

Report Date: 21 Feb 2014

**Summary Report for Individual Task
805A-36A-7021
Manage Internal Control Procedures
Status: Approved**

DISTRIBUTION RESTRICTION: Approved for public release; distribution is unlimited.

DESTRUCTION NOTICE: None

Condition: You are serving as the Detachment Commander. Your disbursing section is preparing for an upcoming Operational Review. You have access to: 1. Internal Control checklists 2. DoDFMR 7000.14-R, Volume 5, Disbursing Policy 3. FM 1-06, Financial Management Operations 4. FM 3-19.30, Physical Security. This task should not be trained in MOPP.

Standard: Manage internal control procedures using the applicable checklists without error, and brief a plan to the Financial Management Support Unit (FMSU) Commander that addresses how the deficiencies will be corrected.

Special Condition: None

Safety Level: Low

MOPP: Never

Task Statements

Cue: None

DANGER

None

WARNING

None

CAUTION

None

Remarks: None

Notes: All required references and technical manuals will be provided by the local Command.

Performance Steps

1. Apply the internal control procedures for cashier operations to ensure:

- a. The overall construction of cashier cages is adequate (thickness, strength, protective window, bars, only one lockable entrance, lockable money drawers, adequate lighting, and alarms).
- b. Only authorized personnel are allowed in the area near cashier cage entrances.
- c. Alarms are tested periodically.
- d. Vaults and safes meet the specifications outlined in DoDFMR 7000.14-R, Volume 5.
- e. Spare cashier keys and combinations are stored in a sealed envelope in the vault.
- f. There is only one cashier operating per cashier cage.
- g. Cashiers secure their cash drawers and cashier cage when absent.
- h. The cashier standard operating procedure (SOP) is adequate and enforced.
- i. The cashiers sign indicating that they have read and understand the SOP.
- j. A background check is conducted on all cashiers.
- k. The cashier counts all money at least twice before issuing or accepting.
- l. The cashier verifies the identification, signature, and expiration of term of service (ETS) date of all customers.
- m. Personal check cashing procedures are followed per guidance in DoDFMR Vol. 5, Ch 4.
- n. The cashiers have up-to-date signature cards and bad check lists available.
- o. Vouchers are never transported by a payee to the cashier cage.
- p. All transactions are only for authorized persons and for authorized amounts.
- q. All cashiers' personnel records are flagged to prevent them from outprocessing before their account is cleared.
- r. Proper voucher numbering.
- s. Cashiers verify all advances and returns.
- t. Cashiers use the Currency Exchange Record (DD Form 2664) to process all foreign currency exchange transactions.
- u. Cashiers have procedures in place for the DA to verify transactions listed on a their daily OTC batch listing.
- v. Ensure memorandum posted outside the cashiers' window which shows personnel who are authorized to sign cash collection vouchers.
- w. Ensure procedures in place that the customer gets an authenticated receipt for a collection voucher after turn in.

x. There is a cash collection box located near the cashier's cage/window that is locked by padlock or combination combination/key holder is a disinterested party from disbursing and checked daily.

y. All cashiers with funds in their custody following balancing requirements by completing an actual cash count of all cash and negotiable instruments daily and completing DD Form 2665.

z. Cashiers are physically inspected by DA to verify funds (negotiable instruments, collections, disbursement vouchers, and other acct. docs) are in the possession of cashiers on a daily basis.

aa. Proper SVC procedures:

(1) The cashier properly conducts SVC to monetary transactions and record the transaction in the Deployable Disbursing System (DDS) in locations where DDS is used.

(2) The cashiers collecting the Transaction files (TR) from both the Card Processing Station as well as the Point of Sale device on a daily basis and physical copies of financial transactions are given to the DA.

2. Apply the internal control procedures for cash management operations to ensure:

a. The cash-holding authority is adequate and adhered to.

b. All negotiable instruments are deposited daily and cash is deposited as necessary.

c. Quarterly cash counts occur.

d. Cashiers have a limited amount of cash in their safes overnight.

e. All records are updated and maintained properly.

f. The Disbursing Officer (DO), Deputy DO, or Disbursing Agent signs all cash collection vouchers (CCVs).

g. All money received is verified.

h. No slush funds are maintained.

i. Immediate reporting of all losses of funds to the Finance and Accounting Officer.

j. Proper separation of duties.

k. All transactions for \$750.00 or more are approved by the DO.

l. Effective security controls are in place:

(1) All combinations are changed every six months or as necessary.

(2) Intrusion devices are used, if necessary, and tested periodically.

(3) The name and phone number of the accountable individual posted on the inside of the vault, safe, or container and SF Form 700 (Security Container Information), SF Form 701 (Activity Security Checklist), and SF Form 702 (Security Container Check Sheet) are being annotated.

m. Vaults and safes meet the specifications outlined in DoDFMR 7000.14-R, Volume 5.

n. Accountability of Store Value Cards is verified.

(1) Controls established to ensure unissued EagleCash Cards are being maintained within the vault and properly transferred to the cashiers for issuance.

