



DEPARTMENT OF THE NAVY

U.S. NAVAL SUPPORT ACTIVITY

PSC 817, BOX 1

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NAVSUPPACT NAPLES INST 5200.4A
01E

17 JUL 2001

NAVSUPPACT NAPLES INSTRUCTION 5200.4A

From: Commanding Officer, U.S. Naval Support Activity, Naples,
Italy

Subj: COMMAND EVALUATION AND REVIEW (CE&R) PROGRAM

Ref: (a) OPNAVINST 5000.52A
(b) CINCUSNAVEUR/USCOMEASLTLANT INST 5200.3
(c) Department of the Navy Command Evaluation Training
Manual
(d) BUPERSINST 7510.1

Encl: (1) Report Response Procedures
(2) Audit Board Listing

1. Purpose. To establish a CE&R Program on board U.S. Naval Support Activity (NAVSUPPACT), Naples, Italy. This instruction is a complete revision and should be read in its entirety.

2. Cancellation. NAVSUPPACT NAPLES INST 5200.4

3. General. The background, definitions, discussions, explanations, and higher echelon policies and responsibilities of this program are found in detail in references (a) through (c) and will not be repeated in this instruction.

4. Policy

a. As directed by reference (b), NAVSUPPACT Naples has established and fully supports the local CE&R program.

b. CE&R is recognized as an essential element of the command's and management's internal controls. It provides the Commanding Officer and managers with an internal, independent, and objective evaluation of policies, programs, procedures, and other operations involving the expenditure of funds, utilization of resources, compliance with instructional guidance and law, and accomplishment of command objectives.

c. Therefore, reviews will generally determine the adequacy and effectiveness of practices, procedures, and management

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controls; compliance with applicable laws and existing directives; proper expenditure and control of appropriated and nonappropriated funds; and overall integrity, economy, and efficiency of operations, functions, programs, and mission accomplishment. Where deficiencies, inefficiencies, or improprieties are found, appropriate recommendations for corrective action will be made and action will be taken.

d. Because of their vulnerability, a greater percentage of reviews will be concerned with evaluating financial/accounting operations and procedures, but CE&R is not limited to fiscal matters. All command programs, functions, and operations are potential candidates for evaluation and review.

e. The scope, procedures, characteristics, and quality of command evaluations/reviews and the resulting reports will conform to the standards outlined in references (b) and (c).

f. The CE&R program is complemented by the Management Control Program, the Fraud, Waste, and Abuse Hotline Program, and various command audit boards.

5. Organization and Staffing

a. CE&R is established as a full-time function on board NAVSUPPACT Naples.

b. The CE&R officer is a special assistant to the Executive Officer (Code 01E).

c. To maintain their objectivity, impartiality and independence, CE&R staff members will not perform operational tasks.

d. Augmentation of the CE&R staff by military and/or civilian functional experts from within the command is authorized. The command may also request augmentation/assistance to perform specialized reviews from available functional experts within the tenant and support commands.

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6. Responsibilities and Action

a. The Executive Officer, acting for the Commanding Officer, is responsible for:

(1) The overall management and administration of the CE&R program.

(2) Preparing the performance appraisal of the CE&R Officer.

(3) Ensuring deficiencies, inefficiencies, or improprieties noted in command evaluation/review reports are corrected.

b. The CE&R Officer is responsible for:

(1) Properly managing the program so that work performed fulfills the general purpose and responsibilities defined in references (a) through (c) and this instruction.

(2) Soliciting inputs from department heads or special assistants to identify problem areas or function/operations that require evaluation and review.

(3) Preparing an annual (fiscal year) evaluation and review plan for approval by the Executive Officer and the Commanding Officer. This plan will be derived from departmental and command inputs, compliance with any mandatory instructional requirements, and from indicators in the Management Control Program and the Fraud, Waste, and Abuse Hotline program. The plan will be revised and updated as necessary.

(4) Ensuring that reviews, analyses, and evaluations are conducted as approved in the annual plan and that any special studies, investigations, etc., are performed as directed by the Commanding Officer or the Executive Officer.

