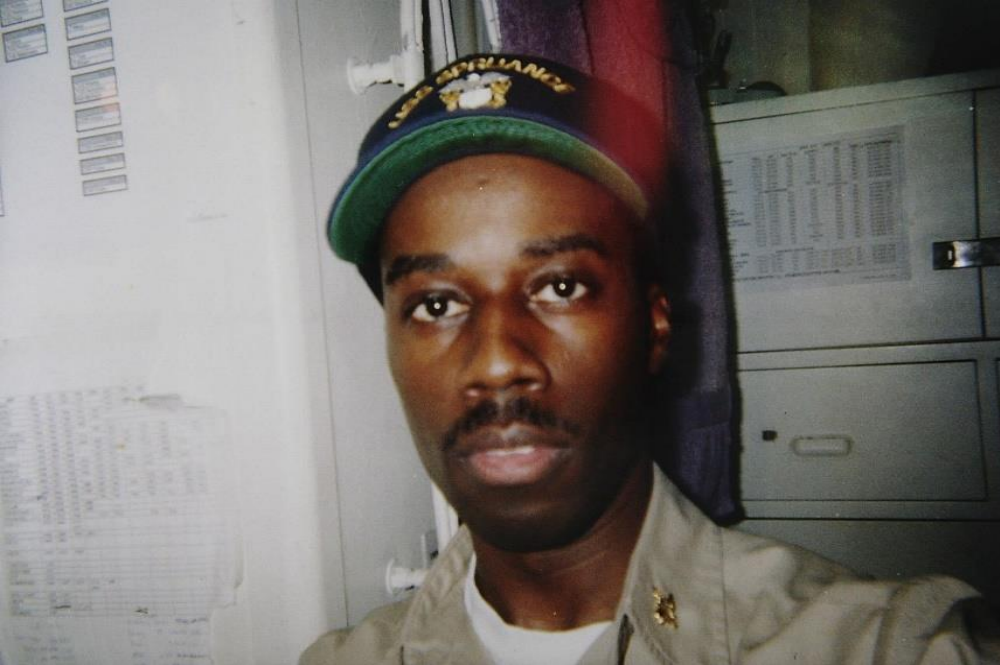




Internal Controls & Impact to Audit

March 8, 2018





Everyone Plays a Role in Internal Controls

Internal Controls are our policies and standard operating procedures.

Underway Checklists



Physical Inventory Counts



Personnel Reliability Program



Authorization Controls



Receipt & Acceptance



Engineering Operational Sequencing System



Contract Closeout



DTS Travel Authorizations



Communications Security Equipment Management



Internal Controls are the foundation of our operations. They:

- Help ensure effective operations
- Safeguard our assets
- Produce reliable financial reports
- Ensure compliance with laws and regulations

Why are Operational Controls Important?



Essential to
Mission
Readiness

Provide the groundwork for Navy to be where it matters, when it matters.



Enhance
Business
Performance

Instill business rigor by promoting process standardization and operating efficiencies.



Guide Change
Management
Decisions

Promote the understanding of weaknesses and guide future process improvements.



Improve
Resource
Allocation

Increase awareness of past, current, and planned expenditures to promote fact-based decisions that enable the best use of resources.

Operational Controls are critical to the Mission and impact each and everyone of us.

Mission Events Impact Navy's Financial Statements

- Most business events that take place in the field result in a financial transaction.
- Those business events that create a financial transaction **must have traceability** and must be supported by **complete documentation**.



End-to-End Process Framework

Internal Controls are needed across the entire Operating Environment to ensure success.

Enterprise Business Process

Sub-processes



Discipline within each Business Process will enhance Warfighter mission.

Where Do You Play a Role?

This challenge is multi-dimensional and solutions must consider operational requirements.

Your Actions for Mission Success

- Become an ambassador to the functional and operational communities to demonstrate how their jobs impact audit results.
- Emphasize how audit will provide feedback to improve operational effectiveness.
- Reinforce policies and procedures with an emphasis on documentation.
- Remember that discipline and accountability are necessary to support our Warfighters.

Navy's Financial Community must help bridge the gap to the functional community.



Questions?

