



# Department of Defense Education Activity

## PROCEDURAL GUIDE

NUMBER 14-PGRMD-015

DATE July 14, 2014

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RESOURCE MANAGEMENT DIVISION

SUBJECT: Processes for Managing Supporting Documentation

References: See Enclosure 1.

1. PURPOSE. This Procedural Guide documents the proper processes and procedures used for managing supporting documentation at the Department of Defense Education Activity (DoDEA) during a financial audit.
2. APPLICABILITY. This Procedural Guide applies to the Office of the Director, DoDEA; the Director, Domestic Dependent Elementary and Secondary Schools, and Department of Defense Dependents Schools, Cuba (DDESS/DoDDS-Cuba); the Director, Department of Defense Dependents Schools, Europe (DoDDS-E); the Director, Department of Defense Dependents Schools, Pacific, and Domestic Dependent Elementary and Secondary Schools, Guam (DoDDS-P), (hereafter collectively referred to as "DoDEA Area Directors"); the Military Community and Family Policy (MC&FP)/Resource & Oversight (R&O) Office ; and, all DoDEA District Superintendents, school administrators, and supervisors.
3. DEFINITIONS. See Glossary.
4. GUIDANCE. This Procedural Guide outlines DoDEA's standard process for responding to requests for supporting documentation during audit activities. The goal of this process is to ensure that supporting documentation requested by auditors during a DoDEA financial statement audit is located, compiled, and submitted in a timely manner. Supporting document management will be managed in accordance with the Government Accountability Office Financial Audit Manual, Volume 1 (Reference (a)), the DoD Financial Improvement and Audit Readiness Guidance (Reference (b)), the American Institute of Certified Public Accountants, Statement on Auditing Standards No. 122 (Reference (c)), DoD Instruction 5010.40 (Reference (d)), the Office of Management and Budget Circular No. A-123 (Reference (e)), the DoD 7000.14-R (Reference (f)), and the Chief Financial Officer Act of 1990 (Public Law 101-576) (Reference (g)) found in Enclosure 1.

5. ROLES AND RESPONSIBILITIES. See Enclosure 2.
6. PHASES OF AN AUDIT. Enclosure 3.
7. PROCEDURES. See Enclosure 4.
8. EFFECTIVE DATE. This Procedural Guide is effective immediately.



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and Business Operations

Enclosures

1. References
2. Roles and Responsibilities
3. Phases of an Audit
4. Procedures
5. Missing Documentation Report
6. Validation Checklist
7. Certification Sheet
8. Sample Supporting Documentation Matrix
9. Sample Prepared-by-Client (PBC) List
10. Assumptions and Constraints
11. Supporting Documentation Checklist

Glossary

ENCLOSURE 1

REFERENCES

- (a) Government Accountability Office Financial Audit Manual, Volume 1, July 2008
- (b) DoD Financial Improvement and Audit Readiness Guidance, updated November 2013<sup>1</sup>
- (c) American Institute of Certified Public Accountants, Statement on Auditing Standards No. 122, "AU-C Section 500: Audit Evidence," February 2014<sup>2</sup>
- (d) DoD Instruction 5010.40, "Managers' Internal Control Program Procedures," May 30, 2013
- (e) Office of Management and Budget Circular No. A-123, "Management's Responsibility for Internal Control," December 21, 2004
- (f) DoD 7000.14-R, "Department of Defense Financial Management Regulation," June 2011, Volume 1-15, current edition
- (g) Chief Financial Officer Act of 1990 (Public Law 101-576)

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<sup>1</sup> Information can be found on the Internet at  
[http://comptroller.defense.gov/Portals/45/documents/fiar/fiar\\_guidance.pdf](http://comptroller.defense.gov/Portals/45/documents/fiar/fiar_guidance.pdf)

<sup>2</sup> Information can be found on the Internet at  
<http://www.aicpa.org/Research/Standards/AuditAttest/Pages/clarifiedSAS.aspx>

ENCLOSURE 2

ROLES AND RESPONSIBILITIES

1. ROLES AND RESPONSIBILITIES OVERVIEW. The cornerstone of the Department of Defense Education Activity's (DoDEA) process to manage and respond to auditor requests for supporting documentation is a communication chain of command built on a network of Process Owners and their designated Gatekeepers. Each Process Owner must develop, oversee, and regularly update their respective networks of Primary and Alternate Gatekeepers.

