



UNITED STATES MARINE CORPS

3D MARINE DIVISION

UNIT 35801

FPO AP 96602-5801

DivO 5200.1A

INSP

09 APR 2002

DIVISION ORDER 5200.1A

From: Commanding General

To: Distribution List

Subj: INTERNAL MANAGEMENT CONTROL PROGRAM (IMCP)

Ref: (a) MCO 5200.24C

(b) SECNAVINST 5200.35D

Encl: (1 Definitions, Management Control Standards, and
Functional Categories
List of Areas Requiring Internal Management Control
in 3d Marine Division
Program and Report Requirements

1. Situation. Continued emphasis in audit programs on matters related to fraud, waste, abuse, mismanagement, and unfavorable public opinion has increased the focus on management controls. This order implements the requirements contained in the references for an effective management control program within 3d Marine Division.

a. Public law requires that we be proactive in protecting our limited resources from fraud, waste, abuse and mismanagement. We must demonstrate our stewardship to the public to avoid unfavorable public opinion affecting the Marine Corps. Reference (b) tasks commanders to determine the level of risk of all command functions and ensure that any potential control weaknesses are identified, reviewed and corrected.

b. Efficient utilization of available resources is the most effective means of attaining readiness objectives. Manpower without material, or both without adequate financial resources results in shortfalls in achieving operational, material or training readiness objectives. In as much as all resources are finite, they act to constrain and define capabilities.

c. The benefits of having rules and procedures in place give the commander assurances that managers' responsibilities are accomplished. Without a system of internal controls, managers are not fulfilling their responsibilities and cannot

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provide reasonable assurances that the products and/or services generated are reliable and have the desired quality. In addition, without a system of internal controls, you leave yourself and the entire organization open to criticism by auditors and other investigative agencies for being in violation of basic business practices and legal requirements. Management Control Standards in the Federal Government are detailed in Appendix A to enclosure (1).

d. Management controls are not new to the Marine Corps. Common forms of management controls are located in everyday standing operating procedures (SOP), directives, reports, turnover files, desk top procedures, letters of instruction, annual spending plans and inspection programs.

2 Cancellation. DivO 5200.1

3. Mission. Commanders and Staff Section Heads at the Division, Regimental and battalion levels will establish and maintain an Internal Management Control Program to ensure that controls are in place and working effectively to prevent fraud waste, abuse or mismanagement of Marine Corps resources.

4. Commander's Intent and Concept of Operations.

a. Commander's Intent. It is my intent to minimize the administrative burden on Commanders and unnecessary duplication of effort, whenever possible, while still preventing waste, fraud and abuse of government assets. We are expected to be good stewards of all the resources in our charge. This includes equipment, funds, facilities and information. In 3rd Marine Division I intend to use the Commanding General's Inspection Program, combined with other external agency inspections, to provide the reasonable assurance required in the annual Management Control Certification Statement.

b. Concept of Operations. Annually commanders and their staffs will review the policies, procedures and inspection results of their commodity areas to ensure the resources under their purview are used efficiently and effectively, and that programs and operations are discharged with integrity and in compliance with applicable laws and regulations. Commanders and their staffs must be able to ensure that

(1) Obligations and expenditures comply with applicable laws and regulations.

(2) Assets are safeguarded against waste, loss, unauthorized use or misappropriation

(3) Revenues and expenditures are properly accounted for and recorded.

c. Tasks

1 Division Comptroller

(a) In accordance with Ref (a) you will be responsible for submitting the Management Control Program Annual Report by 15 Sept to the III MEF IMCP point of contact. The format for this report can be found in Appendix A to Enclosure (3).

(b) Coordinate with the Division Readiness Officer to insure the list of areas contained in enclosure (2) have been inspected or audited and that any findings have been identified and actions have been initiated or completed to correct these findings

1 AC/S Readiness

(a) Maintain records of all internal and external inspections conducted on 3rd Marine Division units as part of the Commanding General's Inspection Program.

