***BY ORDER OF THE COMMANDER***
***AIR MOBILITY COMMAND***

***AMC Instruction 65-301***

***1 December 1998***

***Financial Management***

# *AIR FORCE ADUIT AGENCY (AFAA) AND PUBLIC ACCOUNTANT CONTRACT AUDIT (PACA) MATTERS*

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OPR: HQ AMCFMPC
(Edd Benoit)
Supersedes AMCI 65-301, 21 May 1996

Certified by: HQ AMC/FM P
(Lt Col Richard B. Weathers)
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This instruction implements AFPD 65-3, *Internal Auditing*, and prescribes policies, assigns/delineates responsibilities, and establishes uniform procedures for processing Air Force Audit Agency (AFAA) and Public Accountant Contract Audit (PACA) reports of audit issued on Headquarters Air Mobility Command (HQAMC) and Tanker Airlift Control Center staff agencies. This publication does not apply to Air National Guard and United States Air Force Reserve units.

## *SUMMARY OF REVISIONS*

Changed AFAA Central Audit Region to the AFAA Western Audit Region; deleted FSS from AMCFSS/FMPC; made grammatical corrections; and changed AMC HQ Forms 8 and 8a to AMC Forms 4 and 4a.

## *Section A—General Provisions*

**1. Authority.** The policies, procedures, responsibilities, and rules cited in this instruction are based upon program guidance contained in AFIs 65-301, *Audit Reporting Procedures*, and 65-403, *Follow-up on Internal Air Force Audit Reports*; and AMC supplements to the listed AFIs.

**2. Communications With AFAA Representatives.** Use proper communication channels so "unity of command" is not violated. Communications between AFAA and HQ AMC personnel will normally be through the AFAA, Western Audit Region (AFAA/FDW), Scott AFB IL. On occasion, it may be mutually beneficial for HQ AMC personnel to deal directly with other AFAA personnel. However, both AMC/FMPC and the Western Audit Region should be informed of such communications.

**3. Purpose of Reports of Audit.** Audit reports document how economically, effectively, and efficiently managerial responsibilities (including financial, operational, and support activities) are carried out at all levels of AMC management. They provide additional management tools to manage and control AMC resources, and determine whether management controls, practices, and procedures are conceptually adequate and effectively applied. Also, audit reports determine whether these controls, practices, and proce-

dures provide financial integrity, economical and effective use of resources, and efficient accomplishment of management objectives.

**3.1. Audit Survey Letters.** The purpose of an audit survey is to determine whether a subject is appropriate for audit and, if so, to formulate audit objectives. AMC/FMPC receives advance notice of these planned audits and forwards the survey letters to the overall AMC staff Office of Primary Responsibility (OPR) for action.

**3.2. Audit Announcement Letters.** If the AFAA determines an audit is warranted, they will issue an audit announcement letter. AMC/FMPC will forward this letter to the overall AMC staff OPR for action.

**3.3. Issuance of an Air Force Report of Audit.** After completion of the audit, the AFAA will normally issue an Air Force Report of Audit. AMC/FMPC will forward a copy of this report to the applicable AMC staff agencies for information and/or action.

**4. Assignment of Responsibilities:**

4.1. HQ AMC Comptroller (HQ AMC/ Comptroller (FM) is the central staff agency within AMC to ensure appropriate actions are taken in response to all AFAA and PACA reports of audit issued to the command or which affect its operations.

4.2. The Cost Services Branch (AMC/FMPC) of the Programs and Analysis Division is the central point of contact within AMC to administer, monitor, and control all audit matters within HQ AMC. FMPC works through normal command channels in this role.

4.3. Each directorate/special staff agency will establish a single audit focal point for audit matters; provide the name, office symbol, and phone number of this audit focal point to AMC/FMPC; and, update this information as necessary. The directorate/special staff agency audit focal point will:

4.3.1. Review all audit correspondence received from AMC/FMPC and determine the appropriate action office(s).

4.3.2. Establish a suspense system to ensure correspondence requiring a response to AMC/FMPC or higher headquarters is met by the assigned suspense date.

4.3.3. If audit correspondence is sent to more than one action office, ensure preparation of a consolidated directorate/special staff agency reply.

