



**DEPARTMENT OF THE ARMY
HEADQUARTERS, UNITED STATES ARMY RESERVE COMMAND
4710 KNOX STREET
FORT BRAGG, NC 28310-5010**

AFRC-IR

7 November 2016

MEMORANDUM FOR Commanders, US Army Reserve Major Subordinate Commands

SUBJECT: Internal Review Personnel Qualifications and Independence Requirements

1. References.

a. Secretary of the Army Memorandum, "Conversion of Department of Army Internal Review (IR) from the GS-510 Accountant (Internal Review Evaluator) Job Series to the GS-511 Auditor Job Series," 14 June 2013.

b. Generally Accepted Government Auditing Standards, published by the Comptroller General of the United States.

c. AR 11-7, Army Internal Review Program.

2. Purpose. To reissue the policy memorandum, "Internal Review Personnel Qualifications and Independence Requirements," 23 September 2014, and provide guidance for the personnel qualifications and independence requirements for internal review personnel.

3. Applicability. This policy memorandum is applicable to Army Reserve Internal Review offices.

4. Policy. Based on a 14 June 2013 memorandum, the Secretary of the Army directed that IR positions be reclassified from the GS-510 accountant series to the GS-511 auditor series. TPU soldiers serving in auditor positions in Internal Review offices must also meet the requirements of the GS-511 auditors. Additionally, GAGAS directs in all matters relating to audit work, the audit organization and the individual auditor, whether government or public, must be independent in mind and appearance.¹ In order to document independence, anyone performing work on any engagements performed in accordance with Generally Accepted Government Auditing Standards (GAGAS) is required to complete an Auditor Independence Declaration (enclosed).

5. Procedures. As auditors, the engagements performed by IR personnel is subject to adherence to GAGAS. Additionally, the GS-511 auditor qualifications are set by OPM and are mirrored in the qualifications for the military auditor additional skill identifier (6T).

¹ GAGAS 3.02-3.06

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a. In general, auditor qualifications are as follows:

i A degree in accounting or a degree in a related field such as business administration, finance, or public administration that included or was supplemented by 24 semester hours in accounting. The 24 hours may include up to 6 hours of credit in business law.

ii A combination of education and experience – at least 4 years of experience in accounting or an equivalent combination of accounting experience, college-level education, and training that provided professional accounting knowledge. The applicant's background must also include 24 semester hours in accounting or auditing courses of appropriate type and quality (including up to 6 hours of business law); a certificate as Certified Public Accountant or a Certified Internal Auditor; or completion of the requirements for a degree that included substantial course work in accounting or auditing.

iii Complete details of these requirements can be found on the OPM website; <http://www.opm.gov/policy-data-oversight/classification-qualifications/general-schedule-qualification-standards/0500/auditing-series-0511/>.

b. TPU personnel assigned to IR offices who do not meet these qualifications must not

i Conduct audit work unless supervised by a qualified auditor.

ii Perform supervisory reviews of the audit work of others.

iii Sign audit reports.

c. From an organizational structure perspective, one of the requirements for independence is for the head of the audit function to be located organizationally outside the staff or line-management function of the unit under audit. AR 11-7 states that IR offices should be organizationally aligned as independent offices and located outside the typical staff structure and report directly to the commander, principal deputy commander, or chief of staff. Any IR staff member that holds a position in another staff section may have an independence impairment.

d. Consequently, any staff member that works in some capacity in another staff section within the same command or a down trace unit cannot perform audit work or review audit work that involves that staff section. Additionally, those staff members cannot rate the performance of staff members who conduct audits involving that staff section without impacting independence.

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e. Documenting independence provides evidence that the auditor complied with independence requirements and satisfies GAGAS requirements. Anyone performing work on an audit must complete an Auditor Independence Declaration for each audit they work on, documenting any potential impairments to independence. The supervisor will then review and document actions taken to address potential threats to independence. If the auditors independence becomes impaired during or after the completion of an audit, they are required to inform their supervisor, at which point appropriate mitigating actions will be taken to address the impairment.²

f. Non-auditor qualified and independence impaired personnel filling IR positions may still perform other IR functions outside of auditing including:

- i Gathering documentation and conducting research.
- ii Audit liaison activities.
- iii Audit readiness activities.
- iv MICP activities.
- v Other administrative activities.

6. Proponent. The Army Reserve Internal Review Office is the proponent for this policy memorandum.

7. Expiration. This policy memorandum will remain in effect until superseded or rescinded.

8. POC. Please provide comments or questions to Ms. Ada V. Campbell, Deputy Director for Audit, USARC HQ IR, at (910) 570-8081 or ada.v.campbell.civ@mail.mil

Twice the Citizen!

Encl



DEBBIE A. MAROIS
Director, Army Reserve Internal Review

CF:

² GAGAS 3.02-3.59

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1st MSC (AFRC-CPR-IR)
3d MCDS (AFRC-MGA-IR)
4th ESC (AFRC-RCA-IR)
7th CSC (AETS-RCQ-IR)
9th MSC (APIX-CG-IR)
11th TAC (AFRC-AKY-IR)
63rd RSC (AFRC-CCA-IR)
75th TNG CMD (AFRC-TTX-IR)
76th RSC (AFRC-ORC-IR)
79th SSC (AFRC-RCA-IR)
80th TNG CMD (AFRC-TVA-IR)81st RSC (AFRC-SSC-IR)
84th TNG DIV (AFRC-ATC-IR)
85th USAR SPT CMD (AFRC-WIL-IR)
88th RSC (AFRC-SWI-IR)
94th TNG DIV (AFRC-TVA-LEC-IR)
95th TNG DIV (AFRC-TNC-ACG-IR)
98th TNG DIV (AFRC-TNC-BCG-IR)
99th RSC (AFRC-SNJ-IR)
100th TNG DIV (AFRC-TVA-KN-IR)
102d TNG DIV (AFRC-TVA-LW-IR)
103d ESC (AFRC-SLA-IACG-IR)
104th TNG DIV (AFRC-TNC-CCS-IR)
108th TNG CMD (AFRC-TNC-CG-IR)
143d ESC (AFRC-TFL-IR)
200th MP CMD (AFRC-PMD-IR)
310th ESC (AFRC-SLA-DM-IR)
311th ESC (AFRC-RCA-C-IR)
316th ESC (AFRC-SLA-ES-IR)
335th SC(T) (AFRC-SGA-IR)
364th ESC (AFRC-RCA-W-IR)
377th TSC (AFRC-SLA-IR)
412th TEC (AFRC-EMS-IR)
416th TEC (AFRC-EIL-IR)
807th MCDS (AFRC-MUT-IR)
Army Reserve Medical Command (AFRC-RMC-IR)
Army Reserve Readiness Training Center (AFRC-RTC-CD-IR)
ARSC
Legal Command (AFRC-LMD-IR)
Military Intelligence Readiness Command (AFRC-MIR-IR)
U.S. Army Civil Affairs & Psychological Operations Command (A) (AFRC-CPC-IR)