

# DMNA Regulation Number 11-7

## State Internal Control Procedures



Division of Military and Naval Affairs  
330 Old Niskayuna Road  
Latham, New York 12110-3514

20 February 2009  
UNCLASSIFIED

# *Summary of Change*

DMNA Regulation Number 11-7, 20 February 2009, State Internal Control Procedures

This is a new regulation.

- **Summary.** This regulation establishes procedures required by the New York State Governmental Accountability, Audit and Internal Control Act of 1987. It is published to guide DMNA employees on the requirements and their responsibilities of the Internal Control Program where New York State resources are utilized. This regulation supersedes the Memorandum Subject: State Internal Controls Procedure (Policy #19) dated 19 September 2000 and sections of DMNA Pam 11-2, 2 March 1998, as it pertains to State polices and procedures over internal controls.
  
- **Applicability.** This regulation applies to all State employees, all State Active Duty personnel or programs which utilize State resources.

STATE OF NEW YORK  
DIVISION OF MILITARY AND NAVAL AFFAIRS  
330 Old Niskayuna Road  
Latham, New York 12110-3514

DMNA Regulation  
Number 11-7

20 February 2009

STATE INTERNAL CONTROL PROCEDURES

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## CHAPTER 1

### INTRODUCTION

**1-1. Purpose.** This regulation establishes procedures required by the New York State Governmental Accountability, Audit and Internal Control Act of 1987 (Internal Control Act). It is published to guide New York State (State) employees to promote and practice good internal control and to provide accountability of their activities.

**1-2. References.**

**a.** The New York State Governmental Accountability, Audit and Internal Control Act of 1987.

**b.** New York State Chapter 18 of the Consolidated Laws Executive Law Article 45, §950 - 954, Internal Control Responsibilities of State Agencies.

**c.** Standards for Internal Control in New York State Government, October 2007 written by Thomas P. DiNapoli, State Comptroller.

**d.** The New York State Internal Control Act Implementation Guide: Strengthening Compliance With the Act and Standards, September 2006, written by the Internal Control Task Force.

**e.** New York State Division of the Budget (DOB) - Budget Policy and Reporting Manual B-350 Governmental Internal Control and Internal Audit Requirements (B-350), August 30, 2007.

**f.** The New York State Internal Control Association at [www.nysica.com](http://www.nysica.com).

**g.** DMNA Regulation 36-2, State Internal Audit Procedures.

**1-3. Responsibilities.** Every member of DMNA has a role in the system of internal control. Internal control is a people-dependent function.

**a. The Adjutant General (TAG).** TAG has ultimate responsibility for establishing and maintaining an effective system of internal control for DMNA. TAG sets DMNA's "tone at the top" regarding internal control. The Internal Control Act requires that TAG appoint an Internal Control Officer for DMNA and that individual reports directly to him or her. TAG is responsible for certifying on an annual basis (pursuant to the DOB B-350) that the entity is in compliance with the six requirements set forth in the Internal Control Act.

**b. Internal Control Officer (ICO).** The ICO, MNAG-IC, assists TAG and DMNA management, with the implementation, maintenance and review of DMNA's system of internal controls. The ICO shall be familiar with general internal control concepts and principles and work with management to apply these principles to DMNA's operations to determine that the system of internal controls is functioning and effective. The ICO is responsible for internal control awareness, training and education.

**c. Assessable Unit Managers (AUMs).** AUMs include all DMNA Directors and Major Commands of the New York Army National Guard (NYARNG), New York Air National Guard (NYANG), Naval Militia and New York Guard (NYG) where State resources (personnel, funds or programs) are utilized. The AUMs must be the head of the assessable unit and will apply controls to all administrative, operational, programmatic and financial management functions. Generally, AUMs have primary responsibility for the system of internal controls for their areas of responsibility. AUMs can delegate responsibility to managers and supervisors to obtain a closer perspective of objectives, risks and control procedures within their areas of responsibility. AUMs are responsible for cooperating with the ICO to ensure the internal control process is carried out.

**d. Managers and Supervisors.** Managers and supervisors may be responsible for executing vulnerability assessments, periodically reviewing and testing the system of internal controls, and identifying and implementing corrective actions as assigned by their respective AUM.

