



DEPARTMENT OF THE NAVY
OFFICE OF THE JUDGE ADVOCATE GENERAL
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Canc: Dec 2015

JAG/CNLSCNOTE 5040.2
001IG/0001
JAN 26 2015

JAG/CNLSC NOTICE 5040.2

From: Judge Advocate General
Commander, Naval Legal Service Command

Subj: MANAGERS' INTERNAL CONTROL PROGRAM

Ref: (a) SECNAVINST 5200.35F
(b) SECNAV M-5200.35 of June 2008
(c) OPNAVINST 5200.25E
(d) Department of Navy Managers' Internal Control Program
Evaluation Checklist of 28 Apr 14
(e) JAG/NLSCINST 5040.1B

Encl: (1) OJAG MIC Plan for Fiscal Year (FY) 2015
(2) NLSC MIC Plan for FY 2015
(3) Inventory of Assessable Units
(4) Office of the Judge Advocate General MIC Assessment
Schedule for FY 2015
(5) Naval Legal Service Command MIC Assessment Schedule
for FY 2015

1. Purpose. To promulgate instructions and update Office of the Judge Advocate General (OJAG)/ Naval Legal Service Command (NLSC) responsibilities for the execution of the Judge Advocate General (JAG) and Commander, Naval Legal Service Command (CNLSC) Managers' Internal Control (MIC) programs during the remainder of FY 2015.

2. Cancellation. JAGINST 5200.35C.

3. Background.

a. Internal controls (ICs) are the organizational structures, policies, and procedures that help commanders achieve results and safeguard the integrity of their programs.

Per references (a) through (c), ICs are intended to provide leaders with reasonable assurance that their organizations:

- (1) Conduct effective and efficient operations;
- (2) Provide reliable financial reporting; and,
- (3) Comply with applicable laws and regulations.

b. References (a) and (b) require JAG to establish a formal program to implement, monitor, and improve the effectiveness of ICs across OJAG. Reference (c) directs CNLSC to do the same across NLSC. In order to fulfill these mandates, OJAG and NLSC are required to develop a MIC plan that outlines their approach to sustaining an effective and efficient IC program and allows stakeholders to gain a thorough understanding of their organizational MIC responsibilities. The OJAG and NLSC MIC Plans are contained in enclosures (1) and (2).

c. OJAG and NLSC are also required to designate assessable units (AUs) across the breadth of their organizations. An AU can be any organization, function, program, or subdivision within a particular command that aids in the accomplishment of the overarching mission and can be evaluated by management and IC procedures. Aligning AUs to an organizational chart and process flows are common practices to ensure oversight of the entire enterprise. The AUs for OJAG and NLSC are contained in enclosure (3).

d. The MIC program is not intended to be a stand-alone program or duplicate existing control efforts within an organization. Implementation of the program should complement and build upon existing efforts such as continuous process improvement, Lean Six Sigma, command inspection programs, and operational risk management. All of these programs provide leadership with a means to assess program integrity and control effectiveness throughout the organization, and their results contribute directly to the annual certification statement for the Department of the Navy.

4. Action. The continuous monitoring of IC through the MIC program, along with other related assessment and inspection programs, provide the basis for JAG and CNLSC to submit their annual risk assessments and MIC reports to the Secretary of the Navy (SECNAV) and Chief of Naval Operations (CNO). To meet these program and reporting requirements, designated OJAG and NLSC personnel are charged with the following responsibilities:

JAN 26 2015

a. JAG. JAG shall:

(1) Appoint, in writing, an OJAG MIC Coordinator and Alternate responsible for the administration and coordination of the MIC program and its reporting requirements; and,

(2) Fulfill all other responsibilities of a Major Assessable Unit Head as outlined in reference (a).

b. CNLSC. CNLSC shall:

(1) Appoint, in writing, a NLSC MIC Coordinator and Alternate responsible for the administration and coordination of the MIC program and its reporting requirements; and,

(2) Fulfill all other responsibilities of a CNO assessable unit as outlined in reference (c).

c. Assistant Judge Advocates General (AJAGs) and Region Legal Service Office (RLSO) / Defense Service Office (DSO) Chiefs of Staff (CoS). AJAGs and RLSO / DSO CoS shall:

