



# Entity Evaluation Training

Office of  
Financial Risk, Policy and Controls  
February 2012

# Agenda

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## **PART I – Framework and Policies**

- A. DOE Internal Controls Program Overview
- B. FY12 Guidance – Policy Changes and Key Dates
- C. Entity Reporting Requirements

## **Part II – Introduction to the Entity Evaluation**

### **Four Step Process**

- A. Perform the evaluation
- B. Prepare corrective actions (CAP)
- C. Document the evaluation
- D. Report the results – Assurance memo

## **Part III – Financial Management Systems (FMS) Evaluation**

- A. Requirements
- B. Four step process

## **Part IV– Entity Assessment Tool (EAT)**

- A. Changes and enhancements
- B. Demo



(06/2012)

**Internal Controls Assessment Policy Framework**



**Federal Managers' Financial Integrity Act**



Section II -  
Internal Controls

Section IV -  
Financial Mgmt Systems



OMB Circular  
A-123

OMB Circular  
A-127

OMB Circular  
A-130

GAO Standards for  
Internal Control in the  
Federal Government

Appendix A



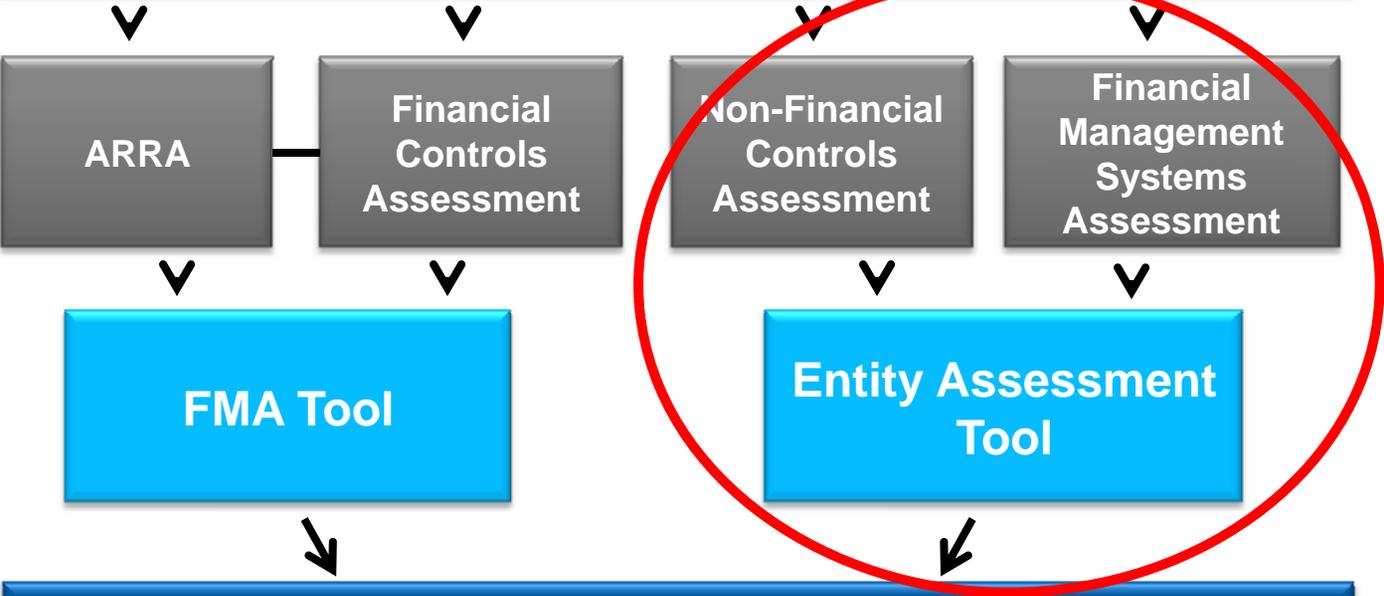
**DOE Order 413.1B, *Internal Controls Program***



# DOE Internal Controls Assessment Framework

DOE Order 413.1B, *Internal Controls Program*

Agency segmented into Departmental Elements



Annual Assurance Memorandum

Secretary's Statement of Assurance



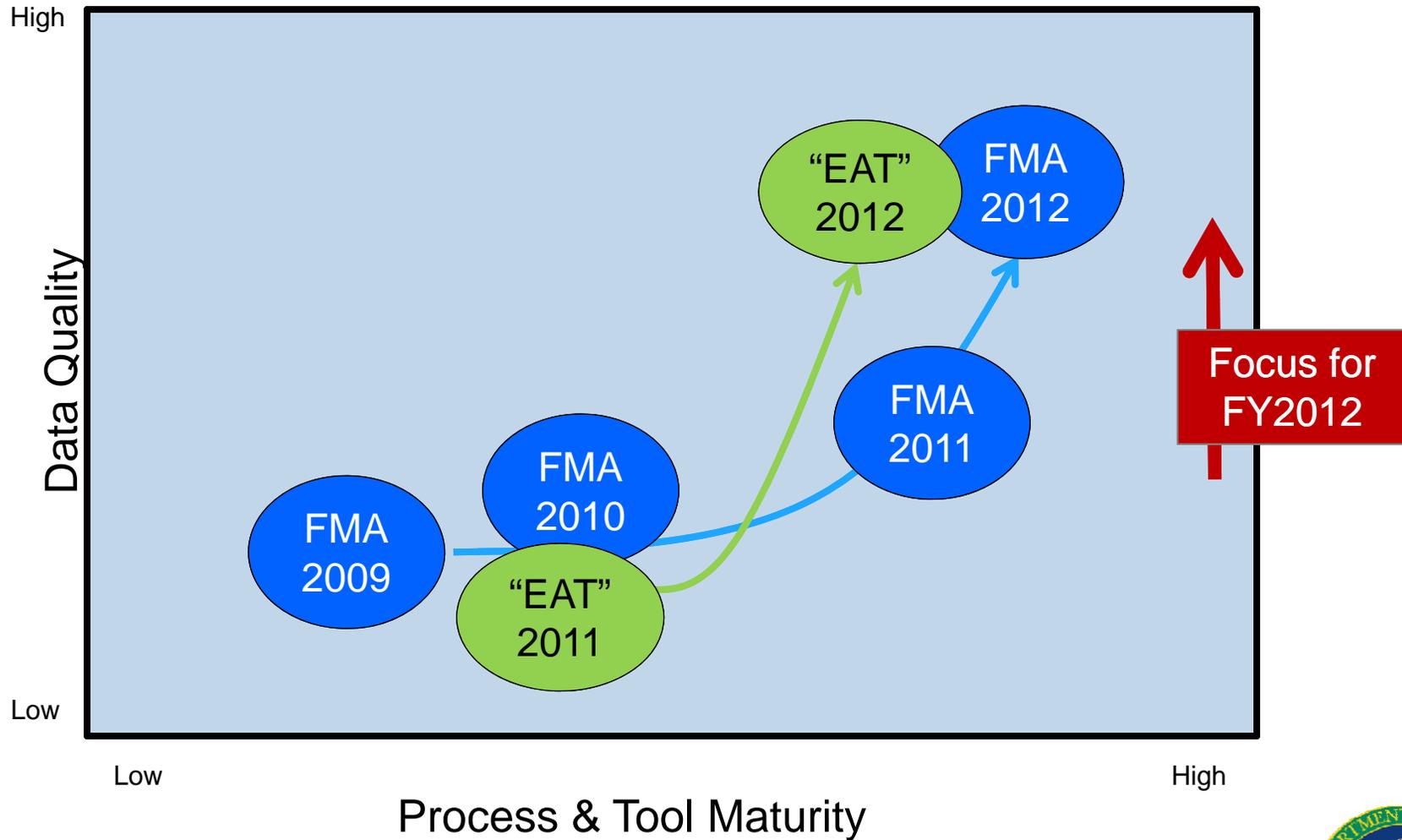
# DOE Internal Controls Program Overview

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- Program Accomplishments for FY 2011
  - Entity Assessment Tool (EAT) enabled standardization of assessment documentation against common control objectives
    - Further incorporated GAO standards
    - Enabled agency-level analysis
  - Common Financial Management Assurance (FMA) Tool enabled standardization of submissions and agency-level analysis
    - Standardized reporting across common corporate risks
    - Ability to add local risks by site through drop-down options on relevant sub-processes
- Program Maturity for EA and FMA: DOE emphasis shifting to ***Quality of Content***
  - Credibility
  - Reliability
  - Assurance



# Maturity Level of FMA (Process) and EAT (Entity)



(06/2012)