**e. Line Staff.** All DMNA employees play an important role in maintaining strong internal controls. DMNA line staff employees are responsible for carrying out their assigned duties in a manner which complies with DMNA's system of internal controls.

**1-4. Policy.** The Internal Control Act requires DMNA to promote and practice good internal control and to provide accountability for DMNA's activities. Per DOB's "Schedule of Covered State Agencies and Authorities Subject to Internal Control Requirements," DMNA is an agency subject to meet the internal control requirements in the B-350 and is required to comply with the Internal Control Act. DMNA is required to submit an annual certification indicating that DMNA is in compliance with the six internal control requirements as outlined in Chapter 2, paragraph 2-2.

CHAPTER 2

DMNA'S INTERNAL CONTROL FRAMEWORK

**2-1. Definitions.** See Appendix A for terms and definitions.

**2-2. Internal Control Act Six Requirements.** The DOB B-350 requires DMNA to perform the following internal control responsibilities consistent with the Internal Control Act's requirements:

- a. Establish and maintain guidelines for a system of internal controls for DMNA.
- b. Establish and maintain a system of internal controls and a program of internal control review for DMNA.
- c. Make available to each officer and employee of DMNA a clear and concise statement of the generally applicable management polices and standards with which all employees shall be expected to comply.
- d. Designate an internal control officer who shall report to TAG to implement and review the Internal Control Act responsibilities.
- e. Implement education and training efforts to ensure that employees within DMNA have achieved adequate awareness and understanding of internal control standards and, as appropriate, evaluation techniques.
- f. Periodically evaluate the need for an internal audit function. If an internal audit function exists, it shall be maintained in compliance with generally accepted professional auditing standards.

**2-3. Four Purposes of Internal Control.** While the overall purpose of internal control is to help an organization achieve its mission, internal control also helps DMNA to:

- a. Promote orderly, economical, efficient and effective operations, and produce quality products and services consistent with DMNA's mission.
- b. Safeguard resources against loss due to waste, abuse, mismanagement, errors and fraud.

c. Promote adherence to laws, rules, regulations, contracts and management directives.

d. Develop and maintain reliable financial and management data, and accurately present that data in timely reports.

#### **2-4. Five Components of Internal Control.**

a. The fundamental principles of internal control are rooted in well established organizational techniques and practices.

b. These techniques and practices can best be understood as internal control if they are placed in the following basic components of internal control:

**(1) Control Environment.** Control environment is the attitude toward internal control and control consciousness established and maintained by the management and employees of DMNA. A positive control environment is created by management and is maintained by the employees of DMNA. The control environment encompasses governance, ethical values and integrity, management operating style and philosophy, competence, morale, supportive attitude, mission and structure.

**(2) Communication.** Communication is the exchange of useful information between and among people and organizations to support decisions and coordinate activities. Information should be communicated to management and other employees who need it in a form and within a time frame that helps them carry out their responsibilities.

**(3) Assessing and Managing Risk.** Risk should be assessed and managed through a DMNA-wide effort to identify, evaluate and monitor those events that threaten the accomplishment of DMNA's mission.

**(4) Control Activities.** Control activities are tools – both manual and automated – that help identify, prevent or reduce the risks that can impede accomplishment of the organization's objectives. Management should establish control activities that are effective and efficient.

**(5) Monitoring.** Monitoring is the review of DMNA's activities and transaction to assess the quality of performance over time and to determine whether controls are effective. Management should focus monitoring efforts on internal control and achievement of the organization's mission.

## CHAPTER 3

### THE INTERNAL CONTROL PROCESS

**3-1. Overview of the Internal Control Process.** The internal control process is people-dependent. It is developed by people; it guides people; it provides people with a means of accountability; and people carry it out. The strength of the system of internal control is dependent on people's attitude toward internal control and their attention to it. Internal controls mitigate DMNA's inherent risks.

#### **3-2. Control Activities.**

**a.** Control activities help identify, prevent or reduce the risks that can hinder the accomplishment of DMNA's mission.

**b.** Control activities can be either manual or automated. The costs of the control should not outweigh the benefits derived from the control.

