



UNITED STATES MARINE CORPS

MARINE CORPS BASE

QUANTICO, VIRGINIA 22134-5001

MCBQ 751Q.2

C 184/k

17 Nov 93

MARINE CORPS BASE ORDER 7510.2

From: Commanding General
To: Distribution List

Subj: AUDITS/SURVEYS BY THE GENERAL ACCOUNTING OFFICE (GAO),
SURVEYS AND INVESTIGATIONS STAFF OF THE HOUSE APPROPRIATIONS
COMMITTEE (S&IS), THE DEPARTMENT OF DEFENSE INSPECTOR
GENERAL (DODIG), AND THE NAVAL AUDIT SERVICE (NAS)

Ref: (a) MCCDCO P7000.1

1. Purpose. To publish guidelines on command responsibilities when external agencies conduct audits, reviews, surveys, or visits within the Command.

2. Information

a. The term "audit" is often associated with the process of auditing the accounting methods used in maintaining an activity's financial records. However, external audit agencies are not restricted to accounting or financial matters. Their scope can be much broader and may extend into any aspect of the command's operations. Subject agencies, except Surveys and Investigations Staff of the House Appropriations committee (S&IS), have been established by statute to review government management actions and publish audit reports with findings, recommendations and management responses.

b. External audit agencies are responsible for notifying the Commandant of the Marine Corps (RFR) and the Commanding General, Marine Corps Combat Development Command (CG MCCDC) of all proposed visits aboard MCCDC and Marine Corps Base (MCB) activities.

c. Marine Corps policy is to cooperate with and assist external auditors. However, commands are not required to provide preferential treatment by disrupting operation schedules or honoring unannounced visits. Only the Marine Corps Administrative Analysis Team is authorized to perform unannounced or "surprise" visits. These surprise visits are to ensure that all payroll and cash disbursed or held by the Defense Accounting Office is per applicable directives. The surprise visits include a review of military member service record books held by the appropriate commanding officer. Other unscheduled audits, reviews, surveys, or visits by external auditors are not authorized.

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3. Notification Letters of Audit, Survey, or Review

a. Under normal circumstances an external agency will contact **Programs** and Resources Department (RFR), Headquarters Marine Corps (HQMC) via telephone followed by **written** notification.

b. HQMC (RFR) will forward the notification tasking the command with appropriate action. On short notice visits, the notification will be faxed to the command.

c. Notification to the command will include names, clearances, estimated arrival and departure dates of persons participating in the audit.

4. Command In-brief and Out-brief

a. **Opening Conference.** Normally, an opening conference with external agencies is held at HQMC. A command representative may be required to attend.

b. **In-brief.** An in-brief provides the head of the unit concerned with an opportunity to receive a detailed brief pertaining to the objectives, scope, timing, and methodology of the external agency efforts. The in-brief should be conducted as soon as the auditors arrive at the activity. If the auditors request an **in-brief**, it should be held with the head of the unit concerned or designated representative. In-briefs regarding audits, reviews, or surveys of special concern to HQMC, MCCDC or MCB will be scheduled with the CG MCB. The CG MCB may request representatives from MCCDC divisions/units to attend. The CG MCB shall determine whether the nature of the in-brief requires the CG MCCDC attention.

c. **Out-brief.** An out-brief provides the head of the unit or command with an opportunity to discuss the findings, accuracy and completeness of the results. When there are no findings or audit recommendations are minor in nature, the out-brief will be conducted with the relevant head of the unit concerned. Major findings involving major command elements or affecting the Marine Corps in general require an out-brief with the Deputy Commanding General, MCCDC or the CG MCB, respectively. Out-briefs with the CG MCCDC will be scheduled if findings require the **CG's** personal attention.

5. Record Access

a. External agencies confirmed for visit by HQMC will be allowed broad access to information held by the activity under review. All requests for information shall be handled informally and every effort will be made to accommodate auditors' needs at the lowest organizational level. Access to information by auditors must fall within the general objectives and scope of the work being performed. Information requested by auditors not relative to the objectives and scope of the work being performed will not be provided.

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b. If access to information is denied, the action officer must immediately advise the head of the unit under review or next level in the chain of command for timely resolution.

6. Summary Reports on GAO, S&IS, and DODIG. A summary report of any GAO, S&IS, or DODIG audits, surveys, reviews, or visits is required to be submitted to HQMC (RFR). The purpose of the report is to: (1) inform HQMC of audit work accomplished, (2) notify HQMC of any favorable or unfavorable findings, and (3) provide earliest opportunity to discuss the accuracy and completeness of the work results.

7. Written Command Comments/Responses

a. External agencies will normally issue a report requiring comments or action by the audited command or HQMC. Reports issued by external agencies generally require corrective action or the implementation of recommendations. The Department of Defense and the Department of the Navy (DON) have established follow-up systems to monitor commands on corrective or implementation actions. The DON has established policy and procedures stressing the importance of command comments/responses being constructive and timely. Once action has been completed, the report may be subject to an "on-site" audit for verification of proper action.

b. Command responses to either a report or follow-up to a report must clearly state and explain the command's position on all elements of each finding. The response must address the facts, conclusions, recommendations and, if identified, potential monetary benefits or statement concerning acceptance of risk for not taking corrective action. All command comments and responses to external agency reports will be forwarded via the chain of command to the CG MCCDC (C 184).

c. Concurrence or nonconcurrence must be specifically addressed with regard to monetary savings or cost avoidance discussed in the report. The potential savings or cost avoidance must be confirmed or refuted. If confirmed, action will be taken to show the monetary benefit in the command's subsequent appropriated or nonappropriated budget submission, as applicable.

8. Command/Major Activity Points of Contact (POC)/Action Officer

a. Per the reference, the Director, Comptroller Division (C 018) is MCCDC's central POC concerning all external audits, surveys, reviews, or visits. The Director, Comptroller Division is responsible to ensure that all external agencies have notified HQMC (RFR); acquire the notification of audit and any other information available from the auditors or HQMC; task and forward notification of audit and information to the major activity POC and coordinate by providing assistance to the activity POC.

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b. Major activity **POC's** are as follows:

(1) Marine Corps Base: Director, Comptroller Division
(C 184) for all organizations under the Base.

(2) Marine Corps University: President, Marine Corps
University (C 40) for all organizations under the University.

(3) Training and Education Division: Director, Training and
Education Division (C 463) for all organizations under Training and
Education Division.

(4) MCCDC Combat Divisions: Director, Warfighting Develop-
ment Integration Division (C 39) for all MCCDC combat divisions,
teams and organizations.

Major activity **POC's** are responsible for assigning an action officer from the appropriate division, organization, office, or unit who is knowledgeable in the area being reviewed. Major activity **POC's** will provide the action officer with written notification and assist the action officer as necessary.

c. Action officers are responsible for familiarizing themselves with the purpose and objectives of the external agency's work as cited in the notification. At the completion of work by GAO, S&IS, or **DODIG**, the action officer will prepare a written report summarizing the work done, date of work, and list of documents provided to the auditors. The report should be submitted via the chain of command to the CG MCCDC (C 184).

9. Action

a. Director, Comptroller Division. Designate the Head, Resource Evaluation and Analysis Branch, the command central POC for external audit agencies. Comply with all applicable directives to ensure the Command complies with specified requirements.

b. Commanding Officers, Division Directors, Activity Heads. Review the procedures set herein and note the areas under your cognizance which require action during an external agency's audit, survey, review, or visit.



M. C. BUNTON
By direction

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