DEPARTMENT OF THE ARMY
INSTALLATION MANAGEMENT COMMAND
HEADQUARTERS, UNITED STATES ARMY GARRISON, FORT LEONARD WOOD
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IMLD-ZA 1 AUG 2016

MEMORANDUM FOR All U.S. Army Garrison Personnel

SUBJECT: Garrison Policy 06, Army Managers' Internal Control Program (MICP)

1. References.

a. AR 11-2 Managers' Internal Control Program.

b. Office of Management and Budget (OMB) Circular A-123, (Management's Responsibility for Internal Control).

c. DoD Instruction 5010.40 (Manager's Internal Control Program (MICP) Procedures).

d. United States General Accounting Office (GAO) Standards for Internal Control in Federal Government, Nov 99.

e. Installation Management Command Policy Memorandum 11-2-1 – Manager's Internal Control Program (MICP).

2. Purpose. To provide guidance and establish procedures to conduct the Army Managers' Internal Control Program (MICP) within the Installation Management Command (IMCOM) functions at the United States Army Garrison Fort Leonard Wood, MO (USAG FLW). An effective MICP ensures sound stewardship of resources, managerial integrity and safe and effective mission performance.

3. Applicability. This document applies to all IMCOM organizations located at the USAG, FLW.

4. Policy.

a. All commanders and managers have an inherent responsibility to establish and maintain effective internal controls, assess areas of risk, identify and correct weaknesses in those controls and keep their superiors informed. This includes internal controls over financial reporting (ICOFR). The Federal Managers' Financial Integrity Act (FMFIA) and OMB Circular A-123, Appendix A, codify this inherent responsibility.

b. Assessable Unit Managers (AUMs) must give high priority to the effective implementation of internal controls that:

(1) Are identified as key internal controls by Headquarters, Department of the Army (HQDA) functional proponents.

(2) Pertain to the Department of Defense (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 they themselves have identified or have been identified by external entities such as United States Army Audit Agency (USAAA) or Department of Defense Inspector General (DODIG).

(5) Directly support the accomplishment of Army goals.

c. AUMs and functional managers (FMs) must understand and apply the General Accounting Office (GAO) Standards for internal control in government and must conduct periodic evaluations of key internal controls identified by HQDA functional proponents in applicable regulations, HQ IMCOM and by local management.

d. AUMs must be forthright in reporting material weaknesses in key internal controls.

e. Commanders, managers and Internal Control Administrators (ICAs) responsible for the execution and/or oversight of effective internal controls, down to the assessable unit level, must include an explicit statement of this responsibility in their performance agreements. For military officers, the statement should be reflected in the "Major Performance Objectives" in part IV of DA Form 67-9-1 (Officer Evaluation Report Support Form). For civilian managers and ICAs, the responsibility should be included under "Major Performance Objectives/Individual Performance Standards" in Part IV of DA Form 7222-1 (Senior System Civilian Evaluation Report Support Form). The following are examples of explicit statements of responsibility:

(1) AUMs and functional managers should comply with AR 11-2, paragraph 1-15.

(2) Internal control administrators (ICAs) should comply with AR 11-2, paragraph 1-17.

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

a. The Garrison Commander, as head of a reporting organization, supports and provides leadership for carrying out the Army Managers' Internal Control Program (MICP).

b. The Resource Management Office (RMO) is responsible for implementation and administration of the internal control program for FLW IMCOM organizations.

c. The Assessable Unit Managers (AUMs) are responsible for ensuring that internal controls are in place and operating effectively within their respective assessable units (AUs). (See Enclosure 2 for list of AUMs.)

6. Reporting Requirements.

a. USAG, FLW to HQ IMCOM:

(1) Annual Statement of Assurance (ASOA). Signed by the Garrison Commander provides status of internal controls, including all known material weaknesses.

