



**DEPARTMENT OF THE NAVY**  
**NAVAL SERVICE TRAINING COMMAND**  
**2601A PAUL JONES STREET**  
**GREAT LAKES, ILLINOIS 60088-2845**

Canc frp: Feb 13

NSTCNOTE 5200

IG

14 Feb 12

NSTC NOTICE 5200

From: Commander, Naval Service Training Command

Subj: NAVAL SERVICE TRAINING COMMAND MANAGERS' INTERNAL CONTROL PROGRAM

Ref: (a) SECNAVINST 5200.35E  
(b) Federal Manager's Financial Integrity Act of 1982  
(c) NETCINST 5200.1  
(d) NETCINST 5040.1B  
(e) NSTCINST 5040.1B  
(f) NETCNOTE 5200

Encl: (1) [NSTC DOMAIN MICP Inventory of Assessable Units](#)  
(2) [Functional Categories with Universal Processes](#)  
(3) [Sample MICP Flowchart](#)  
(4) [Sample Operational Risk Management Assessment](#)  
(5) [NSTC 2012 Strategic Goals](#)  
(6) [Sample Internal Control System Test](#)  
(7) [Sample MIC Certification Statement](#)  
(8) [Sample Major Accomplishments](#)  
(9) [Sample Material Weaknesses or Status of Corrective Action](#)  
(10) [Criteria for Major Accomplishments, Material Weaknesses, and Status of Corrective Actions](#)

1. Purpose. Naval Service Training Command (NSTC) Managers' Internal Control Program (MICP) notice reflects the requirements of references (a) through (f). This notice establishes reporting requirements and due dates for the period 1 July 2011 to 30 June 2012 for all NSTC domain activities.

2. Cancellation. NSTCNOTE 5200 24 Mar 11

3. Background. SECNAV requires compliance with the Federal Managers' Financial Integrity Act (FMFIA) (Public Law 97-255).

4. Discussion

a. The Department of the Navy (DON) MICP is the Navy's method for demonstrating and documenting compliance with reference (b).

SECNAV expects all managers to be active participants. During all audits and inspections, external agencies (Government Accountability Office, Department of Defense Inspector General, Naval Inspector General, and Naval Audit Service) review command adherence with this program.

b. The MICP stresses using a variety of existing methods to gauge the effectiveness, efficiency, and economy of work processes. 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, includes metrics/ controls and various work-related steps.

c. Key metrics are defined as those that quantify critical stages. Embedded safeguard metrics measure efficiency, effectiveness and economy. Metrics measured earlier in the process allows more accurate process performance. Metrics can be used to baseline, monitor, manage, improve, and reward performance. Metrics improve results and specifically identify problems.

d. MICP documentation shall be retained in-house for three years for turnover and audit/area visit/assist visit purposes. These efforts establish a perpetual state of readiness for any type of inspection. It also provides the basis for performing process self-assessments.

5. Requirements for the period 1 July 2011 to 30 June 2012. To demonstrate compliance with reference (b), commands must complete the following:

a. Evaluate the Assessable Unit Inventory/Work Process

(1) The inventory must reflect processes that are actually performed within the command. Compare your inventory shown in [enclosure \(1\)](#) to the functional categories shown in [enclosure \(2\)](#). Ensure your inventory reflects mission critical, as well as associated support and universal processes. Each Naval Reserve Officers Training Corps (NROTC) Unit will use pages 8 and 9 of enclosure (1) as a template to annotate its applicable information.

(2) When evaluating processes, determine if the process is susceptible to potential internal control breakdowns in protecting Information Assurance and Personally Identifiable Information. Due to high visibility, pay close attention to: Network Security, Government Commercial Purchase Card, Government Travel Charge Card, Defense Travel System, Urinalysis Program, Civilian Timekeeping, Privacy Act Program, Voting Assistance,

Command Managed Equal Opportunity, Sexual Assault Prevention and Response, and safety issues associated with a process.

(3) Managers review and make adjustments to previously developed flowcharts or create flowcharts for all work processes in the command's MICP inventory list. A one-page linear Microsoft Visio, PowerPoint, or Word flowchart is required to depict a process. Each flowchart will include the following:

- (a) A title outlining the process.
- (b) A purpose to include the primary governing regulation.
- (c) A process office code to include contact telephone number.
- (d) A current date annotating reviewed or revised.
- (e) Two or three key metrics are required for each process.

(4) [Enclosure \(3\)](#) provides a sample method for developing a flowchart. Electronically submit new or revised flowcharts to [judith.goldsmith1@navy.mil](mailto:judith.goldsmith1@navy.mil) not later than (NLT) 13 April 2012. NROTC Units are not required to forward the flowcharts, but shall maintain it in-house.

b. Operational Risk Management Assessment (ORM), NSTC 2012 Strategic Goals, Internal Control System Test, and Key Metrics

(1) Ensure an ORM assessment has been performed for mission critical processes and other processes deemed high risk. Hazards or risks for each process are to be identified and assigned a Risk Assessment Code. Use [enclosure \(4\)](#), to document the test and electronically submit to [judith.goldsmith1@navy.mil](mailto:judith.goldsmith1@navy.mil) NLT 20 April 2012. NROTC Units are not required to forward the documentation, but shall maintain it in-house.

