

RESOURCE**MANAGEMENT**

1st Quarter 2008
PB48-08-1

RESOURCE**MANAGEMENT**

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This medium is approved for official dissemination of material designed to keep individuals within the Army knowledgeable of current and emerging developments within their areas of expertise for the purpose of professional development.

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Management Controls in the Military Personnel, Army Appropriation (MPA)

By: Mr. Steven Gray

The Military Personnel, Army (MPA) appropriation is vital in providing for the needs of the Army. It is the Army's largest peacetime appropriation at \$32 billion; wartime funding adds another \$12 billion. MPA funds sustain the All-Volunteer Force by providing Active Component basic and special pays, retired pay accrual, allowances for subsistence (rations) and housing, recruiting and retention incentives, permanent change of station moves, death gratuity and unemployment compensation benefits, and Reserve Officers' Training Corps (ROTC) and West Point cadet stipends.

MPA funds also provide for Active Component deployed pays as well as mobilized Reserve Component pay and allowances during wartime. Funds enable the Army to meet manning goals by providing the right number of high quality soldiers in the appropriate grades and skills to satisfy force structure requirements and to fill combat formations.

The MPA appropriation was the subject of a very critical Department of Defense (DoD) Inspector General audit report released in September 2006. This report found that the Army lacked effective processes and controls to effectively

manage the appropriation and suggested that the Army may have already incurred an Anti-Deficiency Act (ADA) violation, (occurs when an entity uses appropriated funds for a purpose other than that intended by the Congress, uses funds from one fiscal year to cover bona fide needs of another fiscal year, or exceeds a formal subdivision of funds). Although subsequent analysis revealed that the Army had not incurred an ADA violation, the exposure remained. Something had to be done to regain control.

A number of challenges were readily apparent. Constraints associated with

insufficient tools, processes, systems, and formal cost estimating procedures required conventional and unconventional thinking to address the weakest links in the management of the MPA appropriation. Key internal control improvements recently implemented are addressed below.

Problem 1: Pay and allowance obligations were based on uneven monthly disbursement patterns and not accrual data. (Some months only one payroll cycle disburse, some months two cycles disburse, and some months three cycles disburse depending on the calendar.)

The Solution: DoD FMR, Volume 3, Chapter 8, "Standards for Recording and Reviewing Commitments and Obligations," requires that the military Services record obligations for amounts payable to military personnel in the month earned. A methodology was devised to obligate a current month's pay and allowances based on the previous month's accrual rather than obligating a disbursement bridge. This seemingly innocuous process change greatly improved analysts' ability to forecast payroll requirements. In addition to changing the payroll obligation process, analysts worked with DFAS to consolidate use of suspense accounts so that actual pay disbursements were no longer distorted by pay advances and collections.

Problem 2: MPA appropriation staff faced a fundamental lack of control over the obligation of funds and funds distribution (due to system constraints, the MPA appropriation was forced to rely on DFAS-IN to perform these functions).

The Solution: Analysts adapted a web-based execution system known as the Resource Management Tool (RMT) for use in the MPA appropriation. This new tool has enabled analysts to control the obligation of funds for the first time ever. RMT also put stringent funds control mechanisms in place and provided enhanced visibility over disbursement data. RMT has been adapted to upload bulk subsistence requisition files from

the Defense Logistics Agency (DLA) to ensure obligations are properly recorded before disbursements post. Future enhancements being worked include development of a system generated payroll MOD and better capability to manage the \$300M Funded Reimbursable Account.

Problem 3: The Army lacked controls to ensure subsistence charges were appropriate.

The Solution: Detailed analysis and close coordination with DLA staff revealed that the MPA subsistence account was being charged for transportation of theater subsistence (these charges were embedded in detailed subsistence bills). Because transportation is more appropriately an OMA cost, analysts worked to discretely identify future transportation charges by assigning unique theater DoDAACs and directing transportation charges to the OMA appropriation. Analysts also cost transferred several hundred million dollars in prior charges to the OMA appropriation.

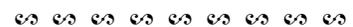
Problem 4: Inability to view DJMS (pay system) detail level transactions to develop reliable cost estimates, validate accounting reports, and isolate Base from GWOT execution for Cost of War Reporting.

