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United States Coast Guard

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COMDTINST 5040.6
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COMMANDANT INSTRUCTION 5040.6

Subj: COAST GUARD ASSESSMENT, INSPECTION, AND AUDIT GOVERNANCE

Ref: (a) Management's Responsibility for Internal Control COMDTINST 5200.10 (series)

1. PURPOSE. To minimize the burden on units from internal U.S. Coast Guard Assessment, Inspection and Audit (AIA) activities without creating unacceptable organizational risk. This Instruction establishes a governance structure for AIA Activities that will implement a process to validate requirements, identify redundancy, evaluate risk, consolidate scheduling, and provide transparency of AIA results. The ideal result will be fewer AIA visits to units, minimal redundancy in AIA activities and no significant increase in organizational risk. Definitions of AIA-specific terms are provided as enclosure (1). A list of activities considered AIA is provided as enclosure (2). This list of activities is not exhaustive. This list can be modified by the AIA Compliance Configuration Board (CCB) or the AIA Compliance Oversight Board (COB). This list specifically excludes financial and property audits governed by Commandant (CG-8) and any external assessments, audits or inspections directed by higher authority. However, every effort will be made to consider these activities when practical.
2. ACTION. All Coast Guard unit commanders, commanding officers, officers-in-charge, deputy/assistant commandants and chiefs of headquarters staff elements shall comply with the provisions of this Instruction. Internet release is authorized.
3. DIRECTIVES AFFECTED. None.
4. DISCUSSION.
 - a. AIA activities fill an essential function in supporting and validating effective internal controls required by Reference (a), and in compliance with various government directives. Where required, AIA activities provide effective validation of compliance with laws, policies, and

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A	X	X		X	X	X	X		X	X	X	X	X	X	X	X	X	X	X	X	X	X				
B	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
C	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
D	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		X	X
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F																X	X	X								
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procedures. They may assist leaders in evaluating organizational risk. AIA activities provide a source of information for:

- (1) Assessable Organizational Elements (AOEs) in providing statements of assurance;
- (2) Programs evaluating policy effectiveness, compliance, and program performance; and
- (3) Commanders and Commanding Officers in evaluating their own compliance with laws, policies and procedures.

- b. Many AIA activities, however, are conducted independently and lack overarching configuration management, coordination and visibility. This results in the potential for disparate AIA methods, redundancy and inefficiency. In response to this apparent need, the Commander of Force Readiness Command (FORCECOM) and Director of Operational Logistics (DOL) initiated a Compliance Assessment Standardization Team (CAST) to review the spectrum of Coast Guard compliance activities and identify a consolidated enterprise framework. The CAST was comprised of compliance staffs from a variety of commands and field-level subject matter experts (SMEs). The CAST developed an AIA framework, proposed AIA governance and initiated development of AIA Tactics, Techniques, and Procedures (TTP).
 - c. This Instruction establishes the AIA COB and CCB to govern Coast Guard internal AIA activities. It establishes FORCECOM as the primary coordinator of AIA activities. FORCECOM, in coordination with operational commanders and program managers, will facilitate risk assessments of AIA activities, identify opportunities to consolidate activities (where appropriate), facilitate coordinated scheduling of AIA and identify redundant activity.
 - d. AIA TTP, currently under development, will provide business rules for AIA activities to follow when creating, reviewing, scheduling and conducting AIA.
 - e. This instruction does not prohibit or impact senior commands' responsibility and authority for management oversight activities at subordinate units as deemed appropriate for the circumstances and risks. As examples, this includes Sector Command oversight of small boat stations and patrol boats, and Headquarters units oversight of logistics and service centers.
5. DISCLAIMER. This guidance is not a substitute for applicable legal requirements, nor is it itself a rule. It is intended to provide operational guidance for Coast Guard personnel and does not impose legally-binding requirements on any party outside the Coast Guard.
6. ENVIRONMENTAL ASPECT AND IMPACT CONSIDERATIONS.
- a. The development of this directive and the general policies contained within it have been thoroughly reviewed by the originating office and are categorically excluded under current USCG categorical exclusion (CE-33) from further environmental analysis, in accordance with Section 2.B.2. and Figure 2-1 of the National Environmental Policy Act Implementing Procedures and Policy for Considering Environmental Impacts, COMDTINST M16475.1 (series).

