," DoD Directive 8500.1.
- "Department of Defense Instruction—Information Assurance (IA) Implementation," DoD Instruction 8500.2.

Deviation(s) Found: None. Control has not yet been tested.

5.2.30 Relieve CIP

Accumulate the cost of construction or developmental projects in either the construction-in-progress (CIP) general ledger account for posting to the applicable PP&E accounts when construction is completed or to the appropriate expense accounts if the construction project is terminated prior to completion.

Assessable Unit: RP
Criteria (Policy): "Property, Plant, and Equipment," DoD FMR 700.14-R, Volume 4, Chapter 6.
Deviation(s) Found: None. Control has not yet been tested.

5.2.31 CIP Account Initiators

Authorized work orders (in-house minor construction projects) or planning & design and fund authorization (military construction) exist prior to initiating CIP accounts.

Assessable Unit: RP
Criteria (Policy): "Property, Plant, and Equipment," DoD FMR 700.14-R, Volume 4, Chapter 6.
Deviation(s) Found: None. Control has not yet been tested.

5.2.32 Create CIP and Accumulate Accounts

All direct and indirect costs related to (1) work on newly constructed facilities and (2) capital improvements for existing assets are properly accumulated in the appropriate CIP accounts based upon type of work, asset type, funding method, etc.

Assessable Unit: RP
Criteria (Policy): "Property, Plant, and Equipment," DoD FMR 700.14-R, Volume 4, Chapter 6.
Deviation(s) Found: None. Control has not yet been tested.

5.2.33 CIP Reporting

The CIP information submitted for financial reporting includes at least the CIP amount, customer project number, project detail fund code(s), project detail cost, project detail organization code(s), programmed amount, and real property unique identifier(s).

Assessable Unit: RP
Criteria (Policy): "Property, Plant, and Equipment," DoD FMR 700.14-R, Volume 4, Chapter 6.
Deviation(s) Found: None. Control has not yet been tested.

Class VII Asset Management

Class VII assets are Military Equipment/General Equipment (ME/GE). Audit readiness processes have focused on assets with unit acquisition costs that equal or exceed the DoD capitalization threshold of $100,000.

The ME/GE internal control activities, criteria, and deviations are being updated. This information will be provided soon.

5.3 Contracting Commands

This section applies to the Mission and Installation Contracting Command (MICC), Army Contracting Command (ACC), and other organizations responsible for contracting across the Army.

5.3.1 Feeder System Access Controls

Access to feeder systems (e.g., Automated Time Attendance and Production System (ATAAPS), Defense Travel System (DTS), Standard Procurement System/Procurement Desktop-Defense (SPS/PD2), U.S. Bank Access Online (AXOL), Standard Army Retail Supply System-1 (SARSS-1)) is restricted to appropriate personnel. This is evidenced by signature and date on DD Form 2875, or equivalent.

Assessable Unit: Contracts
Deviation(s) Found: None. Control has not yet been tested.

5.3.2 Contract Award

Contracting officer or contract specialist performs a second review of the purchase request (PR) that reconciles the created contract's CLINs/SLINs in SPS/PD2 against the PR line items. This review is evidenced by the contracting officer or contract specialist's annotation, signature, and date on the review checklist.

Assessable Unit: Contracts
Criteria (Policy): "Federal Acquisition Regulation Systems—Administrative Matters: Contract Execution," FAR Part 4; Subpart 4.1.
Deviation(s) Found: Control currently not in place.

5.3.3 Wide Area Work Flow (WAWF) Document Acceptance Authority

The Contracting Officer's Representative (COR) or designated individual must have delegated authority to authorize WAWF documents for payment. This authority is evidenced by a delegation of authority memo for the COR or notation in the contract for designated individuals.

Assessable Unit: Contracts
Deviation(s) Found: None. Control has not yet been tested.

5.3.4 Government Purchase Card PR Approval

For all purchases, the approving official (AO)/billing official (BO) reviews the hard copy purchase request to verify that all purchases are appropriate and allowable. This review and approval is evidenced by AO/BO's signature on the hard copy purchase request. If the purchase is related to prohibited items or purchases that require pre-purchase approval, an additional signature by a supervisor is required.

Assessable Unit: Contracts
Criteria (Policy): "Standards for Recording and Reviewing Commitments and Obligations," DoD FMR 7000.14-R, Volume 3, Chapter 8.
Deviation(s) Found:

- Copies of PRs were not maintained.

- Purchases more than the micro-purchase level were not pre-approved.

5.3.5 AO/BO Government Purchase Card (GPC) Statement Reconciliation

The AO/BO reviews all transactions on the card statement to reconcile to the supporting documentation (approved PR, receiving report/invoice, verification of receipt spreadsheet, pre-purchase approval and approval exception documentation) to ensure that all transactions are valid and complete. All differences are documented and resolved promptly. This review is evidenced by the approval in AXOL.

