



DEPARTMENT OF THE NAVY
COMMANDER
NAVAL EDUCATION AND TRAINING COMMAND
250 DALLAS STREET
PENSACOLA, FLORIDA 32508-5220

NETCINST 5200.1A
N00G
6 Aug 2020

NETC INSTRUCTION 5200.1A

From: Commander, Naval Education and Training Command

Subj: MANAGERS' INTERNAL CONTROL PROGRAM

Ref: (a) Federal Managers' Financial Integrity Act (FMFIA) of 1982
(b) Standards for Internal Control in the Federal Government GAO-14-704G)
(c) OMB Circular A-123
(d) DOD Instruction 5010.40 of 30 May 13
(e) SECNAVINST 5200.35G
(f) NETCINST 5040.1B
(g) NETCINST 5000.1B
(h) OPNAVINST 3500.39D

Encl: (1) Activity Level MIC Program Flowchart
(2) General Information - Managers' Internal Control (MIC) Program Benefits and General Terms
(3) Sample NETC Domain Work Processes (WPs)/Assessable Units (AUs) Inventory
(4) Sample Flowchart
(5) Sample MIC Certification Statement

1. Purpose. To provide revised Department of the Navy (DON) policy and guidance, and to assign responsibilities for the Managers' Internal Control (MIC) Program. This instruction has been extensively revised to reflect updates to the program and must be read in its entirety.

2. Cancellation. NETCINST 5200.1.

3. Scope. All commanders, commanding officers (COs), and directors are responsible for establishing and monitoring internal controls (or management safeguards) for their commands. References (a) through (h) apply. This instruction is specific to the MIC Internal Controls over Operations (ICO) Program. Internal controls are built into work processes by managers/process owners to provide reasonable assurance that resources are safeguarded; information is accurate and reliable; laws, regulations, and policies are adhered to; and economy and efficiency are achieved. As such, the MIC Program applies to all programs and functions.

4. Background

a. The Budget and Accounting Procedures Act of 1950 required that each agency head establish and maintain a system of accounting and internal controls. The expectation was that such a system would help diminish fraud, waste, abuse, and mismanagement in Federal Government operations. In August 1980, the Act notwithstanding, the Government Accountability Office (GAO) reported that widespread internal control breakdowns continued to occur in the Federal Government.

b. As a result of the GAO findings, Congress passed reference (a) in September 1982. The Federal Managers' Financial Integrity Act (FMFIA) mandates that each executive agency's internal accounting and administrative controls be established in accordance with standards prescribed by the Comptroller General. In reference (b), the GAO provides the standards for internal control in the government. Further, the Act requires that the Office of Management and Budget (OMB), in consultation with the GAO, publish guidelines for agencies to use in establishing, maintaining, evaluating, improving, and reporting annually on their internal control systems. The OMB guidelines are spelled out in reference (c). An annual Statement of Assurance (SOA), or Certification Statement, from the head of each executive agency is submitted to the President and Congress. It attests to the agency's efforts to comply with the requirements of the Act. The statement shall describe the agency's significant accomplishments, material internal control weaknesses/significant deficiencies, if any, and corrective plans.

c. Following the guidelines of reference (d), the Secretary of the Navy (SECNAV) has, via reference (e), placed strong emphasis on adhering to the principles of FMFIA. The MIC Program encompasses all programs and functions within the Navy, not just the comptroller functions of budgeting, recording, and accounting for revenues and expenditures. Managers are required to incorporate basic internal controls into the strategies, plans, guidance, and procedures governing their programs and operations. SECNAV requests that these internal controls be reviewed annually with the results reported via the annual Statement of Assurance (SOA).

d. Reference (e), annual OPNAV notices, and other correspondence provide basic guidelines for implementing the MIC Program in commands reporting to the Chief of Naval Operations (CNO). This instruction is intended to streamline CNO reporting guidance for the Naval Education and Training Command (NETC) domain.

5. Discussion

a. The DON MIC Program is the Navy's method for demonstrating and documenting compliance with FMFIA. SECNAV expects all managers to be active participants. During audits and inspections, external agencies (GAO, Department of Defense Inspector General, Naval Inspector General, and Naval Audit Service) review command compliance with this program. During NETC Inspector General Area Visits/Command Inspections, compliance with the MIC Program will be reviewed. See reference (f) for guidance concerning the Area Visit/Command Inspection Program.

b. The MIC Program stresses using a variety of existing methods to gauge the effectiveness, efficiency, and economy of work processes (WPs)/assessable units (AUs). A process is defined as the manner in which resources are employed in generating a product, performing a responsibility, or rendering a service in support of the Navy's mission. It consists of starting and ending points that are connected by a series of decision points and various work-related steps. Strategically located throughout the process should be key metrics (performance indicators) for gauging how well the process is performing.

c. Specifically, internal controls (management safeguards) are the organization, policies, and procedures used to reasonably assure:

(1) Programs and operations achieve intended results in support of command strategic goals and objectives.

(2) Resources are used consistent with the Navy's mission.

(3) Programs and resources are protected from fraud, waste, and mismanagement.

(4) Laws and regulations are followed.