- b. This directive will not have any of the following: significant cumulative impacts on the human environment; substantial controversy or substantial change to existing environmental conditions; or inconsistencies with any Federal, State, or local laws or administrative determinations relating to the environment. All future specific actions resulting from the general policies in this Instruction must be individually evaluated for compliance with the National Environmental Policy Act (NEPA), Council on Environmental Policy NEPA regulations at 40 CFR Parts 1500-1508, DHS and Coast Guard NEPA policy, and compliance with all other environmental mandates.
7. **DISTRIBUTION**. No paper distribution will be made of this Instruction. To view this Instruction or other unclassified directives visit the Coast Guard Directives System Intranet site at: <http://cgweb.comdt.uscg.mil/CGDirectives/Welcome.htm> and CG Portal: <https://cgportal2.uscg.mil/library/directives/SitePages/Home.aspx>, or the Internet site: <http://www.uscg.mil/directives>.
8. **RECORDS MANAGEMENT CONSIDERATIONS**. This Instruction has been evaluated for potential records management impacts. The development of this Instruction has been thoroughly reviewed during the directives clearance process, and it has been determined there are no further records scheduling requirements in accordance with Federal Records Act, 44 U.S.C. 3101 et seq., National Archives and Records Administration requirements, and the Information and Life Cycle Management Manual, COMDTINST M5212.12 (series). This policy does not make any significant or substantial change to existing records management requirements.
9. **POLICY**. The AIA Compliance Oversight Board (COB), AIA Configuration Control Board (CCB), and FORCECOM are the three governance and oversight bodies that guide AIA activities. When either board is considering an AIA activity that does not have a principal represented on the board, the respective board will ensure a representative is invited to attend the board meeting to ensure all issues and concerns are understood as well as full visibility and transparency in the process.
- a. **AIA Compliance Oversight Board (COB)**. The AIA COB shall be the senior-level AIA governing body, and shall report as necessary to DCO, DCMS and the Area Commanders through the Deputies Council. The Commander, FORCECOM shall chair the board, which consists of Flag representatives from DOL, LANT-09, PAC-09, Commandant (CG-4), Commandant (CG-7), and Commandant (CG-8c). Members may bring advisors or subject matter experts as desired. The FORCECOM Chief-of-Staff (CoS) shall serve as the secretary/recorder. With the assistance of the CCB, and as coordinated by FORCECOM, the COB shall:
- (1) Meet annually and as required;
 - (2) Ensure AIA strategies and execution are aligned with service and program strategic goals, external and internal policies;
 - (3) Review the FORCECOM and CCB inventory of AIA activities. Direct policy changes or establish AIA priorities, if required; and

(4) Adjudicate AIA configuration or coordination items the CCB is unable to resolve.

b. AIA Configuration Control Board (CCB). The AIA CCB is the O-6/E-9 level AIA governing body. FORCECOM CoS chairs the AIA CCB. The CCB consists of the DCO-EA, DCMS-EA, LANT CoS, PAC CoS, DOL-D; Representatives (O6 or E9) from Commandant (CG-7), Commandant (CG-8), DCMS Command Master Chief, the LANT and PAC Command Master Chiefs, a designated District representative (O6/E9), and a designated Sector representative (O6/E9 OIC). Members may bring advisors or subject matter experts as desired. FC-A shall serve as secretary/recorder. The CCB reports to the COB. The AIA CCB shall:

(1) Meet quarterly or as required;

(2) Research and recommend changes to AIA strategies, policies, and TTP as necessary. Resolve through CCB coordination if possible; recommend changes to COB if necessary;

(3) With FORCECOM assistance, develop an inventory of AIA activities. Provide awareness of new standards and/or increases in the burden on operational units;

(4) With FORCECOM assistance, improve AIA configuration, coordination, and reporting;

(5) With FORCECOM assistance, recommend improvements to AIA information management: and

(6) Ensure stakeholders of AIA activities who are not represented on the CCB are provided the opportunity to provide input to the process.

c. Commander, Force Readiness Command (FORCECOM). Through FC-A, FORCECOM shall provide oversight of all AIA activities and shall conduct those specific AIA activities assigned by function. To support the COB and CCB, FORCECOM shall:

(1) Chair the COB and CCB. Develop governance procedures for the COB and CCB functions;

(2) Assist with research and recommendations for AIA strategy and policy changes;

