



CHIEF OF THE NATIONAL GUARD BUREAU INSTRUCTION

NGB-J8
DISTRIBUTION: A

CNGBI 9500.01A
12 July 2019

NATIONAL GUARD FISCAL STEWARDSHIP

References: See Enclosure B.

1. Purpose. This instruction establishes policy, assigns responsibilities, and prescribes minimum standards and requirements for the National Guard (NG) to affirm commitment to fiscal stewardship in accordance with (IAW) references a through g.
2. Cancellation. This instruction supersedes its previous version, CNGBI 9500.01, 09 August 2016, "National Guard Fiscal Stewardship."
3. Applicability. This instruction applies to all NG elements. Nothing in this instruction will be construed as a limitation on the authority of a Governor of a State to employ any NG unit of that State to perform functions authorized by the laws of the State concerned.
4. Policy. It is NG policy to promote fiscal stewardship by continually assessing the fiscal state of the NG. To affirm fiscal stewardship, the NG will maintain an oversight structure as the authority for sustaining situational awareness, strengthening internal controls to maintain audit readiness, and developing performance metrics designed to achieve compliance with internal and external statutory and regulatory policies and guidelines. NG operational, programmatic, and policy issues identified through management internal controls, audits, inspections, and self-reported concerns will receive guidance and resolution within a fiscal stewardship oversight structure (FSOS) under the direction of the CNGB (see Figure 1).

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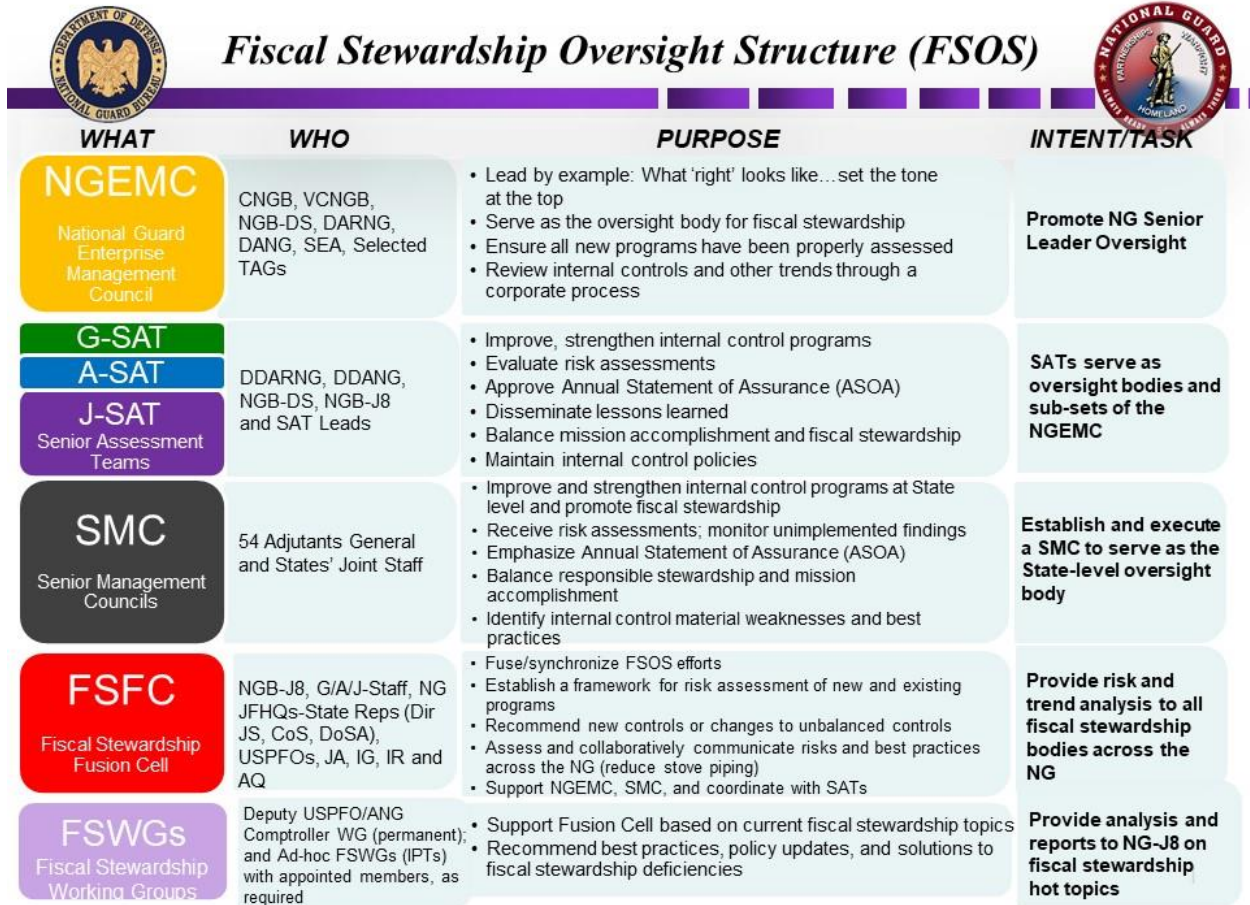