(5) Reliable and timely information is obtained, maintained, reported, and used for decision making.

d. SECNAV stresses that internal controls are to be integrated into the daily practices of all managers, and shall:

(1) Encompass all operations and mission responsibilities of an organization.

(2) Not be duplicative of existing information that pertains to evaluating the effectiveness of internal controls.

(3) Be advocated and supported by organizational leadership.

(4) Identify, report, and correct material weaknesses and significant deficiencies. These are instances where internal controls are not in place, not used, or not adequate. The attention of the next higher level of management is required.

e. The concept behind the MIC Program is to use existing methods for gauging the health of mission and associated support processes. A meaningful assessment of the safeguards is more important than a rigid formal documentation of the assessment.

f. Enclosure (1) provides a flowchart to illustrate the process steps associated with a NETC activity level MIC Program.

6. Relationship of the Command Evaluation (CE) Program to the NETC MIC Program. Reference (g) provides NETC policy and guidelines for conducting reviews. The MIC Program is a manager's self-assessment tool. The NETC CE Program is a disciplined in-house method for performing independent reviews of activity operations/processes. It is a proactive mechanism for internally detecting and correcting a condition that may adversely impact mission, command integrity, or the economical use of resources. During in-house reviews, internal controls should be routinely evaluated for adequacy. Where warranted, CE recommendations are directed to the appropriate manager for corrective action. The individual performing the review is not responsible for establishing, maintaining, or improving internal controls. This falls under management's purview.

7. Relationship of Immediate Superior in Command (ISIC) Oversight/NETC Area Visit/Command Inspection Program to the NETC MIC Program. The NETC MIC Program is the foundation for the NETC Area Visit/Command Inspection Program. Reference (f) provides the guidelines for performing an area visit/command inspection. By completing the process analysis associated with the NETC MIC Program, a command can also simultaneously prepare for an area visit/command inspection. This approach allows the command to stay in a perpetual state of readiness for any inspection or review/audit. The NETC MIC Program can give a command an effective mechanism to quickly gauge the health of a process with a minimum investment of time and effort.

8. Relationship of Operational Risk Management (ORM) to the NETC MIC Program. ORM involves identifying and assessing process hazards (risks and/or vulnerabilities) and implementing controls to reduce the risk associated with any process operation. Guidelines for the ORM process are discussed in reference (h). An operation should be continuously monitored for effectiveness of controls and situational changes. The WP/AU flowcharts, developed

through the NETC MIC Program, provide a solid framework for assessing risks and evaluating the effectiveness of controls. With the inclusion of key metrics, the flowchart is a useful tool for pictorially displaying pulse points, which permit a rapid preliminary evaluation of various aspects of risk. This method allows the manager to identify and isolate risky areas very quickly. Consequently, managers are able to make better informed decisions about how best to reduce the severity of risk.

9. Definitions

a. General information concerning the NETC MIC Program is discussed in enclosure (2).

b. Major Department of Defense (DoD) Functional Categories, which are used to categorize WPs/AUs, are discussed in enclosure (2). Only 13 of the 15 categories apply to the NETC domain.

10. Policy. It is the policy of NETC that all NETC domain activities develop, implement, maintain, review, and improve accounting and administrative controls. On an ongoing basis, all commands must be vigilant concerning the adequacy of internal control systems. All levels of management shall comply with the guidelines of this instruction.

11. Procedures. The NETC MIC Program includes the following major steps. Refer to enclosure (1) for a suggested process flow.

a. Organize the Process. The CO will formally designate a MIC Program coordinator for the command. This may be the Command Evaluation Officer or another senior manager. The typical duties of an MIC Program coordinator are discussed in enclosure (2).

b. Segment the Activity and Assign Responsibilities

(1) Categorize command WPs/AUs by DON Functional Categories. See enclosure (2) for the categories. A command's process inventory must reflect mission critical and associated support processes. For each process, ensure that a responsible manager is identified. Enclosure (3) provides a sample NETC process inventory/menu of potential WPs/AUs that may be applicable to a command. Note the universal work processes annotated in enclosure (3). Each command's inventory should also include the universal processes, unless unique circumstances dictate otherwise.

(2) Based upon mission and associated support, commands may have significantly different inventories. To evaluate the WP/AU, develop, as a minimum, a one-page mid-level linear flowchart. The flowchart should depict the process from start to finish. Enclosure (4) provides a sample of the preferred method

for developing a flowchart. Again, an important by-product of a flowchart is the identification of two to three key metrics (performance indicators) that permit routine testing for effectiveness, efficiency, and economy. Documentation shall be retained in-house for turnover and audit/inspection/area visit purposes. These efforts establish a perpetual state of readiness for any type of audit or inspection/area visit. It also provides the basis for performing process self-assessments under the NETC Area Visit/Command Inspection Program.

(3) The flowchart defines how the process works. It shows interrelationships with other processes, as well as redundancies. Internal control points are displayed in the form of process and decision steps, which serve as prime measuring points. Each point becomes a quality indicator that can be quickly assessed for efficiency, effectiveness, and economy. This assessment provides a picture of risk and vulnerability to internal control breakdowns. This characteristic of the flowchart also affords a non-subject matter expert an opportunity to make a reasonable assessment. Ultimately, this approach permits the CO and top management an opportunity to swiftly evaluate command processes without bogging down in minutia. For this reason, flowcharts are invaluable turnover tools.

