



DEPARTMENT OF THE ARMY
ASSISTANT SECRETARY OF THE ARMY
FINANCIAL MANAGEMENT AND COMPTROLLER
109 ARMY PENTAGON
WASHINGTON DC 20310-0109

NOV 10 2015

SAFM-FOA

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Guidance for 2016 Annual Statement of Assurance Preparation

1. Principals of Headquarters Department of the Army (HQDA) staff elements, Army Commands (ACOM), Army Service Component Commands (ASCC), and Direct Reporting Units (DRU) are responsible for internal controls designed to detect and correct instances of fraud, waste, abuse and mismanagement. To execute these responsibilities, managers at all Army organizations shall continuously assess the effectiveness of internal controls and submit an Annual Statement of Assurance (ASOA) to the Secretary of the Army. The ASOA is required by the Federal Managers' Financial Integrity Act (FMFIA), Office of Management and Budget Circular A-123, Appendix A, and Department of Defense Instruction 5010.40.
2. All senior responsible officials are required to submit certifications specifically indicating the status of their internal control programs in the areas of operations, financial systems and financial reporting to include review of the key control activities that support the Statements of Budgetary Resources (SBR), Existence and Completeness (E&C) of assets. All reporting entities shall assess and report the effectiveness of SBR/E&C control activities listed in the Army Commanders' Audit Readiness Checklist, dated October 2015. Information and detailed guidance for the preparation of the 2016 ASOA is shown at the attached enclosure (Guidance for 2016 Annual Statement of Assurance Preparation).
3. Statements are due to this office by 16 May 2016, for ACOMs, ASCCs and DRUs; and by 30 May 2016, for principals of HQDA. All statements should be addressed to the Assistant Secretary of the Army (Financial Management and Comptroller), ATTN: SAFM-FOA, 109 Army Pentagon, Washington, D.C. 20310-0109. Preferred method of submission is a signed cover memo in PDF format and all attachments in Word format.
4. You are encouraged to provide written guidance to your subordinate organizations, and ensure this guidance is maintained and available for review by this office and auditing organizations. We will continue to provide additional instruction and guidance throughout the year for preparation of the 2016 ASOA.

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5. My point of contact for this action is Mr. Dave Johnson, 703-601-3978, usarmy.pentagon.hqda-asa-fm.mbx.army-mngrs-internal-cntl-prog@mail.mil.



ROBERT M. SPEER

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Commander

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Deputy General Counsel (Ethics and Fiscal)
U.S. Army Audit Agency, ATTN: SAAG-FFG
Defense Finance and Accounting Service

Guidance for 2016 Annual Statement of Assurance Preparation

Information and detailed guidance for preparation of the Annual Statement of Assurance (ASOA) is available on the ASA(FM&C) and AKO MICP sites:

ASA(FM&C): <http://asafm.army.mil/offices/FO/IntControl.aspx?OfficeCode=1500>

Army Knowledge On-line:

<https://www.us.army.mil/suite/page/micp>

Or

<https://www.us.army.mil/suite/page/auditready> (*Click of MICP*)

Or

Log into AKO through your web browser (<https://www.us.army.mil/suite/designer>). Search for "Army Audit Readiness."

The website details the following:

- Summary of 2016 ASOA
- TAB A: The Basis for Reasonable Assurance and How the Assessment was Conducted
- TAB B: Internal Controls over Operations Material Weaknesses
- TAB C: Internal Controls over Financial Systems (ICOFS)
- TAB D: Internal Controls over Financial Reporting (ICOFR) for General Fund
- TAB E: Internal Controls over Financial Reporting (ICOFR) for Army Working Capital Fund
- TAB F: Internal Controls over Financial Reporting (ICOFR) for Civil Works
- TAB G: Army Commanders' Audit Readiness Checklist for Statement of Budgetary Resources (SBR) and Existence and Completeness of Assets (E&C)