**c.** Control activities are grouped into two categories:

**(1) Prevention controls.** Preventive controls prohibit or stop unwanted actions from happening.

**(2) Detection controls.** Detective controls identify unwanted actions that occurred.

**d.** Commonly used control activities and brief descriptions:

**(1) Documentation.** Preserves evidence to substantiate a decision, event, transaction or system.

**(2) Approval or Authorization.** Approval is the confirmation or sanction of employee decisions, events or transactions based on a review. Authorization is the power management grants employees to carry out certain duties, based on approval received from supervisors.

**(3) Verification.** Verification is the determination of the completeness, accuracy, authenticity and/or validity of transactions, events or information. It is a control activity that enables management to ensure activities are being done in accordance with directives, rules, regulations, laws, etc.

**(4) Supervision.** Supervision is the ongoing oversight, management and guidance of an activity by designated employees to help ensure the results of the activity achieve the established objectives.

**(5) Separation of Duties.** Separation of duties is the division of key tasks and responsibilities among various employees and sub-units of an organization. Separating employees' key tasks and responsibilities minimizes the risk of error, waste or wrongful acts.

**(6) Safeguarding Assets.** The safeguarding of assets involves restricting access to resources and information to help reduce the risk of unauthorized use or loss. Equipment, information, documents and other resources that could be wrongfully used, damaged or stolen should be safeguarded.

**(7) Reporting.** Reporting is a means of conveying information and is a control when it provides that information on issues such as timely achievement of goals, budget status and employee concerns.

**3-3. Function Identification.** AUMs identify all major functions within their assessable unit. An assessable unit's major functions and responsible individuals are identified on **DMNA Form 11-1, Function Identification Form**. A copy of the Function Identification Form will be forwarded to MNAG-IC.

#### **3-4. Vulnerability Assessment.**

a. For each major function identified on the Function Identification Form, DMNA Form 11-1, a vulnerability assessment is to be completed on **DMNA Form 11-2, Internal Control Vulnerability Assessment Form**.

b. All AUMs are to review and approve the vulnerability assessments. A copy of the DMNA Form 11-2 will be forwarded to MNAG-IC.

c. Risks of each major function should be assessed and managed by DMNA managers and supervisors in order to identify, evaluate and monitor those events that threaten the accomplishment of DMNA's mission.

d. For each risk identified, AUMs will decide whether to:

**(1) Control the risk.** Establish ways to reduce the likelihood that the risk will occur. Implement or revise internal controls for the function.

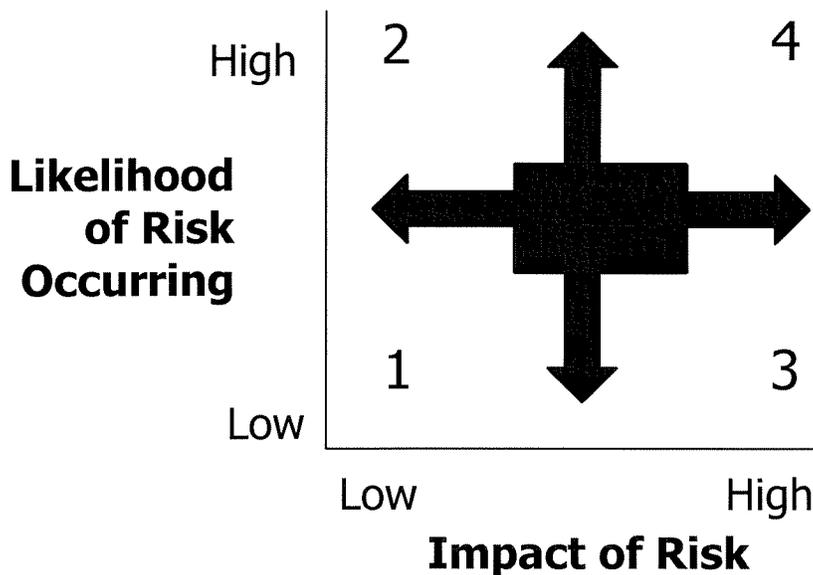
**(2) Insure the risk.** Pay someone else to assume the risk, or

(3) **Accept the risk.** If it occurs, DMNA can cope with it.