4.3.4. Arrange all audit meetings/visits within the directorate/special staff agency and with the office of collateral responsibility (OCR). AMC/FMPC will provide assistance as necessary.

4.3.5. Provide assistance/guidance to action offices regarding all audit matters.

**5. Routing Procedures.** AMC/FMPC will receive all incoming AFAA and PACA reports of audit and related correspondence.

**6. Use of AMC Forms 4 and 4a.** AMC Form 4, **AFAA Audit Correspondence Transmittal Sheet**, and AMC Form 4a, **Review of AFAA Audit Correspondence**, are used within HQ AMC to process audit reports/correspondence. Do not use letters unless the forms are unsuitable for agency's comments.

6.1. AMC Form 4 is used by AMC/FMPC to send audit report data to staff agencies and as a follow-up when replies are not received. Its use by other staff agencies is optional.

6.2. AMC Form 4a is used primarily by the OPRs in preparation of replies to AMC/FMPC on actions taken/planned on audit reports. Use is mandatory when replying to AMC/FMPC, unless the comments are beyond the scope of the form. When OCRs are responding to an OPR, its use is optional.

**7. Requests for Reports of Audit.** AMC/FMPC is responsible for coordinating/processing Freedom of Information Act (FOIA) requests for audit reports and supporting documentation. News media requests for information concerning audits that involve AMC or its units must be referred to HQ AMC/PA.

***Section B—Cost Services Branch (AMC/FMPC) Procedures***

**8. General.** AMC/FMPC will:

8.1. Perform program management duties under AFIs 65-301, 65-403, other standard publications, laws or statutes, and as prescribed by proper authority.

8.2. Maintain the AMC central file on reports of audit.

8.3. Establish procedures for processing reports of audit.

8.4. Act as the focal point between members of AMC staff agencies and AFAA offices when audit report matters require clarification or interpretation.

8.5. Process requests from HQ USAF which require the current status of actions being taken on audit reports.

8.6. Advise directorates/special staff agencies when their activities do not take action on audit findings/recommendations.

8.7. Prepare and submit the Follow-up Status Report, RCS: DD-IG(SA)1574, as required by AFI 65-403.

8.8. Perform an evaluation of the adequacy and propriety of corrective actions taken on audit findings and recommendations and, as required, send audit reports to higher headquarters.

8.9. Review and analyze the Statement of potential monetary benefit (PMB) which accompanies each audit report, and forward a copy of reports containing a PMB over $50,000 to FMPC (Cost) for validation. (FMPC (Cost) validation procedures are listed in paragraph **12.4.1.** of this instruction.)

8.10. Assist the OPR in the resolution of a nonconcurrence associated with an audit finding, recommendation, or PMB, whenever possible.

8.11. Monitor all AFAA audit visits within HQ AMC.

**9. Routing and Controlling Reports/Correspondence.** The AMC Audit Focal Point in AMC/FMPC will review all AFAA reports of audit and audit correspondence and:

9.1. Determine appropriate OPRs, OCRs, and information addressees.

9.2. Forward reports of audit, indication of significant matter letters, progress reports, AFAA survey/audit announcement letters, and other relevant correspondence to the overall AMC OPR/Office of Collateral Responsibility (OCR) for proper management action using AMC Form 4.

9.3. Obtain input from all applicable AMC staff agencies and prepare a consolidated AMC response for transmission to the AFAA when processing AFAA survey/audit announcement letters.

9.4. Maintain an internal control and suspense system for processing and tracking reports of audit and relevant correspondence.

9.5. Return the response to the audited activity requesting reaccomplishment of the report, when a base response to an audit is incorrectly prepared.

9.6. Follow up, through proper command channels, when a progress report is not received from the audited activity in a timely manner.