(3) Develop an inventory of all AIA activities. Recommend AIA priorities if required;

(4) Assist the CCB in validation and configuration control of AIA activities;

(5) In coordination with operational commanders, program managers, product line managers and AIA activities identify overlap in AIA content, facilitate AIA scheduling, assess risk and reduce any unnecessary burden on units. Resolve coordination issues, or make recommendations to the CCB if required;

- (6) Establish standard reporting criteria and leverage information management tools to inform operational commanders of AIA results, track trends and provide data to program managers and product lines to identify driving influences to non-compliance. AIA Activity results shall be aggregated and reported for trend/best practice analysis and procedural process improvement.
- (7) Improve AIA information management to ensure AIA results are optimally shared. Submit recommended improvements shall be submitted to the CCB for items that FORCECOM is unable to resolve;
- (8) Develop the AIA business rules and Tactics, Techniques, and Procedures to provide guidance for AIA evaluation, risk assessment, scheduling, and reporting; and
- (9) In coordination with programs and operational commanders, establish procedures for managing failures to meet AIA standards, timelines for correction and a process to request waivers. Operational commanders shall determine when operational imperatives warrant delays in compliance with the AIA standard.

d. Area Commanders and DOL Director.

- (1) Participate in all levels of AIA governance;
- (2) Ensure subordinate units correct non-compliance in accordance with established timelines;
- (3) Coordinate logistical support and resources to correct non-compliance beyond unit capabilities, or initiate budget planning to address issues for which funding is not available;
- (4) Provide input on areas requiring more or less AIA rigor; and
- (5) Document, take corrective action, and ensure appropriate action for repeated non-compliant units.

e. AIA Teams.

- (1) Identify issues which are beyond the unit's control and require resolution by higher authority;
- (2) Develop and evaluate AIA program performance metrics;
- (3) Update and maintain respective AIA program guidance and processes consistent with FORCECOM guidance; and
- (4) Coordinate with capability and program managers/product line managers to ensure valid and up-to-date checklists and to resolve capability and program guidance issues identified within the AIA process.

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10. FORMS/REPORTS. None.

11. REQUESTS FOR CHANGES. Change requests should be submitted through the chain of command to FORCECOM (FC-C).

Charles D. Michel /s/
Vice Admiral, U.S. Coast Guard
Vice Commandant

Encl: (1) AIA Definitions
(2) Examples of AIA Activities
(3) AIA Governance Cycle

AIA Definitions

AIA. Acronym that stands for internally directed Coast Guard Assessments, Inspections and Audits.

AIA Activity. The employment (exported, virtual, or unit level) of AIA approved methods (observation, test, drills, etc) to assess, inspect or audit.

AIA Team. An entity of subject matter experts approved by AIA governing bodies and a program's asset resource council, charged with the delivery of AIA activities aligned with the AIA process guide and Headquarters policy at a given periodicity to a defined audience.

Analysis. In general, analysis is systematic study prior to action. In the Human Performance Technology context, analysis identifies through scientific processes, what performance interventions will result in optimized workforce performance.

Assessable Organizational Element (AOE). Coast Guard entities that manage processes with significant risks. Current AOE's identified in Reference (b) include Commandants (CG-092), (CG-094), (CG-1), (CG-11), (CG-12), (CG-13), CGA, PSC, (CG-2), (CG-4), (CG-5P),(CG-5R), (CG-6), (CG-7), (CG-8), (CG-9), (CG-91), DCO, DCMS, DCO-I, DOL, FORCECOM, LANT-00, PAC-00.

Assessment. The use of tools by AIA Teams or units, used to determine the current state (baseline) of human performance and/or adherence to standards by a unit.

Audit. A systematic and objective based activity that measures the efficiency or effectiveness of a given process, typically carried out by an independent or impartial assessor.

Compliance. Adherence to law, policy, doctrine or tactics, techniques and procedures.

AIA Compliance Oversight Board (AIA COB). The senior-level AIA governing body. Commander, FORCECOM chairs the board, which consists of flag representatives from DOL, LANT-09, PAC-09, Commandant (CG-4), (CG-7), and (CG-8c). The FORCECOM CoS shall serve as secretary/recorder. COB reports to the DCO, DCMS and the Area Commanders through the Deputies Council.

