



DEPARTMENT OF THE ARMY
INSTALLATION MANAGEMENT COMMAND
HEADQUARTERS, UNITED STATES ARMY GARRISON, FORT LEONARD WOOD
320 MANSCEN LOOP, SUITE 120
FORT LEONARD WOOD, MO 65473-8929

REPLY TO
ATTENTION OF

IMNW-LNW-ZA

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Policy Letter #02-2005 Management Control Guidance

1. PURPOSE. The purpose of this memorandum is to provide guidance and establish procedures to conduct the management control process (MCP) of the Installation Management Command (IMCOM) functions at the United States Maneuver Support Center (MANSCEN) and Fort Leonard Wood (FLW). It is intended to incorporate existing Public Law, Department of Defense (DoD), Headquarters Department of Army (HQDA) and Assistant Chief of Staff for Installation Management (ACSIM) policies and procedures. An effective MCP ensures sound stewardship of resources, managerial integrity and safe and effective mission accomplishment.

2. REFERENCES.

- a. Federal Managers' Financial Integrity Act of 1982, Public Law 97-255.
- b. OMB Circular A-123, Management's Responsibility for Management Control, 21 December 2004.
- c. U.S. General Accounting Office (GAO) Standards for Management Control in the Federal Government, November 1999.
- d. DoD Instruction 5010.40, 4 January 2006, Managers' Internal Control (MIC) Program Procedures.
- e. Army Regulation 11-2, Management Control, 1 August 1994.
- f. U.S. Army Audit Agency Report, A-2005-0135-FFG, 21 March 2005, subject: Review of the Army Management Control Process, Headquarters, Installation Management Agency.
- g. Installation Management Command (IMCOM) Standing Operating Procedures (SOP) For Management Control Process (MCP), January 2007

3. APPLICABILITY. This document applies to all IMCOM organizations located at the MANSCEN and FLW.

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4. POLICY AND REQUIREMENTS.

All commanders and managers have an inherent responsibility to establish and maintain effective management controls, assess areas of risk, identify and correct weaknesses in those controls and keep their superiors informed. The Federal Managers' Financial Integrity Act (FMFIA), OMB Circular A-123, GAO Standards, and DoD and Army policy directives codify this inherent responsibility.

Managers must give high priority to the effective implementation of management controls that support the accomplishment of Army goals.

Managers must understand and apply the Government's standards and policies for management control and must conduct periodic evaluations of key management controls identified by HQDA functional proponents in applicable regulations, HQ IMCOM and by local management.

Managers must be forthright in reporting material weaknesses in key management controls and effect prompt correction of weaknesses.

Commanders and managers responsible for the execution and/or oversight of effective management controls, down to the assessable unit level, must include an explicit statement of this responsibility in their performance agreements. The statement should be reflected in the "Major Performance Objectives" in part IV of the Evaluation Report Support Form for commanders and managers. The following are examples of explicit statements of responsibility:

a. Garrison Commander: Comply with paragraph 1-12 of AR 11-2, Management Control, 1 Aug 94.

b. Assessable Unit Managers (AUMs): Comply with paragraph 1-14 of AR 11-2, Management Control, 1 Aug 94.

Obtain management control training, and ensure AUMs, Functional Managers (FMs), POCs and Management Control Administrators (MCAs) receive training IAW the requirements in this SOP and AR 11-2. It is recommended that AUMs, POCs, FMs, and MCAs receive MCP training no less than once every three years.

All IMCOM employees must receive MCP training at least once; activities may include MCP information in employee orientation programs to fulfill this requirement.

No Army activity or program is exempt from the requirements of the Integrity Act, OMB Circular A-123, GAO Standards, and DoD and Army policy directives.

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5. RESPONSIBILITIES. (See Enclosure 1 for detailed responsibilities.)

a. The Garrison Commander, as head of a reporting organization, supports management control and provides leadership for carrying out the Army's management control process.

b. The Director, Resource Management (DRM) is responsible for coordination and administration of an effective management control process for FLW IMCOM organizations.

c. The Assessable Unit Managers (AUMs) are responsible for ensuring that management controls are in place and operating effectively. (See Enclosure 2 for list of AUMs.)

d. The Internal Review Office is responsible for providing technical advice, assistance, and consultation; evaluating effectiveness/adequacy of management controls; identifying material weaknesses, if found during internal or external audits; and providing an assessment of the thoroughness and validity of the annual assurance statement.

