

Financial Management

**RELATIONS WITH THE GENERAL ACCOUNTABILITY OFFICE AND  
THE OFFICE OF THE ASSISTANT INSPECTOR GENERAL FOR AUDITING**

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**BY ORDER OF THE DEPUTY COMMANDER  
COMPLIANCE WITH THIS PUBLICATION IS MANDATORY**

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This instruction prescribes the policies and procedures necessary to manage relations with the General Accountability Office (GAO) and the Office of the Assistant Inspector General for Auditing (OAIG-AUD), hereinafter referred to as the Department of Defense Inspector General (DOD IG), within the United States Transportation Command (USTRANSCOM). It implements Department of Defense (DOD) Directives 5106.1, 7600.2, 7650.1, 7650.2, 7650.3, and DOD Instruction 7650.4. It is applicable to all USTRANSCOM directorates and Command Support Group (CSG).

**Summary of Revisions:** Updates Attachment 2, providing a sample format for responding to draft/final audit reports. Note: Since this directive has been revised in its entirety, asterisks will not be used to identify revised material.

**1. References and Supporting Information.** References, related publications, abbreviations, and acronyms used in this instruction are listed in attachment 1.

**2. General.** It is the responsibility of the GAO and the DOD IG to: Conduct independent evaluations of DOD programs and operations; determine whether management control systems are adequate and information is reliable; applicable laws, regulations, and policies are followed; resources are safeguarded and managed economically and efficiently; and desired program results are achieved. Audit follow-up is also an integral part of the audit program and is a shared responsibility of management officials and auditors. In accordance with Office of Management and Budget (OMB) Circular A-50, each DOD component is required to establish a follow-up system to ensure the prompt and proper resolution and implementation of audit recommendations.

**2.1.** The GAO is an independent, nonpolitical agency created by Congress to provide special assistance to requests of Congressional committees, subcommittees, and members of Congress. Other GAO audit functions are based on existing statutes and self-initiated audits.

**2.2.** The DOD IG performs internal audits relating to the programs and operations of the Office of the Secretary of Defense (OSD), the Office of the Joint Chiefs of Staff (JCS), the combatant commands, and defense agencies. The DOD IG also monitors, coordinates, and evaluates follow-up audits within the DOD; evaluates corrective actions taken by DOD components on GAO and DOD IG reports; and facilitates the resolution of disagreements arising from DOD IG reports.

### **3. Policies:**

**3.1.** The USTRANSCOM Program Analysis and Financial Management Directorate (TCJ8) Accounting Division (TCJ8-A) is the central staff agency within USTRANSCOM to administer, monitor, and control all audit matters within the command.

**3.2.** Each USTRANSCOM Director and Command Support Group (CSG) Chief will assign a primary Action Officer (AO) for processing and coordinating on audit matters when an announced audit is pertinent to their respective functional staff agency. Provide in writing the name, office symbol, and phone number of the action officer for a particular audit project to TCJ8-A.

**3.3.** All USTRANSCOM personnel must cooperate with the GAO/DOD IG representative in conducting their announced audit assignments.

**3.4.** All staff Offices of Collateral Responsibility (OCRs) have management responsibilities over particular functions or activities. OCRs (the resident experts) must be involved during the entire audit process, to include working with the auditors during visits, providing additional information after visit (if required), reviewing the draft and final reports, and preparing responses when needed. When a staff office believes another staff office should be the OCR, the first-appointed OCR should contact TCJ8-A for approval and, upon approval, forward the audit correspondence to the correct OCR and provide an information copy of the transmittal memorandum to the Office of Primary Responsibility (OPR) (TCJ8-A). If disagreements in the assignment of an OCR arise, TCJ8-A may require written positions from the potential OCRs and will staff the disagreement as necessary.

**3.5.** If anyone within USTRANSCOM is contacted directly by the GAO or DOD IG (without prior coordination with the command OPR) regarding audits, investigations or Congressional questions, that contact must be reported as follows: Audit inquiries must be forwarded to TCJ8-A; Inspections or Investigation requests must be forwarded to the USTRANSCOM Inspector General (TCIG); Congressional questions must be forwarded to USTRANSCOM Strategy, Plans, Policy and Programs Directorate (TCJ5).