Assessable Unit: Contracts
Deviation(s) Found:

- The AO/BO did not retain supporting documentation verifying the purchase was valid and reasonable.
- Statements were not readily available.

5.3.6 AO/BO Contract Payment Card Reconciliation

For credit card purchases associated with contracts, the AO/BO reconciles the card statement to the contract payment cardholder's transaction register. The AO/BO verifies that the vendors are appropriate and the amounts align with the bank statement. All differences are documented and resolved promptly. This review and approval is evidenced by the AO/BO's signature on the bank statement.

Assessable Unit: Contracts
Deviation(s) Found: AO/BO did not maintain a signed and dated copy of the bank statement showing review and approval of credit card purchases associated with contracts.

5.3.7 Convenience Checks Segregation of Duties

For proper segregation of duties, the following duties and responsibilities are segregated among different roles: requestor, checkbook holder, AO/BO, and resource management officer (RMO). This is supported by Army policies and procedures, as evidenced by separate signatures on the PR and/or the checkbook log.

Assessable Unit: Contracts
Deviation(s) Found: Units did not retain a copy of the purchase request with four approval signatures for items.

5.3.8 AO/BO Bank Statement Reconciliation

The AO/BO reconciles the card statement to the check log, checkbook register, request forms, and invoices. All differences are documented and resolved promptly. This reconciliation is evidenced by the AO/BO's approval in AXOL.

Assessable Unit: Contracts
Deviation(s) Found: The supporting documentation (e.g., log, checkbook, request form, invoices) was not retained.

5.3.9 Contract Warrants

All contracting officers must have delegated authority to authorize contracts at the Installation as evidenced by a warrant and delegation memo (as applicable).

Assessable Unit: Contracts
Criteria (Policy): "Federal Acquisition Regulations System—Career Development, Contract Authority, and Responsibilities," Federal Acquisition Regulation (FAR) Part 1; Subpart 1.6.
Deviation(s) Found: Warrant was not on file.

5.3.10 Invoice Data in Accordance with Contract Terms

The COR or designated individual reviews the vendor submitted invoices and receiving reports in order to determine the following:

- Invoice data (quantity, unit price, total amount, service rates, etc.) are in accordance with the contract terms.
- Billed amounts match what has been received by the Command.

This review is evidenced by the COR's or designated individual's acceptance action in WAWF.

Assessable Unit: Contracts
Criteria (Policy): Defense Federal Acquisition Regulation Supplement, Clause 252.232-7003. and FAR Part 1; Subpart 1.6.
Deviation(s) Found:

- Invoice data did not match contract terms.
- Quantities billed did not match what was received by the Command.

5.3.11 Receipt and Acceptance for Reimbursable Goods/Services

The requestor receives goods or services and compares the items or invoice (for services) received to the purchase order. Receipt and acceptance is evidenced by the signature and date of the reviewer on a receiving report or invoice.

Assessable Unit: Contracts
Deviation(s) Found: None. Control has not yet been tested.

5.4 IMCOM and Other ATAAPS Users

This section applies to users of the Automated Time Attendance and Production System (ATAAPS). Installation Management Command (IMCOM) personnel who use ATAAPS should ensure that the controls below are implemented. As other commands transition to ATAAPS, they should refer to this section.

5.4.1 ATAAPS Time and Attendance Certification

The appropriate supervisor or certifier reviews and approves the time card in ATAAPS to certify the employee's time.

Assessable Unit: Civilian Payroll
Criteria (Policy): "Civilian Pay Policy and Procedures: Time and Attendance,"DoD FMR 7000.14.R, Volume 8, Chapter 2.
Deviation(s) Found: Commands did not consistently maintain proper system access forms for ATAAPS time card approvers. This system access form authorizes individuals to approve time cards for designated employees in ATAAPS.

5.4.2 ATAAPS and DCPS Interface Exception Error Reports

Management reviews the ATAAPS and Defense Civilian Pay System interface exception error reports to ensure that all transactions interfaced appropriately. All differences are documented and resolved promptly. This review is evidenced by the signature and date on the reports.

Assessable Unit: Civilian Payroll
Criteria (Policy): "Federal Financial Management Improvement Act of 1996 Compliance, Evaluation, and Reporting," DoD FMR 7000.14.R, Volume 1, Chapter 3.
Deviation(s) Found: None. Control has not yet been tested.

5.5 FORSCOM, TRADOC, and Other Manual Timekeepers

This section applies to U.S. Army Forces Command (FORSCOM) and Training and Doctrine Command (TRADOC) personnel who use manual, paper timekeeping procedures.

5.5.1 Manual Time and Attendance Certification

The employee's supervisor reviews and manually signs the paper time card to certify the employee's time.

