



DEPARTMENT OF THE ARMY
UNITED STATES ARMY GARRISON BAVARIA
UNIT 28130
APO AE 09114-8130

AUG 09 2016

IMBA-IR

MEMORANDUM FOR All USAG Bavaria Personnel

SUBJECT: USAG Bavaria Policy Letter # 15, Audit Follow-up and Adjudication Procedures

1. References:

- a. AR 11-2, Managers' Internal Control Program.
- b. AR 11-7, Army Internal Review Program.

2. It is the responsibility of management, not the Internal Review and Audit Compliance Office (IRACO) auditor, to effectively implement recommendations and report any actual monetary benefits realized. It is the auditor's responsibility to determine if activity managers have taken corrective actions agreed upon and whether those actions corrected the identified problems.

3. Activity managers will process replies to both internal review and external audit reports within time frames established by the audit/review activity, and include in their replies the target dates for implementing corrective actions on each recommendation. In most instances, target dates should be no more than 90 days after the corrective action reply. The activity managers will track estimated monetary benefits and report actual amounts realized if monetary benefits were identified in the audit report.

4. The IRACO will maintain a tracking system that includes a complete record of actions taken on audit report recommendations. The record will show management's position on each recommendation, the activity responsible for implementing agreed-to corrective actions, and implementation dates. The IRACO will schedule follow-up reviews within six months of the date corrective action has been completed. The auditor will apply the same standards to follow-up reviews as applied to original internal reviews.

5. When follow-up results indicate that corrective actions were inadequate, the auditor will include a new recommendation in the follow-up report. Responsible activity managers will take immediate corrective actions, establish milestone dates, and report to the IRACO when all corrective actions have been completed. The IRACO will schedule a second follow-up only upon notification from the audited activity that all corrective actions are completed. The IRACO will also keep the commander informed

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of the progress of these actions, to include the status of open recommendations and types of corrective action initiated.

6. Adjudication Procedures for Internal Review Reports. The IRACO will determine whether or not activity comments are responsive to the findings and recommendations in internal review reports and whether the corrective actions proposed are appropriate. If non-concurrences with findings and recommendations are received and cannot be resolved between the reviewed activity and the IRACO, the IRACO will prepare a rebuttal if there is sufficient evidence to refute the non-concurrence. The reviewed activity non-concurrence and the IRACO rebuttal will be included in the final report. The final report will be submitted to the commander for review and adjudication of unresolved issues. Final adjudication authority rests with the Garrison Commander.

7. POC for this policy is the Chief, IRACO, DSN 475-8302.



LANCE C. VARNEY
COL, IN
Commanding