



DEPARTMENT OF THE NAVY  
COMMANDER  
NAVAL EDUCATION AND TRAINING COMMAND  
250 DALLAS STREET  
PENSACOLA, FLORIDA 32508-5220

NETCINST 5000.1B  
N00G

NETC INSTRUCTION 5000.1B

31 JAN 2020

From: Commander, Naval Education and Training Command

Subj: COMMAND EVALUATION PROGRAM WITHIN THE NAVAL EDUCATION  
AND TRAINING COMMAND

Ref: (a) SECNAVINST 5200.35G  
(b) U.S. Navy Regulations (Articles 0802 and 0819)  
(c) Government Auditing Standards  
(d) NETCINST 5200.1  
(e) SECNAVINST 5740.25D  
(f) SECNAVINST 5740.26B  
(g) SECNAVINST 7510.7G  
(h) SECNAVINST 5740.30  
(i) SECNAVINST 5200.34E  
(j) OPNAVINST 5200.24C  
(k) NETCINST 5370.1C  
(l) NETCINST 5040.1B

Encl: (1) Command Evaluation Program  
(2) Command Evaluation Review Board  
(3) Audit Liaison, Audit Follow-up, and External Reporting  
Requirements

1. Purpose. To provide policy and guidance for the Command Evaluation (CE) Program, CE Review Board, audit liaison, and associated reporting requirements within the Naval Education and Training Command (NETC) domain. This instruction supplements references (a) through (l) and also includes guidance on the Auditor General of the Navy and Naval Inspector General mandatory reporting requirements.

2. Cancellation. NETCINST 5000.1A.

3. Background

a. The instruction should be reviewed carefully in its entirety.

b. In reference (a), Secretary of the Navy published basic CE policy and guidance. Essentially, the CE Program establishes a non-audit approach for performing and documenting independent in-house reviews. The CE Program should not be confused with the

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Managers' Internal Control Program (MICP). Per reference (a), the MICP requires individual managers/process owners to annually assess internal controls for processes they own. Reference (d) provides MICP guidance for the NETC domain.

c. Commands are responsible for internally monitoring economy, efficiency, and effectiveness of their processes. The CE Program offers a disciplined method for performing an independent in-house review. See enclosure (1) for specific details. This approach permits a Commanding Officer (CO) to have a high degree of confidence that an unbiased evaluation has been performed. The CE function is designed to be a proactive tool within a command. Individuals assigned CE Program responsibilities must be competent at gathering and analyzing data and information from a variety of sources. Further, CE responsibilities usually include working issues associated with audit liaison, audit follow-up, inspections, and hotline complaint investigations.

d. To increase its effectiveness, the CE Program should be supported by a CE Review Board. The Board provides an excellent tool for performing routine cash counts. The details for using a Review Board are discussed in enclosure (2).

#### 4. Policy

a. General. It is the policy of NETC that the CE Program be implemented by all commands within the NETC domain. This effort is a top-level responsibility requiring the attention of commanders, COs, and directors. In order to be successful, the CE effort must have command support and visibility. CE is a useful means of obtaining independent feedback on the health of various areas requiring periodic appraisals of accountability and integrity. A solid review function can provide early warnings of potentially troublesome conditions.

#### b. Organization

(1) To receive proper attention, the CE Program must be placed in a direct staff relationship to the commander, CO, or director. Any other placement adversely impacts its independence and objectivity. CE must be staffed with individuals who are permitted to move across organizational lines within a command. The individual assigned the responsibilities associated with the CE Program must be of sufficient grade or rank that would permit the incumbent to easily interact with the command's top management without fear of retribution.

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(2) An individual assuming CE Program responsibilities will be titled "Command CE Officer". The CE Officer may be a civilian (any series) or military (any Navy Officer Billet Classification or Navy Enlisted Classification). Since the CE function actively assesses command integrity and accountability, the performance evaluation of a CE Officer is normally signed by the CO or their immediate deputy.

(3) Every effort should be made to staff CE on a full-time basis. If a command determines the workload does not warrant a full-time CE function, the commander, CO, or director must ensure that a part-time effort is adequately staffed to meet the guidelines of this instruction.

(4) A CE Review Board should consist of three to five individuals. Civilians assigned should be at least a General Schedule (GS) 9 or above; military should be E-7 or above. Members of the board must be designated in writing and not associated with the area being reviewed. The CE Officer provides the supervision and training to board members. Typically, a CE Review Board would be involved in conducting periodic command cash counts and associated reviews. Reports developed by the board are forwarded to the CO via the CE Officer.

(5) The CE Officer may be tasked with coordinating the MICP under the guidelines of reference (d).

(6) In dealing with external audit agencies and inspector general offices, the CE Officer is generally assigned responsibilities associated with audit liaison, follow-up, and reporting requirements. Enclosure (3) describes these duties.

(7) The CE Officer may be required to investigate or assist in the investigation of a hotline complaint. Reference (k) applies.

