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AUDITOR GENERAL**



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This publication implements Air Force Policy Directive 65-3, *Audit Services*, and outlines Air Force Audit Agency (AFAA) responsibilities and requirements for accomplishing audit services within the Department of the Air Force. This instruction incorporates Government Accountability Office publication GAO-21-368G, *Government Auditing Standards* required by the Comptroller General and applies to all AFAA elements and personnel when performing assigned audit-related duties and responsibilities. This AFAAI applies to all civilians assigned to the Air Force Audit Agency. This publication may be supplemented at any level, but all supplements that directly implement this publication must be routed to the office of primary responsibility (OPR) for coordination prior to certification and approval. Refer recommended changes and questions about this publication to the OPR using DAF Form 847, *Recommendation for Change of Publication*; route DAF Forms 847 from the field through the appropriate functional chain of command. The authorities to waive wing, unit, or delta level requirements in this publication are identified with a Tier (“T-0, T-1, T-2, T-3”) number following the compliance statement. See Department of the Air Force Manual 90-161, *Publishing Processes and Procedures*, for a description of the authorities associated with the Tier numbers. Submit requests for waivers through the chain of command to the appropriate Tier waiver approval authority, or alternately, to the Publication OPR for non-tiered compliance items. Ensure all records generated as a result of processes prescribed in this publication adhere to Air Force Instruction 33-322, *Records Management and Information Governance Program*, and are disposed in accordance with the Air Force Records Disposition Schedule which is located in the Air Force Records Information Management System.

SUMMARY OF CHANGES

This publication has been revised to account for the establishment of the United States Space Force within the Department of the Air Force, update references to Department of Defense and Department of the Air Force policies, and effect other administrative changes.

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Chapter 1

ROLES AND RESPONSIBILITIES

1.1. Overview. Government Accountability Office (GAO) publication GAO-21-368G, *Government Auditing Standards*, also referred to as generally accepted government auditing standards (GAGAS), require audit organizations to establish and implement policies and procedures designed to provide reasonable assurance that the organization and its personnel comply with applicable professional standards and legal and regulatory requirements. Audit personnel must comply with audit standards and quality control policies outlined in this instruction to plan and execute audit services. Additional detailed procedures are outlined in AFAA internal business rules, guides, and playbooks.

1.2. Auditor General (SAF/AG), head of the AFAA . Directs and manages all internal audit functions for the Department of the Air Force (DAF). The Auditor General also serves as the DAF Audit Liaison and Follow-up Official between DAF management, external audit organizations, and Washington Headquarters Services to execute audit services, including, audits, attestations, nonaudit services, reviews, evaluations, analyses, investigations, follow-up reviews, and external peer reviews. Specific responsibilities of the Auditor General are outlined in Headquarters Air Force Mission Directive 1-8, *Auditor General*; Air Force Mission Directive 17, *Air Force Audit Agency*; Air Force Policy Directive 65-3, *Audit Services*; Department of the Air Force Instruction (DAFI) 65-301, *Internal Audit Services*; and DAFI 65-302, *External Audit Services*.

1.3. Assistant Auditor Generals, Deputy Assistant Auditor Generals, Directors, and Region Chiefs . Provide oversight for mission planning and execution within their respective directorates. Duties include establishing policies, programs, and procedures to facilitate compliance with applicable government auditing and professional standards; developing and approving audit topics aligned with DAF and agency priorities; and allocating resources to deliver timely, relevant, and quality audit services. In addition, Assistant Auditor Generals, Deputy Assistant Auditor Generals, Directors, and Region Chiefs communicate with senior DAF officials to deliver relevant and responsive services.

1.4. Associate Directors, Office Chiefs, and Division Chiefs . Monitor mission execution within their respective functional or geographical areas. In addition, second-level supervisors provide guidance and direction to first-level supervisors, auditors, and administrative personnel. Responsibilities include planning their respective functional or geographical resources and evaluating and approving deviations from the established project objectives, milestones, or resources. Further, second-level supervisors periodically brief directorate leadership on audit service progress and operational capabilities.

1.5. Program Managers and Team Chiefs . Allocate financial, personnel, and audit resources for assigned projects. In addition, first-level supervisors provide and document supervision over audit staff and project execution. Responsibilities include continuous communication with management officials and auditors to deliver compliant audit services. Further, first-level supervisors brief second-level supervisors and senior AFAA officials about project status and resource limitations.

1.6. Auditors . Manage assigned projects and tasks in accordance with professional standards and other agency policies and procedures. Auditors document work performed and evidence

collected in electronic working paper files. In addition, auditors should continuously communicate with management officials to provide services within approved milestones. Auditors also should inform supervisors and senior AFAA officials about resource limitations and deviations from established standards and policies.

1.7. Staff Functions.

1.7.1. The Operations Directorate is the primary source of assistance to the Auditor General on audit and support policies and procedures. Divisions under the Operations Directorate include the Operations Division, the Resource Management Division, and the Policy, Oversight, and Systems Division.

1.7.1.1. The Operations Division (AFAA/DOO) manages strategic and audit planning, agency performance metrics, audit report processing, and external coordination and liaison duties. In addition, division personnel prepare semi-annual reports for Congress.

1.7.1.2. The Resource Management Division (AFAA/DOR) provides personnel and financial management services to employ a professional, high-performing, diverse workforce and manage financial resources to meet mission requirements.

1.7.1.3. The Policy, Oversight, and Systems Division (AFAA/DOV) provides critical guidance, quality control, and information technology resources to facilitate compliance with standards and empower AFAA personnel to deliver timely, relevant, and quality audit services.

1.7.2. The Force Development Division oversees programs related to professional education, training, career development, force sculpting, accession, recruiting, and retention of AFAA personnel.

1.7.3. The Director of Staff (AFAA/DS) provides strategic direction to and leads executive functions to support the AFAA mission, directs initiative implementation to increase organizational effectiveness, and manages recommendation tracking. Further, the Director of Staff acts as the advisor to the Auditor General.

1.7.4. The Field Directorate-Process (AFAA/FDP) provides guidance, training, mentoring, and coaching for agency continuous process improvement initiatives. In addition, AFAA/FDP facilitates improvement activities addressing gaps between current and standard performance indicators using continuous process improvement methodologies and various tools.

1.8. Service Types. Audit organizations, including AFAA, are authorized under GAGAS and the Department of Defense Manual (DoDM) 7600.07 to perform a variety of services including performance audits, attestations, nonaudit services, and external audit support. The service type determines the standards applied.

1.8.1. Performance Audits. AFAA personnel will conduct performance audits in accordance with GAO-21-368G. **(T-0)** Performance audits provide an independent assessment of a government organization, program, activity, or function. Performance audits include economy and efficiency and program audits.

1.8.2. Attestations. Attestations include examinations, reviews, or agreed-upon procedures engagements with financial or non-financial objectives about a subject matter or assertion. Audit personnel must comply with the American Institute of Certified Public Accountants

Statements on Standards for Attestation Engagements. **(T-0)** Additional guidelines for attestations are outlined in DAFI 65-301 and **Chapter 8** of this instruction.

