



DECA DIRECTIVE 90-05

INTERNAL AUDIT ACTIVITIES

Originating Component:	Internal Review Office
Effective:	August 9, 2019
Releasability:	Unlimited. This directive is approved for public release and is located on DeCA's internet website at www.commissaries.com .
Reissues and Cancels:	DeCA Directive 90.05, "Internal Audit Activities," August 15, 2014
Approved by:	Timothy C. Ford, Chief, Administration Division

Purpose: This directive:

- Supersedes Defense Commissary Agency Directive (DeCAD) 90-05 to update policy and responsibilities governing the Defense Commissary Agency (DeCA) and re-establishes DeCA Manual (DeCAM) 90-05.01.
- Establishes policy and authorizes the DeCA Internal Review Office (CCA), in accordance with (IAW) Department of Defense Instruction (DoDI) 7600.2, "Audit Policies," as a staff function reporting directly to the DeCA Director to conduct audits and follow-up audits of DeCA activities at all levels.
- Defines standards and responsibilities for IA IAW DoD Manual (DoDM) 7600.7-M.

TABLE OF CONTENTS

SECTION 1: General Issuance Information	3
1.1. Applicability.	3
1.2. Policy.	3
SECTION 2: Responsibilities	6
2.1. The Director and CEO.	6
2.2. Senior Executives and Directors.	6
2.3. DeCA Chief, Internal Review Office.....	6
2.4. First Line Supervisors.	7
2.5 The Lead Auditor(s).....	7
GLOSSARY	8
Acronyms.....	8
REFERENCES	9

SECTION 1: GENERAL ISSUANCE INFORMATION

1.1. APPLICABILITY. This directive applies to all DeCA activities and all DeCA personnel IAW Department of Defense Directive (DoDD) 5105.55 and contains internal management control provisions subject to evaluation and testing as required by DeCAD 70-2.

1.2. POLICY. It is DeCA's policy that:

a. Adequate audit coverage of all DeCA organizations, programs, activities, and functions shall be provided as an integral part of the DeCA management system.

b. Independent evaluations of DeCA programs and operations shall be conducted IAW DoDI 7650.3 and Internal Audit Reports." to determine whether:

- (1) Management control systems are adequate.
- (2) Information is reliable and valid.
- (3) Applicable laws, regulations, and policies are followed.
- (4) Resources are safeguarded and managed economically and efficiently.
- (5) Desired program results are achieved.
- (6) Operations are effective and efficient.

c. The IR Office shall ensure it meets requirements for:

(1) Independence. In all matters related to audit work, both the IR Office and individual auditors should be free in fact and appearance from personal, external, and organizational impairments to independence, as required by Government Accounting Office (GAO)-18-568G.

(2) Quality Control. The IR Office staff should have a peer review conducted IAW GAO-18-568G by reviewers independent of the organization being reviewed. The peer review should determine whether the audit organization's internal quality control system is in place and operating effectively.

d. The IR Office staff is authorized full and unrestricted access to all personnel, facilities, records, reports, databases, documents, or other DeCA and DoD information or material that is necessary to accomplish the audit objectives and perform their duties IAW GAO-18-568G. Auditors will aggressively follow up on requests for information to ensure audits proceed on a timely basis.

e. Indications of fraud or other criminal acts discovered during review or extended audit steps shall be referred to the appropriate investigative organization, IAW GAO-18-568G.

f. Audit support of criminal investigations shall be provided to the extent possible within legal limitations and resource availability.

g. Management needs shall be considered in the development of audit plans. When completed, the Chief, IR Office shall review the annual audit plan with the DeCA Director.

h. Uniform standards and procedures shall be developed and implemented to improve the efficiency and effectiveness of the IR Office. DeCAM 90-05.01 provides guidance on the basic audit procedures consistent with DoDD 5105.55.

i. General standards, financial audit standards, and performance audit standards are included in conducting financial and performance audits. The IR Office will comply with all audit standards as stated in DoD Manual 7600.7-M.”

(1) General Standards.

(a) Apply to all financial and performance audits.

(b) Relate to the qualifications of auditors assigned to perform the audit.

(c) Relate to the independence of the audit organization and individual auditors.

(d) Relate to the exercise of due professional care in conducting the audit and preparing related reports, and the presence of quality controls.

(2) Financial Audit Standards.

(a) Provide accountability for government programs and services through independent audit reports.

(b) Include financial statement audits and financial-related audits.

(c) Pertain to audit fieldwork and reporting.

(3) Performance Audit Standards.

(a) Provide an independent assessment of the performance of a government organization, program, activity, or function.

(b) Include economy and efficiency of audited programs.

