



## UNITED STATES MARINE CORPS

I MARINE EXPEDITIONARY FORCE  
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IN REPLY REFER TO:  
I MEFO 5200.1A  
COMPT  
16 Feb 10

### I MARINE EXPEDITIONARY FORCE ORDER 5200.1A

From: Commanding General  
To: Distribution List

Subj: INTERNAL MANAGEMENT CONTROL PROGRAM

Ref: (a) Budget and Accounting Procedures Act of 1950 (NOTAL)  
(b) Federal Financial Managers Integrity Act of 1982  
(c) Office of Management and Budget Circular A-123  
(revised Dec 04)  
(d) Office of Management and Budget Circular A-123,  
Appendix A dtd July 2005  
(e) DoD Instruction 5010.40  
(f) SECNAVINST 5200.35E  
(g) SECNAV M-5200.35  
(h) SECNAV M-5210.1  
(i) MCO 5200.24D

Encl: (1) Standards for Internal Controls in the Federal  
Government  
(2) Summary of Processes for Overall Manager's Internal  
Controls (OMIC) and Internal Controls Over Financial  
Reporting (ICOFR)  
(3) Guide for Activity Internal Control Coordinator

1. Situation. To provide revised policy, procedures and reporting guidelines for the I Marine Expeditionary Force (I MEF) Internal Management Control Program (IMCP) in adherence to the statutory and regulatory requirements set forth in references (a) through (d) and in compliance with the standards implemented by references (e) through (i).

2. Cancellation. I MEFO 5200.1.

3. Mission

a. To set forth policy and establish procedures in support of the IMCP and provide all levels of management with a basic understanding of the Internal Management Control Program.

b. To ensure that commanders, commanding officers, directors and functional area managers are aware of their responsibilities for the establishment and maintenance of a system or systems of internal controls within their command/activity. These responsibilities encompass all programs and functions within the Marine Corps and not just the comptroller functions of budgeting, recording, and accounting for revenues and expenditures. Managers at all levels and in each functional area are further charged with determining that systems are functioning as prescribed and are modified, as appropriate, to meet changing conditions to actively prevent the formation of conditions that promote fraud, waste abuse and mismanagement

#### 4. Execution

##### a. Commander's Intent and Concept of Operations.

(1) Commander's Intent. Commanders, commanding officers, directors, and functional area managers at all levels within I MEF shall:

(a) Develop, implement, maintain, review and improve internal controls for all functions, programs, and operations within their responsibility. Examples of internal controls are written procedures, records, logs, and authorizations by key personnel.

(b) Use the GAO Standards for Internal Controls summarized in enclosure (1), to integrate basic internal control strategies, plans, guidance and procedures.

(c) Ensure that individuals who are accountable for internal control systems are identified at appropriate levels of command/management. Responsible individuals shall create and maintain appropriate documentation as directed in support of the IMCP.

(d) Develop, execute, track and report on Corrective Action Plans (CAP), as required, to mitigate any identified internal control weaknesses in functions, programs, or operations under their authorities.

(e) Maintain IMCP documentation and records per the time limits established by reference (h), and using appropriate Standard Subject Identification Codes.

(2) Concept of Operations.

(a) Internal management controls are safeguards built in to the processes of the workflow to ensure that the resources are used as intended. They are a major part of managing and organization that comprises the plans, methods and procedures used to meet missions, goals and objectives. It is a leadership decision for an organizations management to ensure the program goals are met and provide the commander with the reasonable assurance the following objectives are achieved.

1. Effective, efficient, and ethical Operations.
2. Compliance with applicable laws, policies and regulations.
3. Programs and resources being protected from fraud, waste, abuse, and mismanagement.
4. Reliable/timely information is being obtained, maintained, reported and used for decision making.
5. Reliable financial information; and.
6. Maintenance of public trust.

(3) Tasks

(a) Director, Comptroller Division.