1.8.3. Nonaudit Services. Nonaudit services are professional services other than audits and attestation engagements. Before accepting a nonaudit service request, audit personnel should consider whether the service can be provided as an audit. Audit personnel must determine whether performing the service would create a threat to independence in accordance with GAO-21-368G. **(T-0)** Additional guidelines for nonaudit services are outlined in DAFI 65-301 and **Chapter 9** of this instruction.

1.8.4. External Audit Support. GAO-21-368G allows external auditors to use the work of internal auditors to streamline and expedite audits or attestations. Internal auditors may assist an external audit organization by collecting data, performing tests, and conducting inventories.

Chapter 2

QUALITY CONTROL SYSTEM

2.1. Overview. In accordance with GAO-21-368G, audit organizations must establish and maintain a quality control system to provide reasonable assurance that audit services comply with applicable standards, policies, and procedures. **(T-0)** In addition, the audit organization should document compliance with its quality control policies and procedures. The AFAA has established and maintains an internal quality control program that consists of four components: supervision, project quality control procedures, external peer reviews, and internal quality control reviews.

2.2. Supervision . Supervisory audit personnel must provide the assigned staff sufficient guidance and direction to address the engagement objectives and comply with applicable standards. Supervisors must review working papers as needed to ensure engagement results communicated to DAF leaders are defensible and work performance and products comply with applicable standards. Supervisors conduct reviews as frequently as needed based on considerations of staff experience, engagement status, and project complexity. Additionally, supervisors must approve documentation and approve working papers prior to designated audit decision points, which include, but are not limited to: audit program development, planning completion, report writing, independent referencing, final report distribution, and project finalization.

2.3. Project Quality Control Procedures. Project quality control procedures facilitate quality work and standards compliance.

2.3.1. Independent Referencing. The audit team will verify that working paper evidence supports the information contained in draft products prior to distributing them to DAF management. The independent referencer, auditor, and first-level supervisor should verify the project has been referenced.

2.3.2. Compliance Resources. AFAA/DOV personnel should develop standard quality control resources and checklists to assist personnel with verifying compliance with professional standards. The audit team may use these quality control resources during project execution and finalization to assess compliance with applicable standards and agency policies and procedures.

2.3.3. Project Disagreements.

2.3.3.1. Auditors and First-level Supervisors. When there are project disagreements between auditors and their supervisor, the issue should be elevated to the second-level supervisor for resolution. The second-level supervisor is the final decision authority for disagreements between the auditor and first-level supervisor.

2.3.3.2. Independent Referencing. When there are disagreements between the auditor and the independent referencer, the issue should be elevated to the first-level supervisor of the project. If the disagreement still cannot be resolved, it should be elevated to the second-level supervisor. The second-level supervisor is the final decision authority for disagreements between the independent referencer and the auditor/first-level supervisor.

2.3.3.3. Installation-Level Support to an Enterprise Project. When there are disagreements between enterprise-level auditors and installation-level auditors, the issue should be elevated to the team chief. If the enterprise-level auditor and team chief cannot resolve the

issue, it should be elevated to the program manager and office chief. If the issue cannot be resolved at the program manager/office chief level, it should be elevated to the associate director and region chief for resolution. If the disagreement still cannot be resolved, it should be elevated to the AAG of the enterprise-level project. The AAG of the enterprise-level project is the final decision authority for disagreements on installation-level support to enterprise projects.

2.4. External Peer Review. In accordance with GAO-21-368G and the Council of the Inspectors General on Integrity and Efficiency (CIGIE) requirements, audit organizations must have an external peer review at least once every 3 years. **(T-0)** The external peer review evaluates whether the audit organization's quality control system is suitably designed, and personnel comply with applicable professional standards in all material respects.

2.5. Internal Quality Control Reviews. Staff auditors with AFAA/DOV will annually conduct internal quality control reviews to assess compliance with GAO-21-368G and agency policies and procedures.

2.5.1. Quality Control Reviews. Quality control reviews evaluate audit service execution from project initiation to finalization.

2.5.1.1. Staff auditors should use standard quality control resources and checklists to assess compliance with GAO-21-368G, CIGIE requirements, DoDM 7600.07 and agency policies and procedures.

2.5.1.2. AFAA/DOV may use auditors to augment division resources to conduct internal quality control reviews.

2.5.2. Functional Reviews. AFAA/DOV may review projects for compliance with a specific functional requirement or professional standard. Staff auditors or designated audit personnel may select review topics based on external peer review results, agency management concerns, and high risk areas identified during other quality control reviews.

2.5.3. Operational Reviews. Staff auditors or designated audit personnel may conduct directorate or agency-wide operational reviews to evaluate selected agency operations or quality control system elements. These reviews may address Auditor General special interest items or programs.

2.5.4. AFAA/DOV staff auditors or designated audit personnel will analyze and summarize the results from quality control reviews at least annually to identify any systemic issues or trends, along with recommendations for corrective action or training resources.

2.6. Quality Control Review Plan. AFAA/DOV will develop an annual quality control review plan. Specifically, AFAA/DOV will:

2.6.1. Coordinate with audit directorates to identify and prioritize proposed internal quality control review topics.

2.6.2. Establish objectives and identify resource requirements for each project included in the plan.

2.6.3. Brief the annual plan to the Auditor General, Assistant Auditor Generals, and Directors.

Chapter 3

AUDIT PLAN

3.1. Overview. DoDM 7600.07 requires audit organizations to develop strategic and audit plans that align their goals with those of their parent organization. The AFAA prepares an audit plan through collaborative efforts with DAF and other DoD organizations and utilizes the risk-based audit planning process outlined in DAFI 65-301 and audit plan guidance to prioritize audit topics at the Headquarters of the Department of the Air Force (HAF), Major Command (MAJCOM), Field Command (FLDCOM), and installation levels based on DAF priorities, vulnerabilities, and high risk areas. This agile planning process allows AFAA personnel to allocate resources to address emerging issues.

3.2. Audit Plan Guidance. The AFAA utilizes a continuous planning process to balance audit service requirements with resources. The Operations and Field Activities Directorates will identify audit plan deliverables and timelines at least annually. In addition, AFAA/DOO personnel will issue audit planning guidance at least annually outlining the risk assessment framework and processes for each planning cycle.

3.3. Audit Plan Development. AFAA personnel must follow procedures outlined in DAFI 65-301 and planning guidance to identify, evaluate, approve, and prioritize HAF, MAJCOM, FLDCOM, and installation-level topics.

3.4. Installation-level Plan Development. AFAA Office Chiefs will forward potential audit plan topics received from installation stakeholders to the applicable Area Audit Office (AAO) team. AAO teams should collaborate with stakeholders to further develop topics for installation-level audit services. AAO teams should review stakeholder's data and information to prioritize topics based on the risk factors outlined in DAFI 65-301. The Director, Field Activities Directorate, will de-conflict the installation-level plan with the enterprise-level plan prior to approval.

3.5. Enterprise-level Plan Development . AFAA leadership, to include senior leaders from each directorate and the AFAA/DOO Chief, will participate in enterprise-level planning by reviewing submissions and providing input to the prioritized list of HAF, MAJCOM and FLDCOM-level topics. The Assistant Auditor Generals, Deputy Assistant Auditor Generals, and Associate Directors will review and discuss the plan submissions for their respective organizations. Directorate leadership will prioritize topics and consolidate audit plans according to audit planning guidance.

