



DEPARTMENT OF THE NAVY

CHIEF OF NAVAL EDUCATION AND TRAINING  
250 DALLAS ST  
PENSACOLA FLORIDA 32508-5220

Canc frp: Dec 02

CNETSTAFFNOTE 5200  
N00GR

27 JUN 2002

CNET STAFF NOTICE 5200

From: Chief of Naval Education and Training  
To: Staff, Chief of Naval Education and Training

Subj: DON MANAGEMENT CONTROL (MC) PROGRAM

Ref: (a) CNETINST 5200.6C  
(b) CNETNOTE 5200 of 25 Feb 02  
(c) OPNAVINST 3500.39A

Encl: (1) Staff Processes by Functional Category  
(2) Internal Control System Test and Operational Risk  
Management (ORM) Assessment (CNET 5200/25)  
(3) Flowchart of an ORM Assessment  
(4) ORM Assessment (CNET 5200/26)  
(5) Sample MC Certification Statement

1. Purpose. To announce Headquarters reporting requirements and due dates for completing the FY02 cycle. References (a) and (b) apply.

2. Information. SECNAV requires compliance with the Federal Managers' Financial Integrity Act (FMFIA). The DON MC Program is Navy's methodology for demonstrating and documenting compliance with FMFIA.

3. Discussion

a. The Naval Audit Service reviews this program annually. For FY01, CNET was recognized by the auditors as being in compliance.

b. The MC Program uses existing methods for gauging the effectiveness, efficiency, and economy of work processes. A process is defined as the manner in which resources are engaged in generating a product, performing a responsibility, or rendering a service.

4. Requirements for FY02

a. Work Processes/Assessable Unit Inventory. Review enclosure (1). As indicated, a one-page linear flowchart is needed from the cognizant code for the process. The VISIO 2000 software is recommended. Review previously developed flowcharts for accuracy. Provide any inventory revisions and updated flowcharts to N00GR by 2 September 2002.

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b. Internal Control System Tests and ORM Assessment. Ensure the System Tests of your work processes are recorded on CNET 5200/25, see enclosure (2). As a result of documenting prior testing, managers should be in a position to review and revalidate the results of previous tests. For this year, complete an ORM assessment for mission critical processes and any process exhibiting high risk. Note reference (c) and enclosures (3) and (4) for guidelines on risk. Enclosure (4) provides a streamlined approach for performing a meaningful assessment. Provide copies of new or revised System Tests and ORM Assessments to N00GR by 2 September 2002.

c. FY02 Annual MC Certification Statement. Enclosure (5) provides a sample certification format with possible enclosures.

(1) Division Directors/Special Assistants are requested to submit an annual certification statement to CNET.

(2) If contracts and/or contractors are used, include a comment in your statement as to the effectiveness of internal controls for monitoring contractor performance. Ensure only non-inherently governmental functions are being performed under contract. As applicable, include comments attesting to the proper use and control of Government Travel Charge Cards within your code.

(3) When appropriate, report the following. See enclosure (5) for format.

(a) Major accomplishments (See CNET 5200/19).

(b) Material weaknesses that are not correctable at CNET (See CNET 5200/17).

(4) Statements are due to N00GR by 16 September 2002 for a consolidated presentation to CNET.

5. Action

a. Directors/Special Assistants comply with the above requirements.

b. Directors/Special Assistants provide your point of contact to N00GR by 5 July 2002.

6. Points of Contact. Points of contact for N00GR are Mr. Sherril Franklin or Mr. Charlie Gimbel, 452-4867.

7. Report Control Symbol. All reports for this program are assigned Report Control Symbol DD-COMP(AR)1618(5200).

  
D. W. NELMS  
Chief of Staff

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Copy to:  
NETPDTC  
NETSAFA  
SNDL A3 (CNO (N79))