The Solution: Partnering with DASA(CE) and their supporting contractors, analysts developed an Oracle query capability of DJMS detail transactions for both active and mobilized reserve components. This query capability never existed before and has greatly improved the quality and reliability of detailed MPA funding requests. It also helped detect at least 19 systemic errors where detail pay transactions crossing from the pay system into the accounting system were posting in the wrong places. Over \$80 million in disbursement transactions have been transferred to the proper accounts. More recently, this query capability served as the foundation for a new pay and allowances cost model. This model will reduce time and effort required to generate MPA funding requests and will improve accuracy. A cost model for non-payroll items such as subsistence and

Over \$80 million in disbursement transactions have been transferred to the proper accounts

permanent change of station moves (PCS) is next on the agenda.

Analysts charged with managing the MPA appropriation have made tremendous progress in establishing and strengthening internal controls over the past 18 months. Additional internal controls are being worked. For example, PCS is a key area where we have some concerns. Several Lean Six Sigma efforts are underway to help bring this program under control by the end of the FY. Throughout these major transformation efforts, a key to success has been the involvement of senior leadership, who made efficient operations a top priority and set measurable goals for individuals and staffs involved in this monumental undertaking. Another and perhaps more important key to success, has been having a dedicated and highly skilled team in place to work these issues with perseverance and tenacity, one bite at a time. Thanks to their efforts, most of the MPA appropriation is under positive financial control and financial risk to the Army has been greatly reduced. **RM**



About the Author:

Mr. Steven Gray is a Senior Resource Analyst and Execution Lead for the Military Personnel, Army appropriation in the Office of the Assistant Secretary of the Army (Financial Management and Comptroller).

BC 36 Proponency Corner

By *General Melcher*



Lieutenant General David F. Melcher, Military Deputy for Budget, Assistant Secretary of the Army (Financial Management and Comptroller)



Major General Edgar E. Stanton III, Director of the Army Budget (Financial Management and Comptroller)

This is the second article in a continuing series about the transition to Branch Code 36 and new financial management structure, policies and practices.

Just as the Army has revised financial management doctrine, so have we revamped FM organization. At every level we have instituted changes, all of which revolve around integration of financial management and resource management into a single structure, and making our units more deployable and more functional in theater.

After careful evaluation, Army financial management reorganized into four basic elements: FM centers, G-8s at the division and corps levels, FM companies and FM detachments. The FM centers replace finance groups and finance commands, and are approximately half the size of these old organizations. They belong to the corps or the theater sustainment command, and serve in a technical advisory role to other FM organizations and sustainment brigades. By the end of this year, there will be four active-component financial management centers; already, one is operating in the Iraq theater.

The role of the G-8 structure at the corps and division level remains the same. However, in recognition of the need to account for taxpayers' dollars in an area of operations, and that this job cannot be accomplished remotely from a CONUS installation, these positions have been moved from the Table of Distribution and Allowances to the Table of Organization and Equipment. This critical change makes G-8 personnel officially deployable, greatly enhancing financial management in theater. As operations in Iraq and Afghanistan are reviewed, the G-8 structure may be refined further, including possibly increasing the TOE.

FM companies replace the former finance battalions. The most notable differences in their composition as compared to the old battalions are elimination of

the battalion staff; and the addition of a resource management cell, which enables the company to perform accounting and comptroller functions and to serve on joint or command acquisition boards.

FM detachments are directed by FM companies but provide financial management support to brigade combat teams and, as needed, other units and organizations in the area of operations, including the division and corps. Their responsibilities include procurement support, disbursing operations, non-U.S. pay support and command, control and supervision of financial management support teams, which likely will be widely dispersed.

Financial management command and control also has been revised. The old finance battalions reported directly to the finance groups and commands. That relationship no longer exists between the successor organizations. Instead, financial management companies are under the command and control of the sustainment brigade to which they are attached; FM centers act as technical advisers to the FM companies. This revision to the chain of command better integrates financial management activities into overall mission execution and generally enhances the Army's battlefield performance.