(2) Ensure each process is examined for efficiency, effectiveness, and economy. Each process must be linked to one NSTC 2012 Strategic Goal. [Enclosure \(5\)](#), NSTC 2012 Strategic Goals lists the three strategic goals to be documented on [enclosure \(6\)](#), block three. Additionally, identify the two or three key metrics used on the flowchart to measure performance in block five. Electronically submit Internal Control System Tests to [judith.goldsmith1@navy.mil](mailto:judith.goldsmith1@navy.mil) NLT 20 April 2012. NROTC Units are not

required to forward the documentation, but shall maintain it in-house.

c. Annual MICP Certification Statement (Statement of Annual Assurance (SOA))

(1) To demonstrate the existence of a clear audit trail of accountability at the NSTC level, each program manager and subordinate commands shall electronically submit a signed annual certification statement to Commander, NSTC (CNSTC) via the NSTC Inspector General (IG) Office, NLT 25 April 2012. [Enclosure \(7\)](#) is a Sample MICP Certification Statement. NSTC IG will then forward a consolidated statement for CNSTC's signature to Naval Education and Training Command (NETC) via NETC IG (Code NOOG) for compilation. The statement will be forwarded electronically, NLT 4 May 2012.

(2) When necessary, use [enclosure \(8\)](#) to document Major Accomplishments or [enclosure \(9\)](#) to document a Material Weakness or Status of Corrective Actions on a weakness not previously reported as closed.

(3) [Enclosure \(10\)](#) is the criteria to be used for selecting command Major Accomplishments, Material Weaknesses, and Status of Corrective Actions for inclusion in the MICP SOA to NETC.

6. Forms. Electronic copies of all forms are available on the NSTC shared drive under S:\GRLK\NSTC\MICP 2012\FORMS.

7. Point of Contact. If you have questions, please contact Ms. Judith Goldsmith, NSTC IG, who can be reached at COMM: (847) 688-2258, DSN: 792.

  
C. M. OLINGER  
Chief of Staff

Distribution: (NSTCINST 5216.1B)  
List 3 & 4

# FY 2012 NSTC DOMAIN MICP INVENTORY OF ASSESSABLE UNITS

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<b>Naval Service Training Command (NSTC)</b>								
Code	Office Name	Process	Process Owner	POC & Phone	Flow Chart On File	FY-2012 ICST/ORM	FY-2012 Cert	Comments
	Special Assistants							
UPC		Urinalysis Program	LT Eric Marquardt	LT Marquardt, (847) 688-7600, X143				
VAO		Voting Assistance Program	LT Charity Hardison	LT Hardison, (847) 688-2201, X181				
CMEO EOA		Command Managed Equal Opportunity (CMEO) / EO	LT Tanisha Thorpe YNC George Wooten	LT Thorpe, (847) 688-7600, X118 YNC Wooten, (847) 688-6488				
CI		Command Investigations (JAGMAN)	LT Steven Green	LT Green, (847) 688-2500				
CFL		Military Physical Readiness Training	YNC Matthew Brennick	YNC Brennick, (847) 688-2500/3400				
SAPR		Sexual Assault Prevention and Response (SAPR)	LT Tanisha Thorpe	LT Thorpe, (847) 688-7600, X118				
DAPA		Drug and Alcohol Program (DAPA)	NCCS Gene Garland	NCCS Garland, (847) 688-6488				
N004	Flag Admin	Correspondence	Mr. Michael Prelich	Mr. Prelich, (847) 688-7828				
		Congessionals	Mr. Michael Prelich	Mr. Prelich				
		Instructions	Mr. Michael Prelich	Mr. Prelich				
		Awards	Mr. Michael Prelich	Mr. Prelich				
		Mail Distribution	Mr. Michael Prelich	Mr. Prelich				
N003	Protocol	RTC Graduation Planning (Visitors)	Mr. Sean Ozolins	Mr. Ozolins, (847) 688-7853/3400				
		VIP Tours	Mr. Sean Ozolins	Mr. Ozolins				
		Ceremonial Protocol Guidance	Mr. Sean Ozolins	Mr. Ozolins				
		Social Event Planning	Mr. Sean Ozolins	Mr. Ozolins				

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Code	Office Name	Process	Process Owner	POC & Phone	Flow Chart On File	FY-2012 ICST/ORM	FY-2012 Cert	Comments
N1	Manpower	Civilian Awards	Ms. Glenda Baker	Ms. LuAnn Whittington, (847) 688-2682, X199				
		Position Management	Ms. Glenda Baker	Ms. Whittington				
N3/5/7	Operations, Analysis, and Requirements	Fleet Requirement Implementation	CDR Aquilla Causey	LCDR Steve Liberty, (847) 688-7600, X179				
		Curriculum Management	CDR Aquilla Causey	LCDR Liberty				
N4/6	Logistics & Information Technology	Government Commercial Purchase Card (GCPC) Program (4)	Dr. Michael Belanger	Dr. Michael Belanger, (847) 688-4140				
		Telecommunications	Dr. Michael Belanger	Dr. Belanger				
		Support OPS: Manage Network Access (2)	Mr. David Coles	Mr. Coles				
		Information Assurance (3)	Mr. David Coles	Mr. Waupoose, (847) 688-3456, X301				
N8	Comptroller	Accounting - Labor Processing	Ms. Anne Hemingway	Ms. Colleen Lopez, (847) 688-6808, X414				
		Accounting – Transactions	Ms. Anne Hemingway	Ms. Lopez				
		Civilian Timekeeping	Ms. Anne Hemingway	Ms. Lopez				
		Host / Tenant Agreements	Ms. Anne Hemingway	Ms. Arlinda Metoyer, (847) 688-6808, X172				
		Budget Formulation	Ms. Anne Hemingway	Ms. Sue Durand, (847) 688-3371, X416				

