



DEPARTMENT OF THE NAVY
OFFICE OF THE JUDGE ADVOCATE GENERAL
1322 PATTERSON AVENUE SE, SUITE 3000
WASHINGTON NAVY YARD DC 20374-5066

IN REPLY REFER TO:

JAG/CNLSCINST 7000.1

JAG 64

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JAG/COMNAVLEGSVCCOMINST 7000.1

From: Judge Advocate General
Commander, Naval Legal Service Command

Subj: FINANCIAL MANAGEMENT INTERNAL CONTROLS

Ref: (a) SECNAV Instruction 7000.27A
(b) OUSD(C) memo dtd 5 Sept 2008
(c) SECNAV Instruction 7320.10A
(d) 2008SECNAV Instruction 7000.10A
(e) NAVSUP Instruction 4200.99
(f) DON eBUSOPSOFFINST 4650.1A

Encl: (1) Financial Management Internal Control Matrix

1. Purpose. To establish standard Financial Management (FM) internal controls in the Office of the Judge Advocate General (OJAG) and Naval Legal Service Command (NLSC) activities to meet the requirements of references (a) through (f).

2. Responsibilities

a. All commands are required to comply with the FM internal control requirements in enclosure (1).

b. The Special Assistant (Comptroller) will maintain an FM Internal Control Audit Program for use by all OJAG/NLSC activities based on enclosure (1). OJAG/NLSC will conduct an internal audit annually.

c. All commands will complete an annual self-assessment of their internal controls using the Financial Management Internal Control Audit Program. This self-assessment will be done in conjunction with the annual command inspection.

d. In conjunction with Code 64, the OJAG/NLSC command inspection team will verify completion of the self-assessment and test operation of internal controls.

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3. Discussion

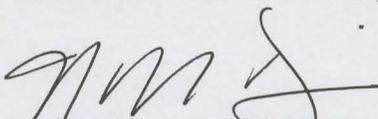
a. In support of the Department of the Navy's (DON) financial improvement and audit readiness initiative, it is critical to document our business events and compliance with internal controls underlying those events and transactions. This is necessary to achieve a sustainable, audit-ready environment. This effort is aligned with the commitment of the Secretary of Defense to ensure the DON complies with the Congressional mandate to validate audit readiness of its financial statements by Fiscal Year 2017.

b. Reference (a) directs the DON to identify fund control personnel, including certifying officials, and train these individuals in appropriations law. DON requires that these individuals complete refresher appropriations law training every three years. In the DON, fund control personnel are defined as those individuals that issue and/or accept funding allocations and funding documents (e.g. requests for contracts, work requests, project orders, etc.).

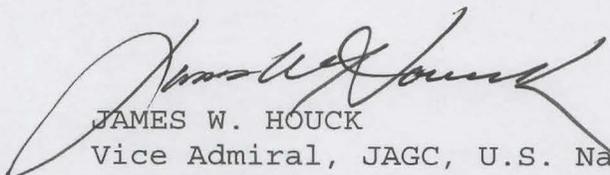
4. Policy

a. All requests for contracts, work requests, and project orders will be prepared locally and submitted to the Special Assistant (Comptroller) for funds control processing.

b. Per reference (b), small dollar value obligating documents, such as GSA supply system orders, travel orders, requests for training or supplies, and purchases made via government purchase cards do not require approval by funds control personnel. Accordingly, activities will process these transactions locally.



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Distribution:

Electronic only, via Navy Directives website,
<http://doni.daps.dla.mil>; and the OJAG website,
<http://www.jag.navy.mil>.

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FINANCIAL MANAGEMENT INTERNAL CONTROLS MATRIX

Transaction	Doc Type	Role / Function	Training Required	Documentation Required	Check for:
Project Order	PO	Fund Control Position	Fiscal Law Appropriations training w/in last 3 years	Training certificate; DD 577; NAVCOMPT 2275 - Order for Work and Services (must include acceptance copy (with performer's signature) in file)	Work is specific, definite, and certain (non-severable); usually for production of material or repair, maintenance, or overhaul ; 51% rule; work will commence soon (within 90 days)
Project Order or Project Order combined with Direct Citation for Contractual Procurement	PX	None - OJAG and NLSC are not authorized to use this form (NAVCOMPT 2276A)	N/A	N/A	N/A
Travel	TO	Government Travel Charge Card (GTCC) Holder	Complete Cardholder course (https://www.navsup.navy.mil/ccpmd)	Application; signed DoD Statement of Understanding; Training certificate; Submitted travel claims within 5 days of completion of travel	Submit travel claims in a timely manner
		Approving Official (AO)	Required: Certifying Officers Legislation (COL) training annually; Recommended: One travel policy course and one DTS course; available at https://www.defensetravel.dod.mil/passport	DD 577; Delegation of Authority letter; Training certificate; have updated iBETS after reconciling travel claim (within 5 days of receipt)	Follows DON eBUSOPSOFFINST 4650.1A; follows IOP; authorize travel no more than 5 days before travel (excepting special circumstances); within 5 days of receipt, have reconciled travel claim (approve travel liquidation), including updating iBETS