The switch to these new organizations and the new command structure was predicated upon the fielding of certain technology. Yet, while the physical conversion is largely complete, the modernization of supporting systems is not – which leaves a transformed FM organization operating in a legacy environment. The Army had assumed that the Defense Integrated Military Human Resources System would be working by now and, as a result, we would be out of the military pay business. Unfortunately, DIMHRS' arrival was delayed and Army financial management has been required to retain a mission for which the new structure was not designed.

As a result, all 90 of our financial management detachments currently carry three extra personnel to execute military pay functions. The financial management community has been granted permission to retain these additional Soldiers for up to one year after DIMHRS achieves initial operating capability, after which time those slots will be returned for allocation elsewhere. Currently, we anticipate that DIMHRS will go live at the start of fiscal year 2009, though it may not have all the capability originally expected at that time. Financial management therefore is considering negotiating with Army headquarters to keep the extra 270 personnel beyond the one-year post-IOC limit to ensure that there is no adverse impact to Soldiers' pay.

The new FM structure also was built with the General Fund Enterprise Business System in mind. GFEBS is progressing well and Increment 2 should be fielded at Ft. Jackson this summer. This

latest module will manage the Army's \$30 billion real property and general equipment portfolios and will support installation management activities, including financial processes for command and staff, personnel and community, information technology, operations, logistics, engineering, resource management, acquisition and health services. It also will support financial activities at the Defense Finance and Accounting Service, and Army headquarters activities. Until GFEBS is implemented Army-wide, though, we may not fully realize all of the benefits of FM organizational transformation.

The integration of resource management and finance operations into a single discipline is a significant milestone. This holistic approach will bring huge dividends in efficacy and efficiency. Change is never easy; but, in this case, it is absolutely necessary for the Army to maintain its ability to fight anywhere, anytime, and to conduct

The integration of resource management and finance operations into a single discipline is a significant milestone

the nation-building operations that seem likely to be a mainstay of the 21st century.

I urge everyone to take the time to review in depth our new doctrine and organization. This discussion of FM transformation will continue over the coming months. As always, your thoughts and comments are appreciated. **RM**



Resource Management Awards

By Terry Placek

Did you know that the Army Financial Community numbers over 16,500?

Many of these civilian and military financial management professionals are doing great things for the Army. The American Society of Military Comptrollers (ASMC) Professional Development Institute (PDI) and the Assistant Secretary of the Army, Financial Management and Comptroller (ASA, FM&C) will present several awards to civilian careerists and military members for their outstanding performance during fiscal year 2007 at this year's Army Day on May 28, 2008 in Orlando, Florida.

In this issue, we are featuring the Resource Management (RM) award winners and a brief synopsis of their collective accomplishments. There are a possible sixty-one RM Awards in several categories available to reward the diligent resource managers that help keep our Army strong. And yet, a total of only 100 nominations were received for consideration. With

over 16,500 professionals in our career field, I know that there are many more Army resource managers doing phenomenal feats, which directly and indirectly, benefit Army Soldiers and their Families. Surely, they are doing things such as reducing problem disbursements, improving the quality and timeliness of report content, reducing paperwork, improving funds control, interfacing with other areas to ensure more efficient processes, and developing new or substantially revising and improving existing financial management systems. Their everyday efforts in their various resource management positions entail the accomplishments listed above and can be used to nominate them and address the criteria required to reward and recognize them during the Army Day Awards ceremony.

The Resource Management Awards presented during Army Day are just one way to recognize our careerists for their excellent performance in Army financial

Showing our appreciation to the careerists encourages them to continue to do great things for the Army

management. Other available awards are the ASMC Achievement Awards, Under Secretary of Defense (Comptroller) Financial Management Awards, the Neil R. Ginnetti Award, and the LTG (Ret) Jerry L. Sinn Award. Nominations for RM awards, as well as other Financial Management Awards are just a matter of writing about the significant events that improve financial management in your work environment every day.

Careerists can be nominated by a supervisor, a manager, a co-worker, or may even self-nominate. Teams and Organization nominations must be submitted by the group's manager, supervisor, or leader. The Comptroller Proponency Office will be presenting a workshop during Army Day 2008 titled "Rewarding Army Financial Management Excellence". The workshop will go into the specifics of the various award programs that are available, the categories of awards, nomination procedures, timelines, and guidance for the various awards. We will provide examples of well-written nominations, will detail what the "judges" expect to see in an award winner, will show statistics on the various awards, and will answer questions that you may have about the award processes. We hope to see you there.