e. Identified control weaknesses as a result from the Vulnerability Assessment that result in a corrective action should be documented on **DMNA Form 11-4, Corrective Action Plan.**

f. Each major function will have an assigned risk level. The risk level rating (1-4) is used to evaluate the likelihood that something could go wrong and the seriousness (impact) of those consequences. **See Figure 3-1, below, Evaluating Risk.**

## Evaluating Risk



**Figure 3-1.** Source: Standards for Internal Control.

- |                          |  |
|--------------------------|--|
| (1) <b>High Risk</b>     | #4 – High Impact, High Likelihood.                                       |
| (2) <b>Moderate Risk</b> | #3 – High Impact, Low Likelihood or<br>#2 – Low Impact, High Likelihood. |
| (3) <b>Low Risk</b>      | #1 – Low Impact, Low Likelihood.   |

**g. Frequency of Vulnerability Assessments.** The frequency of vulnerability assessment depends on the level of risk associated with the function. Frequencies indicated in the table represent minimums and can occur more frequently at the discretion of the AUM.

Risk Level		Frequency
High	4	Annual
Moderate	3 or 2	Biennial
Low	1	Triennial

**h.** The ICO will monitor the status of vulnerability assessments via the MCP and coordinate with the AUMs to ensure scheduled vulnerability assessments are completed.

### 3-5. Reviews and Testing Controls.

**a.** The purpose of reviews and testing internal controls is to verify that controls are working as expected or as assessed.

**b.** Managers and supervisors are responsible for performing effective reviews and testing for their responsible areas.

**c.** Internal control reviews and testing is documented on **DMNA Form 11-3, Internal Control Review - Testing Record**. It will be reviewed by the AUM. On a monthly basis, a copy of DMNA Form 11-3 will be forwarded to MNAG-IC.

**d. Reviews.** One of the most important components of DMNA's internal control program is the process used to identify and evaluate the risks and internal controls associated with each function in every assessable unit. Evaluate controls so that excessive controls can be eliminated and weak controls can be improved.

**e. Testing.** Testing may result in the verification of the strength and effectiveness of the control assessed or it may provide unexpected results. Testing of internal controls can be accomplished through any of the following methods:

- (1) Random sampling;
- (2) Spot checks;
- (3) Interviewing; and/or
- (4) Observation.

**f. Weaknesses.** Any weaknesses identified should result in the analysis of potential causes, and identification of any corrective actions to strengthen the control and rectify the problem(s). Identified control weaknesses from reviews and testing that warrant in a corrective action will be documented on **DMNA Form 11-4, Corrective Action Plan.**

**g. Frequency of Reviews and Testing.** Internal control reviews and testing must be on a continuous basis:

(1) AUMs are responsible to determine the frequency of the reviews and testing for their responsible areas. AUMs are to track reviews and testing, including the frequency (daily, weekly, monthly, quarterly, annual, etc.) On a quarterly basis, AUMs will provide TAG with a briefing on the status of internal control reviews and testing for their responsible areas.

(2) The ICO will perform, on a random basis, additional reviews, spot checks or re-perform AUM reviews and testing. This process will ensure that reviews and testing were completed as indicated. Additional reviews that are performed by the ICO and where corrective actions are noted, a written report will be issued to the AUM. A DMNA Tasking Form DMNA Form 281-1-E will be sent to the AUM on those corrective actions identified by the ICO.

**3-6. Corrective Actions.** A plan of corrective action shall assign responsibility, establish timeframes for implementing improvements and report on progress toward these improvements.

**a. AUM Responsibilities:** AUMs approve the Corrective Action Plan to assure that recommended actions are cost effective. Corrective actions are to be documented on **Corrective Action Plan, DMNA Form 11-4.** If applicable, on a monthly basis, a copy of DMNA Form 11-4 will be forwarded to MNAG-IC. On a quarterly basis, AUMs will provide TAG or designee with a briefing on the status of corrective actions. Corrective Action Plans are sent to the ICO for monitoring.

**b. ICO Responsibilities:** The ICO will log, track and update the status of the corrective action. The ICO will work with the AUM to develop, implement and update the status of all corrective action plans. The ICO will close out a corrective action subsequent to the verification that corrective action has taken place.