Assessable Unit: Civilian Payroll
Criteria (Policy): "Civilian Pay Policy and Procedures: Time and Attendance," DoD FMR 7000.14.R, Volume 8, Chapter 2.
Deviation(s) Found: Commands did not consistently maintain proper delegation of authority memorandums for time card certifiers. This delegation authorizes individuals to certify time cards for designated employees.

5.6 Army Installation Personnel Centers

This section applies to offices and organizations that conduct personnel actions. This includes activities, such as timekeeping, hiring, payroll, personnel requests, and retirement or separation.

5.6.1 Feeder System Access Controls

Access to feeder systems (e.g., Automated Time Attendance and Production System (ATAAPS), Defense Travel System (DTS), Standard Procurement System/Procurement Desktop-Defense (SPS/PD2), U.S. Bank Access Online (AXOL), Standard Army Retail Supply System-1 (SARSS-1)) is restricted to appropriate personnel. This is evidenced by signature and date on DD Form 2875, or equivalent.

Assessable Unit: Army-wide
Deviation(s) Found: None. Control has not yet been tested.

5.6.2 Over-Hire Approval

The Installation's chief of staff or equivalent reviews the recommendations from the budget analyst and human resources specialist on the action memorandum, and makes the final determination whether to authorize the over-hire request. This review and approval is evidenced by the signature and date on the action memorandum.

Assessable Unit: Civilian Payroll
Criteria (Policy): "Anti-Deficiency Act," Anti-Deficiency Act (ADA), Pub. L. 97-258, 96 Stat. 923.
Deviation(s) Found: For over-hire employees, Commands were not consistently performing the required authorizations and retaining the proper approval documentation.

5.6.3 Review of Payroll Exception Reports

A customer service representative, as part of the bi-weekly payroll processing, reviews and resolves any identified payroll exceptions. This is done by reviewing the missing rime report from the Defense Civilian Pay System (DCPS) and the invalid transaction report from DCPS.

This review is evidenced by signature and date of the preparer and reviewer on the exception reports or related checklist.

Assessable Unit: Civilian Payroll
Criteria (Policy): "Federal Financial Management Improvement Act of 1996 Compliance, Evaluation, and Reporting," DoD FMR 7000.14-R, Volume 1, Chapter 3.
Deviation(s) Found: Records were not retained to prove that DCPS missing time reports and DCPS invalid transaction reports were reviewed, investigated, and cleared in a timely manner.

5.6.4 Budget Analyst Review of Request for Personnel Action (RPA)

A budget analyst reviews the RPA to confirm the budget availability for the action and provides the appropriate cost center code. This review is evidenced by the budget analyst's electronic approval in the RPA's history file in the Defense Civilian Personnel Data System.

Assessable Unit: Civilian Payroll
Deviation(s) Found: Commands were not retaining proper documentation to prove that a staffing analyst reviewed RPAs to confirm the position was authorized on the table of distributions and allowances (TDA).

5.6.5 Review of Out-Processing Checklist

The separating employee's supervisor reviews and stores the separating employee's Civilian Personnel Clearance Form to confirm completion of the form. This review is evidenced by the supervisor's signature on the form.

Assessable Unit: Civilian Payroll
Deviation(s) Found: Commands were not completing and maintaining out-processing checklists for retired and separated employees.

5.6.6 Manual Time Card Reconciliation

An independent reviewer randomly samples paper timecards to time entered into DCPS to ensure accuracy and validity (e.g., time cards were approved by authorized personnel). All differences are documented and resolved promptly. This review is evidenced by a signature and date on the reconciliation.

Assessable Unit: Civilian Payroll
Deviation(s) Found: None. Control has not yet been tested.

5.7 CHRA and CPAC

This section applies to the Civilian Human Resource Agency (CHRA), the Civilian Personnel Advisory Center (CPAC), and those who conduct business with the organizations.

5.7.1 Manpower Analyst Review of Request for Personnel Action (RPA)

A manpower analyst reviews the RPA to confirm that the position has been authorized on the table of distribution and allowances. This review is evidenced by the manpower analyst's electronic approval in the RPA's history file in the Defense Civilian Personnel Data System (DCPDS).

Assessable Unit: Civilian Payroll

Deviation(s) Found: Proper documentation was not being retained to show that a processing team lead or equivalent was approving all RPAs in DCPDS.

5.7.2 Review of Out-Processing Checklist

The separating employee's supervisor reviews and stores the separating employee's Civilian Personnel Clearance Form to confirm completion of the form. This review is evidenced by the supervisor's signature on the form.

Assessable Unit: Civilian Payroll
Deviation(s) Found: Commands were not completing and maintaining out-processing checklists for retired and separated employees.