1. Formulate overall policy, guidance, and direction for the Command's IMCP.
2. Appoint the Head, Resource Evaluation and Analysis Branch, as the Command's IMCP Coordinator.

(b) Head, Resource Evaluation and Analysis Branch.

Following the guidelines in reference (g), coordinate the Command effort to implement the I MEF Internal Management Control Program and disseminate guidance within the Command that provides reasonable assurance that the objectives and standards of internal controls are met. Specific responsibilities are:

1. Serve as the central focal point to develop program policy and procedures and provide oversight of program implementation.

2. Appoint an alternate Command IMCP Coordinator.

3. Establish the I MEF IMCP and update it annually.

4. Command Internal Control Coordinators and alternates shall, upon assignment, develop a training plan suitable to his/her level of expertise for familiarization and refreshing in the areas of responsibility. Appropriate training is available through numerous sources and may include a combination of attendance and online training.

5. Ensure that military and civilian personnel responsible for Overall Manager's Internal Control (OMIC) oversight are identified and that the respective fitness report or performance appraisal system reflects internal controls responsibility, accomplishments, deficiencies, and corrective actions undertaken and completed, as required by reference (e).

6. Provide IMCP training and assist Activity Internal Control Coordinators and function managers.

7. Annually publish detailed guidance regarding the development and submission of the OMIC program Statement of Assurance (SoA) and supporting requirements for the ICOFR.

8. Develop and establish an annual plan for the purpose of testing internal controls for all functions, programs and operations, documenting the results to track shortfalls and improvements. The annual plan may consist of such things as fund manager inspections, assist visits, verifications, evaluations, risk analyses, specific control assessments, investigations and external audits.

9. Coordinate I MEF efforts to meet the annual Manager's Internal Control Program reporting requirements.

(a) Complete ICOFR process testing, as required by CMC, and complete associated reporting requirements.

(b) Review the results of all subordinate activities SOA's, including the risk assessment, internal controls assessment, and CAP's, if applicable, and prepare the Command annual OMIC SOA for submission to CMC by the due date.

10. Establish and maintain a process that identifies, reports, tracks, and corrects internal control material weaknesses and reportable conditions for the Command.

11. Establish and maintain a Command inventory of assessable units that shall be reviewed and updated annually.

12. Maintain records to support the OMIC and ICOFR reporting processes per references (h) and (i).

(c) Command Inspector General.

1. Evaluate compliance with this Order during inspections and investigations.

2. Determine major internal control accomplishments and weaknesses identified during inspections and investigations.

3. Summarize and report results through the OMIC reporting process.

(d) Activity Heads.

1. Appoint an activity ICC, primary and alternate, in writing, to coordinate your activity's IMCP requirements and serve as the focal point. The activity ICC is to be the liaison between your activity and the Command ICC for coordination of all IMCP requirements for your activity. A guide for activity ICC's is provided at enclosure (3).

2. Primary and alternate activity ICC is highly encouraged, upon assignment, to complete IMCP training, and to aid in understanding the Program's philosophy and requirements.

3. Ensure that military/civilian personnel responsible for OMIC oversight are identified and that the respective fitness report or performance appraisal systems reflect internal control responsibilities, accomplishments, deficiencies and corrective actions undertaken and completed, as required by reference (f).

4. Conduct risk assessments and internal control assessments as required.
5. Prepare your activity's annual SOA for the OMIC and provide to the Commanding General (CG), I MEF by the due date.
6. Provide documentation required for ICOFR testing to CG I MEF as requested.
7. Establish and maintain a process that identifies, reports, tracks, and corrects internal control material weaknesses and reportable conditions for your activity.
8. Establish and maintain an inventory of assessable units for your activity that shall be reviewed and updated annually.
9. Maintain records for your activity to support the OMIC SOA reporting process per references (h) and (i).

5. Administration and Logistics. This order will be reviewed on an annual basis and all revisions will be distributed.

6. Command and Signal

- a. Command. This Order is applicable to all I MEF units.
- b. Signal. This Order is effective the date signed.