9.7. Send a copy of all reports of audit and nonconcurrences to HQ AMC/IGPS.

9.8. Send HQ AMC/SF an information copy of any report in which an AFOSI/FBI investigation is being conducted.

**10. AFAA Audit Visits to HQ AMC.** AMC/FMPC will:

10.1. Designate AMC staff OPRs/OCRs for all AFAA visits to HQ AMC.

10.2. Escort the AFAA personnel to scheduled meetings/inbriefings, when necessary.

10.3. Provide the AMC staff OPR/OCR necessary assistance throughout the audit visit.

***Section C—Office of Primary Responsibility (OPR) Procedures***

**11. General Procedures.** OPRs have management responsibilities over particular functions or activities. As the resident expert, OPRs must be involved with audit matters as they develop. When a staff agency believes another staff agency should be the OPR, they should contact AMC/FMPC for concurrence, forward the report to the correct OPR using AMC Form 4 or 4a and, provide a copy of this form to AMC/FMPC. If there are disagreements in the assignment of an OPR, AMC/FMPC may require written positions from potential OPRs. AMC/FMPC will staff the disagreement, as necessary.

**12. Processing Installation-Level Reports of Audit.** These reports result from a single site audit and usually require management action by the commander of the audited activity. HQ AMC OPRs will:

12.1. Give prompt and careful attention to the deficiencies contained in the audit report and determine appropriate staff action.

12.2. Prepare an AF Form 1768, **Staff Summary Sheet** when it is determined that a report of audit or a specific finding/recommendation warrants informing the Command Section; coordinate the staff summary sheet with HQ AMC/FM before forwarding it to the Command Section; and provide a copy of the staff summary sheet and all relevant correspondence resulting from the report to AMC/FMPC.

12.3. Evaluate management responses to audit reports and related progress reports to ensure corrective actions completed or planned by the audited activity will end identified deficiencies or resolve the problems which caused the deficiencies; promptly send a letter to the audited activity giving proper guidance when an audited activity's comments on an audit finding or recommendation are general, incomplete, inconclusive, erroneous, unresponsive, or not in compliance with appropriate directives; and provide a copy to AMC/FMPC, the appropriate AMC Nonappropriated Funds (NAF), AFAA/FDW and, the affected base FM.

12.4. Review the PMB that accompanies the audit report. (This dollar value is included in the semi-annual Follow-up Status Report (RCS: DD-IG(SA)1574)).

12.4.1. The Cost Section in AMC/FMPC is responsible for validating the reasonableness and ensuring the completeness of the PMB. During the validation process, the cost section should:

12.4.1.1. Review the audit report in its entirety to better understand the scope of the audit.

12.4.1.2. Review Parts I and II of the PMB statement.

12.4.1.3. Contact the servicing AFAA Area Audit Office if additional supporting documentation is required.

12.4.1.4. Check the methodology and cost factors used to calculate the monetary savings.

12.4.1.5. Verify whole manpower spaces are eliminated, not just manhours, if manpower savings are shown.

12.4.1.6. Verify estimated benefits considering the offset of expenditures required to implement the audit report's recommendations.

12.4.1.7. Ensure the equipment has been properly authorized and disposal costs to the government have been considered if savings involve disposal of old equipment.

12.4.1.8. Check the cost of the equipment and consider investment as well as Operations and Maintenance (O&M) costs if savings require the acquisition of new equipment.

12.4.1.9. Compare the life-cycle cost of the new system to the current system.

12.4.1.10. Coordinate the results of the validation with HQ AMC/FMP and HQ AMC/FMB, as they need to be aware of any possible budget reductions based upon the PMB.

12.4.1.11. Notify the audit focal point, via E-mail, AMC Form 4a, or by letter of the concurrence if the PMB is found to be accurate.

12.4.1.12. Prepare letter to the overall AMC OPR, with an information copy to AMC/FMPC, stating the position for the nonconcurrence if the PMB is found to be inaccurate. (If the overall HQ AMC OPR concurs with the evaluation, the procedures of paragraph **12.3.**. of this instruction should be followed.)

12.4.2. The audit focal point in AMC/FMPC will review Part II of each PMB statement to ensure the data in Section A, B, and C are complete and correct. The audit focal point will:

12.4.2.1. Review the audit report in its entirety to better understand the scope of the audit.

12.4.2.2. Ensure section A, Type of Potential Monetary Benefit, is reported in the right category, i.e., either a one- time or annual savings. Also, ensure the dollar savings are correctly reported as either monetary savings or potential cost avoidance.

12.4.2.3. Ensure one of the categories in Section B, Functional Area, is correctly marked to indicate the functional area in which the savings will occur.

