

## STATEMENT OF ASSURANCE

The Statement of Assurance (SOA) is the reporting mechanism used to certify reasonable assurance that appropriate management controls are in place and operating effectively. The submission for the MIC Certification Statement shall provide senior management's assessment as to whether there is reasonable assurance that internal controls are in place and operating effectively.

---

### The statement must take one of the following three forms:

- (1) Unqualified SOA:** I have reasonable assurance that controls are in place with no material weaknesses reported. A firm basis for this position must also be documented.
  - (2) Qualified SOA:** I have reasonable assurance with one or more material weakness reported. The letter must site the material weakness, and include information on the corrective actions being taken, by whom, and the target completion date.
  - (3) Statement of No Assurance:** I have no assurance because no assessments have been conducted or because the noted material weaknesses are pervasive. The certifying official shall provide extensive rationale for this position.
- 



## INVENTORY OF ASSESSABLE UNITS:

### What is an "Assessable Unit"?

An Assessable Unit (AU) is any organizational, functional, programmatic or other applicable subdivision capable of being evaluated by management control assessment procedures. AUs should be a subdivision of an organization that ensures a reasonable span of management control to allow for adequate analysis.

---

### Identification and Inventory of Assessable Units.

The concept of an AU is designed to allow a reasonable span of control. The AUs must constitute the entire organization. In other words, the sum of the parts must equal the whole. Every part of the organization must be represented.

CNIC has compiled matrix-style listing (Inventory) of all of the AUs within each Region, Installation and HQ Program. Each Program and Installation designated MIC Coordinators/Representatives are responsible for reviewing, updating and maintaining the accuracy of this listing as the subject matter experts for the AUs under their purview.

---



## MANAGEMENT CONTROL REVIEWS AND RISK ASSESSMENTS:

There are number of different methods for assessing the health of internal controls, including Internal Management Control Reviews and Risk Assessments, as well as External Audits (Navy IG, Naval Audit Service, GAO, etc.), Inspections, Investigations, Reviews. The MICEP is simply the method by which we collect and document the various ways that we evaluate and assess controls over each functional area.

---

### Control Weaknesses

The MICEP defines three different types, or degrees of control weaknesses. Any weaknesses identified must be reported and tracked until corrective action is complete:

**Material Weakness (MW):** A reportable condition or combination of reportable conditions, which is significant enough to report to the next higher level. The determination is a management judgment as to whether a weakness is material.

**Reportable Condition (RC):** A control deficiency that adversely affects the ability to meet mission objectives, but are not deemed by the Head of the Component as serious enough to report as material weaknesses.

**Item to be Revisited (IR):** An internal control issue brought to management's attention with insufficient information to determine whether the control deficiency is material or not.

---

### Control Accomplishments

The MICEP also represents an opportunity for management to identify and report on actions taken during the year to strengthen internal controls.

## INTERNAL MANAGEMENT CONTROL

### What is Internal Control?

SECNAVINST 5200.35F defines Internal Control (Synonymous with the term “Management Control”) as: the organization, policies, and procedures that help program and financial managers achieve results and safeguard the integrity of their programs.

### Why is this important?

By creating a means of documenting the existence and effectiveness of Internal Controls, the MICP helps:

- Tighten up processes to ensure mission success
- Provide analytical approach to assess effectiveness
- Conduct more efficient processes
- Create an atmosphere of reliability, credibility and confidence
- Produce more positive work environment
- Organizations can survive an audit
- Standardize so that problems will come to light
- Improve operations and force protection
- Deter fraud / waste / abuse



## MIC PROGRAM POINTS OF CONTACT

### COMMANDER NAVY INSTALLATIONS COMMAND MICP INFORMATION & RESOURCES

Contact CNIC Headquarters MIC Program Coordinators at:

Phone: 202-433-0559  
DSN: 288-0559  
Fax: 202-433-2096

### LINKS TO OTHER SOURCES OF MICP INFO

OMB: <http://www.whitehouse.gov/omb>

OSD: <http://comptroller.defense.gov/micp.html>

SECNAV:  
[http://www.fmo.navy.mil/Divisions/FMO4/don\\_managers\\_internal\\_control\\_program.html](http://www.fmo.navy.mil/Divisions/FMO4/don_managers_internal_control_program.html)

Last Update: 3 Mar 15



### CNIC Manager's Internal Control Program



U.S. Navy Photo by  
PH1 Dana Howe

*The MICP is designed to ensure the effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.*