Figure 1. Fiscal Stewardship Oversight Structure

5. Definitions. See Glossary.
6. Responsibilities. See Enclosure A.
7. Summary of Changes. This instruction updates the policy and responsibilities pertaining to NG fiscal stewardship.
8. Releasability. This instruction is approved for public release; distribution is unlimited. Obtain copies through <<https://www.ngbpdc.ngb.army.mil>>.

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9. Effective Date. This instruction is effective upon publication and must be reissued, cancelled, or certified as current every five years.



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Enclosures:

- A -- Responsibilities
- B -- Fiscal Stewardship Oversight Structure Hierarchy
- C -- References
- GL -- Glossary

ENCLOSURE A
RESPONSIBILITIES

1. CNGB. The CNGB will:
 - a. Maintain situational awareness through Fiscal Stewardship Fusion Cell (FSFC) briefings.
 - b. Provide policy and strategic guidance on reportable conditions.
 - c. Review and address corrective actions arising from internal control programs, as appropriate.
 - d. Provide guidance to the FSFC.
 - e. Serve as chair of the National Guard Enterprise Management Council (NGEMC).
2. Vice Chief of the NGB (VCNGB). The VCNGB will:
 - a. Serve as a member of the NGEMC.
 - b. Chair the NGEMC when directed by the CNGB, in the CNGB's absence.
 - c. Maintain situational awareness through FSFC briefings in coordination with NGB-J8; provide guidance to the FSFC.
 - d. Provide policy and strategic guidance on reportable conditions raised to senior leadership and inform the NGBJS, ARNG, ANG, and the States.
 - e. Review and address corrective action plans arising from internal control programs as they apply to the NGBJS, ARNG, ANG, and States.
3. Director of Staff of the National Guard Bureau (NGB-DS). The NGB-DS will:
 - a. Serve as a member of the NGEMC.
 - b. Establish the NGB Joint Senior Assessment Team (J-SAT) and appoint members; act as the J-SAT co-chairperson.
 - d. Sign appointment memorandums for individuals assigned to the FSFC as recommended by NGB-J8.
 - e. Establish policy and prescribe administrative and operational functions for the J-SAT.

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f. Oversee the proper use of resources (i.e., funds, equipment, and personnel) and confirm that the Managers' Internal Control Program (MICP) is executed IAW applicable Federal laws and regulations and Department of Defense (DoD) policy.

g. Support the fiscal stewardship awards program within FSOS processes.

4. Director of the ARNG. The Director of the ARNG will:

a. Serve as a member of the NGEMC.

b. Establish the Army Guard Senior Assessment Team (G-SAT) and appoint members, including a general officer or member of the Senior Executive Service (SES) to act as chairperson.

c. Provide representatives with a financial background for NGB-DS appointment as FSFC members to participate in fiscal stewardship training, planning, and implementation, as appropriate.

d. Oversee the proper use of resources (that is, funds, equipment and personnel) and confirm that the MICP is executed IAW Federal laws and regulations and DoD policy.