(1) Ensure that MIC procedures are implemented and operating within their areas of authority; and,

(2) Ensure that officials at all levels are aware of their MIC responsibilities and are accountable for the success of MIC practices within their areas of authority.

d. OJAG/CNLSC Inspector General (001IG). The OJAG/CNLSC Inspector General shall oversee the OJAG/NLSC MIC program.

e. OJAG/CNLSC MIC Coordinator. The OJAG/CNLSC MIC Coordinator and Alternate shall satisfy all program responsibilities outlined in enclosure (1) of reference (a). In addition, the OJAG/CNLSC MIC Coordinator and Alternate shall:

(1) Ensure all AUs execute, at minimum, the OJAG/NLSC MIC Assessments in accordance with the schedules contained in enclosures (4) and (5); and,

(2) Serve as the primary OJAG/NLSC point of contact for SECNAV and CNO MIC program administrators.

f. Assessable Unit Managers (NLSC Commanding Officers, OJAG Division Directors, Victims Legal Counsel Chief of Staff, OJAG Special Assistants, and Director, JAG Consolidated Administrative Business Office). Assessable Unit Managers shall:

(1) Fulfill the responsibilities of an Assessable Unit Manager as outlined in reference (a) and enclosures (1) and (2);

(2) Execute, at minimum, the OJAG/NLSC MIC Assessments in accordance with the schedules contained in enclosures (4) and (5); and,

(3) Complete the "Managers' Internal Control Program Manager" course on Navy Knowledge Online (NKO).

g. NLSC Commanding Officers. In addition to the responsibilities set forth in paragraph 4(f), NLSC Commanding Officers shall:

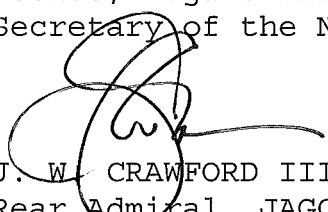
(1) Appoint, in writing, a command MIC coordinator and alternate responsible for the administration and coordination of the MIC program and its reporting requirements within their command;

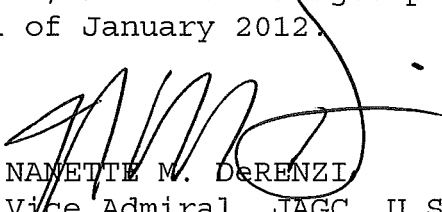
(2) Ensure the command MIC coordinator and alternate complete the "Managers Internal Control Program Training" course on NKO; and,

(3) Provide the OJAG/NLSC MIC Coordinator with copies of the command MIC coordinator and alternate designation letters and training certificates.

5. Points of Contact. CAPT Michael Boock, JAGC, USN at (202) 685 5192 or michael.boock@navy.mil and CDR James Mills, JAGC, USN at (202) 685 7701 or james.t.mills2@navy.mil.

6. Records Management. Records created as a result of this notice, regardless of media or format, shall be managed per Secretary of the Navy Manual 5210.1 of January 2012.


J. W. CRAWFORD III
Rear Admiral, JAGC, U.S. Navy
Commander, Naval Legal Service
Command


NANETTE M. DeRENZI
Vice Admiral, JAGC, U.S. Navy
Judge Advocate General

Distribution:
Electronic only via JAG website
<http://jag.navy.mil>.

JAN 26 2015

**Judge Advocate General
Managers' Internal Control (MIC) Plan**

This plan is updated annually.

Last Update: January 2015

MIC Senior Official: (This person will sign the organization's certification statement)

- Nanette M. DeRenzi, Vice Admiral, Judge Advocate General, United States Navy
- JAG reports to the Secretary of the Navy
- VADM DeRenzi is the MIC Senior Officer in her role as JAG. In accordance with 10 USC 5148, JAG is appointed by the President, by and with the advice and consent of the Senate, for a term of four years based on a recommendation by a board of officers that, insofar as practicable, is subject to the procedures applicable to selection boards convened under chapter 36 of Title 10.

