BY ORDER OF THE SECRETARY OF THE AIR FORCE

AIR FORCE INSTRUCTION 65-401

23 MARCH 1994

AIR FORCE RESERVE COMMAND
Supplement 1

30 November 1994
Certified Current on 22 March 2016
Financial Management

RELATIONS WITH THE GENERAL ACCOUNTING OFFICE

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

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OPR: SAF/FMPF
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Supersedes AFR 11-8, 27 March 1986, and AFR 11-8/AFRES Sup 1, 13 October 1992.

Certified by: SAF/FMPF
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Pages: 13
Distribution: F

This instruction implements AFPD 65-4, *Followup on Internal Air Force Audit Reports and Liaison With External Audit Organizations*. It provides guidance and procedures on interacting with General Accounting Office (GAO) representatives engaged in carrying out statutory responsibilities of the Comptroller General. It implements DoD Directive 7650.1, *General Accounting Office Access to Records*, August 26, 1982; DoD Directive 7650.2, *General Accounting Office Audits and Reports*, July 19, 1985; DoD Directive 7650.3, *Followup on General Accounting Office, DoD Inspector General, and Internal Audit Reports*, September 5, 1989, with Changes 1 through 3; and the standardized DoD and GAO administrative procedures developed jointly by the two agencies. Air Force and DoD Inspector General (IG) relationship regarding DoD IG audits is contained in AFI 65-402, *Relations With the Office of the Assistant Inspectors General for Auditing and Audit Followup, Department of Defense* (formerly AFR 11-38). **attachment 1** lists the references, abbreviations, and acronyms used in this instruction.

(AFRC) This supplement implements and extends the guidance of Air Force Instruction (AFI) 65-401, 23 March 1994. The AF instruction is printed word-for-word without editorial review. Air Force Reserve supplementary material is indicated by "(AFRC)" in boldface type. This supplement describes Air Force Reserve procedures to be used in conjunction with the basic instruction.

SUMMARY OF REVISIONS

This issuance aligns the instruction with AFPD 65-4 and deletes unnecessary information and clarifies procedures.

(AFRC) This revision aligns our supplement with current instructions within AFI 65-401.

Chapter 1

GAO BACKGROUND AND STATUTORY AUTHORITY

1.1. GAO Functions. The Congress created GAO to assist in providing legislative control and oversight of the financial transactions and program implementation of the Federal Government. The GAO provides special assistance to the Congress in response to requests from congressional committees, subcommittees and Members of the Congress. Other GAO audit functions are based on existing statutes and self-initiated audits.

1.2. Statutory Authority. The Budget and Accounting Act of 1921 established GAO as part of the legislative branch of the Federal Government. The Budget, Accounting, and Procedures Act of 1950, the Legislative Reorganization Act of 1970, the Congressional Budget and Impoundment Control Act of 1974, the General Accounting Office Act of 1974, and the General Accounting Office Act of 1980 expanded and redefined GAO's functions. With certain exceptions, these acts and other provisions of the law authorize the Comptroller General to examine or review the management, programs, activities, and financial operations of the Federal Government.

Chapter 2

AIR FORCE PROCEDURES AND RESPONSIBILITIES

2.1. Air Force and GAO Relationships. The Air Force must fully cooperate with GAO representatives in carrying out the statutory audit responsibility of the Comptroller General. Commanders must provide facilities, temporary workspace, and access to relevant information and records.

2.2. Air Force Personnel Responsibilities. The Assistant Secretary of the Air Force, Financial Management and Comp-troller (SAF/FM) is responsible for Air Force liaison with the GAO. The Deputy Assistant Secretary for Plans,

System and Analysis (SAF/FMP) is the Air Force focal point for all contacts with the GAO. The Director for Audit Liaison and Followup (SAF/FMPF) must:

- •Manage Air Force and GAO relations to achieve a cooperative, businesslike rapport.
- •Receive and issue GAO notices of new surveys, reviews, investigations, visits, and requests for GAO access to information to Air Force activities.
- •Monitor and coordinate GAO survey, review, investigative and access matters with the DoD IG Office of GAO Surveys and Reviews.
- •Receive, assign action, and ensure prompt processing of all draft and final GAO reports or related informational documents issued in lieu of draft reports.
- •Monitor and evaluate Air Force replies to those reports and documents to ensure replies are responsive.