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Code	Office Name	Process	Process Owner	POC & Phone	Flow Chart On File	FY-2012 ICST/ORM	FY-2012 Cert	Comments
		Budget Execution (3)	Ms. Hemingway	Ms. Durand				
		Admin. Control of Travel	Ms. Anne Hemingway	Ms. Durand				
		Admin. Control of Government Travel Charge Card (GTCC) Program	Ms. Anne Hemingway	Ms. Durand				
		Admin. Control of Premium Travel	Ms. Anne Hemingway	Ms. Durand				
N9	Learning Strategies	Learning Strategies & Innovation Initiative	Mr. John Drake	Ms. Leah Wimberley, (847) 688-4483				
IG	Inspector General	Hotline Investigations	Ms. Judith Goldsmith	Mr. Kevin DuBose, (847) 688-2286				
		Managers' Internal Control Program (MICP)	Ms. Judith Goldsmith	Mr. DuBose				
		Command Evaluation (CE)	Ms. Judith Goldsmith	Mr. DuBose				
		Assist Visits (AV)	Ms. Judith Goldsmith	Mr. DuBose				
OGC	Office of General Counsel	Ethics-OGE 450 Review	Ms. Georgia Vlahos	Ms. Vlahos (847) 688-4422				
		FOIA/Request for Privacy Act Information	Ms. Georgia Vlahos	Ms. Vlahos				
		Litigation (Civil Case) Other Than Contract	Ms. Georgia Vlahos	Ms. Vlahos				
		Privacy Act	Ms. Georgia Vlahos	Ms. Vlahos				
PAO	Public Affairs Office	Media Relations	LT Charity Hardison	Mr. Todd Willebrand, (847) 688-2201, X360				
		Community Relations	LT Charity Hardison	Mr. Willebrand				
		Internal Information	LT Charity Hardison	Mr. Willebrand				
		Press Releases	LT Charity Hardison	Mr. Willebrand				
		Maintain Web Site	LT Charity Hardison	Mr. Willebrand				

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Code	Office Name	Process	Process Owner	POC & Phone	Flow Chart On File	FY-2012 ICST/ORM	FY-2012 Cert	Comments
CD	Citizenship Development	Curriculum Management	Dr. J. D. Smith	Ms. Teresa Casey, (850) 452-9507				
		Integrated Logistics Support	Dr. J. D. Smith	Ms. Casey				
		Personnel Management	Dr. J. D. Smith	Ms. Casey				
OD	Officer Development	Program Management	Dr. C. J. Stein	Dr. Stein, (850) 452-4983				
		Operation Support	CDR J. Musgraves	Ms. Marjorie McIntyre, (850) 452-4973				
		Selection & Placement-Nuc Opt (incl STA-21)	CAPT Timothy Daseler	LT Brian Windmiller, (850) 452-4050				
		Nuclear Summer Cruise	CAPT Timothy Daseler	LT Windmiller				
		NROTC Selection & Placement (2)	Ms. Cathy Kempf	Mr. Tom Glazer, (850) 452-2343				
		STA-21 Selection & Placement	Ms. Cathy Kempf	Mr. Glazer				
		Curriculum Management	CDR John Jones	CDR Jones, (850) 452-9554				
		Summer Training	CDR John Jones	LCDR Russell, (850) 452-2930				
		Student Operations	Maj Edward Robinson	Maj Robinson, (850) 452-4962				
		Unit Operations	CDR J. Musgraves	Ms. McIntyre				
		Conferences	CDR J. Musgraves	Ms. McIntyre				
		Promotion of and Education on Naval Accessions	Ms. Cathy Kempf	Mr. Glazer				
								Total: 62 Processes

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<b>Officer Training Command (OTC)</b>								
Code	Office Name	Process	Process Owner	POC & Phone	Flow Chart On File	FY-2012 ICST/ORM	FY-2012 Cert	Comments
OTC		<b>Procurement</b>						
		Government Commercial Purchase Card (GCPC) Program	LTJG Jason Gilmore	LT Gilmore, (401) 841-7967				
		Government Travel Charge Card (GTCC) Program	Ms. Ann Christhilf	Ms. Christhilf, (401) 841-6630				
		<b>Communications/Security/Intelligence</b>						
		Telephone/Cell Phone Services & Usage	Mr. Kenny Lee	Mr. Lee, (401) 841-2919				
		<b>Information Management</b>						
		Network Security (3)	Mr. Tony Riley	Mr. Riley, (401) 841-7930				
		Information Assurance (2)	Mr. Tony Riley	Mr. Riley				
		<b>Personnel and/or Organization Management</b>						
		Curriculum Development / Management	LCDR Kevin Anderson	LCDR Anderson (401) 841-3351				
		Instructor Certification/Evaluation	Ms. Gloria Shafae-Moghadam	Ms. Shafae-Moghadam, (401) 841-1951				
		Military Awards	LT Robert Gallardo	LT Gallardo (401) 841-3515				
		Master Training Specialist Program (MTS)	ADCS Robert DeManuele	ADCS DeManuele, (401) 841-7239				
		Naval Military Training/GMT	Mr. Clyde Barney	Mr. Barney, (401) 841-4074				
		Quota Control/Management	Mrs. Rachelle Butts	Mrs. Butts, (401) 841-4349				
		Student Management (SCD)	LT Travis Godwin	LT Godwin, (401) 841-6891				
		Training Feedback/Liaison	LCDR Kevin Anderson	LCDR Anderson				

