

11D PAM 1-201
COMMAND INSPECTION CHECKLIST

FUNCTIONAL AREA: Financial Management	CHAPTER: 14 SECTION: N/A	DATE OF REVISION: 1 MAY 03
PROPONENT/PHONE NO: Comptroller 350-7195/6410	PROGRAM/ACTIVITY/TOPIC (PAT) Management Control	UNIT INSPECTED/DATE:

ITEM	GO	NO-GO
<p>A. References:</p> <ol style="list-style-type: none"> 1. AR 11-2, Management Control, 1 August 1994 2. Management Control Checklist: (only those provided to the unit by the comptroller) 3. USAREUR Management control Plan (applicable year) 4. 11D Pam 11-2, Management Control, 1 April 1996 5. Memorandum, Subject: Assessable Unit Managers(AUMs), dated 1 Feb 99 <p>B. DISCUSSION:</p> <ol style="list-style-type: none"> 1. Management controls are those check and balance methods and measures used by leaders to help ensure that Army resources are properly obtained, safeguarded, and accounted for. 2. Management controls apply to virtually all operations of a program or administrative function within Army organizations. If in place and properly functioning they should provide reasonable assurance that: <ol style="list-style-type: none"> a. Obligations and costs comply with applicable laws and regulations. b. Resources are safeguarded against waste and misappropriation. c. Revenues and expenditures applicable to DOD operations are recorded and properly accounted for in order to permit the preparation of reliable financial and statistical reports. d. Programs and administrative functions are efficiently and effectively carried out in accordance with applicable law and management policies. 3. The most frequently encountered Management Control components with Army MTOE organizations are SOP's SDO/SDNCO instructions, policy letters and directives, and special inspections. Follow up actions taken to correct deficiencies are essential remedial components of an effective Management Control Program. <p>C. SPECIFIC QUESTIONS:</p> <ol style="list-style-type: none"> 1. Management Control Program (MCP) Managers. <ol style="list-style-type: none"> a. Organization. <ol style="list-style-type: none"> (1) Has a UNIT MCP coordinator or point of contact been designated? (2) Have points of contact been established within the organization to monitor MCP implementation, report and track material weaknesses, and resolve problems? (3) Does each manager in MCP have internal control responsibilities in their OER support form? b. Performance Standards. <ol style="list-style-type: none"> (1) Is there a method for identifying positions (operating managers) that require management control responsibilities in standards/appraisals? 		

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<p>(2) Is the method reviewed and updated periodically (at least once a year)?</p> <p>(3) Is there a current list of operating managers by position title for each organization?</p> <p>c. Training on Management Controls.</p> <p>(1) Are people new to the MCP identified and scheduled for training?</p> <p>(2) Has a training program (formal or informal) been established?</p> <p>(3) Is feedback used to revise/improve training?</p> <p>2. Using the MCP Checklist.</p> <p>a. Is there a tracking system to ensure checklists are used within the target 120 days of initial publications?</p> <p>b. Is the documentation which support answers to test questions proper to reasonably lead an independent party to reach the same conclusion?</p> <p>c. Is justification available to explain reasons for “NO” answers (including alternative procedures) ?</p> <p>d. Are minor shortcomings (weaknesses) in management controls being corrected locally?</p> <p>e. Are plans established with milestone dates for completion of corrective actions for material weaknesses?</p> <p>3. Reporting.</p> <p>a. Annual Report Gathering.</p> <p>(1) Is input requested from all organizational elements?</p> <p>(2) Have audit/inspection reports been screened for possible inclusion as material weaknesses?</p> <p>(3) Are all open material weaknesses from the prior FY being reported this year?</p> <p>(4) Are material weaknesses detected during the year (by checklist use or other means) included in the report?</p> <p>(5) Has the commander signed the annual MCP report?</p> <p>4. Material weaknesses.</p> <p>a. Follow up on Material Weaknesses.</p> <p>(1) Has a monitoring system for material weaknesses been established?</p> <p>(2) Is it being followed?</p> <p>(3) Are weaknesses being corrected in the time frame established in the corrective plan?</p> <p>b. Correct weaknesses Close Out.</p> <p>(1) Are weaknesses being reviewed by appropriate personnel, ensuring that all corrective actions are being taken?</p> <p>(2) Are weaknesses closed out when all actions are complete?</p> <p>(3) Is the appropriate reporting made in the next MCP annual report?</p> <p>5. Communications.</p> <p>a. Keeping Operating Managers Informed. Are centralized records adequate to ensure that each operating manager is informed of pertinent details (e.g., changes, reporting dates, training, etc.)?</p> <p>b. Keeping Senior Management Informed.</p> <p>(1) Is the organization’s commander briefed on the overall program annually?</p> <p>(2) Are essential program elements included as part of a periodic management review and analysis to ensure that all senior officials are kept informed?</p> <p>(3) Are indicators of serious problems (e.g., GAO, USAAA, DODIG and other audits/inspection reports) channeled to appropriate senior staff personnel?</p>		