## Staff Processes by Functional Category FY02

**Functional Category: 03. Procurement**

<u>FC</u>	<u>Testing</u>	<u>Work Process/Assessable Unit</u>	<u>Cognizant</u>	<u>Interest</u>
X	//	Acquisition Planning Process	N83	ALL
**	//	Certification of Contractor Invoices for Payment	N83	N41
#		Contractor Operations and Maintenance (COMS) Contracts (including Training Device Operation and Maintenance)	NAVSUP	N83/N41
**	//	Contractor Simulator Instructions (CSI) Contracts	N83	N7
**	~	Contracts other than Small Purchase and other Simplified Purchase Procedures and Delivery Orders under Existing Contracts	N83	N00D/N41
X	~	Credit Cards: Government Commercial Purchase Card Program	N41	N82
X	~	Credit Cards: Government Travel Charge Card Program	N004	N82
#		Procurement Management Reviews	NAVSUP	N83/N00D/N41
**	//	Small Purchase and other Simplified Purchase Procedures and Delivery Orders under Existing Contracts	N83	N41

**Functional Category: 04. Contract Administration**

<u>FC</u>	<u>Testing</u>	<u>Work Process/Assessable Unit</u>	<u>Cognizant</u>	<u>Interest</u>
#		Aircraft Intermediate/Organizational Maintenance	CNATRA	N83/N72
**	//	Monitoring Contractor's Performance and Inspection and Acceptance of Supplies and Services	N83	N00D/N41/N3/N5
#		Production Control/Quality Assurance	CNATRA	N83

**Functional Category: 05. Force Readiness**

<u>FC</u>	<u>Testing</u>	<u>Work Process/Assessable Unit</u>	<u>Cognizant</u>	<u>Interest</u>
#		Casualty Report (CASREP)	Activity Level	N41/N3/N5
X	~	Impaired Training	N3/N5	ALL
X	~	Training Readiness Report (TRAREP)	N3/N5	

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

<u>FC</u>	<u>Testing</u>	<u>Work Process/Assessable Unit</u>	<u>Cognizant</u>	<u>Interest</u>
#		Calibration Program	SYSCOMS	N41
#		Ground Electronics Maintenance	CNATRA	N41/N72
X	~	Maintenance and Material Management (3M) (including repair of equipment and minor property maintenance)	N3/N5	N41
#		Training Devices	SYSCOMS	N41

**Functional Category: 07. Supply Operations**

<u>FC</u>	<u>Testing</u>	<u>Work Process/Assessable Unit</u>	<u>Cognizant</u>	<u>Interest</u>
#		Aviation Depot Level Repairables (AVDLRs)/DLRs	CNATRA	N41/N78
#		Aviation Fuels Management and Accountability (including recycling petroleum products and retail fuel operations)	NAVSUP	N44/N78
#		Food Service/Subsistence	NAVSUP	N41
#		Inventory Management (including physical inventory)	NAVSUP	N41
#		Material Turned into Stores (MTIS)	NAVSUP	N41
#		MICRO Shipboard Non-Tactical ADP Program (MICROSNAP)	NETPDTC	N41/N7
#		Storage and Warehousing (including pre-expended bins, RSS, SERVMART, shelf life material, Shop stores, and parts management)	NAVSUP	N41
#		Supply Management (including material requisitioning, issue, receipt)	NAVSUP	N41
#		Uniform Issue/Clothing	NEX	N41

**Functional Category: 08. Property Management**

<u>FC</u>	<u>Testing</u>	<u>Work Process/Assessable Unit</u>	<u>Cognizant</u>	<u>Interest</u>
#		Acquisition and Installation of Property	NAVFAC	N41
#		Aircraft and Engine Accountability	CNATRA	N72
#		Aviation Clothing, Supplies and Equipment	CNATRA	N41
#		Aviation Safety Reporting	CNATRA	N00X
#		Configuration Management (TTE & Devices)	SYSCOMS	N41
**	//	Contractor Purchased Equipment/Government Furnished Equipment/Material/Property	N83	N4
#		Defense Reutilization Management Office (DRMO)	DLA	N41