2. DODEA HEADQUARTERS (HQ) RESOURCE MANAGEMENT DIVISION (RMD). The DoDEA HQ RMD is responsible for collecting and disseminating the auditors' request for supporting documentation to the appropriate Process Owners; coordinating the overall audit; and, serving as the auditors' primary point of contact (POC). Additional responsibilities include the following:

- a. Provide oversight and coordination during the document submission process.
- b. Serve as a resource for the auditors by providing sufficient office space, securing communications capabilities, and answering questions as needed.
- c. Act as the Process Owner for all requests pertaining to supporting documentation available at the DoDEA HQ RMD level.
- d. Work with Process Owners to ensure requested information is provided timely.
- e. Assist Process Owners in understanding requirements and in troubleshooting system or process issues.
- f. Review, sign, and date supporting document packages received from Process Owners and/or Gatekeepers prior to submission to the auditor.
- g. Centralize DoDEA's supporting documentation collection efforts by maintaining the Financial Audit Repository.

(1) The Financial Audit Repository is a Microsoft SharePoint site designed to collect audit submission materials from the Process Owners and to assist DoDEA in centralizing and maintaining supporting documentation.

(2) The site is Common Access Card (CAC)-enabled. Login requires the appropriate link and Personal Identification Number (PIN). Access to the repository and detailed instructions must be requested from DoDEA HQ RMD.

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ROLES AND RESPONSIBILITIES

3. PROCESS OWNERS. During a DoDEA financial audit, Process Owners are defined as the Chiefs of the following entities: Procurement Division, Logistics Division, Human Resources (HR) Directorate, Information Technology (IT) Division, and RMD. Additionally, the Director, Military Community and Family Policy (MC&FP)/Resource and Oversight (R&O) Office serves as a Process Owner. These designated individuals are responsible for ensuring documentation packages are complete and submitted to DoDEA HQ RMD on time. To do so, each DoDEA Process Owner must develop a Gatekeeper network that facilitates quick, concerted responses to auditor requests. Responsibilities include:

a. Designate Primary and Alternate Gatekeepers responsible for accessing and uploading submissions to the Financial Audit Repository.

b. Receive supporting documentation requests from DoDEA HQ RMD.

c. Confirm ownership of transactions and report incorrectly assigned transactions.

d. Distribute audit requests to the Gatekeeper network.

e. Coordinate the compilation and submission of requests to DoDEA HQ RMD.

f. Manage and oversee the supporting document compilation and submission process.

g. Validate and certify documentation requests prior to final submission.

h. Complete the Missing Documentation Report (Enclosure 5) if the documentation for a particular transaction cannot be located.

i. Verify and certify supporting documentation submissions before submitting to DoDEA HQ RMD. In some cases, a Process Owner at the HQ level with Area-level counterparts may direct their Area Gatekeepers to review, sign/date, and submit documentation to the HQ Process Owner before ultimately submitting the package to DoDEA HQ RMD.

(1) Verification. Follow the Validation Checklist (Enclosure 6) to ensure required documents are collected. If a document is unavailable, ensure a Missing Documentation Report is provided in the package.

(2) Certification. Ensure all required documents are in the completed package; all documents are authorized and/or signed; signed Missing Documentation Reports are included for missing documents; and, DoDEA HQ RMD is aware of any delays or difficulties.

j. Finalize the Certification Sheet (Enclosure 7) and the Validation Checklist.

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ROLES AND RESPONSIBILITIES

k. Upload the documentation package (i.e. requested documentation, Missing Documentation Reports, Validation Checklists, Certification Sheets) to the Financial Audit Repository.

4. GATEKEEPER. Gatekeepers are the Process Owners' designated representatives who own the requested supporting documentation. Their responsibilities include:

a. Confirm they own the requested transactions after receiving requests. If needed, notify their respective Process Owner if the transactions belong to another Gatekeeper or Process Owner.

b. Use the Supporting Documentation Matrix (see sample in Enclosure 8) as an example of commonly requested documents.

c. Verify and certify supporting documentation that originates at their level. The Area-level Process Owner, however, will also review, verify, and certify supporting document packages as evidenced by a dated signature before submission to DoDEA HQ RMD.