2.3. HQ USAF/SAF Secretariat and Air Staff Office Responsibilities. Each Secretariat or Air Staff office must establish an audit focal point to process review notices and reports. Audit focal points must:

- •Assign offices of primary responsibility (OPR) and offices of collateral responsibility (OCR) based on functional areas of responsibility.
- •Ensure OPRs notify SAF/FMPF and the Office of Secretary of Defense (OSD) action officer of the name, grade, office symbol, room number, and telephone extension of the primary and alternate points of contact within 5 working days.
- •Provide assistance to the OPR in resolving problems that may result from GAO contacts or visits.
- •Monitor suspense dates and take aggressive action to ensure that replies to GAO reports are processed timely.

2.4. Secretariat/Air Staff Central Points of Contact Responsibilities. Designated Air Force points of contact (POC) must:

- •Provide their name, organization symbol, and telephone number to SAF/FMPF and the OSD action officer.
- •Apprise other Air Force elements that may have an interest in the audit.
- •Attend audit in-briefings and other audit related meetings with OSD and GAO officials monitor ongoing audit activities.
- •Act on audit requests for information and resolve record denial problems.

- Obtain input from involved Air Force elements and provide official comments to OSD on GAO draft and final reports.

2.5. Major Command (MAJCOM), Field Operating Agencies (FOA), and Direct Reporting Units (DRU). Commanders will designate a focal point within their headquarters to manage matters involving GAO. The audit focal point must:

- Keep the commander and staff informed of GAO matters.
- Exercise command surveillance over GAO visits and exit interviews.
- Receive and process GAO reports.
- Assist functional OPRs in resolving problems that may arise concerning GAO visits, requests for information, Air Staff requests for inputs to report responses, and other such related issues.
- Submit GAO visit reports containing significant matters to various Secretariat or Air Staff functional OPRs.

2.5. (AFRC) The Director, Financial Management and Comptroller, is the point of contact within AFRC for all matters relating to the U.S. General Accounting Office (GAO). The Chief, Comptroller Plans and Systems Division (HQ AFRC/FMP), is the AFRC GAO Activities Officer and acts for the Director, Financial Management and Comptroller, in this regard.

Chapter 3

PROCEDURES TO PROCESS, MONITOR, AND MANAGE GAO SURVEYS AND REVIEWS

3.1. Central Liaison and GAO Notification Letters:

3.1.1. The GAO must issue an official announcement letter when initiating new survey or review work. Air Force personnel should ensure the GAO has properly announced their work before meeting with them or providing them with information.

3.1.2. The GAO sends all audit notifications to the DoD IG Office of GAO Surveys and Reviews. A DoD IG action officer then identifies the OSD primary action office (PAO) and PAO POC and issues a tasking memorandum assigning responsibility for the GAO survey or review. The tasking memorandum also identifies collateral action offices (CAO) that will be involved.

3.1.3. The DoD IG sends the GAO announcement and their tasking memorandum to SAF/FMPF who identifies the appropriate Air Force Secretariat or Air Staff OPR and sends copies of the announcement letter along with an Air Force assignment notice. Copies are also sent to other interested Air Force organizations.

3.1.4. The Secretariat or Air Staff OPR audit focal point designates an individual as the Air Force POC. This individual must work closely with the OSD PAO and DoD IG action officers to inform Air Force and DoD management of the status of the review.

3.2. GAO Headquarters-Level Entrance, Interim Status, and Exit Meetings:

3.2. (AFRC) The Director, Financial Management and Comptroller, schedules an entrance and exit conference with the AFRC Commander and/or Vice Commander and the appropriate directors or heads of staff offices concerned.

3.2.1. The DoD IG normally requests the GAO to hold a joint headquarters-level entrance meeting to provide key Defense officials an opportunity to become familiar with the objectives of the review.

