



DEPARTMENT OF THE ARMY
UNITED STATES ARMY EUROPE
UNIT 29351
APO AE 09014-9351

AERM-C

21 August 2019

MEMORANDUM FOR USAREUR Commanders and Senior Leaders

SUBJECT: USAREUR FY 20 Managers' Internal Control Program (AE Cmd Memo 2019-011)

This memorandum expires in 1 year.

1. This memorandum supersedes memorandum, USAREUR, AERM-C, 12 December 2017, subject: USAREUR FY 18 Managers' Internal Control Program (AE Cmd Memo 2017-032).
2. References:
 - a. AR 11-2, Managers' Internal Control Program.
 - b. OMB Circular A-123, Management's Responsibility for Enterprise Risk Management and Internal Control.
3. In order for HQDA to meet the Office of the Secretary of Defense deadline for submission of the Annual Statement of Assurance, Army assets will begin the next Managers' Internal Control Program (MICP) fiscal year on submission of the previous year's statement. Therefore, June 2019 is the official start of the FY 20 MICP cycle in preparation for the FY 20 Annual Statement of Assurance submission.
4. The MICP is designed to guarantee mission readiness by ensuring the availability of resources that enable programs to accomplish their operational objectives. Through an effective MICP, areas that need improvement are identified and reported, and corrective actions are taken in a timely manner. Internal controls are the rules, procedures, and mechanisms that we use every day to protect our dollars, equipment, and, more importantly, our people. Internal controls promote the wise use of resources and, in this current environment of budget constraints, are vital to maintaining good stewardship of these resources.
5. As the first line of defense to deter fraud, waste, abuse, misappropriation, and misuse, leaders and managers already use internal controls to reduce risks associated with executing complex programs that enable mission accomplishment. However, with a maturing MICP program, the incorporation of enterprise risk management (ERM) must also be part of the day-to-day internal control program, which is the foresight of identifying, assessing, managing, and mitigating the risk of mission failure. A first-rate

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MICP that identifies vulnerabilities and minimizes risks is essential to improving the stewardship of financial, physical, personnel, and sensitive assets.

6. ERM is knowing what makes your organization vulnerable to fraud, waste, abuse, misappropriation, and mismanagement, and managing or mitigating the vulnerabilities. ERM is all-encompassing, which means that it does not only provide financial oversight, but also assesses the climate of the organization and whether or not the Safety, SHARP, EEO, OPSEC, mission, and functional programs are following the regulatory guidance for internal controls and are testing those internal controls. ERM includes the organizational policy and proper procedures that help us achieve our objectives and safeguard the integrity of our programs. These controls also assure our leaders and the citizens of the United States that our resources are being used and accounted for properly. A strong MICP preserves the trust of the American people.

7. The USAREUR MICP applies to all members of this command. Accordingly, I expect all leaders to provide the necessary support to educate managers and personnel at every level of their personal and professional responsibility to the internal-control process and to make them aware of the high level of concern and commitment that I have in this regard. To support this effort, "The Tone at the Top" is that I encourage you to continually review and evaluate key internal controls that are part of our day-to-day business processes to confirm that those controls remain relevant and effective.

8. I also encourage you to report shortfalls in accountability and material weaknesses immediately and to develop and execute corrective-action plans until positive results are achieved. By applying the MICP to everything we do throughout the year, and by not allowing the program to be seen as merely an annual reporting requirement, we can ensure good stewardship of our resources.

9. The POC is the USAREUR Senior Program Analyst for the MICP and the Annual Statement of Assurance, military 537-8038, or civilian 0049-611-143-537-8038.



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