



INFORMATION BULLETIN

Special Note:

Based on the revised OMB Circular A-123 "management controls" will now be referred to as "internal controls" to better align with currently accepted standards and current terminology.



"Corrective Action Plans are necessary to ensure that the appropriate steps are taken to correct the identified control weaknesses."

WHAT IS THE PURPOSE OF A CORRECTIVE ACTION PLAN?

A corrective action plan is a **plan of action** to correct, prevent, and/or eliminate internal control weaknesses. The purpose of a corrective action plan is to identify and commit the resources that are required to correct identified weaknesses. Weaknesses are normally identified during Risk Assessments, Internal Control Reviews, Self Assessments Reviews, GAO or IG Audits, and other external reviews.

Assessable Unit Responsible Officials are responsible for ensuring corrective action plans are developed and monitored to correct, prevent, and/or eliminate weaknesses. **Correcting weaknesses is an integral part of management accountability and must be considered a priority by the organization.**

WHAT ARE THE PRINCIPLES FOR DEVELOPING A CORRECTIVE ACTION PLAN?

Corrective Action Plans should:

- Be developed for weaknesses identified during Risk Assessments, Internal Control Reviews, Self Assessment Reviews, GAO or IG Audits, and other external reviews;
- Be in writing and specify the corrective actions to be taken, proposed schedule for completion, action officer and current status;
- Provide for the periodic assessment of progress against plans;
- Track progress to ensure timely and effective results;
- Contain appropriate milestones and identifiable deliverables so that progress can be adequately monitored; and
- Specify testing that will be done to ensure corrective actions accomplish their intended results.

A copy of the corrective action plans that are developed as a result of an Internal Control Review or Self Assessment Review must be provided to the IMT&R/JMIS MCP Office.



IMT&R/JMIS MANAGEMENT CONTROL PROGRAM TRAINING POLICY

The current Management Control Training Policy requires all IMT&R and JMIS personnel to complete Management Control Training annually. Additionally, the policy requires all new IMT&R and JMIS personnel complete Management Control Training within sixty days of arrival.

The objectives of the Management Control training are:

1. Ensure all personnel (government and appropriate contractors) have a working knowledge and understand the importance of internal control; and
2. Ensure compliance with the DoD requirement for annual training.



"Your security is only as good as your weakest link and human beings are often that weak link."



SECURITY TIDBITS FOUO HANDLING & DESTRUCTION

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For more information please see the HA/TMA Refresher Security Training Bulletin #5 "Protecting Controlled Unclassified Information."

BEWARE OF UNAUTHORIZED COMMITMENTS!

An unauthorized commitment, as defined in FAR 1.602-3(a), is “an agreement that is not binding solely because the Government representative who made it lacked the authority to enter into that agreement on behalf of the Government.” The only individuals who can bind the Government are Contracting Officers and purchase cardholders acting within the limits of their delegated authority. Unauthorized commitments often result when government managers or other government personnel task a contractor to perform work or change the terms of a contract without benefit of a Contracting Officer’s decision.

Examples of unauthorized commitments:

1. Supplies or services ordered by someone other than an authorized purchase cardholder;
2. Contractor starts work before the contractual document is issued or awarded by a Contracting Officer; and
3. Purchase cardholder exceeds single purchase limitation without proper authorization or delegation of authority.

Unauthorized commitments are a violation of Federal law, Federal regulation, and the Government-wide Standards of Conduct for Federal Employees and can carry with them both civil and criminal penalties.

AUDIT REVIEWS HIGHLIGHT INTERNAL CONTROL

In a recent report to Congress, the GAO stated that billions of dollars are being wasted each year due to the lack of oversight of DoD’s Business Systems. GAO claims that “while the FY 2005 Defense Authorization Act provides a management structure to improve the control and accountability over DoD’s business system investments, the appropriate **policies** and **procedures** still must be developed, implemented, and institutionalized...”

To learn more about GAO’s findings please visit

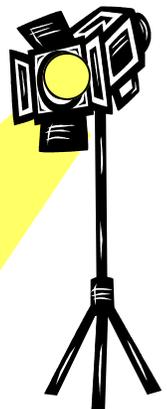
<http://www.gao.gov/new.items/d05381.pdf>.

In a July 29, 2005, audit report titled “DoD Purchases Made Through the General Services Administration,” the IG stated that hundreds of millions of dollars worth of procurements made during last year’s fourth quarter were inundated with problems like improper use of funds and lack of planning. During their review the IG examined 4 major areas: 1) internal controls for the proper use of funds; 2) internal controls for defining requirements and planning acquisitions; 3) established procedures for contracting activities; and 4) contractor performance monitoring. To learn more about the IG’s findings please visit

<http://www.dodig.mil/audit/reports/FY05/05-096.pdf>.



“No matter how well designed, internal controls cannot provide absolute assurance that all control objectives will be met.”



“Key duties and responsibilities need to be divided or segregated among different people to reduce the risk of error or fraud. No one individual should control all key aspects of a transaction or function/activity.”