MIC Coordinator:

- James Mills, Commander, Judge Advocate General's Corps, United States Navy, OJAG Deputy Special Assistant for Strategic Planning.
- Responsibility is assigned by JAG. For MIC responsibilities, CDR Mills reports to JAG. The position typically changes staffing every two to three years.
- The position is presently a part-time responsibility as an additional duties (ADDU) assignment to the OJAG Office of the Inspector General.

Alternate MIC Coordinator:

- Michael Boock, Captain, Judge Advocate General's Corps, United States Navy, OJAG Inspector General.
- For MIC responsibilities, the Alternate MIC Coordinator reports to JAG and works with the Primary MIC Coordinator.

JAN 26 2015

- Responsibility is assigned by JAG and typically changes staffing every two to three years.
- The MIC duties are a part-time responsibility of the Alternate MIC Coordinator.

**Overview of the Managers' Internal Control Program (MICP)
within the Organization:**

The MICP is a tool that OJAG military and civilian managers use to safeguard JAG programs and monitor the effective and efficient use of JAG assets and resources. The Navy Judge Advocate General's Corps is one of 18 Major Assessable Units within the Department of the Navy (DON) that is required to report on Internal Controls to SECNAV and provide reasonable assurance of the following: effective and efficient use of resources to support operations; reliable and timely financial accountability and reporting; and compliance with applicable laws and regulations.

Control Environment

Mission

The Navy Judge Advocate General's Corps provides solutions, from a military perspective, to legal issues involving military operations, organization, and personnel, wherever and whenever needed, with primary focus on military justice, operational law and command advice, and support to sailors and their families.

Strategic Plan

<http://www.jag.navy.mil/organization/documents/jag%20corps%202020.1.pdf>

Organization Structure

- The OJAG organizational structure and division chart can be found at: <http://www.jag.navy.mil/organization.htm>

- Key areas of authority and responsibility of JAG are defined by statute in 10 U.S.C. 5148. Those duties assigned to JAG by SECNAV are contained in SECNAVINST 5430.27D. To execute these duties, JAG established the organization along functional and operational lines of support as outlined in the OJAG Standard Organizational Manual (JAG/CNLSCINST 5400.1C).
- Funding for OJAG is through the Budget Submitting Office - 12 (DON/AA), through OJAG (Code 64), to the Assistant Judge Advocates General.
- The IC reporting chain within the organization starts with the Assessable Unit Managers representing the immediate subordinate organizations within the OJAG Codes through the OJAG MIC/Alternate MIC Coordinators to JAG.

Risk Assessment

- OJAG assesses risks associated with accomplishing its mission, administering programs, and performing administrative functions by maintaining continual oversight of organizational operations and high-visibility activities. Moreover, OJAG MIC and Inspector General (IG) personnel monitor lessons-learned from operations within the organization and from higher authorities. Specific analytical processes to assess risk include Article 6 / command inspections, continuous process improvement initiatives, Lean Six Sigma projects, the operational risk management program, and the implementation of directives from DON and Department of Defense (DoD) authorities. These programs provide leadership with a means to assess program integrity and control mission effectiveness throughout the organization, and these results contribute directly to the annual SECNAV certification statement.

Control Activities

- Control activities are identified through internal leadership assessments and the results of Article 6 command and legal office inspections, continuous process improvement initiatives, Lean Six Sigma projects, and the operational risk management program. In addition, OJAG relies on external assessments of business practices from higher DoN and DoD authorities to evaluate the effectiveness of operations as well as control activities. By incorporating these control activities into the MICP, the organization and leadership are able to employ and continuously update the control activities to meet the identified risks.

Information and Communications

- OJAG communicates information related to internal control up and down the chain of command through various methods. The main method is through the publication and distribution of an OJAG notice regarding the MICP on JAG website and via email to immediate subordinate organization heads. Moreover, instructions and training opportunities related to the MICP are sent via email to applicable personnel in the MIC reporting chain. Finally, the OJAG IG conveys information through regular telephonic and face-to-face meetings with OJAG division directors.

