DOE Internal Controls Program Assessment

Survey Introduction (OMB Control No. 1910-5160 - Expiration Date 8/31/2017)

This survey is a key element in DOE's ongoing Internal Controls Program Assessment project, a joint effort of the Office of the Chief Financial Officer (CFO) and the National Nuclear Security Administration (NNSA), supported by Ernst & Young LLP (EY). Questions are designed to capture information on the current state of processes and tools as the Department looks to make improvements and meet new Office of Management and Budget (OMB) and Government Accountability Office (GAO) internal control recommendations.

This data is being collected to identify leading practices and areas for potential training improvements. The data you supply will be used to help us improve DOE's internal control program. Results of this survey are a critical component to the success of this project. We appreciate the time it takes to gather this information. Ultimately, the higher the participation rate, the better the information.

With your help, we can improve our processes and tools while we make the necessary adjustments to meet new recommendations. To encourage candid responses, the survey is anonymous.

We are casting a wide net to gather as much information as possible, so please forward this survey to others who may have an interest in improving our internal control and risk management processes, including anyone (Federal employee or contractor) who spends more than 20% of their time on internal control activities.

Should you have any questions, please contact survey coordinator Tabetha Mueller at(703) 309-3574 or Tabetha.Mueller@ey.com.

The survey includes 40 questions on internal controls, risk management, Enterprise Risk Management, technology enablement, and general participant information. Most questions have short answers.

Public reporting burden for this collection of information is estimated to average 20 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

Send comments regarding this burden estimate or any other aspect of this collection of information,

including suggestions for reducing this burden, to Office of the Chief Information Officer, Records & Privacy Management Division, IM-23, Paperwork Reduction Project 1910-5160, U.S. Department of Energy, 1000 Independence Ave SW, Washington, DC, 20585-1290; and to the Office of Management and Budget (OMB), OIRA, Paperwork Reduction Project 1910-5160, Washington, DC 20503.

Notwithstanding any other provision of the law, no person is required to respond to, nor shall any person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a currently valid OMB control number.

Submission of this data is entirely voluntary.

Again, we appreciate your time.

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Internal Control Questions

In this section, we assess the current state of the internal control function within your organization— essentially your activities to support the FMFIA assurance statement. OMB Circular A-123 defines internal control as "the steps an agency takes to provide reasonable assurance that the agency's objectives are achieved through: (1) effective and efficient operations, (2) reliable financial reporting, and (3) compliance with applicable laws and regulations."

We are interested in hearing about your views with regard to your organization within DOE. For contractors, this means the DOE organization you are supporting.

1. What is your level of familiarity with internal controls?

◯ I am new to this area

◯ Unfamiliar

◯ Limited familiarity

◯ Familiar

◯ Very familiar

2. What is your level of familiarity with OMB Circular A-123?

◯ I am new to this area

◯ Unfamiliar

◯ Limited familiarity

◯ Familiar

◯ Very familiar

3. What is your level of familiarity with the latest version of the Government Accountability Office (GAO) *Standards for Internal Control in the Federal Government* or "Green Book" issued in October 2014?

◯ I am new to this area

◯ Unfamiliar

◯ Limited familiarity

◯ Familiar

◯ Very familiar

4. Please rate the maturity level of the internal control function within your organization.

◯ **Level 1: Ad hoc** (Least mature) - Activities are not well understood by management or staff and not coordinated

◯ **Level 2: Managed** - Knowledge exists but is driven by external compliance requirements; policies and procedures exist but are not standardized across the organization

◯ **Level 3: Standardized** - Organization has established policies and procedures; all units use common definitions and metrics

◯ **Level 4: Integrated** - Organization has all the attributes of the "standardized" maturity level, and activities are integrated consistently across the enterprise

◯ **Level 5: Optimized** (Most mature) - Organization has all attributes of the "integrated" maturity level, and activities are embedded in how the organization operates; tools and technology are in place to support goals and drive continuous improvement

5. *Indicate the extent to which you agree or disagree with the following statement.*
Headquarters provides the right level of support and direction for internal control activities.