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Code	Office Name	Process	Process Owner	POC & Phone	Flow Chart On File	FY-2012 ICST/ORM	FY-2012 Cert	Comments
		<b>Comptroller/Resource Management</b>						
		Budget Execution/Formulation	Mr. Kenny Lee	Mr. Lee, (401) 841-2919				
		Civilian Timekeeping	Ms. Barbara Haynes	Ms. Haynes, (401) 841-4316				
		<b>Operational Support</b>						
		Command Evaluation (CE) Program	LT Travis Godwin	LT Godwin, (401) 841-6891				
		Managers' Internal Control Program (MICP)	LT Travis Godwin	LT Godwin				
		Military Justice	LT Cherie Cooke	LT Cook, (401) 841-3324				
		Urinalysis Program	EMCS Mechelle Washington	EMCS Washington, (401) 841-2142				
								Total: 19 Processes

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<b>Recruit Training Command (RTC)</b>								
Code	Office Name	Process	Process Owner	POC & Phone	Flow Chart On File	FY-2012 ICST/ORM	FY-2012 Cert	Comments
RTC	RTC	Awards (ADMIN)	Mr. Glenn Mowder	LT Matthew McLaughlin, (847) 688-4752, X3				
		Military Leave Accounting (ADMIN)	Mr. GlennMowder	LT McLaughlin				
		Physical Training (PT) Program (RDC Schl)	AMCS Darvas	LT McLaughlin				
		Curriculum Development (CISD/CIED)	Mr. Terry Schmalgemeier / TTD	LT McLaughlin				
		Test Change Implementation (CISD/CIED)	EMC Vincent / TTD	LT McLaughlin				
		Instructor of the Year Program (MTD/CISD)	HMC St. Claire/ TTD	LT McLaughlin				
		Physical Security Checks-Bldg (Security)	MAC Herod	LT McLaughlin				
		Key & Lock Control Prog. (Security)	MAC Taylor	LT McLaughlin				
		Ordnance & Weapons Mngt (Live Fire)	GMC Schmidt / TTD	LT McLaughlin				
		Arms Control & Security (Live Fire)	GMC Schmidt / TTD	LT McLaughlin				
		Weapons Instructor Qualification (Live Fire)	GMC Elliot / TTD	LT McLaughlin				
		Weapons JQR (Live Fire)	GMC Elliot / TTD	LT McLaughlin				
		Data Collection of Injury/Illness Rpt. (Safety)	Mr. Vic Hernandez	LT McLaughlin				
		Recruit ADMIN Separation (Legal)	HMC Dawn Williams	LT McLaughlin				
		Warehouse Ops (Supply)	Mr. Justin Durant	LT McLaughlin				
		DTS/TAD/TDY Travel Mngt. (Supply) (2)	Mr. Justin Durant	LT McLaughlin				
		GCPC (Sup) (3)	Mr. Justin Durant	LT McLaughlin				
		Personnel (Minor) PPTY Mngt. (Supply) (2)	Mr. Justin Durant	LT McLaughlin				
		GTCC (Supply) (2)	Mr. Justin Durant	LT McLaughlin				
		Budget Formulation & Execution (Supply) (2)	Mr. Justin Durant	LT McLaughlin				
		Service Request/Trouble Call Process (ADP)	Mr. Ron Cox	LT McLaughlin				
		Student Management (SCD) (8)	QMCS Morrison	LT McLaughlin				
		Master Training Specialist Program (MTS)	HMC St. Claire/ TTD	LT McLaughlin				
		Telephone Billing & Collection	Mr. Justin Durant	LT McLaughlin				
		Telephone Service & Usage	Mr. Justin Durant	LT McLaughlin				
		Urinalysis Testing	GMC Edgil	LT McLaughlin				
		GMT Mandatory Training Requirements	STGCS Peaslee /TTD	LT McLaughlin				
		Command Evaluation (CE) Program	SHCS Francois	LT McLaughlin				
		Foreign Language Screening / Testing	CTIC Thornton /TTD	LT McLaughlin				
		Managers' Internal Control Program (MICP)	LT Matthew McLaughlin	LT McLaughlin				Total: 30 Processes

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<b>Naval Reserve Officers Training Corps Units (NROTCU)</b>								
Code	Office Name	Process	Process Owner	POC & Phone	Flow Chart On File	FY-2012 ICST/ORM	FY-2012 Cert	Comments
NROTCU	NROTCU	Performance Review Boards (PRB)						
		Command Evaluation (CE) Program						
		Managers' Internal Control Program (MICP)						
		Armory / Weapons / Small Arms Training						
		Sexual Assault Prevention and Response (SAPR)						
		Student Performance Files						
		Student Admin Files						
		Medical Records						
		Dental Records						
		Physical Readiness and Swim						
		Drug and Alcohol Program (DAPA)						
		Urinalysis Program						
		Instructor Requirements						
		Freshman Orientation						
		Sail Program						
		Website Management						
		I-Mail Accounts						
		Naval Science Course Materials						
		Non-Appropriated Funds - MWR						
		Cross-Enrollment Agreements						
		CMEO / EO						
		General Military Training (GMT)						
		Property Management						
		Privacy Act / PII						
		OPTAR						
		Government Commercial Purchase Card (GCPC) Program						
		Convenience Checks						
		Government Travel Charge Card (GTCC) Program						
		Defense Travel System (DTS)						