(1) Verification. Follow the Validation Checklist to ensure required documents are collected. If a document is unavailable, ensure a Missing Documentation Report is provided in the package.

(2) Certification. Ensure all required documents are in the package; all documents are authorized and/or signed; signed Missing Documentation Reports are included for missing documents; and, the Process Owner and DoDEA HQ RMD are aware of delays or difficulties.

d. Submit the documentation package (i.e. requested documentation, Missing Documentation Reports, Validation Checklists, Certification Sheets) to the appropriate Process Owner via the Financial Audit Repository.

ENCLOSURE 3

PHASES OF AN AUDIT

1. PHASES OF AN AUDIT. According to the Government Accountability Office (GAO) Financial Audit Manual (FAM) (Reference (a)), audits are conducted in four phases: planning, internal control, testing, and reporting. Throughout these phases, the auditors and DoDEA have different roles and responsibilities, particularly with regards to collecting, submitting, and evaluating supporting documentation.
  
2. PLANNING PHASE. During the planning phase, the auditor and the audit client agree on the scope of the audit and begin preliminary planning. During this phase, the auditor may also deliver the first version of the Prepared-by-Client (PBC) List (sample in Enclosure 9), which is an information request list used throughout the audit. The DoDEA HQ RMD is expected to:
  - a. Receive the initial PBC List and begin to collect and retrieve data.
  - b. Begin to respond to auditor inquiries and interviews on account balances, internal controls, and the overall financial environment.
  - c. Maintain current assertion packages to provide auditors with planning information.
  
3. INTERNAL CONTROL PHASE. The internal control phase provides the foundation for testing by allowing the auditor to explore processes, controls, data, and supporting documentation. The auditor conducts walkthroughs of end-to-end process areas; requests supporting documentation to assist with audit inquiries and data requests; and, conducts field site visits. DoDEA Process Owners assume the following responsibilities, if an auditor is on-site; otherwise, DoDEA HQ RMD is expected to:
  - a. Accommodate auditors at their sites for most of the audit.
  - b. Walk auditor(s) through the end-to-end process for each audit area.
  - c. Respond, promptly, to auditor inquiries and data requests.
  - d. Provide other information, such as supporting documentation, electronic records, and system access.
  - e. Facilitate field visits for auditors to gather audit evidence, observe controls, inspect documents, and perform systems testing.
  
4. TESTING PHASE. Based on the results of the internal control phase, the auditor designs and conducts a series of tests to gain a reasonable assurance for several management assertions. The

ENCLOSURE 3PHASES OF AN AUDIT

auditor tests for completeness; existence and occurrence; rights and obligations; valuation and allocation; and, presentation and disclosure (refer to the “Glossary, Part II: Definitions” for further information on financial statement assertions). DoDEA Process Owners assume the following responsibilities, if an auditor is on-site; otherwise, DoDEA HQ RMD is expected to:

- a. Provide access to accounting records.
- b. Provide source documents, such as obligation documents, contracts, and invoices to support transactions selected by the auditor. Often, a selected transaction may require multiple pieces of original supporting documentation.
- c. Obtain documents that may be outside of their physical control (e.g. Defense Finance Accounting Service (DFAS)).
- d. Provide access to physical assets such as inventory, vehicles, and buildings.
- e. Overall, understand and demonstrate how a transaction flows through an end-to-end process, and how transactions are ultimately reflected in financial statements.

5. REPORTING PHASE. Based on test results and gathered evidence, the auditor makes a judgment on whether the financial statements are fair, material representations of the client’s financial position, as well as their level of compliance with Generally Accepted Accounting Principles (GAAP). Known as the “audit opinion,” this judgment is presented to management in the Audit Report along with the Report on Internal Controls and Report on Compliance with Applicable Laws and Regulations. Figure 3-1 summarizes types of audit opinions.

<b>Types of Audit Opinions</b>	<b>Description of Audit Opinions</b>
<b>Unqualified Opinion</b>	Financial statements are presented fairly, in all material respects.
<b>Explanatory Paragraph / Modified Unqualified Opinion</b>	Circumstances may require the auditor to add an explanatory paragraph for greater clarity (e.g. reliance on work of another audit firm). Does not detract from the unqualified opinion of the fairness of the financial statements.
<b>Qualified Opinion</b>	States the financial statements are presented fairly except for a certain effect (e.g. a line item).
<b>Adverse Opinion</b>	States the financial statements do not present fairly the financial position.
<b>Disclaimer of Opinion</b>	States that the auditor does not express an opinion on financial statements because an audit, sufficient in scope, was unable to be performed.