FC = Flowchart  
 X FC on file in Code N00GR  
 \*\* FC needed  
 # FC N/A

~ Testing on file in Code N00GR  
 // Testing needed



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

<u>FC</u>	<u>Testing</u>	<u>Work Process/Assessable Unit</u>	<u>Cognizant</u>	<u>Interest</u>
X	~	Changing Requirements Process	N3/N5	
#		Civilian Personnel Administration: Employee Relations	HRO	N01HR
#		Civilian Personnel Administration: Employment (including promotion, internal placement and Upward Mobility Program)	HRSC-SE	N01HR
#		Civilian Personnel Administration: Performance Management System (including performance appraisal review and labor performance standards)	HRSC-SE	N01HR
#		Civilian Personnel Administration: Retirement	HRSC-SE	N01HR
X	~	Command Managed Equal Opportunity (CMEQ) for Military	N3/N5	ALL
X	~	Curriculum Development - Training	N3/N5	N7
X	~	Curriculum Development, Maintenance Review and Control	N3/N5	N7
X	//	Curriculum Management (Functional Commanders and Curriculum Control Authority)	N71	N3/N5/N7
**	~	Defense Acquisition Workforce Improvement Act (DAWIA)	N83	N00D
X	~	Direct Commission Officer Indoctrination Course	N72	
**	//	Disaster Preparedness Program	N4	ALL
X	~	Distributed Learning - Navy Learning Network	N93	
#		Diving Safety	Activity Level	N00X
#		Drug/Alcohol Programs: Civilian	HRO	N01HR
X	~	Drug/Alcohol Programs: Military	N3/N5	N004
X	~	Education and Training Management Subspecialty (ETMS)	N79	
#		Electronics Safety	Activity Level	N00X
X	//	Enlisted Navy Training Requirement Reviews (NTRRs)	N7	
#		Equal Employment Opportunity (EEO) Programs	HRO	ALL
X	~	Explosive Safety	NAVSEA	N00X
#		Family Advocacy Program	BUPERS	N41
#		Family Services Center	BUPERS	N41
X	~	Feasibility Study	N3/N5	N7
#		Federal Employees Compensation Act (FECA)	HRO	N01HR
#		Federal Employees Group Health Insurance	HRO	ALL
X	~	Firefighting Certification	N00X	N7
**	//	Fleet Feedback/Liaison	N75	N00X/N3/N5
**	//	Flight Training (including simulators) - Officer	N78	
X	//	Foreign Exchange Training Midshipmen Program	N79	
X	~	General Military Training (GMT)	N3/N5	
**	//	General Safety Training	N00X	
X	~	Health and Physical Readiness	N79	ALL
X	~	In-service Training	N3/N5	
X	~	Instructor Certification/Evaluation/Utilization/Recognition	N3/N5	N3/N5
X	~	Instructor of the Year (IOY) Program	N3/N5	
X	//	Integrated Logistics Support (ILS)	NAVSUP	N41/N7
X	//	Inter-service Training Review Organization (ITRO)	N73	
X	~	Job Oriented Basic Skills (JOBS)	N7	
#		Laser Safety	NAV AIR/NAVSEA	N00X
X	~	Leadership Training	N3/N5	N71
**	//	Learning Strategies: Human Performance Solutions	N92	
**	//	Learning Strategies: Investment Planning/R&D	N91	
**	//	Learning Strategies: Delivery Solutions	N93	
#		Library Materials/Services	NETPDTC	N41
X	~	Manpower Control, Ceilings and Strength Rating	N01HR	ALL
X	~	Master Training Specialist Program	N3/N5	
X	~	Military Leave Accounting	N004	
X	~	Military Personnel Administration	N004	00W/01W
X	~	Naval Junior Reserve Officers Training Corps (NJROTC) (Headquarters Staff)	N79	
**	//	Naval Reserve Officers Training Corps (NROTC) (Headquarters Staff)	N79	
#		Navy Advancement Examinations	NETPDTC	