(b) Investigate any allocations of waste, fraud or abuse and take appropriate action to correct any substantiated findings.

(c) No later than the first week in September, conduct an annual review of all inspections, policies and SOPS with the Division's principal and special staff and all MSE Executive officers. Submit the results of this review to the Division Comptroller to be included in the Management Control Program Annual Report.

(d) Maintain copies of all reports, inspections and investigations for a minimum of two years unless otherwise specified in other Marine Corps Orders.

1 AC/S and Special Staff Officers

(a) Prior to the first week in September review all inspections, policies and SOPs under your cognizance to identify findings and required corrective actions.

(b) Report the results of your review to the Division Readiness Officer at the annual meeting and ensure they are included in the Management Control Program Annual Report.

2) Regimental and Battalion Commanders

(a) Establish policies, SOPs and an internal inspection program within your units to ensure you are in compliance with ref (a) and this order.

(b) Notify the AC/S Readiness if your inspections uncover any findings that are in violation of ref (a) and/or this order.

(c) Recommend corrective action to correct any findings you discover.

(d) Submit an Annual Management Control Certification Statement to the AC/S Readiness NLT the first week in September. A signed copy should be submitted, as well as an electronic copy via the LAN, or on a 3.5" diskette.

(e) Attend the annual review meeting during the second week in August to verify your certifications, receive IMCP training and coordinate with the principal and special staff on any outstanding matters concerning internal management control.

d. Coordinating Instructions.

(1) Definitions, management control standards and associated concepts are contained in Enclosure (1).

(2) Management Control Reporting Categories are contained in Appendix B to Enclosure (1).

(3) The specific areas requiring Internal Management Control within the 3d Marine Division are contained in Enclosure (2). Units and staff sections that have cognizance of these areas will establish policies and SOPs and conduct periodic

inspections (at least annually) of these areas to ensure compliance with this order and to prevent waste fraud and abuse within their units and respective areas of responsibilities.

5. Administration and Logistics

a. Administration.

(1) Enclosure (3) contains the Internal Management Control Annual Report requirements.

(2) Appendix A of Enclosure (3) contains an example of the format to be used for the Annual Management Control Certification Statement.

(3) The annual Management Control Certification Statement will be submitted to the AC/S, Readiness by Regimental and Separate Battalion Commanders, no later than the first week in September. A signed copy should be submitted, as well as an electronic copy via the LAN, or on a 3.5" diskette.

b. Logistics. N/A

6. Command and Signal

a. Point of contact for this order is the Division Readiness Officer. Recommended changes should be submitted to the AC/S Readiness via e-mail or contact the office by phone at 622-9572.

b. This Order is applicable to all Division Major Subordinate Elements (MSE). While Regimental/Battalion Commanders are responsible for the internal management control of UDP units while they are assigned to their command, they are not responsible for including them in their reports. Parent CONUS Commands will include UDP units in their reports.


R. S. MAKUTA
Chief of Staff

DISTRIBUTION: A

11. Personnel and/or Organization Management. Covers authorizations, recruitment, training, assignment, use, development and management of military and civilian personnel of the DOD. Also includes the operations of headquarters organizations. Contract personnel are not covered by this category.

12. Comptroller and/or Resource Management. Covers the budget process, finance and accounting, cost analysis, productivity and management improvement, and the general allocation and continuing evaluation of available resources to accomplish mission objectives. Includes pay and allowances for all DOD personnel and all financial management areas not covered by other reporting categories, including those in connection with Office of Management and Budget (OMB) Circular A-76 (Revised), "Performance of Commercial Activities."

13. Support Services. Includes all support services functions financed from appropriated funds not covered by the other categories, such as health care, veterinary care, and legal and public affairs services. All nonappropriated fund activities are also covered by this category.

14. Security Assistance. Covers management of DOD foreign military sales, grant aid and international military education and training programs.