(4) Flowcharts are very useful tools for evaluating an entire organization. They are invaluable instruments for displaying how processes work and the location of internal control points. By identifying process components and interrelationships, commands are in a better position to ensure work is properly distributed. This helps to focus on eliminating inefficiencies and isolating redundancies.

c. Strategic Goals, Key Metrics, Internal Control System Test and ORM Assessment

(1) Ensure each process is examined for efficiency, effectiveness, and economy. Each process should be tied to a command strategic goal or objective. Identify the two to three key metrics that can be used to measure performance. For ready reference, ensure the locations of the key metrics are clearly annotated on the process flowchart. These metrics should provide a quick look as to how well a process is progressing in achieving its intended purpose. Enclosure (4) depicts a sample flowchart.

(2) Ensure internal control evaluations are conducted for mission critical, associated support, and universal work processes. The Internal Control System Test (ICST), NETC 5200/1, is used by NETC to document internal control testing. Internal controls provide reasonable assurance that the objectives of the program/process are achieved. They are (1) designed to mitigate risks; (2) ensure what should occur in daily

activities does occur on a continuing basis; and (3) ensure processes are working as desired, reduce error, and identify problems as they occur. Additional Internal Control Evaluation methodology may be required by CNO.

(3) Under the guidelines of reference (h), ensure an ORM assessment has been performed for mission critical, associated support, universal work processes, and any process deemed high risk. ORM involves identifying and assessing process hazards (risks and vulnerabilities) and implementing internal controls to reduce the risk associated with any process. NETC requires the use of the ORM Assessment, NETC 5200/1, to provide a streamlined format for completing a risk assessment. Additional risk assessment methodology may be required by CNO.

(4) Ensure annual ICST and ORM assessment forms are properly attested to/signed and dated by the appropriate individuals.

d. Annual MIC Program Certification Statement (Statement of Assurance (SOA)). A sample certification statement format is depicted in enclosure (5).

(1) To demonstrate the existence of a clear audit trail of accountability, at the activity level, department heads must submit a signed annual certification statement to the commander, CO, or director.

(2) When appropriate, use the NETC forms described below for reporting on the following issues:

(a) NETC 5200/3 for significant accomplishments, providing the quantifiable achievement results.

(b) NETC 5200/4 for material weaknesses/significant deficiencies, when appropriate, which are not correctable at the local level.

(c) NETC 5200/4 for status of corrective actions on material weaknesses/significant deficiencies not previously reported as closed.

(3) Echelon 3 commands shall submit a consolidated statement that reflects chain of command compliance by both headquarters and subordinate commands. Commanders and COs reporting directly to NETC shall provide electronically a signed certification statement along with applicable enclosures to NETC, via the NETC Inspector General (N00G) for compilation.

e. Annual MIC Program Reporting Requirements. The MIC Program reporting period is October through September (fiscal year).

12. Action

a. Heads of Activities

(1) Comply with the policies and procedures set forth in this instruction.

(2) Ensure that all responsible managers actively participate in the MIC Program and that their participation is considered during annual performance evaluations.

(3) Ensure that appropriate training is provided to responsible managers and MIC Program coordinators.

b. Activities Reporting Directly to NETC. Complete the above actions and the following:

(1) Ensure appropriate managers evaluate field level reports pertaining to their area of responsibility and alert other cognizant commands of unusually good or bad conditions reported.

(2) Ensure planned actions for correcting material weaknesses/significant deficiencies are completed in a timely manner.

(3) Assess program compliance at subordinate activities.

13. Records Management

a. Records created as a result of this instruction, regardless of format or media, must be maintained and dispositioned for the standard subject identification codes (SSIC) 1000, 2000, and 4000 through 13000 series per the records disposition schedules located on the Department of the Navy/Assistant for Administration (DON/AA), Directives and Records Management Division (DRMD) portal page at <https://portal.secnav.navy.mil/orgs/DUSNM/DONAA/DRM/Records-and-Information-Management/Approved%20Record%20Schedules/Forms/AllItems.aspx>. For SSIC 3000 series dispositions, please refer to part III, chapter 3, of Secretary of the Navy Manual 5210.1 of January 2012.

b. For questions concerning the management of records related to this instruction or the records disposition schedules, please contact your local records manager or the DON/AA DRMD program office.

6 AUG 2020

14. Review and Effective Date. Per OPNAVINST 5215.17A, NETC will review this instruction annually around the anniversary of its issuance date to ensure applicability, currency, and consistency with Federal, Department of Defense, Secretary of the Navy, and Navy policy and statutory authority using OPNAV 5215/40 (Review of Instruction). This instruction will be in effect for 10 years, unless revised or cancelled in the interim, and will be reissued by the 10-year anniversary date if it is still required, unless it meets one of the exceptions in OPNAVINST 5215.17A, paragraph 9. Otherwise, if the instruction is no longer required, it will be processed for cancellation as soon as the need for cancellation is known following the guidance in OPNAV Manual 5215.1 of May 2016.

15. Reports and Forms. The following reports and forms are available for download via HP Records Manager (HPRM) or via email at netc_directives@navy.mil.

