

DRMS Directive 7600.1

DRMS-TR

November 2, 2000

SUPPORT OF EXTERNAL INSPECTIONS/AUDITS WITHIN
DEFENSE REUTILIZATION AND MARKETING SERVICE (DRMS)

A. REFERENCES

1. DoDD 7650.2, General Accounting Office Reviews and Reports, July 13, 2000.
2. DoDD 7650.3, Followup on General Accounting Office, DoD Inspector General, and Internal Audit Reports, September 5, 1989.
3. DRMS Directive 7600.1, Support of External Inspections/Audits Within Defense Reutilization and Marketing Service (DRMS), June 15, 1995, (hereby superseded).

B. PURPOSE. This directive establishes policy and responsibilities for working with all external inspections/audits being conducted within DRMS. Supersedes reference A3.

C. APPLICABILITY AND SCOPE. This directive is applicable to all DRMS activities and supporting Defense Logistics Information Service (DLIS) offices/directorates.

D. DEFINITIONS. (Reserved for future use.)

E. POLICY. HQ DRMS and its field activities will:

1. Recognize, support, and use external inspectors/auditors as important elements of management control systems.
2. Take prompt, responsive and constructive management action on findings and recommendations involving DRMS.
3. Document and track corrective actions through completion.
4. Verify that corrective actions have eliminated deficiencies and their causes.
5. Technical/administrative support will be provided by each activity visited, as requested by the inspection/audit team leader.
6. Each inspection/audit will begin with an entrance briefing among the inspection/audit team and the activity key staff to discuss the purpose and scope of the inspection/audit. When at HQ DRMS, the key staff will include the Office of Primary Interest (OPI), Office of

Counsel (DRMS-G), Internal Review Office (DRMS-DDI), DRMS-TR and the Commander.

7. During the exit briefing, inspection/audit team members will discuss major deficiencies with the head of the reviewed activity.

8. The OPIs will review the inspection/audit data for correctness, the propriety of findings, and the recommendations, while reviewing draft and final reports. Each recommendation in each finding must be addressed.

a. Concurrence indicates agreement that the deficiency exists, but does not necessarily indicate agreement with the recommended course of corrective actions.

b. If the action is underway to correct a deficiency when it is noted by the inspection/audit team, that fact should be brought to the team's attention and documented in the response.

c. Partial concurrence indicates agreement with a portion of the finding and/or recommendation.

d. Non-concurrence indicates disagreement with the entire finding and/or recommended corrective action. Once a non-concurrence is approved by DRMS-D, the observation is considered closed unless the position is reversed by higher headquarters.

9. Report processing times are dictated by suspenses imposed by the inspections/auditors. DRMS is allowed 15 days for initial processing including approval by the DRMS Commander and transmittal to DLA. DRMS processing time begins the day after DRMS-TR receives the inspection/audit report. DRMS-TR will distribute inspection/audit findings to the appropriate DRMS OPIs. DRMS OPIs have 5 workdays to concur/non-concur/partially concur with the findings and submit a statement of corrective actions taken/planned. Enclosure 1 is to be used for this purpose. DRMS-TR has 3 workdays to consolidate OPIs' inputs and prepare transmittal letter to DLA.

10. The OPIs will ensure that the agreed upon corrective action is achievable within the timeframe specified.

11. The OPIs will take prompt action to correct or implement any findings concurred in by DLA.

12. Action cannot be considered closed for a particular finding until all recommended corrective actions within that finding are completed.

13. The OPIs will periodically review all closed actions to ensure deficiencies/weaknesses have not recurred. DRMS-TR may reopen reporting on actions should there be evidence of recurrence.

F. RESPONSIBILITIES

1. Office of Comptroller (DRMS-TR) will:

- a. Serve as the DRMS External Audit Focal Point to track all actions, to include follow-up, pertaining to external inspections/audits.
- b. Notify the Internal Review Group (DLAJ-308) of all proposed unscheduled visits by external inspectors/auditors.
- c. Notify OPIs of planned visit dates.
- d. Provide support and information to inspection/audit team members when at HQ DRMS, as required, including the availability of key personnel, facilities, visitor badges, and parking permits.
- e. Establish and implement procedures for the suspense, control, processing, verification, and follow-up of observations.
- f. Verify the action taken completely addresses the findings or recommendations.
- g. Forward status comments to the appropriate DLA Components using the Situation Reporting (SITREP) system.
- h. Maintain files on all external inspections/audits, to include comments provided to HQ DLA.
- i. Maintain this directive in a current status and review it biennially.

2. Heads of DRMS/field activities and supporting DLIS offices/directorates will:

- a. Immediately notify DRMS-TR of any contact with external audit agencies.
- b. Identify a Point of Contact within each area to assist inspection/audit team members while they are conducting the inspection/audit.
- c. Notify DRMS-TR within 2 working days of conclusion, of any visits/inspections/audits in support of external audits being conducted in DRMS.
- d. Provide planned and estimated completion date for correcting findings and implementing recommendations to DRMS-TR.
- e. Correct finding and implement recommendations.
- f. Physically verify, upon completion of corrective actions, that corrective action has been implemented as required.
- g. Maintain documentation of corrective actions taken.

G. EFFECTIVE DATE AND IMPLEMENTATION. This directive is effective and implemented upon distribution.

H. INFORMATION REQUIREMENTS. (Reserved for future use.)

BY ORDER OF THE COMMANDER

/s/
JANINE DES VOIGNES
Executive Assistant

1 Encl

PROPOSED RESPONSE

Prepare one report for each finding and/or recommendation

TYPE OF REPORT: DATE OF POSITION:

Example: Initial/interim/final

PURPOSE OF INPUT:

Example: Quarterly report/Requested by Commander/etc.

AUDIT TITLE:

FINDING ():

() Concur

() Partially Concur

() Non-concur

DRMS COMMENTS:

DISPOSITION:

() Action is ongoing. Estimated Completion Date:

() Action is considered complete.

INTERNAL MANAGEMENT CONTROL WEAKNESS:

() Non-concur

() Concur; however, weakness is not considered material.

() concur; weakness is material and will be reported in the DRMS
Annual Statement of Assurance.

ACTION OFFICER:

REVIEW/APPROVAL:

COORDINATION:

DRMS APPROVAL:

