VOLUME 1, CHAPTER 3: “FEDERAL FINANCIAL MANAGEMENT IMPROVEMENT ACT COMPLIANCE”

SUMMARY OF MAJOR CHANGES

All changes are denoted by blue font.

Substantive revisions are denoted by an asterisk (*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by bold, italic, blue, and underlined font.

The previous version dated July 2015 is archived.

<table>
<thead>
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<th>PARAGRAPH</th>
<th>EXPLANATION OF CHANGE/REVISION</th>
<th>PURPOSE</th>
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<tr>
<td>All</td>
<td>Changed to reflect the Financial Improvement and Audit Remediation Plan was superseded by the DoD Internal Control over Financial Reporting Guide and DoD Financial Statement Audit Guide as a reference for internal control activities of financial reporting.</td>
<td>Revision</td>
</tr>
<tr>
<td>All</td>
<td>Updated website links.</td>
<td>Revision</td>
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<tr>
<td>030102</td>
<td>Added additional guidance and updated website links.</td>
<td>Revision</td>
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<tr>
<td>030302</td>
<td>Updated to include narrative on records of systems.</td>
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<tr>
<td>030303.A</td>
<td>Updated to include authoritative guidance for DoD strategy.</td>
<td>Revision</td>
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<tr>
<td>030303.D</td>
<td>Added narrative on Internal Control over Financial Reporting.</td>
<td>Revision</td>
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<td>030303.E</td>
<td>Added Internal Control over Financial Reporting annual requirements.</td>
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<td>030303.F</td>
<td>Added Federal Information System Controls Audit Manual control activities and techniques addressed by the Components.</td>
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<td>030303.G</td>
<td>Added Financial Management Overlay requirement.</td>
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<td>030304.D</td>
<td>Updated to include narrative on Service Organization Controls.</td>
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</tr>
<tr>
<td>030304.E</td>
<td>Updated to include narrative on Federal Financial Management System Requirements.</td>
<td>Revision</td>
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<tr>
<td>030403</td>
<td>Updated to include narratives on Component requirements.</td>
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<td>030406</td>
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<td>Revision</td>
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CHAPTER 3

FEDERAL FINANCIAL MANAGEMENT IMPROVEMENT ACT COMPLIANCE

0301  GENERAL

030101.  Purpose

This chapter prescribes Department of Defense (DoD) policy for achieving compliance with the Federal Financial Management Improvement Act (FFMIA) of 1996. The FFMIA provides the basis for the development and implementation of financial management systems in order for the Department to provide accurate, reliable, and timely financial management information.

*030102.  Authoritative Guidance

The *FFMIA (Public Law (Pub. L.) 104-208)*, Title 31, United States Code, section 3512 (31 U.S.C. § 3512) note, provides specific requirements. The Office of Management and Budget (OMB) *Circular A-123*, “Management's Responsibility for Enterprise Risk and Internal Control;” and *Appendix D* of this Circular, “Compliance with the Federal Financial Management Improvement Act of 1996” provide eight goals and compliance indicators that must be satisfied in order for financial management systems to comply with FFMIA. Additional authorities:


H.  *DoD Instruction (DoDI) 8510.01*, Risk Management Framework (RMF) for DoD Information Technology (IT).
I. **OMB Bulletin No. 19-01**, “Audit Requirements for Federal Financial Statements”;

J. **Statement on Standards for Attestation Engagements No. 18** (AT-C 320).


0302 DEFINITIONS

This paragraph defines financial and non-financial systems for purposes of FFMIA compliance.

A. **Financial Management System.** A financial management system includes the overall financial operation, reflecting the people, processes, and technology to capture, classify, summarize, and report data in a meaningful manner to support business decisions. It includes hardware and systems software applications, personnel, procedures, data, and reporting functions. The financial management system can be fully integrated with other management information systems (i.e., mixed systems) where transactions automatically interface with accounting general ledger.

B. **Financial System.** The financial system is an information system or set of applications that comprise the accounting portion of the financial management system that maintains all summary or detailed transactions resulting from budgetary and proprietary financial activity. The financial system encompasses processes and records that:

1. Identify and record all valid transactions;

2. Provide timely transactions in sufficient detail to permit proper classification of transactions for financial reporting;

3. Measure the value of transactions in a manner that permits recording their proper monetary value in the financial statements; and

4. Determine the time period in which transactions occurred to permit recording of transactions in the proper accounting period.

