



To enhance mission performance, TSA is committed to promoting a culture founded on its values of Integrity, Innovation and Team Spirit.

REVISION: This directive supersedes TSA MD 3100.3-1, Management Control Council, dated July 12, 2005.

SUMMARY OF CHANGES: Updated council membership for organizational changes that have occurred.

- 1. PURPOSE:** This directive provides TSA policy and procedure for a Management Control Council (hereafter referred to as the Council) to oversee and monitor the Transportation Security Administration's (TSA) internal management control processes that ensure compliance with the Federal Managers' Financial Integrity Act (FMFIA) and the Department of Homeland Security Financial Accountability Act (DHS FAA). The Council will assist the Assistant Secretary in fulfilling management control requirements codified in Public Law and set the tone of leadership support for effective internal controls throughout TSA.
- 2. SCOPE:** This directive applies primarily to duties and responsibilities of the Council and its members. However, Council decisions and recommendations are applicable to all TSA employees.
- 3. AUTHORITIES:**
 - A. DHS FAA, Public Law 108-330
 - B. FMFIA, Public Law 97-255
 - C. Office of Management and Budget (OMB) Circular A-123, Management's Responsibility for Internal Control, December 2004
 - D. Department of Homeland Security, Deputy Secretary, Policy Statement on the DHS FAA, January 31, 2005
- 4. DEFINITIONS:** The definitions of key terms used in this directive are contained in TSA MD 1000.10-1, *Management Control Program* and the Management Control Program Manual.
- 5. RESPONSIBILITIES:**
 - A. Deputy Administrator is responsible for:
 - (1) Serving as the senior Council member providing agency level strategic direction to the Council; and
 - (2) Providing leadership support for Council business.

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B. Assistant Administrator and Chief Financial Officer, Office of Finance and Administration (OFA/CFO) is responsible for:

- (1) Implementing this directive,
- (2) Serving as the Chairperson for Council meetings,
- (3) Approving the agenda for Council business, and
- (4) Approving Council business minutes.

C. Council is responsible for:

- (1) Serving as the primary review group on issues involving TSA management/internal control processes, and
- (2) Recommending actions necessary to ensure compliance with the internal control policies of the Federal government.

D. Council Members are responsible for:

- (1) Utilizing mission area Management Control Program Managers to support their participation in conducting Council business,
- (2) Reviewing the supporting Statements of Assurance submitted for each TSA mission area and providing a recommendation as to which material weaknesses, if any, should be reported to the Department,
- (3) Reviewing corrective action plans associated with internal control weaknesses and other reportable conditions identified during risk assessments, audit reports, or other management control reviews,
- (4) Reviewing and approving recommendations for agency-wide standard Management Control Objective Techniques for high risk processes such as the Government Purchase Card Program, Time and Attendance reporting and approving, and any other systemic operational, programmatic or administrative problem, for inclusion in all Management Control Objective Plans,
- (5) Making a determination when sufficient action has been taken to declare that a material weakness or other reportable condition identified during an internal control review or audit has been corrected,
- (6) Reviewing requirements and providing support to implement the Department's Senior Assessment Team provision of OMB Circular A-123, Management's Responsibility for Internal Control, Appendix A, and

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- (7) Reviewing analysis of emerging Federal management control policies on TSA operations and, if applicable, providing recommendations to the Assistant Secretary on the actions required to ensure compliance.

E. Office of Financial Management is responsible for:

- (1) Preparing the Council agenda for the Council chairperson's approval,
- (2) Preparing analysis and discussion points with input from affected mission areas on internal management control issues and all other committee business to facilitate discussion and Council decision making,
- (3) Notifying Council members of meeting information and disseminating an agenda of Council business to members prior to the meeting,
- (4) Reserving conference rooms and making other logistical arrangements (audio-visual, telecommunications, etc.) for Council meetings,
- (5) Preparing and disseminating to Council members all support documentation necessary for the Council to conduct its business,
- (6) Providing a recorder to capture and prepare Council minutes for approval by the chairperson and dissemination to Council members, and
- (7) Assisting the Council with other administrative support as required.

6. POLICY:

A. The Council will be comprised of the following members:

- (1) Deputy Administrator (Senior Member)
- (2) Assistant Administrator and Chief Financial Officer, Office of Finance and Administration – *Chairperson*
- (3) Assistant Administrator for Inspection – *Advisor to the Council*
- (4) Chief Counsel
- (5) Special Counselor
- (6) All other Assistant Administrators for the Transportation Security Administration
- (7) Deputy Assistant Administrator for Administration (Chief Administrative Officer)
- (8) General Manager, Field Operations

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- (9) Eastern Area Federal Security Director
- (10) Central Area Federal Security Director
- (11) Western Area Federal Security Director
- (12) Director, Office of Financial Management – *Advisor to the Council*

NOTE: Advisors to the Council will not participate in Management Control Council decision making or recommendations.

- B. The DHS FAA, Public Law 108-330, requires the Department to provide an assurance statement on its internal controls that apply to financial reporting and to receive an audit opinion on the Department’s internal controls that apply to financial reporting. These requirements are DHS specific and beyond what other Federal agencies are required to report.
- C. OMB Circular A-123, Management’s Responsibility for Internal Control, recommends establishing a Management Control Council to provide oversight and guidance to an agency’s internal control process and this directive implements that recommendation.

7. PROCEDURES:

- A. Meetings will be conducted on a quarterly basis or more frequently if required.
- B. The Council Chairperson will announce the time and place of the meetings.

8. EFFECTIVE DATE AND IMPLEMENTATION: This policy is effective immediately upon signature.

APPROVAL



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8/7/2008
Date

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