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Regulation 11-2

Headquarters  
United States Army Installation Management Command,  
Europe Region  
Sembach, Germany

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## Army Programs

# USAREUR Managers' Internal Control Program

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For the Commander:

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**Summary.** This regulation prescribes the “processes” ([glossary](#)) for the USAREUR “Managers’ Internal Control Program” ([glossary](#)) and the assessment of “internal controls” ([glossary](#)) in USAREUR.

**Applicability.** This regulation applies to HQ USAREUR staff offices and USAREUR major subordinate commands.

**Records Management.** Records created as a result of processes prescribed by this regulation must be identified, maintained, and disposed of according to AR 25-400-2. Record titles and descriptions are on the Army Records Information Management System website at <https://www.arims.army.mil>.

**Supplementation.** Organizations will not supplement this regulation without approval of the Manpower and Management Division, Office of the Deputy Chief of Staff, G8, HQ USAREUR.

**Suggested Improvements.** The proponent of this regulation is the Manpower and Management Division, Office of the Deputy Chief of Staff, G8, HQ USAREUR (mil 537-8038). Users may send suggested improvements to this regulation by e-mail to the Manpower and Management Division at *USARMY Baden-Wuerttemberg USAREUR List G8 Manpower Division*.

**Distribution.** This regulation is available only electronically and is posted in the Army in Europe Library & Publishing System at <https://aepubs.army.mil/>.

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### Glossary

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## 1. PURPOSE

This regulation prescribes policy and provides guidance for the USAREUR Managers' Internal Control Program (MICP) ([glossary](#)). Organizations will implement the requirements outlined in this regulation in compliance with the Federal Managers' Financial Integrity Act of 1982 (FMFIA). Proper implementation of this regulation will ensure internal controls (ICs) ([glossary](#)) are in place to provide "reasonable assurance" ([glossary](#)) that obligations and costs are in compliance with applicable laws, and that funds, property, and other assets are safeguarded against fraud, waste, abuse, loss, unauthorized use, and misappropriation. Furthermore, USAREUR will ensure revenues and expenditures applicable to command operations are properly recorded and accounted for through reliable financial and nonfinancial reporting. Additional guidance on carrying out the duties identified in this regulation is outlined in [AE Pamphlet 11-2](#).

## 2. REFERENCES

[Appendix A](#) lists references.

## 3. EXPLANATION OF ABBREVIATIONS AND TERMS

The [glossary](#) defines abbreviations and terms.

## 4. RESPONSIBILITIES

- a. The CG, USAREUR, and the DCG, USAREUR, will—

- (1) Set the "tone at the top" for an effective MICP environment.

- (2) Provide support for the MICP to ensure active participation and compliance by all USAREUR organizations and personnel.

(3) Appoint the USAREUR G8 as the senior responsible official (SRO) for establishing and maintaining the MICP.

(4) Ensure MICP responsibilities are a critical element in performance plans for all commanders, directors, managers, “internal control administrators” (ICAs) ([glossary](#)), and supervisors throughout USAREUR whose duties include major MICP responsibilities (for example, SROs, “assessable unit managers” (AUMs) ([glossary](#)), ICAs).

(5) Approve “material weaknesses” (MWs) ([glossary](#)) including those to be reported in the USAREUR “Annual Statement of Assurance” (ASOA) ([glossary](#)).

(6) Approve the USAREUR ASOA and submit it to the Assistant Secretary of the Army (Financial Management and Comptroller) (ASA (FM&C)) by the annual suspense date.

(7) Designate each HQ USAREUR staff office and USAREUR major subordinate command (MSC) as an “assessable unit” (AU) ([glossary](#)) and appoint HQ USAREUR staff principals and MSC commanders as AU SROs or AUMs for their mission area.

b. The USAREUR G8 will—

(1) Serve as the command SRO and perform duties in accordance with AR 11-2.

(2) Develop, update, and revise policy, guidance, and direction and coordinate with USAREUR entities and other Federal agencies on IC matters.

(3) Establish and maintain an environment throughout the command that encourages a positive and supportive attitude toward the MICP.

(4) Safeguard assets and strengthen policies and procedures by providing guidance on implementing U.S. Government Accountability Office (GAO) IC standards for “control environments” ([glossary](#)), “risk assessment” ([glossary](#)), “control activities” ([glossary](#)), information and communications, and monitoring.

(5) Ensure HQ USAREUR staff principals and MSC commanders implement and execute “internal control assessment” ([glossary](#)) and reporting to meet the reporting requirements of the FMFIA, Office of Management and Budget (OMB) Circular A-123, and DOD and Department of the Army (DA) regulations.

(6) Identify and report potential MWs for inclusion in the USAREUR ASOA and monitor the progress of resolution.