*Figure 3-1. Types of Audit Opinions.*

ENCLOSURE 4

PROCEDURES

1. SUPPORTING DOCUMENT MANAGEMENT OVERVIEW. According to the Financial Improvement and Audit Readiness (FIAR) Guidance (Reference (b)), supporting documentation is defined as evidential matter that auditors must obtain and test to form an opinion on the entity's financial statements. The supporting documentation that DoDEA provides ultimately serves as evidence in determining the agency's audit readiness.

a. Supporting documentation involves a variety of accounting records, initial entries, and supporting records, including: checks, records of electronic fund transfers, invoices, contracts, general and subsidiary ledgers, journal entries, adjustments to financial statements, worksheets, and spreadsheets supporting cost allocations, computations, reconciliations, and disclosures (see Reference (c)).

b. This Procedural Guide outlines a standardized process in response to a typical financial statement audit. To address expected gaps in data and irregularities in the auditing process, DoDEA has identified several assumptions and constraints (Enclosure 10).

2. PROCESS STEPS. During an audit's testing phase, the auditor collects supporting documentation to support financial credibility. Source documents help verify transactions' validity and accuracy while ensuring assets are properly accounted for.

a. Prior to requesting documentation, the auditor identifies the systems and processes that require supporting documentation. Using statistical sampling or other methods, the auditor selects a test sample.

b. The auditor forwards the sample and request for supporting documentation to DoDEA HQ RMD in the form of a PBC List.

(1) The PBC List outlines the list of documentation the auditor will use throughout the audit; serves as a resource for the audit team to determine from whom they can obtain information; and, provides a timeline and control sheet for receiving information.

(2) Typically, auditors require their audit clients to collect, review, and submit documentation to the auditors within five days of the initial request.

c. DoDEA HQ RMD reviews the PBC List for clarity, completeness, and content. If possible, DoDEA HQ RMD acts as a Process Owner and provides documentation available at the DoDEA HQ RMD-level directly to the auditors.

(1) For all supporting documentation provided at the DoDEA HQ RMD level, DoDEA HQ RMD:

ENCLOSURE 4

PROCEDURES

- (a) Completes a Validation Checklist to ensure required documentation is collected;
  - (b) Ensures all required documents are in the completed package;
  - (c) Verifies documents are authorized and/or signed; and,
  - (d) Ensures any signed Missing Documentation Reports are included.
- (2) The DoDEA HQ Chief, RMD completes and signs/dates the Certification Sheet before submitting the complete supporting documentation package to the auditors.
- d. If the requested documentation resides at the DoDEA Area RMD level or with a DoDEA division outside of RMD (e.g., Procurement, HR), DoDEA HQ RMD submits documentation requests to the appropriate Process Owner via the Financial Audit Repository.
  - e. After reviewing the request, the Process Owner provides documentation available at their level. If transactions in the request are assigned to the incorrect Process Owner, then DoDEA HQ RMD will redistribute the document requests appropriately.
- (1) The Process Owner collects the requested supporting documentation available at their level. If documents are missing, he/she completes a Missing Documentation Report.
  - (2) The Process Owner collects and submits the supporting documentation package – including any signed Missing Documentation Reports, the signed Validation Checklist, and the signed Certification Sheet – to DoDEA HQ RMD via the Financial Audit Repository.
- f. If documents are unavailable at the Process Owner's level, he/she uses the Financial Audit Repository to solicit outstanding supporting documentation from the appropriate Gatekeeper. Ultimately, the Process Owners are responsible for contacting the appropriate Gatekeepers in subordinate offices to provide required documentation.
- (1) After reviewing the request from the Process Owner, the Gatekeeper collects the requested information. If transactions are incorrectly assigned, he/she notifies the Process Owner of the error.
  - (2) If required documents are missing, the Gatekeeper completes a Missing Documentation Report.
  - (3) The Gatekeeper collects all required documentation, including any Missing Documentation Reports; completes, signs, and dates the Validation Checklist and Certification Sheet; and, submits the package to the responsible Process Owner via the Financial Audit Repository for review.

