



UNITED STATES MARINE CORPS  
MARINE CORPS BASE  
PSC Box 20004  
Camp Lejeune, North Carolina 28452-0004

BO 5200.1A  
COMP  
**07** DEC 1998

BASE ORDER 5200.1A

From: Commanding General  
To: Distribution List

Subj: MARINE CORPS MANAGEMENT CONTROL PROGRAM

Ref: (a) MCO 5200.24C

Encl: (1) Program and Report Requirements  
(2) Format for Reporting Material Weaknesses  
(3) Management Control Certification Statement and Results  
of Management Control Evaluations

1. Purpose. To incorporate new guidance in compliance with the reference and clarify management control accountability procedures. This is a complete revision and should be read in its entirety.

2. Cancellation. BO 5200.1.

3. Background

a. The reference requires that commanders/managers be responsible for ensuring that resources under their purview are used efficiently and effectively, and that programs and operations are discharged with integrity and in compliance with applicable laws and regulations. The Management Control Program is one tool available to assist in discharging these duties. Other tools such as command inspections, evaluations, reviews, analyses, audits, and investigations are available as well. The reference eliminates the mandatory requirement to perform formally documented vulnerability assessments and management control reviews on any set schedule. In addition, reporting requirements such as the Semiannual Report and the Management Control Plan have been eliminated. Commanders/managers are to assess their particular command/organizational situation, and use the mix of existing and ad hoc management tools most suitable to meet their requirement for management controls.

b. Providing flexibility for commanders/managers to direct programs without undue administrative burden is a primary goal of

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the Management Control Program. In attaining this goal, there remains the basic requirement to ensure that:

(1) obligations and expenditures comply with applicable laws and regulations;

(2) assets are safeguarded against waste, loss, unauthorized use or misappropriation; and,

(3) revenues and disbursements are properly accounted for and recorded.

c. The system of management controls put forth in this guidance encompasses ALL programs and functions within the Marine Corps, and not just the comptroller functions of budgeting, recording, and accounting for financial transactions. Using the standards in Appendix A to enclosure (1) of the reference, assistant chiefs of staff, special staff officers, and commanders/managers will incorporate basic management controls in their strategies, plans, guidance, and procedures governing all their programs and operations.

4. Definitions. The terms, standards, and other applicable concepts used in this instruction are defined in enclosure (1) of the reference.

5. Policy. All Marine Corps Base, Camp Lejeune commanders/managers shall maintain effective management controls. All levels of Marine Corps management shall:

a. Establish controls consistent with the standards contained in this guidance; and,

b. Continually monitor, test, and improve the effectiveness and adequacy of controls chosen to be employed for their programs.

6. Action

a. Assistant Chiefs of Staff, Special Staff Officers and Commanding Officers

(1) Implement the management control program and disseminate the guidance contained in this Order and the reference to all levels within their department/organization.

(2) Establish a point of contact to coordinate and oversee the management control program within their department/

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organization. The name of the point of contact (updated annually in June or as changes occur) will be provided to the Assistant Chief of Staff (AC/S), Comptroller (Resource Evaluation and Analysis (REA) Division).

(3) Identify the civilian and military managers, at appropriate department/organizational levels, responsible for establishing and implementing a management control plan. Civilian performance appraisals and military fitness reports may be used to reflect their effectiveness in complying with the Standards for Management Control in the Federal Government.

(4) As required by the reference, an annual report on the results of management control evaluations for the period ending 31 August is required to be provided to the Commanding General (via the AC/S, Comptroller). The report will provide the number and type of reviews conducted and a validated listing of the assessable units for the respective department or command. Additional guidance will be provided by the AC/S, Comptroller (REA Division) when it becomes time to prepare the annual report.

(5) Ensure Management Control Reviews/Alternate Management Control Reviews (MCR/AMCR) are conducted and documented on all assessable units. The number and type of MCRs/AMCRs are to be provided in the annual report.

(6) Retain copies of all reports and MCRs/AMCRs, in accordance with SECNAV Instruction 5212.5C.

(7) Develop and maintain a local follow-up system, in accordance with the reference, at each command/activity to support the preparation and submission of the required reports. Ensure corrective actions for weaknesses are tested for adequacy.

b. Assistant Chief of Staff, Comptroller (REA Division)

(1) Coordinate the Management Control Program at Marine Corps Base and disseminate guidance as contained in the reference and/or as received from Headquarters, Marine Corps.

(2) Serve as the Command's focal point for coordination and oversight of the Management Control Program.

(3) Coordinate Marine Corps Base efforts to meet program reporting requirements, which includes annually preparing the Commanding General's Management Control Certification Statement, "Statement of Assurance" and submitting the Results of Management Control Evaluations to the Commandant of the Marine Corps.

