



DEPARTMENT OF THE NAVY  
COMMANDER NAVY RESERVE FORCE  
1915 FORRESTAL DRIVE  
NORFOLK, VIRGINIA 23551-4615

COMNAVRESFORINST 5200.8D  
N002  
23 Nov 2022

COMNAVRESFOR INSTRUCTION 5200.8D

From: Commander, Navy Reserve Force

Subj: NAVY RESERVE TRANSITION TO INTEGRATED RISK MANAGEMENT FROM  
MANAGER'S INTERNAL CONTROL PROGRAM

Ref: (a) Federal Managers' Financial Integrity Act of 1982  
(b) OMB Circular No. A-123 Appendix A, Management of Reporting and Data Integrity Risk  
(c) Standards for Internal Control in the Federal Government (The "Green Book"), GAO-14-704G  
(d) SECNAVINST 5200.35G  
(e) OPNAVINST 5200.25E  
(f) CNO IRM SOP (20 December 2021)  
(g) DON Integrated Risk Management Guidebook (18 August 2021)

1. Purpose. This instruction provides the applicable requirements of references (a) through (g). It serves as a replacement to references (d) and (e) during the Department of the Navy (DON) transition from Manager's Internal Control (MIC) Program to Integrated Risk Management (IRM). While the DON has not yet canceled references (d) and (e), it has functionally transitioned to IRM utilizing references (f) and (g). As a result of the DON requirements, governance, and terminology changes, this instruction terminates the Navy Reserve MIC processes and documents used prior to Fiscal Year (FY) 2022. As such, it serves as an interim revision until DON formally establishes its IRM policy and should be read in its entirety.

2. Cancellation. COMNAVRESFORINST 5200.8C.

3. Background. IRM is the DON's enterprise-wide program for integrating its Enterprise Risk Management (ERM) and Internal Control over Reporting (ICOR) Programs to strengthen strategic risk management and response across the enterprise. The DON established IRM to replace MIC starting in Fiscal Year FY 2022 and intends for IRM to reach full operational capability in FY 2025. During this transition period, DON via Director, Navy Staff (DNS) will provide the interim annual IRM requirements to Commander, Navy Reserve Force (COMNAVRESFOR) for implementation. All web-based templates utilized for IRM action items will be maintained on the CNRF N002 Share Point site located at:  
[https://private.navyreserve.navy.mil/CNRFCSpecial\\_Assistants/N002/Pages/default.aspx](https://private.navyreserve.navy.mil/CNRFCSpecial_Assistants/N002/Pages/default.aspx).

4. Scope. This instruction applies to COMNAVRESFOR, Commander, Navy Reserve Forces Command (COMNAVRESFORCOM), Commander, Naval Air Force Reserve (COMNAVARES) and Commander, Naval Information Force Reserve (COMNAVIFORES). The identification and reporting of key enterprise risks must be managed at the Echelon III level

and above and COMNAVRESFOR does not require formal participation in the IRM planning and certification process by Echelon IV and V commands.

5. Discussion

a. IRM shifts the DON's current compliance driven activities to a more strategic, risk-based, priority focused, and data-driven approach to risk management. IRM, comprised of ICOR and ERM Programs, enhances the existing risk management processes across the enterprise to better address the DON's priority areas such as financial risks and applies the same rigor to the priority operational environment.

b. The IRM Program emphasizes the importance of focusing on the Chief of Naval Operations (CNO) and DON's most critical risks, assessing those risks holistically, and prioritizing ICOR activities accordingly.

c. Per reference (f), DON IRM priorities are established and conveyed through four sources: DON Risk Profile, DON End-to-End Processes, Senior Leadership Priorities, and CNO's NAVPLAN2021. Commanders are responsible performing in a critical role in assessing financial, operational, and Information Systems Technology system related risks and internal controls in a holistic manner. This assessment is achieved via the Internal Controls over Reporting-Operations (ICOR-O), Internal Controls over Reporting-Financial Systems (ICOR-FS), and Internal Controls over Reporting-Financial Reporting (ICOR-FR) processes. The integration of these three processes enables IRM to provide reliable and timely data to inform and assist management decisions of risks to Strategy, Operations, Finance, and Systems.

6. Action. To ensure compliance with references (a) through (g), commands must complete the following as directed by DON/DNS via Echelon II IRM Coordinator:

a. Submit Annual IRM Plan. COMNAVRESFOR must submit an annual IRM Plan to the DNS Internal Control Program Office as described in reference (c) to document the progression of the internal controls program and demonstrate compliance with reference (e) to ensure reporting requirements comply with DON, Department of Defense (DoD), Office of Management and Budget (OMB) and other statutory requirements. The plan must capture the approach to implementing an effective internal control program and serves as the first resource IRM coordinators use to understand the program.

b. Perform Risk Assessments. COMNAVRESFOR must perform the integrated risk assessment process continuously throughout the year and submit a summary of assessed risks and controls as part of the Integrated Certification Statement. Risk assessments help management identify core objectives, the significant risks associated with meeting those objectives, identify internal controls that mitigate those risks, and prioritize remediation efforts (if internal controls are not in place or are ineffective). An effective integrated risk assessment process will also support planning of internal control testing, mitigation of control gaps, and ensuring resources are dedicated to high-risk areas affecting the system of internal controls.