(8) Under the NETC Inspector General's Area Visit Program, the CE Officer may act as the command's point of contact. Reference (l) provides pertinent guidance.

c. Standards. When conducting reviews, the CE Officer shall comply with the applicable guidelines explained in enclosure (1).

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## 5. Responsibilities

a. Commanders and COs shall establish an effective and responsive CE Program according to the policy prescribed herein. This will ensure:

(1) Uncensored/unfiltered reports are submitted without fear of reprisal.

(2) Function is staffed with competent individuals.

(3) Deficiencies noted in CE reports or Review Board reports are promptly remedied.

(4) Reporting requirements identified in this instruction are met.

b. Annually, by 1 October, all NETC activities are required to provide NETC (N00GR) with the names of individuals performing the CE function. Update this information as turnovers occur. Also include a point of contact for matters involving audit liaison.

6. Action. All NETC commands and activities shall comply with the policy and guidance of this instruction. NETC (N00GR) is the point of contact and can be reached at (850) 452-4865/DSN 459-4865. The FAX number is (850) 452-8959/DSN 459-8959.

## 7. Records Management

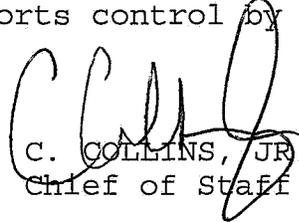
a. Records created as a result of this instruction, regardless of format or media, must be maintained and dispositioned for the standard subject identification codes (SSIC) 1000, 2000, and 4000 through 13000 series per the records disposition schedules located on the Department of the Navy/Assistant for Administration (DON/AA), Directives and Records Management Division (DRMD) portal page at <https://portal.secnav.navy.mil/orgs/DUSNM/DONAA/DRM/Records-and-Information-Management/Approved%20Record%20Schedules/Forms/AllItems.aspx>. For SSIC 3000 series dispositions, please refer to part III, chapter 3, of Secretary of the Navy Manual 5210.1 of January 2012.

b. For questions concerning the management of records related to this instruction or the records disposition schedules, please contact your local records manager or the DON/AA DRMD program office.

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8. Review and Effective Date. Per OPNAVINST 5215.17A, NETC will review this instruction annually around the anniversary of its issuance date to ensure applicability, currency, and consistency with Federal, Department of Defense, Secretary of the Navy, and Navy policy and statutory authority using OPNAV 5215/40 (Review of Instruction). This instruction will be in effect for 10 years, unless revised or cancelled in the interim, and will be reissued by the 10-year anniversary date if it is still required, unless it meets one of the exceptions in OPNAVINST 5215.17A, paragraph 9. Otherwise, if the instruction is no longer required, it will be processed for cancellation as soon as the need for cancellation is known following the guidance in OPNAV Manual 5215.1 of May 2016.

9. Reports. The reporting requirements contained in this instruction are exempt from reports control by SECNAV M-5214.1.



C. COLLINS, JR.  
Chief of Staff

Releasability and distribution:

This instruction is cleared for public release and is available electronically via the NETC public web site, <https://www.public.navy.mil/netc/directives.aspx>, or via HP Records Manager (HPRM).

Copy to:

AUDGEN WNY DC  
NAVINGEN WASHINGTON DC (N3)  
CNIC WASHINGTON DC (N00G)  
CHNAVPERS MILLINGTON TN (BUPERS-00IG)

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## COMMAND EVALUATION PROGRAM

1. Discussion. The Command Evaluation (CE) Program is designed to provide the commander, commanding officer (CO), or director unfiltered and unbiased feedback on issues involving command integrity and accountability. The last page of enclosure (1) provides a flowchart which shows the basic steps for performing the CE process at the command level. The flowchart also displays suggested locations for key metrics, which will help evaluate the effectiveness of the CE Program. Generally, an activity's mission, complexity, and size will govern the total requirements for the CE function. Though preferred, smaller commands and activities may not warrant a full-time effort. This instruction describes the essential elements for having a successful CE Program within the Naval Education and Training Command (NETC) domain.
2. Staffing. The function should be staffed with full-time or part-time individuals who collectively possess the skills and knowledge for performing reviews of the activity's mission critical and associated support functions. The CE Officer reports to the commander, CO, or director. Typically, daily administrative supervision is provided by the executive officer or executive director. For complex subjects, temporary augmentation of the CE staff by civilian or military subject matter experts is encouraged. When appropriate, use a CE Review Board to perform cash counts and similar recurring fiduciary reviews. See enclosure (2) for details.
3. Annual Review Plan. Prior to the start of a fiscal year, it is suggested that the CE Officer develop an annual plan of areas to review. It should focus on areas susceptible to fraud, waste, or mismanagement. The plan is normally approved by the commander, CO, or director. An annual command notice can be useful in alerting managers to upcoming reviews. To aid in planning, it is suggested that an inventory of potential review areas be developed. An excellent source is the inventory developed for the command's Managers' Internal Control Program (MICP). See reference (d) for NETC MICP guidance. The plan needs to be updated as changes occur. To prevent duplication of effort, avoid conducting reviews on areas that have undergone recent credible management examinations. Retain annual review plans for review during NETC Area Visits (AVs). Reference (1) provides AV guidance.
4. Announcing the Review. As a courtesy prior to commencing a review, appropriate command managers should be given at least 1

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week's notice. Managers should be given a brief explanation of review objectives.