3.5.1. Approval Authority. The Auditor General is the approval authority for enterprise-level audit services. The Director, Field Activities Directorate, is the final approval authority for installation-level audit services.

3.5.2. Audit Plan Briefings. The Auditor General and AFAA leaders will brief the audit plan to HAF, MAJCOM, and FLDCOM officials. Field Activities Directorate (AFAA/FD) personnel or a designated representative will develop and distribute procedures for communicating installation audit plans with customers.

3.6. Plan Execution. Audit personnel will use the approved audit plans when accepting, scheduling, or cancelling projects. Audit personnel should consider project priority, resource availability, program status, and management needs when scheduling project start dates.

3.6.1. Audit personnel may cancel projects listed on the approved audit plan before issuing an audit announcement to management officials.

3.6.2. The Auditor General is the approving authority for cancellations of enterprise-level projects. Region Chiefs or their designated representatives are the approving authority for cancellations of installation-level projects.

3.6.3. Directorate personnel may revise the approved audit plan during the fiscal year. In addition, directorate personnel should:

3.6.3.1. Brief customers about audit plan disposition and planned audit status in accordance with DAFI 65-301.

3.6.3.2. Provide customers an opportunity to submit topics for the audit plan and out-of-cycle requests, as applicable.

3.6.3.3. Obtain Auditor General or designated representative approval for new enterprise-level projects before committing resources or issuing an announcement. The Region Chiefs are the approval authority for new installation-level projects.

3.7. AFAA personnel will track plan execution in the agency-approved management system.

Chapter 4

AUDIT PROJECT PLANNING

4.1. Overview. The audit service lifecycle involves planning, fieldwork, and reporting. Professional standards require audit personnel to adequately plan and document the work necessary to address the stated objectives. Auditors should review planning requirements, templates, and tools at the beginning of each project. Detailed procedures are outlined in the *Audit Service Execution Playbook*.

4.1.1. Competence. Audit team management should assign staff with the collective knowledge, skills, and experience to address the engagement objectives and perform work in accordance with professional standards. Supervisors should consider engagement complexity, required completion date, and auditor experience level when assigning team members. In addition, all audit personnel must complete continuing professional education requirements to maintain competence in accordance with GAO-21-368G. **(T-0)**

4.1.2. Independence. Audit team members will evaluate audit team independence during planning by applying the conceptual framework in accordance with GAO-21-368G. **(T-0)** The initial assessment should be accomplished and documented before an individual initiates work on a project. Auditors should remain alert to potential threats throughout the project and update the independence assessment when additional personnel are assigned to the project or circumstances change. Specific procedures to conduct and document independence assessments are located in the working paper templates.

4.2. Project Planning. The project planning phase encompasses actions needed to define the objectives, scope, and methodology. The audit team will assess risk and become familiar with the topic, governance structure, and key organizational performance measures.

4.3. Fraud, Waste or Abuse. During planning, the audit team should coordinate the topic with the Office of Special Investigations, assess the fraud risk, and perform procedures to ascertain the potential effect of fraud, waste, or abuse on the project objectives. Audit personnel should possess sufficient knowledge to recognize fraud indicators within the activity being audited. If the audit team becomes aware of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the objectives, they should apply procedures to identify the potential effect. For additional procedural guidance, AFAA personnel should refer to the fraud assessment procedures and resources outlined in the *Audit Service Execution Playbook* and working paper templates.

4.4. Announcement Memorandum. The audit team will prepare and distribute an announcement memorandum to notify management officials about the project. Directorate personnel will use the official templates maintained by AFAA/DOV. In addition, the audit team should comply with the special coordination and distribution requirements outlined in **Chapter 7** of this instruction for services involving external organizations.

4.4.1. The responsible Assistant Auditor General will approve and sign the enterprise-level announcement memorandum. The Office Chief or Team Chief will sign the installation-level announcement memorandum.

4.4.2. The audit team should offer management an entrance conference at the beginning of an engagement. During the entrance conference, the audit team should inform management of the

audit objectives, planned scope, and estimated execution timeline. In addition, auditors should inquire about governance, internal controls, oversight, and criteria for evaluating mission effectiveness in the subject area. Further, auditors should discuss planned locations and allow the customer to suggest potential locations.

4.4.3. Audit teams should notify Directorate leadership, through their chain of command, of scheduled briefings with general officer and senior executive service officials. Agency leadership may attend briefings based on the rank, management level, or subject.

4.5. Previous Engagements. The audit team must identify previous audits, attestations, and other studies related to the audit objectives, in accordance with GAO-21-368G. **(T-0)** In addition, auditors will determine whether the audited entity implemented agreed-upon corrective actions to address previous findings, recommendations, and potential monetary benefits, in accordance with GAO-21-368G. **(T-0)** The *Audit Service Execution Playbook* and working paper templates detail procedures to identify and document previous engagements.

4.6. Criteria/Magnitude. Audit teams should obtain an understanding of the program under audit. Personnel should identify the size of the program, in terms of dollars, personnel, or other measures. In addition, personnel should gather and document criteria governing the program. Criteria includes laws, regulations, contracts, grant agreements, standards, performance measures, defined business practices, and benchmarks.

4.7. Internal Control Assessment. The Office of Management and Budget Circular A-123, *Management's Responsibility for Internal Control*, defines management's internal control responsibilities. Audit teams will assess whether management properly designed and implemented internal controls applicable to the audit objectives. **(T-0)** In addition, auditors should understand and document the significance of internal controls on the audit objectives. Auditors should reference GAO 14-704G, *Standards for Internal Control in Federal Government*, to identify applicable controls and develop testing methodology.

4.8. Computer-Processed Data. According to GAO-21-368G and GAO 09-680G, *Assessing the Reliability of Computer-Processed Data*, audit teams should assess reliability for system generated or processed data. Additionally, audit teams should understand information security controls related to the audit objectives and incorporate these controls in audit program development.

4.9. Sampling Methodology. Audit personnel should consider sampling techniques, where practical, to accomplish the audit objectives. The statisticians and the operations research analyst assigned to AFAA/DOO may assist with analyzing data or designing sampling methodology. Audit teams should consult statisticians and the operations analyst early in the planning phase to streamline execution.

4.10. Potential Monetary and Non-monetary Benefits . The audit team must report monetary or nonmonetary benefits associated with discrepancies and audit recommendations, when applicable, in accordance with DoDM 7600.07. **(T-0)** Therefore, the audit team should develop the methodology to capture potential benefits during the planning phase.

4.10.1. Monetary Benefits. Audit teams will develop the net potential monetary benefits methodology following guidance in DoDM 7600.07, Enclosure 13. **(T-0)**

4.10.1.1. Personnel should coordinate with AFAA/DOO to confirm potential monetary benefits methodology prior to the first-level supervisor approving the audit program.

4.10.1.2. AFAA/DOO will review the proposed potential monetary benefits methodology and, if necessary, recommend changes. Additionally, the audit team should coordinate with Secretary of Air Force Financial Management and Air Force Strategic Plans and Programs personnel during audit fieldwork to ensure a comprehensive effort.

4.10.2. Nonmonetary Benefits. If benefits cannot be expressed in monetary terms, the audit team should document the most appropriate quantitative measurement and outline planned methodology to support nonmonetary benefits.