12.4.2.4. Ensure data reported in Section A, Appropriation Description, contains correct fiscal year, fund code, and appropriation information.

12.4.2.5. Contact the servicing AFAA Area Audit Office if additional information or clarification is required.

12.4.2.6. Notify the overall HQ AMC OPR via E-mail, AMC Form 4a, or letter of the concurrence if the information reported in the PMB, Part II is found to be accurate.

12.4.2.7. Prepare a letter to the overall HQ AMC OPR stating the position for nonconcurrence if the information reported in the PMB, Part II is found to be inaccurate or incomplete. (If the overall HQ AMC OPR concurs with this evaluation, the procedures of paragraph **12.3.** of this instruction should be followed.)

12.5. Determine interest of, or impact on, other staff agencies. Route these reports and all relevant correspondence to them for their review and action, unless previously provided by AMC/FMPC. Prepare a consolidated AMC response and forward to AMC/FMPC. When reports of audit or relating correspondence conflict with current AF or AMC directives, the OPR will take action to resolve such issues.

12.6. Ensure all staff action is completed by the suspense date shown on AMC Form 4.

12.7. Maintain a copy of each audit report and all relevant correspondence for use during staff visits. Use this information to confirm adequate corrective action has been taken.

12.8. Crossfeed significant audit findings to subordinate units to assist them in preparation of staff visits/inspections/future audits.

12.9. Review findings, recommendations, and corrective actions to ensure actions recommended by the auditor have been completed. If so, recommend closing the audit report to AMC/FMPC. When action on a finding/recommendation is incomplete or inadequate, notify the audited activity in accordance with paragraph **12.3.** of this instruction.

12.10. Advise OCRs of all actions and closures.

**13. Processing Nonconcurrence Reports.** When there are disagreements with an audit finding, recommendation, or PMB statement, the HQ AMC OPR will comply with the appropriate subparagraph(s) below:

13.1. The Audited Activity Does Not Concur with an Audit Finding, Recommendation or Potential Monetary Benefit Statement, but the HQ AMC OPR Does: The HQ AMC OPR will send a letter through the headquarters, if applicable, to the audited activity asking them to take appropriate corrective action and to submit a progress report to AMC/FMPC describing action taken/planned and an estimated completion date. The HQ AMC OPR will send information copies of such letters to AFAA/FDW, AMC/FMPC, HQ AMC/IGPS, the appropriate AMC NAF, and the applicable base FM within 30 calendar days from the date of the audit report. For PACAs, notify the command NAF representative in AMC/FMPC.

13.2. The Audited Activity Does Not Concur with an Audit Finding, Recommendation or Potential Monetary Benefit Statement, and the HQ AMC OPR agrees with the Audited Activity: The AMC OPR will contact the AFAA/FDW. This will allow the auditor to present any new information on the subject before the OPR makes a final assessment. If after discussions with the auditor the OPR still supports the audited activity, the OPR will send a letter stating their position to the AFAA/FDW within 30 calendar days from the date of the audit report. The letter, signed at the directorate/special staff agency level, must be concise, reference proper directives, and fully support the audited activity's nonconcurrence. Send information copies of this letter to AMC/FMPC, HQ AMC/IGPS, the appropriate AMC NAF, and the applicable base FM (see sample format in attachment 1). For PACAs, notify the command NAF representative in AMC/FMPC.

13.3. The HQ AMC OPR Starts a Nonconcurrence: The AMC OPR will notify AMC/FMPC as soon as possible of any possible nonconcurrences. When the OPR does not agree with an audit finding, recommendation, or PMB statement, which has been agreed upon by the audited activity, the OPR will contact the AFAA/FDW within 30 calendar days from the date of the audit report. If after discussions with the auditor the OPR still disagrees with the audit, the OPR will prepare a letter, signed at the directorate/special staff agency-level, to the AFAA/FDW stating their position for the nonconcurrence. Furnish AMC/FMPC, HQ AMC/IGPS, the appropriate AMC NAF, and the applicable base FM a copy of this letter. (Use the same format as shown in attachment 1.) For PACAs, notify the command NAF representative in AMC/FMPC.