- a. NETC 5200/1, Internal Control System Test (ICST)
- b. NETC 5200/2, Operational Risk Management (ORM) Assessment
- c. NETC 5200/3, Significant Accomplishments
- d. NETC 5200/4, Corrective Action Plan/Material along with applicabl Deficiency


C. COLLINS, JR.
Chief of Staff

Releasability and distribution:

This instruction is cleared for public release and is available electronically via the NETC public web site, <https://www.public.navy.mil/netc/directives.aspx>, or via HP Records Manager (HPRM).

TITLE: ACTIVITY LEVEL MANAGERS' INTERNAL CONTROL (MIC) PROGRAM (MICP) FLOWCHART

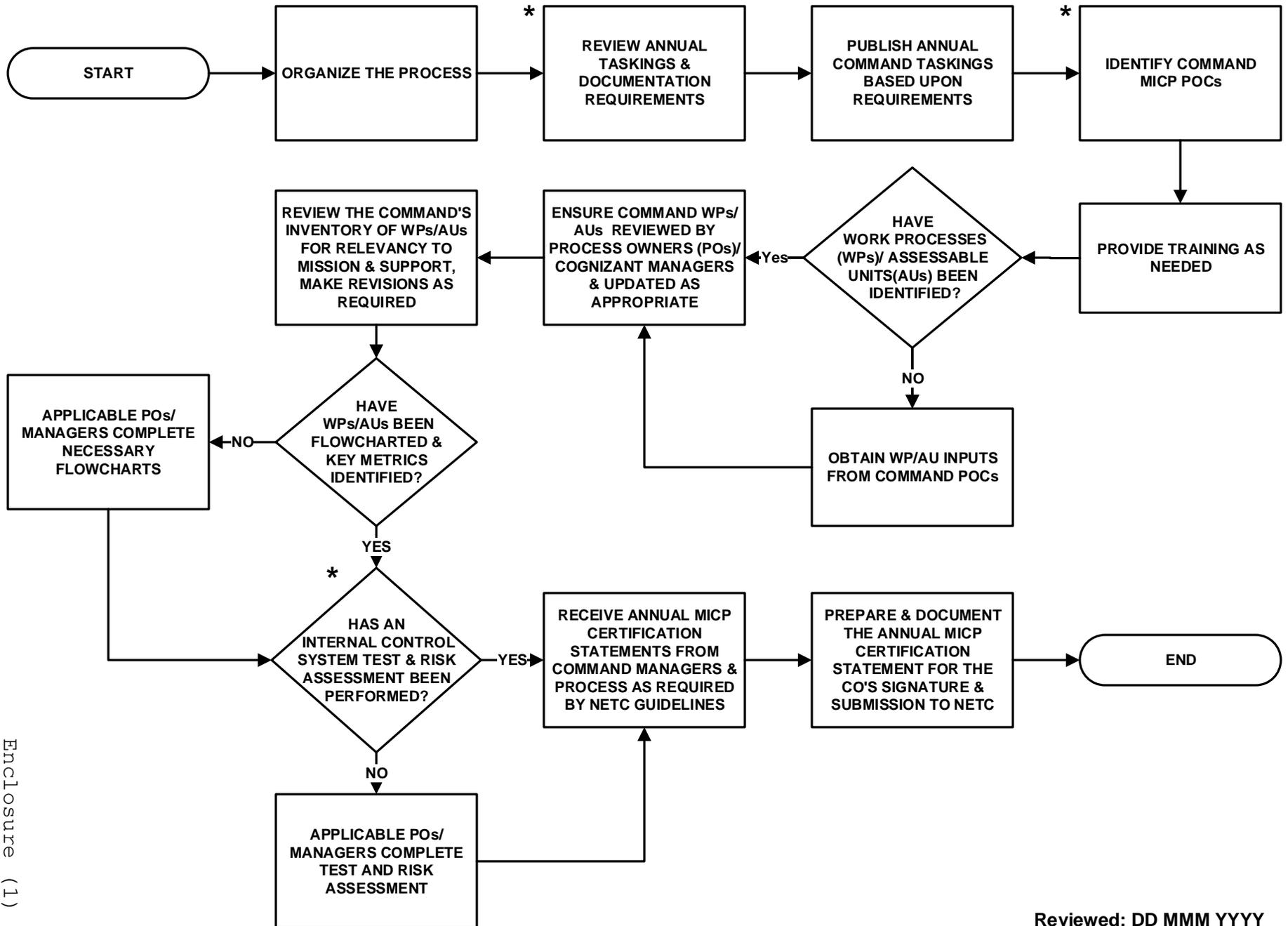
*** KEY METRIC**

PURPOSE: PROCESS FOR DOCUMENTING COMPLIANCE WITH DON MICP

REFERENCE: NETCINST 5200.1A

PROCESS OWNER: NAME (CODE) PHONE # (DSN XXX)

EMAIL: xxxx.xxxxx@navy.mil.



