DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY
FINANCIAL MANAGEMENT AND COMPTROLLER
109 ARMY PENTAGON
WASHINGTON DC 20310-0109

REPLY TO ATTENTION OF

DEC 1 5 2005

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Army Management's Responsibility for Internal Control

1. The Army is required to develop and maintain effective internal control over all its programs. Internal controls are the policies and procedures used every day to ensure the Army achieves our planned objectives of effective and efficient operations, reliable financial reporting, and compliance with applicable laws and regulations. Additionally, internal control standards encourage appropriate use of Army resources and deter fraud, waste, and abuse.

2. Army management is responsible for ensuring that all programs develop, implement, document, and assess effective internal controls. Army management must identify required improvements, take timely corrective actions, and report internal control issues through the management assurance statement annually. Commanders and managers at all levels must understand the importance of evaluating their internal controls in an objective manner and sharing their results with others.

3. Your leadership is crucial in this regard. I ask you to stress the importance of effective and efficient internal control to your mission, ensure your staffs understand their responsibilities in this process, and demand integrity in the reporting of internal control problems and the actions taken to resolve them. The Army must have an internal control process that adds value and demonstrates a commitment to effective stewardship of the resources entrusted to us by the American people.

Nelson M. Ford
Principal Deputy Assistant Secretary of the Army
(Financial Management and Comptroller)/Controls

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