## FY 12 Path Forward

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- Coordination of the internal controls program by the Office of Financial Risk, Policy, and Controls (CF-50).
- Continued use of the Entity Assessment Tool for non-financial controls reporting (programmatic, administrative, operational) controls.
- Clarification on internal controls framework, including policies, processes, and reporting requirements is provided through FY12 guidance.
- Additional training materials are available from CF-50 on:
  - Internal Controls Basic Training
  - FY12 Internal Controls Guidance
  - Financial Management Assessment and Tools



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## FY 12 Significant Policy Changes

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- Entity Assessment Tool:
  - Tool enhancements have been made based on FY11 user feedback
- Assurance Memorandum templates will be issued, one for the field and one for headquarters elements.
  - *Corrective action plans are not required to be included in the Assurance Memorandum, but continue to be required to be developed and tracked by Departmental elements.*
  - *Instead, a “CAP Summary” of all open reportable conditions and/or material weaknesses will be submitted as part of the Assurance Memorandum, describing the status of remediation activities that have taken place or will take place in the next fiscal year.*



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## Key Dates

Date	Description
April 16, 2012	FMA Tool Submission for Q2 of FY 12
April 16, 2012	Entity Conference Call to collect any known preliminary issues on high risk areas or focus areas
June 29, 2012	Departmental elements performing FMA evaluations complete testing of all High Combined risks identified in the current year evaluation scope of the FMA Tool.
June 29, 2012	Departmental elements performing FMA evaluations complete corrective actions and re-testing of all controls in remediation, which may have a negative impact on the Statement of Assurance.
July 16, 2012	FMA Tool Submission for Q3 of FY 12
July 16, 2012	Field offices and Power Marketing Administrations submit Entity Assessment Tool
August 1, 2012	Field offices and Power Marketing Administrations submit Assurance Memorandum
August 15, 2012	Headquarters offices submit Entity Assessment Tool
September 3, 2012	Headquarters offices submit Assurance Memorandum to the Office of the Chief Financial Officer. <i>Original SIGNED copies</i> of the Assurance Memorandum from each headquarters element must be delivered to the Office of the Chief Financial Officer.



# Entity Reporting Requirements

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- Agency Management Must:
  - Maintain adequate internal controls to ensure efficient, effective and compliant reporting and operations;
  - Monitor controls on an on-going basis;
  - Identify internal and external issues that may prevent the Agency from meeting its objectives;
  - Identify and take necessary corrective actions to address known issues;
  - Annually evaluate and report on the status of agency-wide internal controls; and
  - Ensure that evaluation/reporting procedures have a clear, organized strategy, well-defined documentation processes, verifiable results, and an audit trail
- The Bottom Line:
  - Take early and proactive actions to prevent and minimize reportable incidents

Position DOE for Mission Success



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## Introduction to the Entity Evaluation

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**Definition:** A structured self-evaluation designed to provide reasonable assurance that control systems are in place and working effectively to mitigate issues and ensure mission objectives are accomplished effectively, efficiently, and in compliance with laws and regulations.

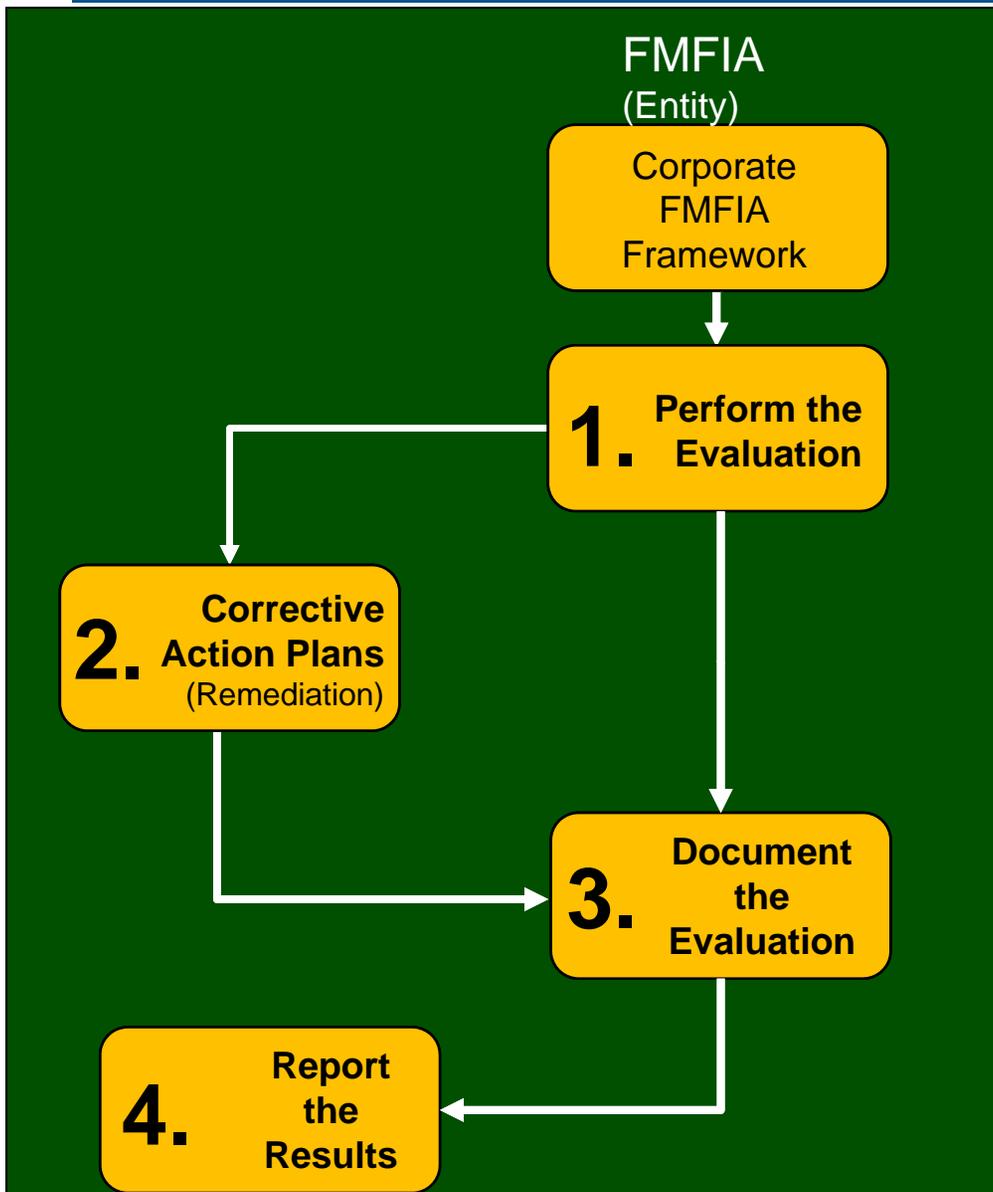
The entity evaluation focuses primarily on programmatic-level operational and administrative controls; however, these controls can have financial implications.

### **Four step process:**

1. Perform the Evaluation
2. Prepare and Track Corrective Action Plans (CAPs)
3. Document the Evaluation
4. Report the Results in the Assurance Memorandum



# A Four Step Process



## 1. Perform the Evaluation:

- Assess the effectiveness of the most critical entity internal controls
- Ensure that mission objectives are met effectively, efficiently, and in compliance with applicable laws and regulations..

## 2. Prepare and Track Corrective Action Plans (CAPs):

- Develop and track any control deficiencies identified until corrected.

## 3. Document the Evaluation:

- Each Departmental element will document the entity evaluation using the Entity Assessment Tool (EAT).

