



DEPARTMENT OF THE ARMY
INSTALLATION MANAGEMENT COMMAND
HEADQUARTERS, UNITED STATES ARMY GARRISON, FORT LEONARD WOOD
320 MANSCEN LOOP, SUITE 120
FORT LEONARD WOOD, MO 65473-8929

REPLY TO
ATTENTION OF

IMNW-LNW-ZA (11-2a)

01 Mar 07

MEMORANDUM FOR Installation Management Command, Northwest Region (IMNW-RMD-M/Ms. Becky Russell), 1 Rock Island Arsenal, Rock Island, IL 61299-6200

SUBJECT: FY07 Statement on Management Control Process

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

- a) High priority is given to sound stewardship of resources, managerial integrity and safe and effective mission accomplishment.
- b) Assets are safeguarded against waste, loss, unauthorized use, or misappropriation.
- c) Execution of obligations and funding issues comply with applicable laws.
- d) Revenues and expenditures applicable to operations are properly accounted for and recorded.
- e) Programs and administrative functions are efficiently and effectively carried out in accordance with applicable law and management policy.
- f) 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".
- g) Government charge card programs are managed at effective levels IAW applicable law and management policies.
- h) All management control evaluations scheduled for review in FY07 have been accurately completed and documented.

2. My determination is based on a general understanding and adherence to the GAO standards for Management 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) Consideration of audits, inspections, and independent review reports.
- b) Assurances by subordinate Assessable Unit Managers through submission of feeder statements that demonstrate their management control processes are effective.

IMNW-LNW-ZA (11-2a)

SUBJECT: FY07 Statement on Management Controls

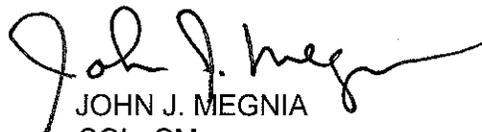
- c) Heightened awareness and formal responsibility for the adequacy of management controls by military and civilian managers.

3. The conduct of standardized evaluations and other methods of review throughout my organization have detected three areas where management control deficiencies exist. These are being forwarded as material weaknesses since they require action by MACOM or higher level. Eighteen additional 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 FY07.

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

Encl


JOHN J. MEGNIA
COL, CM
Commanding

TAB A

HOW THE FORT LEONARD WOOD GARRISON COMMAND ASSESSMENT WAS CONDUCTED FOR FY07

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) Refinement of management control processes within the installation IMCOM Garrison Command organization.
- 2) Development and distribution of a command policy providing guidance on the installation IMCOM Management Control Process.
- 3) Distribution of IMCOM SOP for the Management Control Process to all garrison AUMs and POCs.
- 4) Ensured a Management Control Administrator was appointed to: distribute program guidance and requirements, provide training, maintain records on management control evaluations, monitor the status of reported management control weaknesses, and provided advice/assistance to the Assessable Unit Managers to ensure a sound basis for the Annual Statement of Assurance.
- 5) Approved the Installation IMCOM 5-Year Plan which ensures that management control evaluations were conducted on a timely schedule.
- 6) Advised Assessable Unit Managers of their inherent management control responsibilities, using revised OMB Circular A-123 for guidance.
- 7) Assigned responsibility and accountability for Integrity Act and OMB Circular A-123 objectives to managers as appropriate.
- 8) Completed 60 management control evaluations either mandated by ASA (FM&C) Management Control Evaluation inventory, IMCOM or as determined by local management.
- 9) Obtained copy of Civilian Personnel Advisory Center's management control documentation which was submitted to CHRA through separate channels. There were no weaknesses indicated.
- 10) Obtained copy of installation Contracting Agency's management control documentation for the Government Purchase Card Program. There were no weaknesses indicated.
- 11) 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 about 0.2 man-years in support of the management control process. IRO and/or external audit agencies conducted or participated in 20 audits/reviews related to the IMCOM organizations. 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 test of controls, these weaknesses would have been identified. We did identify a material reportable weakness related to obtaining sustainment dollars for ranges built outside of the RTLP process.