(c) Pertain to audit fieldwork and reporting.

(d) Note that auditors may conduct performance audits in financial areas. When this occurs, the performance standards apply to the audit.

SECTION 2: RESPONSIBILITIES.

2.1 OFFICE OF THE DIRECTOR AND CEO. Office of the Director and CEO of DeCA includes both the Director and Deputy Director, they shall:

- a. Provide guidance and direction through an approved Annual Audit Plan for the IR Office.
- b. Provide management oversight over the IR Office function.
- c. Ensure the IR Office is staffed with adequate resources, personnel, and funds.
- d. Regularly update DoD and the DeCA Board of Directors on the Agency internal and external audit status.

2.2. SENIOR EXECUTIVES AND DIRECTORS. Senior Executives and Directors within the Agency shall:

- a. Submit requests for audits to the IR Office.
- b. Assist in the resolution of problems discovered during internal audits.
- c. Provide the IR Office with support, upon request, to include suitable workspace.
- d. Provide responses to audit report findings and recommendations, IAW GAO-18-568G, and DoD Directive 5105.55.

2.3. DeCA CHIEF, INTERNAL REVIEW OFFICE. DeCA Chief, IR Office reports directly to the Deputy Director and shall:

- a. Serve as the Office of the Director and CEO's principal advisor and liaison on all audit matters, to include all external audits conducted by the DoD IG, Government Accounting Office, or any other DoD activity.
- b. Serve as part of the Office of the Director and CEO's operational control system, providing an internal audit capability within the Agency, determining the nature and cause of problems, and developing recommendations to resolve identified problems.
- c. Provide assistance to Agency senior managers by performing audits, special assessments, analyses, follow-up audits, and problem-oriented examinations.
- d. Prepare an annual audit plan. Solicit audit proposals from Agency management and audit staff for consideration in developing the annual audit plan. Use the annual audit plan to measure performance; ensuring audit resources are properly used.

- e. Request and obtain funding for GAO required auditor continuing professional education.
- f. Serve as the first line supervisor for the auditors.

2.4. FIRST LINE SUPERVISOR. Perform the duties of the first-line supervisor for the auditors, to include:

- a. Provide appropriate instructions to subordinates.
- b. Ensure approved audit plans are executed properly unless exceptions are authorized.
- c. Provide work assignments, considering the abilities and experience of subordinates.
- d. Ensure audit reports and working papers, prepared by the auditors, comply with References DeCAM 90-5.1, DoD Instruction 7650.3, DoDM 7600.7-M, GAO-09-680G, and GAO-09-680G.
- e. Develop and maintain a file of auditable entities to ensure audit workload is properly identified and prioritized, and adequate audit coverage is provided to all functional elements.
- f. Ensure proper career development of assigned auditor personnel.
- g. Ensure each auditor receives professional training to comply with DeCAM 90-05.01, GAO-18-568G, and DoDM 7600.7-M.

2.5 THE LEAD AUDITOR(S). The Lead Auditors(s) shall:

- a. Perform oversight of audit planning, execution, and reporting.
- b. Identify, distribute, and balance workload and tasks.
- c. Perform the duties of the Chief, IR Office, when required.

GLOSSARY

G.1. ACRONYMS

CEO	Chief Executive Officer
DeCA	Defense Commissary Agency
DeCAD	Defense Commissary Agency Directive
DeCAM	Defense Commissary Agency Manual
DoD	Department of Defense
DoDD	Department of Defense Directive
GAO	Government Accounting Office
IA	Internal Review
IAW	in accordance with
IR	Internal Review

REFERENCES

DeCAD 70-2, "Internal Control Program," December 17, 2007
DeCAD 90-05, "Internal Audit Activities," August 15, 2014 (hereby rescinded)
DeCAM 90-05.01, "DeCA Audit Manual," August 9, 2019
DoD Directive 5105.55, "Defense Commissary Agency," March 12, 2008
DoD Directive 7200.1, "Administrative Control of Appropriations," May 4, 1995,
Certified Current as of November 21, 2003
DoD Manual 7600.7-M, "DoD Audit Manual," August 3, 2015
DoD Instruction 5025.01, "DoD Directives Program," Change 3, May 22, 2019
DoD Instruction 7600.2, "Audit Policies," October 16, 2014
DoD Instruction 7650.3, "Follow-up on Inspector General of the Department of Defense (IG
DoD) and Internal Audit Reports," Incorporating Change 1, January 31, 2019
GAO-09-680G, "Assessing the Reliability of Computer Processed Data," July 2009,
External Version 1
GAO-18-568G, "Government Auditing Standards," (Yellow Book), July 2018 Revision