C. **Mixed System.** A mixed system is a hybrid of financial and non-financial portions of the overall financial management system. Examples of mixed systems are payment and invoice systems, procurement systems, receivable systems, loan systems, grants systems, payroll systems, budget formulation systems, billing systems, property management systems, travel systems, or other mission operational systems that impact a financial system.

D. **Non-Financial System.** A non-financial information system supports non-financial functions of DoD Components. Any data included in a non-financial system is
insignificant to the Department or Component’s financial management. The data is not required for preparation of financial statements or other financial management reporting.

0303 STANDARDS

030301. Accounts

The U.S. Department of the Treasury (Treasury) provides the requirements for the United States Standard General Ledger (USSGL). For DoD, general ledger accounts and transactions are defined in the DoD Standard Chart of Accounts and the DoD USSGL Transaction Library. These documents are available on the Standard Financial Information Structure web page. The Federal Accounting Standard Advisory Board (FASAB) is the authoritative source for the development and issuance of generally accepted accounting principles for the Federal Government. FASAB publishes these accounting principles in the “FASAB Handbook of Accounting Standards and Other Procurements, As Amended” (FASAB Handbook). DoD financial management systems must adhere to FASAB standards for the preparation of financial statements and audits.

*030302. Reporting Entities

DoD Component reporting entities are identified in Volume 6B, Chapter 1, section 0104. These reporting entities must report their FFMIA compliance as part of their Annual Statement of Assurance (SOA) submitted to the Office of the Under Secretary of Defense (Comptroller) (OUSD(C)). DoD financial systems and mixed systems must be identified in the DoD Information Technology Portfolio Repository (DITPR) as part of the annual review process for Defense business systems in accordance with 10 U.S.C. § 2222. In addition, OUSD(C) requires all reporting entities to maintain records of systems relevant to their respective financial statement audit, Internal Control over Financial Reporting (ICOFR), and Internal Control over Financial Systems in the Financial Improvement and Audit Remediation (FIAR) Systems Database (FSD). OUSD(C) requires the owners of each system to maintain the current status of FFMIA compliance in FSD to support annual FFMIA compliance and SOA reporting. This information includes the System Name, Date Validated, Validating Organization, a Material Weakness Indicator (as a result of the FFMIA assessment), and Rationale for excluding a system from FFMIA compliance requirements.

A. The Head of each DoD reporting entity is responsible for planning, testing, evaluation, remediating, and reporting remediaion action progress and results. The Head of the reporting entity may delegate these responsibilities.

B. The reporting entity or delegate may rely on independent internal or external resources for FFMIA testing and evaluation (e.g., Service Audit Agency, DoD Inspector General, or independent public accounting firms). The reporting entity must ensure that resources employed are objective and sufficiently qualified to perform the evaluation. The Government Accountability Office (GAO) provides guidance regarding qualifications for performing program and financial statement audits in their “Generally Accepted Government Auditing Standards” (Yellow Book).
030303. FFMIA Compliance

The DoD strategy for FFMIA compliance is integrated with related efforts to achieve auditability and maintain effective Internal Control over Reporting (ICOR) including ICOFR. Documentation that supports these related requirements also support FFMIA compliance and may be used to avoid duplication of efforts. In accordance with the FFMIA and OMB Circular A-123, Appendix D, DoD financial management systems must meet Federal Financial Management System Requirements, applicable Federal accounting standards, and implement the USSGL at the transaction level.

* A. The Federal Financial Management System Requirements as defined in TFM, Volume 1, Part 6, Chapter 9500, Appendix 1 consist of 21 functions and 68 discrete requirements that a financial management system must satisfy in order to comply with FFMIA. Each requirement is associated with a business function and is categorized as data input, processing, or output. These federal financial management system requirements establish uniform financial systems, standards, and reporting that support the achievement of the DoD financial reporting objectives. Financial reporting objectives include the following.

1. Reliable financial reporting includes reliable, timely, and accurate financial information for managing day-to-day operations and reporting on the Department’s financial condition. Reliable financial reporting also includes maintaining ICOR and financial system security. System security includes adjustments to system data and databases as outlined in OMB Circular A-123. It is management’s responsibility to ensure the appropriate internal controls that direct and guide system operations are integrated into each system’s change process.

