



REPLY TO
ATTENTION OF

**DEPARTMENT OF THE ARMY
INSTALLATION MANAGEMENT AGENCY
HEADQUARTERS, UNITED STATES ARMY GARRISON,
FORT LEONARD WOOD
320 MANSCEN LOOP STE 120
FORT LEONARD WOOD, MISSOURI 65473-8929**

ATZT-GC (11-2a)

14 Apr 05

MEMORANDUM FOR Installation Management Agency Northwest Region (IMNW-RMD-M/Ms. Marge Mann), 1 Rock Island Arsenal, Rock Island, IL 61299-6200

SUBJECT: FY05 Statement on Management Controls

1. The management control process throughout the Garrison Command provides reasonable assurance that:

- a) Assets are safeguarded against waste, loss, unauthorized use, or misappropriation.
- b) Obligations and costs comply with applicable laws.
- c) Revenues and expenditures applicable to operations are properly accounted for and recorded.
- d) Programs and administrative functions are efficiently and effectively carried out in accordance with applicable law and management policy.
- e) The military and civilian managers who meet the criteria outlined in paragraph 2-10 of AR 11-2 have explicit management control (MC) responsibilities in their "performance agreements".
- f) All management control evaluations scheduled for review in FY05 have been accurately completed and documented.

2. My determination is based on a general understanding and adherence to the GAO standards for Internal Controls, verified by methods I believe necessary to evaluate the adequacy of management controls. Some of the actions supporting my determinations include submission of all scheduled management control evaluations by applicable organizational elements as well as the following:

- a) Performance of other management control evaluations warranted by local circumstances.
- b) Consideration of audits, inspections, and independent review reports.
- c) Assurances by principals of subordinate organizations.
- d) Heightened awareness and formal responsibility for the adequacy of management controls by military and civilian managers.

ATZT-GC (11-2a)

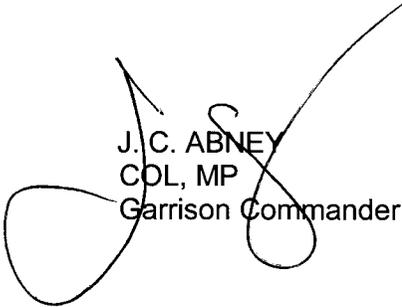
SUBJECT: FY05 Statement on Management Controls

3. The conduct of standardized evaluations and other methods of review throughout my organization have not detected any management control deficiencies which I consider material weaknesses. Five management control weaknesses have been identified and are being corrected. I have reviewed the management control weaknesses and am satisfied that actions taken or scheduled to be taken are sufficient to correct the deficiencies within a reasonable period of time.

4. Tab A includes specific details on how the Garrison Command Management Control process was conducted for FY05.

5. Tabs B-1 through B-3 include details on material weaknesses currently and/or previously detected. The application of checklists and other methods of evaluation throughout the Garrison Command detected zero material weaknesses.

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J. C. ABNEY
COL, MP
Garrison Commander

TAB A

HOW THE GARRISON COMMAND ASSESSMENT WAS CONDUCTED FOR FY05

TAB A-1 The Basis for Reasonable Assurance

This statement of assurance is based on a combination of actions taken to ensure there is a reasonable level of confidence that management controls throughout the Garrison Command are in place and effective. Those actions include:

- 1) Development of a Management Control Process within the installation IMA Garrison Command organization.
- 2) Designation of the DRM as the senior responsible official with overall responsibility for ensuring the implementation of an effective management control process.
- 3) Development and distribution of a command policy providing guidance on the installation IMA Management Control Process.
- 4) Appointment of a Management Control Administrator to: distribute program guidance and requirements, provide training, maintain records on management control evaluations, monitor the status of reported management control weaknesses, and provide advice/assistance to the Assessable Unit Managers to ensure a sound basis for the Annual Statement of Assurance.
- 5) Approved the Installation IMA 5-Year Plan which will ensure that management control evaluations are conducted on a timely schedule.
- 6) Advised Assessable Unit Managers of the inherent management control responsibilities, using the GAO standards for day-to-day guidance.
- 7) Assigned responsibility and accountability for Integrity Act objectives to managers as appropriate.
- 8) General knowledge of command operations derived from staff meetings, status reports, periodic review and analysis sessions and other forms of command oversight.
- 9) Completed 34 management control evaluations either mandated by ASA (FM&C) Management Control Evaluation inventory or as determined by local management.
- 10) The use of other regulatory and local checks and balances already in place (e.g. OIP and Internal Review audits).
 - Internal Review Support: The Internal Review Office (IRO) spent 0.1 man-years in support of the management control process. IRO and/or external audit agencies conducted or participated in 38 audits/reviews related to BASOPS functions. An assessment of management controls was included as part of all formal audits. These audits included recommendations and follow-ups to improve systems/processes, management controls, or readiness. These audits continue to show that management control evaluations were not properly completed. If

assessable unit managers had performed the required analysis and documented tests of controls, these weaknesses would have been identified. Although a material reportable weakness was not identified during our audits, there continues to be concern that management controls weren't properly evaluated.