6.0 Appendices

Appendix A: Summary of Internal Controls by Organization

This appendix summarizes internal control activities by Command or Installation and whether or not deviations were found as presented in section 5.0, Internal Controls by Organization, of this guide. This appendix provides this summary in four separate tables as described below.

- Table 1: Controls for which deviations were found during testing.
- Table 2: Controls that are not currently in place at the Command or Installation.
- Table 3: Controls that have not yet been tested.
- Table 4: Controls for which no deviations were found during testing.

Table 1 Legend:

- **Organization:** Command or installation that was selected for an on-site audit readiness visit.
- **Control:** Specific control name as it appears in the control catalogue.
- **Assessable Unit:** Line item, process, system, class of assets (e.g., military equipment), or class of transactions (e.g., contractor payments).
- **Deviation(s) Found:** Internal control exceptions found during testing.
- **Section of Guide:** Section number as it appears in the Command and Installation Audit Readiness Guide.

Table 1: Summary of Deviations by Organization

Organization	Control	Assessable Unit	Deviation(s) Found	Section of Guide
G-8: Resource Management & Budget Functions	Reimbursable Agreement Budget Analyst Review	Reimbursable (In)	(1) The description or amount of the goods or services was incorrect. (2) The Work Breakdown Structure Element on the reimbursable agreement was incorrect.	5.1.12
	Work Breakdown Structure Review	Reimbursable (In)	Components of the Work Breakdown Structure Element did not match the reimbursable agreement.	5.1.13
	Sales Order Review/Reconciliation	Reimbursable (In)	(1) The description or amount of the goods or services on the sales	5.1.14

Organization	Control	Assessable Unit	Deviation(s) Found	Section of Guide
			order did not match the reimbursable agreement. (2) The Work Breakdown Structure Element on the reimbursable agreement or the General Fund Enterprise Business System was incorrect. (3) The accounting transactions created did not offset each other. (4) The accounting transaction amount did not match the amount on the reimbursable agreement.	
	L1 Review/Approval	Reimbursable (Out)	(1) Information contained on a purchase request (PR) did not match what was listed on the corresponding contract. These inaccuracies could lead to the improper recording of an obligation within the financial statements. Accurate recording of an event or transaction is a critical element of internal controls within an organization. Reviewing documentation for accuracy and completeness before initiating, processing, or approving a transaction is	5.1.16

Organization	Control	Assessable Unit	Deviation(s) Found	Section of Guide
			necessary for proper financial reporting. (2) Command personnel manually bypassed the traditional General Fund Enterprise Business System workflow structure. This manual bypass allows personnel with both Level 1 and Level 4 approval authority to execute both approvals on the same PR. This is a violation of segregation of duties.	
	L4 Review/Approval	Reimbursable (Out)	(1) Information contained on a purchase request (PR) did not match what was listed on the corresponding contract. These inaccuracies could lead to the improper recording of an obligation within the financial statements. Accurate recording of an event or transaction is a critical element of internal controls within an organization. Reviewing documentation for accuracy and completeness before initiating, processing, or approving a transaction is necessary for proper financial reporting. (2) Command	5.1.17

Organization	Control	Assessable Unit	Deviation(s) Found	Section of Guide
			personnel manually bypassed the traditional General Fund Enterprise Business System workflow structure. This manual bypass allows personnel with both Level 1 and Level 4 approval authority to execute both approvals on the same PR. This is a violation of segregation of duties.	
	L5 Review/Approval	Reimbursable (Out)	The approval was not performed or the name of the budget analyst who approved the purchase request was not shown in the financial input system.	5.1.18
	Government Purchase Card (GPC) Purchase Request (PR) Approval	GPC	Copies of purchase requests were not maintained.	5.1.25
	AO/BO GPC Statement Reconciliation	GPC	(1) The approving official or billing official did not retain supporting documentation verifying the purchase was valid and reasonable. (2) Statements were not readily available.	5.1.27
	AO/BO Contract Payment Card Reconciliation	GPC	The approving official or billing official did not maintain a signed and dated copy of the bank statement showing review and approval of credit card purchases associated with contracts.	5.1.29
	Convenience Checks	GPC	Units did not retain a	5.1.31

Organization	Control	Assessable Unit	Deviation(s) Found	Section of Guide
	Segregation of Duties		copy of the purchase request with four approval signatures for items.	
	Miscellaneous Payments Invoice Review (Misc Pay Invoice Review)	Miscellaneous Payments	(1) Standard Form 1034 or equivalent documentation was not signed by the activity owner to show evidence of review and approval. (2) The invoice or supporting documentation was not readily available to provide evidence that charges are legitimate and accurate.	5.1.35
	SF 1034 Certification Review	Miscellaneous Payments	(1) The Standard Form (SF) 1034 was not signed by an independent SF 1034 certifier to show evidence of review and approval. (2) The SF 1034 was signed by the SF 1034 certifier but the General Fund Business Enterprise System obligation amount does not match the SF 1034 amount.	5.1.36
G-4: Logistics	Standard Operating Procedures (SOP)	Operating Materials & Supplies (OM&S)	(1) Standard operating procedures (SOPs) did not exist. (2) Governing SOPs lacked the proper authorizations. SOPs did not contain any evidence that the installation Commander, organizational	5.2.1