## 4. Report the Results:

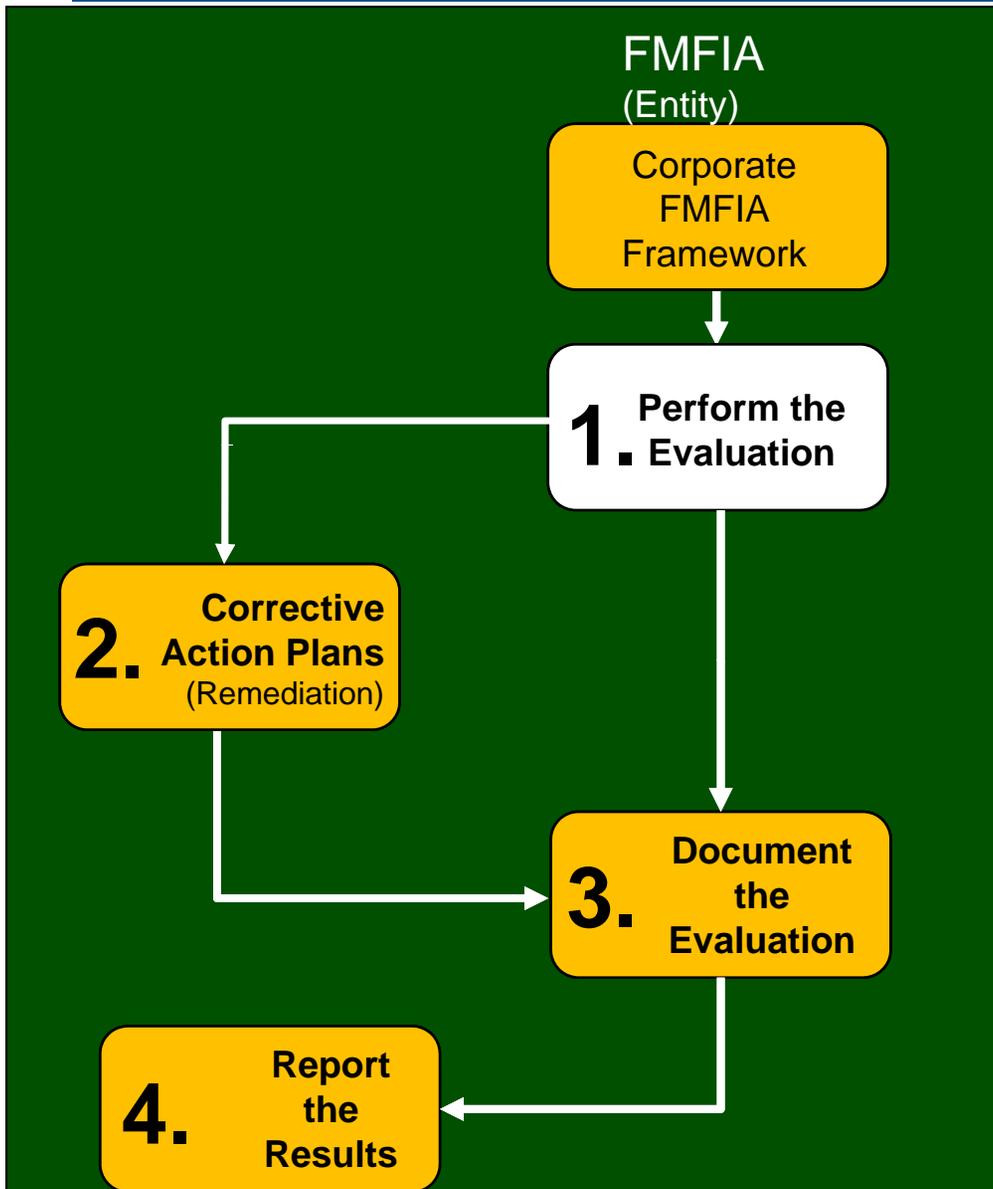
- The results of the entity evaluation will be reported in an annual Assurance Memorandum.



(06/2012)

# 1. Perform the Evaluation

## Evaluation Methods and Techniques



### Perform the Evaluation

- Surveys
- Management meetings
- Reliance on recent evaluations
- Observations
- Documentation verification
- Data analysis
- Execution testing
- Interviews



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# 1. Perform the Evaluation

## Evaluation Considerations

- Departmental Management Priorities
- IG and GAO reports
- Prior-year Assurance Memos and EAT and FMA Tools
- Existing “Assurance System” reports
- Contractor and field office internal control evaluation reporting
- Performance reporting results
- Results of other internal or external assessments
- Management meetings or interviews with critical staff regarding key control areas
- Relevant management reports (i.e. safety manager reports, infrastructure status reports, etc.)
- Review or analysis of other relevant and reliable information
- Using basis of evaluation to determine if an issue exists
- Magnitude or potential impact of issues is not important at this point
- Issues represent areas where certain control objectives are not being met or are trending towards not being met in an efficient, effective manor
- Inability to define a reasonable basis of evaluation may in itself indicate a core control issue



# 1. Perform the Evaluation

## Analyzing – Rating the Issues

Ratings		Description
1	Non-Significant Issue	An issue which <b>would not</b> have a “Significant” current or potential future negative impact on meeting mission or mission support objectives, operating in a safe/secure manner; or meeting major internal or external commitments.
2	Potential Significant Issue	<p>An issue with a “Significant” negative impact on meeting mission or mission support objectives, operating in a safe/secure manner; or meeting major internal or external commitments.</p> <p>This would include <b>potential future issues</b> (i.e. likely impacts <b>a year or more away</b>) that are <b>trending towards negative impacts</b>, trending towards management at unacceptable risk levels or will negatively influence outcomes if not addressed.</p>
3	Immediate Significant Issue	<p>An issue with a “Significant” negative impact on meeting mission or mission support objectives, operating in a safe/secure manner; or meeting major internal or external commitments.</p> <p>This would include issues which are <b>currently negatively</b> influencing outcomes or which will most likely have a <b>negative impact within the next year</b> if not addressed. This would also include issues which have resulted in the entity <b>managing</b> an activity <b>at an unacceptable level of risk</b>.</p>



## 1. Perform the Evaluation

# Analyzing – Rating Considerations

An entity may consider an issue “Significant” and rate it as a 2 or 3 if any of the following apply (Note: There could be other reasons to score a 2 or 3):

- Substantially impairs mission or mission support activities
- Is currently or is trending towards the site operating at an unacceptable level of risk
- Violates significant statutory or regulatory requirements
- Represents a significant safety and health issue
- Endangers National Security or presents a significant security issue
- Substantially weakens safeguards against waste, loss, or misuse of funds
- Could result in significant financial losses or unallowable costs
- Results in a conflict of interest
- Merits attention of management at least one level higher than the entity involved
- Represents a systemic issue that could individually or in the aggregate result in significant impacts
- Subject of adverse media coverage, adverse audit reporting or Congressional interest
- Could reflect adversely on management’s integrity if not reported



(06/2012)

# 1. Perform the Evaluation

## Analyzing – Impact Evaluation

### Impact Evaluation is critical to...

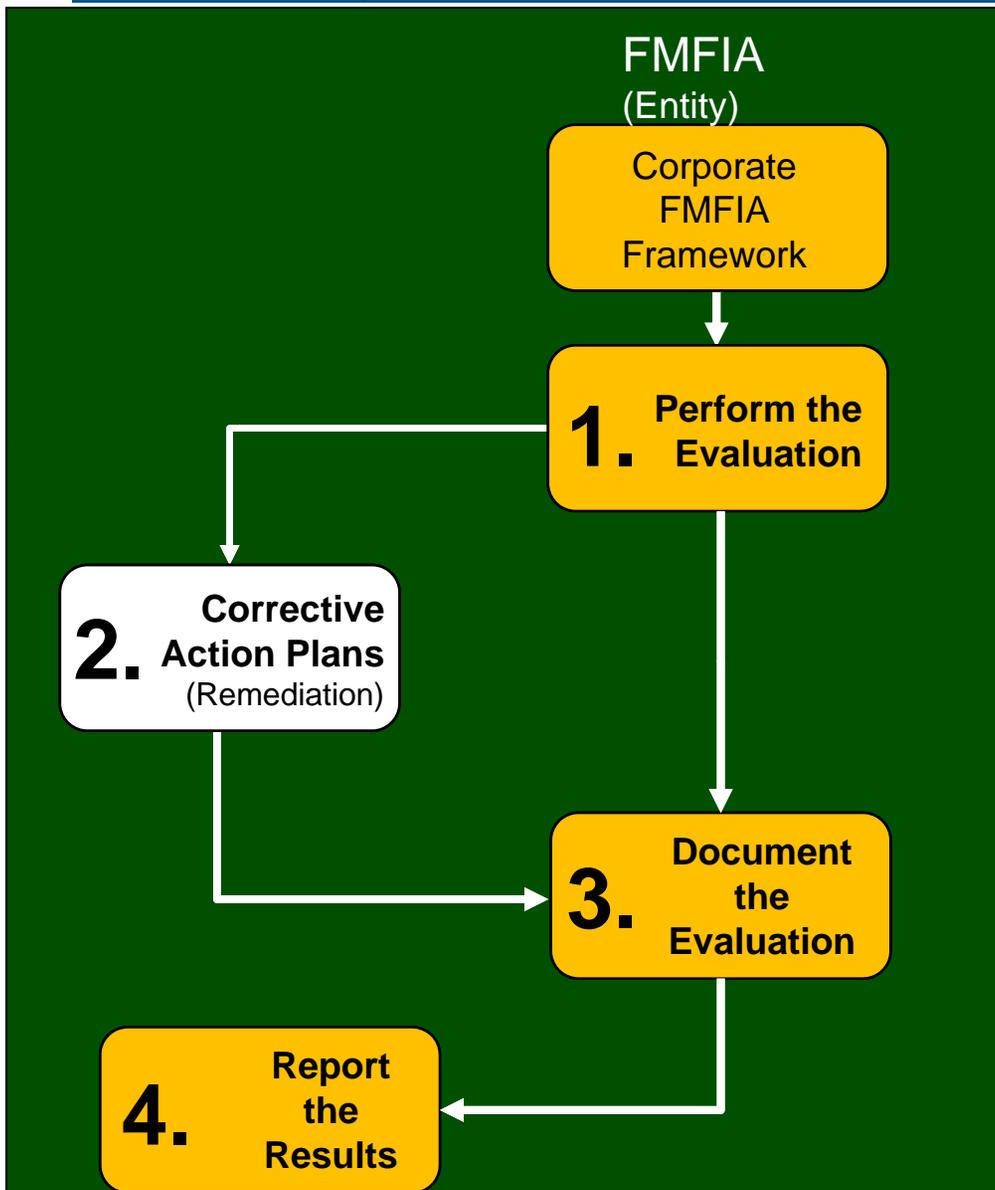
- Help the site and leadership understand the magnitude of the potential negative consequences that are occurring or could occur because of the control issue
- Support prioritization of key issues
- Ensure all affected areas of DOE are aware of the issues and impacts (owners, customers, stakeholders, decision-makers)
- Allow for cross-cutting reporting of issues to affected organizations