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

b. AUMs to Garrison Commander:

(1) Annual Statement of Assurance Feeder Statements. AUMs will submit annual feeder statements to provide support for the Garrison Commander's ASOA. The report will indicate what has been done to substantiate a determination of reasonable assurance that internal controls are adequate to achieve the FMFIA and OMB Circular A-123 objectives.

(2) Feeder statements will be provided to RMO who will consolidate and incorporate into the Garrison Commander's ASOA to include material weaknesses and weakness correction plans.

(3) AUMs will provide input to develop/update Internal Control Evaluation Plans (ICEPs) as requested annually by RMO. RMO will provide AUMs with an updated inventory of functions requiring MICP evaluations mandated by HQDA and HQ IMCOM.

(4) AUMs will provide the status to RMO of all material weaknesses that were reported, to facilitate preparation of the quarterly status required by IMCOM.

7. This policy supersedes any previous policies and is in effect until superseded or rescinded.

8. The point of contact for this memorandum is the Manpower and Agreements Branch, Resource Management Office at (573) 563-5071.

TRACY L. LANIER
COL, LG
Commanding

2 Encls
1. MICP Responsibilities
2. List of AUMs

Managers' Internal Control Program (MICP) Responsibilities

1. <u>The Garrison Commander</u>, as Senior Responsible Official (SRO) in conjunction with program guidance issued by HQ IMCOM, has responsibility to:

a. Provide the leadership and support needed to ensure internal controls are in place and operating effectively.

b. Designate an Internal Control Administrator (ICA) to administer the MICP Program within the U.S. Army Garrison Fort Leonard Wood (USAG FLW) and to serve as a focal point for all internal control matters.

c. Ensure that required internal control evaluations are conducted according to the governing internal control evaluation plan (ICEP).

d. Designate assessable units (AUs) within the reporting organization.

e. Ensure that internal control responsibilities are explicitly covered in the performance agreements of commanders, managers and ICAs down to the Assessable Unit Manager (AUM) level.

f. Approve an Annual Statement of Assurance (ASOA) addressed to the Region Director that 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. <u>The Director of Resource Management</u> (designated by Garrison Commander) will:

a. Maintain overall responsibility for ensuring the implementation of an effective MIC Program within the reporting organization.

b. Ensure that required internal control evaluations are conducted as directed by Headquarters Department of the Army (HQDA) functional proponents, HQ IMCOM and local management.

c. Oversee the preparation and submission of the Garrison Commander's ASOA.

3. <u>Assessable Unit Managers</u> (AUMs) will:

a. Ensure all key personnel (AUMs, ICAs, managers and evaluators) complete initial training within 30 days of assumption of duties by completing the computer-based training (CBT). Refresher training should be completed annually by the ICA and every 2 years for AUMs, managers and evaluators.

b. Identify all functions and/or processes within their organization susceptible to waste, fraud, abuse or mismanagement, requiring an internal control evaluation.

c. Develop an internal control evaluation plan (ICEP) that describes how key internal controls within the AU will be evaluated over a 5-year period. Significant internal controls are those controls that:

(1) Are identified as key internal controls by HQDA functional proponents, HQ IMCOM or local managers.

(2) Pertain to the Department of Defense (DoD) high-risk areas identified by Office of Management and Budget (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.

d. Ensure that internal control evaluations are conducted:

(1) In accordance with (IAW) the 5-year ICEP as scheduled annually by RMO.

(2) IAW the guidance contained in this memorandum and AR 11-2, RAR 26 Mar 12.

e. Certify all internal control evaluations utilizing DA Form 11-2.

f. Maintain a copy of each completed internal control evaluation and DA Form 11-2 (Internal Control Evaluation Certification Statement), to include documentation to support the evaluation for a period of six years and three months (for audit readiness).

g. Approve and sign an ASOA feeder statement addressed to the Garrison Commander. The statement certifies the adequacy of internal controls within the organizational unit and identifies any areas of concern or material weaknesses and plans of corrective action for the weaknesses/concerns. ASOA records must be maintained for six years and three months if no material weakness is identified. If a material weakness is identified, records are maintained for six years and three months after the weakness has been resolved.

h. Provide information to RMO as requested to facilitate preparation of a MICP update for the Garrison Commander.

i. Appoint an ICA and provide the name and telephone number to IMLD-RMM (to include changes as they occur).

j. Identify and report to the Garrison Commander:

(1) Any material weakness(es) in internal controls.