Rewarding Army Financial Excellence is the right thing to do. Showing our appreciation to the careerists encourages them to continue to do great things for the Army. For just a little time and effort careerists can be shown appreciation and know how important they are to their organization and to the Army. The payback on investment is truly worth it! **RM**

Resource Management Awards Categories

Accounting and Finance	Innovative Use of Technology
Analysis and Evaluation	Resource Management
Auditing	Resource Management in an Acquisition Environment
Budgeting	Intern *
Comptroller/Deputy Comptroller	Educator **
Cost Analysis	RM Author **
Cost Savings Initiatives	Team ***
Education, Training, and Career Development	Organization ***
Financial Management System Improvement	Capstone ****

Each individual category awards one civilian and one military member at both the Army Command or Higher and Below Army Command levels (12 categories X 2 levels X 2 recipients = 48 awards)

* Intern awards 2 individuals in the CP 11 Intern Program at both the Army Command or Higher and Below Army Command levels (1 category X 2 levels X 1 recipient = 2 awards)

** Educator and Author categories award one Army civilian and one military member at any level (2 categories X 1 level X 2 recipients = 4 awards)

*** Team and Organization each award one team and one organization at both the Army Command or Higher and Below Army Command levels (2 categories X 2 levels X 1 recipient team = 4 awards)

**** Capstone awards the "best of the best" one civilian and one military and one civilian Army employee for the Functional Chief Representative Special Award (3 categories X 1 level X 1 recipient = 3 awards)

Total of 61 Possible Awards



Left to Right: Major Roub, Major Neumann, Angali Medappa, Annette Barron, General Melcher, and Terry Placek

Hank Ofeciar Award Ceremony

Speech by [General Melcher](#)

Thank you very much for inviting me to join you today.

This is both a somber and a happy occasion. We have come together to honor a soldier who did everything he could to serve his country, in the end giving the most precious thing, his life, in pursuit of that ideal. It is hard to quantify or qualify appropriately the willingness to put one's life on the line for what we term the "the greater good" or "the good of the nation". The best term – though it seems inadequate – is selfless service. Hank Ofeciar wasn't just

committed to an external concept of selfless service; selfless service was inherent to Hank's internal intellectual and emotional makeup.

Major Ofeciar represents the best of the Army. He volunteered for the most dangerous assignments, including two tours in the Balkans and a rotation in Afghanistan. The role he chose in Afghanistan was counselor to the police and the Army, helping them learn how to serve their own people properly and proudly. And, while protecting his country and enabling others to protect theirs,

Major Ofeciar represents the best of the Army

he never forgot his responsibility to, or love for, his family, returning home just days before his own death to comfort his mother at the passing of her sister.

I am proud that the Whitman School of Management has chosen to honor Hank. In doing so, I hope that Syracuse not only preserves the memory of this outstanding man but also inspires others, both military and civilian, to live as he did -- with strong ideals, a positive bearing and an unswerving belief in, and practice of, selfless service.

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We should always be proud to serve even though the risks are great, especially in time of war

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Victor Castillo is an excellent inaugural recipient of the Ofeciar award, for he too lives according to the principle of selfless service – also because that simply is his nature. He is happy, even thrilled, to help anyone anytime. He will go out of his way as a friend, and do so with pleasure. The phrase “generous to a fault” should have Victor’s picture attached to it.

I understand that Victor’s classmates have experienced this generosity and chosen him for this honor to show their appreciation for all he has done. I hear that Victor has taken on the role of nurse to sick classmates, translator for the trip to Chile, and senior adviser to anyone with a question or concern. All of you in the comptrollership program have learned that you can always count on Victor.

Service to the nation is a higher calling. We should always be proud to serve even though the risks are great, especially in time of war. In honoring a soldier who died in Afghanistan and a civilian who embodies the service ethos, we honor all the others out there – both military and civilian -- who serve every day, put their lives on the line -- and sometimes lose their lives in the process.