(2) Incident reports, SF 215's., and SF 5515's are being completed and forwarded to FRBB in a timely manner and a copy kept on file.

(3) SVC Forms 414, Incident Reports (IR) sent on a daily basis and filing/tracking all IRs in an active file until notice of completion by the FRBB is received.

(4) All Transaction Files (from active Kiosks and Laptops) being sent to the FRBB CSC on a daily basis and receipts/reports recorded and verified by the NCOIC/OIC in the daily business.

(5) Effective controls implemented to secure all confiscated ECCs.

(6) DA validates all of the EagleCash Card applications on a daily basis and compares them to the number of cards issued from the Cashier with the Issuance Report from CPS, all DD 2887s match the total on the Issuance Report from CPS.

o. The Deputy Disbursing Officer/Disbursing Agent is properly appointed in writing and previous DDO/DA terminated.

p. All Treasury Checks accounted for by inventorying each TC number.

q. LDA accounts are reconciled and all checks and blank drafts are accounted for.

r. TRS is being used daily and deposit confirmations being made timely in DDS.

s. DD Form 1081, Statement of Agent Officer's Account, is signed by both the Disbursing Officer and the Disbursing Agent, or Disbursing Agent and the Cashier anytime there is an advance or return of public funds.

t. All systems used in disbursing accesses reviewed periodically and user access methods provide for audit trails that identify document input, change, approval, and deletions by user.

u. Original disbursing office records and associated papers are retained for a period of 6 years and 3 months.

v. OTCnet is properly configured.

(1) POC to be contacted for username and password creation and management is on hand.

(2) The cash cage terminal is properly configured.

(3) The OTCnet roles are appropriate for the duties of all users and separation of duties are in place.

(4) Latest DDS bridge version is in place.

3. Apply the internal control procedures for agent operations to ensure:

a. Agent orders are complete and the original signed order is kept on file.

b. All agents' personnel records are flagged to prevent them from outprocessing before their account is cleared.

c. Agents are properly trained.

d. All agents sign their instructions indicating that they have read and understood both their written and verbal instructions.

e. Agents have an armed guard and their own secure container when receiving or returning funds.

f. The identification, signature, and ETS date of all agents is verified before issuing funds.

g. Funds are issued in accordance with the agent's orders.

h. All advances and returns are recorded on a Statement of Agent Officer's Account (DD Form 1081).

i. Controls established to ensure all paying agents clear every 30 days.

4. Apply the internal control procedures for Treasury check operations to ensure:

a. All new check stocks are verified upon arrival.

b. All checks are secured.

c. All blank checks issued for preparation are signed for by the clerk.

d. Any blank checks returned are verified.

e. All returned and undeliverable checks are controlled and kept secure.

f. The signature die and check-signing machine are properly secured.

g. All checks issued remain in sequence.

h. The weekly check issue report is sent to the Treasury Department.

i. Proper procedures are followed for all spoiled and voided checks.

j. All checks are prepared correctly and the information on them is correct before certification.

k. The check register is maintained at all times.

l. The check register is verified with the Daily Statement of Accountability (DD Form 2657) daily.

5. Apply the internal control procedures for Commercial Vendor Services (CVS) operations to ensure:

a. Regulations, Standard Operating Procedures (SOP), Policy Memorandums and Statements, and other written directives readily available within this functional area for review.

b. Procedures to contact the contracting office to request any missing, late and improperly prepared receiving reports, invoices, and contracts that affect timely payment to vendors are in place.

c. Contracts that need modification are returned to the contracting office within 10 days.

d. The vendor name and address on the invoice and the one shown on the voucher to mail check is the same as on the procurement document, or proper document exist advising of a name and/or address change, or the bank information present for Electronic Fund Transfer (EFT).

e. There are procedures in effect to return an improper invoice within the proper time limit.

f. All records are updated and maintained properly.

g. The vendor invoice include the procurement document number.

h. There are procedures in effect to review receiving reports, when required, properly signed and dated, including various dates for delivery, inspection and acceptance.

i. All documents have the same line of accounting as the one(s) which was/were provided on the contract.

j. For payments requiring an interest penalty, there are procedures to calculate the interest penalty and it is reviewed for accuracy and billed to the proper appropriation.

k. Procedures to identify and process miscellaneous payments are in place.

l. Commercial payments are paid no later than thirty (30) days or in accordance with the contract terms, after the last document received.

m. Pre-validation of the obligation is obtained from the appropriate accounting office prior to each disbursement.

n. There is a clear line of distinction between the preparer, reviewer, and certifier of payments within the Vendor Pay Office to ensure separation of duties is maintained and to deter fraudulent payments.

6. Apply the internal control procedures for Military Pay operations to ensure:

a. Regulations, SOPs, Policy Memorandums and Statements, and other written directives readily available within this functional area for review.

b. Customer Services:

(1) Controls have been established to prevent the misuse/abuse of JUMPS Substantiating Document Worksheet.

(2) All pay-related inquiries are documented on a Pay Inquiry Form (DA Form 2142).

(3) Protects a Soldier's social security number (SSN) from unauthorized or accidental disclosure to inappropriate personnel.