(5) Maintaining current copies of review reference material and ensuring that review procedures, as outlined in reference (c), are followed.

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(6) Preparing, reviewing, and revising, as required, and forwarding to the Commanding Officer final copies of all reports, with copies to appropriate personnel.

(7) Identifying staff training needs and programming appropriate and required training within budget limitations.

(8) Maintaining a tracking system to monitor the status of open findings/recommendations until completion of corrective action.

(9) Preparing a quarterly review status report for the Commanding Officer, via the Executive Officer.

(10) As required, following up on completed (i.e., closed) findings/recommendations to ensure corrective action was taken, appropriate, and effective. Such follow-ups will be documented.

(11) Reviewing nonappropriated fund instrumentalities supporting Morale, Welfare, and Recreation programs within the command, as required by reference (d).

(12) Reviewing the General Services Fund as required.

(13) As required, acting as liaison to external audit and investigative agency reviews and inspections; coordinating command response to reports generated as a result of those reviews/inspections; and performing any requested/required follow-up action.

(14) Assisting audit board members in the performance of their audits by providing audit reference material, information, and advice as required (see paragraph 8 below).

c. All department heads and special assistants are responsible for:

(1) Fully supporting the CE&R program and complying with policies and guidance in references (a) and (b) and this instruction.

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(2) Actively participating in the review plan development.

(3) Accommodating reviews within their activities and allowing the reviewers access to necessary files, documentation, information, and personnel.

(4) Responding to reported findings and recommendations within specified time frames and reporting on status of corrective action as required until that action is completed. See enclosure (1) for detailed explanation of report response procedures.

(5) Assigning replacements for audit board members, when requested, and ensuring their personnel are given the required time to perform their audit board duties and responsibilities (see paragraph 8 below).

7. Audit Boards. Audit boards are required by directive to review certain functional areas and are an important supplement and complement to the CE&R program. Enclosure (2) is a list of the various audit boards, instructional guidance, the frequency of audits, and a synopsis of the scope of each board.

a. The Administrative Officer is responsible for:

(1) Ensuring that the various audit boards are appropriately manned and that assignment orders are published.

(2) With input from 01E, updating and publishing NAVSUPPACT NAPLES NOTE 1300, which contains a listing of all audit board members and collateral duty assignees.

b. The senior member of each audit board is responsible for:

(1) Contacting 01E before beginning their audits to ensure they have current instructional/review guidance and for other pertinent information.

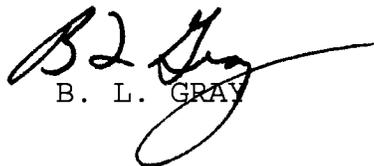
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(2) Ensuring subordinate audit board members are available for the performance of scheduled audits.

(3) Requesting assistance from 01E, as required, during the performance of an audit and informing 01E of any major problems encountered.

(4) Preparing and submitting reports within 15 days after the completion of the audit, but no later than 15 calendar days after the end of the audit period (i.e., for monthly audits, 15th of the next month; for quarterly audits, 15th of the first month of the next quarter, etc.). The reports will be forwarded to the Commanding Officer, via 01E.


B. L. GRAY

Distribution:

NAVSUPPACT NAPLES INST 5216.4V

Lists I; II

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REPORT RESPONSE PROCEDURES

1. UTILIZATION REPORT PHASE

a. Within 30 days after the end of the review, 01E will prepare the Utilization Report. This is a draft report, including appropriate findings and recommendations.

b. 01E will send a copy to the reviewed activity and set up an exit conference to discuss the report and ensure that management understands each finding and recommendation.

c. 01E will note comments by management concerning the report and attempt to resolve disagreements and differences of opinion.

d. 01E will then make any necessary changes to the utilization report, based on these discussions, and forward a revised copy to the activity head, requesting response within 15 working days. Responses must address each finding or recommendation and will fall into one of these three categories:

(1) Concur. Management agrees completely with the finding or recommendation. Response should contain corrective actions taken or being planned, with estimated milestone and completion dates.

(2) Concur in Part. Management agrees with some, but not all aspects of the finding or recommendation. Those aspects with which management concurs should be handled as in 1d(1) above; those with which management nonconcur should be handled as in 2C below.