AIA Configuration Control Board (AIA CCB). The O-6/E-9 level AIA governing body. FORCECOM CoS chairs the AIA CCB. The CCB consists of members from DCO-EA, DCMS-EA, LANT CoS, PAC CoS, Commandant (CG-7), Commandant (CG-8), DCMS Command Master Chief, a Designated District representative (O6/E9), a Designated Sector representative (O6/E9 OIC), DOL-D, and the LANT/PAC Command Master Chiefs. FC-A is the secretary/recorder. CCB reports to the COB.

Evaluation. A process used to measure value and effectiveness. An effective evaluation provides the feedback essential to improve individual performance, training and other performance interventions (e.g. policy updates, qualifications, tools, or equipment).

Feedback. Information delivered in written or oral form, by an approved AIA Team, following an AIA activity delivered to an AIA activity stakeholder.

Inspection. A formal examination, or measure of compliance against a defined standard(s), and in absence of any assistance by the AIA Team performing the activity, which is reflected in formal reporting using program criteria routed through the receiving unit's chain of command.

Internal Control. Synonymous with management controls are a series of systematic measures, such as reviews, checks and balances, reconciliations, and methods and procedures that occur throughout an entity's operations on an ongoing basis to provide management with reasonable assurance that the goals and objectives management believes are important to the entity will be met.

Process. A set of interrelated or interacting activities, which transforms inputs into outputs. These activities require allocation of resources such as people and materials.

Standardization. The minimization and removal of variations and irregularities in procedures and activities to bring them into conformity to ensure safe and consistent operations.

Subject Matter Expert (SME). A member who is a program-recognized expert or specialist in some aspect of performance, in one or more of the AIA activities.

Tactics, Techniques and Procedures (TTP). A specialized group of publications that are closely related to, but distinct from doctrine. TTP provides the specific What, When, How, Where, Who, and Why. Tactics are the employment and ordered arrangement of forces in relation to each other. Techniques are non-prescriptive ways or methods to perform missions, functions, or tasks. Procedures are standard detailed steps that prescribe how to perform specific tasks.

Training. An intervention for bringing about a change in behavior when a lack of skills or knowledge is present.

Examples of AIA Activities (not comprehensive)

AIA Team	AIA Activity	Program Sponsor	Team OPCON/ADCON
Aviation Training Center (ATC) Mobile	Airframe Standardization	COMDT (CG-711)	ATC Mobile
	HITRON Standardization (STAN)	COMDT (CG-711)	ATC Mobile
	Helo Deck Training Evaluation	COMDT (CG-711)	ACT Mobile
	Rescue Swimmer Standardization	COMDT (CG-711)	ACT Mobile
Aviation Logistics Center (ALC)	Aviation Logistics Compliance Inspection	COMDT (CG-4)	ALC
	Aviation Quarterly Inventories	COMDT (CG-4)	ALC
	International Standards and Aerospace Standards	ALC	ALC
C3CEN <ul style="list-style-type: none"> • Command, Control & Communications Engineering Center 	Intelligence Systems Technical Assessment (WMSLs)	COMDT (CG-25)	C3CEN
CG Training Center Yorktown <ul style="list-style-type: none"> • Boat STAN Teams (BFC STAN) • Command Center STAN Team (T-OPS) • Buoy Deck Training Team (BDTT) 	STAN 2.0	COMDT (CG-731)	TRACEN Yorktown
	Command Center STAN	COMDT (CG-741)	TRACEN Yorktown
	Buoy Deck Training Team (BDTT)	COMDT (CG-5PW)	National Aids to Navigation School (NATON)
<ul style="list-style-type: none"> • CG Training Center Petaluma (IDHS) 	Independent Duty Health Services Technician (IDHS) Support Team Visit	COMDT (CG-11)	HSWL SC

