



**DEPARTMENT OF THE NAVY**  
NAVAL TRAINING CENTER  
2701 SHERIDAN ROAD  
GREAT LAKES, ILLINOIS 60088-5001

NTCGLAKESINST 5200.4C  
N01F  
09 NOV 99

**NTC GREAT LAKES (COMPLEX) INSTRUCTION 5200.4C**

From: Commander, Naval Training Center, Great Lakes

Subj: MANAGEMENT CONTROL (MC) PROGRAM

Ref: (a) CNO Management Control Program Manual  
(b) CNETINST 5200.6B

Encl: (1) MC Process  
(2) NTC Simplex MC Program  
(3) Military and Civilian Personnel MC Accountability

1. **Purpose.** To provide policy and guidance and assign responsibility for an active and effective Management Control (MC) Program, throughout the Naval Training Center (NTC) in accordance with references (a) and (b).

2. **Cancellation.** NTCGLAKESISNT 5200.4B. This instruction has been substantially revised and should be reviewed in its entirety.

3. **Background.** Responsibility and accountability for adequate management controls are an integral part of the Navy chain of command concept of management and operations. The Federal Managers' Financial Integrity Act (P.L. 97-255) established the MC Program in the Federal Government and OMB Circular A-123, refined 4 August 1986, formulated the policy. There have been some significant changes to the program since then. Activities are to now focus on critical or important "Processes" to accomplish their mission instead of identifying Assessable Units (AU). AUs, in the past, sometimes did not fit that category. This new focus should decrease the quantity of Processes necessary to monitor this program. Vulnerability Assessments will no longer be necessary. However, flow charts of the Processes will now be required. The flow charts will need to highlight the Management Control point(s) in the process.

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4. **Scope.** All Commanders/Commanding officers/Officers-in-Charge are responsible for establishing, monitoring and reviewing management controls for their respective commands. Management controls are built into the work process to provide reasonable assurance that resources are safeguarded; information is accurate and reliable; laws, regulations and policies are adhered to; and economy and efficiency are achieved. The MC Program applies to all program functions, not just financial management or internal review.

5. **Policy.**

a. All NTC managers are responsible for the development, implementation, maintenance, review, and improvement of accounting and administrative controls consistent with the standards and guidelines prescribed herein.

b. Managers at all levels will maintain a control conscious environment and actively involve themselves in ensuring the adequacy of controls by evaluating their management control systems on an ongoing basis.

c. Managers shall establish procedures which will ensure the prompt correction of management control weaknesses identified by all sources, i.e., audits, inspections, investigations, management control reviews, command evaluation reviews, etc.

d. Managers must maintain sufficient MC documentation and be able to have prompt access to the documentation showing that controls exist for functional categories assigned.

6. **Definitions.** Definitions concerning the MC Program are contained in enclosure (1) of reference (b). For the purposes of this instruction, the term manager(s) include Senior Executive Service, Merit Pay, senior military equivalents and other civilian (non-merit pay) and military employees with significant management responsibilities.

7. **Processes.** The MC process requires meeting annual MC requirements identified in references (a) and (b). The basic MC process is detailed in enclosure (1). NTC simplex MC requirements and the steps taken to meet these requirements are detailed in enclosure (2).

8. **Action.**

a. Commander, Naval Training Center will:

(1) Oversee the MC Program for Simplex and Complex commands, promulgating guidance on the program.

(2) Inspect subordinate commands for compliance with this instruction.

b. Commanding Officer/Officers-in-Charge will:

(1) Comply with policies and procedures set forth in this instruction and in references (a) and (b).

(2) Ensure all MC Program reporting requirements are met and that all reports are accurate and are forwarded to NTC by the required due dates.

(3) Ensure that responsible managers (not just financial or command evaluation personnel) actively participate in the MC Program and are accountable for the success or failure of management control practices. Accountability for MC practices must be reflected in performance appraisals/fitness reports/evaluations of civilian and military managers. A sample MC Performance Objective and sample MC Performance Measures are provided in enclosure (3).

(4) Ensure that appropriate training is provided to responsible managers and MC Coordinators.

(5) Designate, in writing, an activity MC Coordinator, with a copy to NTC Command Evaluations (CE), Code N01F and assign responsibilities to include those in reference (b), enclosure (1).