5. Review Program/Guide. A review program/guide should be developed for performing the review. The guide provides a road map to ensure important areas are examined. Appendix A of this enclosure provides a suggested format for developing a guide.

6. Performing the Review. A review should be planned to pursue a specific objective. The use of a pre-existing program/guide can be most helpful in determining the need for a review. A survey is a very powerful mechanism for deciding direction and approach in evaluating a specific area. Appendix A of this enclosure provides suggested survey steps.

7. Review Report. On completion of the review work, the CE Officer normally provides a written report to the CO. To be useful, reports must be timely. The report needs to accurately address the conditions noted. Due to the possibility of misinterpretations, oral reporting to the CO should be avoided. See Appendix B of this enclosure for a recommended report format.

8. Report Distribution. Reports are usually numbered consecutively by fiscal year; for example, the first report written during FY 2020 would be "REPORT NO. 2020-01". The distribution of a report is decided by the CO in conjunction with the CE Officer. Managers to whom recommendations are addressed should receive a copy of the final report. Unless prohibited by law or for security reasons, reports are releasable under the Freedom of Information Act (FOIA). However, any release must also meet "For Official Use Only" controls and the guidelines of the Navy's Privacy Act Program and FOIA.

9. Retention of Working Papers. The importance of retaining adequate documentation cannot be overemphasized. As such, a report must be linked to working papers. This protects the CE Officer as well as the command in the event findings and/or recommendations are questioned. Working papers should contain the following:

a. A copy of the report forwarded to the CO. If possible, the report initialed by the CO should be retained.

b. A method for tracking uncompleted actions.

c. In order to quickly locate the origin of important facts discussed in the report, it is suggested that a copy of the

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report be annotated to identify the working paper that corroborates the facts presented.

d. Signed management responses to recommendations. Appendix C of this enclosure provides an excellent format for receiving responses from management.

e. A review program/guide used to conduct the review. For future reference purposes, it is prudent to link the steps to specific documents.

f. Excerpts from important guidance.

g. Retain only those documents that support the findings and recommendations. Do not retain superfluous documentation.

10. Review Follow-up. Usually, the CE Officer is responsible for maintaining a follow-up tracking system to monitor the status of each recommendation until all corrective actions are completed. If managers are not completing agreed-to corrective actions, the CO must be advised and queried for a final resolution.

11. Professional Development and Training. Individuals with CE responsibilities should be afforded every opportunity to receive training to maintain and improve their skills. They need to focus on training opportunities in the following disciplines; auditing, contracting, financial management, information systems, nonappropriated funds, personnel management, supply related functions, statistics, and report writing. Appendix D of this enclosure provides an excellent tool for recording the completion of training. To maintain the skills needed for performing CE work, it's recommended that a CE Officer complete about 40 hours annually in Continuing Professional Education. This can be achieved through a variety of venues. The NETC Inspector General Symposium provides excellent training, but regrettably is no longer presented annually due to funding constraints. A variety of training opportunities are also offered online at no cost. If there are any questions about training opportunities, contact NETC (N00GR).

12. Work Record for CE Officer. Appendix E of this enclosure is provided to assist the CE Officer in recording the level of effort expended in performing the CE function and associated duties. This is a useful record for documenting the progress towards achieving annual performance objectives.

Enclosure (1)

