

GENERAL ORDERS }  
No. 85

DEPARTMENT OF THE ARMY  
WASHINGTON 25, D. C., 31 December 1948

## ARMY AUDIT AGENCY

*Effective 10 January 1949*

**1. Mission.**—The Army Audit Agency was established for the rendition of auditing service on an Army-wide basis for the National Military Establishment, and of auditing service pertaining to civil appropriations of the Department of the Army as set forth in these general orders or as may be hereafter directed. Within the zone of interior, the Army Audit Agency is charged with technical supervision and with operational performance of all audits as set forth in these general orders. Within oversea commands, the agency is charged with technical supervision of audit activities, and with the performance of audits to such extent as herein provided or as may be directed by the Army Comptroller.

**2. Organization.**—The Army Audit Agency will operate as a functional activity of the Army Comptroller. The agency will be responsible for its own organization, administration, and operation to the Army Comptroller. The Office of the Chief of Finance will provide for such personnel, space, supplies, and common services as may be requested by the Army Audit Agency, except as provided otherwise herein.

**3. Operations within zone of interior.**—Within the zone of interior, the Army Audit Agency is responsible both for operational performance of audits and for technical supervision. It will establish regional audit offices at such locations as are necessary for the accomplishment of audit operations, and will establish branch offices and/or such other subordinate audit offices of the regional audit offices as may appear necessary from time to time. Regional offices of the Army Audit Agency will be designated class II activities under the jurisdiction of the Army Comptroller. Announcement will be made in Department of the Army circulars of changes in the establishment and audit jurisdiction of the regional offices. The agency will have authority to make adjustments in the territorial jurisdiction of the various regional offices as may appear necessary.

**4. Operations outside zone of interior.**—In areas not within the zone of interior, each commander of an oversea theater command or similar area will establish an audit agency within his command for performance of audits and the exercise of operational responsibilities in connection therewith, except as provided to the contrary in paragraph 5d. Such agencies will be identified by designation indicating the command, for example, "Audit Agency, European Command." Any such agency and its personnel will be under the command jurisdiction and responsibility of the oversea commander. The oversea audit agencies will be separate from other organizations and functions of the command as provided for the Army Audit Agency in the zone of interior. Branch and/or such other subordinate audit offices will be established as appropriate. The Army Audit Agency will exercise technical supervision (as provided in par. 6), and such technical and statistical reports as may be required will be made to the Army Audit Agency for the information of the Army Comptroller.

**5. Responsibilities of Army Audit Agency within zone of interior.**—Within the zone of interior, the Army Audit Agency will exercise supervision over and will carry on operational performance of audits of the following categories:

*a.* Audits of military property and sales accounts, including laundry and dry cleaning accounts and records of reimbursement billing offices. Organization property records covering authorized allowances of equipment will not be audited unless specifically so directed by the Department of the Army. Unit fund property records are similarly excluded.

b. Audits and examinations of civilian pay-roll records as directed.

c. Audits of industrial property accounts covering Government-furnished property.

d. Audits of current, completed, and terminated contracts and, as required, audits and accounting surveys or reviews, for any Department of the Army purpose, of contractors' accounts or claims. The audit offices herein established will perform such audits of contracts in oversea commands as may be required under the terms of contracts originating in the zone of interior.

e. Audits of accounts pertaining to all activities under appropriations for civil functions of the Department of the Army for cemeterial expenses and for the Alaska Communication System.

f. Classified accounts will be audited as directed.

6. Responsibilities of Army Audit Agency in oversea commands.—In oversea commands, the Army Audit Agency is charged with technical supervision of audit operations, such supervision extending to all of the types of audit enumerated in paragraph 5. Technical supervision will be exercised through the means of—

a. The issuance of technical audit instructions covering standard basic principles to be observed by auditors in the performance of their operational work. (Such basic audit instructions may be implemented by oversea commanders by the issuance of such local instructions as appear necessary to meet conditions existing within the various commands, provided that in such local instructions there is no deviation from established principles.)

b. Periodic visits of inspection and observation by representatives of or those designated by Headquarters, Army Audit Agency. (Reports in connection with such visits will be transmitted direct to the Chief, Army Audit Agency, for the information of the Army Comptroller, copies of such reports being in all cases furnished the commands concerned.)

7. Miscellaneous oversea activities.—In the case of oversea contracts or activities not within the jurisdiction of one of the major oversea commands, any required auditing will be the responsibility of the Army Audit Agency through utilization of traveling or resident auditors. When appropriate, the cost thereof will be reimbursed to the Army Audit Agency from personnel and travel funds available to the activity concerned.

8. Special audits.—The Army Audit Agency will provide for audit of the American National Red Cross and such other special audits as are now performed, or as may be hereafter directed.

9. Nonappropriated funds.—The Army Audit Agency is not responsible for audits of nonappropriated funds except as directed.

10. Rescission.—General Orders 88, War Department, 1947, is rescinded. In cases of conflict with previously published instructions as to audit responsibility, the provisions of these general orders will govern.

[AG 020 (28 Dec 48)]

BY ORDER OF THE SECRETARY OF THE ARMY:

OFFICIAL:

EDWARD F. WITSELL  
Major General  
The Adjutant General

OMAR N. BRADLEY

Chief of Staff, United States Army

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