(3) Nonconcur. Management disagrees completely with the finding or recommendation. In the case of nonconcurrency, give reasons and justification. If, after further discussion, a nonconcurrency remains unsolved; it will be elevated to command for resolution as part of the final report.

e. Management will be asked to state and explain their position on all elements of a finding recommendation. If

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they agree with a finding, but believe they have a better recommendation for corrective action, the alternative plan should be clearly explained in their response.

2. FINAL REPORT PHASE

a. Upon receipt of management's responses, 01E evaluates management's responses, determines whether or not the reply is responsive to the finding and recommendation, and whether or not planned corrective action is appropriate.

b. 01E will incorporate management's responses into the report, under the appropriate finding and recommendation, and will also prepare a comment to each management response.

c. Reviewer comments will fall into one of three categories:

(1) Satisfied. Management response fulfills the recommendation. Finding and recommendation are CLOSED.

(2) Conditionally Satisfied. Management response will fulfill the recommendation, provided some stated follow-on action is actually implemented. Finding and recommendation remain OPEN.

(3) Not Satisfied. Recommendation has not been answered; has only been partially answered; has been answered unsatisfactorily; or remains unresolved. Finding and recommendation remain OPEN.

d. All cases of not satisfied will be discussed with the activity in an attempt to reach agreement and/or obtain complete responses. If, after these discussions, a finding and recommendation remain unresolved, these will be fully stated and explained in the final report and elevated to the Executive Officer and/or the Commanding Officer to make a final decision and resolution.

e. 01E then prepares the final report containing management's responses with statements or plans of corrective

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action and time lines and reviewer's comments. It is sent to the Commanding Officer, via the Executive Officer, with a copy to the activity head. If appropriate, the activity may be given an additional 15 days to respond to any items which still remain not satisfied.

3. FAILURE TO RESPOND TO REPORT

a. If management does not respond to the utilization report by the prescribed suspense date (see para A.4 above), 01E will call the activity head and inquire about the response. An additional 5 days for response can be given telephonically at that time.

b. If there is no response after the additional 5 days, 01E will send a tracer memorandum to the activity head, giving another 5 days to respond.

c. If still no response is received, 01E will finalize the report for the Executive Officer and Commanding Officer, without management's response, and this fact will be noted in the report. In this case, 01E will prepare a cover memorandum, to be signed by the Commanding Officer, transmitting a copy of the final report to the activity head. This will request response to the report directly to the Commanding Officer (with copy to 01E) within 10 working days of the date of the cover memorandum.

d. Response to this report will be handled by 01E, as in paragraph B above, and a second final report will be prepared for the Commanding Officer, via the Executive Officer, with management's response and reviewer's comments.

4. TRACKING AND FOLLOW-UP PHASE

a. 01E will track and follow-up on all findings and recommendations.

b. Management will be required to provide 01E the status of corrective action on all OPEN findings and recommendations until they are corrected and considered CLOSED.

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c. The first status report will be required 30 days after the issuance of the final report and at 30-day interval thereafter until corrected or CLOSED.

d. 01E will follow-up on CLOSED findings by evaluating those items during a subsequent review or by conducting spot checks, sampling, or testing of the corrective action.