3.2.2. During the course of the review, DoD officials may request the GAO to hold periodic status briefings. These meetings provide DoD officials an opportunity to discuss the accuracy and completeness of GAO work results and to avoid surprises.

3.2.3. Upon completion of field work, GAO personnel generally will hold an exit conference with the commander to discuss the results of their review. Unless they are precluded from discussing their findings, such as is the case with some congressional reviews, Air Force management should insist on being thoroughly out-briefed.

3.3. GAO Visits to Air Force Installations:

3.3.1. The GAO will usually provide a 10-calendar day advance notice to commanders before visiting an Air Force installation. The notice transmits the security clearance of each GAO visitor and is sent directly to the place of visit with an informational copy to SAF/FMPF. In circumstances of limited work or unusual urgency, such as congressional inquiry, the notice may be given by telephone. Written confirmation is provided thereafter.

3.3.1. (AFRC) The Director, Financial Management and Comptroller, processes advance notice of the GAO visit and notifies the director or head of the staff office concerned of the date and purpose of the visit.

3.3.1.1. (Added-AFRC) Upon receipt of advance notice of a GAO visit, commanders of AFRC units notify HQ AFRC/FMP within 24 hours by message providing the following information:

3.3.1.1.1. (Added-AFRC) Purpose and duration of the visit.

3.3.1.1.2. (Added-AFRC) Proposed arrival date of GAO representatives.

3.3.1.1.3. (Added-AFRC) Number of GAO representatives involved, with name and security clearance of each member, if available.

3.3.2. GAO personnel have special identification cards. Each card is serially numbered, with the photograph and signature of the authorized holder. Air Force officials should ask to see those cards to identify GAO personnel.

3.3.3. Before beginning an assignment, GAO personnel must meet with the commander or a designated representative to discuss the nature of their visit.

3.4. Written Comments and Responses to the GAO During Surveys or Reviews. Air Force functional elements should not provide the GAO with written comments or responses to reports unless it has been coordinated with the DoD IG Office of GAO Survey and Reviews.

3.5. Reports of GAO Visits (RCS: SAF-FMP(AR)9438, *GAO Visit Report):*

3.5.1. At the installation level, the commander or designee will submit a briefing report to the MAJCOM following meetings where significant matters or sensitive issues are discussed.

3.5.1. (AFRC) If more than one AFRC director or head of staff office is involved in the GAO visit, each provides feeder reports to the Director, Financial Management and Comptroller, within 72 hours after the GAO visit.

3.5.1.1. (Added-AFRC) Commanders of AFRC units prepare a report of the visit and send it to HQ AFRC/FMP within five workdays after the exit interview. The commander responsible for the activity visited signs the report.

3.5.2. At the MAJCOM, FOA, DRU level, the audit focal point should send briefing reports to the Secretariat or Air Staff functional OPR when significant problems or developments surface.

3.5.3. The report must include:

- The names of principal GAO personnel involved, copies of any informal written products provided, the GAO work assignment code, and names of principal Air Force personnel contacted.
- A summary of discussions held, deficiencies disclosed, conclusions drawn, corrective actions taken or recommended, and other significant information such as unusual GAO requests.
- GAO's plans to brief congressional staff, testify at congressional hearings, or to issue a report.

3.5.4. This report is designated emergence status code C-3. Continue reporting during emergency conditions, precedence delayed. Submit data requirements as prescribed, but they may be delayed to allow the submission of higher precedence reports. Submit by non-electronic means, if possible.

Chapter 4

CLASSIFIED INFORMATION, ACCESS, SPECIAL CASES

4.1. Classified Information. DoD classified information must be released to properly cleared GAO representatives. Receipts are required for Secret documents. Top Secret documents must be processed through the controlling Air Force Top Secret Control Office to the Top Secret Control Office of the GAO division concerned.

4.2. Access to Information. Under Title 31, United States Code, Section 716(a), the GAO has broad access rights. DoD Directive 7650.1 and DoD Directive 7650.2 set forth the general DoD policy and procedures regarding GAO access to records. Air Force personnel must provide accurate, and complete information to the GAO.

