

AUDIT POLICY & OVERSIGHT (APO)

APO VISION: A team of highly qualified auditors who will drive audit policy, practices, and standards with the aim of promoting world-class audit organizations that will ensure accountability and transparency within the DoD.

APO MISSION: Formulate audit policy and provide oversight to audit and internal review organizations to ensure DoD and Congress have quality products for use in DoD decision making, and oversee contracting officials' use of contract audit reports.

What Can We Do For You?

CONTACT US:

INTERNAL AUDIT &
CONTRACT AUDIT FOLLOWUP
(703) 604-8877

CONTRACT AUDIT &
SINGLE AUDIT
(703) 604-8789

AUDIT POLICY & OVERSIGHT
400 ARMY NAVY DRIVE
ROOM 1016
ARLINGTON, VA 22202

Website: www.dodig.mil
Fax: (703) 604-9808

IGDPH 7600.4

Audit Policy & Oversight

DEPARTMENT OF DEFENSE
OFFICE OF INSPECTOR GENERAL



*Best Practices for
Audit Committees*

(800) 424 9098
Abuse of authority, Mismanagement, Fraud, & Waste
hotLINE
DEFENSE
Department of Defense
Defense Hotline The Pentagon Washington, D.C. 20301-1900
hotline@dodig.mil www.dodig.mil/hotline

Audit Committees work best when the organization and the committee have...

- ✓ Commitment to the Same Goals
- ✓ A Partnership Relationship
- ✓ Senior Management
 - Participation
 - Interest
 - Support
- ✓ Communication throughout all audit phases

WHAT MAKES AN AUDIT COMMITTEE SUCCESSFUL

THE RIGHT MIX. An effective chairperson and members whether internal or external with the necessary functional area expertise, skills, and experience including financial expertise.

FOCUSED ATTENTION. Fosters public trust by providing focused attention on organizational accountability issues with a third party perspective that offers checks and balances between the organization, auditors, and stakeholders.

VALUE-ADDED SERVICES. Provides services that assist the organization in mission accomplishment through effective follow-up on actions to improve financial reporting and business operations.

BENEFITS OF AUDIT COMMITTEES

- ✓ Independent
- ✓ Objective
- ✓ Enhanced Communication
- ✓ Audit Problem Resolution Vehicle
- ✓ Confidence and Credibility Builder
- ✓ Provider of Public Accountability and Transparency
- ✓ Audit Issue Visibility
- ✓ Real Time Problem Solving
- ✓ Prevents Management Complacency
- ✓ Provides Audit Finding Credibility
- ✓ Independent Third-Party Evaluation of External Audit Results

AN AUDIT COMMITTEE CAN PROVIDE

- ✓ Oversight
- ✓ Advice
- ✓ Liaison
- ✓ Monitoring of management responsiveness
- ✓ Organization assistance with improved strategy
- ✓ Focus on audit readiness
- ✓ Suggestions for improved processes
- ✓ Emphasis on fiscal responsibility

AUDIT COMMITTEES SHOULD

- ✓ Have a charter
- ✓ Annually reassess their charter
- ✓ Annually assess their performance
- ✓ Include financial expertise
- ✓ Have right composition of expertise
- ✓ Keep current on changes in financial reporting requirements
- ✓ Serve as an intermediary

COMMITTEE CHAIRPERSON SHOULD

- ✓ Have a sound financial background
- ✓ Be strong, independent, and able to lead
- ✓ Be able to foster open communication
- ✓ Possess exceptional critical thinking skills
- ✓ Be tactful and diplomatic

A GOOD COMMITTEE MEMBER

- ✓ Understands the business
- ✓ Understands Federal financial reporting requirements
- ✓ Uses expertise to problem solve
- ✓ Focuses on mission and goals
- ✓ Has personal credibility
- ✓ Has good leadership skills
- ✓ Exercises sound independent judgment in a relevant field or discipline