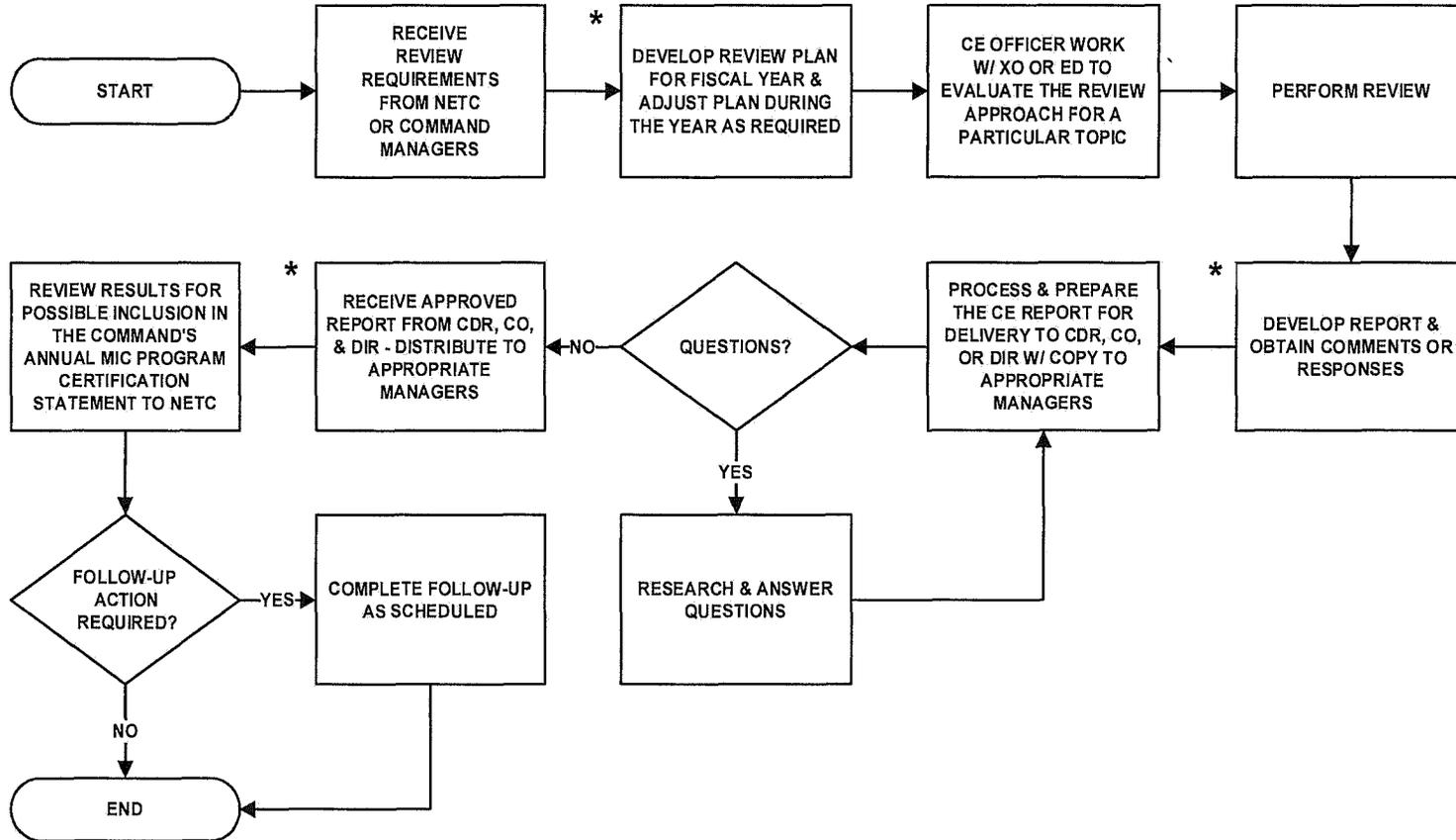
**TITLE: COMMAND EVALUATION (CE) PROGRAM FLOWCHART.**

**PURPOSE: PROCESS FOR DOCUMENTING CE COMPLIANCE.**

**REFERENCE: NETCINST 5000.1B.**

**PROCESS OWNER: CE OFFICER (NAME, CODE, PHONE #, EMAIL ADDRESS).**

**\* KEY METRIC**



NOTE: SEVERAL PROCESS STEPS COULD INVOLVE THE HANDLING OF PRIVACY ACT INFORMATION.

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Reviewed: DD MMM YYYY

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WORKPAPER  
REFERENCECOMMAND EVALUATION REVIEW SURVEY STEPS

1. Ensure this survey is supported and referenced to clear documentation.
2. Obtain and review pertinent references. A good working knowledge of the references is critical. Review any command instructions that address the topic.
3. Review any pertinent audits, reviews, inspections, investigations, or the results of a NETC Area Visit. Where possible, review any internal command management studies. Check the status of efforts to complete any recommended corrective actions.
4. Conduct an opening conference with applicable managers. Discuss the purpose of the review.
5. Identify all key managers associated with the process. Interview as many of these managers as possible. Document the interviews. Review the process flowchart. If one does not exist, attempt to flowchart the process and discuss it with the responsible manager(s).
6. Evaluate internal controls for the process to determine if standards are being met. Determine compliance with the Managers' Internal Control Program. See NETCINST 5200.1.
  - a. The flowchart is a very useful tool for identifying and evaluating internal controls.
  - b. Identify the key metrics for the process. These quality indicators (or internal controls) can help assess a process for effectiveness, efficiency, and economy. The indicators should be clearly identified on the flowchart. Check for any evidence that shows the indicators are routinely tested.
  - c. Are controls adequate to ensure the process is providing the command adequate support?

Appendix A  
Enclosure (1)

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WORKPAPER  
REFERENCECOMMAND EVALUATION REVIEW SURVEY STEPS

7. What potential errors or irregularities exist? Evaluate the materiality or significance of the possible discrepancies. If any evidence of fraud is detected, notify the Commanding Officer (CO). Remember, the Naval Criminal Investigative Service must be contacted on issues involving fraud or illegal activity.
8. Determine what resources and skills are necessary to perform the review.
9. Determine whether to proceed with the review. If yes, go to steps 11 and 12. If no, complete step 10.
10. Provide a brief report to the CO on the absence of material problems and the adequacy of internal control systems. Discuss the objective, scope, and methodology on which you based your conclusion.
11. Re-evaluate objectives and develop a review guide to assist in performing the review work. Add or delete steps as necessary.
12. If deficiencies are discovered, consider their significance and whether it is necessary to formally recommend improvements. If a process is working well, make positive comments in the report to the CO.