2. Effective and efficient operations includes maintaining cost effective financial operations and ensuring resources are safeguarded against waste, loss, and misuse.

3. Financial transactions must be consistent with laws, the DoD Financial Management Regulation (DoD 7000.14-R), and other guidance applicable to DoD.


C. USSGL transactions defined in the DoD USSGL Transaction Library.

* D. The DoD ICOFR Guide serves as a standard reference for users involved in financial reporting internal control activities within the DoD. This includes the annual requirements prescribed in the OMB Circular A-123, the FMFIA, and other applicable laws, regulations, and guidance. Its companion, the DoD Financial Statement Audit Guide is a reference for the Department’s personnel to use while supporting internal controls based financial statement audits.
1. Documentation and evaluation for each reporting entity.

2. Testing and assessment of material/significant segments and segment components. At a minimum, areas tested, evaluated, and documented must include existing software applications; software application acquisitions; third-party software provided as a service; and processes, procedures, controls, and data standards.

E. The DoD ICOFR Guide is a reference for users involved in financial reporting internal control activities within the DoD. This includes the annual requirements prescribed in OMB Circular A-123, FMFIA, and other applicable laws, regulations, and guidance. The DoD ICOFR Guide incorporates the requirements of OMB Circular A-123, and provides guidance on:

1. Documenting each organization’s system of internal control.

2. Assessing internal controls over business processes as well as Information Technology General Controls (ITGC) and IT Application Controls.

3. Identifying internal control deficiencies.

4. Implementing corrective actions.

5. Fulfilling the reporting requirements for OMB Circular A-123 and FFMIA.

F. The DoD ICOFR Guide identifies the specific Federal Information System Controls Audit Manual (FISCAM) control activities and techniques needed to address the key ICOR risk areas most likely to impact financial reporting based on the DoD’s experience. The remaining FISCAM control activities (identified as “Other Control Techniques for Consideration in a Financial Statement Audit”) should be considered by Components when evaluating federal financial systems’ compliance with laws and regulations, such as FFMIA and FISMA.

G. In addition, the system assessment and authorization requirements set forth in DoDI 8510.01, “Risk Management Framework (RMF) for DoD Information Technology” were developed to meet FISMA requirements but did not meet system audit requirements as defined in the DoD ICOFR Guide. To maximize testing efficiency, OUSD(C)) developed the Financial Management Overlay that maps select FISCAM controls to their RMF counterparts as defined in NIST Special Publication 800-53, Version 4, to allow entities to test controls once and meet multiple compliance requirements. Any applicable FISCAM controls not covered by the Financial Management Overlay must be included in separate internal controls testing under the Manager’s Internal Control Program.
030304. Compliance Determination Framework

OMB developed the “FFMIA Compliance Determination Framework” (see Table 3-1) to assist agencies in determining whether they are compliant with FFMIA requirements specified in section 803(a) of Pub. L. 104-208 (31 U.S.C. 3512 note). This framework is a risk and evidence-based assessment model that leverages existing audit tests, evaluations, and reviews that auditors, agency management, and others already perform. The work may include the external audit report and internal reports that provide any assurances over the financial statements. The major elements of the framework are as follows:

A. A series of financial management goals common to all Federal agencies and agreed upon by the financial management community.

B. One or more compliance indicator(s) is associated with each financial management goal. The indicators specify the recommended evidence agencies should consider when determining whether it meets each goal. Each compliance indicator corresponds to one or more of the section 803(a) requirements.

C. Each compliance indicator has recommended risk (or performance) levels agencies should consider when evaluating whether it meets the goal. Reporting entity compliance indicators may consist of a mix of risk levels (i.e., some indicators may be at low risk while others at a medium or high-level of risk). In making the compliance determination, the reporting entity will need to assess the relative importance or weight of the financial management goals for the agency and apply judgment when making the final compliance determination. Note: A reporting entity does not have to be at low risk for each compliance indicator to be in compliance with FFMIA.

D. Service providers must support their reporting entities’ financial statement audits by providing the reporting entities with an appropriate Service Organization Controls (SOC) examination reports, or by allowing user auditors to perform appropriate tests of controls at the service organization in accordance with OMB Bulletin No. 15-02. Once systems and/or business processes and reporting entities have been identified, service providers must develop a high-level strategy for supporting the reporting entities’ financial statement audits employing one of two options:

1. Undergo an examination in accordance with Standards on Statements for Attestation Engagement No. 18 (AT-C 320), where the service auditor reports on internal controls at service providers that provide services to reporting entities when those controls are likely to be relevant to reporting entities’ ICOFR; or

2. Participate in and directly supporting the reporting entities’ financial statement audit, where the service provider’s processes, systems, internal controls, and supporting documentation are incorporated into the reporting entity’s audit.