(6) Provide a positive general control environment in support of this program.

(7) Provide a copy of local guidance issued to carry out or supplement this instruction to NTC CE.

(8) Establish and maintain a process that will ensure MC documentation requirements in references (a) and (b) and this instruction have been completed prior to all scheduled Mission Capability Assessments, audits, and evaluations.

c. NTC Simplex Department Directors/Special Assistants will:

(1) Designate a departmental MC point of contact.

(2) Designate a location for maintaining departmental central MC files and ensure all departmental MC files are maintained as required by references (a) and (b) and this instruction.

(3) Ensure all MC reporting requirements identified in references (a) and (b) and in this instruction are met.

(4) Complete an annual MC Certification Statement with applicable enclosures using the format in reference (b), enclosure (5).

d. NTC Simplex Departmental MC points of contact will:

(1) Maintain the departmental MC central files.

(2) Coordinate with NTC MC Coordinator an annual review of departmental MC central files and any additional reviews required.

e. All managers responsible for processes within NTC Simplex and Complex commands will:

(1) Provide to their activity MC coordinator any additions, deletions, or changes to the activity processes listing when changes occur.

(2) Prepare and update flowcharts of processes. Identify management control points in the process/flowchart.

(3) Conduct MC Reviews (MCRs) or alternative MCRs and/or Testing of Controls on all processes at least annually using reference (b), enclosure (4) as a guide.

(4) Maintain MC documentation for at least five years or until updated and ensure MC documentation is available for review by outside sources at any time.

f. NTC Command Evaluation (CE) will:

(1) Serve as NTC MC Coordinator.

(2) Forward NTC Simplex and Complex command MC documentation to higher echelon as required by reference (b).

(3) Provide MC training to Simplex supervisors and Complex command MC Coordinator, as needed.

(4) Review NTC Simplex Departmental MC files for compliance with references (a) and (b) and this instruction.

9. **Forms.** All Chief of Naval Education and Training (CNET) forms discussed in this instruction and reference (b) may be obtained from CNET (Code N-41) or duplicated locally.

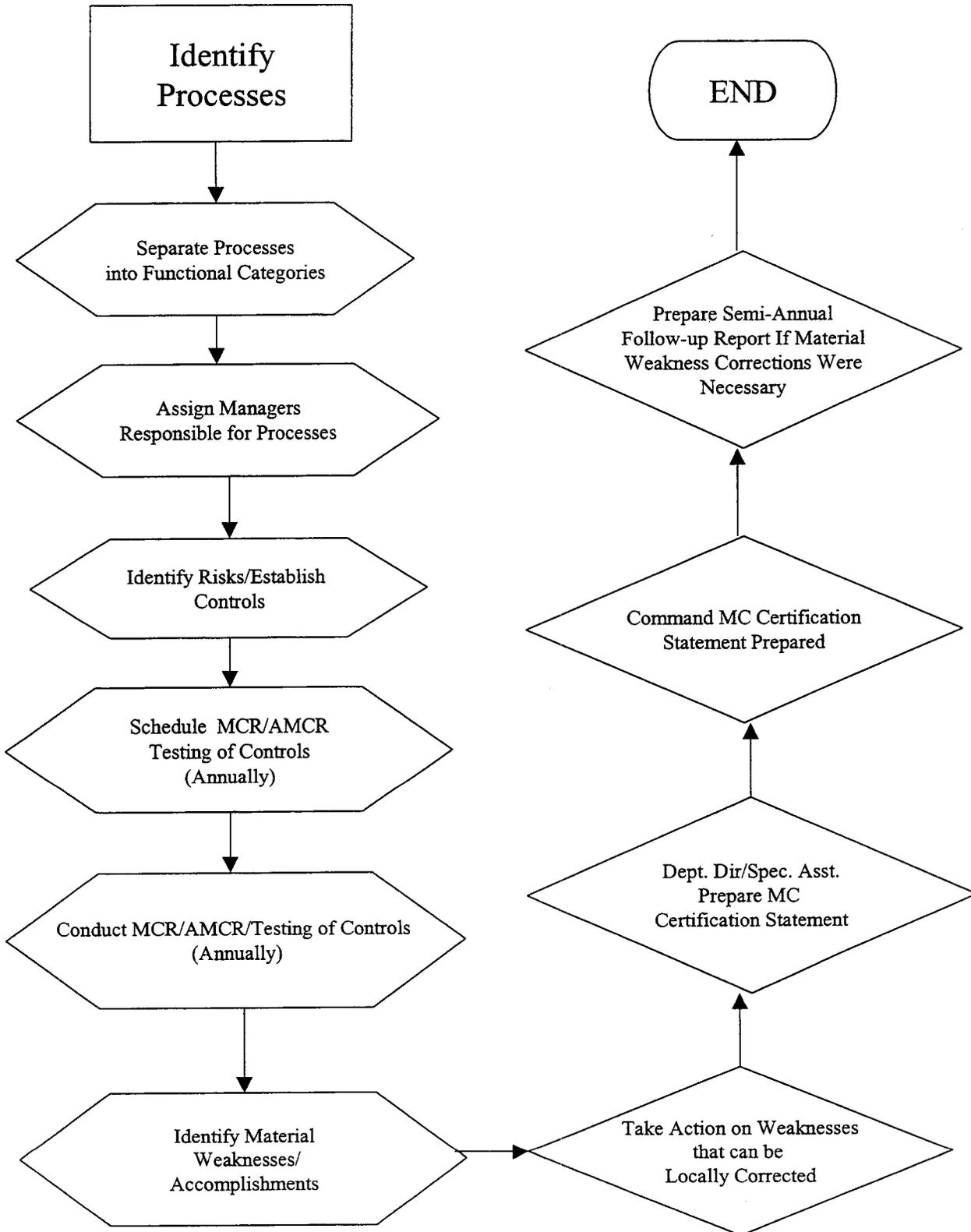
10. **Reports.** MC reporting requirements are discussed in references (a) and (b) and promulgated via an annual CNET Notice. Upon receipt of the annual CNET Notice, an NTC Notice will be issued containing due dates for submission of reports to NTC. All reports for this program have been assigned Report Control Symbol DD-COMP (AR) 1618 (5200).