Enclosure (1)

Reviewed: DD MMM YYYY

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6 Aug 2020

**GENERAL INFORMATION - MANAGERS' INTERNAL CONTROL (MIC) PROGRAM
BENEFITS AND GENERAL TERMS**

1. Benefits of MIC Program

a. Fosters a proactive approach to reach the stewardship goals of the Federal Managers' Financial Integrity Act (FMFIA), which requires managers to be involved in evaluating and improving the quality of work processes.

b. Brings an organized and consistent method that holds managers accountable for internal self-evaluations without a large investment of time and effort.

c. Promotes an objective evaluation of work processes by requiring responsible managers to develop process flowcharts and attest to the effectiveness of internal controls.

d. Encourages managers to create win/win situations for themselves and the command by pursuing ways to self-identify and self-correct process weaknesses.

e. Helps managers understand what a process entails, the interrelationships, and what actions are needed to improve quality.

f. Ensures that managers are aware of and using existing methods and systems to gauge quality.

g. Promotes continuous quality process improvement as to how work is performed.

2. Internal Controls or Management Safeguards. The terms are synonymous. They are the safeguards built into a work process that ensure resources are used as intended and procedures are followed as directed, the goal of which is to achieve the best results at the lowest possible cost.

3. Significant Accomplishments - Criteria. Management improvements that have resulted in: (must be measurable and quantifiable)

a. Significant cost avoidance.

b. Innovative methods of increasing throughput and/or productivity.

c. Other innovative management practices that significantly improved a process.

4. Material Weakness (MW) - Criteria. A MW exists when a condition results in a relatively high risk of loss, errors, or irregularities in relation to the assets or resources being managed. Professional judgment, based on applied common sense, must be used when determining materiality. "Material to the DON" is the final determination of whether a material weakness is to be included in the Annual Department of the Navy (DON) Statement of Assurance (SOA) Report. A MW is a control gap (deficiency) that must meet the following two conditions:

a. A weakness in internal controls because the controls are not in place, are not being used, or are inadequate, which is material if it:

(1) Impairs or potentially impairs essential operations or missions.

(2) Significantly dilutes or destabilizes established safeguards against fraud, waste, abuse, and mismanagement of resources.

(3) Demonstrates substantial noncompliance or results in regulatory violation.

(4) Threatens the image, reputation, or credibility of the organization.

(5) Compromises or weakens information security.

(6) Is identified as such during an external audit or inspection and upheld as no less than a substantial finding.

b. Warrants the attention of the next level of leadership or command, either to act or for awareness. Determining whether the next level of leadership or command must be aware of a weakness is management's judgement. The below factors should be considered in determining the existence of a reportable material weakness:

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

(2) Actual or potential loss of sensitive resources (e.g., drugs, materials, munitions (weapons and ammunition), etc.).

(3) Current or probable Congressional or media interest (adverse publicity).

(4) Impaired fulfillment of mission.

(5) Unreliable information causing unsound management decisions.

(6) Violations of statutory requirements.

(7) Systemic deficiencies regardless of the magnitude of resources involved.

(8) Magnitude of funds, property, or other resources involved.

(9) Diminished credibility or reputation of management.

(10) Deprived the public of needed Government services.

5. Significant Deficiency (SD). Similar to a MW, the SD materiality level designation is a management judgment decision on an issue that warrants senior leadership visibility and resolve for remediation. SDs are often differentiated from MWs in terms of their overall severity on the organization and level of action outside and above the organization's leadership or command needed; SDs are considered by management as detrimental to objective completion, but internally manageable and remediable. An Internal Controls over Operations (ICO) SD is an operational control or a combination of operational control deficiencies that adversely effects the organization's ability to satisfy its mission and be compliant with relevant laws, regulations, and policies, or both. The SD inhibits effective and efficient business process operations and performance reporting.

6. Mid-level Linear Flowchart. A straight line graphic depiction of a work process. The flowchart should include the name and purpose of the work process, references applicable to the process, and the work process owners' point of contact information: name, code, telephone number and email address. It displays a sequence of events in the order of occurrence. Elements include at least one starting point, process steps, decision points, key metrics, and at least one ending point. The flowchart should be reviewed at least annually to ensure it adequately depicts the work process.

7. Work Processes (WPs)/Assessable Units (AUs). A combination of inputs, actions, and outputs characterized by a starting and at least one ending point. NETC domain WPs/AUs can be broken down into three categories: (1) mission critical, (2) associated support, and (3) universal. Enclosure (3) displays sample WPs/AUs by DON Functional Categories. This inventory is intended to provide a menu of possible processes to consider in developing a command inventory. Any process inventory is a living document and is subject to change based upon command mission.

**GENERAL INFORMATION - MANAGERS' INTERNAL CONTROL (MIC) PROGRAM
DON FUNCTIONAL CATEGORIES**

1. Research, Development, Test and Evaluation¹. Covers 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. Acquisition¹. Applies to all acquisitions, including major acquisitions and items designated as major systems, subject to the procedures of the Defense Acquisition Board, the Military Services Acquisition Review Councils, or the Selected Acquisition Reporting System. The Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics Memorandum, "Guidance on the Assessment of Acquisition Functions under Office of Management and Budget, Circular No. A-123," requires the use of an acquisition assessment template when conducting IC reviews and reporting of IC material weaknesses.
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 component) forces which provide the necessary flexibility to deter potential foes and rapidly respond to a broad spectrum of global threats.
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

¹ Not applicable to NETC.

modifications to, material, equipment, and supplies. Includes depot and arsenal-type facilities as well as intermediate and unit levels of military organizations.