E. TFM, Volume I Part 6, Chapter 9500 contains the revised Federal Financial Management System Requirements. The updated requirements are as follows:
1. Focus on business outcomes rather than technology,

2. Be neutral on how an agency achieves the financial management business outcomes (e.g. software, shared services),

3. Emphasize financial management outcomes unique to the federal government (e.g. funds control),

4. Apply to both administrative systems and programmatic systems that support financial management business outcomes (mixed systems).

* F. Agencies should use these requirements in the pre-acquisition, acquisition, and implementation of new financial management solutions (manual and automated). In addition, agencies should use the Federal Financial Management System Requirements in accordance with Appendix D to OMB Circular A-123. Appendix D contains an outcome-based approach to assess FFMIA compliance through a series of financial management goals that are common to all agencies.

G. Organization and Content

1. The framework consists of two federal financial management categories. Category 1 is “Financial Information Management and Reporting;” and category 2 is “Financial Management and Internal Controls.” Within each category there is a group of related goals. For each goal, there are compliance indicators and a risk or performance level rating of low, medium, or high. Each goal is identified by a two-digit reference identification (ID) number. For example, category 1, goal 1 is numbered 1.1.

2. The goals articulate clear statements of what the agency wants to achieve to advance its mission and address relevant problems, needs, and challenges. The first two digits of a goal's reference ID corresponds to the first two digits of each requirement's ID number from the “Federal Financial Management System Requirements” contained in the TFM (see TFM Volume 1, Chapter 9500). For example, the Framework goal 1.1, "Consistently, completely, and accurately record and account for Federal funds, assets, liabilities, revenues, expenditures, and costs" corresponds to the TFM requirement 1.1.1.1, "Provide GL account classifications." In addition, each TFM requirement has a reference to the associated financial management regulatory guidance that promulgates the three requirements of section 803 (a) of the FFMIA. Achievement of goals must be assessed to determine whether an agency is in compliance with the FFMIA.

3. The compliance indicators are quantifiable or otherwise observable characteristics used to measure progress towards goals and demonstrate how well or at what level a goal has been achieved. Indicators are a subset of the information already being produced by agencies and auditors.

4. The risk levels identify the degree of risk that the agency is not in compliance with FFMIA.
030305. Maintaining Compliance

The DoD ICOFR Guide defines mandatory practices for maintaining auditability subsequent to assertion and validation. These same practices must be applied to maintain compliance with FFMIA requirements.

0304 RESPONSIBILITIES

The responsibilities identified in this section are limited to those specific to FFMIA compliance and are not meant to be an exhaustive list of all of the responsibilities of these entities. This includes the authorities and framework that the Department employs to monitor, analyze, validate, integrate, and control FFMIA compliance requirements.

030401. Office of the Under Secretary of Defense (Comptroller)

OUSD(C) has overall responsibility for FFMIA compliance oversight and direction and is supported by the FIAR and Business Integration Office (BIO) Directorates.

A. The FIAR Directorate:

1. Develops, publishes, and issues detailed financial improvement audit strategies, methodologies, and implementation guidance.


3. Monitors reporting entity FFMIA assertions made and provides internal control training to reporting entities on improving compliance with FFMIA.

4. Supports and monitors the progress of reporting entity testing and remediation plans; and develops metrics for monitoring and reporting progress.

5. Defines practices for maintaining auditability subsequent to FFMIA compliance assertion and validation.

6. Prepares and distributes to DoD Components instructions for the preparation of the Annual SOA, including reporting the results of the most recent FFMIA assessments.

B. The BIO Directorate:

1. Monitors, analyzes, and measures the progress of DoD reporting entities in achieving FFMIA compliance.

2. Issues and updates FFMIA compliance policy.
The Office of the Chief Management Officer (CMO) is the principal management office for the Secretary of Defense responsible for optimizing the business environment across the DoD enterprise. The Office of the CMO:

A. Oversees development, modernization, and sustainment of the Department’s portfolio of business systems through the Defense Business Council.