Rating standard (Functional Area: Financial Management):

- Commendable - 90% of all items are rated GO.
- Satisfactory - Items 1, 2, 3, and 4 must receive a GO rating.
- Needs Improvement - A NO GO rating in items 1, 2, 3, and 4.

Inspector's comments mandatory for all "NO GO" items. (Attach additional sheets if necessary.)

NOTES:

VERIFICATION

X _____
Unit POC's Signature, Name Rank, Date

X _____
Inspector's Signature, Name Rank, Date

**INTERNAL CONTROL / SURVEILLANCE CHECKLIST FOR
THE GOVERNMENT-WIDE COMMERCIAL PURCHASE CARD (GPC)**

FUNCTION: The function covered by this checklist is the administration of GPC Program.

PURPOSE: The purpose of this checklist is to assist Commanders and managers in evaluating the key management controls outlined below. It is not intended to cover all controls.

INSTRUCTIONS: Answers must be based on the actual testing of key management controls (e.g., document analysis, direct observation, sampling, simulation, other). Answers that indicate deficiencies must be explained and corrective action indicated in supporting documentation.

Certifying Official: _____

Date: _____

Cardholder(s): _____

ITEM	GO	NO-GO
KEY MANAGEMENT CONTROLS TO BE TESTED		
1. a. Do the cardholder and certifying official have a copy of their appointment orders and delegation(s) of authority on hand?		
b. Did they sign the original and return a copy to the RCO?		
2. a. Are the cardholder(s) and certifying officer files orderly?		
b. Was there any difficulty finding the documents required from them for review?		
3. Is there a separation of duties between cardholders, certifying officials, and PBOs?		
4. Is the cardholder splitting requirements to remain under the micro-purchase threshold (check amongst cardholders under one certifying officer for splits)?		
5. MILITARY UNITS ONLY: In accordance with the General Coffey memo dated 6 March 1997, Paragraph 2a(1)(and draft AR 710-2 Par4-9), has a supply officer been appointed, in writing, by the unit or activity commander?		
6. Is the cardholder maintaining a ledger to track fund usage against the bulk PR&C?		
7. Are the cardholders maintaining the purchase transaction log in C.A.R.E.?		
8. Do receipts and / log entries accurately reflect the items being purchased?		
9. Has the Resource Manager signed the bulk funding PR&C (or other certified funding documents) and any increases to the bulk funds?		
10. Does the billing official maintain the original backup documentation for all purchases made by cardholders?		
11. Have cardholders and certifying officials reconciled, approved and certified their monthly statement in C.A.R.E. within 5 working days after the close of the billing cycle.		
12. Is there a system in place to ensure purchases of accountable items are reported to the property book officer for inclusion on the hand-receipts?		
13. Were any items purchased which required an IMAR?		
14. Do the cardholders obtain pre-purchase approvals from billing official and other required approval authorities that may apply?		