7. Supply Operations. Encompasses supply operations at the wholesale level (depot and inventory control point) 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 level (customer), including the accountability and control for supplies and equipment of all commodities in the supply accounts of all units and organizations (excluding procurement of material, equipment, and supplies).

8. Property Management. Covers construction, rehabilitation, modernization, expansion, improvement, management, and control over real property (both military and civil works construction), to include installed equipment and personal property. Also covers disposal actions for all material, equipment, and supplies, including the Defense Reutilization and Marketing system.

9. Intelligence. Covers the plans, operations, systems, and management activities for accomplishing the collection, analysis, processing and dissemination of intelligence in order to provide guidance and direction to commanders in support of their decisions.

10. Information Technology. Any equipment or interconnected system or subsystem of equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information. It includes computers, ancillary equipment, software, firmware and similar services and related resources whether performed by in-house, contractor, other intra-agency or intergovernmental agency resources or personnel.

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 excluded.

12. Comptroller/Resources 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 reference (c).

13. Support Services. Includes all support services functions financed from appropriated funds not covered by the other reporting categories, such as health care, veterinary care, and legal and public affairs services. All non-appropriated 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. Security. The plans, operations, systems, and management activities for safeguarding classified resources (not peripheral assets and support functions covered by other reporting categories). Also covers the DoD programs for protection of classified information.

16. Communications. Communication requires a sender, a message, and an intended recipient, although the receiver need not be present or aware of the sender's intent to communicate at the time of communication; thus communication can occur across vast distances in time and space.

17. 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.

**GENERAL INFORMATION - MANAGERS' INTERNAL CONTROL (MIC) PROGRAM
TYPICAL DUTIES OF MIC COORDINATOR**

1. Serves as the command point of contact for the MIC Program and advises the commanding officer on program status.
2. Provides guidance and works with managers regarding annual requirements.
3. Provides familiarization training and technical assistance as needed. Ensures MIC Program training is administered per Chief of Naval Operations (CNO) guidance.
4. Ensures the command's inventory of Work Processes (WPs)/Assessable Units (AUs) are reviewed annually and updated by cognizant managers.
5. Evaluates WPs/AUs for relevancy to the command's mission and associated support.
6. Ensures WPs/AUs are flowcharted (to include key metrics) and Internal Control System Tests and Operational Risk Management assessments have been performed.
7. Retains MIC Program documentation.
8. Compiles management inputs and prepares the annual MIC Program certification statement for the commanding officer's signature.
9. Tracks the status of reported material weaknesses/significant deficiencies identified in the annual certification statement.

SAMPLE NETC DOMAIN WORK PROCESSES (WPs)/
ASSESSABLE UNITS (AUs) INVENTORY

This Process Menu is provided as a sample. The list is designed to give managers potential processes to consider in developing an inventory that best reflects the command's mission. The menu shows a variety of process titles under functional categories. Possible mission critical and associated support processes, and universal processes are included. Some processes are universal because they are applicable to all commands, except when unique circumstances dictate otherwise. A universal process is defined as a process, which may exist at most commands, depending upon their echelon. Universal processes are indicated by an * below.

Functional Category 03: Procurement

- *Credit Cards: Government Commercial Purchase Card Program
- *Credit Cards: Government Travel Charge Card Program

Functional Category 04: Contract Administration

- Certification of Contractor Invoices
- Contract Modifications
- Facilities Support Contracts
- *Monitoring Contractor's Performance and Inspection and Acceptance of Supplies and Services

Functional Category 05: Force Readiness

- Casualty Report (CASREP)
- Impaired Training
- Strategic Planning, Objectives and Metrics Management

Functional Category 06: Manufacturing, Maintenance and Repair

- Calibration Program
- Maintenance Management
- Training Devices

Functional Category 07: Supply Operations

- *Inventory Management (including physical inventory)
- NROTC/NJROTC Training Material Inventory Management
- *Supply Management (including material requisitioning, issue, receipt)

Functional Category 08: Property Management

- Facilities Management

Functional Category 09: Communications and/or Intelligence and/or Security

Antiterrorism Program Information and Personnel Security Program (including classified material and message control)
Mishap Investigation and Reporting
Operations Security
Ordnance and Weapons Management
*Telecommunications (including cell phones, blackberries, and long distance telephone usage)
*Physical Security
Public Affairs Program
Security Investigations

Functional Category 10: Information Technology

ADP Equipment Inventory Reporting
ADP Life Cycle Management
Electronic Classroom Reporting (ECR)
*Information Assurance/Cyber Security
Information Instructional System Development Delivery
Information Technology (IT) Management
IT Training
Navy College Management Information System
Navy Training Master Planning System
*Network Security
Requirements, Determination and Feasibility Studies
Software Development and Procurement
Training Aids and Devices (non-audiovisual)
Web-Site Management