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AUDIT BOARD ASSIGNMENTS

AUDIT BOARD	APPLICABLE DIRECTIVES	AUDIT FREQUENCY	FUNCTION/SCOPE OF AUDIT	REPORT DUE BY
GENERAL SERVICES FUND REVIEW AND CASH VERIFICATION	DOD 7000.14-R, Vol.13 NAVSUPPACTINST 7040.2C	Annually & Quarterly	GSF (Naples and Gaeta) is reviewed annually OIE as part of their annual review plan. Review consists of an audit of all funds administered by the GSF; review of collections, deposits and disbursements; determination whether disbursements were in accordance with command policy; review of purchase and resale of gas and oil coupons and inventory of same. OIE also conduct quarterly unannounced cash verification of the Naples fund.	15 th OCT/JAN/APR/JUL
NAVY AND MARINE CORPS RELIEF SOCIETY AUDIT BOARD	NAVY RELIEF SOCIETY MANUAL	Semiannually	Audit selected transactions; review receipt ledger and copies of documents forwarded to Navy Relief central accounting office; audit petty cash fund/ledger; determine compliance with applicable directive(s) and any existence of mismanagement.	15 th OCT/APR
NAVY POSTAL AUDIT	OPNAVINST 5112.12A NAVSUPPACTINST 5112.1H	Monthly & Quarterly	Monthly review of flexible credits. Quarterly completed review.	15 th OF EACH MON.
AIR TERMINAL OFFICER REVIEW	MAC REG 76-1, NAVCOMPT MANUAL VOL. IV	Monthly/ As Required	Make checks, surveys, and reviews as per MAC This is not a normal audit board, but is an audit-type function that must be performed regularly by the Air Terminal Officer. Results of these checks and surveys do not have to be forwarded to OIE, but should be held on file as proof of an audit trail and for review by any internal/external review/audit agency.	NO REPORT DUE TO OIE/CO
CIVILIAN WELFARE AND RECREATION AUDIT BOARD (NON-US)	NAVSUPPACTINST 1710.5F NAVSUPPACTINST 7040.2C	Annually	Audit financial accounts; review petty cash, bank statements, dues collected, and expenditures.	15 th OCT
CONTRACT REVIEW BOARD (NAF)	BUPERSINST 7043.1A	As needed	Review significant NAF procurement actions, after review by the contracting officer, but prior to award the contract.	NO REPORT DUE TO OIE/CO

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CUSTOMS DOCUMENTS AUDIT BOARD

CINCUSNAVEURINST 4600.7A Annually

5th OCT

Conduct annual review of AE Forms 302-1 to ensure that procedures and conditions for the use of that form are in accordance with established instructional guidance.

ENLISTED DINING FACILITY (CIAO HALL) DAILY INSPECTION

NAVSUPPACTINST 1742.1D Daily

NO REPORT DUE TO OIE/CO

Sample/consume at least one meal each day and complete rating form, plus detailed written report.

ENLISTED DINING FACILITY AUDIT BOARD

NAVSUP P-486, VOL. 1
NAVSUPPINST 4061.9T
NAVSUPPINST 7500.3D
NAVSUPPACTINST 1742.1D
NAVSUPPACTINST 4061.3A

15th OCT/JAN/APR/JUL

Monthly audit of head count totals, as per NAVSUP P-486, VOL.1, para 3113.6. Quarterly check of procedures, as per NAVSUP P-486, VOL.1, para 2113, using check-off lists contained in NAVSUPINST 7500.3 series. This will include checking controls over Meal Passes, eligibility of dining facility patrons, signatures, cash verification, etc.

FORMAL SURVEY BOARD
RELIGIOUS OFFERING FUND
AUDIT BOARD

OPNAVINST 3120.32B
SECNAVINST 7010.6
OPNAVINST 1730.1B
NAVSUPPACTINST 7040.1D

N/A

15th OCT/JAN/APR/JUL

Appointed by the CO whenever required. Audit the financial accounts; review offering and bank deposits; check the payables; and review the monthly bank account reconciliation. OIE also conducts an annual review of the ROF.

SLOT MACHINE AUDIT BOARD

Monthly

BUPERSINST 7510.1
NMPICINST 1746.1
NAVSUPPACTINST 1746.20E

15th OF EACH MONTH

Review slot machines operations and submit report to CO. Review includes spot checks meter readings and 5% of jack pot winners; verification of monthly profit and loss statement and supporting documents; audit of cash on hand; determination of effectiveness of procedures, internal controls, and safeguards against fraud, waste, and abuse; determination of the accuracy of transactions.

SLOT MACHINE CASH VERIFICATION

NAVSUPPACTINST 1746.20E Daily

NO REPORT DUE TO OIE

Verify slot machine meter readings and cash collections and sign cash receipt report.

SPECIAL INVENTORY BOARD

NAVSUPINST 4440.115G As needed

N/A

Scope and function will be as required for each board.

Enclosure (2)