



DEPARTMENT OF THE NAVY

NAVAL AIR STATION OCEANA
1750 TOMCAT BOULEVARD
VIRGINIA BEACH, VIRGINIA 23460-2191

IN REPLY REFER TO:

NASOCEANAINST 5000.1
00C

19 JAN 2000

NAS OCEANA INSTRUCTION 5000.1

Subj: COMMAND EVALUATION PROGRAM

Ref: (a) OPNAVINST 5000.52A
(b) SECNAVINST 5200.35D
(c) SECNAVINST 7510.7E
(d) SECNAVINST 5370.5A
(e) NASOCEANAINST 5300.3A

Encl: (1) Conducting and Reporting of Command Evaluation Office
(CEO) Reviews

1. Purpose. To define procedures and responsibilities for accomplishing Command Evaluation (CE) on board Naval Air Station (NAS) Oceana as required by references (a) through (c).

2. Cancellation. NASOCEANAINST 7510.7. Because of numerous revisions, paragraph markings have been omitted.

3. Background

a. The CE program was established to fulfill the requirement for commanding officers to have independent capability to assess the efficiency and integrity of their command functions.

b. The objectives of the CE program are to provide independent, selective and analytical reviews of programs and activities; provide an assessment of adequacy and quality of internal operations; and ensure corrective actions are implemented. Any command concern may be addressed, including compliance with existing directives and proper expenditure of non-appropriated funds.

4. Definition

a. CE is the conduct of periodic reviews, studies, analyses, or evaluations of command/activity operations. This function provides in-house means to detect deficiencies, improprieties and inefficiencies and is intended to provide recommendations to correct conditions that adversely impact financial management, mission accomplishments or command integrity.

NASOCEANAINST 5000.1

19 JAN 2000

b. Management Control System. CE is an integral part of the overall Department of the Navy (DoN) management control system to provide checks and balances to ensure managers carry out their missions effectively and efficiently. Reference (b) requires commands to maintain effective systems of management control.

5. Organization. The Director of CE will serve in a direct staff capacity to the Commanding Officer. While under the technical and administrative control of the Executive Officer, the Director of CE shall have direct access to the Commanding Officer to ensure that the independence and objectivity vital to the effectiveness of the function are maintained.

6. Discussion. Commanding Officers have a continuing requirement to have an in-house ability to assess the overall efficiency and integrity of all command functions, with particular focus on high-risk areas susceptible to fraud, waste and related improprieties. Command management, economy, efficiency and review are integral functions of every command. These include maintaining the capability to assure compliance with existing directives, proper expenditures and control of appropriated and non-appropriated funds, review of Inspector General and Chief of Naval Operations (CNO) command interest programs, audit liaison and audit coordination; audit follow-up; augmentation of recommendations from higher authority inspection teams, and investigations of fraud, waste and related improprieties.

7. Command Evaluations. CE reviews are conducted in a manner to minimize disruption to normal operations. Reviews should be a comprehensive assessment and evaluation supported by appropriate documentation. Upon completion, an objective and complete reporting of all pertinent facts is essential. Enclosure (1) provides guidance for general conduct and reporting of reviews.

a. Repeat Findings. CE will follow-up on each finding included in the most recently completed evaluation of the function under review. If stated corrective action was not taken or was not effective in correcting the reported condition, a repeat finding will be included in the current evaluation report.

b. Draft Findings. Findings are developed and discussed with cognizant department heads or special assistants. A primary purpose of these discussions is to verify supporting facts and

19 JAN 2000

obtain preliminary opinions on conclusions reached. This also enhances management's ability to correct problems early. To the extent possible, individual findings are given to management along with a request for written responses. The objectives of these procedures are to:

(1) Gain agreement on findings, recommendations and potential monetary savings as the review progresses.

(2) Expedite completion of the review.