5. Director of the ANG. The Director of the ANG will:

a. Serve as a member of the NGEMC.

b. Establish the Air Guard Senior Assessment Team (A-SAT) and appoint members, including a general officer or SES member to act as chairperson.

c. Provide representatives with a financial background for NGB-DS appointment as FSFC members to participate in fiscal stewardship training, planning, and implementation, as appropriate.

d. Oversee the proper use of resources (funds, equipment and personnel) and confirm that the MICP is executed IAW Federal laws and regulations and DoD policy.

6. NGB Chief Counsel. NGB Chief Counsel will:

a. Serve as an advisor on the NGEMC.

b. Identify a representative for NGB-DS appointment as an FSFC member.

7. Director of NGB Public Affairs. NGB-Public Affairs will develop, implement, and maintain a fiscal stewardship strategic communications plan in coordination with NGB-J8.

8. NGB Inspector General. The NGB-Inspector General will:
 - a. Serve as an advisor on the NGEMC.
 - b. Identify a representative for NGB-DS appointment as an FSFC member.
 - c. Provide updates and briefings on trends/published inspection results and findings during FSFC and NGEMC meetings.
9. Director of NGB Internal Review. The Director of NGB Internal Review will:
 - a. Serve as an advisor on the NGEMC.
 - b. Identify a representative for NGB-DS appointment as an FSFC member.
 - c. Provide updates and briefings on current findings and results during FSFC and NGEMC meetings.
10. NGB Director of Acquisitions. The NGB Director of Acquisitions will:
 - a. Serve as an advisor on the NGEMC.
 - b. Identify a representative for NGB-DS appointment as an FSFC member.
11. NGB Director of Manpower and Personnel, Director of Domestic Operations and Force Development, Director of Logistics/Engineer, and NGB C4 Systems and Chief Information Officer. These directors will identify a representative with a financial background (for example, Resource Advisor) for NGB-DS appointment as an FSFC member.
12. NGB Director of National Guard Bureau Program and Resources Directorate/Comptroller NGB-J8. The Director of NGB-J8 will:
 - a. Serve as the proponent for NGE fiscal stewardship and related processes to ensure understanding, process continuity, and situational awareness for the NG.
 - b. Establish the FSFC and recommend individuals for NGB-DS appointment to the FSFC.
 - c. Act as the NGB J-SAT co-chairperson.
 - d. Establish a fiscal stewardship training program and assist in its implementation.
 - e. Institute an Excellence in Fiscal Stewardship Award program and support the program within Fiscal Stewardship Oversight Structure (FSOS) processes and established performance metrics.

- f. Provide representation on the G/A-SATs to address NGBJS input requirements.
- g. Provide organizational, planning, and facilitation support to the NGEMC.
- h. Recommend appointment and obtain approval from the CNGB of new State Adjutant Generals (TAGs) as NGEMC participants in order to provide a renewed understanding of and approach to fiscal stewardship.
- i. Sign appointment memorandums for individuals assigned to working groups (permanent and ad hoc) that will expire one year from the date of signature.

13. TAGs. TAGs will:

- a. Establish a Senior Management Council (SMC) and appoint members.
- b. Establish policy and prescribe administrative and operational functions for the SMC, IAW guidance in this instruction.
- c. Participate in NGEMC activities, as required, upon NGB-J8 request.
- d. Select State Chiefs of Staff, Directors of Staff–Air, and wing commanders for participation in NGEMC and FSFC activities, as required, upon NGB-J8 request.
- e. Support the fiscal stewardship awards program within FSOS processes.

14. Appointing Authorities. As designated above, for each specified FSOS body in this instruction, the appointing authorities will:

- a. Appoint members by memorandum for a specified term or an indefinite period.
- b. Designate, or establish a process to select a chairperson or, if desired, co-chairpersons.
- c. Document processes, procedures, structures, and products for their respective FSOS body.
- d. Replace FSOS body members at their discretion. Only an appointing authority may replace members of an FSOS body.
- e. Assess each FSOS body at least once every two years to ensure relevancy and productivity.

f. Terminate the body that has fulfilled its objectives, reached its predetermined termination date, or become irrelevant, unproductive, or inappropriate.

