

## UNIT 12. ANNUAL AUDIT

### Lesson 1. Annual Audit Preparation

#### Introduction

---

**Lesson  
Overview**

This lesson describes the process of preparing for an Annual Audit.

---

**Objective(s)**

After this lesson, students should be able to:

- Prepare for an Annual Audit
- 

**References**


- Coast Guard Food Service Manual COMDTINST M4061.5A (series); MAR 2009
-

## Lesson Structure

---

### Lesson Structure and Required Materials

This table explains this lesson's structure. If you lack materials or experience technical difficulties, contact Lesson instructor Adam Shelton at [Adam.C.Shelton@uscg.mil](mailto:Adam.C.Shelton@uscg.mil)

Lesson Title	Lesson 1. Annual Audit Preparation
Lesson Schedule	<u>Mode: Online Self-Directed</u> <ul style="list-style-type: none"> <li>• <u>Recommended Start:</u> Day 13 by 0900 PST</li> <li>• <u>Complete:</u> Day 13 by 1000 PST</li> <li>• <u>Duration Range:</u> 30 minutes – 60 minutes</li> </ul>
Paper Materials 	Paper Job Aid Booklet: <ul style="list-style-type: none"> <li>• JA, "How to Prepare for an Annual Audit"</li> </ul>
1. Develop Knowledge	This lesson begins with an interactive eLearning PowerPoint presentation. See "Knowledge Development" Section in this User Guide for instructions.
2. Complete Practice	There is no practice for this lesson
3. Complete Assessment	This lesson is assessed by a student's ability to pass a Knowledge Check at the end of the eLearning PowerPoint presentation.
End of Lesson Description	

## Knowledge Development: Annual Audit Preparation

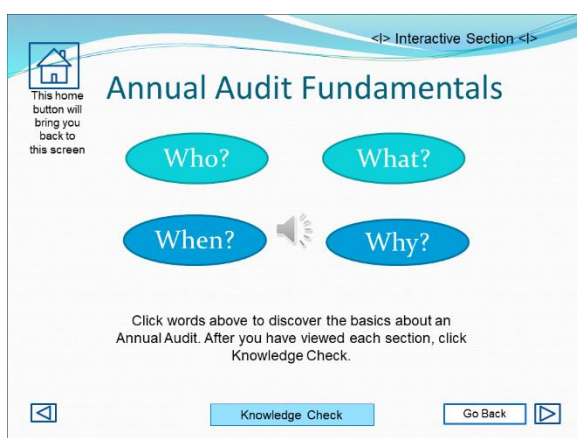
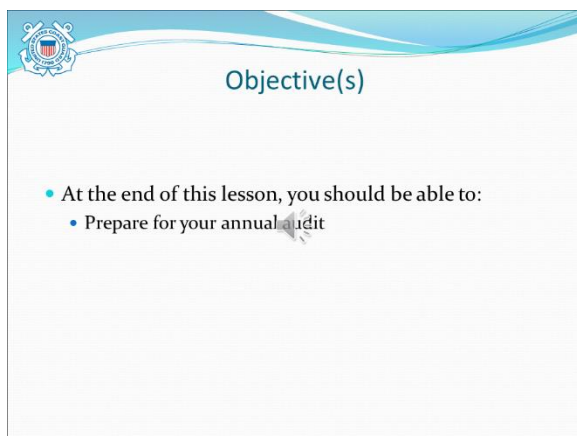
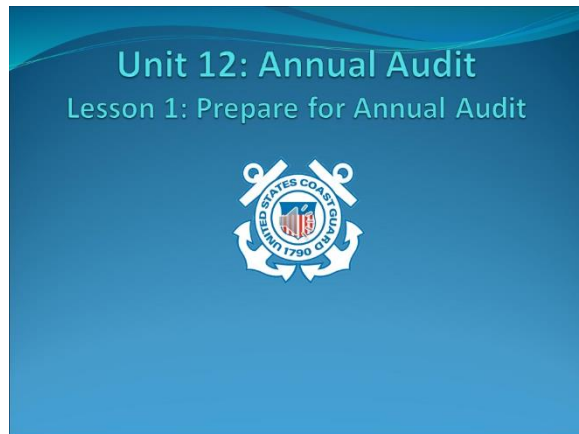
---

**Instructions:**  
**Online**  
**Presentation**

1. Access paper Job Aid, “How to Prepare for an Annual Audit” in your Job Aid Booklet.
  2. Go to milSuite.mil for practice materials (link below):  
  
<https://www.milsuite.mil/book/groups/fso-pva-course>
  3. Click “Knowledge Development” link under Unit 12, Lesson 1
  4. Listed on this screen are the materials you need to complete the presentation, including:
    - eLearning\_U12L1\_Annual Audit Preparation
  5. Optional: After viewing presentation, refer to the slides in this section as a refresher.
  6. Email instructor with any questions, if needed.
-

## Knowledge Development: Annual Audit Preparation Slides

---



## Knowledge Development: Annual Audit Preparation Slides, Continued

Page 1 of 1

### Annual Audit - Why


**Why?**

- Confirm value of CGDF's inventory
- Ensure Cash Management is correct
- Make sure Procurement Practices are properly followed

Who? What? When? Why?