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PROCEDURES

g. The Process Owners receive all supporting documentation packages from the Gatekeeper network. The Process Owners use the Supporting Documentation Checklist (Enclosure 11) to ensure packages are complete before submission to DoDEA HQ RMD.

(1) The Process Owner reviews all required documentation. If the supporting documentation fails to meet the auditor's request, the Process Owner requests the correct documentation from the appropriate subordinate POC.

(2) If the supporting documentation satisfies the request, then the Process Owner signs and dates the Missing Documentation Reports, the Validation Checklist, and the Certification Sheet. After signing and dating the package, the Process Owner submits the supporting documentation package to DoDEA HQ RMD.

(3) Electronic copies of all documents are uploaded to the Financial Audit Repository to provide a record of the testing sample audit trail. If the repository is unavailable for any reason, the documentation may be submitted via e-mail, or fax.

h. DoDEA HQ RMD receives supporting documentation packages from the Process Owners via the Financial Audit Repository, e-mail, or fax.

(1) If DoDEA HQ RMD or the auditors have questions about the source documents or the package is found to be incomplete, DoDEA HQ RMD contacts the Process Owners to request information.

(2) DoDEA HQ RMD reviews the package for completeness. Once satisfied with the submission, DoDEA HQ RMD signs and dates any Missing Documentation Reports, the Validation Checklist, and the Certification Sheet.

(3) DoDEA HQ RMD sends a copy of the completed and signed package to the appropriate Process Owner.

i. DoDEA HQ RMD releases the supporting documentation packages to the auditor via the Financial Audit Repository, hard copy submission, or e-mail.

j. The auditors receive the supporting documentation packages and acknowledge receipt.

ENCLOSURE 5

MISSING DOCUMENTATION REPORT

Missing Documentation Report

PBC Item Request #: \_\_\_\_\_ Date: \_\_\_\_\_

Requested Document: \_\_\_\_\_

Please provide a detailed explanation for the missing documents. Include when documents may be provided and/or where they can be located. If no document exists, please describe the reason(s) for the lack of documentation.

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This document will be provided by the following date:

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**Resource Management Division POC**

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Email: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Signature: \_\_\_\_\_

**Gatekeeper POC**

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Email: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Signature: \_\_\_\_\_

**Process Owner POC**

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Email: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Signature: \_\_\_\_\_

ENCLOSURE 6

VALIDATION CHECKLIST

Validation Checklist

PBC Item Request #: \_\_\_\_\_ Date: \_\_\_\_\_

Area/Functional Name: \_\_\_\_\_

Please complete the following checklist, for all applicable areas, and submit along with a Certification Sheet and Missing Documentation Report (if required) to complete the Source Document Package.

Yes	No	Checklist Items
		1. All documents requested are included in this package. If not, is a Missing Documentation Report included?
		2. Do all documents have the authorized signatures?
		3. Does the package contain <b>authorization</b> documentation? If not, is a Missing Documentation Report included?
		4. Does the package contain <b>commitment</b> documentation? If not, is a Missing Documentation Report included?
		5. Does the package contain <b>obligation</b> documentation? If not, is a Missing Documentation Report included?

**Resource Management Division POC**

Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Email: \_\_\_\_\_  
 Phone: \_\_\_\_\_  
 Signature: \_\_\_\_\_

**Gatekeeper POC**

Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Email: \_\_\_\_\_  
 Phone: \_\_\_\_\_  
 Signature: \_\_\_\_\_

**Process Owner POC**

Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Email: \_\_\_\_\_  
 Phone: \_\_\_\_\_  
 Signature: \_\_\_\_\_

ENCLOSURE 7

CERTIFICATION SHEET

Certification Sheet

PBC Item Request #: \_\_\_\_\_ Date: \_\_\_\_\_  
Area/Functional Name: \_\_\_\_\_

**Gatekeeper POC**

I, \_\_\_\_\_, have reviewed this package. The package contains all documents requested by the auditor on the PBC List, with the exception of those listed on the Missing Documentation Report. I hereby certify that all documents have the proper signatures and, to the best of my knowledge, are the original versions.