4.11. Preliminary Testing. The audit team should design and conduct limited testing during planning to assess internal controls, data reliability, and fraud. Preliminary testing provides insight into the nature, timing, and extent of procedures required during fieldwork. The audit team may use results obtained during planning in the final report.

4.12. Audit Program Design. GAO-21-368G requires the audit team to prepare an audit program. Auditors should initiate program development during planning and may refine the program during fieldwork based on emerging data. In addition, the audit team should evaluate the impact of previous or on-going engagements on the audit methodology.

4.12.1. The audit team should use professional judgement to determine evidence type and amount needed to address the audit objectives, plan audit work, and obtain sufficient, appropriate evidence.

4.12.2. Auditors should design testing and procedures to obtain sufficient, appropriate evidence and facilitate summarization and reporting.

4.12.2.1. Sufficiency is a measure of the quantity of evidence used to support the findings and conclusions.

4.12.2.2. Appropriateness is the measure of quality. Audit personnel should assess whether the evidence collected is relevant, valid, and reliable.

4.12.2.3. Evidence consists of the data used to formulate an opinion. The three primary categories of evidence are physical, testimonial, and documentary.

4.12.2.3.1. Physical evidence is obtained by direct inspection or observation.

4.12.2.3.2. Testimonial evidence is obtained through oral or written statements, to include interviews and emails. This evidence may be useful in interpreting or corroborating documentary or physical evidence.

4.12.2.3.3. Documentary evidence involves existing information such as memorandums, contracts, accounting records, invoices, spreadsheets, and other hard copy and electronic documentation. This evidence may be used to verify, support, or challenge testimonial evidence.

4.12.3. The audit team should use the agency standard electronic working paper or equivalent template to develop the audit program.

4.12.4. The first-level supervisor should approve the initial audit program before the audit team conducts their first site visit. The initial audit program should include sufficient work to enable the audit team to develop a comprehensive audit program. The first-level supervisor should also approve adjustments.

4.12.5. The audit team should identify locations for multi-site audits during the planning phase and finalize selections prior to issuing the audit program. Auditors and supervisors should consider available resources, audit objectives, program magnitude, and management input when selecting audit locations. AFAA/DOO statisticians and operations analyst may assist with analyzing population and preliminary data for location and sample selection. The audit team should coordinate proposed audit locations with the responsible AAO prior to planned visits and before briefing the Assistant Auditor General.

4.13. Audit Decision Point 1. At the conclusion of planning, the audit team should update the working papers to summarize preliminary results and conduct an Audit Decision Point 1 briefing to recommend a course of action for the audit. Proposed courses of action include, but are not limited to, terminating the project without a report, issuing a report based on planning work accomplished, or proceeding to audit fieldwork to obtain additional evidence to manage audit risk and formulate an audit opinion. The audit team should document the approved course of action. Procedures for completing Decision Point 1 briefing documents are outlined in the *Audit Service Execution Playbook*.

4.13.1. The audit team must summarize work performed, prepare applicable working papers to summarize preliminary findings, and cross-reference preliminary findings to supporting documentation. The first-level supervisor must review and approve all working papers to support work performed and preliminary findings.

4.13.2. Directorate leadership may identify preferences for briefing format.

4.13.3. The audit team must obtain approval for the course of action. The Assistant Auditor General or a designated representative is the approving official for enterprise-level audits. The Office Chief is the decision authority for installation-level audits.

4.13.4. Terminated Projects. Pursuant to GAO-21-368G, audit personnel must issue a report communicating the results of each completed audit. **(T-0)** If an engagement is announced and terminated before the project is completed and an audit report is not issued, the audit team should document results to date, termination date, and reason for termination in the working papers.

4.13.4.1. Directorate personnel will submit a request package to terminate enterprise-level projects to AFAA/DOO. The Auditor General or a designated representative is the approval authority to terminate enterprise-level projects.

4.13.4.2. The audit team will submit a request package to terminate installation-level projects to the Office Chief. The Region Chief or a designated representative is the approval authority to terminate installation-level projects.

4.13.4.3. The audit team should document the project termination in the agency-approved management system.

4.13.4.4. The audit team must communicate the results and termination reason to appropriate governance and management officials. Procedures for notifying management of project terminations are outlined in the *Audit Service Execution Playbook*.

4.14. Status Updates. The audit team should offer management officials status updates as planning progresses and after the course of action is approved.

4.15. Audit Program Approval. The first-level supervisor will review the audit program (also called written plan) for adequacy and approve the plan before initiating fieldwork. The following administrative tasks should be accomplished to approve the audit program.

4.15.1. The audit team should review the initial audit program and make appropriate changes to address objectives and collect data to support potential finding elements, including potential monetary benefits.

4.15.2. The audit team may revise the audit program during the audit; however, the first-level supervisor must review and approve adjustments. The audit team should document all revised audit objectives and the reason for the adjustment in the working papers.

4.15.3. If new locations are added during the Decision Point 1 briefing for enterprise-level projects, the audit team should coordinate the additional locations with the applicable AAO.

4.15.4. The audit team should issue an updated announcement memo to internal and external organizations if new locations are added, or the audit objectives are modified after the initial notification.

4.15.5. The audit team must retain a copy of the approved audit program in the working papers.

Chapter 5

AUDIT FIELDWORK

5.1. Overview. The audit fieldwork phase includes data collection and analysis, validation, and summarization to obtain reasonable assurance that the evidence collected is sufficient and appropriate to support the findings and conclusions.

5.1.1. During the fieldwork phase, the audit team will gather additional data and evidence to render an opinion and formulate recommendations, if applicable, in accordance with GAO-21-368G. **(T-0)** Data collection and analysis entails collecting, analyzing, and interpreting evidence to examine complex data and processes.

5.1.1.1. Auditors should collect evidence to reduce audit risk and document the team's professional judgment and conclusions.

5.1.1.2. The auditor's documented analysis should persuade a knowledgeable person that the results are relevant, valid, reliable, and reasonable.

5.2. Program Execution. The fieldwork phase begins when the audit team applies the approved audit program to collect evidence.

5.2.1. Fieldwork includes, but is not limited to, reviewing laws, policies, procedures, and exhibits; interviewing personnel; testing electronic data and other hard-copy documents; and performing computations and comparisons.

5.2.2. Where possible, the audit team should use analytical processes to examine and formulate judgments about evidence.

5.2.3. The audit team must document work performed, methodology applied, and judgment rationale in the working papers in accordance with GAO-21-368G. **(T-0)**

5.3. Communication. The audit team will communicate with management officials and supervisors, as needed, to discuss audit service progress and deficiencies in internal control; noncompliance with laws, regulations, contracts, and agreements; and instances of fraud, waste, or abuse in accordance with GAO-21-368G. **(T-0)** Communications should be documented in the working papers.

5.3.1. Auditors should discuss validated findings with first- and second-level supervisors. Supervisors will evaluate whether finding significance warrants interim reporting and prompt management action. Auditors should document discussions in the working papers.

5.3.2. For multi-site applications, the audit control point should maintain frequent contact with auditors applying the audit program to (a) obtain and cross-feed information and results, (b) provide technical guidance and assistance, and (c) track progress.