AIA Team	AIA Activity	Program Sponsor	Team OPCON/ADCON
Commandant			
<ul style="list-style-type: none"> • COMDT (CG-1312) 	Reserve Training Internal Controls Program	COMDT (CG-1312)	COMDT (CG-1312)
<ul style="list-style-type: none"> • COMDT (CG-5R) 	Contingency Preparedness Assessment (CPA)	COMDT (CG-CPE)	Area/District COMDT (CG-CPE)
<ul style="list-style-type: none"> • COMDT (CGCC-32) 	Command Cyber Readiness Inspection (CCRI)	COMDT (CG-65)	DISA and COMDT (CGCC-32)/COMDT (CGCC-34)
<ul style="list-style-type: none"> • CG Recruiting Center (CGRC) 	Recruiting Center STAN Visit	CG PSC	CGRC
<ul style="list-style-type: none"> • CG Safety 	Aviation Safety Standardization Visit	COMDT (CG-1131)	COMDT (CG-1131)/Flight Safety Officers
<ul style="list-style-type: none"> • CG-NAV-2 	VTS Operational Evaluation	CG-NAV-2	CG-NAV-2
Cutter Boat Interface Test and Evaluation (IT&E) Team	Cutter Boat Interface Test and Evaluation (IT&E)	COMDT (CG-7)	COMDT (CG-7)/ COMDT (CG-4)
DCMS-34	Security Manager Bi-Annual Evaluation	DCMS-34	AREA/DIST
District (drm) off cycle – STAN team	District Command Center Assist Visit (off cycle)	COMDT (CG-741)	District
Electronic Key Management System (EKMS)	Electronic Key Management System (EKMS)	COMDT (CG-6)	LANT/PAC Schedulers
Force Readiness Command <ul style="list-style-type: none"> • (FC-A) 	Financial Administration Programs Assessment (FINANCE) and Administration and Personnel Programs Assessment (ADMIN)	Various HQ Programs	FC-A
	Food Service Assistance and Training Team (FSAT) visit	COMDT (CG-1)	FC-A
	Mission Management System (MMS) Sector and MSU Audits	COMDT (CG-5P)	FC-Amms
	Ordnance Safety Inspections (OSI)	COMDT (CG-721)	FC-Aws

AIA Team	AIA Activity	Program Sponsor	Team OPCON/ADCON
<ul style="list-style-type: none"> (FC-Aftr) 	Command Assessment of Readiness for Training (CART)	COMDT (CG-751)	FC-Aftr
	Special and Emergency Operations and Procedures (SEOPS)	COMDT (CG-751)	FC-Aftr
	Tailored Ships Training Availability (TSTA)	COMDT (CG-751)	FC-Aftr
Health, Safety, & Work-life Service Center (HSWL SC)	Unit Self Assessment Tool	COMDT (CG-111)	HSWL SC
	Healthcare Process Assessment Program (HPAP)	COMDT (CG-112)	HSWL SC
	Safety Mobile Assistance and Response Team (SMART) visit	COMDT (CG-113)	HSWL SC
	Work-life Quality Assurance	COMDT (CG-111)	HSWL SC
Marine Safety	Inspector Proficiency Assessment Tool (IPAT)	COMDT (CG-7)	Field units
Maritime Law Enforcement Academy (MLEA)	Comprehensive Law Enforcement Assessment of Readiness (CLEAR)	COMDT (CG-5R)	MLEA
National Strike Team	National Strike Force Ready for Operations Program	COMDT (CG-721)	LANT-35IM
Naval Engineering Logistics Compliance Inspection (NE-LCI) Team	Naval Engineering Logistics Compliance Inspection (NE-LCI)	COMDT (CG-4)	DOL, SFLC, ALC, C4IT SC
Shore Infrastructure Logistic Center (SILC) <ul style="list-style-type: none"> Civil Engineering Units (CEUs) 	Facility Assessments	COMDT (CG-43)	Each CEU
	<ul style="list-style-type: none"> Civil Engineering 	Logistics Compliance Inspection	COMDT (CG-43)

AIA Team	AIA Activity	Program Sponsor	Team OPCON/ADCON
Surface Forces Logistics Center (SFLC) <ul style="list-style-type: none"> • Electronics and Ordnance Branch 	Electronics Technical Inspection (ETI)	COMDT (CG-6412)	SFLC/C3CEN
	Ordnance Technical Inspection (OTI)	COMDT (CG-721)	SFLC-ESD
<ul style="list-style-type: none"> • External Training Team 	Fleet Logistics System (FLS)/Mobile Asset Manager (MAM)	COMDT (CG-4)	Area/SFLC
	FLS Quarterly Inventories	COMDT (CG-4)	SFLC
	NESSS Inventory Control Effectiveness (ICE) Report	COMDT (CG-4)	SFLC
<ul style="list-style-type: none"> • Engineering Services Division Survivability & Sustainment Branch 	Environmental Vessel Compliance Evaluation Program (EVCE)	COMDT (CG-45)	SFLC
<ul style="list-style-type: none"> • SFLC Product Line 	Cutters and Boats Material Condition Assessments (MCA)	COMDT (CG-45)	SFLC
Special Missions Training Center (SMTC) Mobile Training Teams	SMTC Tactical Sustainment Training and Ready for Operations (RFO)	COMDT (CG-7)	SMTC