(7) Appoint the USAREUR Managers’ Internal Control Program Administrator (MICPA) within 60 days after the position is vacated using the format for an appointment memorandum in [appendix B](#).

(8) Annually, no later than 15 days after the publication of HQDA ASOA guidance, publish a memorandum that provides HQ USAREUR staff principals and MSC commanders guidance on preparing feeder ASOA reports.

(9) Ensure HQ USAREUR staff principals and MSC commanders submit their feeder ASOAs by the last workday in February each year to ensure the USAREUR ASOA meets the HQDA annual suspense.

(10) Complete MICP SRO training every 2 years by 31 October.

c. HQ USAREUR staff principals and MSC commanders will—

(1) Designate sub-AUs under their control and appoint in writing one or more AUMs using the format for an appointment memorandum in [appendix C](#). An AUM may be responsible for multiple AUs.

(2) Appoint an ICA to administer the AU internal control program (ICP) using the format for an appointment memorandum in [appendix B](#). The ICA will perform duties similar to those of the USAREUR MICPA and be responsible for the daily operations of the AU MICP. A copy of the appointment orders will be provided to the USAREUR MICPA by the last workday in June each year or when a new appointment is warranted.

(3) Establish and maintain an environment throughout the organization that encourages a positive and supportive attitude toward the MICP.

(4) Complete SRO or AUM initial training within 60 days after appointment and refresher training every 2 years by 31 October through the Army Learning Management System (ALMS) ([app D](#)) and provide a copy of the training certificate to the ICA.

(5) Ensure efficient operations; reliability in reporting financial and nonfinancial data; prevention, detection, and correction of fraud, waste, abuse, loss, and mismanagement; and compliance with applicable laws and regulations. Implementation of this program should not duplicate existing control ([glossary](#)) efforts but rather complement those efforts (for example, inspector general (IG) inspections, organization inspection program (OIP) reviews, audit readiness inspections, safety inspections).

(6) Issue applicable guidance, provide adequate resources, and assign responsible personnel to meet the requirements of this regulation and ensure full implementation of the program.

(7) Ensure formal evaluations take place in accordance with the “internal control evaluation plan” (ICEP) ([glossary](#)) by “testing” ([glossary](#)) key ICs and organization assessment areas. Key ICs are those controls that are absolutely essential for ensuring that “key processes” ([glossary](#)) operate as intended and resources are safeguarded from fraud, waste, abuse, loss, and mismanagement. Various factors may be considered in deciding which controls are key controls, but a decisive factor is the severity of adverse consequences should a control fail or fail to be used. A key control is one whose failure would break or seriously impair a system.

(8) Identify “systemic material weaknesses” ([glossary](#)) and significant “control deficiencies” ([glossary](#)) for possible entry in the USAREUR ASOA, including those that cut across areas of functional responsibility or the responsibility of a different AU.

(9) Assign a responsible official for each reported MW within the organization. That person will be responsible for ensuring the MW is tracked, providing updates to the USAREUR MICPA, and resolving the MW quickly by executing a “corrective action plan” (CAP) ([glossary](#)).

(10) Advocate accountability for compliance with IC guidance by ensuring performance evaluations of military and civilian managers with significant IC responsibilities include MICP statements in accordance with AR 11-2, paragraph 2-11. OMB Circular A-123 emphasizes management accountability.

(11) Review respective areas of responsibility (AORs) in the ICEP by 15 August of each year and after ASA (FM&C) publishes the updated HQDA Inventory of Internal Controls checklist. HQ USAREUR staff principals and MSC commanders may modify the ICEP to include unique organizational requirements.

(12) Develop and maintain a plan to ensure all key controls for executed programs are tested at least annually.

(13) Ensure the organization feeder ASOA is sent to the USAREUR MICPA by the last workday in February of each year.

(14) Ensure that subordinate AUMs develop “control objectives” ([glossary](#)), risk and IC assessments, “test plans” ([glossary](#)), and CAPs, if required, in accordance with OMB Circular A-123 and AR 11-2, and that control activities are in place to meet agency objectives. To meet these requirements, organizations must apply and complete the processes outlined in [AE Pamphlet 11-2](#).

(15) Maintain a current list of AUs and AUMs (by position and title) that meets specific program requirements.

(16) Ensure AUMs, ICAs, commanders, managers, and supervisors are trained and understand their IC responsibilities.

(17) Ensure control objectives are developed and “risks” ([glossary](#)) are identified for each control objective.

(18) Ensure managers identify internal and external risks that may prevent the organization from meeting its objectives. Managers will establish or enhance ICs to mitigate identified risks and guarantee the effectiveness of those ICs. Managers will also perform analysis on ICs and their efficiencies throughout the AU.

(19) Maintain copies of all required AU documentation (for example, DA Forms 11-2; assessment checklists; test results and supporting documentation; alternative evaluations from the IG, the United States Army Audit Agency (USAAA), or any agency outside of USAREUR; documentation on control deficiencies; and CAPs).

d. The USAREUR MICPA will—

(1) Be responsible for administering, executing, and managing the USAREUR MICP in accordance with OMB Circular A-123, DODI 5010.40, AR 11-2, this regulation, [AE Pamphlet 11-2](#), and any additional guidance issued by the command SRO.

(2) Develop and maintain the USAREUR ICEP incorporating input from HQ USAREUR staff principals and MSC commanders.

(3) Ensure proper implementation of ICs within USAREUR AUs.

(4) Complete initial ICA training within 30 days after appointment and annual refresher training by 31 October through the ALMS and ensure personnel with significant MICP responsibilities (for example, SROs, AUMs, ICAs) complete the training required for their assignments ([app D](#)).

(5) Develop policy and guidance for the MICP and obtain CG, USAREUR; DCG, USAREUR; or USAREUR SRO approval. The policy will address the methodology for applying processes and procedures for preventing, identifying, and correcting control deficiencies; fraud; waste, abuse, mismanagement, and misappropriation of resources; and compliance with laws and regulations.

(6) On a continuous basis, conduct assessments of various organizational ICPs through “program compliance reviews” (PCRs) ([glossary](#)).

(7) Monitor IC assessments to ensure compliance with the MICP and determine if they meet the required documentation standards described in OMB Circular A-123 and the GAO “Green Book” (GAO-14-704G).

(8) Develop, distribute, and maintain tools that support the MICP.

(9) Monitor and track MWs and control deficiencies until they are resolved.

(10) Provide quarterly updates on the status of unresolved MWs and control deficiencies to the SRO.

(11) Review and recommend ownership of MWs among USAREUR organizations to the SRO and the “Internal Control Council” (ICC) ([glossary](#)).

(12) Partner with the USAREUR Internal Review and Audit Compliance Office (IRACO), the USAREUR IG, and OIP managers to ensure internal and external audit deficiency conditions are reviewed and identified to determine if a MW exists.

(13) Support the quarterly ICC meeting, if required, by securing a meeting location, compiling and distributing briefing material, and providing meeting notes.

(14) Provide training for and assistance with the development of “process narratives” ([glossary](#)), “process maps” ([glossary](#)), control objectives, risk and control assessments, test plans, and CAPs in cooperation with business advisors from the Office of the Deputy Chief of Staff, G8, HQ USAREUR.

(15) Monitor and ensure USAREUR ASOA submissions are in compliance with ASA (FM&C) annual deliverables for the “internal control over financial reporting” ([glossary](#)) and “internal control over operations” ([glossary](#)) reporting processes.

(16) Prepare the USAREUR ASOA and send it through the command SRO to the CG, USAREUR, or the DCG, USAREUR, for approval and submission to the ASA (FM&C).

e. AUMs will—

(1) Establish and maintain an environment throughout the organization that encourages a positive and supportive attitude toward the MICP.

(2) Appoint in writing an ICA to administer the AU ICP, using the format for an appointment memorandum in [appendix B](#).

(3) Develop and establish key ICs and control objectives for areas that are most critical to mission accomplishment and that may be susceptible to fraud, mismanagement, and waste.

(4) Conduct continuous assessments of existing controls and develop and implement CAPs for known weaknesses as necessary using the guidance in [AE Pamphlet 11-2](#).

(5) Categorize controls according to management IC categories set out in [AE Pamphlet 11-2](#).

(6) Develop, implement, and maintain controls as an integral part of the processes used to operate the organization's programs and functions.

(7) Report on IC assessments conducted on AUs under their responsibility. An AUM may be responsible for multiple AUs.

(8) Prepare and sign an ASOA that states whether there is reasonable assurance that the objectives of the ICP for their AU will be met.

(9) Maintain and provide AU assessment documentation to the ICA and the USAREUR MICPA to support the ASOA assertion.

(10) Ensure that the MICP Training Report ([app E](#)) is included in the organization's feeder ASOA and that personnel with significant IC responsibilities complete the MICP minimum training requirements outlined in [appendix D](#).

(11) Complete initial AUM training within 60 days after appointment and refresher training every 2 years by 31 October through the ALMS ([app D](#)) and provide a copy of the training certificate to the AU ICA.

f. The USAREUR IG will provide inspection findings to the heads of USAREUR AUs disclosing potential IC weaknesses and the reported status of agreed corrective actions. If deficiencies are noted, the USAREUR IG will provide a copy of the findings to the USAREUR MICPA.

g. AUs will—

(1) Have at least one trained AUM and ICA who will be responsible for ensuring that testing of key controls is completed, accurate, and supported with proper documentation.

(2) Test key controls to verify that program objectives are being achieved. The MICP is mandatory for all personnel and AUs in USAREUR.

(3) Test key controls of programs unique to their mission (for example, vendor pay) and administrative programs supporting that mission (for example, time and attendance reporting, Government purchase card reporting).

(4) Ensure AU IC evaluations are performed according to the USAREUR ICEP or the organization ICEP. All IC evaluations will be performed in accordance with one of the following:

- (a) IC evaluation procedures identified in a governing AR.
- (b) An existing management review process.

(5) Apply specific guidance for developing control objectives, “control techniques” ([glossary](#)), control activities, and test plans as well as for conducting risk and control analysis as outlined in [AE Pamphlet 11-2](#).

(6) Ensure that MICP training begins annually in June for key MICP personnel (for example, SROs, AUMs, ICAs, managers, evaluators) and that all required training (that is, training that is to be completed annually or every 2 years) is completed no later than 31 October to be included in the IC reporting for that fiscal year. Copies of SRO, AUM, and ICA training certificates must be provided to the AU, ICA, and MICPA by that date. ICAs at the AU level will maintain documentation on all employees who completed IC training within their organization using the MICP Training Report in [appendix E](#).

(7) Ensure all key MICP personnel complete the computer-based initial and refresher training described in [appendix D](#) through the ALMS. ICAs may also attend the U.S. Graduate School or Management Concept MICP training. The following provides information on computer-based and contractor-led IC training:

**(a) Army MICP Computer-based Training (CBT) Modules.** Instructions on how to access modules are available on the USAREUR SharePoint portal at <https://intranet.eur.army.mil/hq/g8/MMD/MASB/Stewardship%20Team/SitePages/Managers%27%20Internal%20Control%20Program.aspx>.

**(b) Army Managers’ Internal Control Courses at the U.S. Graduate School.** MICP personnel may obtain information about courses offered and enroll in those courses through the Graduate School’s website at <http://www.graduateschool.edu/>.

**(c) IC Training Courses Offered at Management Concept.** Information is available at <http://www.managementconcepts.com/Curriculum/tabid/327/id/Internal%20Control/Default.aspx>.

(8) Ensure USAREUR employees receive MICP awareness training annually. This training may be accomplished through a variety of options including the following:

- (a) In-house training sessions offered by the AU ICA.
- (b) Reviewing MICP training slides and desk-side briefings.
- (c) Completing CBT through the ALMS.

## **5. POLICY**

USAREUR has established a proactive MICP, which will be the standard for achieving command objectives and supporting audit readiness and audit assertions. It is USAREUR policy that—

a. All USAREUR entities will participate in the comprehensive MICP, which provides reasonable assurance that—

(1) Obligations and costs are in compliance with applicable law.

(2) Assets are safeguarded against abuse, fraud, loss, misappropriation, mismanagement, unauthorized use, and waste.

(3) Revenues and expenditures applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports, and to maintain accountability for assets (emphasizing activities involving equipment, funds, property, supplies, and other assets for which managers are responsible).

(4) The MICP is implemented at all levels and IC processes are included as part of the basic management structure to improve effectiveness and accountability for results. The program will be incorporated in daily operating and management practices and will maximize the use of existing evaluative processes when available. Requests to close out CAPs must be submitted through the MICPA to the ICC using the format provided in [AE Pamphlet 11-2, figure 5](#).

(5) Requests for public release and disclosure of information about the MICP, IC assessment results, feeder ASOAs, or other information gained through the IC process are handled in accordance with Freedom of Information Act (FOIA) procedures established by the USAREUR FOIA Officer.

**NOTE:** On request, the USAREUR ASOA may be made available to the general public, except when it includes certain restricted information.

(6) IC requirements established in regulations, directives, policies, procedures, standing operating procedures (SOPs), and any other process or policy documents cannot be overridden without approval and documentation from the SRO, or AUM for the AOR.

b. An ICC will be established to oversee and guide the IC process, as recommended by OMB Circular A-123. The establishment of the ICC implements that recommendation. The ICC is composed of the following members:

- (1) DCG, USAREUR.
- (2) USAREUR G1.
- (3) USAREUR G3/5/7.
- (4) USAREUR G4.
- (5) USAREUR G6.
- (6) USAREUR G8.
- (7) USAREUR IG.
- (8) USAREUR JA.
- (9) IRACO.

**NOTE:** The DCG, USAREUR, will be the senior council member, and the USAREUR G8 will serve as the ICC chairperson. The USAREUR IG will be a nonvoting member of the ICC and serve the council in an advisory role.

c. The MICP process will be integrated into the daily management practices of all USAREUR managers. The MICP process will—

(1) Be consistent with, and draw heavily on, guidance provided by OMB Circular A-123, except for those parts of paragraph V, “Reporting on Internal Controls,” that refer to the reporting and distribution to parties and offices that are external to USAREUR.

(2) Address all significant operations and mission responsibilities and not limit evaluations to operations applicable only to the financial management community.

(3) Be designed, documented, and operated to provide reasonable assurance that specific objectives listed in the GAO “Green Book” (GAO-14-704G), OMB Circular A-123, DODI 5010.40, and AR 11-2 are met. Managers will continuously monitor and improve the effectiveness of ICs. Continuous monitoring and periodic evaluations should provide the basis for the ASOA.

(4) To the greatest extent possible, rely on organizationally required and other contributing information sources (for example, audits, computer-security reviews, management and oversight reviews, financial reviews, inspections, investigations, internal-review studies, quality-management initiatives, consulting reviews). MICP evaluations should not cause the duplication of existing information relating to assessing the effectiveness of ICs or information that may be used for that purpose.

(5) Ensure evaluation of AU ICs are not limited to existing information if that information does not cover the full scope of ICs applicable to that unit. When existing data does not provide for adequate review of ICs, appropriate reviews should be planned and provided that will enable management to make reasonable judgments about the effectiveness of the controls under OMB Circular A-123. When considering the scope of and necessity for reviewing or testing ICs, managers should determine whether controls should be classified as key controls. In the final analysis, management’s assertion as to the status of an AU control environment is based primarily on the status of its key ICs.

(6) Involve management at all levels and assign overall responsibility for program implementation, execution, and accountability to a designated senior management official. The AU SRO is directly accountable to the CG, USAREUR.

## **APPENDIX A REFERENCES**

### **SECTION I PUBLICATIONS**

Public Law 97-255, Federal Managers Financial Integrity Act of 1982

[http://www.whitehouse.gov/omb/financial\\_fmfi1982](http://www.whitehouse.gov/omb/financial_fmfi1982)

Public Law 101-576, Chief Financial Officers Act of 1990

<http://www.gao.gov/special.pubs/af12194.pdf>

GAO-01-1008G, Internal Control Management and Evaluation Tool

<http://www.gao.gov/new.items/d011008g.pdf>

GAO-14-704G, Standards for Internal Control in the Federal Government (“Green Book”)

<http://www.gao.gov/assets/670/665712.pdf>

OMB Circular A-123, Management’s Responsibility for Internal Control

[http://www.whitehouse.gov/omb/circulars\\_a123\\_rev](http://www.whitehouse.gov/omb/circulars_a123_rev)

DODI 5010.40, Managers’ Internal Control Program Procedures

<http://www.dtic.mil/whs/directives/corres/pdf/501040p.pdf>

Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, Financial Improvement and Audit Readiness (FIAR) Guidance

[http://comptroller.defense.gov/Portals/45/documents/fiar/FIAR\\_Guidance.pdf](http://comptroller.defense.gov/Portals/45/documents/fiar/FIAR_Guidance.pdf)

AR 11-2, Managers’ Internal Control Program

[http://www.apd.army.mil/pdffiles/r11\\_2.pdf](http://www.apd.army.mil/pdffiles/r11_2.pdf)

AR 25-400-2, The Army Records Information Management System (ARIMS)

[http://www.apd.army.mil/pdffiles/r25\\_400\\_2.pdf](http://www.apd.army.mil/pdffiles/r25_400_2.pdf)

[AE Pamphlet 11-2](#), Guide to the USAREUR Managers’ Internal Control Program

### **SECTION II FORMS**

DA Form 11-2, Internal Control Evaluation Certification

**APPENDIX B**  
**INTERNAL CONTROL ADMINISTRATOR APPOINTMENT MEMORANDUM**

Figure B-1 provides the format for a memorandum appointing an internal control administrator. This format can be downloaded from the USAREUR Managers' Internal Control Program SharePoint portal at <https://intranet.eur.army.mil/hq/g8/MMD/MASB/Stewardship%20Team/SitePages/Managers%27%20Internal%20Control%20Program.aspx>.

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**ORGANIZATION LETTERHEAD**

*Office symbol*

*Date*

MEMORANDUM FOR *Appointee name, Unit name, Unit #####, APO AE #####-####*

SUBJECT: Appointment as Internal Control Administrator for the *Unit Name*

1. References:

- a. Federal Managers Financial Integrity Act.
- b. Office of Management and Budget Circular A-123.
- c. AR 11-2, Managers' Internal Control Program.
- d. AE Regulation 11-2, USAREUR Managers' Internal Control Program.

2. In accordance with references 1c and d, you are hereby appointed as the Internal Control Administrator (ICA) for all activities of the *unit name*, which is designated as an assessable unit (AU). As the ICA, you will—

- a. Serve as the *unit name* POC for reporting on and ensuring that internal control (IC) activities are administered in accordance with references 1a, c, and d, where applicable.
- b. Develop and maintain an organization-wide inventory of *unit name* AUs that are capable of being evaluated by IC procedures.
- c. Prepare and maintain the *unit name* internal control evaluation plan.
- d. Monitor IC evaluations to determine if they meet the required documentation standards described in reference 1b.

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**Figure B-1. Format for an Internal Control Administrator Appointment Memorandum**

- e. Provide training to program managers and assessable unit managers (AUMs) on IC concepts and the goals, policies, and procedures of the internal control program (ICP).
  - f. Monitor the AUMs' ICP activities and provide appropriate feedback.
  - g. Obtain the current status of and report on corrective actions taken on material weaknesses and other reportable conditions associated with financial or nonfinancial statement audits or other IC issues.
  - h. Provide guidance and assistance to program managers and AUMs responsible for implementing corrective action plans.
  - i. Consolidate and prepare the *unit name* feeder annual statement of assurance and provide it to the AUM for submission to the AU senior responsible official.
  - j. Ensure ICP compliance reviews are conducted at responsible AUs in accordance with an annual schedule.
  - k. *(List additional duties as required.)*
3. Duties will be carried out in accordance with AUM guidance.
4. You will complete the initial ICA Course within 30 days after appointment and the refresher course annually by 31 October through the Army Learning Management System (<https://www.lms.army.mil/>). Assistance in meeting ICA responsibilities may be obtained from the USAREUR Managers' Internal Control Program Administrator.
5. This appointment remains effective until you are officially relieved or released from your current assignment or this appointment.

*Signature and signature block*

CF:  
USAREUR MICPA

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**Figure B-1. Format for an Internal Control Administrator Appointment Memorandum—  
Continued**

**APPENDIX C**  
**ASSESSABLE UNIT MANAGER APPOINTMENT MEMORADNUM**

Figure C-1 provides the format for a memorandum appointing an assessable unit manager. This format can be downloaded from the USAREUR Managers' Internal Control Program SharePoint portal at <https://intranet.eur.army.mil/hq/g8/MMD/MASB/Stewardship%20Team/SitePages/Managers%27%20Internal%20Control%20Program.aspx>.

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**ORGANIZATION LETTERHEAD**

*Office symbol*

*Date*

MEMORANDUM FOR *Appointee name, Unit name, Unit #####, APO AE #####-####*

SUBJECT: Appointment as Managers' Internal Control Program Assessable Unit Manager

1. Reference:

- a. AR 11-2, Managers' Internal Control Program.
- b. AE Regulation 11-2, USAREUR Managers' Internal Control Program.

2. In accordance with the references, you are hereby appointed as the Assessable Unit Manager (AUM) for all activities of the *unit name*, which is designated as an assessable unit (AU). This is a collateral duty, which should be included in your regular responsibilities. As the AUM, you will—

- a. Oversee the internal control program (ICP) and maintain the internal control evaluation plan for the following areas: (*battalion, division* [**NOTE:** Remember grade requirement.]).
- b. Actively follow up on IC weaknesses identified during internal control (IC) and other evaluations and monitor them until they are corrected.
- c. Provide guidance and training to managers and personnel within their designated functional areas.
- d. Ensure that ICP evaluations of AUs under your responsibility are performed completely and accurately and adequately support the annual statement of assurance (ASOA).
- e. Report ICP activity to the USAREUR Managers' Internal Control Program Administrator (MICPA) as required.

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**Figure C-1. Format for an Assessable Unit Manager Appointment Memorandum**

f. Work closely with the USAREUR MICPA on all aspects of ICP reporting on weaknesses and improvements.

g. Prepare the feeder ASOA for your AU and send it to the senior responsible official for compilation and submission to the CG, USAREUR.

h. Maintain a knowledge base of ongoing and future ICP activities based on information provided by the USAREUR MICPA.

i. *(List additional duties as required.)*

3. You are also responsible for completing the initial AUM Course within 60 days after appointment and the refresher course once every 2 years by 31 October through the Army Learning Management System (<https://www.lms.army.mil/>). Assistance in meeting AUM responsibilities may be obtained from the AU IC Administrator or by contacting the USAREUR MICPA.

4. This appointment remains effective until you are officially relieved or released from your current assignment or this appointment.

*Signature and signature block*

CF:  
USAREUR MICPA

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**Figure C-1. Format for an Assessable Unit Manager Appointment Memorandum—Continued**

**APPENDIX D  
MANAGERS' INTERNAL CONTROL PROGRAM TRAINING REQUIREMENTS**

Table D-1 lists the minimum training requirements for Managers' Internal Control Program personnel. All courses listed will be completed online through the Army Learning Management System at <https://www.lms.army.mil/>.

<b>TABLE D-1 MINIMUM TRAINING REQUIREMENTS FOR MANAGERS' INTERNAL CONTROL PROGRAM PERSONNEL</b>					
<b>Role</b>	<b>Responsibility</b>	<b>Required Course</b>	<b>Completion of Initial Training</b>	<b>Refresher Training</b>	<b>CPE</b>
Internal Control Administrator	Administer the Managers' Internal Control Program (AR 11-2, para 1-17)	Internal Control Administrators Course	Within 30 days after appointment	NA	2
Internal Control Administrator	Administer the Managers' Internal Control Program (AR 11-2, para 1-17)	Internal Control Administrator Refresher Course	Within 1 year after completing the Internal Control Administrators Course	Annually	1
Assessable Unit Manager	Apply Government Accountability Office standards for internal control (AR11-2, para 1-15)	Assessable Unit Manager Course	Within 60 days after appointment	Every 2 years	1
Senior Responsible Official	Ensure the implementation of an effective Managers' Internal Control Program (AR 11-2, para 1-14)	Senior Responsible Official Course	Within 60 days after appointment	Every 2 years	1
Manager	Establish and maintain effective internal controls, identify and correct weaknesses in those controls, and assess areas of risk (AR11-2, para 2-1)	Managers Course	Within 30 days after assumption of duties	Every 2 years	1
Evaluator	Conduct internal control evaluations of key controls identified by HQDA functional proponents in applicable Army regulations (AR 11-2, paras 2-4 and 2-5)	Personnel Conducting Evaluations Course	Within 30 days after appointment	Every 2 years	1
Regulation Writer	Identify the key internal controls that are essential to his or her program in Army regulations (AR 11-2, paras 2-4(b) and 2-5)	Internal Controls in Army Regulations Course	Before each revision of an Army regulation	NA	1

**APPENDIX E  
MANAGERS' INTERNAL CONTROL PROGRAM TRAINING REPORT**

<b>NAME OF ORGANIZATION AND FISCAL YEAR</b>					
<b>TYPE OR METHOD OF TRAINING</b>	<b>NUMBER OF TRAINEES BY ROLE</b>				
<b><i>LOCAL TRAINING PROVIDED BY ICA:</i></b>	<b>SRO</b>	<b>Commander or Manager</b>	<b>ICA</b>	<b>AUM</b>	<b>Other</b>
Classroom Presentation					
Desk-side Briefing					
Telephonic Briefing					
Video-teleconference					
Local MICP Conference					
Training Videos					
Electronic Briefing Charts					
<b><i>EXTERNAL TRAINING RECEIVED:</i></b>					
ALMS Web-based Training					
Army MICP Conference (ASA (FM&C))					
Army Managers' Internal Control Administrators Course – Graduate School (Classroom)					
Army Managers' Internal Control Administrators Course – Graduate School (On Site)					
Managers' Responsibility for Internal Controls (OMB Circular A-123) – Graduate School (Classroom)					
Other courses or schools with a session on MICP (Provide course names and training source.)					
<b>TOTAL BY ROLE</b>					
<b>TOTAL FOR ORGANIZATION</b>					

## GLOSSARY

### SECTION I ABBREVIATIONS

ALMS	Army Learning Management System
AOR	area of responsibility
ASOA	annual statement of assurance
AU	assessable unit
AUM	assessable unit manager
ASA (FM&C)	Assistant Secretary of the Army (Financial Management and Comptroller)
CAP	corrective action plan
CBT	computer-based training
CG, USAREUR	Commanding General, United States Army Europe
CPE	continuing professional education
DA	Department of the Army
DCG, USAREUR	Deputy Commanding General, United States Army Europe
DODI	Department of Defense instruction
FMFIA	Federal Managers Financial Integrity Act
FOIA	Freedom of Information Act
GAO	United States Government Accountability Office
HQDA	Headquarters, Department of the Army
HQ USAREUR	Headquarters, United States Army Europe
IC	internal control
ICA	internal control administrator
ICC	Internal Control Council
ICEP	internal control evaluation plan
ICP	internal control program
IG	inspector general
IRACO	Internal Review and Compliance Office
MSC	major subordinate command
MICP	Managers' Internal Control Program
MICPA	Managers' Internal Control Program Administrator
MW	material weakness
NA	not applicable
OIP	organization inspection program
OMB	Office of Management and Budget
PCR	program compliance review
SOP	standing operating procedure
SRO	senior responsible official
U.S.	United States
USAAA	United States Army Audit Agency
USAREUR	United States Army Europe
USAREUR G8	Deputy Chief of Staff, G8, United States Army Europe
USAREUR JA	Judge Advocate, United States Army Europe