**3-7. Management Control Plan.** The MCP will be updated, as necessary, based on the assigned risk level and results from the Function Identification DMNA Form 11-1, Internal Control Vulnerability Assessment DMNA Form 11-2 and Internal Control Review – Testing Record DMNA Form 11-3. The ICO is responsible for maintaining and updating the MCP.

**3-8. Independence from Internal Audit.**

a. The Internal Control Act requires that TAG designate an ICO who is responsible for both implementing and reviewing the organization's internal control efforts.

b. While the Internal Control Act does not preclude the ICO from Internal Audit duties, the New York State's Internal Control Standards expresses the viewpoint that, "in most instances, the internal auditor cannot properly perform the role of internal control officer." This is because the organization's internal auditor must be independent of the activities that are audited, including the internal control function.

c. The internal control and internal audit functions reinforce one another when:

(1) The internal auditor uses internal control reports when planning audits;

(2) The auditor consistently evaluates and reports on compliance with internal control requirements in audit reports as part of the auditor's assessment of internal controls;

(3) The ICO reviews internal audit reports on a regular basis to ensure that DMNA managers incorporate significant risks, findings and recommendations identified in the report into the internal control system; and

(4) Follow-up audits address whether significant risks, findings and recommendations of the audit have been addressed and incorporated into the agency's internal control system.

**3-9. Recommendations to Executive Management.**

a. The ICO will make recommendations to TAG and the Special Assistant State, on program areas that are in need of an Internal Audit. The ICO will make those recommendations based on repeated corrective actions, significant internal control weaknesses, and professional skepticism and judgment.

b. Refer to DMNA Reg 36-2 for the State Internal Audit Procedures for further details on the Internal Audit function.

## CHAPTER 4

### TRAINING AND EDUCATION

#### 4-1. Requirements of Training and Education.

a. As one of the six internal control requirements, DMNA is required to “implement education and training efforts to ensure that officers and employees have achieved adequate awareness and understanding of internal control standards and, as appropriate, evaluation techniques.”

b. The ICO is responsible for creating, providing instruction and dissemination of training material. AUMs are responsible for identifying those employees who are in need of training. The ICO and AUMs will work together to ensure all employees receive proper training and education on internal controls.

**4-2. Training Levels.** AUMs assign employees to one of three specific levels in order to address the specific needs and maximize the benefits of internal control training.

a. **Level 1: Line Staff:** This level targets DMNA staff whose job responsibilities are clearly defined according to established procedures. Generally speaking, staff at this level do not have specific supervisory responsibilities, and are not responsible for establishing policy. Training at this level will be conducted every two years.

b. **Level 2: Middle Managers:** This level includes those managers who are responsible for setting expectations of employees consistent with agency-established standards. Further, these managers are responsible for evaluating staff performance to ensure accountability. Managers may be responsible for establishing policy within their operational area. Within this level, participants should be identified in terms of the function(s) they perform rather than the title or grade level they hold. Training at this level will be conducted every two years.

c. **Level 3: Executive Management:** Individuals classified at this level are responsible for providing organizational leadership and defining DMNA’s vision, and in some cases setting DMNA-wide policy. At a minimum the following employees are included in this level as Executive Management:

- (1) Representatives of the OTAG, NYARNG, NYANG, Naval Militia, and NYG.
- (2) Directors of State Directorates.

Training at this level will be conducted annually.

**4-3. New Hire Employees.** The State Human Resources Directorate (MNHS) will provide a copy of this regulation to all new hire employees, regardless of title or grade. The employee will sign the Employees' Statement on Internal Control DMNA Form 11-5 indicating that they have received a copy of the regulation and are aware of DMNA's internal control program. The new hire employee will be assigned to a training level by his/her AUM and will receive training based on that level.

**4-4. Objectives and Frequency of Training.** Learning objectives or key concepts are specific to each target level.

**a. Level 1: Line Staff:** The objective at this level is to provide education and awareness of the basic fundamentals of why internal controls are important and how they serve as an effective means to control risks. Each line staff employee must understand that it is their responsibility to seek ways to identify and eliminate wasteful controls that impede performance and to strengthen those controls designed to provide accountability and to preserve assets and scarce resources.