(06/2012)

## 2. Corrective Action Plans (Remediation)

# Key Activities



## Corrective Action Plans:

- Identification
- Tracking
- Maintenance
- Reporting



## 2. Corrective Action Plans (Remediation)

# Prepare & Track CAPs

When a “Control Deficiency” is identified, the Departmental Element should prepare a CAP.

A “Control Deficiency” exists when specific control objectives are not being met. This could be due to a deficiency in the design or operations of controls or the non-existence of controls. Control deficiencies are only reportable if they meet the definition of a Reportable Condition or Material Weakness.

**Reportable Condition** - is a control deficiency, or combination of control deficiencies, that in management’s judgment should be communicated because they represent significant weaknesses in the design or operation of internal control that could adversely affect the organization’s ability to meet its internal control objectives.

**Material Weakness** – represents reportable conditions which the agency head determines to be significant enough to report outside of the agency.

**Scope Limitation** – may exist when the entity identifies potentially significant deficiencies in the scope of the internal controls evaluations conducted.



## Remediation – Key Considerations

CAP – A key action is preparing and executing a sound action plan (which will be tracked in the CAP Tracking Tab of EAT, and if applicable, a CAP summary submitted with the Assurance Memo)

Root Cause – It is critical to define the root cause prior to developing a corrective action strategy and milestones. Otherwise, we may fix symptoms rather than addressing the core problem.

Funding is Not the Final Answer – In the current environment, funding shortages may be a contributing factor in the root cause. However, we must also remember that when it comes time for corrective actions, *lack of funding may be a reality to be managed*.

Milestones – When an issue may take a long-time to resolve or the realities indicate that the “Optimal Solution” may not be feasible, it’s important to think in terms of:

- Long-term / Optimal milestones – Milestones that provide a final, sustainable solution to the control issue.
- Short-term / Mitigation milestones - Milestones that may not be optimal, but provide short to mid-term actions to mitigate the impacts to the extent possible until long-term/optimal milestones may be developed/realized.



(06/2012)

**2.** Corrective  
Action Plans  
(Remediation)

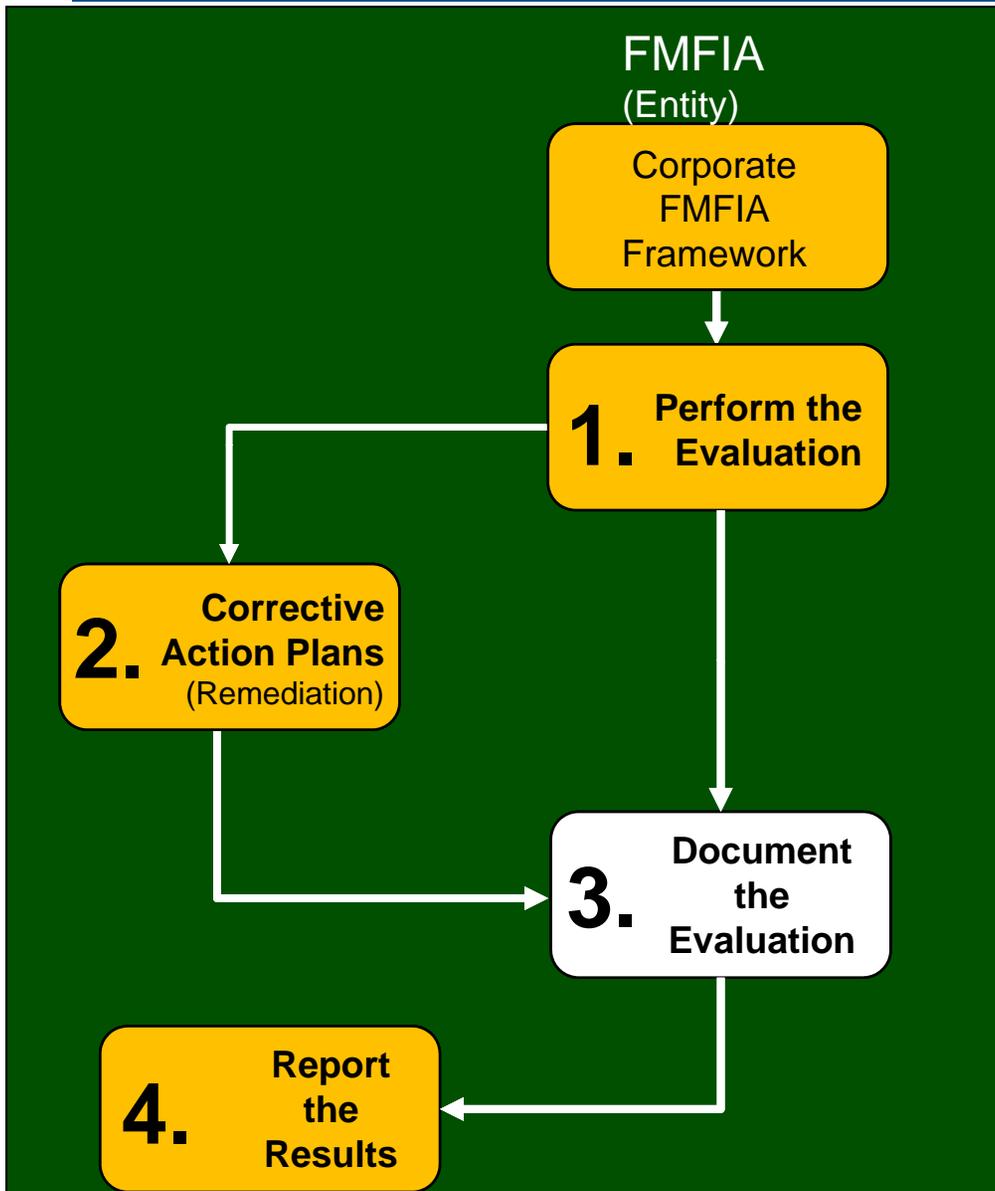
## Prepare & Track CAPs (continued)

- Plans should be signed by the accountable management official and should be tracked and updated on an on-going basis until completion.
- CAPs should be maintained and tracked locally.
- A summary of all CAPs for control deficiencies rising to the level of a reportable condition or material weakness should be attached to the Assurance Memo.



### 3. Document the Evaluation

## Key Activities



### Document the Evaluation

- Using the Entity Assessment Tool
- Maintaining documentation
- Quality Assurance



### 3.

### Document the Evaluation

## Document the Evaluation

***The evaluation is only as good as the documentation maintained to support it.***

The Entity Assessment Tool (EAT) will document the most critical supporting information including:

- Basis of Evaluation;
- Results of the review;
- Impact Evaluations (for issues identified) and CAPs; and
- Other critical information

At a minimum, the following documentation must be maintained locally for each program:

- A copy of any Corrective Action Plans
- A signed copy of the Departmental Element's final Assurance Memo
- Other documents:
  - Lists of audit reports considered; copies of reports and other documents relied upon; etc.