Organization	Control	Assessable Unit	Deviation(s) Found	Section of Guide
			leadership, or supervisors approved or authorized the SOPs. (3) SOPs did not conform to the required format. (4) SOPs did not document the handling of discrepancies during the inventory process.	
	Safeguarding of Assets	OM&S	Two retail locations demonstrated inconsistencies in management of two-key system for Category I storage locations.	5.2.2
	System Access	OM&S	(1) The Logistics Modernization Program Office could not show the approval documentation for any user on the user access list because emails and helpdesk ticket files were not labeled or organized. (2) Documentation was not maintained to show active users and their roles within the accountable property system of record. (3) Retail sites using Standard Army Ammunition System – Modernization locally manage all servers and do not use Department of Defense Form 2875s to process user access requests.	5.2.3
	Condition Code	OM&S	Some retail locations	5.2.7

Organization	Control	Assessable Unit	Deviation(s) Found	Section of Guide
	Changes (Retail/Wholesale)		exhibited deviations in evidence of Quality Assurance Specialist (Ammunition Surveillance) signature on Department of the Army Form 4508.	
	Condition Code Change Posting (Retail)	OM&S	Transactions were not recorded in the accountable property system of record within 24 hours.	5.2.8
	Condition Code Change Posting (Wholesale)	OM&S	(1) Minimal deviations evidencing posting initials on key supporting documentation. (2) Minimal deviations of posting exceeding required time frames.	5.2.9
	Surveillance Inspection (Retail/Wholesale)	OM&S	Retail and wholesale locations exhibited deviations in evidence of Quality Assurance Specialist (Ammunition Surveillance) signature on the receipt documentation such as Department of Defense Form 1348-1A and/or Department of the Army Form 3151-R, Ammunitions Store Slip.	5.2.10
	Munition Handler Review (Retail)	OM&S	Some retail and wholesale locations exhibited deviations in evidence of Quality Assurance Specialist (Ammunition Surveillance) signature on the receipt documentation, such as	5.2.11

Organization	Control	Assessable Unit	Deviation(s) Found	Section of Guide
			Department of Defense Form 1348-1A and/or Department of the Army Form 3151-R.	
	Issued / Turned-In Munitions Verification (Retail)	OM&S	Most retail activities exhibited deviations in evidencing required verification signatures on both issue and turn-in Department of the Army Form 581s.	5.2.13
	Prepare Shipment Verification (Retail/Wholesale)	OM&S	Retail and wholesale locations exhibited deviations in evidence of Quality Assurance Specialist (Ammunition Surveillance) signature on the shipping documentation, such as Department of Defense Form 1348-1A.	5.2.14
	Document Match (Retail)	OM&S	Some retail activities exhibited deviations of required signatures or initials on documents, such as Department of Defense Form 1348-1A and/or Department of the Army Form 3151-R.	5.2.15
	Document Match (Wholesale)	OM&S	(1) Minimal deviations evidencing posting initials on key supporting documentation. (2) Minimal deviations of posting exceeding required time frames.	5.2.16
	Demilitarization Certification (Retail/Wholesale)	OM&S	Some retail and wholesale activities exhibited deviations with required signatures on	5.2.17

Organization	Control	Assessable Unit	Deviation(s) Found	Section of Guide
			Department of the Army Form 4508.	
	Demilitarization Posting (Retail)	OM&S	(1) Minimal deviations evidencing posting initials on key supporting documentation. (2) Minimal deviations of posting exceeding required time frames.	5.2.18
	Demilitarization Posting (Wholesale)	OM&S	(1) Minimal deviations evidencing posting initials on key supporting documentation. (2) Minimal deviations of posting exceeding required time frames.	5.2.19
	Physical Inventory (Retail/Wholesale)	OM&S	Retail and wholesale activities exhibited minimal deviations of evidencing completed inventories because of missing signatures on completed inventory counts.	5.2.21
	System Access	Real Property (RP)	(1) Documentation was not maintained to show active users and their roles within the accountable property system of record. (2) System access authorization is not documented on Department of Defense Form 2875, or equivalent.	5.2.22
	Physical Inventory	RP	(1) Supporting documentation for a physical inventory was not maintained. (2) A physical inventory of real	5.2.23