**3.6.** Topics of audit inquiries or investigations should be forwarded to TCJ8 for inclusion in the command consolidated audit/investigation file.

### **4. Responsibilities:**

**4.1.** TCJ8 will:

**4.1.1.** Inform the Command Section and staff of all audit matters.

**4.1.2.** Maintain the USTRANSCOM central file for audit reports and related correspondence.

**4.1.3.** Designate the USTRANSCOM OPRs and OCRs for audit visits to the command.

**4.1.4.** Monitor all audit visits within USTRANSCOM.

**4.1.5.** Verify security clearances and arrange for security badges for visiting auditors.

- 4.1.6. Schedule all in-briefs as well as any Command Section outbriefs.
- 4.1.7. Escort visiting auditors to scheduled entrance briefings.
- 4.1.8. Act as the focal point between members of the USTRANSCOM staff and the GAO/DOD IG when audit report matters require clarification or interpretation.
- 4.1.9. Review and process all audit reports and correspondence.
  - 4.1.9.1. Determine appropriate OPRs and OCRs and forward correspondence for appropriate management action.
  - 4.1.9.2. Maintain a suspense system for correspondence requiring a response.
- 4.2. The USTRANSCOM functional staff directorate/CSG OPR will:
  - 4.2.1. Serve as the primary point of contact (POC) for GAO/DOD IG personnel on a specific job assignment. Provide in writing the name, office symbol, and phone number of the AO for a particular audit project to TCJ8-A.
  - 4.2.2. For audit visits not at USTRANSCOM, arrange all necessary meetings; i.e., entrance and exit briefings/meetings with applicable OCRs. Notify TCJ8-A and appropriate OCRs of the time and location of the entrance and exit briefings.
  - 4.2.3. Ensure all individuals working with or providing information are knowledgeable of the provisions of this instruction.
  - 4.2.4. Maintain a copy or record of all data provided to the GAO/DOD IG for three years.
  - 4.2.5. Provide auditors with adequate working space for the duration of the visit.
  - 4.2.6. Prepare and forward a visit report (exempt from licensing in accordance with Air Force Instructions (AFI) 33-324, para 2.11.8) to TCJ8-A **no later than 15 workdays following** a GAO or DOD IG meeting/briefing (see attachment 3). This report should include:
    - 4.2.6.1. Name(s) of GAO or DOD IG personnel conducting the survey or review and the name(s) of the USTRANSCOM personnel contacted.
    - 4.2.6.2. GAO/DOD IG work assignment code and inclusive dates of the visit.
    - 4.2.6.3. Place and purpose of visit.
    - 4.2.6.4. Summary of discussions held, briefings presented, deficiencies identified, and documents provided to the auditors.
    - 4.2.6.5. Results of or conclusions drawn from the visits, including corrective actions taken or recommended.

**4.2.6.6.** Other significant information, such as unusual requests made by the auditors or problems encountered in complying with their requests.

**4.2.7.** Stay involved during the entire audit process, to include working with the auditors during visits, providing additional information after visit (if required), keeping abreast of where the auditors are going throughout their review, reviewing the draft and final reports, and preparing responses when needed. OPR is also responsible for keeping the Director/CSG Chief informed on audit matters.

**5. Audit Announcement Procedures.** The GAO and DOD IG notify DOD of their intent to conduct a survey or review by issuing a letter or memorandum to the Secretary of Defense. This notice identifies general audit objectives, when the audit will begin, the names of the program director and project manager, sites to be visited, and if the survey or review was congressionally requested. Upon receipt of a survey or review letter, TCJ8 will determine appropriate USTRANSCOM OPRs/OCRs and forward for information or possible action.

**6. Access to Information.** Generally, a properly cleared GAO or DOD IG auditor shall have full and unrestricted access to all personnel, facilities, records, reports, etc., required to accomplish an announced audit assignment. DOD Directive 7650.1, General Accountability Office (GAO) and Comptroller General Access to Records, sets forth the DOD policy relating to GAO access to records. DOD Directive 5106.1, Inspector General of the Department of Defense (IG, DOD), applies to DOD IG access to records.

