CNIC NAVY GATEWAY INNS & SUITES DESK GUIDE

NAVY GATEWAY INNS & SUITES PROGRAM REVIEWS

#4

19 August 2008

INTRODUCTION

This Desk Guide provides supplemental guidance on the management of Navy Gateway Inns & Suites lodging facilities. The procedures and guidelines are to be used by personnel charged with the administration and operation of Navy Gateway Inns & Suites. Use of this Desk Guide at all levels will promote uniform management practices across the CNIC Enterprise. The intent of this Desk Guide is to provide detailed guidance for activities where Navy is the host command. Except where noted, the procedures herein apply to Navy-owned and managed transient lodging facilities.

This Desk Guide will be updated as required. Widest dissemination is encouraged.

C. F. Mehrer

C. F. MEHRER
Director, Fleet Readiness

Lodging Program Reviews

References:

(a) BUPERSINST 7510.1B, Local Fiscal Oversight and Reviews of Non-appropriated Fund Instrumentalities (NAFIs) of 02 Feb 03

(b) CNIC Fiscal Oversight Internal Control Questionnaire, Jan 2004

(c) CNIC NOTE 11103, Visitor Quarters Accreditation Procedures and Standards

(d) SECNAVINST 7510.7E, Department of the Navy Internal Audit, 11 Oct 91

4.1. Fiscal Oversight Reviews

A. Fiscal oversight reviews are conducted every two years by CNIC and conducted annually by the ICO and region. A CNIC lodging program analyst will review and assist in the following areas: letters of authority/authorization, financial statements, budgeting, cash/checks, accounts receivable (A/R), accounts payable (A/P), procurement, payroll/personnel, inventory control, fixed assets and management of lodging to include front desk operations, staffing and facilities; as they impact the financial health of the operation.

B. References (a) and (b) contain policies, procedures and checklists used in forming an opinion on the reliability of financial statements and the adequacy of procedures.

C. The Region and/or the Installation Commanding Officer, along with the Regional Lodging Program Director and NGIS Lodging Manager, are responsible for correcting all deficiencies and adhering to the recommendations in the report.

(1) A repeat finding is defined as a deficiency not corrected from the previous lodging program review report. A recurring repeat finding is defined as a specific deficiency that, over two or more reviews, has not been corrected. Repeat findings affect Lodging Accreditation Program reviews, Lodging Fiscal Oversight reviews and all follow-up reviews (if no documented action has been taken).

(2) A reportable deficiency is considered an initial finding. The Region Commander will receive an official report of all findings and recommendations for corrective action.

(3) Repeat findings will be annotated on the official report sent to the Installation Commander via the Regional Commander. Depending on the severity of the repeat finding, appropriate corrective action may be recommended and assistance provided.

(4) For the third incident of a discrepancy repeat finding, CNIC will request an investigation from the Naval Audit Service, or other third party investigatory authority, based on the materiality/legality of the discrepancy finding(s).

4.2. CPA Firm Reviews

A. Centrally Funded Audits. CNIC contracts with a certified public accounting (CPA) firm for independent audits of Non-Appropriated Fund Instrumentalities (NAFIs). These audits determine whether or not the CNIC lodging program managers have satisfied the requirement for fiduciary responsibility. The CPA firm uses sampling techniques and quantitative analysis to provide an opinion on the worldwide lodging financial statements. These audits do not replace the need for local fiscal oversight. Every year, 33-36% of lodging revenue must be audited. The individual operations that make up the percentage will vary from year to year.

B. Locally Funded Audits. If the region considers it desirable to use the services of certified public accountants (CPAs) to audit their billeting fund, copies of all proposed and awarded contracts for auditing services should be sent to the Auditor General of the Navy, Naval Audit Service (NAVAUDSVC), Financial Management and Comptroller Audits Office as required by reference (d). Per reference (d), NAVAUDSVC has the responsibility for evaluating contracts awarded by NAF, as well as APF, for auditing services in the Navy. An informational copy of all proposed and awarded contracts for auditing services should be sent to NAVAUDSVC, Financial Management and Comptroller Audits Office and CNIC. CPA auditors will not replace the need for local fiscal oversight or command evaluation personnel, but may provide expertise or services not otherwise available. At a minimum, CPA audits will cover the following areas: cash receipts/disbursements, accounts receivable, accounts payable, inventories, procurement and assets. Costs associated with CPA audits will be borne by the region. Audits for lodging may be funded with APF monies/personnel. If APF is not available, then the use of NAF is authorized. When groups of APF and NAF activities are

operating as an entity, non-reimbursable use of APF monies/personnel is required.

4.3. Lodging Accreditation Program

A. Navy Gateway Inns & Suites lodging accreditation program recognizes those operations that meet or exceed established NGIS standards. Lodging operations will follow the guidelines for accreditation as outlined in reference (c). Regional Lodging Program Directors will plan, budget and direct resources toward the compliance of the Whole Room Concept (WRC) standardization program and will show continued growth toward providing the best of lodging services to our guests.

B. All lodging operations with seven or more NGIS rooms are included in the accreditation process. Accreditations are valid for a two-year period. Operations are expected to maintain standards during the two year period. An operation is defined by physical location, i.e., Naval Air Station Pensacola or Naval Station San Diego.

C. Utilizing the accreditation checklist, Regional Lodging Program Directors will evaluate the NGIS lodging operations within their region on an annual basis. The regional annual review will be maintained and reviewed by the CNIC Accreditation Team during the accreditation cycle. NGIS lodging facilities not meeting accreditation standards will submit a Plan of Action and Milestones (POA&M) to the CNIC Accreditation Team Leader via the Regional Lodging Program Director to correct deficiencies within 30 days of receipt of official notification. Regions are responsible for an on-site follow-up review of the POA&M within one year of the POA&M submittal. POA&M will be maintained until the completion of the CNIC accreditation review.