There are three open findings from external audits related to garrison organizations. The expected implementation date for these findings is April 07.

Examples of audits/reviews conducted were:

Internal Reviews:

- MWR Business Plan
- MILPO MEO review follow-up
- DOL MEO review follow-up
- DOIM MEO review follow-up
- Visual Information Center MEO follow-up
- Analysis of CARE transactions
- Analysis of EAGLES transactions
- MWR SOP's
- Review of Furniture Accountability
- Directorate of Contracting IMPAC Cards
- Follow-up on AAA Lodging Overhead Costs
- Follow-up on MWR Discount Card
- Requirements for Sustainable Ranges
- Accommodation Checking Reviews
- Follow-ups on Chaplain's fund change of custodian reviews
- Follow-up on GSA Vehicle Accidents
- Follow-up on Mobile Phone Review
- Review of Training Barracks Furniture

External Reviews:

- GAO Utilities Privatization
- AAA Audit of Army VTC Facilities

- Inspector General Support: The MANSCEN and Fort Leonard Wood Inspector General spent approximately 2.5 man-years inspecting Garrison Command (IMCOM) units on Training Management, Safety, Command Sensing Sessions, Risk Reduction Program, Voting Assistance Program, and the 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 either have been corrected or in the process of correcting the issue in preparation for the follow-

up inspection except for two areas. The Garrison Command has not established a Brigade Safety Council that was identified during the Safety Inspection and again identified in the Safety Re-inspection and IMCOM has not developed an Organizational Inspection Program where Northwest Region, IMCOM inspects Garrison command under the command or staff inspection programs.

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 were emphasized to subordinate managers and staff personnel of Garrison Command staff via bi-weekly command and staff meetings, information brief charts, etc.
- 2) Distributed posters depicting DoD's "CHECK IT" campaign throughout the Garrison.
- 3) Reviewed management control activities and the status of management control evaluations mandated by HQDA and local management annually.
- 4) Developed a local webpage, currently located on the FLW DRM's website. Ensures that all IMCOM employees are provided the opportunity to review the management control procedures, policies, etc. at any time. The website is located at:
<http://www.wood.army.mil/DRM-IMA/mc.htm>

B. Training:

- 1) Ensured all AUMs, functional managers, and POCs were successfully trained on the management control process by completing the on-line Army Reserve Readiness Center training.
- 2) Per IMCOM SOP which states that all IMCOM employees need management control training once, the garrison command has taken the initiative to make the on-line Reserve Center training available to all employees. Near 100% of current FLW IMCOM staff have completed "The Management Control Process" module of the on-line training. New employees will receive this training as part of their orientation package.
- 3) The Installation training directorate provided training course titled "The Management's Responsibility for Internal Control (OMB Circular A-123), AUDT 8003G course" at Fort Leonard Wood during May 2006. Coordinated attendance by 12 employees (4 AUMs, 2 FMs, 5 POCs, and 1 MCA).

C. Execution:

- 1) Designated overall responsibility to the DRM as the proponent office for ensuring the implementation of an effective management control process.
- 2) Ensured Assessable Unit Managers completed MC training to assist in understanding the objectives of the Integrity Act, General Accounting Office Standards, OMB Circular A-123 and how to apply them in daily operations.
- 3) Updated the Installation IMCOM 5-Year Management Control Plan that describes how management control (MC) evaluations will be conducted within the Garrison Command over a 5-Year period.

- 4) 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 FY07, 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	Updated comprehensive policy to provide guidance on effectively managing the Installation IMCOM management control process (Management Control Guidance, GC Policy #02-2005, dtd Jan 07).

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 including the Draft 5-year plan (Jul 06), the Check It Campaign kickoff memo (Oct 06) and the annual statement of assurance guidance (Jan 07).