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Code	Office Name	Process	Process Owner	POC & Phone	Flow Chart On File	FY-2012 ICST/ORM	FY-2012 Cert	Comments
		Tuition / Books Obligations						
		Supply / Logistics						
		Uniforms / Alterations						
		Civilian Timekeeping						
		Vehicle Management						
		Physical Security						
		Personal Security Program						
		Student ID Cards						
								Total: 37 Processes

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**Functional Categories with Universal Processes (UP)**

**Functional Category 03: Procurement**

- (UP) Credit Cards: Government Commercial Purchase Card Program
- (UP) Credit Cards: Government Travel Charge Card Program

**Functional Category 04: Contract Administration**

- (UP) Monitoring Contractor's Performance and Inspection and Acceptance of Supplies and Services

**Functional Category 05: Force Readiness**

- Strategic Planning, Objectives and Metrics Management

**Functional Category 06: Manufacturing, Maintenance and Repair**

- Calibration Program
- Maintenance Management
- Training Devices

**Functional Category 07: Supply Operations**

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

**Functional Category 08: Property Management**

- Facilities Management

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

- Personnel Security Program
- Mishap Investigation and Reporting
- Ordnance and Weapons Management
- (UP) Telecommunications (including cell phones, pagers, blackberries, telephone billing and collections, and telephone services and usage)
- (UP) Physical Security
- Public Affairs Program

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**Functional Category 10: Information Technology**

- (UP) Network Security/Information Assurance
- Information Technology (IT) Management
- Web-Site Management

**Functional Category 11: Personnel and/or Organizational Management**

- Academic Course Review (Formal Course Review)
- Academic Review Board
- (UP) Accreditation Program (including fiduciary process, liaison, policy, and management)
- Administrative Boards
- Alternative Dispute Resolution (ADR)
- Awards - Civilian/Military
- Civilian Performance Appraisal Process
- Civilian Position Management
- Command Managed Equal Opportunity (CMEO) - Military
- Curriculum Development, Maintenance Review, and Control
- (UP) Curriculum Management (component commanders and Curriculum Control Authority)
- Drug/Alcohol Programs (DAPA) - Civilian & Military
- EEO/Sexual Harassment/SAPR
- Family Advocacy Program
- General Military Training (GMT)
- (UP) Instructor Certification/Evaluation/Utilization/Recognition
- (UP) Instructor of the Year Program
- Learning Strategies
- Manpower Control, Ceilings and Strength Rating (Officer, Enlisted and Civilians)
- (UP) Master Training Specialist Program
- Military EO Grievance Process
- (UP) Navy Military Training (NMT)
- NROTC Inspections/Standards
- (UP) Quota Control/Management
- Safety Inspections
- Security Clearance
- Sponsor Program
- Standards of Conduct - Civilian and Military
- (UP) Student Management (including attrition data and control, and planned versus actual student input)
- Training and Career Development
- (UP) Training Feedback/Liaison (Student Critiques)

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**Functional Category 12: Comptroller/Resource Management**

- Accounting (including Contingent Liabilities and Adjustments to Obligations)
- (UP) Budget Execution
- (UP) Budget Formulation
- (UP) Civilian Timekeeping
- Official Representation Funds
- Travel Process

**Functional Category 13: Support Services****Subfunction A: Administrative Support**

- Administrative Services (records management, filing, reports tracking, directives, mail, forms, etc.)
- (UP) Managers' Internal Control Program (MICP)
- (UP) Freedom of Information Act (FOIA)
- (UP) Privacy Act Program
- (UP) Voting Assistance Program
- Public Affairs Program (release, events, tours, visits, etc.)

**Subfunction B: IG/Audit**

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

**Subfunction C: Facilities and/or Base Maintenance**

- Host/Tenant Relations

**Subfunction D: Legal**

- Administrative Separation
- Article 138, UCMJ/Article 1150 NAVREGS Complaints
- Courts Martial
- (UP) Urinalysis Program
- Financial Disclosure Reporting - Civilian and Military
- Judge Advocate General Manual (JAGMAN) Investigation
- Litigation (Civil case) Other Than Contract
- Nonjudicial Punishment (NJP)

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# Managers' Internal Control Program (MICP)