**6.1.** It is DOD policy to honor both oral and written information requests from the GAO/DOD IG provided that such information is releasable under the applicable statutes, directives, and policies.

**6.2.** Access to operations plans (OPLANs) and any supporting documentation is extremely sensitive and requires special treatment. Release of information should be on a need-to-know basis and carefully limited to those documents or portions of documents directly related to the audit. Chairman Joint Chief of Staff (CJCS) Instruction 5714.01A, Release Procedures for Joint Staff and Joint Papers and Information, provides specific guidance concerning the types of OPLAN data that can be released by the holders without JCS approval.

**6.3.** If questions arise concerning access to or the releasability of an OPLAN or any other information, the staff OPR should contact TCJ8-A for guidance and assistance. Under no circumstances should anyone within USTRANSCOM, without specific direction from the Command Section, inform the auditor that their request has been denied.

**6.4.** If the auditors request pre-award, procurement-sensitive information, advise the GAO that it is general DOD policy that such information not be released until after a contract award is made.

**6.5.** Requests concerning the Future Years Defense Plan, program change requests, program change decisions, program budget decisions, and technical development plans should be referred to TCJ8 as this information must be staffed through TCJ8 and the appropriate OSD action officer.

## **7. Processing Draft/Final Reports:**

**7.1. Comments to Draft Reports.** Following completion of a DOD-related audit, the GAO/DOD IG will, in most cases, issue a draft report of audit to the DOD. Time frames for responses to GAO reports are set forth in DOD Directive 7650.2, General Accountability Office Reviews and Reports, (normally 30 calendar days from date of the draft report). DOD Directive 7650.3, Follow-up on General Accountability Office, DOD Inspector General and Internal Audit Reports, states the time frames for processing DOD IG reports; i.e., 60 calendar days from date of the draft report.

**7.1.1.** Upon receipt of a draft report requiring a USTRANSCOM response, TCJ8 will forward the report to the applicable functional OPR for review and comment. OPR should immediately report any inaccurate audit findings to TCJ8-A. Functional staff comments should be forwarded to TCJ8-A for incorporation into the USTRANSCOM response by the indicated suspense date. TCJ8-A will prepare a fully-coordinated command response. A sample format for a command response is at Attachment 2. The USTRANSCOM response must:

**7.1.1.1.** Thoroughly and objectively evaluate each finding, recommendation, and potential monetary benefit.

**7.1.1.2.** Concur or nonconcur with the report's recommendations.

**7.1.1.3.** Describe action taken or planned to accomplish each recommendation, the entity or entities responsible for its implementation, the milestone and completion dates, and how compliance will be monitored.

**7.1.1.4.** Fully discuss the reason for the nonconcurrence with finding or recommendation. Provide a proposed alternative corrective action to solve the problem or deficiency identified in the recommendation.

**7.1.1.5.** Address factual errors in Technical Comments. Specifically identify where inaccuracies are found in the report.

**7.2. Resolution Procedures.** When nonconcurrences cannot be resolved by the USTRANSCOM OPR and the DOD IG, the DOD IG will elevate the issue within USTRANSCOM to a higher level. If the proposed written response still presents a problem and informal resolution efforts have failed, the DOD IG will submit the matter to the Secretary of Defense for a decision.

**7.2.1.** When agreement is reached, a resolution document is prepared which contains the terms of the agreement. Terms of the agreement must be carried out after a resolution document is signed.

**7.2.2.** Actions resulting from the nonconcurrence are tracked by the DOD IG Audit Follow-up Office and are subject to follow-up audit.

**7.3. Final Report Comments.** Responses to the final audit reports are required if:

**7.3.1.** USTRANSCOM did not reply to the draft report.

**7.3.2.** A draft report was not issued.

**7.3.3.** USTRANSCOM nonconcurred with a finding or recommendation.

**7.3.4.** The final report contains new or changed recommendations, or if the DOD IG requests additional information. If a response to the final report is needed, use guidelines in paragraphs 7.1.1 through 7.1.1.5.

**8.** GAO and DOD IG Report Follow-up. TCJ8-A will maintain an audit follow-up system and will notify functional staff OCRs when responses are due. Functional staff OCRs are responsible to:

**8.1.** Take timely, effective, corrective action on agreed upon findings and recommendations that are applicable to their programs and activities.

