

**BY ORDER OF THE  
SECRETARY OF THE AIR FORCE**

**DEPARTMENT OF THE AIR FORCE  
POLICY DIRECTIVE 65-3**



**23 MAY 2023**

***Financial Management***

***AUDIT SERVICES***

**COMPLIANCE WITH THIS PUBLICATION IS MANDATORY**

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This directive implements Department of Defense Directive (DoDD) 5105.36, *Defense Contract Audit Agency*; DoD Instruction (DoDI) 7050.03, *Office of the Inspector General of the Department of Defense Access to Records and Information*; DoDI 7600.02, *Audit Policies*; DoDI 7600.06, *Audit of Nonappropriated Fund Instrumentalities and Related Activities*; DoDI 7600.10, *Follow-up and Oversight on Single Audits*; DoDI 7650.01, *Government Accountability Office (GAO) and Comptroller General Requests for Access to Records*; DoDI 7650.02, *Engaging with the Government Accountability Office (GAO) on GAO Audits*; and DoDI 7650.03, *Follow-up on Inspector General of the Department of Defense (IG DoD) and Internal Audit Reports*; and is consistent with Office of Management and Budget (OMB) Circular A-50, *Audit Follow-up* and Headquarters Air Force Mission Directive 1-8, *Auditor General*. This directive establishes policies regarding the use of audits to improve programs; make financial reporting more accurate; and ensure public resources are used legally, efficiently, and effectively throughout the Department of the Air Force (DAF). This directive applies to all civilian employees and uniformed members of the Regular Air Force, the Air Force Reserve, the Air Force Reserve, the Air National Guard, the United States Space Force, and those with a contractual obligation to abide by the terms of DAF issuances.

Ensure all records generated as a result of processes prescribed in this publication adhere to Air Force Instruction 33-322, *Records Management and Information Governance Program*, and are disposed in accordance with the Air Force Records Disposition Schedule, which is located in the

Air Force Records Information Management System. Refer recommended changes and questions about this publication to the office of primary responsibility using DAF Form 847, *Recommendation for Change of Publication*; route DAF Forms 847 from the field through the appropriate functional chain of command. This DAFPD may not be supplemented.

### ***SUMMARY OF CHANGES***

This publication has been revised to account for the establishment of the United States Space Force within the Department of the Air Force (DAF) and updates references to Department of Defense (DoD) and DAF policies.

#### **1. Policy.** It is DAF policy that:

- 1.1. The Air Force Audit Agency, under the guidance and direction of the Auditor General, is the sole provider of internal audit services to the DAF. Audit services evaluate effectiveness, efficiency, and compliance of DAF programs with applicable laws, policies, and procedures.
- 1.2. As stewards of American taxpayer dollars, the DAF strives to reduce costs and improve operational effectiveness. Audit recommendations help correct deficiencies and prevent their recurrence.
- 1.3. All DAF organizations, functions, activities, operations, and their assigned personnel, including nonappropriated fund instrumentalities and programs supporting overseas contingency operations, are subject to audit. DAF personnel should be used for audits involving potential fraud or other improprieties to the extent possible within legal limitations and resource availability.
- 1.4. DAF management will ensure that auditors with the necessary security and related clearances have full and unrestricted access to all personnel, records, equipment, facilities, information systems, networks, databases, or other DAF resources needed to execute audits.
- 1.5. The DAF may contract for audit services.
- 1.6. The DAF implements agreed-upon audit recommendations and corrects deficiencies within established estimated completion dates.
- 1.7. The DAF resolves disagreements with audit findings, recommendations, and estimated potential monetary benefits within prescribed timelines.

#### **2. Roles and Responsibilities.** This directive establishes the following authorities and responsibilities:

- 2.1. The Auditor General, the head of the Air Force Audit Agency, is responsible for directing all internal audit functions. The Auditor General also serves as the designated DAF Audit Liaison and Follow-up Official, and maintains liaison with the GAO, the Office of the Inspector General of the Department of Defense (OIG DOD), and other external audit organizations.
- 2.2. The Air Force Audit Agency:
  - 2.2.1. Conducts audits, attestations, external peer reviews, and other related services according to Government Auditing Standards.

2.2.2. Selects activities for audit based on internal risk assessments, management requests, and resource availability. The Air Force Audit Agency will determine the scope of the audit work and report results to senior DAF management.

2.2.3. Remains independent from audited activities. Auditors will not perform line, staff, or other collateral duties that would impair this independence.

2.3. DAF headquarters organizations, major commands, field commands, field operating agencies, direct reporting units, and their subordinate units:

2.3.1. Designate points of contact for internal and external audit services and reviews, when requested.

2.3.2. Respond to audit reports indicating agreement or disagreement with findings, recommendations, and potential monetary benefits.

2.3.3. Coordinate with internal and external audit organizations to execute services, resolve disagreements, and implement agreed-upon audit recommendations.

FRANK KENDALL  
Secretary of the Air Force

**Attachment 1****GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION*****References***

OMB Circular A-50, *Audit Follow-up*, 29 September 1982

DoDD 5105.36, *Defense Contract Audit Agency*, 1 December 2021

DoDI 7050.03, *Office of the Inspector General of the Department of Defense Access to Records and Information*, 22 March 2013

DoDI 7600.02, *Audit Policies*, 16 October 2014

DoDI 7600.06, *Audit of Nonappropriated Fund Instrumentalities and Related Activities*, 7 December 2021

DoDI 7600.10, *Follow-up and Oversight on Single Audits*, 22 March 2016

DoDI 7650.01, *Government Accountability Office (GAO) and Comptroller General Requests for Access to Records*, 27 January 2009

DoDI 7650.02, *Engaging with the Government Accountability Office (GAO) on GAO Audits*, 24 January 2020

DoDI 7650.03, *Follow-up on Inspector General of the Department of Defense (IG DoD), and Internal Audit Reports*, 18 December 2014

HAFMD 1-8, *Auditor General*, 11 January 2021

AFI 33-322, *Records Management and Information Governance Program*, 23 March 2020

***Prescribed Forms***

None

***Adopted Forms***

DAF Form 847, *Recommendation for Change of Publication*

***Abbreviations and Acronyms***

**AFI**—Air Force Instruction

**DAF**—Department of the Air Force

**DAFPD**—Department of the Air Force Policy Directive

**DoDD**—Department of Defense Directive

**DoDI**—Department of Defense Instruction

**GAO**—Government Accountability Office

**HAFMD**—Headquarters Air Force Mission Directive

**OIG DoD**—Office of the Inspector General of the Department of Defense

**OMB**—Office of Management and Budget

*Office Symbols*

**AFAA/DOV**—Air Force Audit Agency, Policy, Oversight and Systems Division

**SAF/AG**—Auditor General

*Terms*

**Audit service**—Refers to audits, attestations, nonaudit services, reviews, evaluations, analyses, investigations, or other services related to a program, operation, or subject matter.

**Attestation service**—An examination, a review, or agreed-upon procedures service provided under the American Institute of Certified Public Accountants standards to assess an assertion or declaration by a responsible party that a subject matter complies with established criteria.

**Government Auditing Standards**—Criteria issued by the Government Accountability Office to conduct audits, attestations, and nonaudit services for government entities, programs, and operations. Standards are also referred to as generally accepted government auditing standards.

**Nonaudit service**—Professional services, other than audits or attestations, to provide DAF personnel with information or data without conducting verification, analysis, or evaluation.