◯ Strongly disagree

◯ Disagree

◯ Neutral

◯ Agree

◯ Strongly agree

6. *Indicate the extent to which you agree or disagree with the following question.*
My team has the right number of people to support internal control activities.

◯ Strongly disagree

◯ Disagree

◯ Neutral

◯ Agree

◯ Strongly agree

7. *Indicate the extent to which you agree or disagree with the following statement.*

My team has the right skills and knowledge to support internal control activities.

○ Strongly disagree

○ Disagree

○ Neutral

○ Agree

○ Strongly agree

8. *Indicate the extent to which you agree or disagree with the following statement.*

My team receives the right training to stay up to date with new requirements and maintain our skills and knowledge.

○ Strongly disagree

○ Disagree

○ Neutral

○ Agree

○ Strongly agree

9. Please share any relevant comments regarding the internal control function at your organization.

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Risk management questions

Risk management includes the full spectrum of identifying, classifying, assessing, and responding to risks—an integral part of effective internal control. The following questions relate to risk management activities within your organization.

10. What is your level of familiarity with risk management?

◯ I am new to this area

◯ Unfamiliar

◯ Limited familiarity

◯ Familiar

◯ Very familiar

11. Please rate the level of maturity of the risk management function within your organization.

◯ **Level 1: Ad hoc** (least mature) - Risk management concepts are not well understood by management or staff and not coordinated

◯ **Level 2: Managed** - Knowledge exists but is driven by external compliance requirements; policies and procedures exist but are not standardized across the organization

◯ **Level 3: Standardized** - Organization has established policies and procedures; all units use common definitions and metrics

◯ **Level 4: Integrated** - Organization has all the attributes of the "standardized" maturity level, and activities are integrated consistently across the enterprise

◯ **Level 5: Optimized** (most mature) - Organization has all attributes of the "integrated" maturity level, and activities are embedded in how the organization operates; tools and technology are in place to support goals and drive continuous improvement

12. *Indicate the extent to which you agree or disagree with the following statement.*

Our organization uses a common set of risk identification criteria so that risks can be prioritized and categorized consistently.

○ Strongly disagree

○ Disagree

○ Neutral

○ Agree

○ Strongly agree

13. *Indicate the extent to which you agree or disagree with the following statement.*

Our organization has an effective process for identifying existing and emerging risks.

○ Strongly disagree

○ Disagree

○ Neutral

○ Agree

○ Strongly agree

14. *Indicate the extent to which you agree or disagree with the following statement.*

Our organization considers risk management during the strategic planning process.

○ Strongly disagree

○ Disagree

○ Neutral

○ Agree

○ Strongly agree

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Non-financial risks

The following questions relate to non-financial risks. We understand that the Financial Management Assurance (FMA) tool captures financial risk and control information. In this section, however, we would like to understand the assessment process for areas outside of financial management as GAO requires documentation on how risk assessments—including those related to non-financial risks—are documented and monitored.

15. *Indicate the extent to which you agree or disagree with the following statement.*
Our organization assesses non-financial risks using impact and likelihood scales.

○ Strongly disagree

○ Disagree

○ Neutral

○ Agree

○ Strongly agree

Optional comment:

16. Are non-financial risks prioritized?

○ I don't know

○ No

○ Yes

If yes, please explain how non-financial risks are prioritized.

17. How do you document non-financial risk assessments? (Please check all that apply.)

☐ I don't know

☐ We do not document the assessment of non-financial risks

☐ Meeting minutes

☐ Spreadsheets

☐ Written memoranda stored as Word or PDF documents

☐ Automated tool (Please describe the name of the tool in the "Other" comment field below)

Other (please describe)

18. Please share any relevant comments regarding the risk management function (for both financial and non-financial risks) at your organization.