6. REPORTING REQUIREMENTS.

a. Installation to IMCOM:

(1) Annual Statement of Assurance (ASA), signed by the Garrison Commander. Status of management controls, including all known material weaknesses.

(2) Quarterly Status Report. Required if there were material weaknesses reported in the Annual Statement of Assurance.

b. Assessable Unit Managers (AUMs) to DRM:

(1) Feeder statements. AUMs will submit an annual feeder statement to support the Garrison Commander's Annual Statement of Assurance. The statement will indicate what has been done to substantiate a determination of reasonable assurance that management controls are adequate to meet the requirements of the Integrity Act, OMB Circular A-123, GAO Standards, and DoD and Army policy directives.

(2) The feeder statement along with any material weaknesses and weakness correction plans will be provided as requested annually by DRM.

(3) AUMs will provide input to develop/update management control plans (MCP) as requested annually by DRM.

(4) AUMs will provide updated status of all material weaknesses that were included in the Garrison Commander's ASA, to facilitate preparation of the quarterly status required by IMCOM.

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7. SUPERSESSSION: This management control guidance is in effect until superseded.

8. PROPONENCY: The Directorate of Resource Management is the proponent for this policy. Direct any questions to the Manpower/Management Division at 563-7833.



JOHN J. MEGNIA
COL, CM
Commanding

2 Encls

1. MC Responsibilities
2. List of AUMs

DISTRIBUTION:

DES
DOL
DMWR
DOIM
DPTMS
DPW
DRM
EEO
IRACO
MILPO
PAI
PAO
RSO
TSB

Management Control Responsibilities

1. The Garrison Commander (as head of the reporting organization) in conjunction with program guidance issued by HQ IMCOM has responsibility to:

- a) Provide the leadership and support needed to ensure management controls are in place and operating effectively.
- b) Designate the Director of Resource Management as the MCP proponent activity within the organization.
- c) Designate assessable units within the reporting organization.
- d) Ensure that required management control evaluations are conducted according to the governing management control plan (MCP).
- e) Ensure that management control responsibilities are explicitly covered in the performance agreements of commanders and managers down to the assessable unit manager level.
- f) Sign and submit the Annual Statement of Assurance which incorporates input from feeder statements, evaluations, audits, and other available data, and includes any identified material weaknesses for resolution, areas of concern for management's awareness, and plans of corrective action for the weaknesses/concerns.

2. The Director of Management (designated as MCP proponent) will:

- a) Maintain overall responsibility for ensuring the implementation of an effective management control process within the reporting organization.
- b) Designate a Management Control Administrator (MCA) to administer the management control process and to serve as a focal point for all management control matters.
- c) Ensure that required management control evaluations are conducted as directed by HQ Department of the Army (HQDA) functional proponents, HQ IMCOM and local management.
- d) Serves as the AUM for the Directorate of Resource Management, completing required evaluations and providing a feeder statement to the Garrison Command.
- e) Discusses management control matters and the disposition of weaknesses with senior Garrison Command staff. Recommends to the DCG which management

control issues and potential material weaknesses should be considered for inclusion in the GC ASA.

- f) Oversee the preparation of the Garrison Commander's ASA that accurately describes the status of management controls in the reporting organization and fully discloses any material weaknesses in management controls, along with plans for their correction.

3. Assessable Unit Managers (AUMs) will:

- a) Provide on-going leadership emphasis, and ensure that management controls are in place and operating effectively.
- b) Assign a POC to coordinate all MCP actions within the organizational unit.
- c) Ensure AUMs, FMs and POCs are trained and understand their management control responsibilities IAW with the training requirements in this SOP and AR 11-2. Track and document the number of personnel trained within the assessable unit. Maintain training documentation to include: name; assigned unit of the personnel; date training occurred, and method or venue of the training. Include this information in the Annual Statement of Assurance.
- d) Identify, and ensure managers understand the essential or key internal controls within organization's responsibilities.
- e) Determine the appropriate evaluation methods and frequency of evaluations, based on the Army regulatory requirements and on assessed risk and magnitude of problems if the controls were to fail (e.g., waste, fraud, or abuse of resources; mission failure; accidents; media scandal; damaged credibility; etc.). AUMs can increase frequency of evaluations but cannot decrease the frequency published by IMCOM except in excepted cases by Garrison Commander.
- f) Develop a management control plan (MCP) that describes how key management controls within the AU will be evaluated over a 5-year period IAW DA and IMCOM requirements. Periodically, IMCOM will add to or modify the plan to meet organizational requirements, while Garrison Commanders may add local requirements. Significant management controls are those controls that:
 - (1) Are identified as key management controls by HQDA functional proponents, HQ IMCOM or local managers.
 - (2) Pertain to the DoD high-risk areas identified by OMB.
 - (3) Pertain to any other high-risk areas identified by DoD or Army leadership.
 - (4) Pertain to areas of vulnerability that AUMs have identified.
 - (5) Directly support the accomplishment of Army goals.