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(4) Track and perform follow-up on all Marine Corps Base material weaknesses reported to the Commandant of the Marine Corps.

(5) Provide technical guidance as necessary.

7. Reserve Applicability. This Order is applicable to the Marine Corps Reserve.

  
B. A. GOMBAR  
Chief of Staff

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## PROGRAM AND REPORT REQUIREMENTS

1. To implement the Marine Corps Internal Management Control Program, the following minimum requirements must be met:

a. Establish a central focal point for program management, coordination, and oversight.

b. Establish and maintain an inventory of assessable units. The inventory is to be segmented along organizational, functional, and/or program lines and categorized by the 15 areas identified in Appendix B to enclosure (1) of the reference. By way of example, assessable units under the category "Force Readiness" would be military training and weapons storage and containment. An alternative methodology can be used provided equivalent results are obtained while still identifying vital management controls. The assessable unit inventory should be an aspect of every component's management control plan, and should be reviewed and updated annually.

c. Monitor and improve the effectiveness of management controls. Monitoring efforts should be documented. This process should maximize use of existing management evaluation data and minimize creating processes or procedures solely to execute the Management Control Program. Each commanding officer, assistant chief of staff, and special staff officer should establish criteria for scheduling evaluations of assessable units to allow the Commanding General to meet the Commandant's reporting deadline.

d. Establish and maintain a process that identifies, reports and corrects material weaknesses. Material weaknesses may be identified from a variety of sources such as audits, inspections, investigations, management control evaluations, etc., and are to be reported to the next higher management level. Commanders/managers must take timely and effective action to correct management control weaknesses and should track progress.

e. Ensure that military and civilian personnel responsible for systems of control are identified, and that fitness reports/performance appraisal systems for these individuals reflect any management control responsibilities, accomplishments, deficiencies, and corrective actions undertaken.

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f. Ensure that subordinate managers are provided with appropriate training concerning their Internal Management Control Program responsibilities.

2. Each assistant chief of staff, special staff officer and commanding officer (for the period ending 31 August) is required to submit to the Commanding General (Attn: AC/S, Comptroller) a Management Control Certification and Results of Management Control Evaluations Statement. This is the statement of assurance for their chain of command or organization. The required statement shall be based on a general assessment of management control evaluations conducted in accordance with this guidance and shall consider management control weaknesses disclosed by any and all sources, including: management studies; audits, inspections, investigations or Resource, Evaluation and Analysis evaluations; and General Accounting Office (GAO), Department of Defense Inspector General (DODIG), and Naval Audit Service (NAS) audits, investigations, and reports. Specific Management Control Program reporting requirements are as follows:

a. Reports will summarize Internal Management Control Program accomplishments and identify material weaknesses from that command or organization, including any subordinate components' accomplishments and weaknesses considered significant enough to warrant reporting to the Commandant of the Marine Corps.

b. An updated status report on all previously reported material weaknesses that remain uncorrected at year end, even if progress is on schedule.

c. The format in enclosure (2) is to be used for reporting material weaknesses, both those corrected during the year (which are also reported as accomplishments) and those still uncorrected at year end.

(1) Begin each material weakness report at the top of a new page.

(2) Label each material weakness as corrected or uncorrected and classify each as either "Identified During the Current Period FY\_\_" or "Identified During Prior Period FY" as appropriate (fill in correct fiscal year).

(3) Acronyms should be redefined the first time they are used in each material weakness reported.

(4) Do not exclude any sections of the format even if they are not applicable to a particular material weakness reported, i.e., use "N/A" as required.

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## FORMAT FOR REPORTING MATERIAL WEAKNESSES

Title and Description of Material Weakness: Use the title from the source document. Provide a brief narrative summary describing the material weakness and its scope; i.e., local, area wide, service-wide, etc.

Functional Category: Indicate which Management Control Reporting Category (shown at Appendix B to enclosure (1) of the reference) is applicable to this material weakness.

Pace of Corrective Action: The five items below identify the timeline for corrective action. All dates are to be reported by fiscal year (FY).

1. Year Identified: Identify the FY the material weakness was first reported in the command/activity's annual certification statement.

2. Original Targeted Correction Date: Provide the targeted correction date that was reflected in the initial report for this material weakness.

3. Targeted Correction Date in Last year's Report: Provide the targeted correction date that was reported in the previous year's annual certification statement. If a material weakness is being reported for the first time and is classified as "Identified During the Current FY\_\_\_\_", report "N/A - new report" here.