15. Other (Primarily Transportation). All functional responsibilities not contained in the previously noted categories, including management and use of land, sea and air transportation for movement of personnel, material, supplies and equipment using both military and civilian sources.

DEFINITIONS, MANAGEMENT CONTROL STANDARDS, AND REPORTING
CATEGORIES

1. Assessable Unit. Any organizational, functional, programmatic or other applicable subdivision capable of being evaluated by management control assessment procedures. An assessable unit should be a subdivision of an organization that ensures a reasonable span of management control to allow for adequate analysis. Assessable units usually have specific management controls that are applicable to their responsibilities.
2. Cost-Benefit. The true net cost of correcting an identified weakness. The cost-benefit represents the real (actual) monetary benefit derived from correcting the weakness, reduced by (less) the costs associated with implementing the correction. The concept of reasonable assurance recognizes that the costs of management control should not exceed the benefits to be derived, and that the benefits themselves consist of a reduced risk of failing to achieve stated objectives. This balancing of management control costs and benefits is addressed using estimates and management judgment.
3. Documentation. Documentation of management control activities is required to the extent needed by management to control its operations effectively and include products not specifically designed to meet the requirements of the Internal Management Control Program.
4. Management Control. The organization, policies, and procedures used to reasonably ensure that: programs achieve their intended results; resources are used consistent with the Marine Corps' mission; programs and resources are protected from waste, fraud and mismanagement; laws and regulations are followed; and, reliable and timely information is obtained, maintained, reported and used for decision making. Management controls, in the broadest sense, include the plan of organization, methods and procedures adopted by management to ensure that its goals are met. Management controls include processes for planning, organizing, directing and controlling program operations. Some subsets of management controls are the

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internal controls used to assure that there is prevention or timely detection of unauthorized acquisition, use or disposition of the entity's assets.

5. Management Control Evaluation. A documented examination of an assessable unit to determine whether adequate control techniques exist and are achieving their intended objectives. Management control evaluations are of the following two types:

a. Alternative Management Control Review. A process that determines that control techniques are operating properly, or a process developed for other organizational purposes, which provides adequate information of the effectiveness of control techniques. This type of process may utilize computer security reviews; quality assessments; financial systems reviews; General Accounting Office (GAO), DOD Inspector General (DODIG) and Naval Audit Service (NAVAUDSVC) audits, inspections or investigations; local audits and command evaluations; and management and consulting reviews. Such alternative reviews must assist in determining overall compliance and, whenever possible, include testing of controls and documentation.

b. Management Control Review. Detailed examination by the responsible commander/manager of the system of management controls in an assessable unit to determine the adequacy of controls, and to identify and correct deficiencies. Management control reviews should be conducted only when a reliable alternative source of information is not available and the review is expected to produce otherwise unavailable written documentation of what was done and what was found. Any review should have some reasonable cost effective testing aspect associated with it.

6. Management Control Plan. A brief, written plan (updated annually) that indicates the number of scheduled and accomplished management control evaluations, the identity of assessable units, progress toward accomplishment of annual program requirements, the method of monitoring and evaluating, and the date the evaluation was completed. The management control plan need not be lengthy and any format may be used, so long as it addresses management control evaluations throughout

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the organization and conveys, with reasonable certainty, awareness that the objectives of the Internal management Control program have been accomplished.

7. Internal Management Control Program. The full scope of management responsibilities as defined in this instruction. That responsibility includes the development of effective management controls, the evaluation and correction of deficiencies, the use of effective follow-up procedures, and the reporting requirements of this guidance.

8. Management Control Standards. Federal standards for management control are summarized in reference (a), and are identified in appendix A of this enclosure.

