

PART 2

**SCORECARD INFORMATION FOR THE
FEDERAL MANAGERS' FINANCIAL INTEGRITY ACT (FMFIA)**

ANNUAL STATEMENT OF ASSURANCE

FISCAL YEAR 2009

For the Overall Statement of Assurance, there are five categories scored in FY 2009.

- **Timeliness**
 - Was the statement of assurance received according to the suspense, ahead or behind the suspense date?
 - Were the DoD Component's financial reporting requirements timely?
 - Was the statement of assurance the first received for the fiscal year?
 - Late submission puts the Department at risk of meeting the Office of Management and Budget's deadlines.
 - Extremely late reports are an indication of poor program execution or lack of sufficient leadership involvement.
- **Format**
 - Was the statement of assurance accurate, complete, and easy to read?
 - Was the statement compliant with guidance?
 - Did the Head or Principal Deputy sign the statement and is the statement addressed to the Secretary of Defense?
 - Did the statement have the appropriate signatures for all leadership in the coordination chain?
- **Program Execution**
 - Does the statement describe evidence indicating that the Managers' Internal Control Program (MICP) is executed at all levels of the Component?
 - To what extent is the Component using innovative methods to reach all levels of the organization?
 - Does the program execution support a timely submission with an acceptable format and prompt resolution of weaknesses?
 - Is there evidence that Component includes all subordinate organizations in the program execution as required?
- **Training**
 - Does the statement describe evidence of MICP training given at all levels of the Component?
 - What is the extent to which the Component uses innovative methods to reach all levels of the organization?
 - Is the Component sufficiently training all Component personnel?
 - Are the MICP coordinators receiving annual training on their roles and responsibilities?
- **Material Weakness Reporting Activity**
 - Does the statement describe progress toward correcting identified material weaknesses promptly?
 - Does the statement indicate resolution of all delinquent weaknesses? Delinquent weaknesses are UNACCEPTABLE.
 - Does the statement clearly show that the Component conducted a robust assessment of the internal controls?
 - Is the Component forthrightly reporting weaknesses, especially those issues where the Department is criticized by an outside stakeholder such as the Government Accountability Office (GAO) or the Office of Management and Budget (OMB) for omitting the issue as a material weakness?
 - Has the Component obtained an unqualified opinion with no material weaknesses outstanding, qualified opinion, or other independent audit opinion over financial reporting?

The tables below describe the criteria used to score the Statements of Assurance.

Timeliness Category	
+3 points	<ul style="list-style-type: none"> Received on or before August 25, 2009 by close of business (COB).
+2 points	<ul style="list-style-type: none"> Received after August 25, 2009 or by COB on September 3, 2009.
+1 point	<ul style="list-style-type: none"> Received after September 3, 2009 or by COB September 8, 2009.
-1 point	Received after September 8, 2009 or by COB on September 16, 2009.
-10 points	<ul style="list-style-type: none"> Received after September 16, 2009.
Format Category	
+3 points	<ul style="list-style-type: none"> Best in Category – Benchmark product and exceptional in all aspects (<i>Accurate, complete, easy to read, and represents an exceptional model to benchmark. Benchmark means that the statement of assurance is an exceptional model for other Components to emulate.</i>)
+2 points	<ul style="list-style-type: none"> No revisions required and not necessary to ask for explanation from Component. <p style="text-align: center;">AND</p> <ul style="list-style-type: none"> Acceptable in all aspects. (<i>Accurate, complete, easy to read and represents a good model.</i>)
+1 point	<ul style="list-style-type: none"> Returned for correction or requested Component to clarify any aspect of the statement, to include unclear material weakness corrective actions or milestone dates that do not correctly follow the required format. <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> Unsatisfactory in at least one aspect. (<i>Not accurate, not complete, not easy to read, or does not represent an acceptable model.</i>)
-1 point	<ul style="list-style-type: none"> Extensive changes required. <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> Incorrectly stated the opinion, i.e., provided an unqualified statement that should have been qualified, or opinion omitted. <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> Omitting requirements. <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> Statement is noncompliant in one or more aspects
Program Execution Category	
+3 points	Component reports at least one innovative measure that has not been previously reported to enhance Component-wide program.
+2 points	<ul style="list-style-type: none"> Statement clearly indicates that MICP is executed at all levels, i.e., indicating a Component-wide program.
+1 point	<ul style="list-style-type: none"> Statement has limited evidence of Component-wide program execution.
-1 point	<ul style="list-style-type: none"> No evidence of Component-wide program execution in statement. Statement is over 15 days late, receiving (-10) points in the Timeliness Category.

