

## YOUR ROLE IN INTERNAL CONTROL

## FOR MORE INFORMATION ON INTERNAL CONTROL

## OFFICE OF THE CHIEF FINANCIAL OFFICER INTERNAL CONTROL TEAM



*Effective internal control is the first line of defense in reducing risk to achieving objectives and protecting public resources.*

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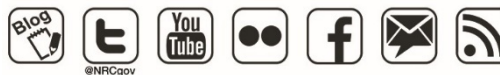
### Requirements & Guidance

Federal Managers' Financial Integrity Act (Public Law 97-255)  
OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, M-16-17, July 15, 2016  
GAO-14-704G, *Standards for Internal Control in the Federal Government* (Green Book), September 2014  
NRC Management Directive 4.4, *Enterprise Risk Management and Internal Control*, December 14, 2017  
NRC Office of the Executive Director for Operations, Procedure 0960, *Enterprise Risk Management Reporting Instructions*, August 13, 2019  
Co-authors of NUREG/BR-0514, *Internal Control Team*: D. Holley and E. Bowlin



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### STAY CONNECTED



Your Role in Internal Control  
Establishes Reasonable Assurance

### Planning & Compliance

- Mission statement
- Strategic planning
- Laws, regulations, and policy

### Operations

- Safety and security
- Strategic goals and objectives

### Reporting

- OMB
- Congress
- International Atomic Energy Agency (voluntary)
- Commission



- NRC's Federal Managers' Financial Integrity Act Statement, signed by the Chairman and submitted annually to OMB and Congress

## INTERNAL CONTROL

Internal control is the foundation of accountability. It includes policies, processes, and decisions that ensure the effectiveness and efficiency of operations, and reduce the risk of fraud, waste, and abuse.

## ENTERPRISE RISK MANAGEMENT

Enterprise Risk Management (ERM) is a forward-looking approach that addresses the full spectrum of an organization's risks in a portfolio view.

## INTEGRATING INTERNAL CONTROL AND ENTERPRISE RISK MANAGEMENT

U.S. Office of Management and Budget (OMB) Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, requires all Federal agencies to integrate risk management and internal control functions. The U.S. Nuclear Regulatory Commission (NRC) ERM and Internal Control Framework is organized by business line and is jointly overseen by the Executive Director for Operations and the Chief Financial Officer. Each business line's Internal Control Plan is the foundation for documenting and monitoring internal control activities. The Internal Control Plan is a source for the ERM Risk Report, which is considered as part of the agency's Quarterly Performance Review by senior leadership.



The Relationship Between Internal Control and ERM  
Source: OMB A-123

## INTERNAL CONTROL'S ROLE IN MEETING THE MISSION



Government Accountability Office (GAO) *Standards for Internal Control in the Federal Government* (the Green Book) requires that an internal control system be a continuous part of operations and have five components (Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring). **Working together, these components provide reasonable assurance that an entity will achieve its objectives.** The figure above depicts activities and processes from the NRC's internal control system aligned to GAO's five components of internal control.