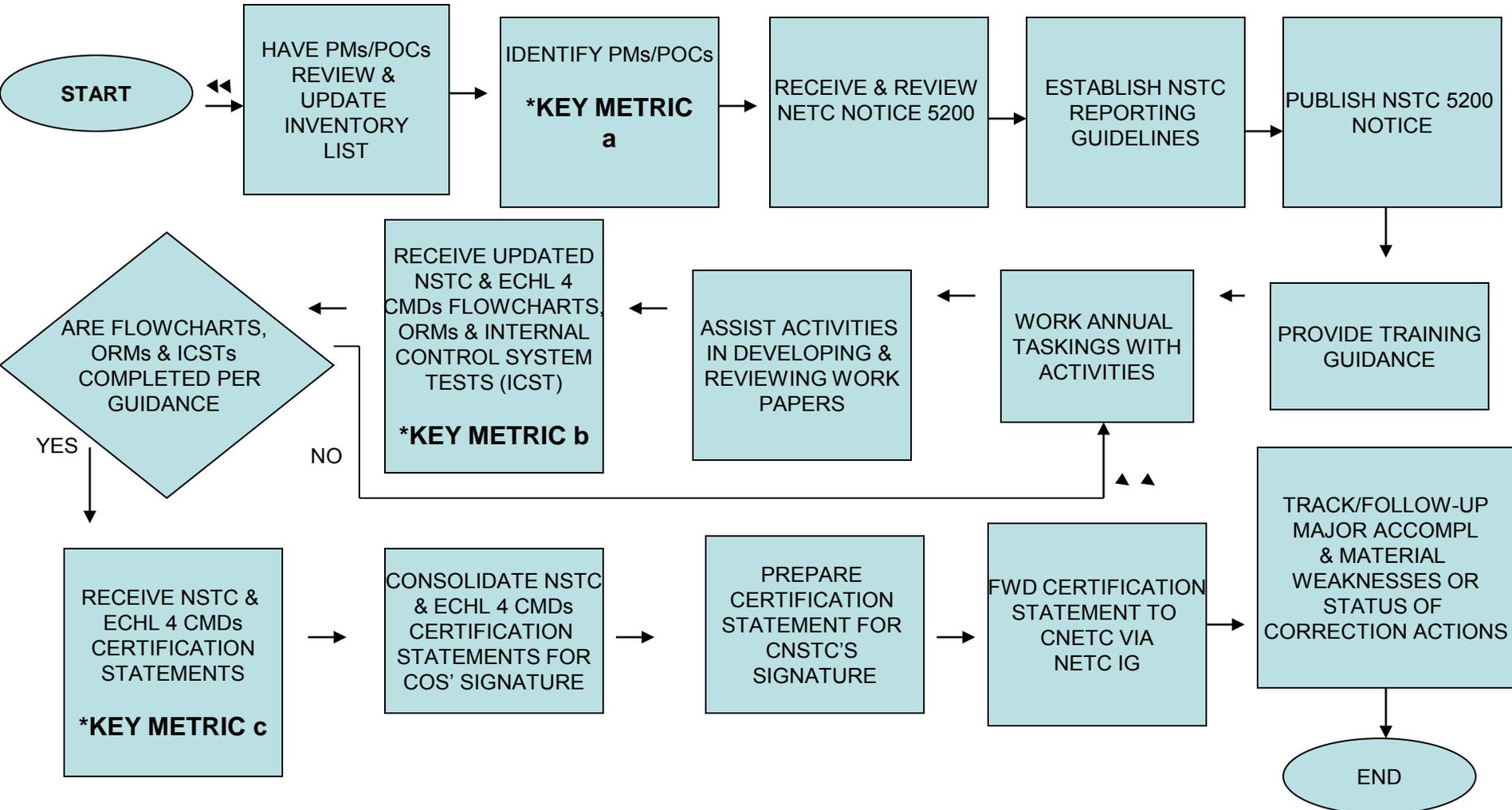
Purpose: Process by which NSTC documents compliance with Manager's Financial Integrity Act (FMFIA) / NETCINST 5200.1

Process Owner Code: NSTC IG, Phone: (847) 688-2258 (DSN 792)

Reviewed: January 2012

**\*KEY METRIC**

**UNCLASSIFIED**



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**OPERATIONAL RISK MANAGEMENT (ORM) ASSESSMENT**  
(OPNAVINST 3500.39B FIVE-STEP PROCESS)

**Command/Department:**

**Work Process/Assessable Unit Title:**

**Step 1. Identify Hazards:**

**Yes No N/A**

- a. Has a flowchart been completed identifying major steps of the work process? [ ] [ ] [ ]
- b. Have applicable hazards of each step with possible causes for those hazards been documented? If yes, attach copy (format on page 3). If no, comment on page 2. [ ] [ ] [ ]
- c. Are internal controls/safeguards in place for Protected Personal Information (PPI)? [ ] [ ] [ ]

**Step 2. Assess Hazards.** Each hazard identified in Step 1 will be assigned a “Hazard Severity Category,” “Mishap Probability Rating,” and a “Risk Assessment Code (RAC).” The below matrices are a guide for assessing hazards.

- a. Has each hazard been assigned a Hazard Severity Category? [ ] [ ] [ ]
- b. Has each hazard been assigned a Mishap Probability Rating? [ ] [ ] [ ]
- c. Has each hazard been assigned a RAC? [ ] [ ] [ ]

**Hazard Severity Category Matrix:**

- I (death, loss, or grave damage)
- II (severe injury, damage, or inefficiencies)
- III (minor injuries, damage, or inefficiencies)
- IV (minimal threat to personnel and property)

**Mishap Probability Sub-Category Matrix:**

- A (likely to occur immediately)
- B (probably will occur in time)
- C (may occur in time)
- D (unlikely to occur)

**Hazard Severity**

**Mishap Probability Rating**

	A	B	C	D
I	1	1	2	3
II	1	2	3	4
III	2	3	4	5
IV	3	4	5	5

**Risk Assessment Code**

- 1 = Critical
- 2 = Serious
- 3 = Moderate
- 4 = Minor
- 5 = Negligible

(Note: Hazard Severity + Mishap Probability Rating = Risk Assessment Code)

**Step 3. Risk Decisions:**

- a. Have risks been prioritized and internal controls selected to reduce process risks? [ ] [ ] [ ]
- b. Do selected internal controls provide benefits that outweigh risks? [ ] [ ] [ ]
- c. If risk outweighs benefit, does the process warrant reporting to higher authority as a material weakness? Discuss issues on page 2. [ ] [ ] [ ]

