MANAGEMENT CONTROL EVALUATION CERTIFICATION STATEMENT For use of this form, see AR 11-2; the proponent agency is ASA(FM).	1. REGULATION NUMBER **AR 215-1** 2. DATE OF REGULATION **24 Oct 06**

3. ASSESSABLE UNIT

Directorate of Morale, Welfare, and Recreation, Fort Monroe, VA 23651

4. FUNCTION

Budget Preparation and Execution

5. METHOD OF EVALUATION *(Check one)*

X	a. CHECKLIST	b. ALTERNATIVE METHOD *(Indicate method)*
	APPENDIX *(Enter appropriate letter)*	

6. EVALUATION CONDUCTED BY

a. NAME (Last, First, MI)	b. DATE OF EVALUATION
MacGILLIVRAY, Roderick P.	**30 Jan 07**

7. REMARKS (Continue on reverse or use additional sheets of plain paper)

Budgets were prepared IAW IMCOM and NERO instructions and were submitted within timeframes approved by NERO. Actual performance for FY06 exceeded budget.

8. CERTIFICATION

I certify that the key management controls in this function have been evaluated in accordance with provisions of AR 11-2, Army Management Control Process. I also certify that corrective action has been initiated to resolve any deficiencies detected. These deficiencies and corrective actions *(if any)* are described above or in attached documentation. This certification statement and any supporting documentation will be retained on file subject to audit/inspection until superseded by a subsequent management control evaluation.

a. ASSESSABLE UNIT MANAGER

(1) Typed Name and Title	b. DATE CERTIFIED
PAUL A. HEILMAN, Director of Morale, Welfare, and Recreation	
(2) Signature	**30 Jan 07**

Checklist
For Evaluating Key Management Controls For Planning and Budgeting
for the
Installation MWR Fund

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Prepared By
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BUDGET PREPARATION

This checklist is intended for use in evaluating the effectiveness of controls over budget preparation for the Installation Morale, Welfare and Recreation Fund. It is not intended to be all-inclusive and should be supplemented as necessary to account for local operating conditions. Positive responses to questions indicate operations are generally effective. Negative responses indicate potential problems. When a negative response is recorded, managers should do additional research to identify and correct the causes of the problems.

	NO
1. Was the current year's budget prepared IAW the annual budget instructions issued by Community and Family Support Center (available on the World Wide Web - http://armymwr.army.mil), as supplemented by the major command?	
2. Review the current operations, current NAF financial statements and current MACOM-approved budget. Are all programs consistently portrayed in the budget and on the financial statements using the proper program code and department codes?	X
3. Have all sources of income been identified in the budget (including income available from recycling program) and are they included under the appropriate program and department code?	X
4. Does the single fund's projected net income before depreciation meet the standards of the MWR Board of Directors, and when a program NIBD standard exists, does the NIBD comply?	X

Submitted budget does not meet 8% NIBD standard. Region has accepted budget. Hurricane Isabel impact.

5. Have all managers completed ACTEDS required structured, progressive, and sequential training for entry-level through their current management position?	—
6. Have all managers received training in the mandatory Financial Management Budget System (FMBS) to automate the budget preparation process?	X

FMBS input provided by FMD.

7. Were managers instructed on budget preparation requirements so that budgets are consistently prepared?	X

		NO
8. Were monthly and quarterly variance reports from at least 2 prior years available and used as a basis for preparing department and activity level budgets?	_X__	
9. Were the reports available from Standard Management Information Reports for Finance (SMIRF) for prior financial information used as a basis to prepare department and activity level budgets?	X	
10. Was the Financial Management Budget System (FMBS) used to prepare the budget?	X	
11. Did department and activity managers annotate in budget narratives any significant changes between historical results and current projections?		
12. Did department and activity managers explain in management narratives how budget goals will be achieved or cost savings will be realized?	_X__	
13. Were division managers involved in reviewing program/ activity level budgets?	_X__	
14. Is documentation available to show the extent of division managers involvement in the budget review process, and were changes to program/activity level budgets documented?		X
15. Compare the cash programmed for capital purchases and the minor construction projects with the last 3 years of expenditures. Is the amount of cash programmed realistic?		
Is the budgeted net income before depreciation (NIBD) greater than the budgeted capital purchases and minor construction (CPMC)?	_X__	
16. Are CPMC items/projects budgeted from the correct source of funds (APF/NAF)? If NAFs are budgeted for an APF-authorized item, has a statement of nonavailability of APFs been obtained?	_X_	
17. Do all Category A programs (except unit activities) collectively at least break-even before depreciation?	X	

NO

18. Do all Category B programs collectively (excluding CDS), at least break-even before depreciation?

19. Do Category C programs (excluding Golf and Bowling programs) individually at least break-even before depreciation?

Does the Golf and Bowling program budgeted amount of NIBD reflect the NIBD standard? N/A

No Cat C Bowling or Golf activities on this Post.

20. Is the NIBD break-even or positive for CDS programs in the aggregate (program codes, PC, PD, PG, PL, QL, and JG)? X_

21. Is there sufficient cash programmed to be available for all budgeted CPMC items/projects? Will the fund maintain a cash to debt ratio of between 1:1 and 2:1 (total cash to current liabilities)? ____ N/A

OBE Cash now centrally managed

BUDGET EXECUTION

This checklist is intended for use in evaluating the effectiveness of controls over budget execution for the Installation Morale, Welfare and Recreation Fund. It is not intended to be all-inclusive and should be supplemented as necessary to show local operating conditions. Positive responses to questions indicate operations are generally effective. Negative responses indicate potential problems. When a negative response is recorded, managers should do additional research to identify and correct the causes of the problems.

	YES	NO
1. Review documentation of budget variance analysis. Were all significant department and activity level variances analyzed and documented for cause, potential for recurrence, and management action taken or planned to prevent recurrence?		X

Explanations and corrective action provided verbally by managers to DCA at monthly budget brief.

2. Does the Assistant Director for Community and Family Activities and the garrison commander or chief of staff receive periodic briefings on the progress made on meeting budget goals?	X	
3. Were budget revisions prepared and submitted to the major command when circumstances beyond management control cause significant budget variances?	X	
4. Were budget revisions made at the activity level when changes in operations are outside the scope of management?	X	
5. Has the Commander's Mission Box "gumball" chart been prepared and used to brief the garrison commander and/or chief of staff at least quarterly?		X

Commander has not expressed any interest in Gumball Chart.

6. Have effective management actions been taken to correct all "amber" or "red" conditions on the Commander's Mission Box?	X	

CIFAD