**b. Level 2: Middle Managers:** This level is charged with responsibilities that rely on internal control in order to perform their job effectively. Training will put emphasis on the understanding of: hard and soft controls; evaluating staff development needs; recommending procedural improvements; ethics in public administration; and a heightened sensitivity to questionable dealings.

**c. Level 3: Executive Management:** At this level, training is geared toward the specific needs of DMNA executive staff and focus on organizational culture and risk management. Training at this level will include the internal control program system whereby stated goals and objectives are met while safeguarding assets and promoting operational efficiency. Executive management is responsible for carrying forward "the tone at the top" as set by TAG. Executive management can accomplish this by possessing personal and professional integrity and ethics.

**4-5. Methods of Training.** Training can be conducted, but not limited to, via one or more of the following means:

- a. Instruction based setting,
- b. Computer based training,
- c. Memoranda,
- d. Brochures,

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- e.** Pamphlets,
- f.** Meetings,
- g.** Broadcast E-mails, and
- h.** Power point presentations.

## CHAPTER 5

### ADMINISTRATIVE REQUIREMENTS

#### 5-1. Annual Certification and Reporting.

a. **On or before 30 April annually**, TAG is required to submit an Internal Control Certification, an Internal Control Summary and a Compliance Roadmap to DOB. DMNA submits a compliance certificate to the Director of the DOB on or before April 30th annually indicating that DMNA has met all six requirements (Section 2-2) of the Internal Control Act.

**5-2. Briefing on Certification and Reporting.** Prior to the submission of the certification, the ICO will provide a briefing to TAG on the Internal Control Certification, Internal Control Summary and Compliance Roadmap.

#### 5-3. New Employee Statement on Internal Control Policy.

a. MNHS will maintain the original copy of the signed statement in the employee's personnel file and,

b. MNHS will provide a copy to the employee and MNAG-IC.

**5-4. Documentation Retention.** Minimum mandate for retention of documentation is directed by State Archives and Records Administration (SARA) under the State Education Department. The minimum requirements are included and can be found in SARA's General Retention and Disposition Schedule for New York State Government Records - Part 4, Chapter Internal Controls.

#### a. ICO Responsibilities:

**(1) Internal Control Program Subject Files.** Destroy when obsolete or superseded. Subject Files include reference files used to support the development and administration of DMNA internal control programs, including reports, plans, articles, policies and procedures, and related material.

**(2) Internal Controls Polices and Directives.** Destroy 3 years after the policy or directive is withdrawn, revised or superseded. Polices and Directives can include regulations, memoranda, bulletins, manuals, etc., that explain DMNA internal control policies.

**(3) Internal Control Audit Work Papers.** Destroy 1 year after completion of an audit report. Audit Work Papers are described as plans, analyses, research materials, draft reports, background materials and related records used to plan and prepare internal control audit reports.

**(4) Internal Control Audit Reports.** Destroy 3 years after completion of the next internal control audit report for the concerned program area. Audit reports are described as reports documenting the findings of internal control audits of DMNA program areas and recommendations for improvements.

**(5) Management Control Plan.** Destroy 5 years after completion of the 5 year cycle of the Management Control Plan.

**b. AUMs Responsibilities:**

**(1) Function Identification Forms.** Destroy 3 years after completion of identification on DMNA Form 11-1.

**(2) Vulnerability Assessment Forms.** Destroy 3 years after completion of assessment on DMNA Form 11-2.

**(3) Reviews and Testing Forms.** Destroy 3 years after completion of reviews and testing on DMNA Form 11-3.

**(4) Corrective Action Files.** Destroy 3 years after issues have been settled. Corrective Action Files include DMNA Form 11-4, reports, memoranda, and other records documenting responses by assessable units to vulnerability assessments and, reviews and testing.

## APPENDIX A

## GLOSSARY FOR TERMS AND DEFINITIONS

**A-1. Assessable Unit.** A unit that will provide an organizational structure for the program, assignment of responsibilities and meaningful review of major functions. Assessable units are generally identified based on their distinct organizational status and functions. All major DMNA components, where State resources are utilized, should be included in the identification of assessable units.