**OPERATIONAL RISK MANAGEMENT (ORM) ASSESSMENT**  
**(OPNAVINST 3500.39B FIVE-STEP PROCESS)**

<b>Step 4. Internal Control Implementation</b> (more than one type internal control may apply):	<u>Yes</u>	<u>No</u>	<u>N/A</u>
a. Have "Engineering Controls" been implemented that reduce risks by design, material selection, or substitution when technically or economically feasible?	[ ]	[ ]	[ ]
b. Have "administrative controls" been implemented that reduce risks through specific administrative actions, such as:			
(1) Providing suitable warnings, markings, placards, signs, and notices?	[ ]	[ ]	[ ]
(2) Establishing written policies, programs, instructions, and standard operating procedures?	[ ]	[ ]	[ ]
(3) Training personnel to recognize hazards and take appropriate precautionary measures?	[ ]	[ ]	[ ]
(4) Limiting the exposure to a hazard (either by reducing the number of personnel/assets or the length of time they are exposed)?	[ ]	[ ]	[ ]
c. Is there use of "personal protective equipment" (serves as a barrier between personnel and a hazard and should be used when other controls do not reduce the hazard to an acceptable level)?	[ ]	[ ]	[ ]
<b>Step 5. Supervision.</b> Is there periodic supervisory oversight of internal controls for the work process?	[ ]	[ ]	[ ]

ORM Assessment conducted by: \_\_\_\_\_ Date: \_\_\_\_\_

ORM Assessment reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_  
 (Department Head)

ORM Assessment conducted by: \_\_\_\_\_ Date: \_\_\_\_\_

ORM Assessment reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_  
 (Department Head)

ORM Assessment conducted by: \_\_\_\_\_ Date: \_\_\_\_\_

ORM Assessment reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_  
 (Department Head)

(Additional signature blocks are provided to permit signatures in subsequent years.)

Issues/Comments

Actions (Include estimated completion dates.)

**OPERATIONAL RISK MANAGEMENT (ORM) ASSESSMENT  
WORK PROCESS HAZARDS**

**Command/Department:**

**Work Process/Assessable Unit Title:**

Document applicable risks and causes on the above work process. List hazards in order of severity. Refer to page 1 of ORM Assessment form for matrices to determine Hazard Severity Category, Mishap Probability Sub-Category, and Risk Assessment Code (RAC).

1. Hazard:

a. Cause:

b. Hazard Severity Category:

c. Mishap Probability Sub-Category:

d. RAC:

2. Hazard:

a. Cause:

b. Hazard Severity Category:

c. Mishap Probability Sub-Category:

d. RAC:

3. Hazard:

a. Cause:

b. Hazard Severity Category:

c. Mishap Probability Sub-Category:

d. RAC:

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14 Feb 12

## **NSTC 2012 Strategic Goals**

**Governing Guidance:** NSTCNOTE 2000 of 23 Dec 11

**Goal 1: Total Workforce**

NSTC will recruit, hire, and develop a diverse workforce and will improve the capability of this workforce by promoting a culture that values the professional and personal development of its employees. NSTC will ensure its workforce possesses the skills and abilities needed to meet its current and future mission requirements while optimizing operational costs and efficiency.

**Goal 2: Business Management**

NSTC will continuously seek new and innovative ways to employ technology and refine processes to reduce administrative overhead and other operating costs while improving efficiencies. NSTC will set priorities, apportion resources, and assess and develop policies, setting the conditions for compliance with all legal, fiscal, ethical, and other higher authority standards.

**Goal 3: Production**

NSTC will enable linkages between all production partners, both internal and external, to drive sound decisions. Collecting and analyzing accurate, timely, and comprehensive information throughout the production cycle, NSTC will meet Officer and Enlisted production requirements, in quantity and quality.

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## INTERNAL CONTROL SYSTEM TEST

**1. Command/Department:**

**2. Work Process/Assessable Unit Title:**

**3. Process is linked to what command strategic goal or objective? Select one NSTC 2012 Strategic Goals**

**Goal 1: Total Workforce:** NSTC will recruit, hire, and develop a diverse workforce and will improve the capability of this workforce by promoting a culture that values the professional and personal development of its employees. NSTC will ensure its workforce possesses the skills and abilities needed to meet its current and future mission requirements while optimizing operational costs and efficiency.

**Goal 2: Business Management:** NSTC will continuously seek new and innovative ways to employ technology and refine processes to reduce administrative overhead and other operating costs while improving efficiencies. NSTC will set priorities, apportion resources, and assess and develop policies, setting the conditions for compliance with all legal, fiscal, ethical, and other higher authority standards.

**Goal 3: Production:** NSTC will enable linkages between all production partners, both internal and external, to drive sound decisions. Collecting and analyzing accurate, timely, and comprehensive information throughout the production cycle, NSTC will meet Officer and Enlisted production requirements, in quantity and quality.

**4. Does the process include Privacy Act Information? Yes No.** If yes, the Operational Risk Management (ORM) Assessment, NETC 5200/2 Form, should include Protected Personal Information (PPI) as a process risk (hazard).

**5. Identify key metrics used to measure performance. Annotate the flowchart to show their location(s).** (Normally a work process will have two to three key metrics, internal controls, which show the level of progress towards achieving intended results.)

**6. Test the key metrics. Are they reliable indicators?** (If no, explain remedies in paragraph 9 below.)

**7. Way(s) internal controls tested:** (Perform and check one or more blocks.)

- Performed a physical inspection or walk-through of the process.
- Reviewed documents.
- Interviewed cognizant managers.
- Evaluated data.