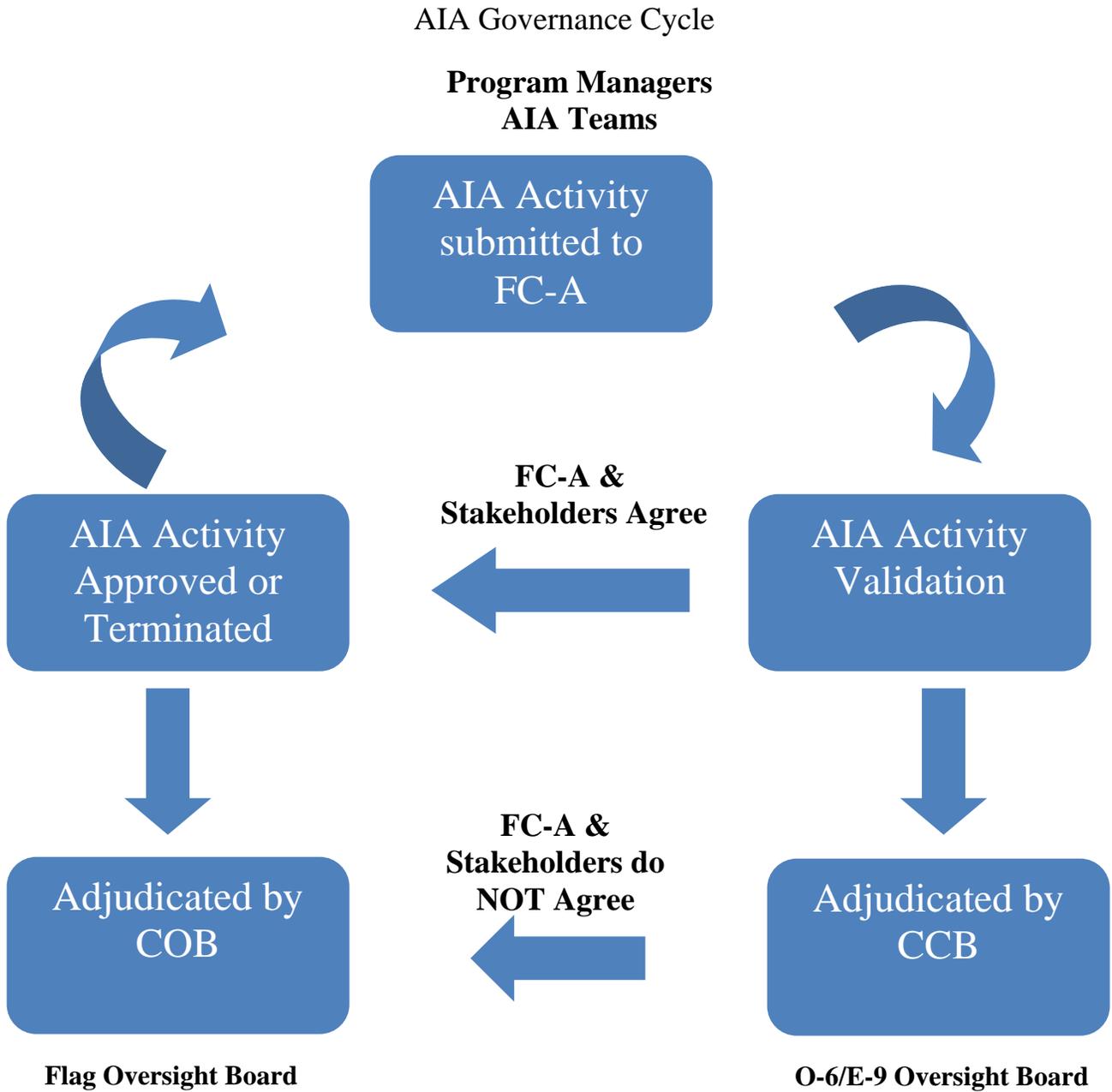


Figure A-1