**A-2. Corrective Action Plan.** To correct internal control weaknesses identified through the vulnerability assessment or internal control review and/or testing process.

**A-3. Inherent Risk.** The potential for waste, loss, abuse, and/or mismanagement due to the nature of the function or the nature and type of resources associated with the function, without regard to controls.

**A-4. Internal Control.** Internal control is the integration of the activities, plans, attitudes, policies, systems, resources and efforts of the people of DMNA working together to provide reasonable assurance that DMNA will achieve its objectives and mission.

This definition establishes that internal control:

- affects every aspect of DMNA: all of its people, processes and infrastructure;
- is a basic element that permeates through DMNA, not a feature that is added on;
- incorporates the qualities of good management;
- is dependent upon people and will succeed or fail depending on the attention people give to it;
- is effective when all of the people and the surrounding environment work together;

- provides a level of confidence regarding the likelihood of achieving DMNA objectives; and
- helps DMNA achieve its mission.

**A-5. Internal Control Review and Testing.** Verification that controls are working as expected or as assessed.

**A-6. Major Functions.** A major function is a set of activities that carry out the primary responsibility of a unit and allow for meaningful internal control vulnerability assessments, reviews and testing. Major functions generally involve one or more of the following:

- (1) activities that consume large amounts of time;
- (2) involve a large number of staff;
- (3) result in major work products;
- (4) address major organizational initiatives;
- (5) carry out significant objectives and goals of a unit; or
- (6) are new or undergoing major changes.

Generally, major functions should not include activities that are too small a process or at too low a level. Activities that form part of a series of related activities in a unit may be considered together as one major function. However, a function should not be identified so broadly that a meaningful review is not possible. There is no minimum or maximum number of major functions of an assessable unit.

**A-7. Management Control Plan (MCP).** A written plan that details all assessable units and major functions that are scheduled for a vulnerability assessment over a five year scope.

**A-8. Vulnerability Assessment (Risk Assessment).** A vulnerability assessment is a general review of the susceptibility of a function to errors, irregularities, unauthorized use, or inappropriate program results.

## APPENDIX B

## "R" FORMS/LETTERS

DMNA "R" Forms/Letters, which can be reproduced locally or requested from the Publication Services MNAS-IS are located at the back of this regulation.

Table E-1. "R" FORMS/LETTERS AND PRINTING DATA

---

<b>FORM NUMBER</b>	<b>TITLE</b>	
DMNA Form 11-1 15 Aug 08	DMNA Function Identification Form	8 1/2 x 11 inch cut sheet
DMNA Form 11-2 15 Aug 08	DMNA Internal Control Vulnerability Assessment Form	8 1/2 x 11 inch cut sheet
DMNA Form 11-3 15 Aug 08	DMNA Internal Control Review - Testing Record	8 1/2 x 11 inch cut sheet
DMNA Form 11-4 15 Aug 08	DMNA Corrective Action Plan	8 1/2 x 11 inch cut sheet
DMNA Form 11-5 15 Aug 08	DMNA Employee's Statement on Internal Controls	8 1/2 x 11 inch cut sheet

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The proponent of this regulation is the office of The Adjutant General. Users are invited to send comments and suggested improvements and changes on DA Form 2028 (Recommended Changes to Publications and Blank Forms) directly to The Adjutant General, ATTN: MNAG-ICO, 330 Old Niskayuna Road, Latham, New York 12110-3514.

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JOSEPH J. TALUTO  
Major General, NYARNG  
The Adjutant General



KATHRYN G. BOHACEK  
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**DIVISION OF MILITARY AND NAVAL AFFAIRS  
FUNCTION IDENTIFICATION FORM**

*(Proponent is MNAG-IC, Prescribing Directive is DMNA Reg 11-7)*

Prepared By: \_\_\_\_\_ Name \_\_\_\_\_ Date \_\_\_\_\_  
Reviewed By: \_\_\_\_\_

Name/Title: \_\_\_\_\_  
Directorate/Unit: \_\_\_\_\_  
Area of Responsibility: \_\_\_\_\_

<u>Function</u>	<u>Responsible Individual</u>
1 _____	_____
2 _____	_____
3 _____	_____
4 _____	_____
5 _____	_____
6 _____	_____
7 _____	_____
8 _____	_____
9 _____	_____
10 _____	_____
11 _____	_____
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17 _____	_____
18 _____	_____
19 _____	_____
20 _____	_____

**DIVISION OF MILITARY AND NAVAL AFFAIRS  
FUNCTION IDENTIFICATION FORM**

This form should be completed by upper management responsible for specific areas of operation.