Appendix A  
Enclosure (1)

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## RECOMMENDED REPORT FORMAT

7540

Date

## MEMORANDUM

From: Command Evaluation Officer  
To: Commander, Commanding Officer, or Director

Subj: TITLE OF REVIEW (REVIEW NO. YYYY-NN)

Ref: (a) Identify the pertinent references  
(b) Provide additional references as needed

1. Introduction. (Explain briefly the nature of the review and that it was completed per the guidelines of the above references.)
2. Objective. (Discuss the purpose of the review.)
3. Background. (Provide relevant information and insight into the reasons for performing the review. Include information about the events that triggered the review.)
4. Scope and Methodology. (Explain the parameters and the procedures used to perform the review. This should include an explanation of: (1) nature and extent of the review work performed, (2) when and under what circumstances the review was performed including the impact of any impairments, (3) time period(s) examined and when the data and/or information was visually sighted, (4) methods for gathering the data and/or information including any sampling techniques used, and (5) how the criteria (references) were applied in evaluating the materials examined.)
5. Discussion of Review Results. (Provide details of the review. The discussion of the results must reflect the review's objective and be linked to the criteria (references) used to evaluate the materials examined. Findings need to be presented in terms of the condition noted, cause of the condition, and corrective actions needed to remedy the condition. Identify any repeat findings and the status of any ongoing corrective actions. Above all, be fair and do not overstate the situation.)

Appendix B  
Enclosure (1)

1-B-1

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6. Conclusion. (Summarize the results of the review. It should reflect the impact of the problems found. Discuss any actions being taken by management to remedy the problems noted. Indicate whether or not the review objective was achieved.)

7. Internal Controls. (Discuss how effective or ineffective the internal controls are, and whether or not they provide adequate safeguards. For the area under examination, evaluate and comment on compliance with the Managers' Internal Control Program (MICP). See NETCINST 5200.1 for MICP requirements.)

8. Recommendation. (Direct the recommendation to a manager who can take the necessary corrective action. Remember, a recommendation should be linked to a finding discussed in paragraph 5 above. This is the suggested sample format for directing a recommended action to a command manager: "That Naval Education and Training Command (Command Code) take the necessary action to ensure all command managers receive Privacy Act training". A manager must respond in writing by stating either "Agree" or "Disagree" and provide comments as appropriate. The responsible manager must also give a realistic target completion date. See Appendix C for a suggested format for capturing a manager's response. The Command Evaluation Officer must comment on whether or not a response provides a reasonable course of action. Remember, every effort must be made to resolve disagreements prior to submitting the final report to the commanding officer.)

9. General Comments. (Compliment management for any efforts to correct noted weaknesses. Give a brief assessment as to the overall impact of taking recommended corrective action. Comment on the cooperation extended by management during the review.)

Very respectfully,

CE Officer

Copy to:  
Appropriate Command Managers

Appendix B  
Enclosure (1)

1-B-2

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MANAGEMENT RESPONSES TO REVIEW RECOMMENDATIONS

Date: \_\_\_\_\_

1. RECOMMENDATION: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

2. Agree/Disagree with recommendation.

3. If agree, state:

a. Action completed, planned, or in progress: (For an incomplete action, describe the expected completion plan. Should further action be considered unnecessary, so state.)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

b. Target date for completion: \_\_\_\_\_

4. If disagree, state reasoning or justification:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Approved:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Title)

Appendix C  
Enclosure (1)



**BIWEEKLY MANHOUR TIME REPORT  
 FOR PERIOD ENDING:**

DIRECT HOURS PROJECTS	SUN	MON	TUE	WED	THU	FRI	SAT	SUN	MON	TUE	WED	THU	FRI	SAT	TOTAL
HOTLINES															
AUDIT LIAISON															
CE PROJECTS															
MICP															
IG ISSUES															
<b>TOTAL DIRECT</b>															
<b>INDIRECT HOURS</b>															<b>TOTAL</b>
TRAINING - RECEIVED															
TRAINING - PROVIDED															
ADMIN FUNCTIONS															
TECHNICAL FUNCTIONS															
LV/HOL															
SLDCADA															
OTHER:															
STAFF MTG															
PERSONNEL ISSUES															
<b>TOTAL INDIRECT</b>															
<b>TOTAL DIRECT + INDIRECT</b>															
<b>NAME:</b>															
<b>SIGNATURE</b>															
<b>APPROVED BY</b>															