Training Category	
+3 points	<ul style="list-style-type: none"> Best in Category – Component reports at least one innovative measure that has not been previously reported which enhances the MICP Component-wide training.
+2 points	<ul style="list-style-type: none"> Evidence of Component-wide MICP training that includes training targeted for the MICP coordinators, Component managers, and assessable unit managers.
+1 point	<ul style="list-style-type: none"> Statement reflects training, but not extensive Component-wide MICP training.
-1 point	<ul style="list-style-type: none"> Statement provides no evidence MICP training.
Material Weakness Reporting Activity Category	
+5 points	<ul style="list-style-type: none"> 85% or more of weaknesses corrected on time in FY 2009 as targeted in FY 2009 Statement of Assurance. <i>(There must be at least 2 weaknesses corrected.)</i> AND/OR Unqualified opinion through independent audit on financial statement. OR 70% or more are corrected on time and at least two weaknesses are corrected in advance of target. OR None due for correction but more than three weaknesses are corrected in advance of target.
+4 points	<ul style="list-style-type: none"> 80% to 84% of weaknesses corrected on time. <i>(There is no qualification on the number of weaknesses that must be corrected.)</i> AND/OR Qualified opinion through independent audit on financial statement. OR 60% to 69% are corrected on time and more than one weakness corrected in advance of target. OR None due for correction but at least two weaknesses corrected in advance of target.
+3 points	<ul style="list-style-type: none"> 75% to 79% of weaknesses are corrected on time. <i>(There is no qualification on the number that must be corrected.)</i> OR 50% to 59% are corrected on time and at least one weakness corrected in advance of target. OR None due for correction, but one corrected in advance of due date.
+2 points	<ul style="list-style-type: none"> 60% to 74% are corrected on time. OR If none due for correction in FY 2009: <ul style="list-style-type: none"> At least one new weakness reported or one weakness reported as corrected in last three years. OR Statement indicates at least two issues / deficiencies found, that do not warrant reporting as material weaknesses and statement describes actions to resolve. <i>(Must use format described in paragraph s., page 20 of Part 1.)</i>

Material Weakness Reporting Activity Category (cont)	
+1 point	<ul style="list-style-type: none"> • 50% to 59% corrected on time. OR • If none due for correction during FY 2009 and no new or old weaknesses in last three years, the statement of assurance must indicate at least one issue / deficiency and actions to resolve. <i>(Must include corrective actions using the format in paragraph s., page 20 of Part 1.)</i>
-1 point	<ul style="list-style-type: none"> • Less than 50% of weaknesses corrected. OR • No weaknesses reported as new in past three fiscal years. AND • No weaknesses corrected in past three fiscal years. AND • No deficiencies with corrective actions discussed in statement of assurance. <p style="text-align: center;"><i>NOTE:</i></p> <ul style="list-style-type: none"> • <i>Delinquent weaknesses will result in a REDUCTION OF TOTAL SCORE as follows: (A component with remaining delinquent weaknesses would receive the next lower score in the total score of this category. For example, a Component which resolved 4 of 4 material weaknesses on time would receive +5 points. However, if one or more delinquent weaknesses remain open, the total score would be reduced to +4 points.)</i>