- g) Ensure management control evaluations are conducted IAW the 5-year MCP, using either a management control evaluation checklist or an alternative method of evaluation.
- h) Certify the results of evaluations by signing the DA Forms 11-2-R.
- i) Maintain a copy of each completed management control evaluation and DA Form 11-2-R (Management Control Evaluation Certification Statement), to include documentation to support the evaluation. Evaluations will be retained as historical reference for a minimum of five years.
- j) Provide an Annual Feeder Statement to support the Garrison Commander's ASA. This certifies the adequacy of management controls within the organizational unit and identifies any areas of concern or material weaknesses and plans of corrective action for weaknesses/concerns. Track progress in executing the plans until the material weaknesses are corrected and provide copies of the weaknesses and plans for correction to DRM.
- k) Provide information to DRM as requested to facilitate preparation of a MC update for the Garrison Commander.

4. The Management Control Administrator will:

- a) Administer the IMCOM functions' management control process.
- b) Provide guidance, training, and technical assistance to personnel with management control responsibilities.
- c) Track and document the number of personnel trained to include in the GC's ASA.
- d) Develop or coordinate input for the five-year Management Control Plan to ensure all DA-mandatory functions and important additional IMCOM-unique functions are included in the plan. DRM will provide AUMs with an updated inventory of functions requiring MC evaluations that have been mandated by HQDA and HQ IMCOM. IMCOM organizations will synchronize their local evaluation schedules to the IMCOM plan to improve management's ability to systematically analyze IMCOM-wide controls and look for weaknesses.
- e) Ensure all management control evaluations are completed IAW the 5-Year Management Control Plan.
- f) Prepare the Garrison Commander's ASA based on input from feeder statements, results of scheduled and unscheduled evaluations, identified weaknesses, audits and other available information gathered throughout the year. The MCA will set suspense dates, prepare statements in time to meet Army and ACSIM due-

dates, and will communicate these due-dates and the annual requirements in a timely manner within all organizational levels.

- g) Assist AUMs in the identification of material weaknesses and advise them on methods of correcting them. Once a weakness is deemed "material", a plan of corrective action must be developed, complete with realistic milestones indicative of when and how the organization will correct the weakness.
- h) Develop and maintain a tracking system to monitor correction of all submitted weaknesses and areas of concern, whether retained for correction, or reported to the next level.
- i) Request status reports of weakness correction actions on at least a quarterly basis. Weaknesses must be corrected as quickly as possible, even if they were not reported to the next level within the reporting organization's chain of command.
- j) MCAs will retain forms and back-up documentation in a central repository on a shared server for a minimum of five years for audit and trend analysis.
- k) Maintain a list of AUMs, FMs and POCs.
- l) Develop and publish a schedule for completion of management control evaluations each fiscal year.
- m) Coordinate resolution of audit findings directly related to the IMCOM MCP, and provide input toward resolving audit findings indirectly related to the MCP.

5. Evaluators at all levels:

- a) Test the effectiveness of controls governing their assigned functional area, process or procedure. A subject matter expert or FM conducts an evaluation when scheduled by the IMCOM five-year Management Control Plan, or when tasked by an AUM or manager as a special or unscheduled evaluation. HQ IMCOM divisions and IMCOM region will determine the extent of oversight they will carry out over garrison-level evaluations (e.g., instructing garrisons on how to conduct the evaluation or to alert managers to watch out for a certain potential weakness; asking for copies of DA Forms 11-R for a region-wide or IMCOM-wide analysis, or deciding that no additional functional oversight is needed).
- b) Use applicable questions within DoD or Army checklists as guidelines for conducting evaluations, when they are available. ARs governing the functional areas usually, but not always, provide a checklist guideline to follow. AUMs and FMs may develop customized checklists for IMCOM evaluators to use when one is not published in the governing regulation. When checklists are not available,

evaluators use their best judgment on what to evaluate within the scope of current regulations and policy.