Functional Category 11: Personnel and/or Organizational Management

Academic Course Review (Formal Course Review)
Academic Review Board
*Accreditation Program (including fiduciary process, liaison, policy, and management)
Administrative Boards
Alternative Dispute Resolution (ADR)
Assignment of Navy Enlisted Classification
Awards - Civilian/Military
Broadened Opportunity for Officer Selection and Training (BOOST)
Civilian Performance Appraisal Process
Civilian Position Management
Command Managed Equal Opportunity (CMEO) - Military
Command Mentoring Program
*Curriculum Development, Maintenance Review, and Control
*Curriculum Management (functional commanders and Curriculum Control Authority)

Disaster Preparedness Program
Drug/Alcohol Programs (DAPA) - Civilian and Military
EEO/Sexual Harassment/Sexual Assault Victim Intervention
Family Advocacy Program
General Military Training (GMT)
General Safety Training
*Instructor Certification/Evaluation/Utilization/Recognition
*Instructor of the Year Program
Leadership Development
Manpower Control, Ceilings and Strength Rating (Officer,
Enlisted, Civilians)
*Master Training Specialist Program
Military EO Grievance Process
Military Personnel Administration
Navy College Learning Program
*Navy Military Training (NMT)
Navy Occupational Safety and Health
NEOCS and NOOCS Program Management
NJROTC Program Management
NROTC Inspections/Standards
*Quota Control/Management
Sexual Assault Prevention and Response
Safety Inspections
Safety Training (Public Safety)
Security (Military Working Dog/Physical Security/Law
Enforcement/Patrol Operations)
Security Clearance
Sponsor Program
Standards of Conduct - Civilian and Military
*Student Management
Telework
Training and Career Development
Training Device Management
*Training Feedback/Liaison (Student Critiques)
Training Project Plan
Tuition Assistance Authorization

Functional Category 12: Comptroller/Resource Management

Accounting (including Contingent Liabilities and Adjustments
to Obligations)
Accounts Receivable
Activity Based Costing
*Budget Execution
*Budget Formulation
*Civilian Timekeeping
Course Costing
Financial Administration of the IMET Program
Financial Administration of FMS Training Cases
Official Representation Funds

Planning and Programming of Resources
POM Development
Reconciliation/Certification Statement of Accounts
Travel Process
Work Force Development

Functional Category 13: Support Services

Subfunction A: Administration

Administrative Services (records management, filing, reports tracking, directives, mail, forms, etc.)
Command Sponsored Programs
Community Relations
*Freedom of Information Act (FOIA)
*Managers' Internal Control Program (MICP)
*Privacy Act Program
Public Affairs Program (releases, events, tours, visits, etc.)
*Voting Assistance Program

Subfunction B: IG/Audit

*Audit Follow-up/Liaison
*Command Evaluation Program
*Command Inspection Program
*Investigations (i.e., Hotlines)

Subfunction C: Facilities and/or Base Maintenance

Facilities and/or Base Requirements/Management Maintenance
Fire Protection and Prevention Programs
Host/Tenant Relations
Military Construction (MILCON)

Subfunction D: Legal

Administrative Separation
Article 138, UCMJ/Article 1150 NAVREGS Complaints
Courts Martial
Financial Disclosure Reporting - Civilian and Military
Litigation (Civil Case) Other Than Contract
Judge Advocate General Manual (JAGMAN) Investigation
Non-Judicial Punishment (NJP) Appeal
Officer NJP
Post-Trial Review of General Courts-Martial
*Urinalysis Program

Subfunction E: Medical

None

Subfunction F: Morale, Welfare and Recreation

Morale, Welfare and Recreation Program

Subfunction G: Religion

Suicide Prevention

Subfunction H: Naval Education and Training Security Assistance Field Activity (NETSAFA)

Field Studies Program
Reimbursable Billing
Tuition Pricing

Functional Category 14: Security Assistance

DoD Informational Program (IP) Funds
Foreign Military Sales/Training (Foreign Visits Program)
Foreign Military Student Management
Foreign Military Training (Administrative)
IP Trips