Documentation may be audited by the IG or reviewed by CF-50 for completeness.



### 3.

#### Document the Evaluation

## Characteristics of “Reasonable” Basis of Evaluation

- Leverage existing evidence to the extent possible
- Directly relevant to the GAO Standard and control objectives
- Short, but clear and descriptive
- Should not require special knowledge to understand
- A reasonable person should be able to see the linkage between the basis and the GAO Standard
- “Supporting Data / Metrics / Information” is encouraged to support the Basis of Evaluation and later analysis.



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### 3.

#### Document the Evaluation

## Characteristics of “Reasonable” Basis of Evaluation – (continued)

The following data types would be considered an acceptable Basis of Evaluation:

**External Reports** – Specific Inspector General (IG) and GAO Reports or other external independent reports.

**Internal Reports** – Specific internal audit reports; reports from oversight offices (e.g. safety/security); etc.

**Performance Metrics** – Results of specific performance metrics relevant to the control standard areas, such as safety statistics at facilities, skills gap hiring data, etc.

**Periodic Review Results** – Results from specific reviews performed, which provide insight into the status of control areas, such as quarterly safety managers reviews, annual ethics reviews by the General Counsel’s Office, etc.

**Planning Documents** – Specific planning documents which reflect the results of a “point-in-time” assessment of control areas.

**Any other bases which provide direct insight into the “Status”** of the site’s controls in the GAO Standard Areas, this can include activities, incidents, and observations.

See EAT User Guide - Section IV B. - for further examples of acceptable Bases of Evaluation.



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### 3.

#### Document the Evaluation

## Characteristics of “Reasonable” Basis of Evaluation – (continued)

The following would **NOT** be an acceptable Basis of Evaluation:

1. “Contractor Assurance Systems” – This is too general. Unable to see direct tie to any specific GAO standard.
2. “DOE Order XXX” – Orders, policies, etc. define how things “should” be done, but they do not provide any insight into how things are actually operating (i.e. the current status of controls).
3. “5 Year Site Plan” – Can be a basis, but would need more information to be acceptable or traceable to a specific standard.
4. “FY12 IG and GAO Reports” – This is too general. Such reports can be a basis when referencing specific reports that relate to specific GAO Standard areas.
5. A general description of processes that take place within the organization to satisfy a particular criterion, without reference to specific and tangible documents that could substantiate that these processes take place.



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### 3.

### Document the Evaluation

## Characteristics of “Reasonable” Basis of Evaluation – (continued)

Below are several examples of well-documented bases of evaluation for specific Entity Control Categories listed in the EAT. Remember the Basis of Evaluation is looking for outcomes and results.

### Infrastructure

- 2010 5-Year Site Plan (Infrastructure status report section).
- Safety Managers’ annual facility reports.
- 2011 Facility recapitalization plan.
- Quarterly deferred maintenance reports.

### Workforce Planning

- Bi-annual workforce Planning Survey Results.
- FY10 Strategic Plan, Workforce profile and planning section.
- Priority hiring program results, which focus on hiring in critical skills gap areas.

### Technological Capabilities

- Program X technology road-map.
- GAO Report #123, which evaluated whether the program had emerging technology issues.
- FY10 program data call results for technology needs.
- FMFIA Survey Technology Status Questions.

### Project Cost Management

- Quarterly Project Cost Management performance metrics results.
- IG Report #123, which evaluated PCM status for key site projects.



(06/2012)

### 3.

### Document the Evaluation

## Quality Assurance

QA is critical to ensure:

- Requirements were understood and effectively/ consistently implemented by all participants in the FMFIA process
- Results are based on a reasonable “Basis of Evaluation”
- Impacts have been clearly and completely articulated
- Actions Plans are reasonable to address identified issues

***Quality assurance should occur at all levels of the organization***

FMFIA Coordinators are expected to:

- Establish a local QA process/approach for the site/entity
- Document the actions taken during the QA process
- Deliver a quality product (EAT Tool) for corporate analysis



(06/2012)

### 3.

### Document the Evaluation

## Quality Assurance (continued)

### Basis of Evaluation

- Is the BOE directly relevant to the Standard?
- Does the BOE require special knowledge to understand?
- Is the BOE stated in a succinct manner (sentences, not paragraphs)?
- Are the BOEs institutionalized or one-time activities?

### Issue Ratings

- Are there any data/metrics/information provided to support the Issue Ratings?
- Is the issue rating consistent with other known information (e.g. IG/GAO Reports, other reports; budget requests; planning documents; speeches/testimony; etc.)?



(06/2012)

### 3.

### Document the Evaluation

## Quality Assurance (continued)

### Impact Assessment

- Is the impact analysis consistent with the issue rating (especially consider Timing and Type)?
- Are the impact descriptions clear and succinct?
- Are there any other obvious impact types?
- Are there any other obvious program/sub-programs impacted (don't forget mission support offices)?
- Have all required fields been populated?

### Corrective Action

- Does the root cause appear reasonable / logical?
- Are milestones consistent with root cause (Including long-term and short-term/interim milestones as necessary)?
- Are the milestone dates reasonable to mitigate the impacts (consider impact timing)?
- Have all required fields been populated?

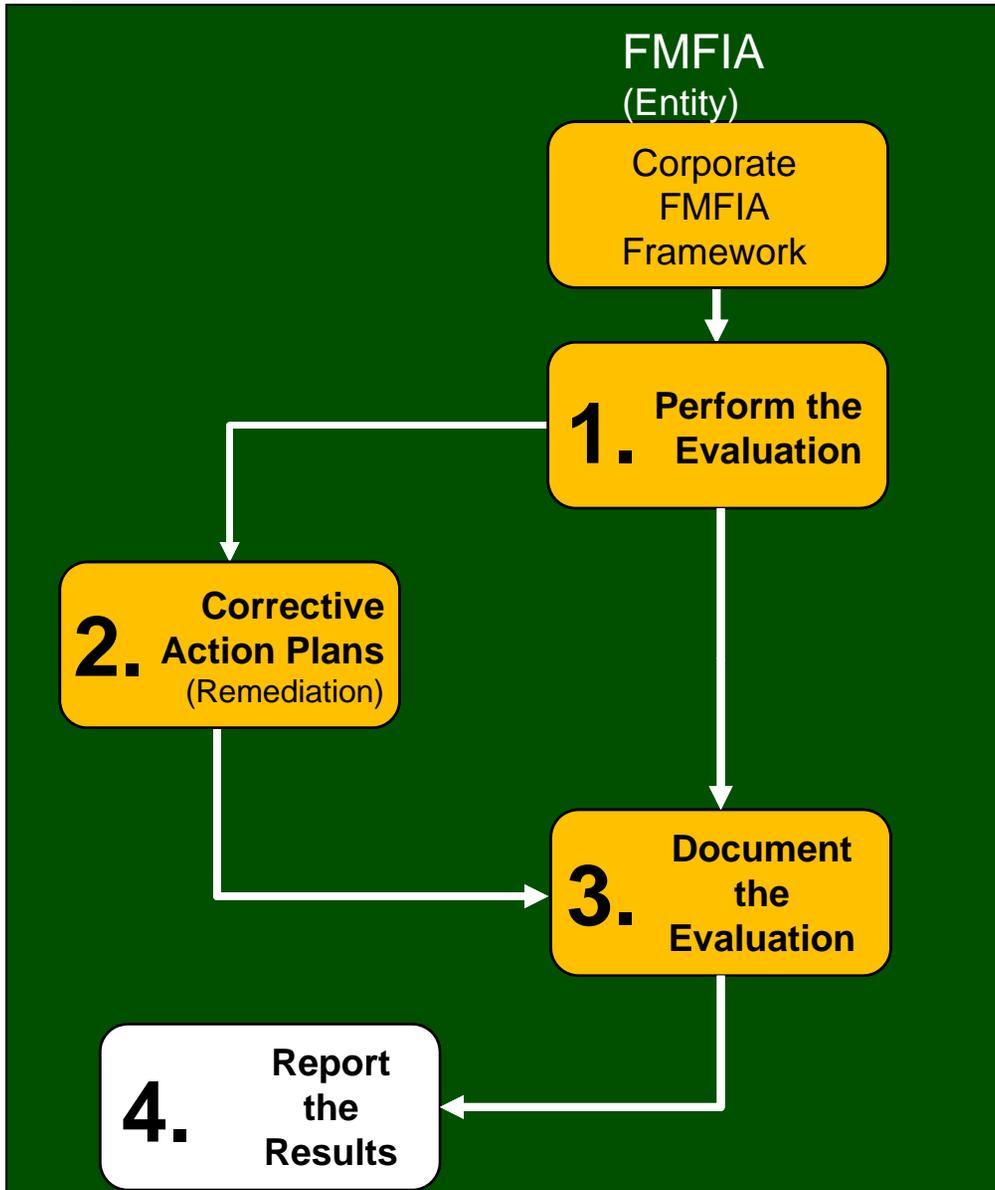


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**4.**

**Report  
the  
Results**

## Key Activities



**Report the results**

**Annual Assurance Memorandum**



# 4.

## Report the Results

# Reporting the Results – Annual Assurance Memo

Results of the entity evaluation should be reported in the annual Assurance Memorandum.