5.3.3. Audit control point personnel may conduct site visits during fieldwork, as needed. In addition, the audit control point may hold teleconferences with auditors before or during the fieldwork phase.

5.3.4. Auditors should discuss and confirm audit results, conclusions, and potential monetary benefits, if applicable, with management officials. In addition, the audit team should discuss proposed recommendations with management.

5.3.5. Auditors may need to conduct additional testing or examine supplemental documentation if management expresses concern regarding result accuracy or validity. Auditors should document additional work performed to support adjustments.

5.4. Summarization. Summarization involves the consolidation, review, and interpretation of audit results, conclusions, and potential findings. Audit teams should consolidate data and results to develop findings and formulate the opinion.

5.4.1. The auditor will summarize results in the working papers. Because the summary working paper serves as a basis for each finding, the auditor will cross-reference the summary working paper to supporting documentation and evidence.

5.4.2. Auditors should provide responses to multi-site projects using the format and templates requested by the audit control point. Using the requested format and templates facilitates audit control point summarization.

5.4.3. Area Audit Offices must independently reference response documents and draft reports for multi-site projects before submitting the response documents and draft report to the audit control point. The first-level supervisor will provide certification statements for all submitted responses and draft reports.

5.4.4. Auditors will submit the installation-level draft report and summary of audit results to the audit control point before issuing results to management.

5.4.5. The audit control point will acknowledge, review, and provide feedback on AAO responses and reports. The audit control point will review the draft report for consistency and technical accuracy and either approve the draft for release or provide the auditor a list of concerns or required changes.

5.4.6. Audit control points are responsible for summarizing information received from each site where the audit program was applied. Summarization for multi-site audits includes consolidation, review, and analysis of audit results and evaluation of installation-level audit reports.

5.4.7. During validation and summarization, audit control point personnel may contact participating AAOs to request additional information and audit testing.

5.5. Potential Fraud or Illegal Acts. During audit service execution, the audit team may identify potential fraud or illegal acts. The auditor and first-level supervisor will notify the Air Force Office of Special Investigations about potential fraud or illegal actions. In addition, audit personnel must provide information to their chain of command when a project is referred for investigation. Additional information on fraud coordination is outlined in [Chapter 7](#) of this instruction.

5.6. Revised Assessments. Auditors conduct a preliminary assessment of internal controls, computer-processed data, fraud, sampling, and independence during the planning phase. During summarization, auditors update these initial assessments based on actual testing results.

5.6.1. The audit team obtained a general understanding of internal controls during the planning phase. The preliminary internal control assessment determined the nature, timing, or extent of audit procedures performed. The audit team should update the initial assessment based on actual results and identify whether internal control deficiencies exist.

5.6.1.1. GAO-21-368G require audit organizations to disclose internal control deficiencies in the audit report. The audit team must identify scope of their work on internal controls and deficiencies identified. **(T-0)** Internal control deficiencies may be cited as potential material weaknesses in accordance with DAFI 65-301.

5.6.1.2. An internal control deficiency exists when the design or operation of an internal control does not allow management or employees, in the normal course of performing their assigned functions, to satisfactorily accomplish their assigned functions or inhibits the prevention or detection of misstatements on a timely basis.

5.6.1.3. Material weaknesses are defined as having the potential to impair essential operations or mission; violate statutory or regulatory requirements; diminish credibility or reputation; lead to waste or loss of funds, property, or other resources; or allow fraud or other criminal activity to go undetected.

5.6.1.3.1. To be considered material, a weakness must (1) involve an internal control deficiency and (2) warrant the attention of the next level of command, either because that next level must take action or because they must be aware of the problem.

5.6.1.3.2. The audit team must discuss potential material weaknesses with their chain of command before reporting to management officials.

5.6.2. In accordance with GAO-21-368G, auditors will document their final data reliability assessment in the working papers and indicate whether data reliability was sufficient, not sufficient, or could not be determined. In addition, auditors should explain limitations, if any; describe data problems; and state whether identified issues were significant within the context of the audit objectives and findings. Specific reporting requirements and examples are outlined in official report templates.

5.6.3. The audit team should evaluate data collected during fieldwork to indicate whether circumstances warrant revising the initial audit risk and fraud assessments.

5.6.4. The audit team should update documented sampling methodology to reflect actual work performed, sample totals, population totals, and sampling criteria (i.e., judgmental or statistical). The audit team will cross-reference sampling methodology to the appropriate supporting documentation.

5.6.5. Before transitioning to the reporting phase, the audit team should document whether personnel and specialists assigned during fieldwork encountered circumstances impacting independence.

Chapter 6

REPORTING REQUIREMENTS

6.1. Overview. Audit personnel will prepare and issue a report for each completed audit in accordance with GAO-21-368G. **(T-0)** If the agency terminates an audit before it is completed, the audit team should follow guidance outlined in **Chapter 4** of this instruction.

6.1.1. Report Format. Audit teams should use a report format that is appropriate for its intended use and is in writing or in some other retrievable form. User's needs may influence the audit report format. Formats include reports, memorandums, briefing slides, or other presentation materials. Auditors should also reference **Chapter 7** of this instruction to issue reports involving classified material.

6.1.2. The audit team will use the standard report and package templates based on project and report type. In addition, when the audit identifies a potential material weakness, AFAA personnel should submit a potential material weakness template and reference the weakness in the executive summary of the report.

6.1.3. The audit team must include the audit objectives, scope, methodology, results, and the views of responsible officials in the report. Specifically, auditors must:

6.1.3.1. Describe work performed including applicable data reliability testing, comparative techniques applied, and sampling design and rationale.

6.1.3.2. Outline internal control assessments performed and whether the assessments revealed deficiencies in internal control design or implementation.

6.1.3.3. Identify previous engagements, management action taken in response to previous engagements, and any repeat findings, if applicable.

6.1.3.4. Include a compliance statement in the report and outline any deviations from professional standards or data omissions related to confidential or sensitive information.

6.1.4. The audit team may issue an interim report when the results require prompt management attention, or the audit warrants interim reporting. The final audit report should reference all interim reports issued.

6.1.5. The audit team may issue a report at the end of planning if auditors obtained sufficient, appropriate evidence to render an opinion and minimize audit risk to an acceptable level.

6.2. Quality Control. To ensure the integrity of audit data and comply with GAO-21-368G, the audit organization must perform quality control to ensure report accuracy and completeness. **(T-0)**

6.2.1. As required by GAO-21-368G, the audit team must prepare engagement documentation in sufficient detail to enable an experienced auditor, having no previous connection with the engagement, to understand the nature, timing, extent, and results of procedures performed. **(T-0)** In addition, audit teams must outline the evidence obtained, sources, conclusions reached, and significant judgments.

6.2.2. The first-level supervisor must review and approve all working papers used to support the report before independent referencing is accomplished. Supervisors will verify the work performed and the report comply with GAO-21-368G and agency policies. **(T-0)**

6.2.3. The audit team must submit a report citing potential monetary benefits to AFAA/DOO. AFAA/DOO personnel should approve potential monetary benefits calculations prior to issuing the draft report to management.

6.2.4. All draft reports must be reviewed and approved by the Office Chief or Assistant Auditor General before the report is independently referenced and issued to management officials.

