NASA Procedural Requirements

NPR 9010.3
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COMPLIANCE IS MANDATORY

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Subject: Financial Management Internal Control

Responsible Office: Office of the Chief Financial Officer

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Appendix B. Description of Authority and Applicable Documents

B.1 Authority

B.1.1 **Accounting and Auditing Act of 1950, Public Law 97-258 (31 U.S.C. º 3512)**. The budget provisions of this Act provide the basis for a better evaluation of Government programs and activities in terms of fund sources, the purposes to which they are to be applied, and the costs involved.

B.1.2 **Chief Financial Officers (CFO) Act of 1990, Public Law 101-576**. The CFO Act requires agencies to establish and assess internal control related to financial reporting and to audit financial statements, during which auditors report on internal controls and compliance with laws and regulations.

B.1.3 **Clinger-Cohn Act of 1996, Public Law 104-106 (formerly the Information Technology Management Reform Act)**. This Act requires that agencies use a disciplined capital planning and investment control (CPIC) process to maximize the value of and assess and manage the risks of the information technology acquisitions.

B.1.4 **Computer Security Act of 1987, Public Law No. 100-235**. This Act requires agencies to improve the security and privacy of sensitive information in Federal computer systems by establishing minimally acceptable security practices for such systems, including a requirement for computer security plans and training for system users or owners where the systems house sensitive information.

B.1.5 **Federal Financial Management Improvement Act (FFMIA) of 1996, Public Law 104-208, Title VIII**. This Act requires agencies to have financial management systems that substantially comply with the Federal financial management system requirements, standards promulgated by the Federal Accounting Standards Advisory Board (FASAB) and the U.S. Standard General Ledger (USSGL) at the transaction level and requires that the systems have controls to support management decisions by providing timely and reliable data.

B.1.6 **Federal Information Security Management Act of 2002 (FISMA), Public Laws 107-296, Title X, & 107-347, Title III**. This Act establishes requirements regarding electronic Government services and processes, including cost control, and provides details on the resources utilized for information technology security at government agencies.

B.1.7 **Federal Managers' Financial Integrity Act (FMFIA) of 1982, Public Law 97-255 (31 U.S.C. º 3512)**. This Act requires agencies to establish and maintain internal control and serves as an umbrella under which other reviews, evaluations, and audits should be coordinated and considered to support management's assertion regarding the effectiveness of internal control over operations, financial reporting, and compliance with laws and regulations.

B.1.8 **Government Performance and Results Act (GPRA) of 1993, Public Law 103-62 (31 U.S.C. 1115-1119; 39 U.S.C. 2801-2805)**. GPRA requires agencies to develop strategic plans, set performance goals, and report annually on actual performance compared to goals to assess program effectiveness and improve program performance.

B.1.9 **Improper Payments Information Act of 2002, Public Law 107-300**. This Act requires that agencies identify programs and activities that may be susceptible to significant improper payments, an area which shall be considered when assessment the effectiveness of internal control.

B.1.10 **Inspector General (IG) Act of 1978, Public Law 95-452, as amended (IG Act); 5 U.S.C. App**. This act provides for independent reviews of agency programs and operations and semiannual reports to Congress on significant abuses, deficiencies, and recommended actions identified during the reviews.

B.1.11 **Recovery Auditing Act (National Defense Authorization Act for FY 2002, Section 831), Public Law 107-107 (31 U.S.C. ºº 3561-3567)**. This Act requires agencies that enter into contracts with a total value in excess of $500 million in a single fiscal year to carry out a cost-effective program for identifying errors made in paying contractors and for recovering amounts erroneously paid to the contractors.

B.1.12 **Single Audit Act of 1984, Public Law 98-502; Single Audit Act Amendments of 1996, Public Law 104-156 (31 U.S.C. º 7501)**. This Act promotes sound financial management, including effective internal controls, with respect to Federal awards administered by non-Federal entities; establishes uniform requirements for audits of Federal awards administered by non-Federal entities; promotes the efficient and effective use of audit resources; reduces burdens on State and local governments, Indian tribes, and nonprofit organizations; and ensures that Federal departments and agencies, to the maximum extent practicable, rely upon and use audit work done pursuant to Chapter 75 of Title 31, United States Code (as amended by this Act).

B.1.13 **OMB Circular No. A-11, Preparation, Submission, and Execution of the Budget, Part 4**. This Circular provides guidance on budget execution and outlines specific requirements for the agency's fund control regulations.

B.1.14 **OMB Circular No. A-50, Audit Followup**. This Circular provides the policies and procedures for use by executive agencies when considering reports issued by the Inspectors General (IGs), other executive branch audit organizations, the Government Accountability Office (GAO), and non-Federal auditors where follow-up is necessary.

B.1.15 **OMB Circular No. A-123, Management's Responsibility for Internal Control**. This Circular, its appendices, and the guide for conducting acquisition assessments provide guidance to Federal managers on improving the accountability and effectiveness of Federal programs and operations by establishing, assessment, correcting, and reporting on internal control and specifies that internal control should be an integral part of the entire financial cycle, including auditing.

B.1.16 **OMB Circular No. A-123, Appendix C, Management's Responsibility for Internal Control: Requirements for Effective Measurement**. This Circular appendix requires an annual Statement of Assurance signed by the Administrator on the effectiveness of internal control.

B.1.17 **OMB Circular No. A-127, Financial Management System**. This Circular sets forth policies and standards for executive departments and agencies to follow in developing, operating, evaluating, and reporting on financial management systems.

B.1.18 **OMB Circular No. A-130, Management of Federal Information Resources**. This Circular establishes policy and provides procedural and analytic guidelines for the management of Federal information resources.

B.1.19 **OMB Circular No. A-136, Financial Reporting Requirements**. This Circular provides guidance relating to agency and Governmentwide financial reporting.

B.1.20 **Standards for Internal Control in the Federal Government, Government Accountability Office (GAO) Report GAO/AIMD-00-21.3.1**. These standards define the minimum level of quality acceptable for internal control in the Federal Government and provide the basis against which internal control is to be evaluated.

B.1.21 **NPD 9010.2, "Financial Management."** This NPD directs that the Agency CFO and Agency Deputy CFO provide financial management policy.

B.2 Applicable Documents

B.2.1 **NPD 1200.1, "NASA Internal Control."** This NPD establishes NASA's policy regarding the Agency's internal control program and delegates management responsibilities for the development, implementation, and effectiveness of internal controls, as well as the annual assessment of and reporting on the effectiveness.

B.2.2 **NPD 9910.1, "Government Accountability Office/NASA Office of Inspector General Audit Liaison, Resolution, and Followup."** This NPD provides agency policy concerning the establishment of processes to ensure prompt and proper management decisions and implementation of GAO/IG audit recommendations.

B.2.3 **NPD 1210.2, "NASA Surveys, Audits, and Reviews Policy."** This NPD establishes the minimum criteria for the conduct of Headquarters-initiated surveys, audits, and reviews (SARs) of NASA activities in such a way that the SARs are value-added and effective in support of the Agency's mission.

B.2.4. **NPR 9700.1, "Travel."** This NPR sets forth the requirements for travel and travel card management.

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