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Enterprise Risk Management questions

Enterprise Risk Management (ERM) encompasses both internal controls and risk management functions. According to OMB Circular A-11, "ERM is an agency-wide approach to addressing the full spectrum of the organization's significant risks by understanding the combined impact of risks as an interrelated portfolio, rather than addressing risks only within silos. ERM provides an enterprise-wide, strategically-aligned portfolio view of organizational challenges that provides better insight about how to most effectively prioritize and manage risks to mission delivery." The following questions relate to the concept of ERM.

19. What is your level of familiarity with Enterprise Risk Management?

○ I am new to this area

○ Unfamiliar

○ Limited familiarity

○ Familiar

○ Very familiar

20. Is there a process for escalating risk management or internal control issues to higher levels of management within your organization?

○ I don't know

○ No

○ Yes

If yes, please describe the process

21. Tell us how important it is for your organization to improve in each of the following areas. For each statement, choose the level of importance on a scale of one to five, with one being not at all important and five being very important. Provide a description of other areas for improvement in the comment box marked "Other (please specify)."

	1 = Not at all important	2	3	4	5 = Very important
Better align risk management to strategy and objectives	○	○	○	○	○
Improve communications among key stakeholders	○	○	○	○	○
Improve the risk assessment process	○	○	○	○	○
Enhance our ability to identify emerging risks	○	○	○	○	○
Improve the effectiveness of the control environment	○	○	○	○	○
Improve monitoring of control activities (e.g., continuous monitoring)	○	○	○	○	○
Improve overall skills and knowledge	○	○	○	○	○
Leverage technology more effectively	○	○	○	○	○

Other (please specify)

_____

22. Please rate the level of leadership involvement in the internal control and risk management functions within your organization.

○ I don't know

○ Not at all involved

○ Leadership is involved to a limited extent

○ Leadership is highly involved

23. *Indicate the extent to which you agree or disagree with the following statement.*

Within my organization, internal control and risk management activities strike an appropriate balance between meeting compliance requirements and achieving my organization's mission.

◯ Strongly disagree

◯ Disagree

◯ Neutral

◯ Agree

◯ Strongly agree

24. Please rate the level of maturity of Enterprise Risk Management within your organization.

◯ **Level 1: Ad hoc** (least mature) - Risk management concepts are not well understood by management or staff and not coordinated

◯ **Level 2: Managed** - Knowledge exists but is driven by external compliance requirements; policies and procedures exist but are not standardized across the organization

◯ **Level 3: Standardized** - Organization has established policies and procedures; all units use common definitions and metrics

◯ **Level 4: Integrated** - Organization has all the attributes of the "standardized" maturity level, and activities are integrated consistently across the enterprise

◯ **Level 5: Optimized** (most mature) - Organization has all attributes of the "integrated" maturity level, and activities are embedded in how the organization operates; tools and technology are in place to support goals and drive continuous improvement

25. Please share any relevant comments regarding Enterprise Risk Management within your organization.

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Technology Enablement

Our current tools (Financial Management Assurance (FMA)/Utility Reporting Tool (URT) and the Entity Assessment Tool (EAT)/Financial Management Systems (FMS) tool) were built several years ago to streamline the process for developing the statement of assurance required by the Federal Managers Financial Integrity Act. Over time, the amount of data and the need for analysis has increased dramatically, straining the tools' capabilities. We need to replace the tools soon and want to ensure the replacement leverages any systems and processes currently in use to the extent possible. The new tools will also potentially need to fit within larger plans for enterprise risk management. This area of the survey focuses on current functionality and provides a starting point for gathering information on future business needs.

26. Which of the following activities do you perform or are you involved with using either the Financial Management Assurance (FMA) / Utilities Reporting Tool (URT), the Entity Assessment Tool (EAT) or the Financial Management System (FMS)? (Select all that apply.)