Monitoring

Control Activities

- The monitoring of control activities is conducted in accordance with an annual OJAG notice that mandates internal control assessments on a monthly basis during the course of a fiscal year. The checklists are taken directly from the DON MIC Evaluation Checklist of 28 April 2014 and are supplemented by checklists contained in various OJAG instructions and directives. The particular subject areas for internal assessment in a given fiscal year are based on specific high-risk areas identified by SECNAV and CNO MIC representatives as well as the OJAG IG incorporating feedback from Article 6 inspections.
- External assessments of OJAG control activities are conducted by DON IG assist visits and evaluations.
- There are 9 internal control assessments scheduled for Fiscal Year 2015 and 12 for Fiscal Year 2016.

Accomplishments

- MIC program accomplishments are tracked by the OJAG MIC Coordinator based on a review of reports from immediate subordinate assessable units and external evaluators. These include reports, lessons-learned, and feedback from internal assessment checklists and Article 6 / command inspections. Particularly noteworthy accomplishments will be highlighted to JAG, disseminated as best-practices via OJAG/NLSC IG SharePoint with all other MIC personnel throughout OJAG, and included in a report to SECNAV as required by annual guidance.

JAN 26 2015

Corrective Action Plans

- The need for corrective action is tracked by the OJAG MIC Coordinator based on a review of internal assessments, reports from immediate subordinate assessable units and external evaluators. These include reports, lessons-learned, and feedback from IG inspections. Progress with corrective action plans will be monitored, at minimum, on a monthly basis by the MIC Coordinator and OJAG IG. Particularly noteworthy corrective action requirements will be highlighted to JAG and included in a report to SECNAV as required by annual guidance.

MIC Training

- MIC training for MIC Coordinators, assessable unit managers, and immediate subordinate organization commanders is made available via Navy Knowledge Online (NKO) at <https://www.nko.navy.mil/>. The training entitled "Managers Internal Control Program Training" is mandatory for the OJAG MIC Coordinator, Alternate, and immediate subordinate MIC coordinators. After initial completion, refresher training is required to be completed every three years.
- Training requirements are tracked and monitored by the OJAG MIC Coordinator, who maintains copies of all NKO training completion certificates for immediate subordinate MIC coordinators.

Reporting Requirements

- Internal reviews are required to be performed by assessable units on a monthly basis, and completed checklists are due to the OJAG MIC Coordinator by the first of the month.
- In addition, assessable units are required to submit Statement of Assurance feedback to the OJAG MIC Coordinator on an annual basis in keeping with directions and requirements promulgated by the SECNAV MIC representatives.
- All assessable unit managers are required to maintain up to date records with their training certificates, completed internal checklists, and corrective actions plans (if any) that are subject to inspection by the OJAG IG during any Article 6 or command assessment.

**Naval Legal Service Command
Managers' Internal Control (MIC) Plan**

This plan is updated annually.

Last Update: January 2015

MIC Senior Official: (This person will sign the organization's certification statement)

- James W. Crawford III, Rear Admiral, Judge Advocate General's Corps, United States Navy
- Commander, Naval Legal Service Command reports to the Chief of Naval Operations.
- RADM Crawford is the MIC Senior Officer in his role as the Commander, Naval Legal Service Command (CNLSC).
- As the Deputy Judge Advocate General of the Navy, RADM Crawford is assigned additional duty to the Chief of Naval Operations as Commander, Naval Legal Service Command. In accordance with 10 USC 5149, the Deputy Judge Advocate General is appointed by the President, by and with the advice and consent of the Senate, based on a recommendation by a board of officers that, insofar as practicable, is subject to the procedures applicable to selection boards convened under chapter 36 of title 10. The Deputy Judge Advocate General typically serves for three years.

MIC Coordinator:

- James Mills, Commander, Judge Advocate General's Corps, United States Navy, OJAG Deputy Special Assistant for Strategic Planning
- Responsibility is assigned by CNLSC. For MIC responsibilities, CDR Mills reports to CNLSC. The position typically changes staffing every two to three years.
- The position is presently a part-time responsibility as an ADDU assignment to CNLSC Office of the Inspector General.