6.2.5. The auditor must cross-reference the approved draft report and summary of audit results to the working papers to support the findings, opinions, conclusions, judgements, and recommendations in the audit report.

6.2.6. The independent referencer must be a qualified auditor competent to accomplish the referencing assignment. Because competence is derived from education and experience, referencers should be current in their continuing professional education requirements.

6.2.7. The audit team must document referencer independence in the working papers.

6.3. Management Comments. Audit teams will request responsible officials review and comment on each audit report issued in accordance with GAO-21-368G. **(T-0)** Audit teams will ensure management indicates whether they agree or disagree with each draft report finding, recommendation, and potential monetary benefit. When reports include potential monetary benefits, management also must comment on the estimate reasonableness. The audit team should request comments, evaluate responses, process disagreements, and incorporate comments into the final report in accordance with DAFI 65-301, and the *Audit Service Execution Playbook*.

6.4. Report Processing. Report packages should include the report; summary of audit results; potential material control weakness template, if applicable; and other supporting documents (e.g., AG transmittal memo, briefing slides and quality control checklists), as required. The audit team should submit and distribute report packages in accordance with directorate business rules. Additional details on report package content are outlined in the *Audit Service Execution Playbook*.

6.4.1. Release Authority. Enterprise-level draft reports are approved for release to management by the Assistant Auditor General. Installation-level draft reports are approved for release to management by Office Chiefs.

6.4.2. Report Distribution. Directorate personnel will send the enterprise-level draft report package to AFAA/DOO for review and processing. Installation-level draft reports are distributed by Field Activities administrative personnel. Personnel should verify audit reports comply with Section 508 of the Rehabilitation Act of 1973.

6.5. Final Report Distribution. The Auditor General or a designated representative must approve enterprise-level final report distribution. Office Chiefs approve distribution for installation-level final reports.

6.6. Reissue. The audit team should not change the documentation used to support significant facts and conclusions in the report after issuance to management.

6.6.1. If the audit team discovers discrepancies or independence threats after the audit report is issued, the first-level supervisor must assess and document the impact on the audit. The assessment should outline whether the audit team has sufficient, appropriate evidence to support the reported findings and conclusions.

6.6.2. The second-level supervisor must review the first-level supervisor assessment and discuss circumstances with directorate leadership.

6.6.3. The Auditor General has decision authority for reissuing enterprise-level reports. The Assistant Auditor General, Field Activities Directorate, or a designated representative has decision authority for reissuing installation-level reports. Auditors must document assessments and decisions in a post-audit working paper file.

Chapter 7

ADMINISTRATION

7.1. Management Information System. AFAA personnel should track resources, project execution, and client information in the agency-approved management system. In addition, personnel should track internal audit recommendations through closure.

7.2. Electronic Working Papers. AFAA personnel will use the standard electronic working papers, whether audit management software library or file-based structure for classified and Special Access Program audit services.

7.2.1. The audit team must document all work performed and results in the working paper file. In addition, working papers should substantiate supervisory review and document departures from professional standards and the impact on the audit conclusions.

7.2.2. The audit team must submit a waiver through directorate leadership to AFAA/DOV and receive approval before creating manual working papers. The waiver should outline justification, including access restrictions to computer support, to use manual working papers.

7.2.3. Working Paper Storage.

7.2.3.1. To prevent accidental data loss, auditors should create a backup of electronic files. Backup and primary storage locations should be different mediums or locations.

7.2.3.2. Audit personnel will comply with DAF record management and AFAA/DOV procedures to archive project files on approved media. Detailed information on finalizing and archiving working papers is located in the *Audit Service Execution Playbook*.

7.2.3.3. First-level supervisors will finalize and archive working papers for audit services within 45 business days after the project termination, report/memorandum issuance, or disagreement resolution.

7.2.3.4. Changes to archived working paper files are not permitted. Information received after the project has been finalized must be saved in a post-audit working paper file.

7.2.3.5. AFAA/DOO will maintain electronic copies of enterprise and installation-level reports in accordance with Air Force Records Disposition Schedules.

7.3. Access to Data. AFAA personnel possessing the necessary security clearances shall be granted full and unrestricted access to all resources necessary to accomplish an announced audit objective in accordance with DoDM 7600.07. **(T-0)**

7.3.1. The audit team must process requests for contractor-maintained records through appropriate channels. The audit team should initially request records from responsible DAF management officials. In addition, the audit team must coordinate requests for records directly from a contractor through AFAA/DOO.

7.3.2. AFAA/DOO is the agency point of contact for requesting access and data from other DoD and external organizations. AFAA/DOO will coordinate external requests through the DoD Office of the Inspector General in accordance with DoDM 7600.07, Enclosure 12. **(T-0)**

7.3.3. If a DAF organization denies the audit team access to resources or data necessary to accomplish the audit, the audit team should elevate the access denial through the AFAA chain

of command. The Secretary of the Air Force has final decision authority on access denials. Detailed information on processing denials is located in DAFI 65-301.

7.4. Legal Support. The audit team may require legal clarification during the audit process. The audit team should work with local and MAJCOM/FLDCOM staff judge advocates to obtain a legal opinion, interpretation, or clarification. If higher-level assistance is needed, the second-level supervisor should send a request for legal opinion to AFAA/DOV. AFAA/DOV will coordinate with Department of the Air Force General Counsel and The Judge Advocate General, to process requests for legal opinions.

7.5. Air Force Office of Special Investigations. The DoD requires audit organizations to support criminal investigations and fraud referrals. The AFAA and Air Force Office of Special Investigations maintain close coordination on fraud investigations requiring audit assistance. Air Force Office of Special Investigations detachment commanders may request support for on-going investigations. Depending on the scope of work requested, the AFAA may provide support through audits, attestations, or nonaudit services.

7.5.1. Audit Plan Coordination. The AFAA Office of Special Investigations Liaison, will coordinate the approved enterprise-level audit plan with Air Force Office of Special Investigations officials. In addition, Area Audit Office personnel should coordinate with local Air Force Office of Special Investigations detachment officials to discuss the installation-level audit plan and solicit topics for consideration.

7.5.2. Project Coordination. The audit team will contact the Air Force Office of Special Investigations at the beginning of each project to identify on-going investigations. Area Audit Office personnel should coordinate each announced installation or enterprise-level project with the local detachment to determine whether any investigations started since the audit plan coordination. In addition, directorate personnel should coordinate with the agency's Office of Special Investigations Liaison to identify any on-going investigations with potential impact on enterprise-level projects.

7.5.3. Referrals. First-level supervisors should notify the agency's Office of Special Investigations Liaison and local Air Force Office of Special Investigation detachments about audit results involving suspected fraud, material irregularities, or illegal acts. Detailed procedures for processing referrals are outlined in the *Audit Service Execution Playbook*.

7.6. Focal Points and Gatekeepers. Focal points and gatekeepers are critical partners in communications with the customer. Gatekeepers de-conflict audit services and inspections with installation, MAJCOM, and FLDCOM activities. Focal points serve as the unit or activity points of contact to process correspondence between the AFAA and DAF management. Installation commanders may identify focal points at the installation or unit level. Per DAFI 65-301, the Air Force Installation and Mission Support Center is the intermediate-level point of contact for enterprise-level audit services, with the exception of the ANG and AFR Commands.