In order to determine what to report in the Assurance Memorandum, review all of the issues rated as a “1”, “2”, or “3” in the EAT.

These issues are known as control deficiencies.

Those deficiencies rated as a “2” or a “3” may rise to the level of a reportable condition if they are determined to significantly impact mission/mission support activities, effective/efficient operations, safety/security, and/or ability to meet critical commitments.

As a reminder, all reportable conditions must be reported in the Departmental element’s Assurance Memorandum and must have a CAP Summary attached to the Assurance Memorandum. In addition, any control deficiency reported in the Assurance Memorandum must be documented in the EAT.



(06/2012)

# Financial Management Systems (FMS) Evaluation

## What is an FMS Evaluation?

The FMS Evaluation is conducted to determine whether financial systems conform to Federal financial management systems requirements.

## Who is required to perform the Evaluation?

Only Departmental Elements listed as “System Owners” are required to perform the FMS evaluation.

## **FMS Evaluation Process**

1. Perform the Evaluation
2. Prepare and Track CAPs
3. Reference Documentation and Results from the Evaluation in the EAT
4. Report the Results in the Assurance Memorandum



# FMS Evaluation

An FMS evaluation is required to be performed by the elements listed below.

Financial Management System	System Owner(s)
Power Marketing Administration Systems	BPA, WAPA, SWPA, & SEPA
Funds Distribution System (FDS)	CF-40
iManage Standard Accounting and Reporting System (STARS)	CF-40
DOE Info (Based on Labor Distribution System data)	CF-40
Active Facilities Database	CF-10
Departmental Inventory Management System (DIMS)	CF-40
Integrated Planning, Accountability and Budgeting System (IPABS)	EM-62
Federal Energy Regulatory Commission Systems	FERC
iManage Strategic Integrated Procurement Enterprise System (STRIPES)	CF-40
Facilities Information Management System (FIMS)	MA-50
iBenefits	CF-50
Funds Controls and Distribution System (FCDS)	NNSA NA-MB-30
Budget Execution and Reporting System (BEARS)	OR
Vendor Inquiry Payment Electronic Reporting System (VIPERS)	OR
Vendor Invoice Approval System (VIAS)	OR



## Perform the Evaluation

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Design and perform tests of the system(s) that evaluate how well the system meets these criteria:

1. System provides an agency-wide financial information classification structure that is consistent with the USSGL.
2. Financial management systems are adequately integrated.
3. System provides use of the Standard General Ledger at the transaction level.
4. System provides timely and useful reports on the financial information and performance measures.
5. System supports budget preparation, execution, and reporting in accordance with OMB.
6. System adheres to design, development, operation, and maintenance requirements.
7. System incorporates Government Information Security Reform Act and other government-wide computer security requirements.
8. System is supported by up-to-date system documentation adequate for user needs.
9. System contains appropriate internal controls.
10. Adequate system training and user support services are provided.
11. Ongoing maintenance of system is conducted for continued effective and efficient operations.
12. System supports adherence to federal accounting standards.



## Perform the Evaluation (continued)

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- Three test techniques
  - Observation
  - Physical examination of documents
  - Transaction testing
- Examples of documentation considered for review
  - Results of external audits
  - Day-to-day knowledge
  - Management reviews, including, but not limited to, computer security reviews and summary management reviews
  - Financial statement audits and findings
  - Department's 5-Year Systems Development Plan
  - Problems identified through on-going initiatives
  - System change requests
  - Problem(s) identified by user groups or councils
  - Prior Summary Financial Management System reviews
  - Prior year FMS evaluations



## Analyze Results and Prepare and Track CAPS

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- After analyzing the results of the FMS evaluation, determine if any control deficiencies rise to the level of a material non-conformance. A material non-conformance is a reportable condition.
- A **material non-conformance** exists when financial systems do not substantially comply with federal financial management system requirements OR where local control deficiencies impact financial systems' ability to comply. The Entity Assessment Tool defines the criteria against which conformance is evaluated and captures identified non-conformances.
- A Corrective Action Plan (CAP) should be developed for any instance a system is not in conformance with the system evaluation criteria.
- Material non-conformances require a CAP summary to be reported with the Assurance Memorandum.



## Document the Evaluation

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- The FMS evaluation is documented in the EAT.
- **EAT Update for FY12: The separate Systems Tab has been deleted, but criteria for FMS evaluations will automatically populate in the Entity Evaluation Tab for those elements required to perform the evaluation.**
- For each evaluation criteria, the Basis of Evaluation should briefly describe:
  - Type of test performed
  - General test design
  - Test outcome
  - Names of the documents inspected (if a physical examination of documents was performed)



# Document the Evaluation

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QA is also critical for FMS evaluations to ensure:

- Requirements were understood and effectively/ consistently implemented by all participants in the FMFIA process
- Results are based on a reasonable “Basis of Evaluation”
- Impacts have been clearly and completely articulated
- Actions Plans are reasonable to address identified issues



## Reporting the Results

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- Results of the entity evaluation should be reported in the annual Assurance Memorandum. In order to determine what to report in the Assurance Memorandum, review all of the issues rated as a “1”, “2”, or “3” in the EAT. These issues are known as control deficiencies.
- Those deficiencies rated as a “2” or a “3” may rise to the level of a reportable condition if they are determined to significantly impact mission/mission support activities, effective/efficient operations, safety/security, or ability to meet critical commitments.
- Please note that all reportable conditions must be reported in the Departmental element’s Assurance Memorandum and must have a CAP Summary attached to the Assurance Memorandum. In addition, any control deficiency reported in the Assurance Memorandum must be documented in the EAT.





# Entity Assessment Tool

## Changes & Enhancements

### Demo

# FY12 Changes to EAT Tool and Framework

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## Framework

- Streamlined the Framework

## Overall Changes

- Users will now need to “set up” their EAT by selecting their Departmental element when the tool is first opened.
- Users are now able to expand the length and width of columns and rows to facilitate easier data input into the EAT.
- A Help Tab has been added with links to training guides, official guidance, and a Point of Contacts list for the Office of Financial Risk, Policy, and Controls.

## Changes to Systems Tab

- The Systems Tab of the EAT has been eliminated. Control objectives for the FMS evaluation will populate on the same tab as the control objectives for the entity evaluation.
- **Included FMFIA Section II – Systems Framework (Selectable by Location)**



## FY12 Changes to EAT Tool and Framework (continued)

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### **Changes to Entity Evaluation Tab**

- Organizational structure and assignment of responsibilities have been combined.
- “N/A” has been added as an option in the Issue(s) Identified column.
- Control categories and sub-categories now allow multiple lines per category/sub-category.
- Carriage return within Bases of Evaluation of cells to enhance viewing of the tool.

### **Changes to Impact Assessment Tab**

- Field offices have been added to the list of impacted entities in the Impact Assessment tab.
- Issues downgraded from a 3 or a 2 to a 1 will be deleted from the Impact Assessment Tab.
- Field added, “Accountable Org,” to distinguish between “Reporting” entity and “Accountable” entity.
- Field added, “Resolution Description,” to minimize required fields and retain optional entry for field use.



# FY12 Changes to EAT Toolset and Framework (continued)

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## Changes to Impact Assessment Tab

- Multiple Issues can be assigned per Sub-category
- Forms based functionality for management of Issues and Impacts
- Issues that are downgraded to a rating=1 can be automatically removed from the Impact Evaluation Tab
- Enhanced Views Management



# EAT Tool Setup

**Local Profile Entity Control Assessment**  
DOE Version 2.0

Code	
Name	
Number of Employees	
Number of Buildings/Facilities	
Primary Information Systems Used	
Role	Name
Primary FMFIA/Entity POC	
A-123/FMFIA POC	

**Entity Tool Setup**

Please select your location and whether or not you are required to perform the FMFIA Section II Systems Evaluation (Federal Entities only).

