



**STATE OF VERMONT**  
OFFICE OF THE ADJUTANT GENERAL  
789 Vermont National Guard Road  
Colchester, Vermont 05446-3099

NGVT-PFO-IR (100)

12 August 2021

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Command Policy for a Follow-up Audit to a Performance Audit (Joint Policy # 2021-18).

1. Purpose: To provide follow-up policy guidance for performance audits.
2. References:
  - a. Government Accountability Office (GAO), "Government Auditing Standards (GAS)", dated July 2018
  - b. Department of Defense Instruction (DoDI) 7650.03, "Follow-up on Inspector General of the Department of Defense (IG DoD) and Internal Audit Reports", dated 31 January 2019
  - c. National Guard Bureau (NGB) Memorandum, "Internal Review Policy Memorandum (2021), Audit Project Follow-up", dated 27 January 2021
3. Effective date: Immediately. Supersedes previous same subject policy memorandum (2017-18) dated 14 February 2017.
4. Background: According to Government Accounting Standards (GAS), follow-up audits form an essential element of the performance audit reporting process. Specifically, DoDI 7650.03 indicates that "follow-up is an integral part of good management and is a responsibility shared by DoD managers and auditors". The DoDI requires each DoD component to establish follow-up policies, procedures, and systems for an effective audit follow-up process. In particular, the follow-up program should provide a method for tracking the implementation of corrective actions until completion, reporting the status of these actions (including resulting potential monetary benefits) to higher levels of management, verifying corrective actions, and periodically evaluating the adequacy and effectiveness of the overall program.

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5. Policy and Responsibilities:

a. Commanders/Program Managers:

(1) Provide responses to audit report recommendations within timeframes jointly established by Commanders/Program Managers and the Internal Review Division.

(2) Provide a corrective plan with a corresponding implementation date for each audit recommendation.

(a) Track monetary benefits.

(b) Provide Internal Review with supporting documentation verifying the implementation of audit recommendations.

(3) Provide Internal Review a status update every 30 days for recommendations still open after the completion of the follow-up audit.

b. Internal Review (IR) Division Responsibilities.

(1) Schedule follow-up audits with Commanders/Program Managers no later than 10 months after issuing the final performance audit report or the implementation date of all final performance audit report corrective actions, whichever is sooner.

(a) Request the senior person in the chain of command direct the immediate implementation of corrective actions leading to closure of open recommendations identified during the follow-up audit.

(b) Perform a second follow-up audit after Commanders/Program Managers confirm the closure of all open recommendations identified in the first follow-up audit. The second follow-up audit will evaluate the adequacy of actions implemented by Commanders/Program Managers to close open recommendations.

(2) Maintain an audit recommendation tracking system.

(3) Provide a quarterly report to the Vermont National Guard Senior Management Council (SMC) highlighting the status of all open recommendations identified in active performance and follow-up audits. At a minimum, the quarterly report will include the following for each performance audit:

(a) Number of original performance audit recommendations with the corresponding Commander/Program Manager responsible for implementation of each recommendation.

(b) Number of open recommendations with the associated number of days each recommendation has remained open.

(c) Number of open recommendations closed since last SMC quarterly report

(4) Prepare the Semi-annual Follow-up Status Report for submission to NGB.

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6. If you have any questions, please contact my POC, Mary Furtado, Internal Review Director, at [mary.a.furtado.civ@mail.mil](mailto:mary.a.furtado.civ@mail.mil) or (802) 338-3217.

GREGORY C. KNIGHT  
Major General  
The Adjutant General

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