Fill in the name, title, directorate, unit, and area of responsibility of the individual completing the form.

List the functions and the responsible individuals for all functions related to the area of responsibility.

A function is defined as:

- 1 A set of activities that carry out the primary responsibility of a unit and allow for meaningful internal control risk assessments and reviews.
- 2 One or more of the following: (1) activities that consume large amounts of time; (2) involve a large number of staff; (3) result in major work product; (4) address major organizational initiatives; (5) carry out significant objectives and goals of a unit; or (6) are new or undergoing major changes.
- 3 Generally, major functions should not include activities for too small a process or at too low a level. Activities that form part of a series of related activities in a unit may be considered together as one major function.
- 4 However, a function should not be identified so broadly that a meaningful review is not possible. Also, there may be cases where a relatively small activity is considered a major function. This may occur when an assessable unit, which is identified because it is organizationally distinct, has the responsibility for a function that is unique but relatively small in scope.
- 5 Generally, managers are in the best position to identify their units' major functions in consultation with the agency's ICO.
- 6 There is no minimum or maximum number of functions to be identified by a unit.





**DIVISION OF MILITARY AND NAVAL AFFAIRS  
INTERNAL CONTROL REVIEW – TESTING RECORD**

(Proponent is MNAG-IC. Prescribing Directive is DMNA Reg 11-7)

Directorate/Unit:	Function/Procedure:
Individual Conducting the Tests:	Telephone Number:
Reviewed By:	Date:

Brief Description of The Key Control Points Being Tested	Testing Process: Describe The Process Used To Test Whether The Key Control Points Are Being Followed	Sample Size: Describe The Number of Staff Interviewed; Transactions Observed, or Documents Sampled and Universe	Describe The Results Of The Test, Stating Whether No Problems Were Found or the Weaknesses Discovered and Estimate the Frequency of Failure In the Procedure	Analyze The Weaknesses Uncovered: Cite the Source of the Failure. Explain Corrective Action on DMNA Form 11-4.

DMNA Form 11-3, 15 AUG 08.

**Internal Control Review - Testing Record**

**DIVISION OF MILITARY AND NAVAL AFFAIRS  
CORRECTIVE ACTION PLAN**

*(Proponent is MNAG-IC. Prescribing Directive is DMNA Reg 11-7)*

Directorate/Unit:	Function/Procedure:
Responsible Individual:	Telephone Number:
Reviewed By:	Date:

Weakness to be Corrected (From DMNA Form 11-2 or DMNA Form 11-3):

Action(s) to be taken Target Date for Completion of Each Action. (If no action is recommended due to the weakness being immaterial, the costs exceeding the benefits of correcting the weaknesses, or other reason, please explain).

Action	Target Date

Schedule of Progress Report(s) and Office/Individual to whom reports are to be submitted:

**DIVISION OF MILITARY AND NAVAL AFFAIRS EMPLOYEES'  
STATEMENT ON INTERNAL CONTROL**

The DMNA is committed to utilizing its resources in an effective and efficient manner in order to achieve its mission. The Internal Control Program is to be complied with by all levels of employees from entry level up to The Adjutant General. The Adjutant General expects all DMNA employees to support this program to prevent any fraud, waste, abuse or mismanagement of resources. The Internal Control Program is easy to comply with when employees are of good morale charter, are competent, possess integrity and have sound ethical values.

1. I have been provided a copy of DMNA Reg 11-7 – State Internal Control Program.
2. As the Internal Control Program is people dependent, I understand that my role and responsibilities are essential to the program's success.
3. I will do my part to identify and bring attention to appropriate management of any fraud, waste, abuse or mismanagement of resources within my job duties.
4. If I am in need of training on the internal control program, I will notify my supervisor and request training appropriate for my level.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Name (printed) \_\_\_\_\_