4.2.1. The individual with the requested information normally grants access without reference to a higher authority. Oral requests will be honored provided the work was properly announced. However, the GAO may be asked to submit a specific written request to clarify the nature of the information desired.

4.2.2. Requests for information must be promptly processed. There are no provisions to deny GAO access to Air Force-controlled information except when approval is obtained from the Office of Management and Budget (OMB).

4.2.3. Information in Air Force hands, originated by non-Air Force organizations or prepared at the specific request of OSD to become a part of an OSD-controlled document, is not considered Air Force-controlled information. However, the Air Force component having the information should contact the originator to clear release. Avoid unnecessary referrals.

4.2.4. Information considered "internal workpapers," or which does not reflect an official Air Force position, will not be denied to the GAO. However, custodians must include cautionary explanations when providing this information. For example, clearly mark documents as "draft, workpapers, unofficial, etc."

4.2.5. When requested information is unavailable or cannot be provided, it is often possible to substitute other documents, briefings, visual access without copies, or similar data. This substitution should only be done with GAO concurrence.

4.2.6. Usually GAO representatives will work with Air Force data where it is kept and make notes, extracts, or copies as required. Reproduced copies of documents, papers, and records may be furnished to the GAO.

4.2.7. GAO normally requests information that already exists. Negotiate requests for developing special information, extracts, summaries, or analysis of data requiring considerable resources to prepare. Requests which are not resolved locally must be referred to the Secretariat or Air Staff OPR for resolution.

4.3. Resolving Record Access Problems:

4.3.1. Information will be released to the GAO following the guidance contained in this document. If difficulties arise, installation commanders should try to resolve the problems by consulting with higher commands, and, if necessary, with their Secretariat and Air Staff functional counterparts with-

out taking formal referral action. Under no circumstances will an individual, commander, or unit head inform a GAO representative that the request is denied while the referral or staffing is in process. Instead, the GAO representative should be informed that the request has been referred for appropriate action.

4.3.2. Where the MAJCOM involvement does not result in release of information to the GAO, the request and MAJCOM recommendation and rationale will be sent to the Secretariat or Air Staff functional counterpart for staffing with a copy to SAF/FMPF. The MAJCOM must ensure there is no unnecessary delay in this review and referral process.

4.3.3. If the Air Force ultimately decides some or all of the requested records may not be released, the Secretariat or Air Staff OPR must notify the DoD IG Office of GAO Surveys and Reviews in writing within 15 days as to which specific legal or policy basis the Air Force is using to deny GAO access. This is necessary in case the GAO Comptroller General later decides to send a formal demand letter to the Secretary of Air Force or Secretary of Defense.

4.3.4. All of the above efforts are "informal" attempts to resolve access issues. If the matter remains unresolved, the GAO Comptroller General may issue a formal demand letter to the Secretary of Air Force or the Secretary of Defense demanding access to the requested information. By law, the DoD has 20 days to respond to the GAO demand letter.

4.4. Special Cases. While the above paragraphs provide general guidance for the release of Air Force controlled data, the following are instructions for release of "special category" information to the GAO.

4.4.1. Air Force Audit Agency internal audit reports and workpapers will be made available to the GAO. Requests for Air Force reports of audits and workpapers should be referred to AFAA/DO. Requests for installation reports and workpapers should be directed to the chief of the area audit office.

4.4.2. Air Force Inspector General (SAF/IG) inspection reports will be made available for GAO review. However, visual access without physical release will be the primary method of releasing this information. If physical release is desired, the GAO director or higher authority must make a written request to the SAF/IG.

4.4.3. Release of Air Force Inspector General Reports of Administrative Inquiry and Investigations require SAF/IG approval.

4.4.4. Separate Accident Investigations of Aircraft and Missile Accidents are releasable through the Judge Advocate Office (HQ USAF/JA).

4.4.5. Security police and Air Force Office of Special Investigations reports may be released when approved by the heads of those organizations.

4.4.6. Outyear Program and Budget Planning information may be released after release of the President's budget. This includes all information contained in budget documents and support justification books. Note that program objective memorandum (POM) and budget estimate submission (BES) data are OSD (Program Analysis and Evaluation) controlled and may only be released at that level.