FC = Flowchart  
 X FC on file in Code N00GR  
 \*\* FC needed  
 # FC N/A

~ Testing on file in Code N00GR  
 // Testing needed

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

<u>FC</u>	<u>Testing</u>	<u>Work Process/Assessable Unit</u>	<u>Cognizant</u>	<u>Interest</u>
#		Navy Civilian Personnel Data System	HRO	N01HR
X	~	Navy Military Training (NMT)	N3/N5	
X	//	Navy National Apprentice Program (NNAP)	N7	
X	~	Navy Occupational Safety and Health (NAVOSH)	N00X	N7
X	~	Navy Training Master Planning System (NTMPS)	N6	N7
X	//	Navy Training Requirements Review	N7	
X	~	Navy Training System Plan	N3/N5	
X	~	Officer Candidate School	N79	
X	~	Officer Indoctrination School	N79	
#		Officer Short Course Program	CNO	N79
X	~	Organizational Structure	N823	
#		Pass/Decal Operations/Vehicle Registration	Activity Level	N4/OO4
X	~	PCO/PXO/PCMC Process Action	N3/N5	
X	~	Personal Excellence Program	N00K	ALL
#		Personnel Qualifications Standards	NETPDTC	N7
X	~	Position Management Program	N01HR	
X	~	Quota Control/Management	N3/N5	
#		Radiation Safety	NAVSEA	N00X
#		Rate Training	NETPDTC	N3/N5
X	~	Recruit Division Company Commander Training	N79	
X	~	Recruit Training	N79	
X	~	Schoolhouse Reengineering	N92	N6
**	//	Seaman to Admiral 21	N79	
X	//	Shipboard Training Enhancement Program (STEP)	N7	
X	~	Shore Manpower Requirements Determination	N01HR	
#		Small Arms Ranges	NAVFAC	N00X/N41
**	//	Specialized Skills Contract Oversight	N7	
X	~	Student Management (including Attrition Data and Control, and Planned vs. Actual Student Input)	N3/N5	N7
**	//	Surface Warfare Training - Officer	N76	
#		Technical Audits	Activity Level	N3/N5/N7
#		Technical Publications	SYSCOMS	N41
X	~	Time to Train	N3/N5	
#		Traffic Safety	Activity Level	N00X
#		Training and Career Development	HRO	N01HR
X	~	Training Excellence Award	N3/N5	
X	~	Training Safety	N00X	N7IM
X	~	Undersea Warfare Officer Training Management	N77	
#		Wage and Classification	HRO	N01HR

**Functional Category: 12. Comptroller/Resources Management**

<u>FC</u>	<u>Testing</u>	<u>Work Process/Assessable Unit</u>	<u>Cognizant</u>	<u>Interest</u>
X	~	Accounting (including Contingent Liabilities and Adjustments to Obligations)	N822	
X	~	Budget Execution	N822	
X	~	Budget Formulation	N821	
X	~	Civilian Timekeeping and Payroll	N822	
#		Flight Hour Planning Factors	CNATRA	N8/N72
X	~	Official Representation Fund	N822	
X	//	POM Development	N8	ALL

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

<u>FC</u>	<u>Testing</u>	<u>Work Process/Assessable Unit</u>	<u>Cognizant</u>	<u>Interest</u>
X	~	Administrative Services (filing, reports, tracking, etc.)	N004	ALL
X	~	Mail Management	N004	
X	~	Management Control Program	N00GR	ALL
X	~	Public Affairs Program	N00P	
X	~	Reprographics/Printing	N004	

FC = Flowchart  
 X FC on file in Code N00GR  
 \*\* FC needed  
 # FC N/A

~ Testing on file in Code N00GR  
 // Testing needed

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**Functional Category: 13. Support Services Subfunction B. Audit**

<u>FC</u>	<u>Testing</u>	<u>Work Process/Assessable Unit</u>	<u>Cognizant</u>	<u>Interest</u>
X	~	Audit Follow-up/Liaison	N00GR	
X	~	Command Evaluation Program/Local Audit Function	N00GR	
X	~	Command Inspection Program	N00G	
X	~	Investigations (i.e., Hotlines)	N00G	