JAN 26 2015

Alternate MIC Coordinator:

- Michael Boock, Captain, Judge Advocate General's Corps, United States Navy, CNLSC Inspector General.
- For MIC responsibilities, the Alternate MIC Coordinator reports to CNLSC and works with the Primary MIC Coordinator.
- Responsibility is assigned by CNLSC and typically changes staffing every two to three years.
- The MIC duties are a part-time responsibility of the Alternate MIC Coordinator.

Overview of the Managers' Internal Control Program within the Organization:

The MICP is a tool that NLSC commanders use to safeguard programs and monitor the effective and efficient use of NLSC assets and resources. CNLSC is required to report on Internal Controls to the CNO and provide reasonable assurance of the following: effective and efficient use of resources to support operations; reliable and timely financial accountability and reporting; and compliance with applicable laws and regulations.

Control Environment**Mission**

NLSC was established to provide legal services world-wide to support fleet and shore command readiness and the effective operation of the military justice system, and to perform such other functions or tasks as may be directed by the CNO.

Strategic Plan

<http://www.jag.navy.mil/organization/documents/jag%20corps%202020.1.pdf>

Organization Structure

- The NLSC organizational structure and division structure can be found in Appendix A of the NLSC Manual. ([http://www.jag.navy.mil/library/instructions/5800 1G NLSC Manual.pdf](http://www.jag.navy.mil/library/instructions/5800%201G%20NLSC%20Manual.pdf))

- Key areas of authority and responsibility of CNLSC are found in OPNAVINST 5450.189C.
- Funding for NLSC is through Budget Submitting Office - 11 (Field Support Activity), OJAG (Code 64), to the Commanding Officers of NLSC Commands.
- The IC reporting chain within the organization starts with the command MIC coordinators representing the immediate subordinate organizations within NLSC through the NLSC MIC Coordinator and Alternate Coordinator to CNLSC.

Risk Assessment

- NLSC assesses risks associated with accomplishing its mission, administering programs, and performing administrative functions by maintaining continual oversight of organizational operations and high-visibility activities. Moreover, NLSC MIC and IG personnel monitor lessons-learned from operations within the organization and from higher authorities. Specific analytical processes to assess risk include Article 6 / command inspections, continuous process improvement initiatives, Lean Six Sigma projects, the operational risk management program, and the implementation of directives from DoN and DoD authorities. These programs provide leadership with a means to assess program integrity and control mission effectiveness throughout the organization, and their results contribute directly to the annual CNO certification statement to SECNAV.

Control Activities

- Control activities are identified through the results of internal assessments, Article 6 command and legal office inspections, continuous process improvement initiatives, Lean Six Sigma projects, the operational risk management program, and DON control directives and checklists. In addition, NLSC relies on external assessments of business practices from higher DON and DoD authorities to evaluate the effectiveness of operations as well as control activities. By incorporating these control activities into the MIC program, the organization and leadership are able to employ and continuously update the control activities to meet the identified risks.

Information and Communications

- NLSC communicates information related to internal control up and down the chain of command through various methods. The main method is through the publication and distribution of a NLSC notice regarding the MIC program on the JAG website and via email to assessable unit managers. Moreover, instructions and training opportunities related to the MICP are sent via email to applicable personnel in the MIC reporting chain. Finally, the NLSC IG conveys information through regular telephonic and face-to-face meetings with NLSC Chiefs of Staff and Commanding Officers.

Monitoring

Control Activities

- The monitoring of control activities is conducted in accordance with an annual NLSC notice that mandates internal control assessments on a monthly basis during the course of a fiscal year. The checklists are taken directly from the DON MIC Evaluation Checklist of 28 April 2014 and are supplemented by checklists contained in various OJAG and NLSC instructions and directives. The particular subject areas for internal assessment in a given fiscal year are based on specific high-risk areas identified by SECNAV and CNO MIC representatives as well as the NLSC IG incorporating feedback from Article 6 inspections.
- External assessments of NLSC control activities are conducted by DON IG assist visits and evaluations.
- There are 9 internal control assessments scheduled for Fiscal Year 2015 and 12 for Fiscal Year 2016.