Examples of the scope of audits/reviews conducted/participated in were:

Internal

Review of Training Aid Shortages	Property Accountability at VIC
DOIM CAPR Process	Year End Contracting Procedures
Review of MWR Discount Card	GSA Vehicle Accidents
Safety Reporting Process	GSA Vehicle Utilization
Space Utilization Study	Service Contracts
Lodging Overhead Costs	QA for Food Service Contract
TDY Travel	Review of Training Aids
Review of Travel Card Program	Review of Chaplains Fund Transfer
Mobile Phone Review	Davis Club Review
Review of Directorate of Contracting IMPAC Cards	Review of Chaplain Mgmt Controls
CID Assist on DOIM IMPAC Fraud Review	

External

GAO Review of Chemical Biological Defense Training
AAA Audit of Garrison Utilities
TRADOC Government Purchase Card Program
TRADOC Review of Mission and IMA GWOT
AAA Audit of Army Separation Debt Round II
AAA Audit of Barracks SRM
DODIG Service Contract Surveillance (D2004CF-0140)
AAA Workload Survey
CPA Review of MWR Financial Statements
Management of IET Training
TRADOC Review of CAAS Contracts
TRADOC Audit of Post MEO Reviews
AAA Contracting for Installation Preparedness
AAA IRR Outprocessing
AAA Audit of NBCCS Testing
TRADOC Review of CAAS Contracts

- **Inspector General Support:** The MANSCEN and Fort Leonard Wood Inspector General Office spent 1.5 man-years inspecting Garrison Command (IMA) units on Range Execution, Physical Security, Voting Assistance Program, conducting sensing sessions, assistance cases, and the Garrison Command Organizational Inspection Program. An assessment of management controls, regulations, standards and pre, during and post-operations were all part of the inspection. The inspections identified areas of risk, strengths and weaknesses based on compliance against an identified published standard. The inspection results also included recommendations, follow-up inspections to ensure compliance with the known standards. The areas that were identified have either been corrected or are in the process of correcting the issue in preparation for the follow-up inspection.

TAB A-2 Other Information Required

Additional actions took place during the year which includes the following:

A. Leadership Emphasis:

- 1) The importance of management controls, responsibilities, and personal involvement in the management control process are emphasized to subordinate managers and staff personnel of Garrison Command staff via bi-weekly command and staff meetings, etc.
- 2) Reviewing management control activities and the status of management control evaluations mandated by HQDA and local management annually.

B. Training:

- 1) Management control training was made available online for Assessable Unit Managers and Functional Managers. The Garrison Commander and all Assessable Unit Managers have completed the training, as required by AR 11-2, Management Control Process.
- 2) The Management Control Administrator attended the Army Management Control Administrator's Course in Dec 04.
- 3) The MCA aggressively searched for effective training targeted at Assessable Unit Managers. Due to funding constraints, was not able to procure the desired training in FY05.

C. Execution:

- 1) Designated overall responsibility to the DRM as the senior responsible official for ensuring the implementation of an effective management control process.
- 2) Developed and implemented a Command Policy (Management Control Guidance, GC Policy #02-2005, dtd Jan 05).
- 3) Ensured Assessable Unit Managers completed MC training to assist in understanding the objectives of the Integrity Act, General Accounting Office Standards, and how to apply them in daily operations.
- 4) Updated the Installation IMA 5-Year Management Control Plan that describes how management control (MC) evaluations will be conducted within the Garrison Command over a 5-Year period.
- 5) Reviewed MC evaluations and feeder statements from Assessable Unit Managers regarding the status of management controls within the Garrison Command's assessable units.

TAB A-3 Management Control Program and Related Accomplishments

During FY05, the most significant management control program accomplishments to be noted are:

Issue #1	Need to provide policy for the Garrison Command management control process.
Accomplishment	Developed and implemented a comprehensive policy to provide guidance on effectively managing the Installation IMA management control process (Management Control Guidance, GC Policy #02-2005, dtd Jan 05).

Issue #2	Demonstrate emphasis toward Management Control Process to AUMs and subordinate staff.
Accomplishment	Through bi-weekly command and staff meetings, distributed pertinent information and guidance concerning management control training (Jan 05), the 5-year plan (Jan 05), and the annual statement of assurance (Feb 05).

Issue #3	Develop Installation IMA 5-Year Plan
Accomplishment	Updated the Installation IMA 5-Year Management Control Plan that describes how management control (MC) evaluations will be conducted within the Garrison Command over a 5-Year period.

Issue #4	Complete FY05 Evaluations
Accomplishment	Ensured that evaluations due to be conducted in FY05 were completed.

Issue #5	Train MCA
Accomplishment	Ensured MCA attended Army Management Control Administrator's Course, Dec 04.

Issue #6	Train AUMs
Accomplishment	Ensured AUMs reviewed on-line training materials made available through the Army Reserve Readiness Center.

Other notable actions include:

Extensive efforts were made to obtain affordable and valuable training for the Assessable Unit Managers in a timely manner. Queries were sent to USDA, IMA-NWRO, and a private firm to determine applicability and availability of training. It was determined that training is available but funding constraints prevented the GC from acquiring in FY05. When/if funding becomes available, a course directed at the AUM's role and responsibilities will increase the effectiveness of the process at the installation.

TAB B

MATERIAL WEAKNESSES

TAB B-1 LIST OF MATERIAL WEAKNESSES

CONTROL NO.:	<u>UNCORRECTED TITLE OF WEAKNESS</u>
###-##	None

CONTROL NO.:	<u>CORRECTED TITLE OF WEAKNESS</u>
###-##	None

TAB B

MATERIAL WEAKNESSES (Cont'd)

TAB B-2 UNCORRECTED MATERIAL WEAKNESSES

Local ID #:

Title and Description of Material Weakness:

Functional Category:

Pace of Corrective Action:

Year Identified:

Original Target Date:

Targeted Correction Date in Last Year's Report:

Current Targeted Date:

Component/Appropriation/Account Number:

Validation Process:

Results Indicators:

Source Identifying Weakness:

Major Milestones in Corrective Action:

Point of Contact:

TAB B

MATERIAL WEAKNESSES (Cont'd)

TAB B-3 CORRECTED MATERIAL WEAKNESSES

Local ID #:

Title and Description of Material Weakness: