



UNITED STATES MARINE CORPS
MARINE CORPS INSTALLATIONS COMMAND
3000 MARINE CORPS PENTAGON
WASHINGTON, DC 20350-3000

IN REPLY REFER TO:
7500
G8/REA
AUG 19 2014

MARINE CORPS INSTALLATIONS COMMAND POLICY LETTER 6-14

From: Commander, Marine Corps Installations Command
To: Distribution List

Subj: MARINE CORPS INSTALLATIONS COMMAND (MCICOM) AUDIT ASSURANCE
PREPARATIONS

Ref: (a) MCICOMO 7500.1 dated 28 Dec 2012
(b) Financial Improvement and Audit Readiness (FIAR) Guidance dated
Nov 2013

Encl: (1) Audit Assertion Statement Format - General Property
(2) Audit Assertion Statement Format - Real Property
(3) Audit Preparation Status Format

1. Situation. Reference (a) established a deadline of 31 December 2014 for Marine Corps Installations Command (MCICOM) to complete all audit preparations for General Property (GP) and Real Property (RP). This effort was initiated with the understanding that the Marine Corps Fiscal Year 2014 (FY14) Balance Sheet must be fully auditable. Since the release of the reference, additional clarity regarding the audit requirement has been achieved. The Marine Corps is now preparing for the audit of the FY17 Balance Sheet. In light of this clarity, MCICOM has recommended, and HQMC Programs and Resources Department (P&R) has concurred, that an incremental approach to audit preparations would best support this effort.

2. Mission. No later than (NLT) 31 March 2016, Commander, Marine Corps Installations Command (COMMCICOM) will assert to the Deputy Commandant, Programs and Resources (DC, P&R) the full balance sheet audit readiness of assigned assets. A phased approach with interim milestones will be directed in order to (IOT) support Secretary of the Navy (SECNAV) and Commandant of the Marine Corps (CMC) audit efforts.

3. Execution

a. Commander's Intent. Commanders and staff at all levels will actively and personally support efforts to achieve audit assurance. Preparation for an external audit requires disciplined and sustainable practices by placing all processes and controls, not just financial, under close scrutiny. These efforts will be coordinated and executed throughout the MCICOM chain of command and will ensure we can reasonably account for all assets assigned to this Command. Due to the complexity of the accounts involved in GP and RP, continued and coordinated efforts must be conducted. By 31 March 2016, all GP and RP assets on the Marine Corps General Ledger will be certified utilizing an incremental approach with interim and reinforcing objectives for the following financial statement assertions in reference (b): existence, completion, and rights. However, the asset management efforts will not conclude in FY16, rather we will aim to achieve a constant state of accountability which will allow this command to balance our property and financial resources to the Marine Corps General Ledger at all times.

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b. Concept of Operations

(1) DC, P&R has the authority and responsibility for oversight of the Marine Corps' Financial Improvement and Audit Readiness (FIAR) efforts. As such, DC, P&R will assert audit readiness on behalf of the Marine Corps for the full financial statement NLT 30 September 2016. The Deputy Commandant, Installations and Logistics (DC, I&L) has been designated as the primary stakeholder for multiple business segments, to include GP and RP. COMMCICOM, as Assistant Deputy Commandant, Facilities (ADC, LF), maintains oversight of all GP and RP matters.

(2) MCICOM will implement an incremental approach to asserting audit readiness. All assets, for GP and RP, have been categorized and prioritized to support the FY17 audit objective in accordance with the FIAR priorities and strategy outlined in reference (b). This incremental approach will allow commands to focus their efforts on a smaller record population and achieve milestones, all while supporting the CMC and Department of the Navy (DoN) objectives.

(a) For GP, the incremental approach is defined as follows:

1. FY14, preparation for self-audit during FY15 of GP assets valued in excess of \$100K, with an in-service date of 31 December 2006 and greater.

a. Self-audit is defined as a continuation of audit assertion preparation, done internally, to satisfy sustainment requirements.

2. FY15, self-audit of GP in excess of \$100K that will still be depreciating in FY2017; preparation for audit accountability of GP valued \$5K-\$100K; assert readiness for audit of GP in excess of \$100K that will still be depreciating in FY17.

3. FY16, examination from an Independent Public Accountant (IPA) on all asserted GP records; continued asset accountability of all GP valued \$5K-\$100K.

(b) For RP, the incremental approach is defined as follows:

1. FY14, preparation for asserting audit readiness of all Class 2 RP assets with capitalized events currently depreciating and acquired after 30 September 2005.

2. FY15, at a minimum, assert audit readiness for Class 1 and Class 2 capitalized Marine Corps owned property. Start preparation for asset accountability of non-capitalized RP assets in order to support the audit.

3. FY16, continue executing corrective action plans for capitalized assets; support valuation in preparation for full balance sheet audit of all Class 1 and Class 2 RP; complete assertion for all RP assets NLT 31 March 2016, be prepared to undergo examination from an IPA on all asserted RP records.

(3) The MCICOM Assistant Chief of Staff (AC/S), G-8, whose section is functionally aligned with DC, P&R, will coordinate the MCICOM audit readiness

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efforts and will release guidance as needed, covering specific and unique requirements for that FY's milestones and assertion.

(4) AC/S, G-4 will lead the efforts for GP.

(5) AC/S, G-F will lead the efforts for RP.

(6) Each command will conduct audit readiness preparations and submit assertion statements to COMMCICOM.

c. Tasks

(1) Regional, Marine Corps Base Quantico, Marine Barracks Washington Commanders

(a) Conduct audit readiness preparations for both GP and RP assertions in accordance with the timelines outlined for the current incremental approach.

1. Within each Region, it is recognized that installations will have different workloads. Upon completion of a fiscal year's readiness objective, Regions shall direct their installations to move on to the next objective. Asset accountability efforts should be continuous and will continue to proceed indefinitely.

(b) Comply with specific implementing and enabling tasks and requirements published by the cognizant AC/S.

(c) NLT 30 November 2014, assert accomplishment of designated audit readiness objective for FY14 using enclosures (1) and (2).

(d) NLT 30 September 2015, assert accomplishment of designated audit readiness objective for FY15 using enclosures (1) and (2).

(e) NLT 31 March 2016, provide final assert accomplishment of designated audit readiness objective using enclosures (1) and (2).

(f) Report the status of audit readiness actions as directed using enclosure (3).

(g) Service Level Training Installations (SLTI) will be tasked through, and report back to, their respective MCICOM Regional Command.

(2) Assistant Chief of Staff, G-8

(a) Responsible for the coordination of MCICOM audit assurance preparations among the staff, Regions and TECOM.

(b) Receive annual audit assertion statements from subordinate commands. Analyze statements and prepare a decision brief for COMMCICOM.

(c) Upon approval of content by COMMCICOM, prepare the MCICOM audit assertion statement to HQMC, DC, P&R.

(3) Assistant Chief of Staff, G-4

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(a) Lead the audit assurance efforts for GP across subordinate commands; validate all submissions.

(b) Represent MCICOM in FIAR meetings and prepare FIAR documentation as required.

(c) Publish amplifying guidance and direction to subordinate commands.

(d) Establish and direct further intermediate and enabling objectives within the GP arena.

(4) Assistant Chief of Staff, G-F

(a) Lead the audit assurance efforts for RP across subordinate commands; validate all submissions.

(b) Represent MCICOM in FIAR meetings and prepare FIAR documentation as required.

(c) Publish amplifying guidance and direction to subordinate commands.

(d) Establish and direct further intermediate and enabling objectives within the RP arena.

d. Coordinating Instructions

(1) Commands will submit audit assertion statements utilizing the formats contained in enclosures (1) and (2). To be included as an enclosure to the Audit Assertion Statements are the Audit Preparation Status templates, enclosure (3).

(2) Audit assertion statements will confirm the demonstration of the following financial statement assertions in reference (b) for each command: existence, completion, and rights. If any of the assertions cannot be fully asserted for the in-scope records, the command will specify which records, if any, that cannot be asserted and a description of the problem.

(3) Accountable Property Systems of Record (APSR) are as follows:

(a) For GP is the Defense Property Accountability System (DPAS).

(b) For RP is Internet Naval Facilities Assets Data Store (iNFADS).

(4) The capitalization threshold for all GP is \$100,000, and for RP it is \$250,000. Land is valued at acquisition value.

4. Administration and Logistics

a. The points of contact at HQ MCICOM are:

(1) General Equipment - Ms. Trish Mathena, MCICOM G-4/LFS, phone: (703) 695-6965, email: trish.mathena@usmc.mil.

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(2) Real Property - Mr. Tom Vanneman, MCICOM G-F/LFF, phone: (571)
256-2826, email: tom.vanneman@usmc.mil.

(3) MCICOM Audit Coordinator - Mr. Chuck Ryan, MCICOM G-8/RE&A, phone:
(703) 695-7542, email: charles.w.ryan@usmc.mil.

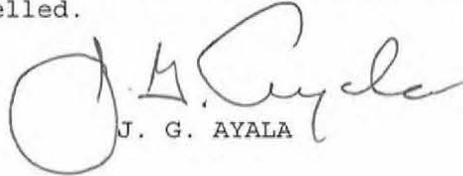
5. Command and Signal

a. Command

(1) Questions regarding this guidance should be directed to the
MCICOM points of contact listed above.

(2) This policy is applicable to all organizations within MCICOM.

b. Signal. This policy is effective the date signed and will remain in
effect until superseded or cancelled.



J. G. AYALA

DISTRIBUTION: B

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CMC (P&R)
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CG MARFORRES



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From: Commanding General, Marine Corps Installations (E/W/P/N)
To: Commander, Marine Corps Installations Command
Subj: MARINE CORPS INSTALLATIONS (EAST/WEST/PAC/NCR) AUDIT
ASSERTION STATEMENT: GENERAL PROPERTY
Ref: (a) MCICOMO 7500.1 dated 28 Dec 2012
Encl: (1) MCI (EAST/WEST/PAC/NCR) Audit Preparation Status:
General Property

1. This memorandum certifies to the Commander, Marine Corps Installations Command that General Property (GP) assets within Marine Corps Installations (East/West/Pac/NCR) are prepared for examination in support of the Marine Corps Financial Statement Audit.

2. I am asserting the existence, completion, and rights of all GP assets assigned to my command that are capitalized and actively depreciating (see the enclosure for installation level status). The assets exist, the documentation is organized and available in the associated Defense Property Accountability System (DPAS), and the information accurately reflects asset status and value.

3. I also assert that internal controls are in place to ensure these assets remain audit ready for current and future audit requirements.

4. The point of contact for this matter is Mr. Garrison Property Officer (###) ###-#### or at email@usmc.mil.

I.M. MARINE

ENCLOSURE (1)



UNITED STATES MARINE CORPS
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From: Commanding General, Marine Corps Installations (E/W/P/N)
To: Commander, Marine Corps Installations Command

Subj: MARINE CORPS INSTALLATIONS (EAST/WEST/PAC/NCR) AUDIT
ASSERTION STATEMENT: REAL PROPERTY (CLASS 2)

Ref: (a) MCICOMO 7500.1 dated 28 Dec 2012

Encl: (1) MCI (EAST/WEST/PAC/NCR) Audit Preparation Status:
Real Property

1. This memorandum certifies to the Commander, Marine Corps Installations Command that specified Real Property Class 2 assets within Marine Corps Installations (East/West/Pac/NCR) are prepared for examination in support of the Marine Corps Financial Statement Audit.

2. I am asserting the existence, completeness, and rights of Real Property Class 2 assets assigned to my command, that are capitalized events actively depreciating (see the enclosure for the installation level status). The assets exist, the documentation is organized and available, and the associated Internet Naval Facilities Assets Data Store (iNFADS) information accurately reflects asset status and value.

3. I also assert that internal controls are in place to ensure these assets remain audit ready for current and future audit requirements.

4. The point of contact for this matter is Mr. Facilities Director at (###) ###-#### or at email@usmc.mil.

I.M. MARINE

ENCLOSURE (2)

MCIXXX Audit Preparation Status
XX Nov 14

Audit Preparation Status Format – General Property

Marine Corps Installations Command - General Property Audit Status Summary Report										
Organization	Total System Records: DPAS		Records in Audit Scope (Assets >= \$100K)		Records Reviewed		Records Requiring Adjustment		Records Ready for Audit	
	Assets	Value	Assets	Value	Count	Percent	Count	Percent	Count	Percent
Installation	-	\$ -	-	\$ -	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Installation	-	\$ -	-	\$ -	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Installation	-	\$ -	-	\$ -	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Installation	-	\$ -	-	\$ -	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Installation	-	\$ -	-	\$ -	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Installation	-	\$ -	-	\$ -	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Region Total	-	\$ -	-	\$ -	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!

Audit Preparation Status Format – Real Property

Marine Corps Installations Command - General Property Audit Status Summary Report										
Organization	Total System Records: iNFADS		Records in Audit Scope (Assets >= \$250K)		Records Reviewed		Records Requiring Adjustment		Records Ready for Audit	
	Assets	Value	Assets	Value	Count	Percent	Count	Percent	Count	Percent
Installation	-	\$ -	-	\$ -	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Installation	-	\$ -	-	\$ -	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Installation	-	\$ -	-	\$ -	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Installation	-	\$ -	-	\$ -	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Installation	-	\$ -	-	\$ -	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Installation	-	\$ -	-	\$ -	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Region Total	-	\$ -	-	\$ -	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!