Location Name: [Dropdown]

FMFIA Section II Systems Evaluation Required?  
 Yes  
 No

OK Cancel

**FMFIA Section II Systems Required ?**



# Entity Evaluation Tab

## Basis of Evaluation

Entity Control Evaluation <span style="float: right;">Manage</span>						
Area Ref	Focus Area	Entity Control Category	Entity Control Sub-Category	Control Objective / Considerations	Applicable	Basis of Evaluation (Processes / Controls / Evaluations)
1.1	S	Control Environment	Integrity and Ethical Values	1) Codes of conduct have been established and are understood by all levels in the organization; 2) Leadership sets an ethical tone that permeates the organization; 3) Controls establish appropriate disciplinary actions for violations of code of conduct; 4) controls are designed to mitigate temptation for unethical behavior; 5) Management and senior leadership display a positive attitude towards internal control, including systems controls, business process controls, program controls and audit resolution and follow-up.	Y	1. This is the first basis of evaluation [1,3,4] 2. This is the second basis of evaluation [1,5,6] 3. This is the third basis oif evaluation [2] 4. This is the fourth basis of evaluation [1,2,3,4,5]

**No fundamental changes but recommended formatting standards:**

- List format (use Alt-Enter keys)
- Cross reference to Control Objectives



# Entity Evaluation Tab

## Issue Identification

Control Evaluation								
		Manage						
Control	Entity Control Sub-Category	Control Objective / Considerations	Applicable	Supporting Data / Metrics / Info (Optional)	Date Evaluated	Issue(s) Identified	Issue Ref	Issue Description
Int	Integrity and Ethical Values	1) Codes of conduct have been established and are understood by all levels in the organization; 2) Leadership sets an ethical tone that permeates the organization; 3) Controls establish appropriate disciplinary actions for violations of code of conduct; 4) controls are designed to mitigate temptation for unethical behavior; 5) Management and senior leadership display a positive attitude towards internal control, including systems controls, business process controls, program controls and audit resolution and follow-up.	Y		12/3/2011	Yes	BNL.I0001	This is the description of the Issue for Integrity and Ethical Values

No changes to issue identification



# Entity Evaluation Tab

## Issue Rating and Issue Impact Evaluation

Control Evaluation										
Manage										
Entity Control Sub-Category	Control Objective / Considerations	Applicable	Date Evaluated	Issue(s) Identified	Issue Ref	Issue Description	Issue Rating	Date Issue Created	CAP Ref	Entity Cor DC (Opti
Integrity and Ethical Values	1) Codes of conduct have been established and are understood by all levels in the organization; 2) Leadership sets an ethical tone that permeates the organization; 3) Controls establish appropriate disciplinary actions for violations of code of conduct; 4) controls are designed to mitigate temptation for unethical behavior; 5) Management and senior leadership display a positive attitude towards internal control, including systems controls, business process controls, program controls and audit resolution and follow-up.	Y	12/3/2011	Yes	BNL.I0001	This is the description of the Issue for Integrity and Ethical Values	3	12/8/2011	BNL.C0001	

No changes to Issue Rating

Impact Assessment								
Manage								
Issue Ref	Impact Assessment Status	Date Closed	Area Ref	Entity Control Area	Entity Control Sub-Category	Issue Rating	Issue Description	General Impact Description
BNL.I0001	In Progress		1.1	Control Environment	Integrity and Ethical Values	3	This is the description of the Issue for Integrity and Ethical Values	

Automatic Issue Impact Evaluation and CAP, if Rating is 2 or 3

If Issue rating downgraded to 1, Issue Impact Evaluation can be deleted



# Entity Evaluation Tab

## Managing Issues

The screenshot displays the 'Entity Control Evaluation' interface. A table lists control areas, with the first row highlighted in yellow. A 'Manage' button is located at the top of the table. A 'Manage Eval Tab' dialog box is open, showing a 'Manage Issue(s)' button and other options like 'Set View(s)', 'Adjust Row(s)', and 'Adjust Column(s)'. Red callout boxes highlight the 'Manage' button and the 'Manage Issue(s)' button.

Area Ref	Focus Area	Entity Control Category	Entity Control Sub-Category	Control Objective / Considerations	Identified
1.1	S	Control Environment	Integrity and Ethical Values	1) Codes of conduct have been established and understood by all levels in the organization; 2) Leadership sets an ethical tone throughout the organization; 3) Controls establish appropriate disciplinary actions for violations of code of conduct; 4) controls are designed to mitigate the risk of unethical behavior; 5) Management and senior leadership demonstrate a positive attitude towards internal control, including internal control, business process controls, program controls and audit resolution and follow-up.	2/3/2011 Yes
1.2	S	Control Environment	Workforce Planning	1) Maintaining and continuously re-evaluating critical skills	



# Entity Evaluation Tab

## Managing Issues (continued)

**Entity Control Evaluation** Manage

Area Ref	Focus Area	Entity Control Category	Entity Control Sub-Category	Control Objective / Considerations	Issue Rating	Date Created
1.1	S	Control Environment	Integrity and Ethical Values	1) Codes of conduct have been understood by all levels of the organization; 2) Leadership sets an ethical example for the organization; 3) Controls establish appropriate consequences for violations of code of conduct; 4) controls are designed to prevent and detect unethical behavior; 5) Management and senior staff demonstrate a strong attitude towards internal controls, business process, and audit resolution and follow-up.	3	12/12/12
1.2	Y	Control Environment	Workforce Planning	1) Maintaining and continuing workforce/competencies; 2) Hiring issues/barriers; 3) Compensation / pay parity; 4) succession planning; etc.		

**Can select Issue**

BNL.I0001

Control Environment Integrity and Ethical Values

Issue Description

This is the description of the Issue for Integrity and Ethical Values

Issue Rating: 3

**Form entry for Issues**



# Entity Evaluation Tab

## Issue Entries in Evaluation Tab

**Issue entries created in Evaluation Tab**

Control Evaluation		Manage		Applicable	Date Evaluated	Issue(s) Identified	Issue Ref	Issue Description	Issue Rating	Date Issue Created	CAP Ref	E	P
Entity Control Sub-Category	Control Objective / Considerations												
Integrity and Ethical Values	1) Codes of conduct have been established and are understood by all levels in the organization; 2) Leadership sets an ethical tone that permeates the organization; 3) Controls establish appropriate disciplinary actions for violations of code of conduct; 4) controls are designed to mitigate temptation for unethical behavior; 5) Management and senior leadership display a positive attitude towards internal control, including systems controls, business process controls, program controls and audit resolution and follow-up.				12/3/2011	Yes	BNL.I0001	This is the description of the Issue for Integrity and Ethical Values	3	12/8/2011	BNL.C0001		
							BNL.I0002	This is issues 2	1	12/8/2011			
							BNL.I0003	This is issue 3	2	12/8/2011	BNL.C0002		

**For Rating = 2 or 3**

Impact Assessment		Manage		Accountable	Impact Type					
Issue Ref	Impact Assessment Status	Date Closed	Area Ref	Entity Control Area	Entity Control Sub-Category	Issue Rating	Issue Description	General Impact Description	Accountable	Impact Type
BNL.I0001	In Progress		1.1	Control Environment	Integrity and Ethical Values	3	This is the description of the Issue for Integrity and Ethical Values	This is the impact description for Issue 1	A	
BNL.I0003	In Progress		1.1	Control Environment	Integrity and Ethical Values	2	This is issue 3	This is the impact description for Issue 3	R	



# Impact Assessment Tab

Manage option

Issue Ref	Impact Assessment Status	Date Closed	Area Ref	Entity Control Area	Entity Control Values	Description
BNL.I0001	In Progress		1.1	Control Environment	Integrity and Ethical Values	the description of the Control Environment and Ethical Values
BNL.I0003	In Progress		1.1	Control Environment	Integrity and Ethical Values	Issue 3

Manage Impact ...