COMMAND EVALUATION REVIEW BOARD

1. Discussion. Naval Education and Training Command activities are encouraged to use a Command Evaluation (CE) Review Board to conduct periodic cash counts of various funds.
2. Organization. The board should consist of at least three individuals (military and/or civilian) including the command CE Officer. Normally, the CE Officer acts as the Chairperson of the Board. Generally, cash counts are conducted on a periodic basis by no less than two individuals. The purpose of involving two counters is for protection against possible disagreements with the fund custodian.
3. Staffing. In an effort to avoid intimidating situations, civilian members should be at least a GS-9 or above; military should be E-7 or above. Board members must not be tasked to perform a cash count in areas where conflicts of interests are possible.
4. Planning. The CE Officer should include cash counts as a part of the command's comprehensive annual review plan.
5. Cash Count. Appendix A of this enclosure provides an excellent tool for recording an actual cash count. This document is designed to provide a clear reconciliation of the status of funds on the day of the count. Under no circumstances should the fund custodian be permitted to leave the counting area until after the funds are certified as returned. In the event of a shortage, the custodian should be given every opportunity to correct it. Shortages should be mentioned in the review report. If evidence of fraud is detected, notify the commanding officer as soon as possible regarding further action.

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**COUNT OF OFFICIAL OR PUBLIC CASH**

In the possession of: \_\_\_\_\_

(Name)

\_\_\_\_\_  
(Title)\_\_\_\_\_  
(Location)

		Bulk		Issue		Total	
		No.	Amount	No.	Amount	No.	Amount
Bills:	\$100.00						
	50.00						
	20.00						
	10.00						
	5.00						
	2.00						
	1.00						
Coins:	\$1.00						
	.50						
	.25						
	.10						
	.05						
	.01						
Checks/Vouchers:							
TOTAL ON HAND							
TOTAL PER RECORDS							
<b>DIFFERENCE<sup>1</sup></b>							

We certify that cash and vouchers carried as cash in the amount of \$ \_\_\_\_\_  
as listed above, were counted by us, in the presence of \_\_\_\_\_  
on this date.

\_\_\_\_\_  
REVIEWER\_\_\_\_\_  
DATE\_\_\_\_\_  
REVIEWER\_\_\_\_\_  
DATE\_\_\_\_\_  
ACTIVITY\_\_\_\_\_  
ACTIVITY

I certify that cash and vouchers carried as cash in the amount of \$ \_\_\_\_\_  
as listed above, were returned to me intact on this date.

\_\_\_\_\_  
FUND HOLDER\_\_\_\_\_  
DATE

<sup>1</sup>Difference = Total On Hand - Total Per Records. Shortage would be enclosed by ( ). An overage or shortage should be reported to the Commanding Officer.

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**AUDIT LIAISON, AUDIT FOLLOW-UP,  
AND EXTERNAL REPORTING REQUIREMENTS**

1. Procedures for Working with External Audit Agencies

a. Audit Liaison

(1) The Naval Education and Training Command (NETC) Inspector General (N00G) is the initial point of contact for external audit agencies desiring to contact activities within the NETC domain. See page 4 of this enclosure for a suggested flowchart for performing the Audit Liaison process at the command level. The flowchart also shows the location of key metrics to use in evaluating the process. When NETC is notified of an impending visit, NETC (N00GR) will advise the appropriate commands of the particulars concerning the audit. Any command contacted first by external auditors should immediately alert NETC (N00GR), (850) 452-4865/DSN 459-4865, to ensure that proper audit visit protocol is followed. It is in the best interests of the NETC domain that visits by external auditors are properly coordinated. Generally, the auditors will provide an audit announcement memorandum or letter and a visit request with security clearances to NETC (N00GR). NETC (N00GR) will pass this information to activities that may be contacted by the auditors. References (e) through (j) are applicable.

(2) Typically, a command's Command Evaluation (CE) Officer acts as the initial point of contact in dealing with external auditors. Responsibilities of audit liaison generally include:

- (a) Coordinating an opening and exit conference for the command.
- (b) Assisting the auditors in contacting appropriate managers.
- (c) Arranging for access to records.
- (d) Setting up working spaces.
- (e) Ensuring draft reports are forwarded to appropriate command managers.
- (f) Ensuring management responses address findings and are forwarded to the audit agency by the requested due date. Provide a copy of the responses to NETC (N00GR).

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(g) Validating all reported monetary savings. Ensuring any suspected violations of 31 U.S.C. 1301 and 1517 are reported promptly to the NETC Director of Resources (NETC N8/PERS 702), (850) 452-8138/DSN 459-8138. A 1301 violation occurs when funds are used for purposes not intended. A 1517 violation occurs when there is spending in excess of obligational authority.

b. Audit Follow-up and On-Site Verification

(1) References (g) through (i) explain requirements as they apply to the Naval Audit Service (NAVAUDSVC), Government Accountability Office, and Department of Defense Inspector General. See page 5 of this enclosure for a suggested flowchart to perform this process at the command level. Also, note the location of key metrics. A command must maintain a follow-up tracking system for ongoing corrective actions. Customarily, the CE Officer is responsible for performing follow-ups. A recommendation is closed only when agreed-to corrective action is completed. A closeout action needs to be documented by either a written confirmation from the responsible manager or an onsite verification by an independent third party. For findings with monetary benefits, a responsible manager must attest to the propriety of the benefits achieved. This is an important certification because of possible budgetary implications. Documentation of the follow-up process must be retained for examination by external auditors and inspectors.

