

Statutory Authority of the US Army Audit Agency

In August 1916, Public Law Number 242 set forth that the Secretary of War should prescribe regulations for the accounting of Army supplies and property. Prior to 1916, the Chief of each supply corps or service under the War Department (quartermaster, ordnance, signal, chemical, engineer, surgeon general and transportation) had been responsible for publishing instructions governing accounting and auditing of supplies and property pertinent to their respective branch.

In June 1920 Public Law 242 was amended to provide for a Chief of Finance who was given the responsibility for; appropriation and fund accounting, military property audit control, and for auditing accounts of the American Red Cross. The War Powers Act of 1942, Title XIII, gave the Government the right to inspect the plant and audit the books of defense contractors.

On 12 November 1946, War Department General Order Number 135 established the Army Audit Agency as a division with the Office, Chief of Finance. This General Order provided that The Chief of Finance was responsible for performing auditing services on an Army-wide basis within the zone of the interior, including the civil appropriations of the War Department.

On 20 August 1947, War Department General Order Number 83 stipulated that the Army Audit Agency was responsible for both the operational performance and technical supervision of audits within the zone of the interior. General Order No. 83 further stated that the Army Audit Agency was charged with the technical supervision of audit operations in oversea commands.

On 30 June 1952, Army Regulation 36-5 set forth the Internal Audit Program in the Army Establishment. In November 1952, Army Audit became a Department of the Army Administrative Agency.

On 9 August 1974, Department of the Army General Order 26, transferred the Army Audit Agency from the responsibility of the Comptroller of the Army to a field operating agency under the jurisdiction of The Inspector General and Auditor General. In June 1977, a Chief of Staff Memorandum directed that effective 1 July 1977, the Army Audit Agency be reassigned to a field operating agency under the jurisdiction of the Office of the Chief of Staff, Army. Further, this memorandum directed that a new civilian position of Auditor General be created.

On 3 February 1987, Secretary of the Army Memorandum Number 27 established the Army Audit Agency under the sole jurisdiction of the Secretary of the Army in accordance with the implementation of Title V of the Defense Reorganization Act of 1986. This action elevated the Auditor General to the Office of the secretary of the Army and was effected on 30 March 1987.