13.4. The HQ AMC OPR Disagrees with the AFAA/FDW Determination of a Nonconcurrence: If resolution is not reached within 3 months from the date of the audit report, the AFAA/FDW will send a copy of the audit report, applicable management comments, and other information derived from resolution discussions to HQ AFAA for review. HQ AFAA elevates the nonconcurrence, when appropriate, to the Air Staff or Secretariat level so it can be resolved within a 6-month period.

13.5. The Resolution of a Nonconcurrence is Completed: The AMC OPR will prepare a letter through the headquarters, if applicable, to the audited activity providing the results of the nonconcurrence and giving proper guidance. Send an information copy of this letter to AFAA/FDW, AMC/FMPC, HQ AMC/IGPS, the appropriate AMC NAF, and the applicable FM. Consideration should be given to informing the Command Section of the nonconcurrence and resolution actions. If a determination is made to advise the Command Section, the AMC OPR should prepare an AF Form 1768, **Staff Summary Sheet**, informing the Command Section of all resolution actions. Coordinate the staff summary sheet with HQ AMC/FM before forwarding to the Command Section. Provide a copy of the staff summary sheet to AMC/FMPC.

## 14. Processing Installation-Level Reports of Audit Issued Against an AMC Directorate/Special Staff Agency.

14.1. Comments for Draft Reports of Audit Issued Against an AMC Staff Agency. Following completion of an audit of an AMC functional area, the AFAA will issue a draft audit report to the AMC OPR(s). AMC/FMPC will designate one overall AMC OPR and forward the report to the OPR using AMC Form 4. The AMC OPR will be responsible for obtaining input from appropriate AMC OCRs and preparing a fully coordinated response by the assigned suspense date. The response should indicate concurrence/nonconcurrence with all findings, recommendations, and the PMB; identify actions taken/planned; and provide an estimated completion date for all planned actions. Prepare the AMC response for directorate/special staff agency-level signature and coordinate with applicable OCRs and AMC/FMPC prior to dispatch. Provide AMC/FMPC an information copy of the final response. (Reference attachment 2 for sample format.)

14.2. Preparing Progress Reports for Reports of Audit Issued Against an AMC Staff Agency: Upon receipt of HQ AMC management comments, the AFAA will issue a final report of audit to the AMC OPR(s). AMC/FMPC will designate one overall AMC OPR and forward the report to the OPR, using AMC Form 4. The overall OPR is responsible for preparing progress reports for all open findings and recommendations until all actions are complete. The first progress report is due 1 month after the estimated completion date of the first finding or recommendation that was scheduled for closure. Thereafter, progress reports are due on a quarterly basis, 90 days from the first report, and will cover all items that were scheduled for closure, until all corrective actions have been taken. The OPR will be

responsible for obtaining inputs from appropriate OCRs and preparing a fully coordinated response by the assigned suspense date. The progress report, signed at the directorate/special staff agency-level, must be addressed to the AFAA area audit office(AAO) (AFAA/AAO), Scott AFB IL, with an information copy to AMC/FMPC. (Reference attachment 3 for sample format.)

**15. Processing Air Force Reports of Audit.** These reports result from a single or multi-site audit and usually require management action by HQ USAF or MAJCOM commanders (if appropriate).

15.1. Draft Air Force Reports of Audit with AMC Action. Following completion of an audit, the AFAA will issue a draft report of audit to the Secretary of the Air Force (SAF) OPR. The SAF OPR is allowed 30 to 40 calendar days to provide management comments fully coordinated through the Air Staff and the MAJCOM offices of collateral responsibility. As soon as the draft report of audit is received, AMC/FMPC will forward it to the applicable AMC OPR. Preparation of a fully coordinated AMC response should begin immediately, as suspense dates to the Air Staff are seldom extended. Comments should be signed at the directorate/special staff agency-level, coordinated with HQ AMC/FM and all AMC OCRs, and forwarded to the Command Section for approval. (Reference attachment 4 for sample format.)

15.1.1. Comments for Draft Reports. Since AMC makes a significant contribution in airlift management, the findings in these reports could have a great impact on AMC's customers or on the views of members of Congress. Therefore, OPR comments for draft reports must:

15.1.1.1. Be based on a thorough, objective evaluation of each relevant finding, recommendation, or PMB.

15.1.1.2. Have all essential data necessary to be completely responsive to audit findings, recommendations, and conclusions contained therein.