EDWARD E. HUNTER

Distribution:  
NTCGLAKESINST 5200.5M  
Lists I and II

# NAVAL TRAINING CENTER GREAT LAKES MANAGEMENT CONTROL PROCESS



## NTC SIMPLEX MANAGEMENT CONTROL PROGRAM

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**MANAGEMENT CONTROL PROCESS INFORMATION**

Ref: (a) CNO Management Control Program Manual  
(b) CNETINST 5200.6B

1. Background. MC requirements are detailed in references (a) and (b). Managers are responsible and accountable for adequate management controls built into the work process to provide reasonable assurance that resources are safeguarded; information is accurate and reliable; laws, regulations and policies are adhered to; and economy and efficiency are achieved. Conducting MCRs/AMCRs/Testing of Controls enables managers to review and document the controls for a process and to improve the controls if needed. Audits have revealed that managers do not always have the MC documentation available to show that adequate controls have been identified and are in effect.

2. Reporting Process. CNET issues an annual notice to supplement reference (b). The annual notice includes any SECNAV/CNO or CNET required MCRs/AMCRs/Testing of Controls for that year and may include changes to the reporting process. Because the reporting requirements are specific for each reporting year, the NTC MC Coordinator provides specific guidance each year to NTC Simplex managers. The annual NTC Simplex MC reporting process is detailed on page 5.

3. Documentation.

a. Many events contribute to the difficulty of maintaining documentation such as a turnover of managers, office moves, difficulty in locating files, and destroying files. Although each manager is, and continues to be, responsible for maintaining MC documentation, each NTC Simplex department and special assistant office must maintain departmental MC files to ensure MC documentation is available. The departmental MC POC is the person responsible for maintaining the files. The location of the centralized files is at each department's discretion.

b. Although the MC Program requires managers to review the controls within their own areas of responsibility, the MC documentation provides another purpose. Auditors, when conducting audits, review MC documentation to determine what controls are in effect for the area being audited. When no MC documentation is available, the question becomes, "are there actually any controls established for this area?" The process developed to ensure documentation is available when a process is audited, is detailed on page 5. This process applies to any area scheduled for audit, whether the auditor(s) is internal or external to NTC.

c. To ensure proper MC documentation is maintained as required by references (a) and (b) and this instruction, the NTC MC Coordinator will review departmental MC files annually and, when required, prior to scheduled audits. Page 6 is the process for the annual review of departmental MC files. Page 5 also includes the review process for audits. The checklist for items that should be maintained in the departmental centralized files is contained in page 7. The checklist of items that should be maintained by a Process/AU manager is contained in page 8. In order to immediately and properly identify MC files, page 9 should be retained with the departmental centralized MC files and page 10 should be retained with the manager's MC files.