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Travel	TO	GTCC Agency Program Coordinator (APC)	Complete training every two years (http://www.navsup.navy.mil/ccpmd/travel_card/training)	DD 577; Delegation of Authority letter; Training certificate	Follows DON eBUSOPSOFFINST 4650.1A; follows IOP; maintains training documentation for CHs; promulgates policy changes; prepares delegation letters
Work Request	WR	Fund Control Position (Approving Official)	Fiscal Law Appropriations training within last 3 years	Training certificate; DD 577; NAVCOMPT 2275 - Order for Work and Services (must include acceptance copy (with performer's signature) in file)	Check that work is normal, routine, day-to-day operations (severable); usually for custodial services, trash removal, or level of effort work; 51% rule; funds expire with the appropriation - cannot carry over to next FY; ensure unused funds are recouped or returned before year closes
		Fund Control Position (Acceptance Official)	Fiscal Law Appropriations training within last 3 years	Training certificate; DD 577; NAVCOMPT 2275 - Order for Work and Services (must have both signatures in file)	
Request for Contractual Procurement	RC	Fund Control Position (Approving Official)	Fiscal Law Appropriations training within last 3 years	Training certificate; DD 577; NAVCOMPT 2276 - Request for Contractual Procurement OR DD Form 448 (MIPR) and DD 448-2 (Acceptance of MIPR)	Allows the private contractor to bill the Line of Accounting (LOA) directly; task can be severable or non; fund availability; funds must be obligated before they expire
Delivery Order	N/A	Contracting Officer	CON237 - Simplified Acquisition Procedures	Training Certificate; Contracting Warrant; NAVCOMPT 2276 - Request for Contractual Procurement OR DD Form 448 (MIPR) and DD 448-2 (Acceptance of MIPR)	Have purchase request form; have approval of funds use (on form); does research; complying with guidance / meets a requirement; include invoice; includes receiving signature; checks for discrepancies

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Credit Card	CC	Card Holder (CH)	DAU certification; CCPMD course every 2 years	Training certificates; DD 577 and delegation letter; Purchase Card Requisition Form; iBETS obligation created when purchase occurs; include receiving signature; reconciles charges within 5 days of receipt of statement	Have purchase request form; have approval of funds use (on form); does research; complying with guidance / meets a requirement; include invoice; includes receiving signature; checks for discrepancies
		Approving Official (AO)	DAU certification; CCPMD course every 2 years	Training certificates; DD 577 and delegation letter; completed Purchase Card Requisition Form (including receiving signature); completed review of statement; complete monthly PAT (Program Audit Tool) online	receiving signature (ensure not the CH); proper supporting documentation; proper use of funds
		Agency Program Coordinator (APC)	DAU certification; CCPMD course every 2 years	Training certificates; DD 577 and delegation letter; Maintains training documentation for CHs and AOs; semiannual reports sent to higher-level APC; promulgates policy changes; prepares delegation letters; complete monthly PAT (Program Audit Tool) online	Maintains training documentation for CHs and AOs; promulgates policy changes; prepares delegation letters; primary liaison with bank; responsible for program oversight
		Head of Activity (HA)	CCPMD course every 2 years	Training certificate	Responsible for program

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Military Interdepartmental Purchase Request	MP IP	Fund Control Position (Approving Official)	Fiscal Law Appropriations training within last 3 years	Training certificate; DD 557; DD 448 MIPR (include DD 448-2 Acceptance of MIPR in file)	Determine whether it is a PO or a WR and follow appropriate rules for each (above); funds availability; performer's ability to perform the requested service in-house (51% or more); better value than different purchase option
		Fund Control Position (Acceptance Official)	Fiscal Law Appropriations training within last 3 years	Training certificate; DD 577; DD 448-2 Acceptance of MIPR (include DD 448 MIPR in file)	Determine whether it is a PO or a WR and follow appropriate rules for each (above); ability to perform the requested service in-house (51% or more)
Permanent Change of Station Travel Orders	CS	Fund Control Personnel (Approving Official)	Fiscal Law Appropriations training within last 3 years	Training certificate; DD 577; DD Form 1614 - Request / Authorization for DoD Civilian Permanent Duty or Temporary Change of Station (TCS) Travel; Additional forms as required (for travel advances, Real Estate credit, etc.)	Approval of PCS move; funds availability; valid TAC code for HHG movement; eligible allowances per JFR; monitor expenses in STARS/FL and payroll reports

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Plant, Property, and Equipment Program	N/A	PPM	Requires familiarity with SECNAV and DoD instructions (need to be able to find appropriate references)	Delegation letter from the Head of the Activity	Oversight of program; ensuring updates and inventories are completed as required, including initiating annual inventories.
		DPAS User	DPAS 1024 (Navy PPM), DPAS 1130 (Reports) and DPAS 1140 (Inquiries); familiarity with SECNAV and DoD instructions (and be able to find appropriate references)	Ensure updates to DPAS occur at least every 30 days (for both property and personnel); ensure all Custodians receive necessary bar codes and marking information	Must access DPAS monthly; must update all changes to inventory and Custodians / Responsible Officers
		Custodian / Responsible Official	Requires familiarity with SECNAV and DoD instructions (need to be able to find appropriate references)	Must be CO (no further delegation required); must report verified annual inventory results to PPM; must report changes to property (purchases or DERMOS) to PPM as they occur	Must report any changes to property (purchases or DERMOS) to the PPM as they occur; must report turnover to PPM; can't perform inventory
		Sub-Custodian	Requires familiarity with SECNAV and DoD instructions (need to be able to find appropriate references)	Must be Officer-In-Charge or Branch Head; must report verified annual inventory results to Custodian; must report changes to property (purchases or DERMOS) to Custodian as they occur	Can't perform inventory; must report any changes to property (purchases or DERMOS) to Custodian as they occur; must report turnover as it occurs
		Physical Inventory Validation Team Leader	Requires familiarity with SECNAV and DoD instructions (need to be able to find appropriate references)	Assigned by PPM; Reports to Custodian / Responsible Official on annual inventories	Must perform annual inventory at command (including assigning teams at remote locations to perform physical inventory)