7.6.1. AFAA personnel will coordinate announced projects and site visits with the associated gatekeepers as prescribed by DAFI 90-302, *The Inspection System of the Department of the Air Force*. In addition, AFAA/DOO will provide the Inspector General of the Department of the Air Force the approved audit plan and courtesy copies of enterprise-level announcement memorandums and final reports.

7.6.2. AFAA personnel should coordinate entrance and exit conferences with the audited entity through the focal point.

7.6.3. The audit control point must coordinate projects and site visits with the Area Audit Office assigned responsibility for the audited entity. Area Audit Office personnel should provide the audit control point with focal point contact information and facilitate initial customer contact.

7.7. Special Handling. AFAA personnel executing audit services will handle reports containing confidential or sensitive information as prescribed by GAO-21-368G. **(T-0)**

7.7.1. Classified Information. AFAA personnel executing audit services involving classified data must familiarize themselves and comply with the provisions of Department of Defense Instruction (DoDI) 5200.01, *DoD Information Security Program and Protection of Sensitive Compartmented Information (SCI)* **(T-0)**; AFI 17-130, *Cybersecurity Program Management*; and AFMAN 17-1302-O, *Communications Security (COMSEC) Operations*. The Operations Directorate (AFAA/DO) is the AFAA focal point for security clearances and procedures. The agency's Security Manager and Government Special Security Officer, manages security issues for collateral classified and special program audits.

7.7.1.1. Processing Classified Information. Audit personnel will prepare and protect working papers containing classified information in accordance with DoDI 5200.01. **(T-0)** When working on classified working papers, the audit team will follow the specific guidance listed in the *Audit Service Execution Playbook* or designated by AFAA and local security personnel.

7.7.1.2. Transporting Classified Information. Appropriately cleared individuals authorized to hand-carry classified material must comply with the procedures in DoDI 5200.01, Chapter 7.

(T-0) AFAA personnel should contact AFAA or local security personnel for specific instructions related to transferring or transporting classified audit materials.

7.7.1.3. Disposition of Classified Documents. Audit personnel must safeguard classified information until declassified or destroyed. **(T-0)** Personnel will comply with applicable provisions of DoDI 5200.01 **(T-0)**, when declassifying and destroying classified documents. Directorate personnel will retain classified working papers for the same length of time as unclassified working papers and refer to the Air Force Records Disposition Schedule and approved record file plans for retention periods.

7.7.2. Controlled Unclassified Information (CUI). Information the Government creates or possesses, or that an entity creates or possesses for or on behalf of the Government, that a law, regulation, or Government-wide policy requires or permits an agency to handle using safeguarding or dissemination controls. Depending on the program or data reviewed, working papers and reports may contain information which management has designated as CUI. To prevent indiscriminate circulation, auditors will mark working papers and reports according to DoDI 5200.48, *Controlled Unclassified Information*; DoDI 5200.48_DAFI 16-1403, *Controlled Unclassified Information*, and guidance from local security personnel. **(T-0)**

7.7.3. Personally Identifiable Information. The purpose of the Privacy Act is to safeguard individual information, including personally identifiable information. AFAA personnel should

reference DoD 5400.11-R, *Department of Defense Privacy Program*, AFI 33-332, *Air Force Privacy and Civil Liberties Program*, and the *Audit Service Execution Playbook* for detailed guidance on protecting personal information. Audit teams collecting personally identifiable information must comply with applicable Department of Defense (DoD) and DAF procedures to label, safeguard, store, and retain working papers. Audit teams will not remove personally identifiable data from a protected workplace unless the data are properly encrypted. (

7.7.4. Freedom of Information Act Requests. The media, private citizens, or government officials acting in a private-citizen capacity may request agency audit reports or related information under the Freedom of Information Act. AFAA/DOV will process all Freedom of Information Act requests and coordinate with the respective division or Area Audit Office personnel to validate requests.

7.7.5. Other Information Considerations.

7.7.5.1. Special Category Information. The audit team will not release or provide non-AFAA personnel access to audit working papers containing extracts from reports of Inspectors General; Offices of Special Investigations; or other DAF or DoD inspection, safety, or law-enforcement organizations. These working papers contain special category information and cannot be released without approval from the issuing organizations. Audit personnel will comply with DAFI 65-302, *External Audit Services*, to process requests for special category information.

7.7.5.2. Interview Requests. If a news media organization requests an interview to discuss audit results, the auditor must refrain from any comments and notify AFAA/DOV through the chain of command. AFAA/DOV will provide specific instructions to respond to the request.

7.8. External Consultants and Specialists. Technical audits may require the use of specialized techniques or methods. AFAA may obtain services or assistance from an external consultant or specialist in accordance with GAO-21-368G. When an audit team determines an external consultant or specialist is required, the Associate Director or Office Chief will coordinate the request through their chain of command. The Auditor General or a designated representative is the approval authority for external consultants or specialists.

7.8.1. Prior to engaging a consultant, the audit team will:

7.8.1.1. Determine if the consultant or specialist has the qualifications and skills to perform the required tasks in compliance with professional standards.

7.8.1.2. Execute a written agreement outlining anticipated workload, documentation required, communication expectations, and administrative and operational control over the consultant or specialist.

7.8.1.3. Provide the consultant a copy of GAO-21-368G and discuss independence requirements. The consultant or specialist will apply conceptual framework to identify and disclose any independence threats. The first-level supervisor will apply safeguards, as necessary. In addition, auditors will document these actions in the audit working papers.

7.8.2. The audit team must accept oversight responsibility for the consultant or specialist assigned to a project, along with their work results. The audit team retains decision authority for work performed and audit opinion.

Chapter 8

ATTESTATION

8.1. Overview. This chapter contains requirements to approve, perform, and report results for attestation engagements. Review, examination, and agreed-upon procedure attestation engagements cover a broad range of financial or nonfinancial objectives about the subject matter or assertion.

8.2. Compliance with Standards. AFAA personnel must comply with GAO-21-368G and America Institute of Certified Public Accountants' standards for attestation engagements. **(T-0)**

8.3. Independence. In accordance with GAO-21-368G the auditor and audit organization must be independent when performing an attestation engagement in accordance with attestation standards unless the audit organization is required by law or regulation to accept the engagement and report on the subject matter or assertion. **(T-0)**

8.4. Approval Process . Before initiating an attestation, audit personnel will obtain approval to perform the service.

8.4.1. All audit directorates will:

8.4.1.1. Determine whether the requested service should be performed as a performance audit.

8.4.1.2. Identify the attestation type and applicable GAO-21-368G, American Institute of Certified Public Accountants' standards, and DoD policies.

8.4.1.3. Use the official attestation templates and checklists, maintained by AFAA/DOV, and comply with professional standards, DoD policies, and internal procedures. Additional details on attestation request submission and project execution is located in the *Audit Service Execution Playbook*.

8.4.2. The Auditor General is the approval authority for enterprise-level attestations. The Region Chief is the approval authority for installation-level attestations.

8.5. Announcement Memorandum. The audit team will prepare an announcement memorandum to notify management officials about the approved attestation engagement.