(3) Ensure final reports include management comments to findings, recommendations and potential monetary benefits. Monetary benefits associated with review findings arise from actions such as collecting money erroneously paid out, identifying excess material, avoiding unnecessary expenditures and improving procedures to enable an organization to accomplish a function more efficiently. Potential monetary benefits will be discussed in review findings, but will not be included in recommendations.

c. Draft report. Upon completion of each review, a draft report will be prepared and distributed to the cognizant department(s) within 30 days, requesting comments on findings and recommendations.

d. Management Responses to Findings. Recommendation addressees are given a reasonable period of time to respond to findings, generally 15 calendar days. Extensions up to seven days may be granted; however extensions must be fully justified and are not routinely granted.

(1) Responses should provide a position on all conclusions, recommendations, and if applicable potential monetary benefits in a language as clear and simple as possible with emphasis on improvement. Management comments should address unusual circumstances that may have contributed to an operating deficiency. If management has a preferred alternative for correcting the problem, it should be clearly explained in the response statement. Concurrence with a finding and recommendation must be accompanied by a realistic and reasonable target date for accomplishing corrective actions.

(2) The Command Evaluator evaluates management responses to reports and may change or delete findings, recommendations, and/or potential monetary benefits based on such evaluations. Significant changes will be discussed with the manager prior to publishing the final evaluation report.

NASOCEANAINST 5000.1

19 JAN 2000

(3) If a manager's position specifies concurrence with the fact and recommendation in the finding, but does not agree with the suggested potential monetary benefits, the management position on the recommendation will be treated as concurrence.

(4) Nonreceipt of a management response will be considered a nonconcurrence. The Command Evaluator will bring the nonreceipt issue to the attention of the Commanding Officer for resolution.

(5) The final review report will be published with the unresolved issue.

(6) All unresolved findings will be resolved within six months by the Commanding Officer as the final adjudicating authority.

8. Follow-up Reviews

a. The Command Evaluator maintains a tracking system on the status of all findings and recommendations, including potential monetary benefits, from issuance of evaluation reports through implementation of corrective actions. It is the responsibility of management to provide the basic follow-up information to CE. The input should be provided within 30 days of the final report publication date or when one of the following actions or determinations occurs:

(1) Completion of action previously agreed to, but not yet completed.

(2) Revised target date when original target date submitted cannot be met.

(3) Modification of previously agreed to action with sufficient detail to determine if the findings can be closed or reclassified as unresolved.

(4) Reversal of previous agreements to take action.

(5) Final determination of potential monetary benefits previously undetermined.

(6) Resolution of previously unresolved findings and/or recommendations.

19 JAN 2000

b. CE will perform selected follow-up reviews to evaluate process and the actions taken by management to correct significant deficiencies involving material management control weaknesses, repeat findings or monetary benefits.

9. Responsibilities

a. CE Staff (Code OOC)

(1) The Director of CE (OOC) is responsible for program management and administration of the CE Program within NAS Oceana.

(2) In August of each fiscal year, the Director of CE will develop the following year's CE plan and submit to the Commanding Officer for approval. Programs and functions shall be reviewed to determine which have potential for review, with all NAS Oceana management officials encouraged to provide input to this effort. Categories of evaluations and reviews will be examined for risk assessment, jobs will be prioritized and the annual CE plan will be developed. The plan will be flexible to accommodate changes approved by the Commanding Officer. Upon approval, the plan will be published indicating reviews to be conducted and the approximate dates they will begin. In addition to reviews contained in the annual plan, the Command Evaluator is authorized to conduct unannounced random reviews and verifications of any area or function within command.

(3) Audit Liaison. Serve as coordinator of activities dealing with external audit agencies and inspector general offices. (General Accounting Office, Naval Audit Service, Department of Defense (DoD) Inspector General, etc.). Responsibilities include assisting external auditors, forwarding draft reports to responsible personnel, coordinating management responses and forwarding these responses to the audit agency. Notify appropriate department or special assistant in a timely manner on entrance and exit briefs.

(4) Follow-up System for External Audits. Follow-up on open recommendations contained in final audit reports. Establish a follow-up system to identify and monitor the status of action on audit findings and recommendations through completion. This system should accumulate and document information and data to support audit follow-up reporting requirements imposed by higher authority. Follow-up status must address all monetary benefits identified in the audit reports.