4.4.7. Requests for Future Year Defense Plan information including outyear data on non-SAR programs must be referred to the OSD Comptroller. Other requests for outyear planning estimates, including initial-mission areas estimates not specifically associated with POM and BES submittals

may be released. Where appropriate, attach a cover letter indicating the information is subject to change and does not necessarily constitute an official Air Force position.

4.4.8. Reports and documents of non-Air Force agencies will be released only with the written consent of the originating agency. Usually, GAO obtains those documents from the originator.

4.4.9. Management-type studies and surveys may be released to the GAO upon approval of the individual that directed the preparation of the report. Management-type studies and surveys are normally accompanied by a statement summarizing the Air Force position on the recommendations in the report.

4.4.10. Developmental and operational test and evaluation reports will be released by the final reviewing authority responsible for the report. Interim test reports may be released to the GAO with the understanding they are advanced or preliminary in nature and may be subject to change.

4.4.11. Air Force headquarters validated requirement documents such as operational requirements document, mission needs statement, and mission element needs statement will be released with qualifying information that reflects the Air Force position. Unrelated documents may also be released before validation with the understanding they may not represent the Air Force position or consensus.

4.4.12. GAO requests for information about operational planning or conduct of military operations, war plans, force deployments, and intelligence collection and analysis must be referred to the proper unified or specified command.

4.4.13. Requests for information relating to Air Force operations plans or support plans will be sent to the Deputy Chief of Staff Plans and Operations (HQ USAF/XO) who has release authority.

4.4.14. The Air Force will exercise caution in releasing communications or information of foreign origin until national release approval is secured.

4.4.15. Specific guidelines for release of data that may be source selection sensitive is contained in Air Force Federal Acquisition Supplement, Appendix AA, *Formal Source Selection For Major Acquisition Programs*.

Chapter 5

GAO REPORTS AND FOLLOWUP

5.1. General:

5.1.1. A GAO survey or review usually results in the issuance of a report. When reports are submitted for comment, they are addressed to the Secretary of Defense, Deputy Assistant Inspector General for GAO Report Analysis, (DoD IG). That office, in turn, determines the PAO and appropriate CAOs. The PAO (with rare exception) is a component of the Office of the Secretary of Defense.

5.2. Draft Report:

5.2.1. Draft reports represent tentative findings and recommendations. They are provided to the DoD for review and comment. Care must be taken to prevent premature or unauthorized release, disclosure, or use.

5.2.2. The DoD IG prepares a summary of the findings and recommendations contained in the report and tasks the PAO to prepare a DoD response.

5.2.3. The tasking memorandum provides detailed instruction and scheduled dates for completing the various tasks associated with processing of the draft report. DoD Directive 7650.2 specifically requires the PAO to review the draft report, obtain input from the CAOs, and prepare a proposed response on behalf of the Secretary for OSD level coordination and clearance prior to release to the GAO.

5.2.4. The Air Force OPR POC should call the OSD PAO action officer to find out how Air Force input is to be handled.

5.2.5. By statute, the DoD has up to 30 days to comment on a GAO draft report assuming it is submitted for comment. On occasion, a shorter comment period is required, usually to meet a congressional imposed deadline. In addition to preparing written comments, the DoD most always meets with the GAO to present its official comments orally. The DoD IG and SAF/FMPF tasking memorandums establishes appropriate due dates for these events.

5.2.6. MAJCOM, DRU, or FOA input must be provided to the HQ USAF OPR point of contact for inclusion in the overall Air Force response.

5.3. Security Reviews. GAO sometimes requests the DoD to perform a security classification review of draft reports. Requests are processed through the DoD IG and SAF/FMPF focal points and result in the tasking of a Secretariat or Air Staff OPR to provide preliminary paragraph markings and recommended downgrading instructions. The OPR provides SAF/PAS an annotated copy of the report for their use.