9. Material Weakness. Specific instances of noncompliance with laws, regulations, orders or directives, of such importance so as to warrant reporting of the deficiency to the next higher level of command/management. Such weaknesses significantly impair or may impair the fulfillment of an activity's mission or operational objectives; deprive the public of needed services; violate statutory or regulatory requirements; significantly weaken safeguards against fraud, waste or mismanagement of funds, property or other assets; or cause a conflict of interest. In effect, the weakness results from management controls that are not in place, not used or not adequate. Material weaknesses should be identified using one of 15 functional reporting categories (see appendix B to this enclosure). Open findings on management controls from any source, agreed to by management, are candidates for a material weakness at the applicable level, until all corrective actions are complete. Weaknesses considered significant on any of the following criteria warrant consideration for reporting as material weaknesses:

a. Actual or potential loss of resources (e.g., property, inventory, personnel, etc.)

b. Sensitivity of the resources involved (e.g., illegal substances, munitions, etc.)

c. Magnitude of funds, property or other resources involved.

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- d Frequency of actual or potential loss.
- e. Current or probable Congressional or media interest (adverse publicity).
- f Impaired fulfillment of mission or operations.
- g. Unreliable information causing unsound management decisions.
- h Violations of statutory or regulatory requirements
Diminished credibility or reputation of management.
- j. Deprivation of needed Government services to the public
- k Impact on information security

14. Reasonable Assurance. The judgment by a manager and Commanding Officer, based upon all available information, that the component systems of management controls are operating as intended by reference (a).

15. Risk. The probable or potential adverse effects from inadequate management controls that may result in the loss of resources or cause an activity to fail to accomplish significant mission objectives through fraud, error or mismanagement.

16. Risk Assessment. A documented review by management of an assessable unit's susceptibility to fraud, waste or mismanagement. Management evaluates the general control environment, analyzes the inherent risks and arrives at a preliminary assessment of the safeguards for the assessable unit.

17. Testing. Procedures to determine through observation, examination, verification, sampling or other procedures whether management control systems are working as intended.

Enclosure (1)

STANDARDS FOR MANAGEMENT CONTROL IN THE FEDERAL GOVERNMENT

General

a. Compliance With Law. All program operations, obligations and costs must comply with applicable laws and regulations. Resources should be efficiently and effectively allocated for duly authorized purposes.

b. Reasonable Assurance and Safeguards. Management controls must provide reasonable assurance that assets are safeguarded against waste, loss, unauthorized use and misappropriation. Management controls should be logical, applicable, reasonably complete, effective, and efficient in accomplishing management objectives.

c. Integrity, Competence, and Attitude. Commanders/managers and employees must have personal integrity and are obligated to support the ethics programs in their agencies. The spirit of the standards of ethical conduct requires that commanders/managers develop and implement effective management controls and maintain a level of competence that allows them to accomplish their assigned duties. Effective communication within and between offices should be encouraged.

2. Specific

a. Delegation of Authority and Organization. Commanders/managers should ensure that appropriate authority, responsibility and accountability are defined and delegated to accomplish the mission of the organization, and that an appropriate organizational structure is established to effectively carry out program responsibilities. To the extent possible, controls and related decision-making authority should be in the hands of line managers and staff.

b. Separation of Duties and Supervision. Key duties and responsibilities in authorizing, processing, recording and reviewing official agency transactions should be separated among individuals. Commanders/managers should exercise appropriate oversight to ensure individuals do not exceed or abuse their assigned authorities.

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c. Access to and Accountability for Resources. Access to resources and records should be limited to authorized individuals, and accountability for the custody and use of resources should be assigned and maintained.

d. Recording and Documentation. Transactions should be promptly recorded, properly classified and correctly accounted for in order to prepare timely accounts and reliable financial and other reports. The documentation for transactions, management controls and other significant events must be clear and readily available for examination.

e. Resolution of Audit Finding and Other Efficiencies. Commanders/managers should promptly evaluate and determine proper actions in response to known deficiencies, findings, and related recommendations. They should complete, within established time frames, all actions that correct or otherwise resolve the appropriate matters brought to management's attention.