B. Develops and issues the Integrated Business Framework, the Business Enterprise Architecture requirements, and investment review process compliance guidance.

The DoD Component reporting entities must:

A. Develop a plan in accordance with OMB Circular A-130, “Responsibilities for Protecting and Managing Federal Information Resources,” Appendix I.

B. Ensure the system portfolio and remediation plans are consistent with modernization priorities identified in the DoD ETP.

C. Ensure their system portfolio is consistent with the systems reported in DITPR.

D. Conduct FFMIA certification testing using the GAO Financial Audit Manual and TFM Volume 1, Part 6, Chapter 9500, leveraging existing system development life-cycle activities where appropriate.

E. Address FFMIA compliance status and remediation plan in the Annual SOA.


G. Maintains risk assessments and ensures testing of internal controls are performed, and SOA supporting documentation (e.g., control evaluation matrix, detailed Corrective Action Plans (CAP), risk assessment) including evidence of management’s evaluation of existing internal controls and conclusions of material weaknesses reported in support of DoD-wide SOA reporting.

H. Maintains an itemization and characterization of the system of internal controls, Significant Deficiencies (Internal Control over Operations only), and Material Weaknesses and includes them in their SOA.
I. Ensures CAPs are established, internal control deficiencies remediated, and status reported to DoD leadership as specified in the DoD ICOFR Guide.

030404. Defense Finance and Accounting Service

The Defense Finance and Accounting Service (DFAS) must develop and maintain a DFAS system FFMIA compliance remediation plan in coordination with DoD Components. For each financial system and mixed system managed by DFAS, this includes:

A. Establishment of a Memorandum of Agreement (MOA) with each DoD reporting entity supported by each DFAS system.

B. Conducting compliance testing, as required per the MOA.

C. Supporting reporting entity end-to-end business process testing (in accordance with the MOA).

030405. DoD Inspector General

The Office of the Inspector General is responsible for:

A. Performing system audits (e.g., general and application control and FFMIA) based on the DoD Internal Control Guide and DoD Audit Guide.

B. Performing FFMIA compliance evaluations as part of financial statement audits and/or oversees evaluations performed by independent public accounting firms during financial statement audits. This includes identifying in writing the nature and extent of non-compliance when appropriate.

*030406. Defense Information Systems Agency

The Defense Information Systems Agency (DISA) provides application hosting services for the DoD’s service providers. As a result, DISA is responsible for most of the ITGC over the computing environment in which many financial, personnel, and logistics applications reside. In order for service providers and components to rely on automated controls and documentation within these applications, controls must be appropriately and effectively designed.
Table 3-1. FFMIA Compliance Determination Framework