19 JAN 2000

(5) Fraud, Waste and Abuse (FWA) Hotline Program.

Coordinate the FWA Hotline Program and conduct investigations into allegations received, per references (d) and (e).

Deterrence or prevention of fraud, waste and inefficiency are among the prime responsibilities of management. The principal mechanism for preventing and detecting fraud and other illegal acts is an effective management control system. However, CE is also an instrument in preventing fraud, waste and related improprieties.

(6) Management Control Program (MCP). Coordinate the MCP; assist management officials in the development of administrative instructions and procedures, and in the coordination and development of required reports.

(7) Render independent reports to the Commanding Officer when corrective action has not been taken in consonance with the intent of each previously concurred in recommendation and management stated corrective action.

(8) Report circumstances immediately to the Commanding Officer and the Security Officer for appropriate action if an audit or review discloses the possibility of fraud or other illegal practice.

(9) Submit final reports, conforming to guidelines set forth in reference (a) to the Commanding Officer upon completion of each audit or review.

(10) Ensure a quality control review is performed each year to test and evaluate the Management Control reviews and vulnerability assessments completed as part of the MCP.

b. Department Heads and Special Assistants

(1) Identify areas of concern under cognizance, which warrants review by CE.

(2) Allow unrestricted access to information, records and personnel consistent with the purpose of the review, audit or inspection. A disagreement as to the need to access information will be reported through appropriate CE and command channels to the management level necessary to resolve the issue.

19 JAN 2001

(3) Implement CE review recommendations under cognizance which have received concurrence or which are directive in nature based on compliance requirements from higher authority.

(4) Provide functional experts to periodically augment the Command Evaluator capabilities on an as-required basis.

(5) Take appropriate corrective action on reported deficiencies in a timely manner.

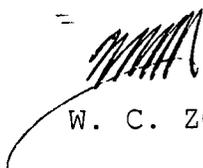
(6) Submit suggestions or requests for areas of operations to be reviewed. These suggestions or requests shall be submitted in writing to Code OOC.

(7) Ensure compliance with requirements from higher authority that are directive in nature.

(8) Notify CE if contacted by external audit groups for coordination.

(9) To preclude duplication of effort, the Director of CE shall be notified of any inspection, review, study, analysis or other examination conducted by any external organization. Copies of all such reports shall be forwarded to the Director of CE. Reports will be utilized to determine the extent or necessity of evaluations and reviews planned in essentially the same area.

10. Reviewing Authority. The Command Evaluator is responsible for annual review of this instruction.


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Distribution:
NASOCEANAINST 5216.1U
List I (Case A)



CONDUCTING AND REPORTING OF COMMAND EVALUATION (CE) OFFICE
REVIEWS

1. The following provides guidance for the general conduct and reporting of CE reviews.

a. Under normal conditions, the Director of CE will send an announcement letter to the manager of the affected activity. An initial meeting with operating officials will be held prior to beginning the review to explain the purpose, scope and estimated duration. Responsible operating personnel will be kept fully informed as the review progresses and normally given the opportunity to comment on findings as they are developed.

b. The scope of the review normally includes a determination for compliance with established policies and procedures, the reliability of records and reports, the validity of supporting documentation as these matters affect known or suspected problems, and a determination of the effectiveness of the operations reviewed.

c. Detailed examination and analysis of transactions, records, systems and procedures will normally encompass a small portion of the total transactions or records subject to review. Statistical sampling techniques will be used where possible to improve the quality of reviews and to reduce the workload impact upon operating personnel.

d. An exit conference will be held with responsible operating officials to discuss findings and inform them of the report content. Comments submitted during the review and at the exit conference will be considered in preparing the report.

e. Documentation will include preparation of working papers which clearly indicate the subject area reviewed, purpose, scope, source of data and conclusions.

f. Line management personnel will be given the opportunity to review facts to be presented in the report for completeness and accuracy.

g. A final report will be submitted to the Commanding Officer with copies to the appropriate operating manager.

h. CE draft reports will be sent to the appropriate management personnel with a copy to the Executive Officer.

i. All CE correspondence/reports will be signed by the Director.

