

TAB A

The Basis for Reasonable Assurance/How the Assessment was Conducted

Purpose. The purpose of the statement of assurance is to provide an **objective** assessment of internal controls and to report any material weaknesses in those internal controls. In Tab A, the organization must describe how its assessment of internal controls was conducted (i.e., how it reached a determination that its internal controls provided reasonable assurance) and provide support for that assessment.

Reasonable Assurance. Reasonable assurance refers to a satisfactory level of management confidence that internal controls are in place and operating as intended. Reasonable assurance is a management **judgment** that recognizes there are acceptable levels of risk that cannot be avoided because the cost of absolute control would exceed the benefits derived.

Content of Tab A. Tab A consists of the following four sections:

- **Tab A-1: The Basis for Reasonable Assurance.** A reporting organization may base its determination of reasonable assurance on a wide variety of factors, to include:
 - Establishment of sound policies and specific required actions in regulations and other directives.
 - Prevention and detection measures, such as internal or external audits, inspections, investigations and quality control reviews.
 - General knowledge of command operations derived from weekly staff meetings, status reports, periodic review and analysis sessions and other forms of command oversight.
 - Various functional management reviews, such as: program evaluations (e.g., computer security reviews) and system reviews (e.g., financial system reviews).
 - Actions taken to mitigate or eliminate risk as part of a command risk management program.
 - Annual performance plans and reports.
 - Internal control evaluations conducted in accordance with the organization's Internal Control Plan.

- **Tab A-2: Additional Information Required.** Tab A must also provide specific information on:
 - **Leadership Emphasis.** This section summarizes leadership efforts in support of your internal control process, to include leadership correspondence on the importance of effective internal controls and

senior leadership bodies (e.g., councils or committees) used to advise on internal control issues.

- Training.** This section summarizes internal control training conducted. Indicate the type of training, (e.g., provided by the Graduate School (formerly known as the U.S. Department of Agriculture Graduate School), HQDA internal control staff or in-house staff, and the total number by role receiving each type of training. The format provided below must be used to report all training metrics. This format will be provided to all organizations as an Excel spreadsheet.

ORGANIZATION AND FY					
TYPE / METHOD OF TRAINING	WHO WAS TRAINED AND NUMBER				
LOCAL TRAINING PROVIDED BY ICA:	SRO #	CDR/MGR #	ICA #	AUM #	Other #
Classroom Presentation					
Desk-Side Briefing					
Telephonic Briefing					
Video-teleconference					
Local MCP Conference					
Training Videos					
Electronic Briefing Charts					
EXTERNAL TRAINING RECEIVED:					
ALMS Web-Based Training					
Army MICP Conference (ASA, FM&C)					
Army Managers Internal Control Administrator Course - Graduate School (Classroom)					
Army Managers Internal Control Administrator Course Graduate School (On Site)					
Managers Responsibility for Internal Controls (OMB Circular A-123) - Graduate School (Classroom)					
Other courses or schools with a session on MICP (Provide course names and training source)					
TOTAL BY ROLE	0	0	0	0	0
TOTAL FOR ORGANIZATION	0				

- Execution.** This section summarizes the most significant internal control accomplishments within your organization, to include improvements both in administering the internal control program and in enhancing the effectiveness of internal controls in functional processes and programs. Be **selective** and ensure that these accomplishments are related directly

to internal controls. Ensure to maintain training records that provide audit trail reflecting who, what, when, where and how specific to this training.

- **Tab A-3: Managers' Internal Control Program and Related Accomplishments.** This section highlights the most significant internal control program and related accomplishments achieved during the previous 12 months since you reported last time by your organization (e.g., from June 2012 to May 2013). Use this section to identify other management improvements that are not specifically part of your internal control program but relate directly to the protection of government property, efficiency of your operations, conservation of resources, improvement in responsiveness to external customer needs or enforcement of laws and regulation. Using the format below, ensure that each accomplishment contains both a **Description of the Issue** and **Accomplishment** section. Describe your accomplishments in simple and concise statements. Accomplishments may be extracted from information reported elsewhere in your statement of assurance report. Submit accomplishments in the following format:

Title of Accomplishment

Issue	<i>(Briefly describe the problem or challenge involved.)</i>
Accomplishment	<i>(Indicate the control put in place.) (Quantify benefits derived from implementing the control.)</i>

SAMPLE OF ACCOMPLISHMENT

Description of Issue: Bill for Accounting Services.

Accomplishment: The Army coordinated with the Defense Finance and Accounting Service (DFAS) to identify several key electronic commerce savings in the areas of travel pay, commercial pay, and the government purchase card. In order to reduce cost required to process financial transactions, the Army required its activities to use the Defense Travel System, Wide Area Work Flow, and the government purchase card for purchases less than \$3,000. As a result, the Army anticipates \$29.5 million in savings on the FY 20XX DFAS bill.

(Note: Spell out all acronyms when you use them first time.)

- **Tab A-4: Assessment of Statement of Budgetary Resources (SBR) Key Control Objectives (KCO)**

(SAMPLE)

In addition to the Federal Managers' Financial Integrity Act (FMFIA), Internal Controls over Nonfinancial Operations (ICONO) and OMB Circular A-123, Appendix A, Internal Controls Over Financial Reporting (ICOFR), key control objectives (KCO) supporting the statement of budgetary resources (SBR) were reviewed for implementation and used as part of our assessment. All subordinate commands received training and familiarization with the SBR Key Control Objectives (KCO).

We also provided an SBR KCO self-assessment checklist to each of the subordinate commands to complete and return. As part of this self-assessment they were required to review the SBR processes to include related control activities. The SBR processes evaluated were: All Army Controls, Contracts, Reimbursable (IN), Reimbursable (Out), Temporary Duty (TDY), Civilian Pay, Government Purchase Card (GPC), Miscellaneous Pay, and Supplies.

(Results) Based on our assessment for the XX-month period from (Date) 2012 to (Date) 2013, we are able to provide reasonable assurance that SBR KCOs and related checklists are effective and support our ASOA. (You can explain further in more detail on your assessment results, if applicable).