MANAGEMENT CONTROL REPORTING CATEGORIES

1. Research Development, Test and Evaluation. Covers the basic project definition, approval and transition from basic research through development, test and evaluation and all Department of Defense (DOD) and contractor operations involved in accomplishing the project work, excluding the support functions covered in separate reporting categories such as Procurement and Contract Administration.
2. Major Systems Acquisition. Covers items designated as major systems and that are subject to the procedures of the Defense Acquisition Board, the Military Services acquisition review councils, or the Selected Acquisition Reporting System. (DOD Directive 5000.1 of 15 March 1996 (NOTAL), "Defense Acquisition," may be helpful when evaluating a weakness for inclusion in this category.)
3. Procurement. Covers the decisions to purchase items and services together with certain actions to award and amend contracts (e.g., contractual provisions, type of contract, invitation to bid, independent government cost estimate, technical specifications, evaluation and selection process, pricing and reporting)
4. Contract Administration. Covers the fulfillment of contractual requirements including performance and delivery, quality control and testing to meet specifications, performance acceptance, billing and payment controls, justification for contractual amendments and actions to protect the best interests of the Government.
5. Force Readiness. Includes the operational readiness capability of combat and combat support (both active and reserve) forces, based on analyses of the use of resources to attain required combat capability or readiness levels.
6. Manufacturing, Maintenance and Repair. Covers the management and operation of in-house and contractor-operated facilities performing maintenance and repair of, and/or installation of modifications to material, equipment and

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supplies. Includes depot and arsenal-type facilities as well as intermediate and unit levels of military organizations.

7. Supply Operations. Encompasses the supply operations at the wholesale (depot and inventory control point) level from the initial determination of material requirements through receipt, storage, issue reporting and inventory control (excluding the procurement of materials and supplies). Covers all supply operations at retail (customer) level, including the accountability and control for supplies and equipment of all commodities in the supply accounts of all units and organizations (excluding the procurement of material, equipment and supplies).

8. Property Management. Covers construction, rehabilitation, modernization, expansion, improvement, management and control over real and installed property and facilities (both military and civil works construction). Includes all phases of property life-cycle management from determination of need through disposition. Also covers disposal actions for all material, equipment and supplies, including the Defense Reutilization and Marketing System.

9. Communications and/or Intelligence and/or Security. Covers the plans, programs, operations, systems and management activities for accomplishing the communications and intelligence missions. Includes safeguarding classified resources but not peripheral assets and support functions covered by other reporting categories. Also covers the DOD programs for protection of classified information.

10. Information Technology. Covers the design, development, testing, approval, deployment, use and security of automated information systems (using a combination of computer hardware, software, data or telecommunications that performs functions such as collecting, processing, storing, transmitting or displaying information) and other technologies for processing management information. This includes requirements for justification of equipment. (DOD 7740.1-C of July 1958 (NOTAL) "DOD ADP Internal Control Guidelines," may be helpful when evaluating a weakness for inclusion in this category.)

Appendix B to
Enclosure (1)

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List of Areas Requiring Internal Management Control
in 3d Marine Division

Administrative Assessable Units

a. Admin Management Control

- TAD order liquidation
- Personnel Records
- On-Line Diary ELSIG Security
- DD Forms 214 and 215
- Identification and Meal Cards
- Leave Procedures
- Order Writing
- Unit Diary Timeliness (Pay-related entries)
- On-Line Diary System Feedback Reports
- Government Travel Card Use
- Government Purchase Card Use

COLA
BAH
FSA
BAS/COMRATS
VHA
PCS/TAD leave
Taxes
Leave
Other

b. CMCC

- Issue of Classified Material
- Storage and inventory of Classified Material
- Handling of Classified Material
- Destruction of Classified Material

2. Intelligence Assesable Units

a. Intelligence Oversight (entire program)

b Information Security

Program Management

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Weapons Control
Tool Control
Accounting and Control
Personnel Security

