



DEPARTMENT OF THE ARMY  
INSTALLATION MANAGEMENT COMMAND  
HEADQUARTERS, UNITED STATES ARMY GARRISON, FORT LEONARD WOOD  
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FORT LEONARD WOOD, MO 65473-8929

IMLD-ZA

MEMORANDUM FOR All U.S. Army Garrison Personnel

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

1. References.

a. Army Regulation (AR) 11-2, Managers' Internal Control Program, RAR 26 Mar 2012.

b. Office of Management and Budget (OMB) Circular A-123, Management's Responsibility for Enterprise Risk Management and Internal Control, 15 Jul 2016.

c. DoD Instruction 5010.40 (Manager's Internal Control Program (MICP) Procedures), 30 May 2013.

d. United States Government Accountability Office (GAO) Standards for Internal Control in Federal Government (The Green Book), 10 Sep 2014.

e. Federal Managers' Financial Integrity Act (FMFIA) of 1982 (Public Law 97-255)

f. Financial Improvement and Audit Readiness (FIAR) Guidance from the Office of the Under Secretary of Defense (Comptroller) / Chief Financial Officer, April 2017.

g. Managers' Internal Control Program and Annual Statement of Assurance Guidance, most current version.

2. Purpose. To provide guidance and establish procedures to conduct the Army's MICP within the Installation Management Command (IMCOM) functions at the United States Army Garrison Fort Leonard Wood (USAGFLW) to integrate risk management and internal control activities into an Enterprise Risk Management (ERM) framework to improve mission delivery and to aid in the identification, mitigation, and management of operational and/or financial risks that could hinder or impair the garrison's ability to accomplish its mission. ERM contributes to improved decision making and supports the achievement of an organization's mission, goals, and objectives.

3. Applicability. This document applies to all IMCOM organizations located at the USAGFLW.

4. Background.

a. The revised OMB Circular No. A-123 requires agencies to integrate a risk-based approach towards meeting strategic, operations, reporting, and compliance objectives, all of which rely on high quality data being utilized internally and externally. The Army's MICP is intended to provide the required high quality data in support of effective risk management and internal controls.

b. ERM is a comprehensive, systematic approach for helping the organization identify, measure, prioritize, and respond to risks. ERM is also a critical decision-making method when determining the organization's mission and strategy. Conducting an annual risk assessment provides benefits to the organization by identifying the significance of each risk to the achievement of the organization's overall mission and strategy. ERM is a discipline that addresses the full spectrum of an organization's risks, including challenges, opportunities, and integrates them into an enterprise-wide, strategically aligned portfolio view.

5. Policy.

a. To ensure USAGFLW effectively implements MICP within an effective ERM framework, and complies with A-123's revised requirements, USAGFLW directors and managers will adequately establish, and consistently apply the required governance needed to routinely identify, assess, manage and monitor risk across the enterprise. They will establish and maintain effective internal controls, identify and correct weaknesses in those controls and keep their superiors informed.

b. The Army's risks and mitigating controls are identified in the Risk Profile section of the Annual Statement of Assurance (ASOA). All organizations are responsible for monitoring these mitigating controls to ensure they are designed and operating effectively. To obtain reasonable assurance over the effectiveness of internal controls, organizations will perform control testing. The organizations will summarize the executed testing procedures and noted results in the Internal Control Evaluation section of the ASOA. The execution of control testing will be based on the Internal Control Evaluation Plan (ICEP).

c. The organization will test high-risk areas more frequently than medium- or low-risk areas. The high risk areas are found by reviewing the combined inherent risk score (the likelihood of the inherent risk multiplied by the impact of the inherent risk) calculated within the Risk Profile. All documentation of testing evidence must be retained and readily available. Testing results will be summarized in the ICEP.

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

(1) Pertain to high-risk areas identified by the activity through the Risk Assessment worksheet.

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

(3) Pertain to any other high-risk areas identified by OMB, 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.

e. AUMs and Functional Managers (FMs) must understand and apply the GAO Standards for internal control in Government (see enclosure 3) and must conduct periodic evaluations of key internal controls identified by HQDA functional proponents in applicable regulations, HQ IMCOM and locally through the Risk Assessment Worksheet.

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

g. Directors, 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 67-10 series (Officer Evaluation Report Support Form). For civilian managers and ICAs, the responsibility should be included under "Major Performance Objectives/Individual Performance Standards" in DoD Performance Management and Appraisal System (DPMAP). The following are examples of explicit statements of responsibility:

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

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

6. Responsibilities. (See enclosure 1 for detailed responsibilities.)

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a. The Garrison Commander (GC), 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. 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.)

## 7. Reporting Requirements.

a. USAGFLW to HQ IMCOM through IMCOM Directorate-Training (ID-T):

(1) 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 through Garrison ICA:

(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 objectives of Sections 2 and 4 of the FMFIA and OMB Circular A-123 objectives. Feeder Statement must include a statement of assurance that internal controls over operations, reporting, and compliance were operating effectively. Feeder statements will be provided to the Garrison ICA who will consolidate with the items listed below and incorporate into the Garrison Commander's ASOA.

(2) Risk Assessment Worksheet listing all of the organization's controls.

(3) Updated 5 year ICEP. AUMs will provide input to develop/update Internal Control Evaluation Plans (ICEPs) annually based on the risk assessment of controls.

(4) Test Plan, for each control (see enclosure 5 for example).

(5) Evaluations (DA Form 11-2), supporting documentation, and Internal Control Worksheet.

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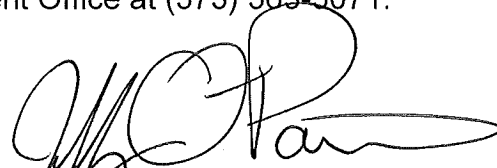
(6) Material Weaknesses, Deficiencies, and Corrective Action Plans.

(7) Accomplishments. AUMs will provide at least one significant accomplishment achieved specific to the MICP since the submission of the previous years ASOA. The accomplishment should show how your organization helped the Army improve: effectiveness and efficiency of operations; or the reliability of reporting and compliance.

(8) Training Report. (See enclosure 4).

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

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



JEFFREY O. PAINE

COL, AR

Commanding

5 Encls

1. MICP Responsibilities
2. List of AUMs
3. GAO Standards for Internal Controls
4. MICP Training Requirements and Training Report
5. MICP Test Plan Template