ENCLOSURE B

FISCAL STEWARDSHIP OVERSIGHT STRUCTURE HIERARCHY

1. Recognizing the scope and significance of sound fiscal stewardship across the NG, the NGB-J8 established the FSOS. The FSOS will ensure that fiscal stewardship equities are represented at the lowest level from local, to State, to the NGB and across the Army National Guard (ARNG) and Air National Guard (ANG), facilitating resolution of fiscal stewardship issues at the lowest echelon. The FSOS will standardize and strengthen accountability and effectiveness of NG programs and operations; provide transparency; and, share fiscal stewardship best practices and solutions. Oversight will include development and continuous sustainment of internal control plans, methods, policies, and procedures as a proactive first-line defense to help NG leaders safeguard assets, supporting attainment of operational objectives and strategic goals through effective and efficient stewardship of taxpayers' dollars.

a. NGEMC. The NGEMC advises the CNGB on oversight of Federal resources and guidance to other framework bodies. It is the top tier of the FSOS composed of NG key leaders and select TAGs. The NGEMC will:

(1) Receive briefings from the FSFC to ensure situational awareness of fiscal stewardship areas rated as high-risk, based on input from annual statement of assurance (ASOA) and analysis performed by the SATs and SMCs.

(2) Monitor and assess internal controls, reportable material weaknesses, and corrective action plans within the NG.

(3) Select three States annually to receive the State Excellence in Fiscal Stewardship Award.

b. SAT. There are three SATs within the FSOS: J-SAT, G-SAT, and A-SAT. SATs support the FSFC, actively overseeing the processes of assessing internal controls, including operations, compliance, and financial and non-financial reporting objectives; recommending to the FSFC which control deficiencies are material weaknesses; and providing input for the level and priority of resources needed to correct reportable conditions, significant deficiencies, and material weaknesses. The SATs will:

(1) Convene recurring meetings and report meeting minutes to the FSFC.

(2) Support senior leadership oversight of managers' internal controls, policy, and risk assessment in all operations with a focus on resources and readiness.

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(3) Evaluate internal controls, risk assessments, and output from the Internal Review Annual Program, a specific ARNG Five-Year Managers' Internal Control Evaluation Plan, any unimplemented audit findings, and Financial Improvement and Audit Readiness matters.

(4) Promote solutions to the ARNG, ANG, Office of the CNGB, and NGB-DS reported by Major Assessable Units or the States on NG issues.

(5) Coordinate with the Army, Air Force, and DoD for assistance in resolving deficiencies, as required.

(6) Review and approve the ASOA and final report, IAW reference b.

(7) Review and recommend performance metrics and related risk reporting based on CNGB directives, NGEMC guidance, and FSFC input.

(8) Review the ARNG, ANG, and Office of the CNGB and NGBJS consolidated ASOAs.

(9) Develop and implement corrective action plans to correct or mitigate reported internal control deficiencies and material weaknesses; and, report progress on corrective action plans quarterly to NGB-J8 and the FSFC.

(10) Generate fiscal topics, issues, and other focal areas for the FSFC to evaluate and analyze.

c. SMC. SMCs address State NG activities by identifying internal control material weaknesses, highlighting and promoting best practices, monitoring unimplemented findings, and ensuring the Annual Statements of Assurance (ASOAs) are comprehensive and accurate. The SMCs will:

(1) Convene recurring meetings and report meeting minutes to the FSFC.

(2) Assist TAG and the United States Property and Fiscal Officer (USPFO) in identifying and assessing risks within programs and organizations of the State.

(3) Communicate and provide input to the TAGs' MICP, ASOA, and risk assessment to ensure senior leader oversight. Additional options for consideration include review and discussion of the NGB Internal Review Annual Program, a specific ARNG Five-Year Managers' Internal Control Evaluation Plan and ANG Management Control Plan, unimplemented audit findings, and Financial Improvement and Audit Readiness matters.