4. Current Target Date: Indicate the current targeted correction date.

5. Reason For Change in Date(s): If the item labeled above as "Current Target Date" is different from the item "Targeted Correction Date in Last Year's Report," briefly explain this change. Report "N/A" if the two dates are the same. If a material weakness is being reported for the first time and is classified as "Identified During the Current FY\_\_\_\_," report "N/A - new report" here.

Component/Appropriation/Account Number: Identify the DON-related appropriations and account number(s). Monetary information; i.e., amounts, are not required. When identifying the appropriations, nomenclature should be consistent with standard DoD designations; i.e., Operation and Maintenance, Marine Corps.

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Validation Process: Briefly explain how the effectiveness of the corrective action(s) will be demonstrated.

Results Indicators: Describe key results that have been or will be achieved. Quantitative and/or qualitative measures that determine the benefits derived or that will be derived from the corrective action(s), and the overall impact of the correction on operations should be described. If the amount of monetary benefits can be determined, it should be reported here.

Source(s) Identifying Weakness: Material weaknesses may be identified by Management Control Reviews or by any of the following Alternative Management Control Review sources: (a) DODIG audits; (b) NAVAUDSVC audits; (c) GAO audits; (d) NAVINSGEN inspections; or (e) other sources. Indicate the source used. When audit findings are the source of the material weakness identification, provide the title, report number, and date of the audit report that identified the weakness. If the weakness was identified by more than one source, list all identifying sources, in order of significance.

Major Milestones in Corrective Action: A milestone chart is to be provided that indicates actions taken and actions planned. It should be separated into three categories: (a) completed milestones, (b) milestones to be achieved during the next fiscal year, and (c) milestones to be achieved after the next fiscal year. Report milestones in chronological order. The final milestone reported must be the milestone associated with verification of the corrective actions. For most material weaknesses this final milestone will consist of achieving the validation reported in the preceding item labeled "Validation Process." If the planned completion date for a milestone has changed from that already reported, it is not necessary to note the change; simply indicate the new correct date. All planned milestones should reflect a specific date, month, and year, based on the ending date of the nearest prospective semiannual period when the milestone will be accomplished. For example, milestones to be completed in the first half of fiscal year 1998 would be reported as being completed on "3/98," those planned for the latter half would be dated "9/98." Reporting of completed milestones need not include dates, though these may be added if desired. The format for reporting material weakness milestones follows:

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Completed Milestones:

Date            Milestone:

Planned Milestones (Next FY):

Date:            Milestone:

Planned Milestones (Beyond Next FY)

Date:            Milestone:

Point of Contact: The name and telephone number of the official responsible for administering implementation of all identified corrective actions for this material weakness.

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MANAGEMENT CONTROL CERTIFICATION  
STATEMENT AND RESULTS OF MANAGEMENT  
CONTROL EVALUATIONS

From: Commanding Officer/Assistant Chief of Staff/Special Staff  
Officer  
To: Commanding General, Marine Corps Base, Camp Lejeune (Attn:  
AC/S, Comptroller)  
Subj: MANAGEMENT CONTROL CERTIFICATION STATEMENT AND RESULTS OF  
MANAGEMENT CONTROL EVALUATIONS  
Ref: (a) MCO 5200.24C  
(b) CG MCB ltr 5200 COMP of (date)  
Encl: (1) Current Year Accomplishments/Material Weaknesses  
Identified and Corrected  
(2) Current Year Material Weaknesses and Corrective  
Actions-Actual and Prospective  
(3) Prior Year Material Weakness - Status of Corrective  
Actions  
(4) Changes (additions/deletions) to listing of Assessable  
Units

1. This command has evaluated the system of internal administrative and accounting controls in effect during the fiscal year ending 31 August, in accordance with references (a) and (b). The evaluation was performed per Marine Corps policy contained in reference (a). Internal Management Control Program accomplishments and the status of identified material weaknesses are detailed in enclosures (1), (2), and (3). Any changes to the list of assessable units have been provided in enclosure (4).

2. (Include one of the following: I have reasonable assurance that management controls are in place and operating effectively; I have reasonable assurance that management controls are in place and operating effectively, except for the material weaknesses provided in enclosures (2) and (3); or, I do not have reasonable assurance that management controls are in place and operating effectively), and the objectives of the Federal Managers' Financial Integrity Act were/were not achieved.

3. Information to support the certification statement was derived from management reviews, audits, inspections, investigations, and other management information, such as knowledge gained

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from daily operations of programs and functions. (Include the number of Management Control Reviews and Alternative Management Control Reviews accomplished during the year; e.g., "10 Management Control Reviews and 17 Alternative Management Control Reviews were conducted during this reporting period.")

(Signed)  
Commanding Officer/Assistant Chief  
of Staff/Special Staff Officer

ENCLOSURE (3)