15.1.1.3. Show concurrence or nonconcurrence with audit findings, recommendations, and PMB, including the reasons for nonconcurrence.

15.1.1.4. Show that the nonconcurrence was discussed with AFAA personnel in order to resolve the nonconcurrence.

15.1.1.5. Show action taken or planned to accomplish corrective action. Include an estimated completion date or the date final action was accomplished.

15.1.1.6. Fully explain and substantiate alternate methods to accomplish corrective action.

15.1.1.7. Be coordinated with applicable OCRs.

15.1.1.8. Be suitable for verbatim inclusion in the final report of audit.

15.1.2. The AFAA submits the management comments to CSAF/CC for approval along with the AFAA evaluation of the comments. After management comments are signed at the CSAF/CC level, the AFAA will issue the final report of audit to SAF/FM for transmission to Office of the Inspector General (OIG), DoD.

15.2. Final Air Force Reports of Audit with AMC Action. When a final Air Force Report of Audit contains findings/recommendations requiring AMC action, SAF/FMPF will provide a "Tracking Summary" sheet to AMC/FMPC. AMC/FMPC will in turn forward the summary sheet to the HQ AMC OPR for action. The AMC OPR will complete Parts II, III, and IV, as applicable, and return the summary sheet to AMC/FMPC by the assigned suspense date. The completed summary sheet must be

signed at the 3-digit level or higher. (Additional instructions for preparation of this form are contained in AFI 65-403.,)

15.3. Air Force Reports of Audit Without AMC Action. AMC/FMPC will forward these reports to applicable AMC OPRs/OCRs for their information and appropriate action. Managers must ensure that similar deficiencies do not exist within their areas of responsibility or other activities within AMC. Send extracts of deficient items to subordinate units to aid them in the self-examination of their activities or for checks during staff visits.

**16. Closing Reports of Audit.** OPRs must ensure that all corrective action is completed before recommending to AMC/FMPC that an installation-level report or Air Force Report of Audit be closed. Reports containing a base/command nonconcurrence must be resolved with AFAA/FDW before closure of the report.

**17. Copies for AMC/FMPC Files.** OPRs will provide AMC/FMPC copies of all correspondence generated from an audit report.

**18. AFAA Visits to HQ AMC.** For an audit visit to HQ AMC, the designated AMC OPR will be responsible for arranging all meetings within their directorate/special staff agency and with applicable OCRs and keeping the Command Section, OCRs, and AMC/FMPC informed of significant audit matters including the progress of the visit. In addition, the AMC OPR will provide auditor (s) with workspace, if applicable.

**19. Public Accountant Contract Audit (PACA) Reports.** Give these reports the same degree of attention as AFAA installation-level reports. OPRs should use the AMC HQ Form 4a for comments or recommending closure; forward to AMC/FMPC.

***Section D—Office of Collateral Responsibility (OCR) and Information Addressee Procedures***

**20. General.** As required, OCRs and information addressees will take appropriate management action on audit items concerning their areas of responsibility.

**21. OCR Responsibilities:**

21.1. Provide all comments to audit reports/correspondence directly to the HQ AMC OPR.

21.2. Coordinate all correspondence being sent to the base functional OPR with the AMC OPR prior to dispatch.

**22. Information Addressee Responsibilities.** Do not reply directly to AMC/FMPC but, when requested, provide comments to OCRs and OPRs. AMC/FMPC will provide information addressees a copy of the basic audit report and all progress reports.

**23. Forms Prescribed:** AMC Form 4, **AFAA Audit Correspondence Transmittal Sheet,** and AMC Form 4a, **Review of AFAA Audit Correspondence**.