c. Perform Internal Control Assessments. In addition to the integrated risk assessment, COMNAVRESFOR must perform an assessment of the effectiveness of internal controls and include the results as part of the Internal Control Evaluation (ICE). Performing an ICE allows management to determine if there are controls in place to mitigate the risks identified during the integrated risk assessment, and if the controls are adequately designed and operating effectively. While monitoring of the internal control system should be ongoing throughout the reporting year and built into operations, the ICE should be used to provide feedback on overall monitoring efforts and the internal control system at any given time. The ICE provides the opportunity to demonstrate that controls are designed and implemented properly and operating effectively.

d. Submit IRM Certification Statement. COMNAVRESFOR must submit an annual consolidated, force-wide IRM Certification Statement. DNS Internal Controls will determine the required date of submission. The IRM Certification Statement must incorporate the Echelon III certification statements and attest to whether:

- (1) Programs achieved their intended results.
- (2) Resource use was consistent with the CNO and DON mission.
- (3) Programs and resources were safeguarded from fraud, waste, and abuse.
- (4) Laws and regulations were followed appropriately.

(5) Reliable and timely information was obtained, maintained, reported, and utilized to guide decision-making.

e. Provide Corrective Actions for Reportable Conditions and Material Weaknesses. COMNAVRESFOR must include corrective action plans (CAPs) for all material weaknesses and reportable conditions as an enclosure to the IRM certification statement.

## 7. Responsibilities.

a. COMNAVRESFOR must:

- (1) Designate an IRM coordinator and Alternate IRM Coordinator.
- (2) Designate IRM Assessable Unit Managers (AUMs) for ICOR-O, ICOR-FS, and ICOR-FR.
- (3) Endorse or properly delegate authority to endorse annual IRM plan and IRM certification statements.
- (4) Ensure COMNAVRESFORCOM, COMNAVAIRES, and COMNAVINFORES execute the IRM Program effectively.

b. COMNAVRESFOR IRM Coordinator and Alternate Coordinator must:

(1) Attend all DON/DNS Internal Control monthly meetings or send a designated representative.

(2) Maintain the web-based repository of all DON/DNS Internal Control templates to provide to Echelon III IRM coordinators and stakeholders.

(3) Serve as liaison between DON/DNS Internal Control and Echelon III AUMs.

(4) Communicate all timelines and deadlines to Echelon III AUMs to ensure adequate time is provided to complete all DON/DNS requirements.

(5) Complete IRM coordinator training as required by DON.

(6) Follow the policies and procedures set forth in this instruction.

(7) Provide quality assurance for the command.

c. COMNAVRESFOR IRM AUMs must:

(1) Follow the policies and procedures set forth in this instruction.

(2) Identify key enterprise risks to inform the IRM Coordinator.

(3) Capture, assess, monitor and manage operational risks (ICOR-O) and financial and systems risks (ICOR-FR and ICOR-FS), as appropriate.

(4) Coordinate as appropriate with appropriate N-codes (N6, N85, N002, etc.) to facilitate COMNAVRESFOR compliance to IRM execution.

d. Echelon III commanders must:

(1) Designate a command ICOR-O AUM in writing.

(2) Follow the policies and procedures set forth in this instruction.

(3) Identify key enterprise risks to inform the IRM coordinator.

(4) Submit an annual IRM certification statement to COMNAVRESFOR.

(5) Manage the risk mitigation controls identified in the IRM certification statement and notify COMNAVRESFOR in the event of significant updates to those risks and controls.

e. Echelon III AUMs must:

(1) Attend periodic COMNAVRESFOR IRM meetings.

(2) Utilize templates provided by the Echelon II IRM Coordinator to provide COMNAVRESFOR ICOR-O, ICOR-FS, and/or ICOR-FR AUMs timely inputs to complete the required annual IRM submissions.

(3) Complete AUM training as required by DON.

(4) Follow the policies and procedures set forth in this instruction.

(5) Provide quality assurance for the command.

8. Records Management. Records created as a result of this instruction, regardless of media or format, must be managed per SECNAV Manual 5210.1 of September 2019.

9. Review and Effective Date. Per OPNAVINST 5215.17A, COMNAVRESFOR will review this instruction annually on the anniversary of its issuance date to ensure applicability, currency, and consistency with Federal, DoD, SECNAV, and Navy policy and statutory authority using OPNAV 5215/40 Review of Instruction. This instruction will be in effect for 10 years, unless revised or cancelled in the interim, and will be reissued by the 10-year anniversary date if it is still required, unless it meets one of the exceptions in OPNAVINST 5215.17A, paragraph 9. Otherwise, if the instruction is no longer required, it will be processed for cancellation as soon as the need for cancellation is known following the guidance in OPNAV Manual 5215.1 of May 2016.

A handwritten signature in blue ink, appearing to read 'J. B. Mustin', with a stylized, elongated horizontal stroke at the end.

J. B. MUSTIN

Releasability and distribution:

This instruction is cleared for public release and is available electronically only via the Navy Reserve Homeport at <https://www.navyreserve.navy.mil/Resources/Official-RESFOR-Guidance/Instructions/>.