**Functional Category: 13. Support Services Subfunction C. Facilities and/or Base Maintenance**

<u>FC</u>	<u>Testing</u>	<u>Work Process/Assessable Unit</u>	<u>Cognizant</u>	<u>Interest</u>
#		Annual Inspection Summary (AIS)	Activity Level	N44
#		Base Operating Support	Activity Level	N44
X	~	Commercial Activities Program	N01HR	N8
#		Emergency Service/Minor Work Requests	Activity Level	N44
X	~	Energy Conservation Program	N44	
#		Engineering	NAVFAC	N44
#		Equipment/Certification PMI Program	Activity Level	N44
#		Fire Protection and Prevention Programs (including equipment)	Activity Level	N44
**	//	Host/Tenant Relations (inter-service and intra-service)	N41	N83
#		Housing Maintenance	Activity Level	N44
#		Installation Readiness Reporting System	Activity Level	N44
X	~	Land Space Management and Utilization (real estate)	N44	
X	~	Military Construction (MILCON)	N44	
X	~	Navy Resource Recovery and Recycling Program	N41	
#		Planning and Estimating	Activity Level	N44
#		Self-Help	Activity Level	N44
X	~	Special Projects	N44	
#		Sustainment, Restoration, Modernization (SRM) Program	Activity Level	N44
X	//	Utilities Management	N44	

**Functional Category: 13. Support Services Subfunction D. Legal**

<u>FC</u>	<u>Testing</u>	<u>Work Process/Assessable Unit</u>	<u>Cognizant</u>	<u>Interest</u>
X	~	Administrative Separation	N00J	
#		Contract Review/Claims Related Litigation	Contracting Office	N00D/N4
X	~	Courts-Martial	N00J	
X	~	Ethics/Standard of Conduct: Financial Disclosure Report Review - Civilian	N00D	ALL
X	~	Ethics/Standard of Conduct: Financial Disclosure Report Review - Military	N00J	ALL
X	~	Freedom of Information Act/Privacy Act	N00J	N00D
X	~	Litigation (other than contractual)	OUSA <sup>1</sup>	N00D
X	~	Non-Judicial Punishment	N00J	

**Functional Category: 13. Support Services Subfunction E. Medical**

<u>FC</u>	<u>Testing</u>	<u>Work Process/Assessable Unit</u>	<u>Cognizant</u>	<u>Interest</u>
#		Medical/Legal and Legal Risk Management	BUMED	N00J

**Functional Category: 13. Support Services Subfunction F. Morale, Welfare and Recreation**

<u>FC</u>	<u>Testing</u>	<u>Work Process/Assessable Unit</u>	<u>Cognizant</u>	<u>Interest</u>
#		Child Development Program	BUPERS	N41
#		Civilian Employee Morale, Welfare and Recreation	BUPERS	
#		Clubs and Messes Operations	BUPERS	N41/N8
#		Common Support Services	Activity Level	N41
#		Navy Recreation, Athletics and Home Safety (RAHS) Program	Safety Center	N00X
#		Non-appropriated Fund Accounting	Activity Level	N41/N8
#		Personnel Support Equipment (PSE)	Activity Level	N41/N8
#		Private Organizations	Activity Level	N00D/N00J

<sup>1</sup> OUSA = Office of U.S. Attorney

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**Functional Category: 13. Support Services Subfunction G. Religious**

<u>FC</u>	<u>Testing</u>	<u>Work Process/Assessable Unit</u>	<u>Cognizant</u>	<u>Interest</u>
#		Chaplain Professional Development	NETPDTC	N00F
**	//	Command Religious Program	N00F	
**	//	Free Exercise of Religion	N00F	
**	//	Religious Offering Funds	N00F	
**	//	Suicide Prevention	N00F	ALL

**Functional Category: 14. Security Assistance**

<u>FC</u>	<u>Testing</u>	<u>Work Process/Assessable Unit</u>	<u>Cognizant</u>	<u>Interest</u>
#		Foreign Military Sales/Training	NETSAFA	
#		Foreign Military Sales/Training (Foreign Visits Program)	NETSAFA	
#		Foreign Military Training, Delivery Reporting/Reimbursement	NETSAFA	
#		International Military Training	NETSAFA	N7
#		Release of Classified Material in Curriculum Sales	NETSAFA	