Organization	Control	Assessable Unit	Deviation(s) Found	Section of Guide
			property at least once every five years had not been conducted.	
	Acceptance of Real Property	RP	(1) Supporting documentation was not retained to support real property transactions. (2) Fields completed on the Department of Defense (DD) Form 1354 did not match or could not be validated per supporting documentation. (3) Individuals who signed DD Form 1354 did not have written delegation of authority to approve real property transactions. (4) Transactions were not recorded in the accountable property system of record within 10 days of project acceptance.	5.2.25
	Transfer-In of Real Property	RP	Transactions were not recorded in the accountable property system of record within 10 days of project acceptance.	5.2.26
	Disposal of Real Property	RP	(1) Supporting documentation was not retained to support real property transactions. (2) Assets were not removed from the accountable property system of record within 10 days of project disposal. (3) Fields completed on the Department of	5.2.27

Organization	Control	Assessable Unit	Deviation(s) Found	Section of Guide
			Defense Form 1354 or Department of the Army Form 337 did not match or could not be validated per supporting documentation. (4) Key supporting documentation, including McKinney Act determination and environmental, cultural, and historical protection requirements, was not retained.	
	System Access Annual Review	RP	There are no internal control activities in place to ensure that system access is reviewed for appropriateness and modified, where applicable.	5.2.28
Contracting Commands	Government Purchase Card PR Approval	Contracts	(1) Copies of purchase requests were not maintained. (2) Purchases more than the micro-purchase level were not pre-approved.	5.3.4
	AO/BO Government Purchase Card (GPC) Statement Reconciliation	Contracts	(1) The approving official or billing official did not retain supporting documentation verifying the purchase was valid and reasonable. (2) Statements were not readily available.	5.3.5
	AO/BO Contract Payment Card Reconciliation	Contracts	The approving official or billing official did not maintain a signed	5.3.6

Organization	Control	Assessable Unit	Deviation(s) Found	Section of Guide
			and dated copy of the bank statement showing review and approval of credit card purchases associated with contracts.	
	Convenience Checks Segregation of Duties	Contracts	Units did not retain a copy of the purchase request with four approval signatures for items.	5.3.7
	AO/BO Bank Statement Reconciliation	Contracts	The supporting documentation (e.g., log, checkbook, request form, invoices) was not retained.	5.3.8
	Contract Warrants	Contracts	Warrant was not file.	5.3.9
	Invoice Data in Accordance with Contract Terms	Contracts	(1) Invoice data did not match contract terms. (2) Quantities billed did not match what was received by the Command.	5.3.10
IMCOM and Other ATAAPS Users	ATAAPS Time and Attendance Certification	Civilian Payroll (CIVPAY)	Commands did not consistently maintain proper system access forms for Automated Time Attendance and Production System (ATAAPS) time card approvers. This system access form authorizes individuals to approve time cards for designated employees in ATAAPS.	5.4.1
FORSCOM, TRADOC, and Other Manual Timekeepers	Manual Time and Attendance Certification	CIVPAY	Commands did not consistently maintain proper delegation of authority memorandums for time card certifiers. This delegation authorizes	5.5.1

Organization	Control	Assessable Unit	Deviation(s) Found	Section of Guide
			individuals to certify time cards for designated employees.	
Army Installation Personnel Centers	Over-Hire Approval	CIVPAY	For over-hire employees, Commands were not consistently performing the required authorizations and retaining the proper approval documentation.	5.6.2
	Review of Payroll Exception Reports	CIVPAY	Records were not retained to prove that Defense Civilian Payroll System (DCPS) missing time reports and DCPS invalid transaction reports were reviewed, investigated, and cleared in a timely manner.	5.6.3
	Budget Analyst Review of Request for Personnel Action (RPA)	CIVPAY	Commands were not retaining proper documentation to prove that a staffing analyst reviewed requests for personnel action to confirm the position was authorized on the table of distributions and allowances.	5.6.4
	Review of Out-Processing Checklist	CIVPAY	Commands were not completing and maintaining out-processing checklists for retired and separated employees.	5.6.5
CHRA and CPAC	Manpower Analyst Review of Request for Personnel Action (RPA)	CIVPAY	Proper documentation was not being retained to show that a processing team lead or equivalent was	5.7.1

Organization	Control	Assessable Unit	Deviation(s) Found	Section of Guide
			approving all requests for personnel action in Defense Civilian Personnel Data System.	
	Review of Out-Processing Checklist	CIVPAY	Commands were not completing and maintaining out-processing checklists for retired and separated employees.	5.7.2

Table 2 Legend:

- **Organization:** Command or Installation that was selected for an on-site audit readiness visit.
- **Control Not In Place:** Name of control as it appears in the control catalogue that represents a gap in the Command's or Installation's control environment.
- **Assessable Unit:** Line item, process, system, class of assets (e.g., military equipment), or class of transactions (e.g., contractor payments).
- **Section of Guide:** Section number as it appears in the Command and Installation Audit Readiness Guide.

