

## Management System: Budget and Financial Management

**Subject Area:** Internal Review

# Procedure: Complying with Federal Managers' Financial Integrity Act (FMFIA)

**Issue Date and  
Revision Number:**  
9/13/12      0

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## 1.0 Applicability

This procedure applies to Environmental Management Consolidated Business Center (EMCBC), Office of Financial Management, Internal Review (IR) team who has responsibility for conducting and reporting on an annual review of internal controls in accordance with the Federal Manager's Financial Integrity Act (FMFIA). This procedure provides the process for IR compliance with FMFIA, which requires the Secretary of Energy to conduct an annual review of internal controls and report significant problems along with corrective action plans. In addition, IR has responsibility to collect, summarize and transmit the annual management representations.

## 2.0 Required Procedure

<b>Step 1</b>	The Director, EMCBC, and or their designee, assigns a representative to coordinate the FMFIA process. As required by <b>DOE O 413.1B</b> , <i>Internal Control Program</i> , Heads of Departmental Elements appoint Internal Control Action Officers to fulfill this role.
<b>Step 2</b>	U.S. Department of Energy (DOE) Office of Chief Financial Officer (CF-1) issues guidance to Headquarters and Field Management regarding the process and reporting requirements.
<b>Step 3</b>	The EMCBC, Office of Financial Management, Internal Review team issues specific guidance, and the implementation schedule to applicable contractors, Federal Project Directors and Assistant Directors.
<b>Step 4</b>	Federal Project Directors comply with the instructions by completing the EM Internal Control Checklist, the Entity Assessment questionnaire, the Internal Control Assurance, Corrective Action Plans (if required), and the Management Representation. These documents are transmitted to the Director, EMCBC. Federal Project Directors conduct Summary Management Reviews within their organizations and rely upon the

	<p>input from their contractors to support their assurance and representation.</p> <p><b>NOTE:</b> Use <u><i>Instructions for Performing a Summary Management Review.</i></u></p>
<b>Step 5</b>	Assistant Directors comply with the instructions by completing the Entity Assessment questionnaire. The questionnaire and any correction action plan, if required, are submitted to the IR team.
<b>Step 6</b>	<p>After receiving input from contractors, Federal Project Directors and Assistant Directors, the IR team compiles information into the annual management representation and the annual assurance memorandum including action plans for significant reportable conditions, if required (see <u><i>Instructions for Preparing an Action Plan</i></u> for instructions to prepare an action plan).</p> <p><b>NOTE:</b> Depending on the requirements in the annual reporting instructions, this assurance memorandum may be combined with assurances of compliance with other reporting requirements (e.g., A-123, ARRA).</p>
<b>Step 7</b>	The EMCBC Director signs the assurance memorandum and representation. They are transmitted to EM-1.
<b>Step 8</b>	The cognizant contractor, Federal Project Director or Assistant Director track their action plans and report progress each year in the assurance memorandum until the action plans have been reported as closed.

### 3.0 References – Forms/Attachments/Exhibits

None

### 4.0 Records Generated

Records generated through implementation of this procedure are identified as follows, and are maintained by the Office of Financial Management in accordance with the EMCBC Organizational File Plan:

<b>Records Category Code</b>	<b>Records Title</b>	<b>Responsible Organization</b>	<b>QA Classification (Lifetime, Non-Permanent or N/A)</b>
ADM 16-14-F1	Management Control Records- Review File	Office of Financial Management	N/A

**EMCBC RECORD OF REVISION**

**DOCUMENT TITLE: Complying with Federal Managers' Financial Integrity Act (FMFIA)**

If there are changes to the controlled document, the revision number increases by one. Indicate changes by one of the following:

- I Placing a vertical black line in the margin adjacent to sentence or paragraph that was revised.
- I Placing the words GENERAL REVISION at the beginning of the text.

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<b>Rev. No.</b>	<b>Description of Changes</b>	<b>Revision on Pages</b>	<b>Date</b>
0 N/A	1 <sup>st</sup> Edition to meet EMCBC MS needs.	N/A	09/13/12