**8.2.** Maintain accurate follow-up status records (to include notification that corrective actions have been taken and responses to requests for status reports).

ALAN K. BENTLEY  
Director, Program Analysis  
and Financial Management

Attachments

1. References and Supporting Information
2. Sample Format for Response to Draft Audit Reports
3. Sample Format for Visit Report

## **GLOSSARY OF REFERENCES, ABBREVIATIONS AND ACRONYMS**

### **References**

Department of Defense (DOD) Directive 5106.1, Inspector General of the Department of Defense

DOD Directive 7600.2, Audit Policies

DOD Directive 7650.1, General Accounting Office (GAO) and Comptroller General Access to Records

DOD Directive 7650.2, General Accounting Office (GAO) Reviews and Reports

DOD Directive 7650.3, Follow up on General Accounting Office, DOD Inspector General, and Internal Audit Reports

DOD Instruction 7050.3, Access to Records and Information by the Inspector General, Department of Defense

DOD Instruction 7650.4, Procedures for Responding to General Accounting Office (GAO) and Comptroller General Requests for Access to Records

Chairman of the Joint Chiefs of Staff Instruction (CJCSI) 5714.01A, Release Procedures for Joint Staff and Joint Papers and Information

OMB Circular A-50, Audit Follow-up

### **Abbreviations and Acronyms**

AO	Action Officer
CJCS	Chairman Joint Chiefs of Staff
CSG	Command Support Group
DOD	Department of Defense
DOD IG	Department of Defense Inspector General
GAO	General Accountability Office
IAW	In Accordance With
JCS	Joint Chiefs of Staff
NLT	Not Later Than
OAIG-AUD	Office of the Assistant Inspector General for Auditing
OCR	Office of Collateral Responsibility
OMB	Office of Management and Budget
OPLAN	Operations Plan
OPR	Office of Primary Responsibility
OSD	Office of the Secretary of Defense
POC	Point of Contact
TCIG	USTRANSCOM Inspector General
TCJ5	USTRANSCOM Director for Strategy, Plans, Policy, and Programs
TCJ8	USTRANSCOM Directorate of Program Analysis and Financial Management
TCJ8-A	Accounting Division, Program Analysis and Financial Management

USTRANSCOM

United States Transportation Command

**SAMPLE FORMAT FOR  
RESPONSE TO DRAFT AUDIT REPORTS**

MEMORANDUM FOR {*GAO or DOD IG*}

FROM: TC\_\_ (Directorate, CSG, or Command Section)

SUBJECT: Management Comments on Draft Report, “{*Title*},” dated *xxxx* (Project No. *xxxx*)

1. USTRANSCOM provides the following comments to the {*GAO or DOD IG*} recommendations:

a. Recommendation 1. (*Quote the recommendation as stated in the draft report.*)

RESPONSE: (*Specifically state your concurrence or nonconcurrence. Then provide the combined response from the appropriate directorates.*)

2. The USTRANSCOM POC is \_\_\_\_\_, TCJ\_\_\_\_\_, DSN \_\_\_\_\_ (Commercial \_\_\_\_\_), or email \_\_\_\_\_.

Directorate, CSG, or Command Section Signature

Attachment:  
{*GAO or DOD IG*} Draft Audit Report

cc:  
{*list all applicable offices*}  
TCDC/TCCS  
TCJA  
TCIG  
USTRANSCOM Directorates (as applicable)

**SAMPLE FORMAT FOR  
VISIT REPORT**

(See paragraph 4.2.6)

GAO CODE/DOD IG PROJECT CODE: (Include inclusive dates of visit)

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NAMES: GAO or DOD IG personnel conducting the survey or review:

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USTRANSCOM PERSONNEL CONTACTED:

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PLACE: \_\_\_\_\_ PURPOSE: \_\_\_\_\_

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SUMMARY: (Include discussions, briefings, deficiencies identified, and documents provided)

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RESULTS: (Conclusions, corrective actions, recommendations)

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OTHER COMMENTS: (Unusual requests from auditors, problems encountered in complying with requests)

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NEXT STEPS:

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