Table 2: Summary of Controls Not in Place

Organization	Control Not In Place	Assessable Unit	Section of Guide
G-8: Resource Management & Budget Functions	Statement of Funds (SOF) Review	Army-wide	5.1.1
	Journal Entries	Army-wide	5.1.3
	Collections Reconciliation Report	Army-wide	5.1.11
	Revenue Recognized to Cost Incurred Reconciliation	Reimbursable (In)	5.1.15
	DTS and GFEBS Reconciliation	Temporary Duty (TDY) Travel	5.1.23
	Unprocessed Voucher Reconciliation	TDY Travel	5.1.24
	Resource Management Officer (RMO) Approval of Hard Copy Purchase Request	Government Purchase Card (GPC)	5.1.26
	RMO Consolidated Transaction Reconciliation	GPC	5.1.30
	Delegated Authority for Supplies (DA Form 1687)	Supply Procurement (SUPP)	5.1.37
	Commander's Exception Report Bona Fide Need Review	SUPP	5.1.38
	MRF/NSF Funds Availability Review	SUPP	5.1.39
	Supply Receipt Verification	SUPP	5.1.40
Contracting Commands	Contract Award	Contracts	5.3.2

Table 3 Legend:

- **Organization:** Command or Installation that was selected for an on-site audit readiness visit.
- **Control Not Tested Yet:** Name of control as it appears in the control catalogue that has not yet been tested by the audit readiness team.
- **Assessable Unit:** Line item, process, system, class of assets (e.g., military equipment), or class of transactions (e.g., contractor payments).
- **Section of Guide:** Section number as it appears in the Command and Installation Audit Readiness Guide.

Table 3: Summary of controls Not Yet Tested

Organization	Control Not Tested Yet	Assessable Unit	Section of Guide
G-8: Resource Management & Budget Functions	Joint Reconciliation Program (JRP)	Army-wide	5.1.2
	Department of Defense (DD) Form 577	Army-wide	5.1.4
	Standard Operating Procedures (SOP) Existence	Army-wide	5.1.5
	SOP Review	Army-wide	5.1.6
	Feeder System Access Controls	Army-wide	5.1.7
	Manual Journal Voucher Entry Review	Army-wide	5.1.8
	Collections Received Reconciliation	Army-wide	5.1.9
	Collections Clearing Account Report	Army-wide	5.1.10
	Reimbursable Agreements to GFEBS Reconciliation	Reimbursable (Out)	5.1.19
	Receipt and Acceptance for Reimbursable Goods/Services	Reimbursable (Out)	5.1.20
	AXOL and GFEBS Reconciliation	Government Purchase Card (GPC)	5.1.28
	AO/BO Bank Statement Reconciliation	GPC	5.1.32
	AXOL Intermediate Document (IDoc) Report	GPC	5.1.33
	Billing Official LOA Review	GPC	5.1.34
	SARSS and GFEBS	Supply Procurement	5.1.41

Organization	Control Not Tested Yet	Assessable Unit	Section of Guide
	Reconciliation	(SUPP)	
	SARSS Threshold Review	SUPP	5.1.42
	SARSS, Funds Control Module (FCM), and GFEBS Interface Exception Error Reports	SUPP	5.1.43
G-4: Logistics	Summary Schedules	Operating Materials & Supplies (OM&S)	5.2.4
	Quarterly Reporting Approval	OM&S	5.2.5
	Quality Assurance Reviews	OM&S	5.2.6
	Munitions Handler Review (Wholesale)	OM&S	5.2.12
	Verification of APSR Posting	Real Property (RP)	5.2.24
	IFS to GFEBS Reconciliation	RP	5.2.29
	Relieve CIP	RP	5.2.30
	CIP Account Initiators	RP	5.2.31
	Create CIP and Accumulate Accounts	RP	5.2.32
	CIP Reporting	RP	5.2.33
Contracting Commands	Feeder System Access Controls	Contracts	5.3.1
	Wide Area Work Flow (WAWF) Document Acceptance Authority	Contracts	5.3.3
	Receipt and Acceptance for Reimbursable Goods/Services	Contracts	5.3.11
IMCOM and Other ATAAPS Users	ATAAPS and DCPS Interface Exception Error Reports	Civilian Payroll (CIVPAY)	5.4.2
Army Installation Personnel Centers	Feeder System Access Controls	Army-wide	5.6.1
	Manual Time Card Reconciliation	CIVPAY	5.6.6

Table 4 Legend:

- **Organization:** Command or installation that was selected for an on-site audit readiness visit.
- **Control—No Deviation(s) Found:** Name of control, as it appears in the control catalogue, for which no exceptions were found during testing.
- **Assessable Unit:** Line item, process, system, class of assets (e.g., military equipment), or class of transactions (e.g., contractor payments).
- **Section of Guide:** Section number as it appears in the Command and Installation Audit Readiness Guide.