8.5.1. Enterprise-level announcement memorandums will be signed by the responsible Assistant Auditor General or Director after obtaining Auditor General approval for the project.

8.5.2. The Office Chief or Team Chief will sign installation-level attestation memorandums in accordance with Area Audit Office procedures.

8.6. Working Papers. The audit team will use standard electronic working papers, whether audit management software library or file-based structure for classified and Special Access Program attestations.

8.7. Reporting. The agency's opinion, conclusion, or findings will be reflected in a written report on the subject matter or assertion.

8.7.1. The Auditor General, or a designated representative, must approve enterprise-level attestation report distribution. Office Chiefs approve distribution for installation-level attestation reports.

8.7.2. Directorate personnel will send the enterprise-level report package to Audit Liaison and Follow-up Program personnel for review and processing. Installation-level draft reports are distributed by Field Activities administrative personnel. Personnel should verify audit reports comply with Section 508 of the Rehabilitation Act of 1973 using AFAA accessibility guides.

8.7.3. Directorate personnel should not change the documentation used to support an attestation report after issuance. Additional information on report reissuance is outlined in [paragraph 6.6](#) of this instruction.

8.8. Quality Control. In accordance with GAO-21-368G, organizations will implement quality control procedures at the engagement level to provide reasonable assurance the attestation engagement complies with professional standards and legal and regulatory requirements.

8.8.1. Directorate personnel must perform quality procedures to verify attestation results and report accuracy. **(T-0)**

8.8.1.1. All attestation reports must be approved by the Office Chief, Director or Assistant Auditor General prior to being independently referenced and issued to management officials. First and second-level supervisors will verify the work performed and report comply with professional standards and agency policies.

8.8.1.2. The first-level supervisor must review and approve all working papers used to support the report before independent referencing is accomplished.

8.8.1.3. The auditor must cross-reference the approved attestation report to the working papers.

8.8.1.4. The independent referencer must be a qualified auditor competent to accomplish the referencing assignment. Because competence is derived from education and experience, referencers must be current in their continuing professional education requirements.

8.8.1.5. The audit team should document referencer independence in the electronic working papers.

Chapter 9

NONAUDIT SERVICES

9.1. Overview. Nonaudit services are considered professional services other than audits or attestation engagements. AFAA personnel may perform tasks and provide information or data to management without verifying, analyzing, or evaluating the data.

9.2. Threat to Independence. Nonaudit services may create threats to the auditor's or the audit organization's independence. Therefore, AFAA personnel must evaluate the impact of the nonaudit service on other work performed in accordance with GAO-21-368G. **(T-0)** Specifically, AFAA personnel will:

9.2.1. Confirm the requested service is not expressly prohibited according to GAO-21-368G and DoDM 7600.07. **(T-0)**

9.2.2. Document independence considerations and assessment in the working papers.

9.3. Approval Process.

9.3.1. Before accepting a nonaudit services request, AFAA personnel should determine whether requested service could be performed as a performance audit.

9.3.2. AFAA personnel must obtain approval to perform nonaudit services. The Auditor General is the approval authority for enterprise-level nonaudit services. The Region Chief is the approval authority for installation-level nonaudit services.

9.3.2.1. Before accepting requests, approving officials should determine whether the requested service involves prohibited activities and performing the service would create an independence impairment.

9.3.2.2. The approving authority may contact AFAA/DOV for assistance with assessing potential independence impairment.

9.3.3. AFAA personnel will use the standard nonaudit services templates maintained by AFAA/DOV.

9.3.4. AFAA personnel will obtain and document agreement with management officials to outline objectives of the nonaudit service, the services to be performed, management's acceptance of responsibility, the agency's responsibility, and any limitations on the nonaudit service in accordance with DoDM 7600.07. **(T-0)**

9.4. Nonaudit Services Product Compliance. AFAA personnel will verify nonaudit services products released to management comply with GAO-21-368G and DoDM 7600.07. **(T-0)**

DOUGLAS M. BENNETT
Auditor General

Attachment 1**GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION*****References***

OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, 15 June 2016

DoD 5400.11-R, *Department of Defense Privacy Program*, 14 May 2007

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DoDI 7600.02, *Audit Policies*, 16 October 2014

DoDI 7650.03, *Follow-up on Inspector General of the Department of Defense (IG DoD), and Internal Audit Reports*, 31 January 2019

DoDM 7600.07, *DoD Audit Manual*, 3 August 2015

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AFI 33-332, *Air Force Privacy and Civil Liberties Program*, 10 March 2020

DAFI 65-301, *Internal Audit Services*, 1 March 2023

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DAFI 90-302, *The Inspection System of the Department of the Air Force*, 15 March 2023

AFMAN 17-1302-O, *Communications Security (COMSEC) Operations*, 9 April 2020

DAFMAN 90-161, *Publishing Processes and Procedures*, 15 April 2022

GAO-09-680G, *Assessing the Reliability of Computer-Processed Data*, 1 July 2009

GAO-14-704G, *Standards for Internal Control in Federal Government*, September 2014
GAO-21-368G, *Government Auditing Standards*, April 2021

CIGIE Quality Standards and Guidelines, December 2020

Prescribed Forms

None

Adopted Forms

DAF Form 847, *Recommendation for Change of Publication*

Abbreviations and Acronyms

AAO—Area Audit Office

AFAA—Air Force Audit Agency

AFI—Air Force Instruction

AFMD—Air Force Mission Directive

AFPD—Air Force Policy Directive

AFI—Air Force Instruction

CIGIE—Council of the Inspectors General on Integrity and Efficiency

CUI—Controlled Unclassified Information

DAF—Department of the Air Force

DAFI—Department of the Air Force Instruction

DAFMAN—Department of the Air Force Manual

DoD—Department of Defense

DoD OIG—Office of the Inspector General, Department of Defense

DoDI—Department of Defense Instruction

DoDM—Department of Defense Manual

FLDCOM—Field Command

FOIA—Freedom of Information Act

GAGAS—Generally Accepted Government Auditing Standards

GAO—Government Accountability Office

HAF—Headquarters of the Department of the Air Force

HAFMD—Headquarters Air Force Mission Directive

MAJCOM—Major Command

OMB—Office of Management and Budget

Office Symbols

AFAA/DO—Operations Directorate

AFAA/DOO—Operations Division

AFAA/DOR—Resource Management Division

AFAA/DOV—Policy, Oversight, and Systems Division

AFAA/DS—Director of Staff

AFAA/FD—Field Activities Directorate

AFAA/FDP—Field Directorate-Process

SAF/AG—Auditor General

Terms

Audit Control Point—The auditor responsible for managing an enterprise-level audit service.

Audit Personnel—AFAA personnel who perform audit services.

Audit Service—Refers to audits, attestations, nonaudit services, reviews, evaluations, analyses, investigations or other services related to a program, operation, or subject matter.

Enterprise-Level Audit Services—Encompasses work performed at the MAJCOM, FLDCOM, and Headquarters Air Force.

Headquarters of the Department of the Air Force—The executive part of the Department of the Air Force, to include the Office of the Secretary (known as the Secretariat), Air Staff, and the Office of the Chief of Space Operations (known as Space Staff).

Installation-Level Audit Services—Encompasses work performed at a single site location, usually an installation working with a delta, wing, group, or squadron.