5.4. GAO Final Reports. The final report may be a bound document or a letter report to the Congress, congressional committee, Member of Congress, or government official. Final reports addressed to DoD organizations must be responded to by an OSD Assistant Secretary or the head of a DoD agency. As in the case of draft report processing procedures, the DoD IG will issue a tasking memorandum to the PAO and various CAOs requesting that formal comments be prepared in response to the GAO final report. Unless otherwise stated, 60 days are allotted for commenting on GAO final reports. Acopy of the DoD

response is also sent to the House and Senate Committees on Appropriations, Government Operations, other select committees and OMB.

5.5. Other GAO-Generated Documents. Statements of fact, briefing papers, and testimony which GAO provides before or instead of draft reports are generally of an informational nature. Tasking and response actions, if required, will parallel those for draft reports.

5.6. Replies to GAO Reports. GAO reports concerning the Air Force and the DoD may have a significant impact on the views of the general public and the Congress. Air Force management officials must:

- Take prompt and positive action on all GAO reports.
- Objectively evaluate the report and be responsive to the GAO findings, conclusions, and recommendations.
- Indicate agreement or disagreement with GAO findings, conclusions, and recommendations, including the reason for any disagreements.
- State corrective actions taken or planned, including the anticipated date that proposed actions will be completed.

5.7. Followup On GAO Reports. Followup is an integral part of good management and is a responsibility shared by Air Force managers and auditors. After GAO issues a final report, Air Force management must take timely and effective corrective action on agreed-upon findings and recommendations which apply to their programs and activities. The DoD IG performs periodic inquires and followup reviews to assess the adequacy of corrective action taken. DoD Directive 7650.3 prescribes basic policies for this system.

5.8. Air Force Status Reports. The following Air Force procedures apply when responding to DoD IG followup status requests.

5.8.1. SAF/FMPF will suspense followup tasking memorandums received from the DoD IG to Secretariat and Air Staff offices. Open action items will be closely tracked and monitored through completion.

5.8.2. Secretariat and Air Staff OPRs are responsible for reporting the status of management actions. If an action has been completed, the OPR will provide a synopsis of the completed action together with a complete response to the status inquiry. Where corrective action has not been taken, the OPR will explain the slippage and provide a revised completion date. OPRs will submit the completed report through the Secretariat or Air Staff focal points and SAF/FMPF.

5.8.3. When a status report cites potential monetary benefits as a result of implementing a recommendation, the OPR must comment on the accuracy of the benefit, and coordinate those comments with SAF/FMB. Comments relating to National Guard Bureau benefits will be coordinated with ANGRC/FMB.

5.8.4. SAF/FMPF will forward Air Force comments or status reports to the DoD IG.

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Attachment 1

GLOSSARY OF REFERENCES, ABBREVIATIONS, AND ACRONYMS

References

DoD Directive 7650.1, *General Accounting Office Access to Records*, August 26, 1982

DoD Directive 7650.2, *General Accounting Office Audits and Reports*, July 19, 1985

DoD Directive 7650.3, *Followup on General Accounting Office, DoD Inspector General, and Internal Audit Reports*, September 5, 1989, with Changes 1 through 3

Abbreviations and Acronyms

AFAA—Air Force Audit Agency

AFAA/DO—Air Force Audit Agency, Directorate of Operations

ANGRC—Air National Guard Readiness Center

BES—Budget Estimate Submission

DoD IG—Department of Defense Inspector General

DRU—Direct Reporting Unit

FOA—Field Operating Agency

GAO—General Accounting Office

HQ USAF/JA—Judge Advocate General

HQ USAF/XO—Deputy Chief of Staff Plans and Operations

MAJCOM—Major Command

OMB—Office of Management and Budget

OPR—Office of Primary Responsibility

OCR—Office of Collateral Responsibility

OSD—Office of Secretary of Defense

PAO—Primary Action Office

POC—Point of Contact

POM—Program Objective Memorandum

SAF/FM—The Assistant Secretary of the Air Force, Financial Management and Comptroller

SAF/FMP—Deputy Assistant Secretary for Plans, System and Analysis

SAF/FMPF—Director for Audit Liaison and Followup

SAF/IG—Secretary of Air Force Inspector General

SAF/PAS—Chief Office For Security Reviews