(4) Discuss and address MICP priorities, timelines, and risks.

(5) Establish with a satisfactory level of management confidence—reasonable assurance—that internal controls are adequate (absolute control would exceed benefits derived) and operating as intended and that risks are managed.

(6) Review potential audit topics for inclusion in the Internal Review Annual Program.

(7) Identify and develop recommended actions for statutory areas of concern.

(8) Promote continuous awareness of internal controls at the State level.

(9) Improve program efficiencies and effectiveness while enhancing operations within JFHQs-State.

(10) Develop plans to reduce risks of fraud, waste, and abuse.

(11) Develop additional audit areas and identify other areas of improvement for fiscal stewardship staff planning, as directed.

(12) Develop and implement corrective action plans to correct or mitigate reported internal control deficiencies and material weaknesses; and, report progress on corrective action plans quarterly to NGB-J8 and the FSFC.

(13) Identify fiscal topics, issues, and other focal areas for analysis and evaluation in coordination with the FSFC. Provide input to the FSFC on risks, policy impacts, and best practices.

d. FSFC. The FSFC is the primary fiscal stewardship advisory and enforcing body that fuses and synchronizes information from the SATs and SMCs into reportable risks and actionable best practices for promulgation across the NG. It supports FSOS efforts by providing risk and trend analysis and by monitoring NGB compliance with applicable laws and regulations, effectiveness of Federal programs and operations, accountability of appropriated resources, and reliability of financial reporting. The FSFC will:

(1) Convene recurring meetings and share meeting minutes across the NG.

(2) Support the NGEMC, and other FSOS bodies, by providing analysis products that identify fiscal stewardship risks and best practices.

(3) Establish a framework for risk assessment of new and existing programs.

(4) Recommend new controls or changes to existing controls.

(5) Review and recommend new performance metrics or changes to existing metrics.

(6) Communicate the CNGB's prioritized risk list and share successful practices and common issues within the NG.

(7) Establish FSWGs in coordination with NGB-J8.

e. FSWGs. FSWGs include one permanent FSWG, the Deputy USPFO/ANG Comptroller Working Group (DAWG), and ad hoc integrated process teams (IPTs). Appointed members will provide analysis, recommendations, and reports to NGB-J8 on fiscal stewardship high-interest topics as identified by the FSFC, in support of NG fiscal stewardship efforts.

(1) The DAWG, as a permanent working group, validates regulatory guidance on fiscal stewardship topics identified by the FSFC. Responsibilities include leading IPTs, upon FSFC request, in developing and implementing best management practices for NG fiscal stewardship, identifying high-risk areas, and analysis of and research on fiscal stewardship focal areas and issues identified by the SATs and SMCs. Additional responsibilities may include providing continuity of its fiscal stewardship efforts with those of other FSOS bodies between and during formal and informal fiscal stewardship forums; compiling and providing analyses, reports, and recommendations generated by working groups on fiscal stewardship high-interest topics to the FSFC and NGEMC; and fusing and synchronizing fiscal stewardship efforts among the J-SAT, G-SAT, A-SAT and other FSOS bodies.

(2) IPTs, as ad hoc FSWGs, are established by the FSFC to address specific fiscal stewardship initiatives, issues, and areas of concern, as led by the DAWG. IPTs are not enduring; once an IPT's research, analysis, assessment, and recommendations are complete, the IPT is dissolved. IPTs are composed of subject matter experts within the field and discipline of the specific initiative, issue, or area of concern addressed. Individuals assigned to an IPT are expected to remain assigned to and actively participate in the IPT until its work is completed.