#### 4. Action.

a. NTC Departments/Special Assistants must designate a departmental MC POC to coordinate MC requirements for the department/special assistant. The MC POC will be responsible for maintaining departmental centralized files. The name/rank/rate and phone numbers of the departmental MC POC are to be provided to the NTC MC Coordinator, Bldg. 3200, Command Evaluation Office, Code N01F upon receipt of this instruction and then updated annually, no later than 31 January of each year.

b. The NTC MC Coordinator and departmental MC POCs will ensure reviews of MC documentation are conducted.

c. The NTC MC Coordinator will provide training as required.

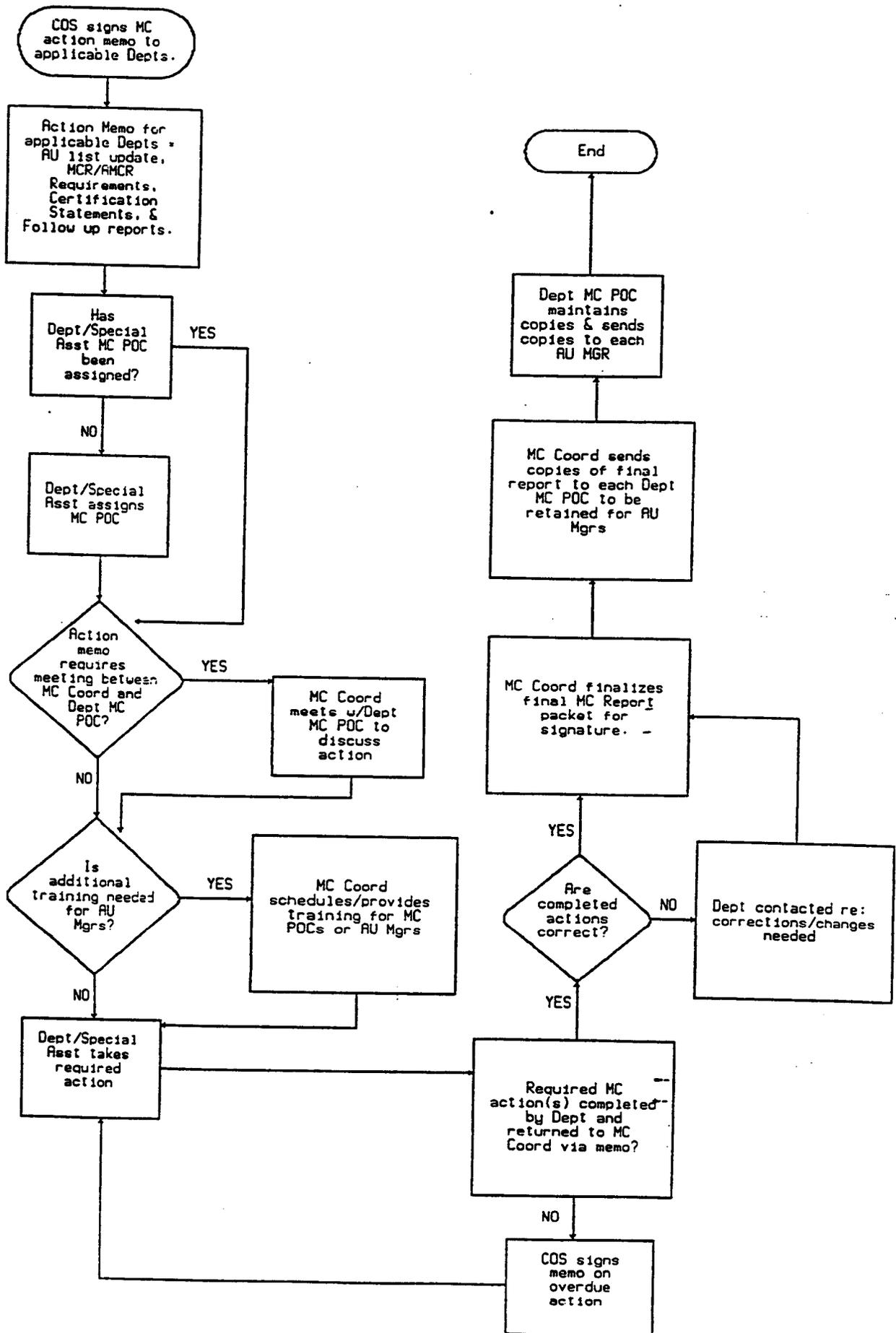
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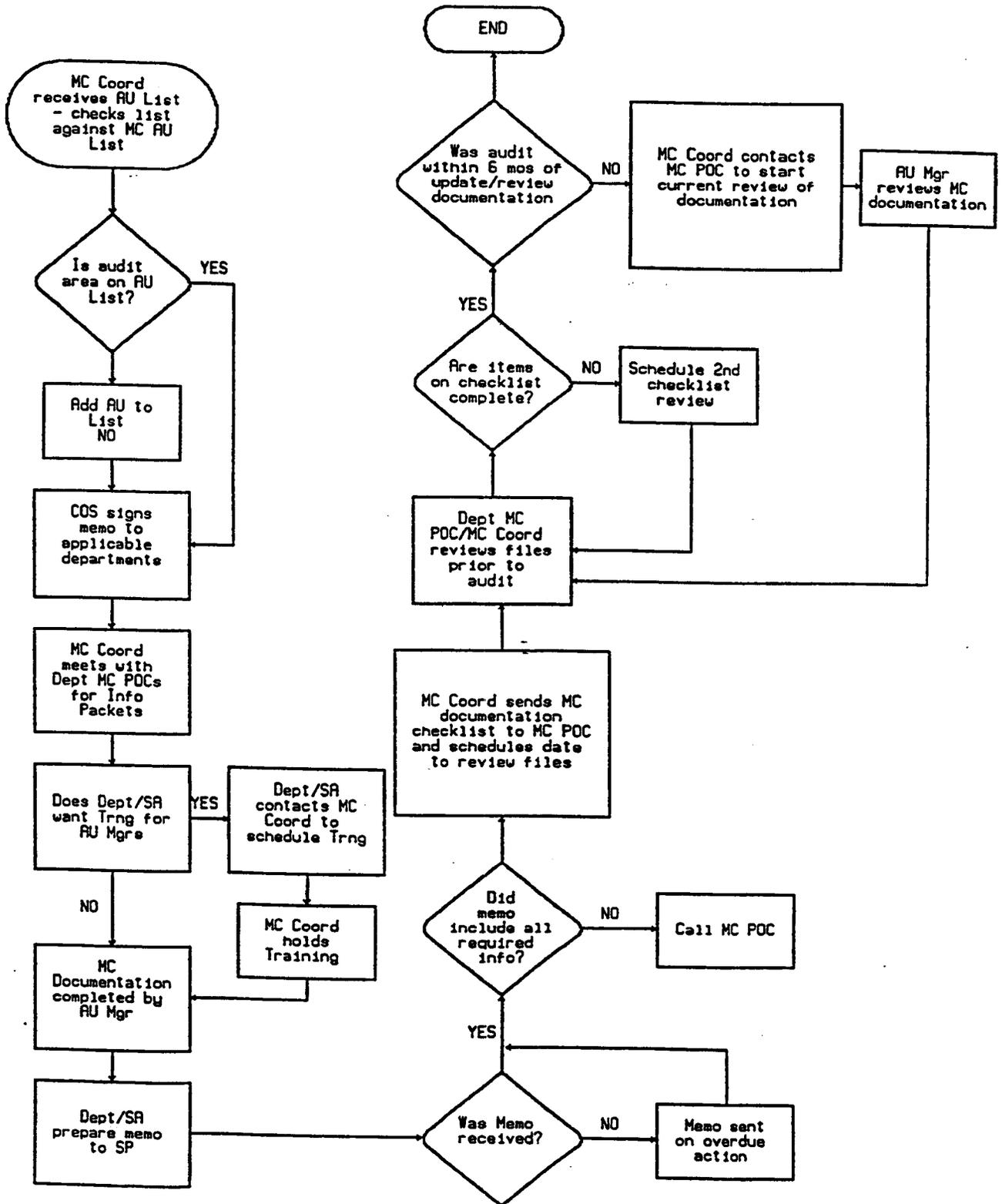
d. Managers responsible for processes will conduct reviews and test controls on processes annually to ensure adequate controls are in effect.

e. All managers responsible for processes will have MC reflected in their performance evaluations.