  
G. M. RYAN  
Chief of Staff

DISTRIBUTION: I, II

STANDARDS FOR INTERNAL CONTROLS IN THE FEDERAL GOVERNMENT

1. Control Environment. Management and employees shall establish and maintain an environment through the organization that sets a positive and supportive attitude toward internal control and conscientious management. Several factors affect the control environment:

a. The integrity and ethical values maintained and demonstrated by management and staff. A key role is management providing guidance for proper behavior and providing discipline when appropriate.

b. Management's commitment to competence. All personnel need to possess and maintain a level of competence that allows them to accomplish their assigned duties as well as understand the importance of developing and implementing good internal controls.

c. Management's philosophy and operating styles also affect the environment. This factor determines the degree of risk the command is willing to take and management's philosophy towards performance-based management. The attitude and philosophy towards information systems, accounting, personnel functions, monitoring, audits and evaluations can have a profound effect on internal control.

d. The command organizational structure provides management's framework for planning, directing and controlling operations to achieve the command's objectives. A good internal control environment requires an organizational structure that clearly defines key areas of authority and responsibility and establishes appropriate lines of reporting.

2. Risk Assessment. A precondition to risk assessment is the establishment of clear, consistent agency goals and objectives at both the entity level and at the activity (program or mission) level. Once the objectives have been set, the organization needs to identify the risks that could impede the efficient and effective achievement of those objectives at the entity level and the activity level. Internal controls should provide for an assessment of the risks an organization faces from both internal and external sources. Once risks have been identified, they should be analyzed for their possible effect. Management then has to formulate an approach for risk management and decide upon the internal control activities required to mitigate those risks and achieve the internal control objectives

of efficient and effective operations, reliable financial reporting, and compliance with laws and regulations.

3. Control Activities. Internal control activities help ensure that management's directives are carried out. The control activity should be effective and efficient in accomplishing the command's control objectives. Control activities are the policies, procedures, techniques, and mechanisms that enforce management's directives, such as the process of adhering to requirements for budget development and execution. Some examples of control activities include top level reviews of actual performance, management of human resources, controls over information processing, physical control over vulnerable assets, segregation of duties, proper execution of transactions and events, accurate and timely recording of transactions and events, access restriction to and accountability for resources and records, and appropriate documentation of transactions and internal control.

4. Information and Communications. Information should be recorded and communicated to management and others within the organization who need it and in a form and within the time frame that enables them to carry out their internal control and other responsibilities.

For an organization to run and control its operations, it must have relevant, reliable, and timely communication relating to internal as well as external events. Accurate information is needed throughout the command to achieve all of its objectives. Program managers need both operational and financial data to determine whether they are meeting the organizations strategic and annual performance plans and meeting their goals for accountability for use of resources. Effective information occurs in a broad sense when information flows down, across, and up the organization.

5. Monitoring. Internal control monitoring should assess the quality of performance over time and ensure that the findings of audits and other reviews are properly resolved. Internal controls should generally be designed to assure that ongoing monitoring occurs in the course of normal operations. Separate evaluations of control can be useful by focusing directly on the controls effectiveness at a specific time. Commands are encouraged to use inspections, management studies, audits, evaluation and other sources to identify internal control deficiencies that require corrective actions and reporting to the next level of command. Monitoring of internal controls

includes policies and procedures for ensuring that the findings of audits and other reviews are promptly resolved.