ENCLOSURE C

REFERENCES

- a. DoD Directive 5105.77, 30 October 2015, “National Guard Bureau,” incorporating Change 1, 10 October 2017
- b. OMB Circular A-123, 21 December 2004, “Management’s Responsibility for Internal Control”
- c. DoD Instruction 5010.40, 30 May 2013, “Managers’ Internal Control Program Procedures”
- d. Army Regulation 11-2, 04 January 2010, “Managers’ Internal Control Program,” Rapid Action Revision 26 March 2012
- e. Air Force Instruction 65-201, 09 February 2016, “Managers’ Internal Control Program Procedures”
- f. Government Accountability Office (GAO) Report 14-704G, 10 September 2014, “Standards for Internal Control in the Federal Government”
- g. GAO Report 16-480R, 25 April 2016, “Key Actions to Make Progress Addressing High-Risk Issues”

GLOSSARY

PART I. ACRONYMS

ANG	Air National Guard
ARNG	Army National Guard
A-SAT	Air Guard Senior Assessment Team
ASOA	Annual Statement of Assurance
CNGB	Chief of the National Guard Bureau
CoS	Chief of Staff
DANG	Director of the Air National Guard
DARNG	Director of the Army National Guard
DAWG	Deputy United States Property and Fiscal Officer/Air National Guard Comptroller Working Group
DDANG	Deputy Director of the Air National Guard
DDARNG	Deputy Director of the Army National Guard
Dir	Director
DoD	Department of Defense
DoSA	Director of Staff-Air
FSFC	Fiscal Stewardship Fusion Cell
FSOS	Fiscal Stewardship Oversight Structure
FSWG	Fiscal Stewardship Working Group
G-SAT	Army Guard Senior Assessment Team
IAW	In accordance with
ICEP	Internal Control Evaluation Plan
IG	Inspector General
IR	Internal Review
JA	Judge Advocate
JS	Joint Staff
J-SAT	Joint Staff Senior Assessment Team
MICP	Managers' Internal Control Program
NG	National Guard
NGB	National Guard Bureau
NGB-AQ/HCA	Director of Acquisitions/Head of Contracting Agency, National Guard Bureau
NGB-DS	Director of Staff of the National Guard Bureau
NGB-J1	Director of Manpower and Personnel, National Guard Bureau
NGB-J6	Chief Information Officer/J6, National Guard Bureau
NGB-J8	Director of Programs and Resources/Comptroller, National Guard Bureau
NGB-JA	Chief Counsel, National Guard Bureau
NG JFHQs-State	National Guard Joint Force Headquarters-State
NGBJS	National Guard Bureau Joint Staff
NGEMC	National Guard Enterprise Management Council

SAT	Senior Assessment Team
SEA	Senior Enlisted Advisor
SES	Senior Executive Service
SMC	Senior Management Council
TAG	The Adjutant General
USPFO	United States Property and Fiscal Officer
VCNGB	Vice Chief of the National Guard Bureau

PART II. DEFINITIONS

Annual Statement of Assurance -- An annual statement, in memorandum format, that provides a leader's explicit level of assurance on whether Internal Controls are effective based on self-assessments and testing of Internal Controls developed for mission-essential functions relative to risks and material weaknesses.

Assessable Units -- Any organizational, functional, programmatic, or other applicable subdivision of an organization that allows for adequate Internal Control analysis. An assessable unit's functions include the documentation, identification, and insertion of controls associated with a specific sub-function in order to mitigate identified risk. The assessable unit is required to have an appointed and adequately trained assessable unit manager.

Fiscal Stewardship -- Actions taken by individuals and organizations to effectively and efficiently manage an organization's resources. These actions can: take deliberate steps to eradicate inefficiencies; demonstrate commitment to integrity and ethical values; identify, analyze, and respond to risk (including defining objectives and risk tolerances); enforce accountability; and design and manage control activities. Other critical activities include monitoring and responding to changes in the organization to maintain relevant controls and demonstrating a commitment to competence.

Fiscal Stewardship Oversight Structure -- A five-tier, hierarchical structure composed of fiscal stewardship management bodies: the National Guard Enterprise Management Council, Senior Assessment Teams, Senior Management Councils, the Fiscal Stewardship Fusion Cell, and permanent and ad hoc Fiscal Stewardship Working Groups.

Internal Controls -- The organization, policies, and procedures that help program and financial managers achieve results and safeguard the integrity of programs by reducing the risk of adverse activities.