- Manage Impact(s)
- Delete Selection
- Set View(s)
- Adjust Row(s)
- Adjust Column(s)

Managing Impacts

Managing Views

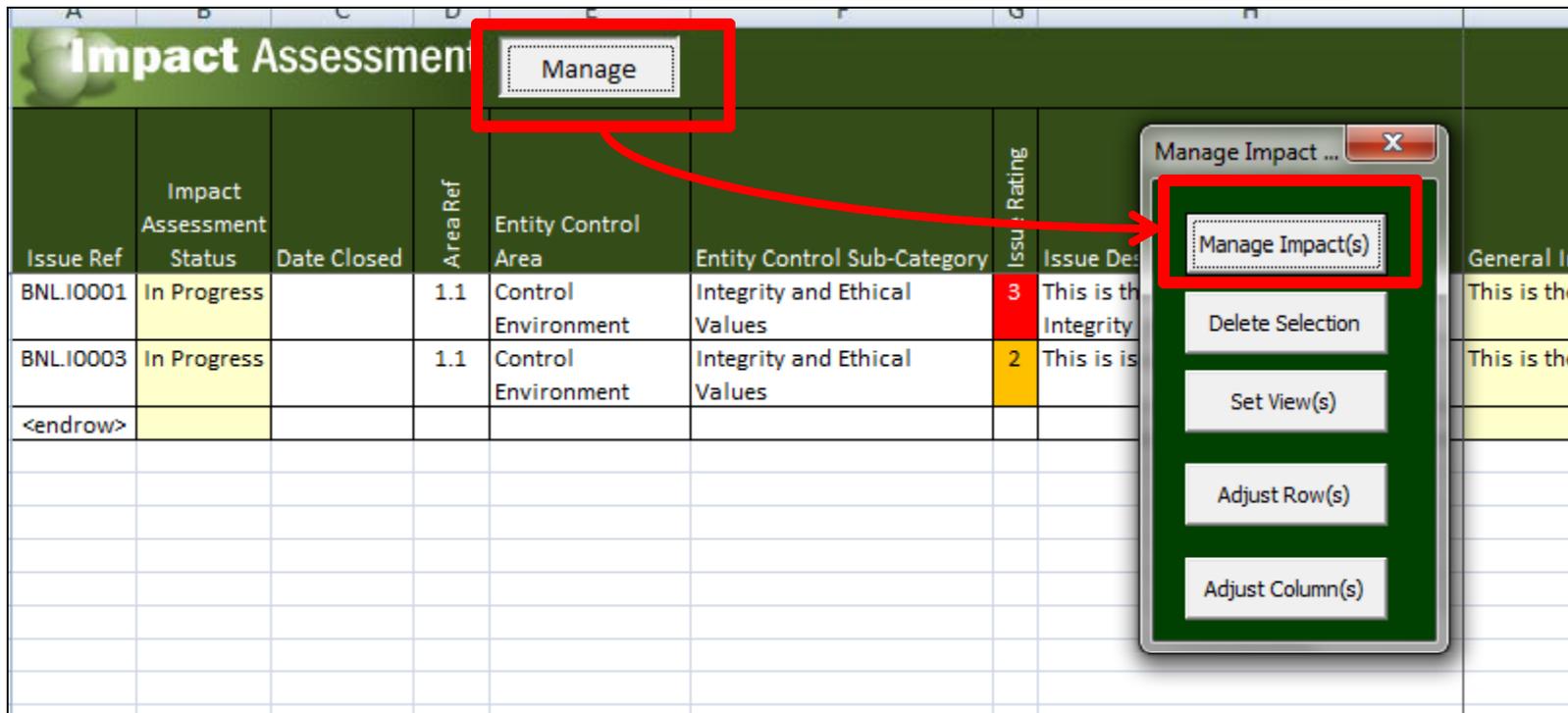
Managing Layout



# Impact Evaluation Tab

## Manage Impacts

Manage button for Impacts



The screenshot shows a table titled "Impact Assessment" with the following columns: Issue Ref, Impact Assessment Status, Date Closed, Area Ref, Entity Control Area, Entity Control Sub-Category, Issue Rating, Issue Description, and General Information. The table contains two rows of data, both with "In Progress" status. A red box highlights a "Manage" button in the header area. A red arrow points from this button to a context menu titled "Manage Impact ...". The context menu has a red box around the "Manage Impact(s)" option and lists other actions: "Delete Selection", "Set View(s)", "Adjust Row(s)", and "Adjust Column(s)".

Issue Ref	Impact Assessment Status	Date Closed	Area Ref	Entity Control Area	Entity Control Sub-Category	Issue Rating	Issue Description	General Information
BNL.I0001	In Progress		1.1	Control Environment	Integrity and Ethical Values	3	This is the Integrity	This is the
BNL.I0003	In Progress		1.1	Control Environment	Integrity and Ethical Values	2	This is is	This is the
<endrow>								



(06/2012)

# Impact Assessment Tab

## Manage Impacts (continued)

Issue Ref	Impact Assessment Status	Date Closed	Area Ref	Entity Control Area
BNL.I0001	In Progress		1.1	Control Environment
BNL.I0003	In Progress		1.1	Control Environment
<endrow>				

**Impact Assessment Form Details:**

- Issue Ref: BNL.I0001
- Area Ref: 1.1
- Entity Control Area: Control Environment
- Integrity and Ethical Values: 3
- Issue Description: This is the description of the Issue for Integrity and Ethical Values
- General Impact Description: This is the impact description for Issue 1
- Mission Impacts:
  - Mission
  - Programs:  AR,  ARRA,  CFO
  - Sub-Programs:  AR: AR,  CFO: CF-10,  CFO: CF-20
- Security Impacts:
  - Security
  - Programs:  AR
  - Sub-Programs:  <none>

Form entry to manage Impacts

Sites now included in list



# Impact Assessment Tab

## Manage Impacts (continued)

Impact Assessment				
Issue Ref	Impact Assessment Status	Date Closed	Area Ref	Entity Control Area
BNL.I0001	In Progress		1.1	Control Environment
BNL.I0003	In Progress		1.1	Control Environment
<endrow>				

Manage

Impact Assessment

**Mission Impacts**

Mission

Programs

AR

ARRA

CFO

Sub-Programs

AR: AR

CFO: CF-10

CFO: CF-20

**Security Impacts**

Security

Programs

EIA

EM

FE

Sub-Programs

EM: EM-10

EM: EM-30

EM: EM-40

**Safety Impacts**

Safety

Programs

HG

HSS

CHCO

Sub-Programs

HSS: HS-1

HSS: HS-1.1

HSS: HS-10

**Commitments Impacts**

Commitments

Programs

AR

ARRA

Sub-Programs

<none>

Form entry to manage Impacts



# Impact Assessment Tab

Impacts created or updated

Entity Control Sub-Category	Issue Rating	Issue Description	Impact Type	Program(s) Impacted	Sub-Program Impacted	Impact Timing	Program Impact Description	User Field
Integrity and Ethical Values	3	This is the description of the Issue for Integrity and Ethical Values	Mission	CFO	CF-10			
				AR				
			Security	EM				
			Safety	HSS	HS-1.1			
HSS	HS-10							
Integrity and Ethical Values	2	This is issue 3	Safety	EM				
			Commitments	FE				

Impacts can be updated through the Manage Form and selected data can be updated directly



# Impact Assessment Tab

## Managing Views

The screenshot shows a table titled "Impact Assessment" with columns: Issue Ref, Impact Assessment Status, Date Closed, Area Ref, Entity Control Area, Entity Control Values, and Description. A red box highlights the "Manage" button in the header row. A dialog box titled "Manage Impact ..." is open, showing options: Manage Impact(s), Delete Selection, Set View(s), Adjust Row(s), and Adjust Column(s). A red arrow points from the "Manage" button to the "Set View(s)" option. A red callout box labeled "Managing Views" points to the "Set View(s)" option.

Issue Ref	Impact Assessment Status	Date Closed	Area Ref	Entity Control Area	Entity Control Values	Description
BNL.I0001	In Progress		1.1	Control Environment	Integrity and Ethical Values	the description of the Entity Control Area and Ethical Values
BNL.I0003	In Progress		1.1	Control Environment	Integrity and Ethical Values	Issue 3



# Impact Assessment Tab

## Managing Views

Impact Assessment					
Manage					
Issue Ref	Impact Assessment Status	Date Closed	Area Ref	Entity Control Area	Entity Control Sub-Category
BNL.I0001	In Progress		1.1	Control Environment	Integrity and Ethical Values
BNL.I0003	In Progress		1.1	Control Environment	Integrity and Ethical Values

Set View for Worksheet

De-select the columns that you wish to hide. All checked columns will remain visible.

Select All      De-select All

- Issue Ref
- Impact AssessmentStatus
- Date Closed
- Area Ref
- Entity Control Area
- Entity Control Sub-Category
- Issue Rating
- Issue Description
- General Impact Description
- Accountable
- Impact Type
- Program(s) Impacted

Set Default View      Set Custom View

Cancel

Managing Views



## IV. Conclusion

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