## SECTION II TERMS

### **annual statement of assurance**

A statement representing an agency head's informed decision as to the overall adequacy and effectiveness of internal controls within the agency

### **assessable unit**

The basic organizational segment that has one or more internal control systems on which periodic risk assessments must be performed

### **assessable unit manager**

The military or civilian head of an assessable unit, preferably at the general-officer or Senior Executive Service level, but not below the grade of an O6, GS-15, or equivalent

### **control**

A policy, procedure, or other mechanism in place to ensure a program's mission is achieved

### **control activity**

A tool that helps ensure management directives are carried out in accordance with applicable regulatory and legal guidance

### **control deficiency**

The insufficient design or operation of a control that does not allow management or employees, in the normal course of performing their assigned functions, to satisfactorily accomplish their assigned functions or inhibits the prevention or detection of misstatements on a timely basis

### **control environment**

The organizational structure and culture created by management and employees to sustain organizational support for effective internal control

### **control objective**

A point of reference against which the effectiveness of internal controls can be evaluated

### **control technique**

A management process, procedure, or document necessary to accomplish a control objective and ensures that adequate controls are in place to ameliorate, minimize, manage, or mitigate potential risks

### **corrective action plan**

A plan that identifies the actions required to mitigate a risk and correct a weakness or control deficiency identified during an internal-control assessment or audit that caused an internal control to be moderately effective or ineffective

### **internal control**

The rules, procedures, techniques, and devices employed by managers to ensure what should occur in their daily operations does occur on a continuing basis

**internal control administrator**

A U.S. military, Department of the Army civilian, or local national employee designated to serve as the focal point for internal control activities in his or her organization

**internal control assessment**

The testing of internal control activities, processes, and procedures to confirm that internal controls exist and are implemented to ensure that management internal control systems work effectively

**Internal Control Council**

A senior management council that comprises senior management officials from all USAREUR functional offices and assesses and monitors internal-control deficiencies

**internal control evaluation plan**

A written plan that describes in detail how to examine internal controls over a 5-year period to determine whether administrative, operational, and mission objectives are being accomplished

**internal control over financial reporting**

A process to provide reasonable assurance regarding the reliability of financial reporting

**internal control over operations**

A process to provide reasonable assurance regarding the reliability of all functions under the Federal Managers Financial Integrity Act

**key process**

A process that is integral to the successful achievement of a program's mission

**managers' internal control program**

A program that comprises the plans, methods, and procedures used to ensure programs operate efficiently to achieve desired objectives

**material weakness**

A significant deficiency or a combination of significant deficiencies that result in a reasonable possibility that a material misstatement will not be prevented or detected

**process**

A series of steps that are performed to achieve the objective of a function

**process map**

A graphic representation of a process, depicting inputs, activities, and outputs

**process narrative**

A breakdown of processes into individual control activities that concentrates on identifying controls within those activities and provides a basis for the graphic representation of a process map

**program compliance review**

A review of staff offices and reporting commands conducted by the USAREUR Managers' Internal Control Program (MICP) Administrator to determine compliance with MICP guidance

**reasonable assurance**

A judgment by USAREUR leaders, based on an evaluation of all available information, that USAREUR systems of management controls are operating as required by the Federal Managers Financial Integrity Act

**risk**

The probability of inadequate internal controls leading to adverse effects that may result in the loss of Government resources through abuse, fraud, loss, mismanagement, or waste

**risk assessment**

The process of evaluating the risks in a functional area based on the key internal controls in place

**significant deficiency**

A pervasive internal control weakness affecting two or more organizations, disrupting or disabling good order of financial and nonfinancial operations, rendering unacceptable risk levels with potential for fraud, waste, abuse, mismanagement, and loss of life or limb

**systemic material weakness**

A weakness that USAREUR recognize occurring in several organizational elements because of ineffective implementation of guidance, guidance did not adequately identify or define the internal controls required or noncompliance with guidance

**testing**

The application of a number of procedures to determine through observation, examination, verification, sampling, or other methods whether management control systems are working as intended (in accordance with management control objectives)

**test plan**

A document detailing planned procedures that are applied to provide evidence of the operating effectiveness of each key control and to identify lapses in the implementation of those controls.