Table 4: Summary of Controls Operating Effectively (No Deviations Found)

Organization	Control—No Deviation(s) Found	Assessable Unit	Section of Guide
G-8: Resource Management & Budget Functions	AO Travel Order Review	Temporary Duty (TDY) Travel	5.1.21
	AO Travel Voucher Review	TDY Travel	5.1.22
G-4: Logistics	Inventory Adjustment Approval (Retail/Wholesale)	Operating Materials & Supplies	5.2.20

Appendix B: Acronyms and Abbreviations

ACOM	U.S. Army Commands
AKO	Army Knowledge Online
AO/BO	Approving Official/Billing Official
AoC	Assumption of Command
APSR	Accountable Property System of Record
AR	Army Regulation
AMC	Army Materiel Command
ARNG	Army National Guard
ATAAPS	Automated Time Attendance and Production System
ATR	Ammunition Transfer Record
AXOL	U.S. Bank Access Online
CAT	Category
CHRA	Civilian Human Resources Agency
CIP	Construction-in-Progress
CLINs	Contract Line Items
COR	Contracting Officer's Representative
COTR	Contracting Officer's Technical Representative
CPAC	Civilian Personnel Advisory Center
CRSP	Central Receiving and Shipping Point
CSDP	Command Supply Discipline Program
DA	Department of Army
DCPDS	Defense Civilian Personnel Data System
DCPS	Defense Civilian Payroll System
DD Form	Department of Defense Form
DFARS	Defense Federal Acquisition Regulation Supplement
DIT	Damage-In-Transit
DoD	Department of Defense
DoDI	Department of Defense Instruction
DPTMS	Directorate of Plans, Training, Mobilization and Security
DPW	Directorate of Public Works
DRMS	Defense Reutilization and Marketing Service
DTA	Defense Travel Administrator
DTS	Defense Travel System
E&C	Existence & Completeness
ERC	Equipment Readiness Code
FAM	Financial Audit Manual
FAR	Federal Acquisition Regulation
FCM	Funds Control Module
FIAR	Financial Improvement and Audit Readiness
FIP	Financial Improvement Plan
FMR	Financial Management Regulation
FOI	Found on Installation

FORSCOM	U.S. Army Forces Command
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GAO	Government Accountability Office
GE	General Equipment
GFEBS	General Fund Enterprise Business System
GPC	Government Purchase Card
HQDA	Headquarters, Department of the Army
HRH	Hand Receipt Holder
IA	Information Assurance
IDoc	Intermediate Document
IFS	Integrated Facilities System
IMCOM	U.S. Army Installation Management Command
IOM&S	Inventory and Operating Materials & Supplies
IUID	Item Unique Identification
JFTR	Joint Federal Travel Regulations
JRP	Joint Reconciliation Program
JTR	Joint Travel Regulations
LIN	Line Item Number
LMP	Logistics Modernization Program
LOA	Line of Accounting
ME	Military Equipment
MFR	Manager Review File
MHP	Munitions History Program
MRO	Material Release Order
MTOE	Modification Table of Organization and Equipment
NDAA	National Defense Authorization Act
NFOI	Not Found on Installation
NPA	Notification of Personnel Action
NSF	Non-Sufficient Funds
NSN	National Stock Number
OASA(FM&C)	Office of the Assistant Secretary of the Army (Financial Management & Comptroller)
OCO	Overseas Contingency Operations
OMB	Office of Management and Budget
OUSD(AT&L)	Office of the Under Secretary of Defense for Acquisition, Technology, & Logistics
OUSD(C)	Office of the Under Secretary of Defense (Comptroller)
PBO	Property Book Office
PBUSE	Property Book Unit Supply-Enhanced
PHRH	Primary Hand Receipt Holder
PM	Program Manager
PO	Purchase Order
PP&E	Property, Plant, and Equipment
PR	Purchase Requisition

RM	Resource Management
RMO	Resource Management Officer
RP	Real Property
RPA	Request for Personnel Action
RPAO	Real Property Accountability Officer
SAAR	System Access Authorization Request
SARSS	Standard Army Retail Supply System
SBR	Statement of Budgetary Resources
SF	Standard Form
SLINs	Sub Line Items
SOP	Standard Operating Procedure
SPS/PD2	Standard Procurement System/Procurement Desktop-Defense
SSA	Supply Support Activity
TDA	Table of Distribution and Allowances
TDY	Temporary Duty Travel
TOD	Test of Design
TOE	Test of Operating Effectiveness
TRADOC	Training and Doctrine Command
UIC	Unit Identification Code
UII	Unique Item Identification
USAR	U.S. Army Reserve
WAWF	Wide Area Work Flow
WBS	Work Breakdown Structure
QASAS	Quality Assurance Specialist (Ammunition Surveillance)