3 Operations Assessable Units

- a. Exercise obligations/liquidations
- b. SORTS
- c. TAD-Allocation of funds
- d. Information systems
- e. Classified Materials (storage and handling)
- f. Force Readiness

4. Logistical Assessable Units

a. Supply Operations

Additional Demands
Loaded Unit Balance File
Warehouse/Storage Operations
Public Funds
Personal Effects
Packaged Operational Rations
Reparable Issue Points
DSSC Cards
Government Purchase Card use/administration

b. Property Management

T/E Property
Garrison Property

c Motor Transportation

- Tool Control
- Parts Control
- Petroleum Oil Lubricants
- HazMat
- Publications

d Ordnance

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Ammunition Security
Weapons Control
Tool Control

e. Messhalls

Fund Control
Stock Food Control

f. Medical

- Pharmaceutical/Drug Control

5. Comm Elec/Informations Systems Assessable Units

a. CMS

Issue of Classified Material
Destruction of Classified Material
Storage and accountability of Classified Material
Handling of Classified Material

b. Operations

Tool Control
Excess Repair Parts
Hardware Management

c. Information Systems Management

- Microcomputer Management
- Software Management
- Virus Protection
- DSN Access
- LAN Administration
- Purchase of ADPE

6 Comptroller/Fiscal Assessable Units

a. Management of Program Priorities and Shifting of
Resources

b. Budget Execution
c. Budget Formation

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- d. TAD Administration
- e. Operations and Maintenance Funds
- f. Unliquidated Obligations
- g. Reimbursable Orders
- h. Problem Disbursements/Unmatched and/or Negative Liquidations
- i. Government Purchase Card Use

7. Miscellaneous Assessable Units

- a. Unit Safety Programs
- b. Copiers and FAX machines
- c. Tool Controls
- d. Publications
- e. Unit Substance Abuse Programs
- f. Personal Computer Allowances Control and Use
- g. ADPE Mainframe Usage

Enclosure (2)

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PROGRAM AND REPORT REQUIREMENTS

1. To provide for full implementation of the Marine Corps Internal Management Control Program the following minimum requirements must be met. All Marine Corps commands, activities and Headquarters Staff Agencies will establish an Internal Management Control Program and:

a. Establish a central focal point for the program management, coordination, and oversight of the Internal Management Control Program results within each command. For field commands, it is suggested that focal point responsibilities be aligned with the Comptroller or fiscal officer. This will result in alignment of the program's internal oversight role in a command function already familiar with evaluation of internal controls in the course of its command-wide resource related evaluations and analyses. Further, this alignment would mirror HQMC functional structure and would therefore facilitate HQ/Field Command interface.

b. Establish and maintain an inventory of assessable units segmented along organizational, functional and/or program lines. An alternative methodology can be followed, provided equivalent results are obtained while still identifying vital management controls. The assessable unit inventory should be an aspect of every component's management control plan, and should be reviewed and updated annually.

c. Continuously monitor and improve the effectiveness of management controls associated with their programs. Monitoring efforts should be documented. This process should maximize use of existing management evaluation data and minimize creating processes or procedures solely to execute the Management Control Program. Each Command, activity and Headquarters Staff Agency should establish criteria for scheduling evaluations of assessable units to meet the Commandant's reporting deadline (15 September).

d. Establish and maintain a process that identifies, reports and corrects material weaknesses. Material weaknesses may be identified from a variety of sources such as audits, inspections, investigations, management control evaluations and

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the like, and are to be reported to the next higher management level. Commanders/managers must take an effective action to correct management control weaknesses and should track progress on corrective actions.

e. Ensure that military and civilian personnel responsible for systems of control are identified, and that fitness reports/performance appraisal systems for these individuals reflect any management control responsibilities, accomplishments, deficiencies and corrective actions undertaken

f. Ensure that subordinate commanders/managers are provided with appropriate training concerning their Internal Management Control Program responsibilities.