Issue #3	Develop Installation IMCOM 5-Year Plan
Accomplishment	Updated the Installation IMCOM 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 FY07 Evaluations
Accomplishment	Ensured that evaluations due to be conducted in FY07 were completed.

Issue #6	Train AUMs, Functional Managers and POCs
Accomplishment	Ensured AUMs, Functional Managers and POCs reviewed on-line training materials made available through the Army Reserve Readiness Center or attended on site courses.

Issue #5	Train All IMCOM Employees
Accomplishment	Mandated that all IMCOM employees complete "The Management Control Process" module within the Army Reserve Readiness Center's on-line training package in order to comply with the IMCOM SOP. Near 100% of current FLW IMCOM staff have completed "The Management Control Process" module of the on-line training. New employees will receive this training as part of their orientation package.

TAB B

MATERIAL WEAKNESSES

TAB B-1 LIST OF MATERIAL WEAKNESSES

UNCORRECTED

CONTROL NO:	<u>TITLE OF WEAKNESS</u>
AT0107	Monthly International Terrorism Summary (MITS) not received
SRP1	Integration of installation planning requirements that impact ranges and training land with the installation's RCMP and lack of sustainment dollars earned.
DRM-2007-01	Lack of procedures to request reimbursement when IMCOM activity is required to work overtime to fulfill a support requirement for TRADOC (Mission)

CORRECTED

CONTROL NO:	<u>TITLE OF WEAKNESS</u>
	None

TAB B

MATERIAL WEAKNESSES (Cont'd)

TAB B-2 UNCORRECTED MATERIAL WEAKNESSES

Local ID #: AT0107

Title and Description of Material Weakness: Installation is not receiving the Monthly International Terrorism Summary (MITS) as delineated in AR 525-13, para 2-22.

Functional Category: Communications / Intelligence / Security

Pace of Corrective Action:

Year Identified: FY06

Original Target Date: N/A

Targeted Correction Date in Last Year's Report: N/A

Current Targeted Date: Unknown

Component/Appropriation/Account Number: N/A

Validation Process: Internal Assessment

Results Indicators: Receipt of Military International Terrorism Summary (MITS)

Source Identifying Weakness: Installation Antiterrorism Officer

Major Milestones in Corrective Action:

- No corrective action possible at installation level for identified management control deficiency; MACOM must address deficiency – Unknown Completion Date

Point of Contact: Mr. Patrick W. Daniels, Installation Antiterrorism Officer, DSN: 676-5507, Comm: 573-563-5507

MATERIAL WEAKNESSES (cont)

TAB B-2 UNCORRECTED MATERIAL WEAKNESSES

Local ID: SRP1

Range and Training Land projects:

Requirement: Installations must integrate all installation planning requirements that impact ranges and training land with the installation's Range Complex Master Plan (RCMP). The RCMP, which is graphically displayed on the installation's operational overlay, is a tool that supports the integrated sustainable range planning process. The RCMP allows trainers and other garrison staff to view doctrinal requirements with other requirements and constraints that impact the range and training land assets. These include, at a minimum, conservation, environmental, safety, munitions, and facility management requirements. Ultimately, the information from the sustainable range planning process provides input to the installation Real Property Master Plan (RPMP) and valuable information for developing other installation plans.

Projects have been initiated and completed without following AR 350-19 modernization process. This is a regulatory requirement and is considered a material weakness. As a result we have constructed RTLP facilities that:

- Do not fully support doctrinal training requirements. Range 1, 39, Range 3, MK-19
- Do not meet Army standards. Shoot houses, Mini MOUTs
- Create excess inventory. FOBs
- Create safety issues /deviations. Range 36, 3.
- Create sustainability issues. FOBs, Shoot houses, MOUT facilities
- Do not fully justify expenditures.
- Land Use Compatibility Issues. Engineer Working Dog Testing facility, Counter Explosives Hazards Center, 58th Transportation BN Motor Pool, WA 224 Classroom/Testing facilities

An additional concern is lack of sustainment dollars for the unrecognized facilities listed above. These facilities are not recognized in the IFS at DA level therefore, no sustainment dollars are earned throughout the evaluated year.