Signature: \_\_\_\_\_ Area: \_\_\_\_\_  
Grade: \_\_\_\_\_ Phone: \_\_\_\_\_  
Title: \_\_\_\_\_ Email: \_\_\_\_\_

**Process Owner POC**

I, \_\_\_\_\_, have reviewed this package. The package contains all documents requested by the auditor on the PBC List, with the exception of those listed on the Missing Documentation Report. I hereby certify that all documents have the proper signatures and, to the best of my knowledge, are the original versions.

Signature: \_\_\_\_\_ Area: \_\_\_\_\_  
Grade: \_\_\_\_\_ Phone: \_\_\_\_\_  
Title: \_\_\_\_\_ Email: \_\_\_\_\_

**Resource Management Division POC**

I, \_\_\_\_\_, have reviewed this package. The package contains all documents requested by the auditor on the PBC List, with the exception of those listed on the Missing Documentation Report. I hereby certify that all documents have the proper signatures and, to the best of my knowledge, are the original versions.

Signature: \_\_\_\_\_ Area: \_\_\_\_\_  
Grade: \_\_\_\_\_ Phone: \_\_\_\_\_  
Title: \_\_\_\_\_ Email: \_\_\_\_\_

ENCLOSURE 8

SAMPLE SUPPORTING DOCUMENTATION MATRIX

SUPPORTING DOCUMENTATION MATRIX. The Supporting Documentation Matrix (Figure 8-1) is used at all levels to track and confirm that the correct source documents are released to the auditors. The Matrix lists the documents that can be used to support authorization, commitment, obligation, and liquidation for each Assessable Unit (AU).

- a. The list of documents is not exhaustive; other documents may be used as supporting documentation, so long as all transactions are supported.
- b. Substitute documents or substitute processes (workarounds) may be used in some Areas, based on system limitations or environmental considerations. As a result, documentation used for workarounds may not be captured in the matrix. If the workaround is documented in the local Standard Operating Procedure (SOP) and supported by valid justifications, then the documentation available may suffice. Manual processes or workarounds should be brought to the attention of DoDEA HQ RMD.

Supporting Documentation Matrix	
AU	Source Documents
<b>Civilian Pay</b>	SF 50, Notification of Personnel Actions (NPA); SF 52, Request for Personnel Actions (RPAs); signed benefits election/change form; Office of Personnel Management (OPM) 71 forms; ATAAPS timesheets; Defense Civilian Pay System (DCPS) Gross Pay File (GPF)
<b>Reimbursable Work Order – Acceptor (RWO-A)</b>	DD Form 448, Military Interdepartmental Purchase Request (MIPR); DD Form 448-2, MIPR Acceptance; DD Form 1144, Interagency Agreement (IAA); contract; Central Billing Letter (CBL); Certification Letter; DD Form 1131, Cash Collection Voucher (CCV); SF 1080, Voucher for Transfer Between Appropriations and/or Funds
<b>Reimbursable Work Order – Grantor (RWO-G)</b>	MIPR/MIPR Acceptance; contract; invoice
<b>Contract Pay</b>	Requirements request package; MIPR/MIPR Acceptance; contract; invoice
<b>Vendor Pay</b>	<i>Procurement</i>
	<i>Temporary Duty (TDY) Travel</i>
	<i>PCS Travel</i>
	<i>Government Purchase Card (GPC)</i>
<i>Non-DoD School Program (NDSP)</i>	DD Form 1610, travel authorization; DD Form 1351-2, travel voucher DD Form 1614; travel voucher PR; NC2276; U.S. Bank Access Online (AXOL) billing statement Student eligibility package; invoice; SF 1034, Certified Voucher

Figure 8-1. Sample Supporting Documentation Matrix.