15. Do the cardholders comply with FAR part 8 – mandatory sources of supply?		
16. IAW USAREUR Reg. 715-2, has the Training Support Center given by-pass authority for all audio-visual equipment or cameras purchased?		
17. Did the cardholder make any purchases that are prohibited by regulation?		
18. If there is a discrepancy or dispute, did the cardholder and certifying officer try to resolve the problem with the vendor?		
19. If there was no success resolving the problem with the vendor did the cardholder dispute the transaction in C.A.R.E., or complete and submit a statement of questioned item form to the bank, within 60 days of the statement date?		
20. If the cardholder lost or misplaced his or her card, did they report it to the Bank immediately and then to the Certifying Officer within 1 working day and to the Agency Program Coordinator within 5 working days?		
21. Was the 10% discount given by AAFES for purchases made at the PX?		
22. Was the tax removed from purchases from German vendors and the Abwicklungsschein (VAT) form completed?		
23. Is there a system in place for contacting the Agency Program Coordinator when a cardholder or the approving official leaves?		
EXPANDED AUTHORITY (\$25K) ACCOUNTS		
26. Have at least three sources been solicited for each purchase over \$2,500?		
27. Has the abstract of offers been completed for each purchase over \$2,500?		
28. Has price reasonableness been determined for each purchase over \$2,500?		
29. Has DD Form 1057 been completed and submitted to the RCO each month, to include negative reports for months without purchases over \$2,500?		

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ITEM	GO	NO-GO
<p>1. Function. The function covered by this checklist is the administration/management of the Army's Travel Charge Card Program. This checklist is based on the program currently operated under contract with Bank of America. The current contract runs through November 30, 2000.</p> <p>2. Purpose. The purpose of this checklist is to assist Commanders, Managers and Agency Program Coordinators (APCs) in evaluating the key management controls outlined below. It is not intended to cover all controls.</p> <p>3. Instructions. Answers should be based on the actual <u>testing</u> of key management controls (e.g., document analysis, direct observation, sampling, simulation, other). Answers that indicate deficiencies should be explained and corrective action indicated in supporting documentation. Certification that this evaluation has been conducted should be accomplished on DA Form 11-2-R (Management Control Evaluation Certification Statement.)</p> <p>4. Test Questions.</p> <p>a. For applications for the travel charge card (for all APCs):</p> <p>-- Is the application for the travel charge card accurate and complete?</p> <p>-- Does the APC retain a copy of each new card application?</p> <p>b. For Statements of Understanding (for all APCs):</p> <p>-- Is the appropriate Statement of Understanding accurate and complete?</p> <p>-- Is the Statement of Understanding retained on file?</p> <p>c. Are cardholders trained on proper use of the travel charge card? (for all APCs)</p> <p>d. Are APCs trained on management of the program? (for all APCs)</p> <p>e. Are procedures in place and used to ensure that cardholders in/out-process with the gaining/losing program coordinator? (for all APCs)</p> <p>f. Does the APC maintain an up-to-date listing of cardholders? (for all APCs)</p> <p>g. For Program Management Reports: (for all APCs)</p> <p>■ Is ATM cash reviewed to detect inappropriate cash withdrawals? (i.e., withdrawals not associated with official travel, or in excess of amounts required for official travel) Has action been taken to notify the cardholder/supervisor in cases of suspected inappropriate cash withdrawals?</p> <p>■</p>	GO	NO-GO

-- Is card usage reviewed to detect inappropriate/unauthorized charges? (i.e., charges not related to official travel) Has action been taken to notify the cardholder/supervisor in cases of suspected inappropriate/unauthorized charges?

-- Has action been taken to notify the delinquent cardholder and/or supervisor?

■ Are the responses of supervisors monitored to ensure that effective corrective action is taken? Where supervisory action is not taken, or is not effective, is the issue/problem elevated up the chain of command?

h. Are records of cardholder suspensions/cancellations maintained and reviewed prior to issuance/re-issuance of a travel charge card? (for all APCs)

i. For program operation:

-- Does the APC use the tools available (i.e. restricted cards, lower limits) to manage delinquencies and cardholder abuse? (for all APCs)

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