



**DEFENSE LOGISTICS AGENCY
HEADQUARTERS
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OCT 21 2014

MEMORANDUM FOR DLA EXECUTIVE BOARD

SUBJECT: Defense Logistics Agency (DLA) Managers' Internal Control Program (MICP)

Every July, an annual Statement of Assurance (SOA) is submitted by DLA to the Office of the Secretary of Defense (OSD). In the SOA, I provide reasonable assurance that DLA has controls in place for effective and efficient operations, reliable financial reporting, and compliance with applicable laws and regulations.

Leaders and managers, I rely on you to integrate and coordinate internal control assessments and synchronize their related activities. I expect managers at all levels of the organization to ensure the accountability and effectiveness of DLA key processes and operations. Therefore, our FY15 approach to the MICP is to:

1. Continue audit efforts as the foundation for the SOA. While internal controls are critical to all of our operations, I need your focus on those that directly support audit readiness relating to our financial statement. These efforts will ensure we have consistent, complete, and reliable data to make informed decisions that will help us to meet our mission.
2. Integrate and align the Internal Control requirements, which include:
 - Internal Control Over Financial Reporting (ICOFR)
 - Internal Control Over Non-Financial Operations (ICONO)
 - Internal Control Over Financial Systems (ICOFS).

Every DLA employee shares in the responsibility for the proper stewardship of Federal resources as a basic obligation of public service. Therefore, I expect all DLA personnel to identify and drive improvement opportunities and expand audit readiness beyond process management to process excellence. I need every one of you engaged in meeting the audit readiness target by understanding your processes and the internal controls within them, and make sure the data is accurate and in compliance with the OMB A-123 guidelines. I rely on you to foster a positive internal control environment and to ensure internal controls are in place and working effectively at every level of this Agency which allows us to execute our mission more precisely while safeguarding our assets from fraud, waste, abuse, and misuse.

A handwritten signature in black ink, appearing to read "Mark Harnitchek", is written over a horizontal line.

MARK HARNITCHEK
Vice Admiral, USN
Director