Functional Category: Sustainable Range Program range modernization.

Corrective Action Plan:

Need DA assistance in establishing facility codes (FCCs) to earn sustainment dollars.

Corrective Actions within the authority of the Training Support Battalion's control at the installation level :

The Training Support Battalion conducts quarterly RTLP meetings with all stakeholders informing all of the regulatory requirements in regards to range modernization. A share point site was created in FY06 with all applicable regulations and all stake holders were furnished access to the site. TSB along with DPTM published an OPORD for the range development plan containing the same information. The TSB Commander has briefed the Strategic Planning Council. We are currently training Brigade S3s on the range modernization process.

Corrective Actions within the authority of the Training Support Battalion's control at DA level :

DA must address deficiency.

Corrective Action Plan Recommendation's within the authority of the Garrison Commander:

Recommend Garrison Commander place emphasis on DPW master planning branch to attend Macro RTLP planning meeting's quarterly and bi-weekly RTLP micro planning meetings. Recommend DPW master planning update operational overlay for all FY MCA and OMA projects planned for the range and training complex. Recommend DPW work management branch require RTLP council cover sheet on all DA form 4283 work request for new RTLP facilities. This cover sheet will ensure all projects are validated IAW the regulation prior to initiation.

Pace of Corrective Action:

Year Identified: FY07

Targeted Correction Date: April 07

Validation Process: Internal Assessments.

Results Indicators: Review of operational overlay by stake holders; DPW, DPTM, TSB and RTLP Council to ensure all planning requirements are 100% identified with sufficient detail to conduct proper assessment of the planning initiative.

Source Identifying Weakness: Sustainable Range Program AUM

Major Milestones in Corrective Action – Installation Level:

- DPW Master Plan/ITAM update operational overlay.
- DPW Work Management update SOP to reflect AR 350-19 requirements.
- RTLP Micro planning council review of operational overlay to ensure accuracy.
- DPW/ITAM GIS semi annual update operational overlay

Major Milestones in Corrective Action – DA Level:

Need DA guidance.

Point of Contact: David L. Booher, Range Planning Specialist, (573) 596-0171.

TAB B

MATERIAL WEAKNESSES (Cont'd)

Local ID #: DRM-2007-01

Title and Description of Material Weakness: Lack of procedures in place to request reimbursement when IMCOM activity is required to work overtime to fulfill a support requirement for TRADOC (Mission) or other outside activity such as an interservice or intra-governmental tenant or an Army customer with a mission unique OT request. Need guidance from IMCOM detailing criteria necessary and methods of requesting/obtaining reimbursement.

Functional Category: Comptroller and/or Resource

Pace of Corrective Action:

Year Identified: FY 07

Original Target Date: FY 07

Targeted Correction Date in Last Year's Report: N/A

Current Targeted Date: FY 07

Reason for Change in Date(s): N/A

Component/Appropriation/Account Number:

Validation Process: Budget and Internal Reviews

Results Indicators: Cost data reflects that reimbursements/cost transfers are received for mission-unique support to Army or interservice/intra-governmental activities when substantiated by approved overtime requests.

Source Identifying Weakness: Management Control Evaluation

Major Milestones in Corrective Action:

- Receive detailed guidance from IMCOM.

Point of Contact: Gail Williamson, IMNW-LNW-RMM (IMCOM), DSN 676-4060, or Commercial 573-563-4060.

TAB B

MATERIAL WEAKNESSES (Cont'd)

TAB B-3 CORRECTED MATERIAL WEAKNESSES

Local ID #:

Title and Description of Material Weakness:

None