NATIONAL GUARD REGULATION

NO. 11-7

HEADQUARTERS
DEPARTMENT OF THE ARMY
Washington, DC 20310, 16 September 1981

Army Programs

INTERNAL REVIEW

This regulation implements and modifies AR 11-7 to make it applicable to the Army National Guard and must be used in conjunction with AR 11-7. Deviations/changes from the AR contained herein are required due to unique operational conditions resulting from the differences between Titles 10 and 32, U.S.C. Deviation from the procedures and requirements of this regulation will not be made without prior approval of the Chief, National Guard Bureau. Annotated local limited supplementation of this regulation is permitted, but not required. Requests for deviations and one copy of each supplement issued will be forwarded to NGB-ARC-MA, Washington, DC 20310.

Interim changes are not official unless authenticated by the Executive, NGB. Interim changes will be destroyed on their expiration dates unless sooner superseded or rescinded.

AR 11-7 is applicable to the Army National Guard as modified below.

1-1. Purpose. (Substitute) This regulation prescribes the role, responsibilities, and scope of the internal review (IR) function within the Army National Guard (ARNG) and the general policies of the Chief, Comptroller Division, Army National Guard concerning that function.

1-2. Applicability. (Substitute) This regulation applies to all States, activities, and elements of the Army National Guard .

1-3. Internal Review—Concept. (Substitute) Full responsibility is vested in all commanders for compliance with policies, procedures, objectives, and for the accuracy, propriety, legality, and reliability of their actions. State adjutants general and United States Property and Fiscal Officers (USPFO's) each have the same individual responsibility as any commander in accordance with their unique relationship as defined in NGR 130-6. The IR function is a part of their managerial control system. IR emphasizes real-time reviews and immediate corrective action; i.e., locate the cause of the problem and recommend its solution.

1-4. Policies. a. Audit guides. (Substitute) Applicable Army Audit Agency guides will be provided States through NGB-ARC. In addition to these guides, special National Guard guides will be developed by the Comptroller, ARNG.

c. Evaluations. (Substitute) The Chief, Comptroller Division, ARNG, will evaluate the IR program and report on its effectiveness to the Department of the Army (COA).

d. Internal Review programs. (Substitute) Annual IR programs will be developed based on direction from the Adjutant General (AG), and from input received from the USPFO, program managers, and other functional managers.

g. Reports. (Substitute) IR reports will be forwarded to responsible operating officials, USPFO, and to the AG for review and appropriate action.

h. Limitations. (Substitute) The Internal Review Element (Examination Division, USPFO) will not be a policy setting organization or be assigned operating functions that are otherwise provided for in the duties and responsibilities of other operating personnel.

1-5. Responsibilities. a. (Substitute) The Chief, Comptroller Division, ARNG, based on and within the context of the concept expressed above, exercises NGB staff responsibility for internal review and will:

(1) Prescribe policy and monitor execution of the internal review programs of all ARNG activities.

(3) Provide guidance and assistance to organizations reporting to the Chief, NGB and to heads of NGB staff agencies.

(4) Prescribe technical training for IR personnel.

b. (Substitute) AG's and USPFO's are responsible for conducting an effective and responsible internal review program based on the concept and policies outlined above. IR elements at State level will:

(1) (Substitute) Develop and execute an annual program providing for

objective evaluations of known or suspected problem areas, reporting pertinent facts, and making constructive recommendations for problem resolution.

(2) (Substitute) Evaluate the effectiveness of procedures or systems.

(9) (Substitute) Review Non-appropriated Fund Instrumentalities (NAFI's) as directed by Chief, NGB, or the Adjutant General.

1-6. (Substitute) **Coordination.** Coordination with other organizational IR elements; i.e., Inspectors General, General Accounting Office (GAO), Defense Audit Service (DAS), and Army Audit Agency (USAAA), is encouraged to interchange information, avoid duplication of effort, and insure maximum coverage.

1-7. Organization and staffing. a. (Substitute) The Chief, Comptroller Division, ARNG, has NGB staff responsibility for IR. IR elements at State level will be a separate impartial organizational entity and will report to the AG through the USPFO.

b. (Substitute) The IR function will be performed at State level by qualified examiners of the Examination Division, Office of the USPFO.

1-8. Training. (Substitute) The Chief, Comptroller Division, ARNG, will prescribe training for IR personnel. A principal source of training will be the Management Audits/ Studies Course presented by the National Guard Professional Education Center. This program is intended to provide uniform IR training and expand individual qualifications to enable maximum use of audit resources. Participation in this training is encouraged including courses available from other sources. This training should be actively supported by programing and budgeting necessary training costs.

2-2. Programing for IR. (Substitute) a. Requirements. The IR program should be based on the USPFO's and AG's assessment of requirements. Consideration must be given to expected benefits, available resources, and the degree of assumed risk if the review is not accomplished.

b. Obtaining program data. The following actions/considerations will assist in initiating program development.

(1) Chief, NGB directed reviews of NAFI's.

(2) Followup reviews to determine the status of corrective actions taken as a result of internal review reports and reports issued by external audit agencies.

(3) Time required for audit compliance duties.

(4) Reviewer training plan.

(5) Guidance from AG/USPFO to their staff and subordinate elements for submission of priority problem areas.

(6) Identification of known or potential problems by functional managers, suggested timeframe, and recommended priorities.

2-3. Preparation of program. (Substitute) As a minimum, reviews will be listed in order of priority with estimated reviewer-day requirements and rationale for conducting the review. All available reviewer days should be programed. Lower priority projects should be appended to the program for accomplishment if resources permit. Deferred and/or incompleted projects should be programed in the following year when valid requirements still exist.

2-4. Program approval. (Substitute) The proposed annual program and periodic revisions will be reviewed by the USPFO and approved by the AG.

2-5. Planning for Reviews. (Substitute) a. NGB PAM 11-7, Internal Review, contains detailed guidance on development of the IR program and conducting IR's.

b. Coordination. The IR element normally serves as the focal point and monitors all actions related to audits, surveys, and reviews performed by external agencies such as GAO, DAS, USAAA, and commercial audit firms.

2-16. (Substitute) **Audit Compliance Followup.** a. Followups are deliberate and aggressive actions to assist the AG/USPFO in assuring that prompt and proper corrective actions are taken by commanders and operating officials on all reports prepared by external audit agencies. Followups will be in sufficient depth to evaluate the extent and effectiveness of command corrective actions.

b. Followup will be scheduled within a reasonable time following receipt of the report. A suggested guidelines is 120 days.

c. Local IR elements will perform followup on their own internal review findings and recommendations as directed by the AG/USPFO.

Users of this regulation are invited to send comments or suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms) to NGB-ARC-MA, Washington, DC 20310.

By Order of the Secretary of the Army:

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