ENCLOSURE 9

SAMPLE PBC LIST

Request Description	Period	DoDEA POC	Date Requested By	Date Provided	Days Open	Date Closed	Remarks
Living Quarters Allowance (LQA) – sample documentation	FY14 Q1-Q2						Standard Form (SF) 50, SF 1190, lease or purchase agreement, Department of Defense (DD) Form 1614
Time & Attendance (T&A) Internal Control sample documentation	FY14 Q1-Q2						Timesheets, leave slips, Pay Certification Memoranda, overtime requests
Permanent Change of Station (PCS) – sample documentation	FY14 Q1-Q2						DD Form 1610, Disbursing Office Vouchers (DOV), supporting documentation
Fund Administration and Standardized Document Automation (FASTDATA) – list of users and access rights	Current						System-generated list of users, access rights, definition of access rights
Defense Travel System (DTS) – sample documentation	FY14 Q1-Q2						Travel authorization, travel order, supporting documentation
List of Department of Defense Dependents Education (DoDDE)-wide T&A approving officials	Current						HQ; MC&FP; Domestic Dependent Elementary and Secondary Schools (DDESS) (Automated Time and Attendance Access and Production System, ATAAPS); DDESS; Europe; Pacific
Washington Headquarters Services Allotment Accounting System (WAAS) – list of users and access rights	Current						System-generated list of users, access rights, definition of access rights
Budget Management System (BMS) – list of users and access rights	Current						System-generated list of users, access rights, definition of access rights

ENCLOSURE 10

ASSUMPTIONS AND CONSTRAINTS

1. ASSUMPTIONS. To address expected gaps in data and irregularities in auditing processes, DoDEA makes the following assumptions as they relate to the procedures and financial information contained within this Procedural Guide:

a. Auditors will submit requests through DoDEA HQ RMD. For on-site testing activities, auditors may define specific submission methods, or in some cases, review documents onsite.

b. Specific audit activities will be determined following consultation with an Independent Public Accountant (IPA), contracted auditors, and external auditors.

c. The Gatekeeper network will be developed, maintained, and regularly updated by the DoDEA Process Owners.

d. Respondents will have access to the equipment needed to convert hard copy supporting documentation into a suitable electronic format for submission.

e. Information, data, schedules, and exhibits prepared by DoDEA management are current and accurate reflections of the DoDEA financial environment.

f. DoDEA Process Owners are responsible for obtaining supporting documentation, even when it is located at another organization or outside their functional area.

2. CONSTRAINTS. DoDEA identified the following factors outside the deliverable owners' control that could potentially limit the ability to perform work:

a. The supporting document process described in this plan is based on established DoDEA processes and will require diligent execution and tailored application at the local level; these processes will likely need to be adjusted to account for local variations so the required supporting documentation can be gathered most effectively.

b. The Supporting Documentation Matrix in Enclosure 9 presents sample supporting documentation requirements for standard DoDEA business processes. Workarounds and alternative processes performed at a specific Area may not be listed in the Supporting Documentation Matrix. Local forms used by DoDEA Areas are not listed in the Supporting Documentation Matrix, but may be required to fully document certain types of transactions.

c. Process Owners must establish, update, and maintain current Gatekeeper and POC lists at their level and for activities within their chain of command.

ENCLOSURE 11

SUPPORTING DOCUMENTATION CHECKLIST

SUPPORTING DOCUMENT CHECKLIST. The Supporting Documentation Checklist (Figure 11-1) is a tool meant to guide DoDEA Process Owners when responding to auditors' supporting documentation requests.

<b>Supporting Documentation Checklist</b>	
<input type="checkbox"/>	Do you have the original authorization for the event?
<input type="checkbox"/>	Do you have the committing document?
<input type="checkbox"/>	Do you have the contract or other obligating document?
<input type="checkbox"/>	Do you have the invoice or other disbursing document?
<input type="checkbox"/>	Do you have the receipts, vouchers, or proof of expense?
<input type="checkbox"/>	Do you have the proof of payment or liquidating document?

*Figure 11-1. Sample Supporting Documentation Checklist.*

GLOSSARYPART I. ABBREVIATIONS AND ACRONYMS

AP	Accounts Payable
ATAAPS	Automated Time and Attendance Access and Production System
AU	Assessable Unit
AXOL	Access Online
BMS	Budget Management System
CAC	Common Access Card
CBL	Central Billing Letter
CCV	Cash Collection Voucher
DCPS	Defense Civilian Pay System
DD	Department of Defense (form)
DDESS	Domestic Dependent Elementary and Secondary Schools
DFAS	Defense Finance and Accounting Service
DoDDE	Department of Defense Dependents Education
DoDDS-E	Department of Defense Dependents Schools – Europe
DoDDS-P	Department of Defense Dependents Schools – Pacific
DoDEA	Department of Defense Education Activity
DOV	Disbursing Office Voucher
DSO	District Superintendent’s Office
DTS	Defense Travel System
FAM	Financial Audit Manual
FASTDATA	Fund Administration and Standardized Document Automation
FIAR	Financial Improvement and Audit Readiness
GAAP	Generally Accepted Accounting Principles
GAO	Government Accountability Office
GPC	Government Purchase Card
GPF	Gross Pay File
HQ	Headquarters
HR	Human Resources
IAA	Interagency Agreement
IPA	Independent Public Accountant
IT	Information Technology
LQA	Living Quarters Allowance
MC&FP	Military Community and Family Policy