	Financial Management Assurance (FMA)/Utilities Reporting Tool (URT)	Entity Assessment Tool (EAT)	Financial Management System (FMS)
Data entry or import	☐	☐	☐
Create reports	☐	☐	☐
Analytics	☐	☐	☐
Generate QA reports	☐	☐	☐
Data validation	☐	☐	☐
Controls monitoring	☐	☐	☐
Impact assessments	☐	☐	☐
Manage local controls	☐	☐	☐
Manage local risk assessments	☐	☐	☐
Other (use field below to describe)	☐	☐	☐

Other (please describe)

_____

27. Do you generate internal control reports for management within your organization? If so, what type of information is included? (Select all that apply)

- ☐ Performance relative to risk metrics
- ☐ Risk rating or ranking
- ☐ Significant events
- ☐ Developing trends
- ☐ Escalation issues
- ☐ Early warning indicators
- ☐ Red flags
- ☐ Heat maps
- ☐ Dashboards
- ☐ I do not generate reports of internal control data
- ☐ Other (please describe)

[ ]

28. How are management reports generated or created?

- ○ Not applicable
- ○ Manually
- ○ Through an automated tool

(Please describe automated tool)

[ ]

29. Do you use other tools or software programs in addition to FMA/URT and EAT/FMS to perform risk management and internal control activities?

- ○ I don't know
- ○ No
- ○ Yes

If yes, please describe the tool(s) or software program(s)

[ ]

30. If the answer to Question 29 is yes, please identify which of the following activities are enabled through these tools. (Please select all that apply) If the answer to Question 29 is not yes, please select N/A for this question.

- [ ] N/A
- [ ] Enterprise risk assessments
- [ ] Policy Management (e.g., distribution and housing of policies and procedures documents)
- [ ] Contractor assurance
- [ ] Audit management and reporting
- [ ] Compliance reporting
- [ ] Evaluation and testing
- [ ] Process controls monitoring
- [ ] Security controls monitoring
- [ ] Process improvement or automation
- [ ] Document management
- [ ] Data analytics and modeling
- [ ] Dashboards and reporting
- [ ] Access to third party or external content
- [ ] Incident or issue management
- [ ] Other (please specify)

31. Do other people within your organization use tools or software that may potentially be expandable to support risk management or internal controls activities?

- ( ) I don't know
- ( ) No
- ( ) Yes

If yes, please name or describe the tool(s) or software package(s) if known

32. *Indicate the extent to which you agree or disagree with the following statement.*
I have the right technology tools to effectively manage and assess risk.

- ( ) Strongly disagree
- ( ) Disagree
- ( ) Neutral
- ( ) Agree
- ( ) Strongly agree

33. What other functions or processes would you like to see enabled by technology in the future?

☐ Improved reporting

☐ Ability to create dashboards

☐ Analytics

☐ Ease of Use

☐ Alerts

☐ Automated testing capabilities

☐ Workflow management

☐ Other (please describe)

34. Please identify functions of the current tools that you would <u>not</u> want to change.

35. Please share any relevant comments regarding technology tools for risk management and internal control.

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Participant Information

While the survey is anonymous, providing information will help us understand and analyze the data.

36. What is your Departmental Element? (If your organization is not listed, please select "Other" to enter the information).

[▼]

[   ]

37. I am a

○ Federal employee

○ Contractor

○ Other (please specify)

[   ]

38. Please select the attributes of your role. (Select all that apply)

- [ ] I am part of the leadership for my organization's internal control program
- [ ] I provide full time support for my organization's internal control program
- [ ] I spend between 50% and 99% of my time supporting my organization's internal control program
- [ ] I spend between 20% and 49% of my time supporting my organization's internal control program
- [ ] I provide limited support to my organization's internal control program
- [ ] I participate in testing activities
- [ ] I participate in risk assessment activities
- [ ] I participate in quality review activities
- [ ] I participate in documentation of processes
- [ ] I develop policies and procedures
- [ ] I participate in the Entity evaluation process (A-123)
- [ ] I participate in the FMA evaluation process (A-123 Appendix A)
- [ ] I participate in the Financial Management Systems evaluation process (A-123 Appendix D)
- [ ] Other (please describe)

39. Total years of experience with internal controls at DOE:

40. Please share any final comments that will help us improve risk management and internal controls for DOE.

If you are interested in providing documentation or participating in an interview in person or by phone, please email Tabetha.Mueller@ey.com.
Tabetha.Mueller@ey.com