Functional Category 15: Other

Subfunction A: Transportation

Duty/Staff Vehicle
Vehicle Maintenance

SAMPLE FLOWCHART

NETCINST 5200.1A

6 Aug 2020

TITLE: MINOR AND PILFERABLE PROPERTY PROCESS

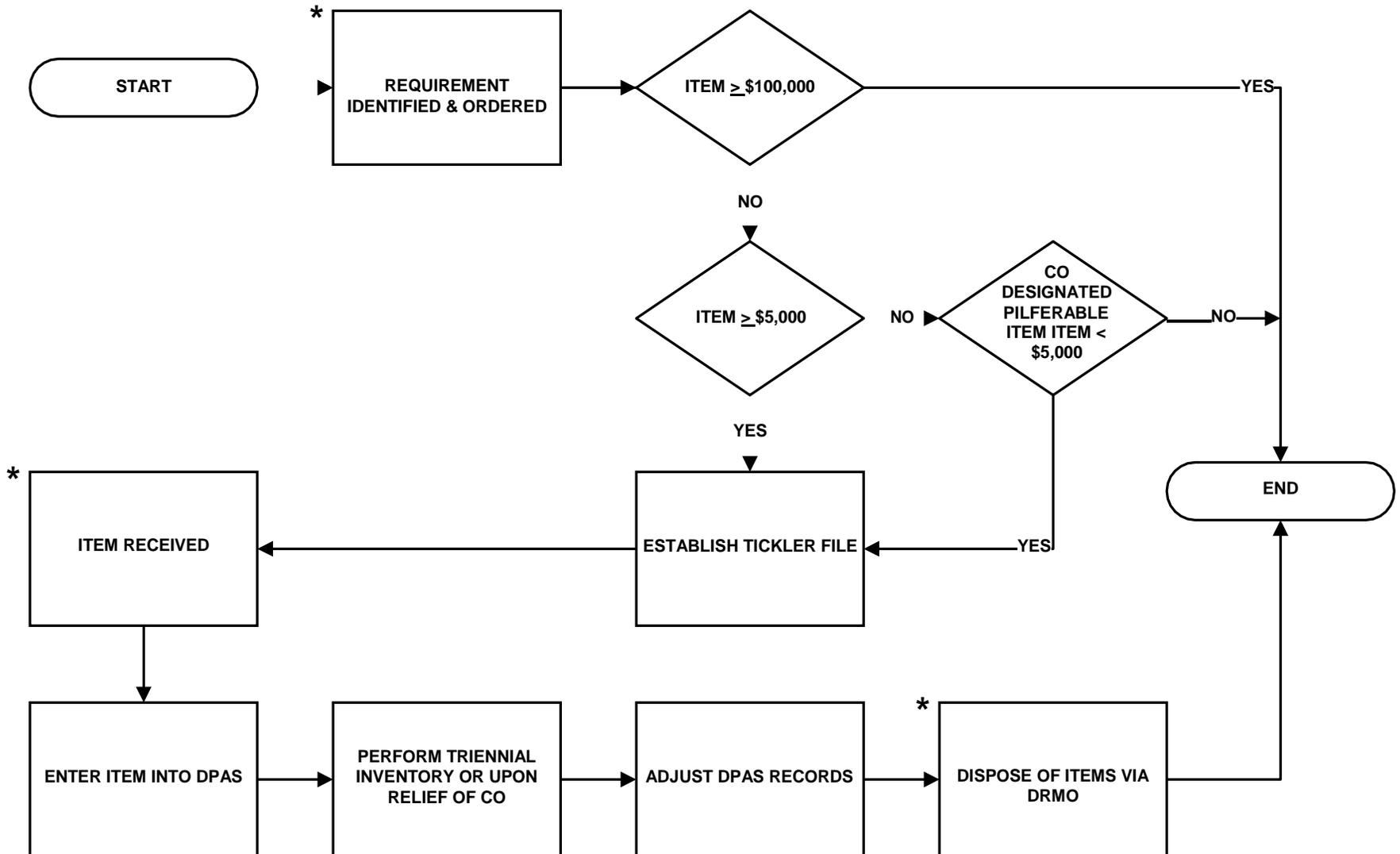
PURPOSE: PROCESS FOR MANAGING AND CONTROLLING MINOR AND PILFERABLE PROPERTY

REFERENCE: NETCINST 7320.1B

PROCESS OWNER: MR. J. P. JONES, NETC N00GR, (850) 452-4867 (DSN 459)

EMAIL: JP.JONES@NAVY.MIL

* KEY METRIC



Reviewed: DD MMM YYYY

Enclosure (4)

SAMPLE MANAGERS' INTERNAL CONTROL CERTIFICATION STATEMENT

From: Head of Echelon III Command
To: Commander, Naval Education and Training Command

Subj: MANAGERS' INTERNAL CONTROL CERTIFICATION STATEMENT AS OF
30 SEPTEMBER 20XX

Ref: (a) NETCINST 5200.1A
(b) NETCNOTE 5200 of xx XXX xx

Encl: (1) Significant Accomplishments (if applicable)
(2) Material Weaknesses/Significant Deficiencies (if applicable)

1. I have taken the necessary measures to ensure that the system of internal controls in effect during the period 1 October 20XX to 30 September 20XX has been evaluated per references (a) and (b). Significant Accomplishments are presented in enclosure (1). (Provide Significant Accomplishments as applicable.)

2. (Make one of the following statements:)

I am able to provide an unmodified certification statement that I have reasonable assurance management internal controls are in place and operating effectively. No Material Weaknesses or Significant Deficiencies are reported. The objectives of the Federal Managers' Financial Integrity Act were achieved. **(OR)**

I am able to provide a modified certification statement that I have reasonable assurance management controls are in place and operating effectively, except for the weaknesses/deficiencies discussed in enclosure (2). Overall, the objectives of the Federal Managers' Financial Integrity Act were achieved. **(OR)**

I am providing a No Assurance certification statement that I do not have reasonable assurance management internal controls are in place and working effectively, as discussed in enclosure (2). However, remedial action is being taken to ensure compliance with the objectives of the Federal Managers' Financial Integrity Act.

3. Information to support the certification statement was derived from process analyses, audits, inspections, investigations, and other management information such as knowledge gained from daily operations of programs and functions. This certification statement captures information from 1 September 20XX to XX April 20XX with the understanding that any significant information identified from XX April 20XX to

NETCINST 5200.1A
6 Aug 2020

30 September 20XX will be included as an amendment after submission or may be included in the following year's Certification Statement.

Signed by Responsible Official
(Head of Echelon III Command)