GORDON D. KAGE II, Colonel, USAF
Deputy Comptroller

## Attachment 1

## GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION

***References***

AFPD 65-3, *Internal Auditing*

AFI 65-301, *Audit Report Procedures*

AFI 65-403, *Follow-up on Internal Air Force Audit Reports*

AFI 65-107, *Nonappropriated Funds Financial Management Oversight Responsibilities*

AFI 34-209, *Nonappropriated Fund Financial Management and Accounting*

***Abbreviations and Acronyms***

AAO—Area Audit Office

AFAA—Air Force Audit Agency

AFORMS—Air Force Operations Resource Management System

AMC—Air Mobility Command

ASIF—Airlift Services Industrial Fund

FM—Comptroller

MRS—Mission Route Support

NAF—Nonappropriated Funds

OCR—Office of Collateral Responsibility

OPR—Office of Primary Responsibility

OSA—Operational Support Aircraft

PACA—Public Accountant Contract Audit

PACS—Passenger Automated Check In System

PMB—Potential Monetary Benefit

WMP—War and Mobilization Plan

## Attachment 2

## NONCONCURRENCE MEMORANDUM

SAMPLE FORMAT

(NONCONCURRENCE MEMORANDUM)

(Letterhead)

MEMORANDUM FOR AFAA Western Audit Region, Scott AFB IL

FROM: HQ AMC/DP

SUBJECT: Report of Audit 95712005, Management of Officer’s Open Mess, McChord AFB WA 98439

1. We have reviewed Report of Audit 92712005, Management of Officer's Open Mess, McChord AFB WA. Comments are provided concerning Recommendation 1.

2. Reference Recommendation 1. We agree fully with the comments of the 62 AW and offer this in support of their nonconcurrence.

a. Our checks are computer printed or typed in the same manner as all US Government checks. We are unaware of the use of a check protector on any Government instrument.

b. We do not believe the use of a check protector would be cost effective. There is no requirement in AFI 65-107, *Nonappropriated Funds Financial Management Oversight Responsibilities*, AFI 34-209, *Nonappropriated Fund Financial Management and Accounting*, or the Nonappropriated Fund Financial Management Branch (NAFFMB) procedures.

3. Our point of contact is CMSgt Jones, DPCR, 62711.

(Directorate/Special Staff Agency-level signature element)

cc:
AMC/FMPC
HQ AMC/IGPS
Appropriate NAF
Appropriate Base FM

## Attachment 3

## MANAGEMENT COMMENTS TO DRAFT HQ AMC INSTALLATION-LEVEL REPORT

SAMPLE FORMAT

(MANAGEMENT COMMENTS TO DRAFT HQ AMC INSTALLATION-LEVEL REPORT)

(Letterhead)

MEMORANDUM FOR AFAA/AAO, Scott AFB IL

FROM: HQ AMC/FM

SUBJECT: Draft Report of Audit 952650XX, Use of Mission Route Support (MRS) Travel Authority, HQ AMC, Scott AFB IL (Your Memorandum, 15 Jan 95)

1. The following comments are submitted concerning subject audit report.

a. We concur with all findings.

b. Reference Recommendation 1. Concur. The passenger automated checkin system (PACS), which is the source for ASIF updating/billing for MRS travel, now contains software edits that prevent the use of MRS customer identification codes for categories A, B, and Y travel. The software changes are presently in the software used by Travis AFB, Oakland, Los Angeles, and San Francisco International Airports. The remaining worldwide PACS stations will receive the software between 20-23 July 1995. Estimated completion date is 31 August 1995.

c. Reference Recommendation 2. Concur. Collection action has been initiated to recoup the amounts incorrectly charged to the ASIF. Estimated completion date is 31 October 1995.

d. Reference Recommendation 3. Concur. ASIF monthly financial statements will include recoupment of charges as rebilling actions occur. Estimated completion date is 31 October 1995.

e. Reference Recommendation 4. Concur. HQ AMC/FMB will periodically monitor MRS-funded travel usage to determine compliance with existing directives. Corrective action will be initiated if required. Item closed.

f. Reference Potential Monetary Benefit. Concur.

2. This is an HQ AMC/FM/DO coordinated response.

(Directorate/Special Staff Agency-level signature element)

cc:

HQ AMC/FMB/FMPC/DO/DON

## Attachment 4

## PROGRESS REPORT

SAMPLE FORMAT

(PROGRESS REPORT)

(Letterhead)

MEMORANDUM FOR AFAA/AAO, Scott AFB IL

FROM: HQ AMC/FM

SUBJECT: Report of Audit 26595000, Review of Internal Controls for the Airlift Service Industrial Fund Integrated Computer System

1. This is the second progress report to Report of Audit 26595000.

2. Reference Recommendation 1. The internal controls have been documented for the budget and financial analysis processes. Item closed.