**Functional Category: 15. Other Subfunction A. Transportation**

<u>FC</u>	<u>Testing</u>	<u>Work Process/Assessable Unit</u>	<u>Cognizant</u>	<u>Interest</u>
X	~	Vehicle Maintenance	Activity Level	N004/N44
X	~	Vehicle Utilization and Inventory Control	Activity Level	N004/N44

FC = Flowchart  
 X FC on file in Code N00GR  
 \*\* FC needed  
 # FC N/A

~ Testing on file in Code N00GR  
 // Testing needed

**Internal Control System Test and Operational Risk Management Assessment**

1. **Work Process/Assessable Unit:**

2. **Way(s) tested?**     Performed a physical inspection or walk through of the process.  
                           Reviewed documents.  
                           Interviewed cognizant managers.  
                           Evaluated data.

- | 3. <b>Test results</b>                                                                                         | <b>YES</b>               | <b>NO</b>                |
|----------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| a. Does the flowchart reflect the process?                                                                     | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Is the process producing intended results?                                                                  | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Are protections against fraud, waste, abuse, and 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 3500.39, encl. (1)) | <input type="checkbox"/> | <input type="checkbox"/> |

(1) If **YES**, attach a **completed CNET Form 5200/26**.  
If **NO**, explain why in **paragraph 4** below.

- (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? **YES**  **NO**

4. For any "NO" response above, indicate if any action is planned and expected completion date.

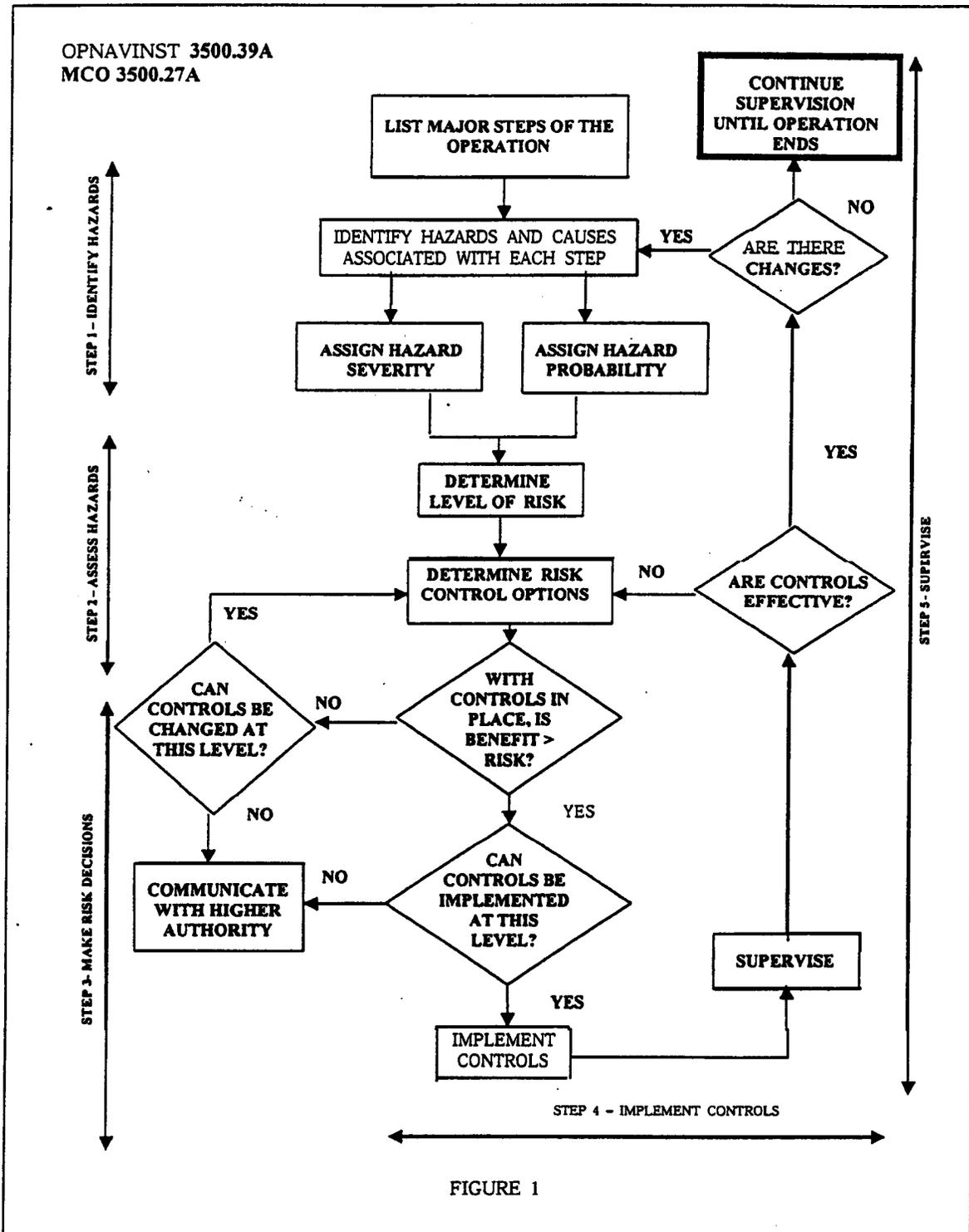
5. Does this process warrant reporting to higher authority as a material weakness? YES  NO