(2) Establish and implement plans to correct the weakness(es).

(3) Track progress in executing those plans until the material weakness(es) are corrected.

(4) Provide copies of the weakness(es) and plans for correction to RMO.

4. <u>The Internal Control Administrator</u> will:

a. Administer the Garrison Command's MICP.

b. Provide guidance, training, and technical assistance to personnel with internal control responsibilities.

c. Incorporate each AU's ICEP changes into the Garrison Command's ICEP, which will be updated annually.

d. Consolidate input from internal control evaluations and prepare a MICP update for the Garrison Commander.

e. Prepare the Garrison Command's ASOA (status of IMCOM organizations' internal controls at USAG FLW).

f. Prepare a quarterly status report of material weaknesses for IMCOM, as required.

g. Maintain the inventory of AUMs and FMs.

h. Maintain an inventory of reported internal control weaknesses and prepare a quarterly status report of material weaknesses for IMCOM.

i. Develop and publish a schedule for completion of internal control evaluations each fiscal year.

5. <u>Directors and Staff Officers</u> not identified as AUMs, but designated as FMs will:

a. In coordination with AUMs, identify all functions and/or processes within their organization susceptible to fraud, waste, abuse or mismanagement, requiring an internal control evaluation.

b. In coordination with the AUMs, develop AU ICEP to schedule required internal control evaluations over a 5-year period.

c. Conduct internal control evaluations:

(1) IAW the schedule published annually by RMO.

(2) IAW the guidance contained in this memorandum and AR 11-2.

(3) Provide a copy of the evaluation, with required supporting documentation and a completed Internal Control Evaluation Certification, DA Form 11-2, to the AUM for certification.

d. Identify and report all internal control weaknesses through the AUM to RMO; establish and implement plans to correct the weaknesses; track progress in executing those plans until the material weaknesses are corrected; and provide copies of the weaknesses and corrective action plans to RMO.

6. Internal Review. The Internal Review Director and/or Chief will:

a. Provide technical advice, assistance and consultation on internal controls and evaluation methods to AUMs as necessary.

b. Evaluate the effectiveness of internal controls, the adequacy of internal control evaluations and actions taken to correct material weaknesses, during the normal course of reviews.

c. Assess internal review, external audit and inspection reports and identify any weaknesses in internal controls or systemic weaknesses that merit reporting as material weaknesses and provide a copy to RMO.

d. Review the Garrison Commander's ASOA and provide an assessment of the thoroughness and validity of the statement.

7. Inspector General. The Inspector General will:

a. During the normal course of inspections, consider internal controls in assessment of systemic issues and problems and make appropriate recommendations.

b. Report, as appropriate, any internal control weaknesses identified in inspections to the appropriate AUM and the ICA.

LIST OF ASSESSABLE UNITS/MANAGERS

Assessable Unit: **INSTALLATION SUPPORT and SPECIAL STAFF OFFICES**
Assessable Unit Manager: Deputy Garrison Commander

The following positions are Functional Managers for the above AU:
- Religious Support Officer
- Plans, Analysis and Integration Officer
- Equal Employment Opportunity Officer
- Internal Review Officer
- Public Affairs Officer
- Safety Officer

Assessable Unit: **DES**
Assessable Unit Manager: Director, Emergency Services

DFMWR (Includes ACS)
Assessable Unit Manager: Director, Family, Morale, Welfare, and Recreation

DPTMS
Assessable Unit Manager: Director, Plans, Training, Mobilization and Security

DPW
Assessable Unit Manager: Director, Public Works

DHR
Assessable Unit Manager: Director, Human Resources

RMO
Assessable Unit Manager: Director, Resource Management