<table>
<thead>
<tr>
<th>Goal</th>
<th>Compliance Indicator</th>
<th>Risk (or Performance) Level</th>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>1. Federal Financial Information Management and Reporting</strong></td>
<td></td>
<td>Low Risk</td>
<td>Medium Risk</td>
</tr>
<tr>
<td>1.1. Consistently, completely, and accurately record and account for Federal funds, assets, liabilities, revenues, expenditures, and costs.</td>
<td>1.1.a. Current / prior year’s agency-reported material weaknesses, reportable conditions, or non-conformances, or auditor-reported material weaknesses, or significant deficiencies related to accounting for and recording Federal funds, assets, liabilities, revenues, expenditures, and costs.</td>
<td>Agency- or auditor-reported control deficiencies that individually or collectively are not considered significant.</td>
<td>Agency-reported reportable conditions or non-conformances.</td>
</tr>
<tr>
<td>1.2. Provide timely and reliable Federal financial management information of appropriate form and content to agency program managers for managing current Government programs and activities.</td>
<td>1.2.a. Current / prior year’s agency-reported material weaknesses, reportable conditions, or non-conformances related to internal reporting of financial management information used for managing current Government programs and activities.</td>
<td>Agency-reported control deficiencies that individually or collectively are not considered significant.</td>
<td>Agency-reported reportable conditions or non-conformances.</td>
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<tbody>
<tr>
<td>1.3. Provide timely and reliable Federal financial management</td>
<td>1.3.a. Audit opinion on agency financial statements.</td>
<td>Low Risk: Unmodified (Unqualified). Medium Risk: N/A. High Risk: Modified (Qualified), Disclaimer, or Adverse.</td>
</tr>
<tr>
<td>information of appropriate form and content for continuing use</td>
<td></td>
<td></td>
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<tr>
<td>by stakeholders external to the agency, including the President,</td>
<td></td>
<td></td>
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<tr>
<td>Congress, and the public.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.3. Provide timely and reliable Federal financial management</td>
<td>1.3.b. Unaudited interim agency financial statements submitted to OMB within 21 calendar days after</td>
<td>Low Risk: On time. Medium Risk: Not on time for current quarter. High Risk: Not on time for</td>
</tr>
<tr>
<td>information of appropriate form and content for continuing use</td>
<td>the end of the first three quarters of the fiscal year.</td>
<td>current and prior quarter(s).</td>
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<tr>
<td>by stakeholders external to the agency, including the President,</td>
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<tr>
<td>Congress, and the public.</td>
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<td>Congress, and the public.</td>
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<tr>
<td>1.4. Provide timely and reliable Federal financial management information of appropriate form and content that can be linked to strategic goals and performance information.</td>
<td>1.4.a. Agency costs, as presented in the Statement of Net Cost, in accordance with OMB Circular A-136, are clearly linked to agency strategic goals and are free from agency-reported material weaknesses, reportable conditions, or non-conformances, or auditor-reported material weaknesses or significant deficiencies.</td>
<td>Low Risk</td>
</tr>
<tr>
<td></td>
<td>Agency- or auditor-reported control deficiencies that individually or collectively are not considered significant.</td>
<td>Agency-reported reportable conditions or non-conformances.</td>
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<tr>
<td></td>
<td>OR</td>
<td>Auditor-reported significant deficiencies.</td>
</tr>
<tr>
<td>1.4.b. Financial and performance information, as presented in the performance section of the Agency Financial Report or Performance &amp; Accountability report, is free from agency-reported material weaknesses, reportable conditions, or non-conformances.</td>
<td>Agency-reported control deficiencies that individually or collectively are not considered significant.</td>
<td>Agency-reported reportable conditions or non-conformances.</td>
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<tr>
<td></td>
<td>Low Risk</td>
<td>Medium Risk</td>
</tr>
<tr>
<td><strong>2. Financial Management and Internal Controls</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1. Provide internal control to restrict Federal obligations and outlays to those authorized by law and within the amount available.</td>
<td>2.1.a. Current / prior year’s agency-reported material weaknesses, reportable conditions, or non-conformances, or auditor-reported material weaknesses or significant deficiencies related to restricting agency obligations and outlays to those authorized by law and within the amount available.</td>
<td>Agency- or auditor-reported control deficiencies that individually or collectively are not considered significant.</td>
</tr>
<tr>
<td></td>
<td>2.1.b. Antideficiency Act violation report required to be submitted.</td>
<td>None required within the last 2 fiscal years preceding the current fiscal year.</td>
</tr>
<tr>
<td>2.2. Perform Federal financial management operations effectively within resources available.</td>
<td>2.2.a. Current / prior year’s instances of non-compliance with laws and regulations related to prompt payments or debts owed to the Federal Government.</td>
<td>No reported instances.</td>
</tr>
</tbody>
</table>
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<tr>
<td></td>
<td></td>
<td><strong>Low Risk</strong></td>
</tr>
<tr>
<td>2.3. Minimize waste, loss, unauthorized use, or misappropriation of Federal funds, property and other assets within resources available.</td>
<td>2.3.a. Current / prior year's agency- reported material weaknesses, reportable conditions, or non-conformances, or auditor-reported material weaknesses or significant deficiencies related to minimizing waste, loss, unauthorized use, or misappropriation of Federal funds, property and other assets.</td>
<td>Agency- or auditor-reported control deficiencies that individually or collectively are not considered significant.</td>
</tr>
<tr>
<td>2.4. Minimize Federal financial management system security risks to an acceptable level.</td>
<td>2.4.a. FISMA or other (for example, National Institute of Standards and Technology-related) significant deficiencies impacting financial management systems in the agency Security Certification and Accreditation of Federal Information Systems.</td>
<td>Agency- or auditor-reported control deficiencies that individually or collectively are not considered significant.</td>
</tr>
</tbody>
</table>

Agency-reported non-conformances, reportable conditions, or material weaknesses OR Auditor-reported significant deficiencies or material weaknesses.