6. Attested to by: \_\_\_\_\_ Date: \_\_\_\_\_

Enclosure (2)

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Flowchart of an ORM Assessment



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

**Activity/Department:** \_\_\_\_\_

**Work Process:** \_\_\_\_\_

- 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. () () ()

**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)

**Risk Assessment Code**

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

**Hazard Severity**

- I
- II
- III
- IV

**Mishap Probability Rating**

A	B	C	D
1	1	2	3
1	2	3	4
2	3	4	5
3	4	5	5

**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. () () ()

**Step 4. Internal Control Implementation** (more than one type internal control may apply):

- 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? () () ()

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(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)? ( ) ( ) ( )

Step 5. **Supervision.** Is there periodic supervisory oversight of internal controls for the work process? ( ) ( ) ( )

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

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

Issues/Comments

Actions (Include estimated completion dates.)

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

**Activity/Department:** \_\_\_\_\_

**Work Process:** \_\_\_\_\_

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: \_\_\_\_\_

SAMPLE MANAGEMENT CONTROL CERTIFICATION STATEMENT

From: Responsible Official (Division Director or Special Assistant)

To: CNET

Subj: MANAGEMENT CONTROL CERTIFICATION STATEMENT FOR FY 2002

Ref: (a) CNETINST 5200.6B  
(b) CNETSTAFFNOTE 5200 of \_\_\_\_\_

Encl: (1) Major Accomplishments (See Attachment A)  
(2) Material Weakness (See Attachment B)

1. I have taken the necessary measures to ensure that the system of internal controls in effect during FY 2002 within my code has been evaluated in accordance with references (a) and (b). Major accomplishments are presented in enclosure (1).

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 material 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 enclosures (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.

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Signed by Appropriate DD or SA

27 JUN 2002

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

(a) Command/Activity:

UIC:

(b) Department:

(c) Functional Category:

(d) Work Process (WP)/Assessable Unit (AU):

(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:

Attachment A  
Enclosure (5)

27 JUN 2002

<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 (WP)/Assessable Unit (AU):	
(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: [ ] Completed (Date: _____) (Check applicable [ ] Pending (Est. Completion Date: _____) box, detail [ ] Not correctable at this level. (Note who actions and must correct and why.) milestones below.)	
(e) Explain the methodology that will be (has been) employed to certify the effectiveness of the corrective actions:	
Estimated Date of Certification:	

Attachment B  
Enclosure (5)