(2) The CE Officer should verify "agreed to" corrective actions for significant recommendations within 1 year after issuance of the report. Reference (i) describes what is considered a significant recommendation.

2. External Reporting Requirements

a. NAVAUDSVC - Status Report on Audit Findings with Open Recommendations. Reference (i) gives guidance. When directed, NETC (N00GR) will coordinate the inputs to NAVAUDSVC and provide reporting guidelines to the NETC domain.

b. Naval Inspector General (NAVINSGEN) - Reports

(1) Semiannual Follow-up Status Report. Reference (i) applies. When directed, NETC N00GR will coordinate the inputs to NAVINSGEN and provide reporting guidelines.

Enclosure (3)

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(2) Hotline Complaints. The procedures for handling hotline complaints within the NETC domain are discussed in reference (k). Reporting due dates may vary depending on the circumstances.

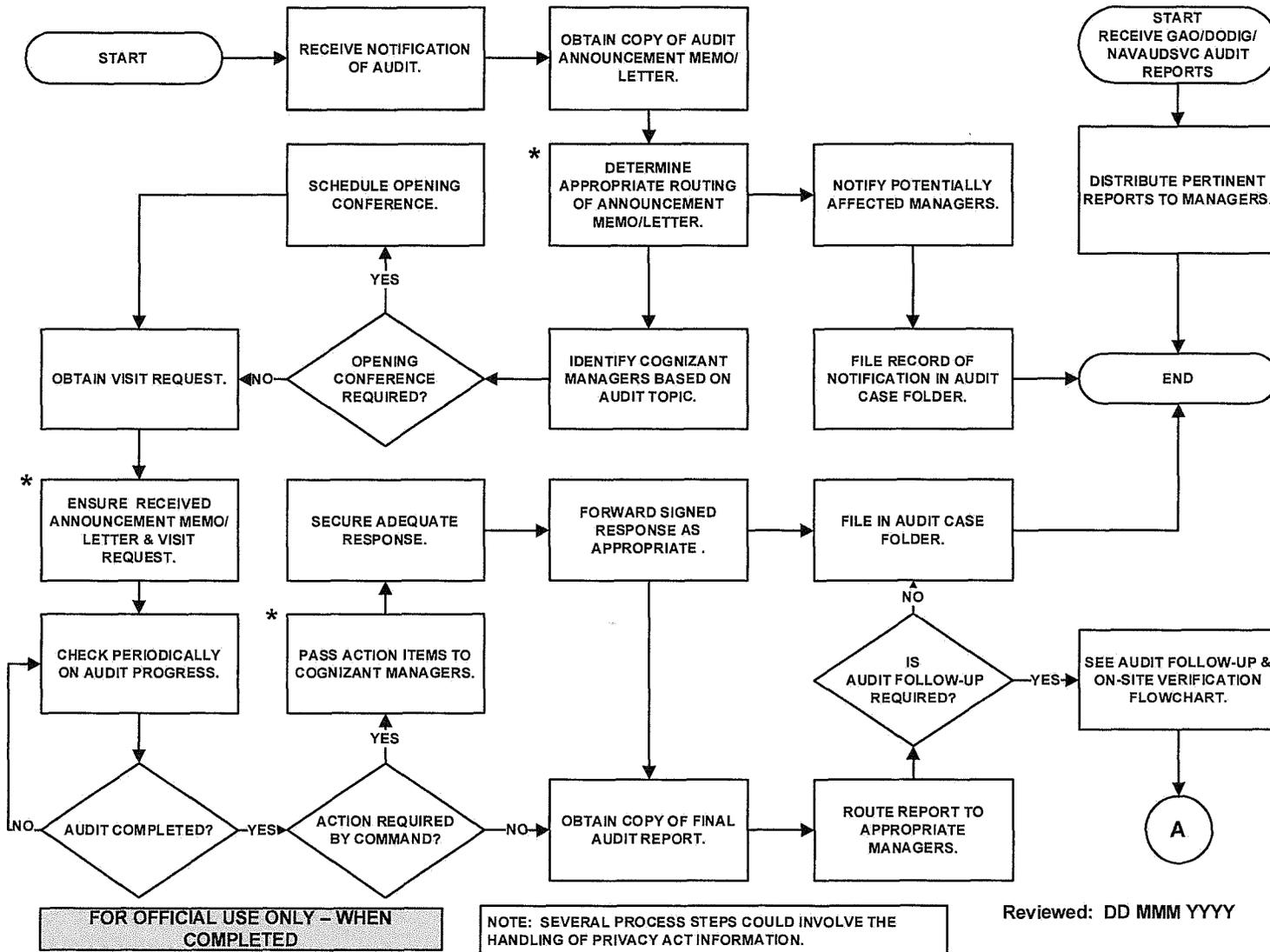
**TITLE: AUDIT LIAISON FLOWCHART.**

**PURPOSE: PROCESS FOR WORKING WITH EXTERNAL AUDITORS.**

**REFERENCE: NETCINST 5000.1B.**

**PROCESS OWNER: CE OFFICER (NAME, CODE, PHONE #, EMAIL ADDRESS).**

\* KEY METRIC



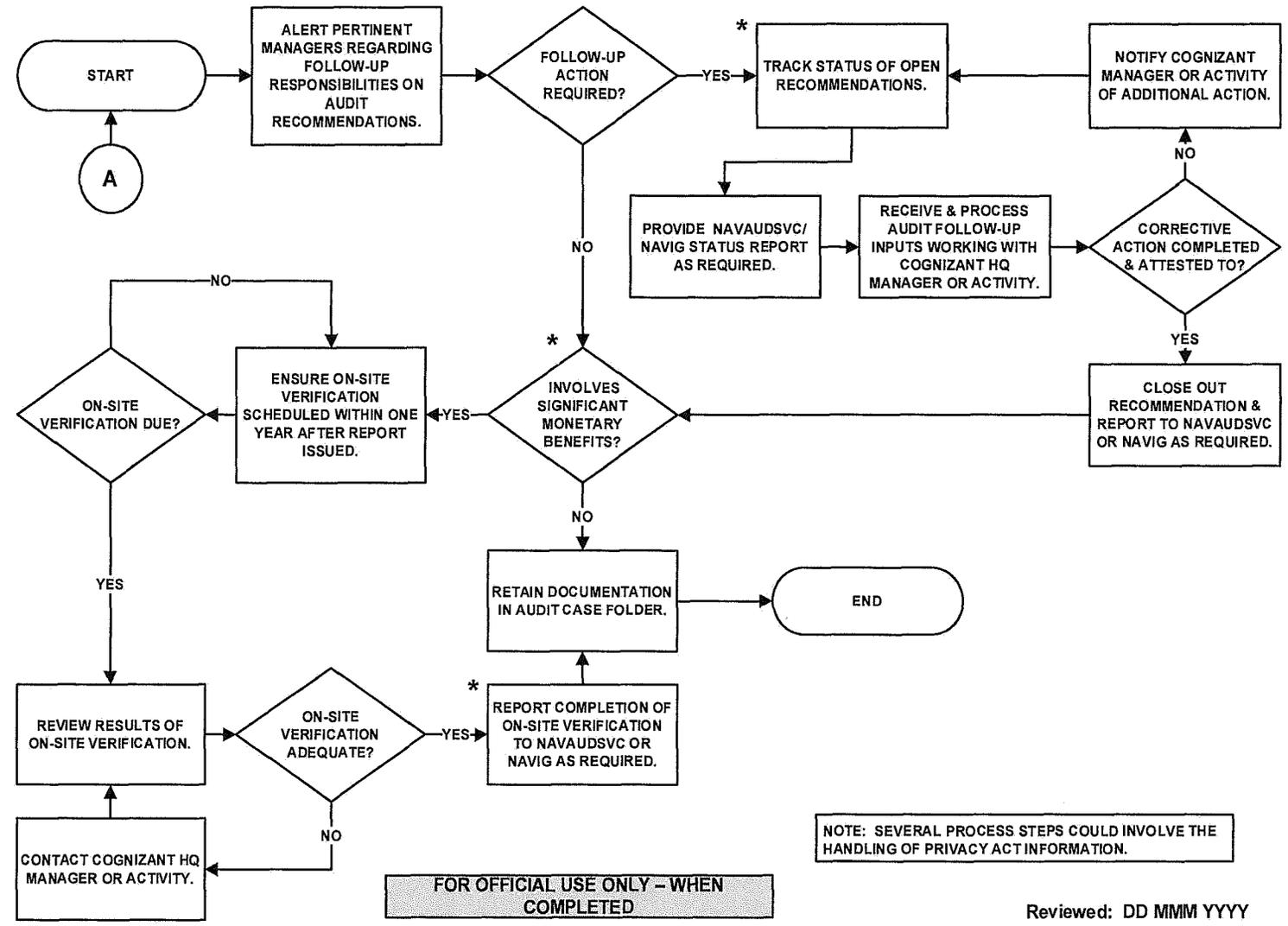
4

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**TITLE: AUDIT FOLLOW-UP & ON-SITE VERIFICATION FLOWCHART.**  
**PURPOSE: PROCESS FOR FOLLOWING UP ON CORRECTIVE ACTIONS TAKEN.**  
**REFERENCE: NETCINST 5000.1B.**  
**PROCESS OWNER: CE OFFICER (NAME, CODE, PHONE #, EMAIL ADDRESS).**

\* KEY METRIC



5

Enclosure (3)

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NOTE: SEVERAL PROCESS STEPS COULD INVOLVE THE HANDLING OF PRIVACY ACT INFORMATION.

Reviewed: DD MMM YYYY

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