# ANNUAL NTC MC PROCESS

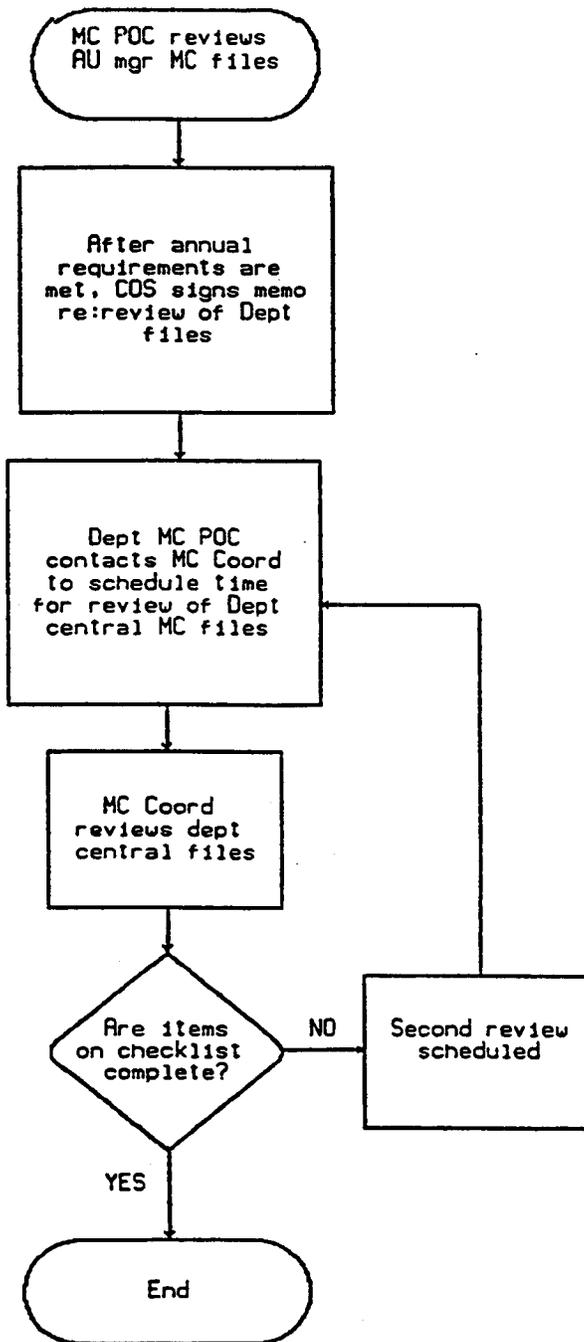


# PROCESS FOR MAINTAINING MC DOCUMENTATION FOR AUDITS



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# PROCESS FOR REVIEWING MC DOCUMENTATION



**CHECKLIST FOR MANAGEMENT CONTROL INFORMATION**

- \_\_\_\_\_ MC files retained in central location
- \_\_\_\_\_ MC files contain copy of cover sheet
- \_\_\_\_\_ Copy of current annual MC process list
- \_\_\_\_\_ Mid-level flowchart of process, management control point(s) highlighted
- \_\_\_\_\_ Copy of current MCR/AMCR/Testing of Controls CNET 5200/21
- \_\_\_\_\_ Copy of Division Director's and/or Department Director's MC Certification Statement
- \_\_\_\_\_ Copy of additional follow-up reports
- \_\_\_\_\_ Copies of applicable MC directives
- \_\_\_\_\_ Process manager verification that documentation is on file.