Accomplishments

- MIC program accomplishments are tracked by the NLSC MIC Coordinator based on a review of reports from immediate subordinate assessable units and external evaluators. These include reports, lessons-learned, and feedback from internal assessment checklists and Article 6 / command inspections. Particularly noteworthy accomplishments will be highlighted to CNLSC, disseminated as best-practices via OJAG/NLSC IG SharePoint with all other MIC personnel throughout NLSC, and included in a report to the CNO and SECNAV as required by annual guidance.

Corrective Action Plans

- The need for corrective action is tracked by the NLSC MIC Coordinator based on a review of reports from immediate subordinate assessable units and external evaluators. These include reports, lessons-learned, and feedback from IG inspections. Progress on corrective action plans will be monitored, at minimum, on a monthly basis by the NLSC MIC Coordinator and IG. Particularly noteworthy corrective action requirements will be highlighted to CNLSC and included in a report to the CNO and SECNAV as required by annual guidance.

MIC Training

- MIC training for MIC Coordinators and immediate subordinate organization commanders and coordinators is made available via NKO at <https://www.nko.navy.mil/>. The training entitled "Managers Internal Control Program Training" is mandatory for the NLSC MIC Coordinator, Alternate, and immediate subordinate command MIC coordinators. After initial completion, refresher training is required to be completed every three years.
- Training requirements are tracked and monitored by the NLSC MIC coordinator, who maintains copies of all NKO training completion certificates for immediate subordinate command MIC coordinators.

Reporting Requirements

- Internal reviews are required to be performed by assessable units on a monthly basis, and completed checklists are due to the NLSC MIC Coordinator by the first of the month.
- In addition, assessable units are required to submit Statement of Assurance feedback to the NLSC MIC Coordinator on an annual basis in keeping with directions and requirements that are promulgated by the CNO MIC representatives.
- All immediate subordinate organizations and assessable units are required to maintain up to date records with their training certificates, completed internal checklists, and corrective actions plans (if any) that are subject to inspection by the NLSC IG during any Article 6 or command assessment.

JAN 26 2015

Inventory of Assessable Units

Assessable Unit (AU)	AU Manager
1. Region Legal Service Office (All)	Commanding Officer
2. Defense Service Office (All)	Commanding Officer
3. Naval Justice School	Commanding Officer
4. Victims Legal Counsel Program	Chief of Staff
5. Divisions/Codes under primary supervisory responsibility of AJAG (Civil Law)	Division Directors
6. Divisions/Codes under the primary supervisory responsibility of the AJAG (Military Justice)	Division Directors
7. Divisions/Codes under the primary supervisory responsibility of the AJAG (Chief Judge, Department of the Navy)	Division Directors
8. Divisions/Codes under the primary supervisory responsibility of the AJAG (Operations and Management)	Division Directors
9. Special Assistants to JAG and NLSC	Special Assistants
10. JAG Consolidated Administrative Business Office (JCAB)	Director

JAN 26 2015

OJAG MICP Assessment Schedule for Fiscal Year 2015

Internal Control Evaluation	Assessable Unit	Due Date
Operational Security	ALL	1 FEB 2015
Executive Program - Suicide Prevention	ALL	1 MAR 2015
Executive Program - Sponsor Program	ALL	1 APR 2015
Security Inspection - Emergency Action Plan	ALL	1 MAY 2015
General Administration	ALL	1 JUN 2015
Executive Program - Exceptional Family Member Program	ALL	1 JUL 2015
Information Assurance	ALL	1 AUG 2015
Facilities	ALL	1 SEP 2015

Enclosure (4)

JAN 26 2015

NLSC MICP Assessment Schedule for Fiscal Year 2015

Internal Control Evaluation	Assessable Unit	Due Date
Operational Security	ALL	1 FEB 2015
Executive Program - Suicide Prevention	ALL	1 MAR 2015
Executive Program - Sponsor Program	ALL	1 APR 2015
Security Inspection - Emergency Action Plan	ALL	1 MAY 2015
General Administration	ALL	1 JUN 2015
Executive Program - Exceptional Family Member Program	ALL	1 JUL 2015
Information Assurance	ALL	1 AUG 2015
Facilities	ALL	1 SEP 2015

Enclosure (5)