- c) Use existing methods and pre-existing information, when possible, and avoid duplication of effort (e.g., by using results of routine inspections previously conducted, Performance Management Reviews, Installation Status Reports, staff assistance visit trip reports, memoranda for record, emails from informal staff interviews or discussions, staff meeting minutes, Army Audit Agency review findings, information papers, PowerPoint presentations given to senior leaders on the topic, etc.).
- d) Complete a DA Form 11-2-R to summarize the outcome of each evaluation by:
 - (1) Attaching documentation to the form, such as a copy of the audit report, inspection results, Installation Status Report, email messages, PowerPoint slides, memoranda, etc. AUMs and MCAs will not consider the evaluation and DA Form 11-2-R complete without back-up documentation attached. An exception to the documentation rule exists when the evaluator used "observation of the task" as the evaluation method, upon which he/she would summarize the results on the form without attachments.
 - (2) Identifying on the DA Form 11-2-R any material weaknesses discovered during the evaluation and recommending the course of action to address it, including estimated milestones. The cost of implementing management controls should not exceed the benefit derived. For this reason, managers must exercise their judgment in determining whether additional or stronger controls are required to correct a weakness or to attain "reasonable assurance" for the function.
 - (3) Identifying on the DA Form 11-2-R any "areas of concern" that do not rise to the level of material weakness, but might warrant mention in the Annual Statement of Assurance for the awareness of the next level of command.
- e) Seek advice and guidance from the MCA to place material weaknesses into the correct format for review, approval and formal submission with the AUM's Annual Statement of Assurance.
- f) Sign the DA Form 11-2-R in block 6a, as the evaluator, and ensure the AUM signs block 8a.
- g) Provide a copy of the completed and certified DA Form 11-2-R with back-up documentation to the MCA for storage on a shared server drive for continuity. Evaluations will be retained as historical reference for a minimum of five years.

6. Internal Review. The Internal Review Office will:

- a) Provide independent MCP advice and assistance to their assigned IMCOM organizations, to include help with assessing risk, as needed.
- b) Review, provide recommended changes to, and concur/non-concur with Annual Statement of Assurance and material weakness corrective action plans.
- c) Provide the results of voluntary management review audits and inspections to MCAs, with the concurrence of the director or activity head, for potential use as management control evaluations or as potential weaknesses to address.
- d) Alert GC when an external audit identifies a management control weakness that is a candidate for submission with the ASA.
- e) Validate, upon request of the AUM or MCA, that the assigned IMCOM managers have taken sufficient corrective action to close a weakness.

List of Assessable Units & Functional Managers

Assessable Unit: Installation Support and Special Staff Offices

Assessable Unit Manager: Deputy Garrison Commander
Functional Managers:

Religious Support Office
Plans, Analysis and Integration Office
Equal Employment Opportunity Office
Internal Review
Public Affairs Office

Assessable Unit: DES

Assessable Unit Manager: Director, Emergency Services
Functional Managers: N/A

Assessable Unit: DMWR

Assessable Unit Manager: Director, Morale, Welfare, and Recreation
Functional Managers: N/A

Assessable Unit: DOIM

Assessable Unit Manager: Director, Information Management
Functional Managers: N/A

Assessable Unit: DOL

Assessable Unit Manager: Director, Logistics
Functional Managers: N/A

Assessable Unit: DPTMS

Assessable Unit Manager: Director, Plans, Training, Mobilization and Security
Functional Managers: N/A

Assessable Unit: **DPW**

Assessable Unit Manager: Director, Public Works
Functional Managers: N/A

Assessable Unit: **DRM**

Assessable Unit Manager: Director, Resource Management
Functional Managers: N/A

Assessable Unit: **Military Personnel Office**

Assessable Unit Manager: Adjutant General
Functional Managers: N/A

COORDINATION:

DES

DOL

DMWR

DOIM

DPTMS

DPW

DRM

EEO

IRACO

MILPO

PAI

PAO

RSO

TSB