The purpose of this pamphlet is to inform NASA managers about the

Federal Managers' Financial Integrity Act (FMFIA).

EVEN A GREAT CHEF FOLLOWS A RECIPE

The ingredients for management at NASA include:

STRATEGIC MANAGEMENT

IS0 9000

INSPECTOR GENERAL ACT

CHIEF FINANCIAL OFFICERS ACT

GOV'T PERFORMANCE AND RESULTS ACT

FEDERAL MANAGERS' FINANCIAL INTEGRITY ACT

All these ingredients have the same basic premises!

Document what you do;

Do what the documentation says you do;

Prove it!

Having so many ingredients designed to accomplish the same result is confusing, possibly duplicative, and often frustrating.

It is critical that all these ingredients be as fully integrated as possible.

INTEGRATION OCCURS AT EACH LEVEL OF MANAGEMENT

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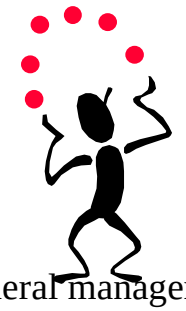

As a Federal manager you have to keep a lot of balls in the air all the time:

Getting the job done, first and foremost

- Integrity and compliance with laws and regs
- Reducing vulnerability to known risks
- Preventing waste, fraud, abuse or mismanagement

To accomplish these objectives, you must:

- establish/use effective management controls
- assess effectiveness of management controls
- identify management control weaknesses
- correct management control weaknesses
- report significant management control weaknesses to higher management levels

Document processes

It's the same process as required by ISO 9000, but doesn't require as extensive documentation.

Like a chef writing a recipe, you should include all the steps for getting the job done, including procedures for ensuring compliance with laws, regulations, and NASA policy and procedural requirements reducing vulnerability to risk, and preventing waste, fraud, abuse, or mismanagement.

Like a chef, you need to keep experimenting with your process to improve it.

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Use performance measurement, check lists,
and other techniques so you can be sure the
process is being followed and you are getting the
results you want. Controls should be reasonable,
effective, and efficient. They should be
supported by records, as appropriate, again like
ISO 9000 processes.

Evaluate adequacy of controls

You are constantly evaluating your processes and
controls, solving problems as they arise, and
reporting to your superiors. The FMFIA calls
on you to perform an analysis of the
overall adequacy of your management
controls on a regular basis (over a 3 year
period.)

For some activities, management control
evaluations at NASA have become part of the
regular process and no additional evaluation is
necessary. That is, management has already
integrated management control evaluation
with other programs and activities. Examples are
ISO 9000 internal and external audits,
functional self-assessments, spot checks, financial
management audits which specifically include
evaluation of controls, procurement surveys, the
Program/Project process established by NPD
7120.4 and NPG 7120.5 with established internal
and independent reviews which should also
evaluate compliance with management system

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Correct deficiencies

Corrective action ranges from informal actions to full-scale corrective action plans. Most corrective actions do not require coordinated actions by more than one office, but the more serious or potentially serious a management control weakness, the more structured the response in correcting the weakness. Again, ISO 9000 processes are a good mechanism, but not all NASA activities are, or will be ISO certified.

Corrective action that requires participation at a level higher than the office identifying the weakness, or requiring specific funding must be addressed and coordinated at the appropriate management level. Federal

Report results

The FMFIA requires reporting significant management control weaknesses at least to the next level of management. NASA requires that life-threatening management control weaknesses be reported directly to the Center Director and Administrator. All management control weaknesses are to be reported at least to the level in the chain of command responsible for ensuring corrective action is taken. Management control weaknesses may be so significant that the Center Director addresses them in the Center Director's Annual Letter of Assurance.

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Together with other significant areas of management concern identified by senior management, the Inspector General, and the General Accounting Office, these issues are reviewed by the Management Control Steering Committee and may be reported as Material Management Control Weaknesses or Significant Areas of Management Concern in the Administrator's annual report to the President and the Congress which is included in the annual Accountability Report.

For more information about your responsibilities under the FMFIA and related OMB and NASA documents, please contact Herb Robbins at 202-358-2257.