3. Reference Recommendation 4. The security risk analysis will be performed in accordance with AFI 33-202 in conjunction with development of the communications-computer system program plan (CSPP) update. Estimated completion date is 15 Jul 95.

4. This is an HQ AMC/FM/SC coordinated response.

(Directorate/Special Staff Agency-level signature element)

cc:

AMC/FMPC/SC

**Attachment 5**

**(AMC COMMENTS TO DRAFT AIR FORCE REPORT OF AUDIT)**

SAMPLE FORMAT

(AMC COMMENTS TO DRAFT AIR FORCE REPORT OF AUDIT)

(Letterhead)

MEMORANDUM FOR HQ USAF/DOO

FROM: HQ AMC/DO

SUBJECT: AFAA Draft Audit Report, Review of C-12 and C-21 Operational Support Aircraft (Project 95622012)

Our input to the subject audit is attached.

(Directorate/Special Staff Agency-level signature element)

Attachment:
Audit Input

cc:
375 AW/DOX
AMC/FMPC

AUDIT INPUT FOR PROJECT 95622012

1. Recommendation #1. HQ AMC/DO should:

a. Through coordination with HQ USAF/DO and Air Force component commanders, determine wartime taskings for the C-21A and C-12F flying units for inclusion in appropriate operation plans.

b. Direct the commanders of OSA units assigned the 112 aircraft coded for the wartime mission to develop mobility plans for deployment according to the operation plans they are tasked to support.

c. Direct the contractors to develop mobility plans, identify personnel for deployment training, and establish and maintain the necessary spare parts and equipment.

Management Comments:

a. Concur. This was already AMC policy at the time of the audit. OSA aircraft have been included in the USAF War and Mobilization Plan and tasked by unified commander and chief in their OPlans since 1986. HQ AMC/DO has incorporated OSA aircraft into AMC OPlans to meet theater requirements. Operations annexes to those OPlans include deployment routes, en route stops, crew rests, etc. CLOSED.

b. Concur. OSA units with mobility commitments are actively training and equipping their mobility designated forces, within present budget constraints. Unit mobility plans will be finalized after a new formal contract is published with the revised deployment plan. Estimated completion date is 30 Jan 95.

c. Concur. This action is already occurring. Following the termination of the lease and purchase of the C-12F and C-21A aircraft, we began negotiations in February 1987 with both contractors to revise and implement a revised deployment plan that would fully support our OSA requirements. The new deployment plan will be finalized in the formal contracts later this year. CLOSED.

2. Recommendation #2. HQ AMC/DO should:

a. Assess each factor which significantly influences flying hour program effectiveness (e.g., pilot assignment policies including new pilot assimilation requirements, potential for reducing flying hour goals, and sufficiency of authorized flying hours) and use the assessment to develop program guidelines which will ensure each C-21A and C-12F unit is allocated sufficient flying hours to meet the flying hour goals of all assigned pilots.

b. Implement a system to track and annually evaluate unit effectiveness in meeting established flying hour goals.

Management Comments:

a. Concur. This has been our practice. However, constant adjustments of our requirements and resources reduce the timeliness of our efforts. New pilot absorption and flying hour goals are based upon the balance that we are required to maintain between experience and inexperienced aircrew members. For the past 2 years, we have, and are presently, absorbing the proper number of new pilots into our OSA air-

craft, and we programmed a new pilot distribution for FY93-94 that is supportable with our planned flying hour programs. Unfortunately, it is not possible to account for any future cuts in programmed OSA flying hours or changes in HQ USAF's absorption policy that could again force overabsorption of more new pilots than our flying hour programs can support. HQ AFMPC entitlements will run out this year and assigned manning will come down to very near authorizations. CLOSED.

b. Concur. This was already our policy at the time of the audit HQ AMC/DOT tracks the effectiveness of flying hour goals in the AFORMS, Integrated Aircrew Resource Management System, and personnel computer systems. Derived information is evaluated annually in order to effectively plan for the efficient use of our OSA flying hours. CLOSED.