



DEPARTMENT OF THE ARMY
U.S. ARMY AUDIT AGENCY
Office of the Deputy Auditor General
Installation Management Directorate
3101 Park Center Drive
Alexandria, VA 22302-1596

DCN 9398

SAAG-IMT (36-2c)

23 October 2003

MEMORANDUM FOR Director, The Army Basing Study Group

SUBJECT: Evidentiary Matter—Interim Report #9 (Project Code: A-2003-IMT-0440.000)

1. You asked us to define audit evidence. Specifically, you asked us to provide you with the categories, standards, and some examples of audit evidence. You asked us to do this so that installations could better assist USAAA in their validation of Base Realignment and Closure 2005 data.

2. Governmental auditing standards describe four categories of audit evidence. Their definitions are:

a. Physical Evidence – Obtained by direct inspection or observation of activities of people, property, or events. It may be in the form of memorandums, schedules, actual samples, photographs, charts, maps, and graphs.

b. Testimonial Evidence – Obtained from others through written or oral statements made in response to inquiries or through interviews. Standing alone, testimonial evidence has limited value because of potential bias of the source. Testimonial evidence becomes more meaningful and useful when corroborated by other evidence.

c. Documentary Evidence – Consists of created information such as letters, contracts, accounting records, invoices, and similar material. Such documents can be external, which are documents originating outside the organization under review, or internal, which are document originating within the organization. An external document obtained from its source is more reliable than the same type of document received from the audited organization.

d. Analytical Evidence – Gathered by obtaining, examining, and making judgments about other forms of evidence. Analytical evidence includes computations, comparisons, reasoning, and separation of information into components.

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3. There are three different standards for audit evidence:

a. Sufficiency – The evidence must be factual, adequate, and convincing to lead a reasonable person to the same conclusion.

b. Competence – Evidence must be valid, reliable and consistent with the fact(s). It should be accurate, authoritative, timely, and authentic.

c. Relevance - The most current data available should be used which has a logical relationship to the issue being addressed.

4. During data validation, USAAA will visit selected installations to determine if the answers provided to The Army Basing Study Office by the installations as a result of data calls are supported by sufficient and appropriate evidence. Specifically, USAAA will look for physical, documentary, and analytical evidence that is sufficient, competent, and relevant to support the answers provided by the installations. Examples of adequate supporting audit evidence with regards to existence of a facility could include visual observations, pictures with information such as dates, locations, etc. printed on them, blueprints, maintenance records, tax records, and county/government records. Examples of less compelling audit evidence include testimony (not corroborated by other evidence), Internet sources, and pictures/documents without information such as dates, locations, etc. printed on them.

5. If you have any additional questions or need more information, please contact Mr. Lawrence Wickens at (703) 428-6524, Mr. Clarence Johnson at (410) 278-4287, or me at (703) 681-6020.

FOR THE DEPUTY AUDITOR GENERAL:

A handwritten signature in black ink, appearing to read "for Lawrence Wickens".

DAVID H. BRANHAM
Program Director
Installation Studies

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