2. Specific Management Control Program reporting requirements are as follows:

a. Each Command, activity and Headquarters Marine Corps Staff agency, shall by 15 September of each year (for the period ending 31 August), submit to the Commandant of the Marine Corps (Code RFR) a Management Control Certification and Results of Management Control Evaluations Statement. This is the statement of assurance for their chain of command or organization. The required statement shall be based on general assessment of management control evaluations conducted in accordance with this guidance and shall consider management control weaknesses disclosed by any and all sources, including: management studies; audits, inspections, investigations or Resource, Evaluation and Analysis evaluations; and General Accounting Office (GAO), Department of Defense Inspector General (DODIG) and Naval Audit Service (NAS) Audits, investigations and reports.

(1) Reports will summarize Internal Management Control Program accomplishments and identify material weaknesses from that command or organization, including any subordinate components' accomplishments and weaknesses considered significant enough to warrant reporting to the Commandant of the Marine Corps. The required statement shall be based on a general assessment of management control evaluations conducted

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in accordance with this guidance and shall consider management control weaknesses disclosed by any and all sources, including: management studies; audits, inspections, investigations or internal evaluations; and DODIG or GAO audits, investigations and reports. This statement of assurance must take one of three forms:

(a) An unqualified statement of assurance ("I have reasonable assurance that . . . "). Each unqualified statement must have a firm basis for that position, and that basis will be summarized in the transmittal memorandum.

(b) A qualified statement of assurance ("I have reasonable assurance that . . . except for . . ."). The material weaknesses that preclude an unqualified statement should be cited in the transmittal memorandum.

(c) A negative statement ("I do not have reasonable assurance that . . ."). The basis for this position is to be summarized in the transmittal memorandum.

(2) The annual management control certification statements shall, at all levels of command, be signed ("certified") by the cognizant Commander or his or her principal deputy. In addition, the following applies:

(a) The format for a basic management control certification transmittal letter is provided in appendix A to this enclosure.

(b) Accomplishments, material weaknesses and other items of interest to the next higher level of command/management should be included in the annual management control certification statement. Items which do not warrant reporting up the chain of command shall be tracked at the command and activity level. Material weaknesses should be reported by means of enclosures to the annual management control certification statement. These enclosures to the annual certification statement should be ordered as follows:

Enclosure (3)

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1 Material weaknesses identified and corrected in the current fiscal year (FY); i.e., Management Control Program accomplishments.

2 Uncorrected material weaknesses discovered in the current FY, along with milestones for correcting the deficiency.

3 An updated status report on all previously reported material weaknesses that remain uncorrected at year end, even if progress is on schedule.

(3) The format in Appendix B to this enclosure is to be used for reporting material weaknesses, both those corrected during the year (which are also reported as accomplishments and those still uncorrected at year end.

(a) Begin each material weaknesses report at the top of a new page.

(b) Label each material weakness as corrected or uncorrected and classify each as either "Identified During the Current Period FY____" or "Identified During Prior Periods FY" as appropriate (fill in correct fiscal year).

(c) Acronyms should be redefined the first time they are used in each material weakness reported.

(d) Do not exclude any sections of the format even if they are not felt applicable to a particular material weakness reported. Instead, for that report the section should read, "N/A".

FORMAT FOR ANNUAL MANAGEMENT
CONTROL CERTIFICATION STATEMENT
("STATEMENT OF ASSURANCE")

From: Responsible Official (Commanding General/Officer)
To: Commandant of the Marine Corps (RFR), Headquarters,
U. S. Marine Corps, Washington, D.C. 20380-1775
(or Deputy Chief of Staff, Programs and Resources
Department (RFR) if submitted by an organizational
Component of Headquarters, Marine Corps)

MANAGEMENT CONTROL CERTIFICATION STATEMENT AND RESULTS
OF MANAGEMENT CONTROL EVALUATIONS

Ref: (a MCO 5200.24C

- (1) Current Year Accomplishments/Material Weaknesses Identified and Corrected
- (2) Current Year Material Weaknesses and Corrective Actions-Actual and Prospective
- (3) Prior Year Material Weaknesses - Status of Corrective Actions
- (4) List of Assessable Units