<b>8. Test Results</b>	<b>YES</b>	<b>NO</b>
a. Does the flowchart accurately reflect the process?	[ ]	[ ]
b. Is the process producing intended results?	[ ]	[ ]
c. Are protections against fraud, waste, abuse, and		

<b>INTERNAL CONTROL SYSTEM TEST</b>		
mismanagement practices adequate?	<input type="checkbox"/>	<input type="checkbox"/>
d. Are laws and regulations followed?	<input type="checkbox"/>	<input type="checkbox"/>
e. Is the process effective, efficient, and economical?	<input type="checkbox"/>	<input type="checkbox"/>
f. Has an Operational Risk Management (ORM) Assessment been performed? (Refer to OPNAVINST 3500.39B, encl (1).)	<input type="checkbox"/>	<input type="checkbox"/>
(1) If YES, attach a completed NETC 5200/2. If NO, explain why in paragraph 9 below.		
<b>8. Test Results (continued)</b>	<b>YES</b>	<b>NO</b>
(2) For the ORM Assessment, what is the overall Risk Assessment Code (RAC)? (check one)		
1 = Critical <input type="checkbox"/>		
2 = Serious <input type="checkbox"/>		
3 = Moderate <input type="checkbox"/>		
4 = Minor <input type="checkbox"/>		
5 = Negligible <input type="checkbox"/>		
g. Are the internal controls acceptable for reducing risks?	<input type="checkbox"/>	<input type="checkbox"/>
<b>9. For any "NO" response above, indicate below if any action is planned and expected completion date.</b>		
<b>10. Does this process warrant reporting to higher authority as a material weakness?</b> (If yes, briefly discuss why.)	<b>YES</b>	<b>NO</b>
<b>11. Attested to by:</b>	<b>Date:</b>	
_____	_____	
_____	_____	
_____	_____	
_____	_____	
<b>(Additional signature blocks are provided to permit signatures in subsequent years.)</b>		

**Sample Managers' Internal Control Certification Statement**

5200  
Code  
Date

From: Responsible Official  
To: Commander, Naval Service Training Command  
Via: Inspector General, Naval Service Training Command

Subj: MANAGERS' INTERNAL CONTROL CERTIFICATION STATEMENT AS OF  
30 JUNE 2012

Ref: (a) NETCINST 5200.1  
(b) NETCNOTE 5200  
(c) NSTCNOTE 5200

Encl: (1) Major Accomplishments, **if applicable**  
(2) Material Weaknesses, **if applicable**

1. I have taken the necessary measures to ensure that the system of internal controls in effect during the period 1 July 2011 to 30 June 2012 has been evaluated per references (a) through (c). Major accomplishments are presented in enclosure (1). (Provide major accomplishments as applicable.)

2. **(Make one of the following statements:)**

I have reasonable assurance that management controls are in place and operating effectively. The objectives of the Federal Managers' Financial Integrity Act were achieved. (or)

I have reasonable assurance that management controls are in place and operating effectively, except for the weaknesses discussed in enclosure (2). Overall, the objectives of the Federal Managers' Financial Integrity Act were achieved. (or)

I do not have reasonable assurance that 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.

Signed by Responsible Official

Enclosure (7)

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**MAJOR ACCOMPLISHMENTS****1. General Information**

a. Command/Activity:

UIC:

b. Department:

c. Functional Category:

d. Work Process/Assessable Unit:

e. Point of Contact:

**2. Major Accomplishments**

Discuss major steps taken to promote a control-conscious environment within the activity, or measures to strengthen internal controls. Define the requirement, if applicable, with the accomplishment in quantifiable detail:

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<b>MATERIAL WEAKNESS OR STATUS OF CORRECTIVE ACTIONS</b> ----- COMPLETE ONLY APPLICABLE AREAS	
<b>1. General Information</b>	
a. Command/Activity:	UIC:
b. Department:	
c. Functional Category:	
d. Work Process/Assessable Unit:	
e. Point of Contact:	
<b>2. Material Weakness or Status of Corrective Actions</b>	
a. Title of material weakness:	
b. Description of material weakness and impact on operations:	
c. Source employed to identify material weakness (process analysis, audit finding, inspection, investigation or management studies):	
(1) Source:	
(2) Date Identified:	
d. Corrective Actions: (Check applicable box, detail actions and milestones below.)	
<input type="checkbox"/> Completed (Date: _____) <input type="checkbox"/> Pending (Est. Completion Date: _____) <input type="checkbox"/> Not correctable at this level (Note who must correct and why.)	
e. Explain the methodology that will be (has been) employed to certify the effectiveness of the corrective actions:	
Estimated Date of Certification:	

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**THE CRITERIA USED FOR SELECTING CMD MAJOR ACCOMPLISHMENTS AND  
MATERIAL WEAKNESSES FOR INCLUSION IN THE NETC MICP SOA  
SUBMISSION TO CNO (DNS)**

**Major Accomplishment - Criteria.** (Use Form 5200/3 & forward it in a WORD document).

Include management process improvements that can be linked to an internal control improvement and have resulted in: (must be explained as measurable and quantifiable; how linked to internal controls)

- (1) Significant cost avoidance.
- (2) Innovative methods of increasing throughput and/or productivity.
- (3) Other innovative management practices that significantly improved a process.

**Material Weakness - Criteria.** (Use Form 5200/4 & forward it in a WORD document).

A material weakness 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 DON SOA Report.**

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.

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