Knowledge Check

Go Back



Page 1 of 1

### Annual Audit - When


**When?**

- Maximum of 12 months between annual audits
- Best practice is to do annual audit in conjunction with EOM CGDF Operating Statement
  - If you *don't* do it EOM you'll have to do a report twice in one month
  - EXAMPLE: If you do the Annual Audit on the 10<sup>th</sup>, you must complete a report for the 1<sup>st</sup>-10<sup>th</sup>. And then at the end of the month, you need to do your regular monthly report.

Who? What? When? Why?

Knowledge Check

Go Back



Page 1 of 2

### Annual Audit - Who

**Who?**


- Not you, but you should inform the Command of the need for an Annual Audit
- Command designates one or more Commissioned Officer(s) and/or Chief Petty Officer(s) or above, not in the CS chain of command to perform the audit
- They do this by preparing an Annual Auditor Designation Memorandum

Return to Question

Knowledge Check

(Continued next page)

Go Back



## Knowledge Development: Annual Audit Preparation Slides, Continued

Page 2 of 2

### Designation Memorandum


Two weeks before your Annual Audit is due:

- Request that Command prepare the Annual Audit Designation Memorandum.

Who? What? When? Why?

Knowledge Check  
Return to Question

Go Back



Page 1 of 3

### What are FSO Responsibilities?

What?



- Paperwork is up to date and accurate.
  - PVAISW, IMWPVA, cash on hand (if applicable) & transmittal letters.
- All storage spaces must be organized and accessible to auditor
- NO sale or transfer of stores during physical audit
- NO deliveries during physical audit

(Continued next page)

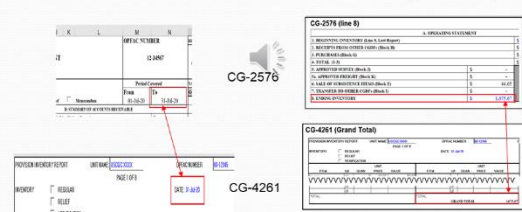
Return to Question

Go Back

Page 2 of 3

### What are FSO Responsibilities, Continued

- Dates need to match.
  - "To" date on CG-2576
  - Date of the CG-4261
- Inventory Amounts need to match
  - CG-2576 (line 8)
  - CG-4261 (Grand Total)



Return to Question

(Continued next page)

Go Back

## Knowledge Development: Annual Audit Preparation Slides, Continued

Page 3 of 3

### What are FSO Responsibilities, Continued

**What?**

- Print forms for Auditor(s)
  - Blank CG-4261
  - Blank CG-4971 (if applicable)
- Plan to let Auditor have computer access to:
  - Current CG-4261
  - Three months of SFRs
  - Current CG-2576
  - Cash Log (if applicable)

**Who?** **What?** **Where?** **Why?**

Knowledge Check

Return to Question

Go Back

### Knowledge Check – Who 1

PREPARE FOR ANNUAL AUDIT

Click on the answer you think is correct, then move to the next question.

1. Who completes the Annual Audit?

- Command designated auditor
- Somebody you choose
- Command
- Jack of the Dust

**Who?**

Look it up

Go Back

### Knowledge Check – Who 2

2. Who can be an auditor?

- Only FSAT representative
- Somebody you choose
- An officer or E7 and above outside the chain of command
- Jack of the Dust


**Who?**

Look it up

Go Back

## Knowledge Development: Annual Audit Preparation Slides, Continued

---




### Knowledge Check – When 1

3. What are the maximum number of months in between Annual Audits?

- A. 4 months
- B. 2 years
- C. 4 years
- D. 12 months

**When?**  
Look it up

[Go Back](#)




### Knowledge Check – When 2

4. When is it best to complete your Annual Audit?

- A. In conjunction with your monthly report
- B. When you're ready
- C. December 27
- D. 15 days before its due

**When?**  
Look it up

[Go Back](#)



### Knowledge Check – Why 1

5. What are the reasons you do an annual audit?


- A. Confirm the inventory in your CGDF facility
- B. Ensure cash management process is correct
- C. Ensure procurement practices are properly followed
- D. All of the above

**Why?**  
Look it up

[Go Back](#)



## Knowledge Development: Annual Audit Preparation Slides, Continued




### Knowledge Check – What 1

6. Which of the following is NOT an FSO responsibility during the Annual Audit process.

- A. Ensure storage spaces are clean and organized.
- B. Provide auditor a blank CG-4261
- C. Sign the CG-4261
- D. Give auditor access to 3 months of SFRs.

**What?**  
Look it up

[Go Back](#)




### Knowledge Check – What 2

7. What form does the auditor record the Annual Inventory on?

- A. Scrap piece of paper
- B. Blank CG-4261
- C. Blank CG-2576
- D. Blank Cash Log


**What?**  
Look it up

[Go Back](#)



### Summary and Review

- You now know basic preparations for an Annual Audit:
  - Inform the Command
  - Ensure:
    - Paperwork is up to date and accurate
    - Storage spaces are clean & easy to navigate
    - No food sales or transfer of stores during inventory
    - No deliveries during inventory
    - Print copies of documents for Auditor(s)
    - Have files available for Auditor(s)
- Questions?

 [Go Back](#) 