SUMMARY OF PROCESSES FOR OVERALL MANAGER'S INTERNAL CONTROL (OMIC) AND INTERNAL CONTROLS OVER FINANCIAL REPORTING (ICOFR)

1. OMIC. Per reference (i), the OMIC is a bottom-up process driven by lower level unit/organization leaders and managers. All programs and all operational and administrative areas are to be addressed. Annually, Statements of Assurance (SOA) are prepared at command activity levels and are forwarded to the Commanding General (CG) for consolidation into one SOA for the Command. The CG submits to the Commandant of the Marine Corps (CMC) an SOA, which is a certification on the effectiveness of the Command's internal controls over all functions, programs, and operations. This SOA supports the CMC SOA for the OMIC, which is forwarded to the Secretary of the Navy. Specific requirements for individual activities, SOA, and documentation will be identified through separate correspondence.

a. The SOA is based on the risk assessments and documentation of internal control evaluations conducted during the reporting period.

b. The SOA for I MEF requires signature by the Command Senior Official. The SOA for each activity requires the signature of the activity senior official.

c. The SOA must state one of three positions:

(1) **Unqualified statement of assurance.** ("I have reasonable assurance that internal controls are in place and operating effectively, with no material weaknesses to report.")

(2) **Qualified statement of assurance.** ("I have reasonable assurance that internal controls are in place and operating effectively, except for \_\_\_\_\_.") The qualifying issue(s) must be cited in the SOA along with appropriate corrective action plan(s).

(3) **Statement of no assurance.** ("I do not have reasonable assurance that internal controls are in place and operating effectively.") The rationale for this statement must be summarized in the SOA cover letter.

d. Documentation of risk and control assessments, as well as other aspects of MIC execution, shall be in sufficient detail to justify an organization's SOA. The I MEF Command MIC Program Coordinator shall prepare a task letter annually, for distribution to I MEF activities, regarding the level of detail

necessary, to include specific SOA enclosures and recommended formats.

2. ICOFR. Per reference (i), this is a top-down process from Headquarters Marine Corp beginning with the Marine Corps official financial statements. This process focuses solely on the integrity of financial controls most important to these financial statements. The CMC SOA for ICOFR relies on testing of specific internal control test scripts throughout the Marine Corps.

a. Annually, all organizations within I MEF will provide all requested internal control documentation to support completion of test scripts as directed by CMC. These test scripts support the CMC SOA for ICOFR that is submitted to the Secretary of the Navy. Specific requirements for documentation will be identified and requested from respective activities.

b. CG I MEF coordinates the distribution, completion, collection, and submission to CMC (REA) for all test scripts involving I MEF activities.

GUIDE FOR ACTIVITY INTERNAL CONTROL COORDINATORS (AICC)

Each activity head/division director shall designate in writing a primary and an alternate Internal Control Coordinator to coordinate the Managers' Internal Control (MIC) Program for their activity. It is suggested that the Activity Internal Control Coordinator be the equivalent of the Administrative Officer, or higher. The following guide/checklist is a description of typical AICC responsibilities (within a respective activity):

1. In order to have an understanding of the MIC Program, upon assignment as an AICC (primary or alternate), obtain MIC Program training. Training may be requested from the Command MIC Program Coordinator.
2. Serve as the point-of-contact for the MIC Program.
3. Oversee the implementation of the MIC Program.
4. Staff the MIC Program annual task letter, or other Command task letters for the MIC Program, out to the appropriate Assessable Unit Managers (AUMs). Provide AUMs guidance on the date that a response is required in order to consolidate your activity's response.
5. Assist AUMs with questions regarding the MIC Program and, if necessary, act as the liaison between your activity and the Command's MIC Program Coordinator to resolve any issues that evolve.
6. Review all AUM's responses and MIC Program documentation for completeness and appropriate signatures prior to forwarding your activity's response to the Command.
7. Prepare annual Statement of Assurance letter for signature by your activity's highest level of management. (Note: Allow adequate time to coordinate all of your AUM's responses, prepare transmittal letter, get signature, and submit to the Command MIC Program Coordinator by the assigned due date).
8. Maintain all documentation to support MIC Program reporting requirements.
9. Establish a process that identifies, reports, tracks and corrects internal control material weaknesses and reportable conditions.

10. Establish procedures to increase and emphasize awareness of internal controls and the MIC Program.

11. Serve as the liaison for any command reviews or external audits of MIC Program records.

12. Provide AUMs information on MIC Program training opportunities.