GLOSSARY

MIPR	Military Interdepartmental Purchase Request
NDSP	Non-DoD School Program
NPA	Notification of Personnel Action
OPM	Office of Personnel Management
PBC	Prepared-by-Client (List)
PCS	Permanent Change of Station
PIN	Personal Identification Number
POC	Point of Contact
PR	Purchase Request
R&O	Resource and Oversight Office
RMD	Resource Management Division
RPA	Request for Personnel Action
RWO-A	Reimbursable Work Order – Acceptor
RWO-G	Reimbursable Work Order – Grantor
SF	Standard Form
SOP	Standard Operating Procedure
T&A	Time and Attendance
TDY	Temporary Duty Travel
WAAS	Washington Headquarters Services Allotment Accounting System

PART II. DEFINITIONS

1. ASSERTION DOCUMENTATION. Documentation that demonstrates the reporting entity has designed and implemented control activities to limit the risk of material misstatements by: meeting the key control objectives; and, supporting account balances with sufficient and appropriate evidence defined as key supporting documents. The documentation is compiled and formally submitted when a reporting entity determines that an AU and/or financial statement are audit-ready.
2. AUDITABILITY. Management's ability to assert that its financial statements, a financial statement line item, or a process/sub-process has sufficient control activities and adequate documentation to undergo an examination or a financial statement audit by an independent auditor and obtain an opinion from the independent auditor, stating that the aforementioned items are free of material misstatement.

GLOSSARY

3. DEFICIENCY. A deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements in a timely manner.

4. FIAR. The goal of FIAR is to improve DoD's financial managements operations, focusing primarily on process improvements, controls, and systems that produce budgetary information. FIAR seeks to improve financial management, prioritize needs, and identify dependencies impeding auditability. The FIAR Plan has three goals:

- a. Provide timely, reliable, accurate, and relevant financial information to decision makers.
- b. Sustain improvements through an effective internal control program.
- c. Produce auditable financial statements.

5. FINANCIAL STATEMENT ASSERTIONS. Management representations embodied in transactions. The financial statement assertions can be either explicit or implicit, and are classified according to the following broad categories:

a. Existence and Occurrence. Recorded transactions and events occurred during the given period are properly classified and pertain to the entity. An entity's assets, liabilities, and net position exist at a given date.

b. Completeness. All transactions, events, assets, liabilities, and net position that should have been recorded are recorded in the proper period and are included in the financial statements.

c. Rights and Obligations. The entity holds or controls the rights to assets, and liabilities are the obligations of the entity at a given date.

d. Accuracy/Valuation or Allocation. Amounts and other data relating to recorded transactions and events have been recorded appropriately. Assets, liabilities, and net positions are included in the financial statements at appropriate amounts, and any resulting valuation or allocation adjustments are properly recorded. Financial and other information is disclosed fairly and at appropriate amounts.

e. Presentation and Disclosure. The information in the financial statements is appropriately presented and disclosures are clearly expressed. All disclosures that should have been included in the financial statements have been included. Disclosed events and transactions have occurred and pertain to the entity.

6. FINANCIAL STATEMENT AUDITS. Financial statement audits provide reasonable assurance through an opinion (or disclaim an opinion) about whether an entity's financial statements are presented fairly in all material respects in conformity with the GAAP, or with a comprehensive basis of accounting other than GAAP.

GLOSSARY

7. GAAP. Standards, conventions, and rules accountants follow in recording and summarizing transactions and in preparing financial statements.

8. MATERIALITY. The magnitude of an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement.

a. Material Misstatement. The risk that the financial statements are materially misstated prior to audit. This consists of two components: inherent risk and control risk.

b. Material Weakness. A deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or will not be detected and corrected on a timely basis.