1. This Command has evaluated the system of internal administrative and accounting controls in effect during the period ending 31 August. The evaluation was performed per Marine Corps policy contained in the reference. Internal Management Control Program accomplishments and the status of identified material weaknesses are detailed in the enclosures

2. (Include one of the following: I have reasonable assurance that management controls are in place and operating effectively I have reasonable assurance that management controls are in place and operating effectively, except for the material weaknesses provided in enclosures) (2) and (3)); or, I do not have reasonable assurance that management controls are in place and operating effectively), and the objectives of the Federal Managers' Financial Integrity Act were/were not achieved.

Appendix A to
Enclosure (3)

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Subj: MANAGEMENT CONTROL CERTIFICATION STATEMENT AND RESULTS
OF MANAGEMENT CONTROL EVALUATIONS

3. Information to support the certification statement was derived from management reviews, audits, inspections, investigations and other management information, such as knowledge gained from daily operations of programs and functions. (Include the number of Management Control Reviews and Alternative Management Control Reviews accomplished during the year.)

(Signed)
Component Head or Deputy

Appendix A to
Enclosure (3)

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FORMAT FOR REPORTING MATERIAL WEAKNESSES

Title and Description of Material Weakness: Use the title from the source document. Provide a brief narrative summary describing the material weakness and its scope; i.e., local., area wide, service-wide, etc...

Functional Category: Indicate which Management Control Reporting Category (shown at Appendix B to enclosure (1)) is applicable to this material weakness.

Pace of Corrective Action: The five items below identify the pace of corrective action. All dates are to be reported by fiscal year (FY).

Year Identified: Identify the FY the material weakness was first reported in the command/activity's annual certification statement.

Original Targeted Correction Date: Provide the targeted correction date that was reflected in the initial report this material weakness.

Targeted Correction Date in Last year's Report: Provide the targeted correction date that was reported in the previous Year's annual certification statement. If a material weakness is being reported for the first time and is classified as "Identified During the Current FY" report "N/A - new report" here.

Current Target Date Indicate the current targeted correction date.

Reason For Change in Date(s): If the item labeled above as "Current Target Date" is different from the item "Targeted Correction Date in Last Year's Report", briefly explain this change. Report "N/A" if the two dates are the same. If a material weakness is being reported for the first time and is classified as "Identified During the Current FY____," report "N/A - new report" here.

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Component/Appropriation/Account Number: Identify the DON-related appropriations and account number(s). Monetary information; i.e., amounts, are not required. When identifying the appropriations, nomenclature should be consistent with standard DOD designations; i.e., Operation and Maintenance, Marine Corps.

Validation Process: Briefly explain how the effectiveness of the corrective action(s) will be demonstrated.

Results Indicators: Describe key results that have been or will be achieved. Quantitative and/or qualitative measures that determine the benefits derived or that will be derived from the corrective action(s), and the overall impact of the correction on operations should be described. If the amount of monetary benefits can be determined, it should be reported here.

Source(s) Identifying Weakness: Material weaknesses may be identified by Management Control Reviews or by any of the following Alternative Management Control Review sources:

- a. DODIG audits
- b. NAVAUDSVC audits
- c. GAO audits
- d. NAVINSGEN inspections
- e. other sources

Indicate the source used. When audit findings are the source of the material weakness identification, provide the title, report number, and date of the audit report that identified the weakness. If the weakness was identified by more than one source, list all identifying sources, in order of significance.

Major Milestones of Corrective Actions: A milestone chart is to be provided that indicates actions taken and actions planned. It should be separated into three categories:

- a. completed milestones
- b. milestones to be achieved during the next fiscal year
- c. milestones to be achieved after the next fiscal year

Appendix B to
Enclosure (3)