The above items are maintained for the \_\_\_\_\_  
(Dept./Spec. Asst.)  
Title

Department POC Name \_\_\_\_\_ Phone # \_\_\_\_\_

MC Coordinator reviewed files \_\_\_\_\_

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

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**PROCESS MANAGER'S CHECKLIST  
FOR MANAGEMENT CONTROL INFORMATION**

Department MC POC Name \_\_\_\_\_ Phone # \_\_\_\_\_

Location of Departmental MC Files \_\_\_\_\_

Applicable Processes are:

\_\_\_\_\_ Flowchart for process (Management Control Point(s) Highlighted)

\_\_\_\_\_ Copy of current MCE/AMCR/Testing of Controls CNET 5200/21

\_\_\_\_\_ Copy of Certification Statement (if applicable)

\_\_\_\_\_ Copy of additional follow-up reports

\_\_\_\_\_ Copies of applicable MC directives

Process Manager \_\_\_\_\_

Department MC POC reviewed files \_\_\_\_\_

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

Department Management  
Control Documentation

**- Retain -**

Contact MC Coordinator at  
Extension 2765

**Before Destroying Documentation**

Turn over documentation - Provide file to next manager

**Retain this sheet on folder for Departmental MC documentation and files**

PROCESS MANAGER'S  
Management Control  
Documentation

**- Retain -**

Contract Department MC  
POC Before Destroying  
Documentation

Your department MC POC is \_\_\_\_\_, Phone # \_\_\_\_\_

**Provide copies of all MC documentation to your department MC POC**

Turn over documentation - Provide file to next manager

**Retain this sheet on folder for your MC documentation and files**

MILITARY AND CIVILIAN PERSONNEL MANAGEMENT CONTROL  
ACCOUNTABILITY

1. Per references (a) and (b), military and civilian managers responsible for processes within Management Control (MC) functional areas and are accountable for the success or failure of management control practices. Officer fitness reports/enlisted evaluations/civilian performance appraisals reflect the MC accountability. A sample civilian performance appraisal objective and sample performance measures are listed below. These samples are also helpful when completing military officer fitness reports and evaluations by providing areas for evaluation. All personnel listed as the manager responsible for a process on the NTC Process List should be evaluated on MC in their fitness report/evaluation/performance appraisal.

a. MANAGEMENT CONTROL PERFORMANCE OBJECTIVE.

Demonstrates personal support of and compliance with the requirements of the Navy Management Control Program. Establishes, maintains, and reviews internal controls pursuant to the guidelines of OPNAVINST 5200.25C, OPNAV P-09B2, CNETINST 5200.6B, NTCGLAKESINST 5200.4C and annual tasking by higher authority.

b. PERFORMANCE MEASURES

(1) Demonstrates a positive and supportive attitude toward internal controls.

(2) Takes prompt corrective action on findings and recommendations made by auditors, inspectors, independent examiners, and investigators.

(3) Receives no disclosures by external group(s) of fraud, waste, or abuse caused by material internal control weaknesses.

Enclosure (3)

(4) Performs scheduled Management Control Reviews (MCRs) or Alternative MCRs and prepares required reports.

(5) Establishes and/or documents control objectives and control techniques for applicable programs/functions.

(6) Initiates a MCR that has multi-location/command-wide applicability.

(7) Receives positive or negative external feedback on internal control systems.

(8) Completes some form of Management Control Program training or indoctrination.



DEPARTMENT OF THE NAVY  
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NTCGLAKESINST 5200.4C CH-2  
NO1F/001211  
11 JULY 2000

NTC GREAT LAKES (COMPLEX) INSTRUCTION 5200.4C CHANGE  
TRANSMITTAL 2

From: Commander, Naval Training Center, Great Lakes

Subj: MANAGEMENT CONTROL (MC) PROGRAM

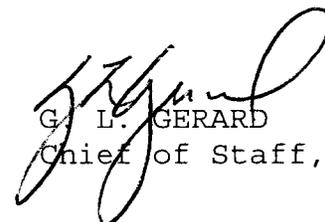
1. Purpose. To issue change 2 to the basic instruction.

2. Action. Make the following pen and ink changes:

a. Reference (b), Page 1, change CNETINST 5200.6B to CNETINST 5200.6C.

b. Enclosure 2, Page 8, lines 6 and 7, change to read, "Copy of current internal control system test and operational risk management assessment 5200/25 (REV. 12-99) CNET Form - Encl (4) of CNETINST 5200.6C."

c. Enclosure 2, Page 9, lines 6 and 7, change to read, "Copy of current internal control system test and operational risk management assessment 5200/25 CNET Form - Encl (4) of CNETINST 5200.6C."

  
G. L. GERARD  
Chief of Staff, Operations

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