(4) Use newsletters, information papers, and fact sheets to improve customer service.

(5) Operating hours are visibly posted.

(6) Customers can discuss their personal and pay-related issues confidentially and privately with a finance technician.

(7) The DA Form 2142, for casual payments processed manually has: Soldier's full name, rank, SSN, branch/component, and amount.

(8) Process casual payments accurately and in the correct system.

(9) Letters of indebtedness explain the reason for the debt, provide repayment option instructions, and the option (instructions) on submitting a Request for Cancellation or Remission of the debt.

c. All involuntary/voluntary Additional Incentive Pay (AIP) packets that are checked for completeness has soldiers with the same UIC and BOG (Boots on Ground) dates; DA extension beyond BOG UIC Authorization Message; and DA Form 4187 with unit alpha roster.

d. Appropriate interest rate is charged on debts that have been prorated for a collection.

e. DD Form 139 debts for non-sufficient funds (NSF) from an appropriated or non-appropriated agency are processed for immediate collection using a DS01 transaction.

f. There is a cross-training program developed to enhance the personnel mobility concept to prevent, reduce, or eliminate bottlenecks/backlogs.

g. Controls are established to identify all sensitive MMPA accounts and ensure that a PRA (Pay Record Accessibility) indicator of zero (0) is assigned to the pay account.

h. Soldier's entitlements and vouchers are re-certified during the Soldier's in/out processing appointment.

7. Develop plan to correct deficiencies based on steps 1-6 and brief to the FMSU Commander.

(Asterisks indicates a leader performance step.)

Evaluation Guidance: Score the Soldier GO if all performance measures are passed (P). Score the Soldier NO GO if any performance measure is failed (F). If the Soldier fails any performance measure, show what was done wrong and how to perform it correctly.

Evaluation Preparation: This task can be evaluated by use of the performance measures as listed. This method of evaluation is appropriate if the Soldier performs the task on the job. Allow the Soldier to practice until the Soldier feels qualified and prepared for the evaluation. Then have the Soldier perform the task, using the materials listed in the CONDITIONS statement above. Score the Soldier "PASS" or "FAIL" as determined by the performance.

PERFORMANCE MEASURES	GO	NO-GO	N/A
1. Applied the internal control procedures for cashier operations to ensure they were adequate.			
2. Applied the internal control procedures for cash management operations to ensure they were adequate.			
3. Applied the internal control procedures for agent operations to ensure they were adequate.			
4. Applied the internal control procedures for Treasury check operations to ensure they were adequate.			
5. Applied the internal control procedures for Commercial Vendor Service operations to ensure they were adequate.			
6. Applied the internal control procedures for Military Pay operations to ensure they were adequate.			
7. Developed and briefed plan to correct deficiencies to FMSU Commander.			

Supporting Reference(s):

Step Number	Reference ID	Reference Name	Required	Primary
	AR 11-37	ARMY FINANCE AND ACCOUNTING QUALITY ASSURANCE PROGRAM	No	No
	AR 37-104-4	MILITARY PAY AND ALLOWANCES POLICY	No	No
	DODFMR 7000.14-R, VOL 10	Department of Defense Financial Management Regulation, Volume 10, Contract Payment Policy and Procedures	No	No
	DODFMR 7000.14-R, VOL 5	Department of Defense Financial Management Regulation, Volume 5, Disbursing Policy and Procedures	No	No
	FAR	Federal Acquisition Regulation	No	No
	FM 1-06	Financial Management Operations	No	No

Environment: Environmental protection is not just the law but the right thing to do. It is a continual process and starts with deliberate planning. Always be alert to ways to protect our environment during training and missions. In doing so, you will contribute to the sustainment of our training resources while protecting people and the environment from harmful effects. Refer to FM 3-34.5 Environmental Considerations and GTA 05-08-002 ENVIRONMENTAL-RELATED RISK ASSESSMENT.

Safety: In a training environment, leaders must perform a risk assessment in accordance with FM 5-19, Risk Management. Leaders will complete a DA Form 7566 COMPOSITE RISK MANAGEMENT WORKSHEET during the planning and completion of each task and sub-task by assessing mission, enemy, terrain and weather, troops and support available-time available and civil considerations, (METT-TC). Note: During MOPP training, leaders must ensure personnel are monitored for potential heat injury. Local policies and procedures must be followed during times of increased heat category in order to avoid heat related injury. Consider the MOPP work/rest cycles and water replacement guidelines IAW FM 3-11.4, Multiservice Tactics, Techniques, and Procedures for Nuclear, Biological, and Chemical (NBC) Protection, FM 3-11.5, Multiservice Tactics, Techniques, and Procedures for Chemical, Biological, Radiological, and Nuclear Decontamination.

Prerequisite Individual Tasks : None

Supporting Individual Tasks : None

Supported Individual Tasks : None

Supported Collective Tasks :

Task Number	Title	Proponent	Status
14-2-0029	Sustain Automations Systems	14 - Finance (Collective)	Analysis
14-2-0025	Conduct Accounting Activities	14 - Finance (Collective)	Analysis