Congratulations, Victor. I wish peace and solace to Major Ofeciar’s family and friends. And thanks again to the Whitman School for taking note of the extreme sacrifice of this wonderful soldier who did all he could for the people and the country he loved. **RM**



^ Hank Ofeciar wife, Angali Medappa and General Melcher



^ Left to right: Maj. Neumann, Victor Castillo (award winner), and Dean Melvin T. Stith, Dean of the Whitman School of Business, Syracuse University



Photo by Major Kathleen Neumann

Speech from Classmate

By Major Kathleen Neumann

I enlisted the assistance of the Army Comptrollership Program (ACP) Class of 2005 to help share Hank's light with you. Though knowing Hank and his networking skills, he probably knew a few of you sitting in the audience today. When I contacted my classmates many reminisced of our class photographer, who always had a camera in his hand or of a strong willed Hank and his independent nature and ability to not focus on extrinsic validation. I would be remiss, if I neglected Hank's dedication to those in need. One of our class members lost two family members while attending Syracuse. Hank talked with him, and helped this individual through a very rough time. Hank exhibited strong leadership skills and a volunteering spirit. He answered his call to serve his country and volunteered to support operations. All of the responses from my classmates had common themes, and our Class Leader LTC Gil Huron who is currently serving in Bagdad with the 3rd Infantry Division, covered them well with the following excerpt. "Henry Ofeciar, Hank to most of us, was simply a

beautiful person. He was young at heart, spirited, giving, and loving. He was a playful, energetic person whose energy came from his desire to pursue his curiosities, and the opportunities of life itself."

Hank was very active. He had a love for dogs and animals, the outdoors, family, people in general, and an insatiable curiosity and drive to explore any and everything that was new to him. In some ways, Hank pursued his daily life as though life was new to him, and as though everything he encountered was something that he had yet to experience, and he refused to just let it pass him by. I have the first email I ever received from Hank...one that all of our class received before any of us had met that portrays the basic giving and friendly side of him, in which he invited everyone to his house for a BBQ prior to the start of our class.

Of all the people in the Department of Defense (DoD) section of the program, he was by far the one individual who truly experienced the diverse nature of the program. Many of his friends were outside the Army Comptrollers community

He was here at Syracuse to give something of himself, and his friends will tell you that he gave them everything he could

and were from many different countries. Hank was just eager to learn and eager to engage people of diverse culture. He immersed himself in groups of people outside the DoD community in an effort to experience something more than that which he had already lived, and he was clearly the most capable of adapting to and cultivating cultural diversity and the enrichments to be gained on a personal level by doing so. Hank was clearly here at Syracuse University to gain more than just the scholastic enhancement. He was here at Syracuse to grow. He was here at Syracuse to give something of himself, and his friends will tell you that he gave them everything he could. Hank's friends from Syracuse came from the United States, Thailand, India, and Romania, and they took back with them a piece of Hank. Hank's smile defined him, the manner in which he chose to live his life, and that which he was capable of giving back to you.

I charge everyone to use Hank's pent athlete focus with your remaining time at Syracuse University and challenge everyone to live your experience at SU to the fullest.

Additionally, on behalf of the ACP Class of 2005, I would like to offer the greatest congratulations to Victor Castillo, who WELL represents the spirit of this Award. RM



Army Resource Management Award Winners, Fiscal Year 2007

By Cathy Rinker

CONGRATULATIONS WINNERS!!!

The Office of the Assistant Secretary of the Army (OASA), Financial Management and Comptroller (FM&C) sponsors the Resource Management (RM) Annual Awards Program to recognize and encourage outstanding performance of individuals, teams, and organizations that make significant contributions to the improvement of resource management. Open to both military Soldiers and civilian employees, the RM awards are an excellent opportunity for the Assistant Secretary to recognize the "best of the best" in the resource management community.

The reviewing panels met and the Assistant Secretary of the Army for Financial Management and Comptroller approved the selections for the FY 2007 Resource Management (RM) Awards. He is proud to award the following awards to each deserving recipient:

ASSISTANT SECRETARY OF THE ARMY (FM&C) CIVILIAN AWARD

The ASA (FM&C) Civilian Award recognizes the top civilian Army employee serving in a leadership capacity whom the Assistant Secretary personally cites for outstanding contributions to the field of resource management. The ASA (FM&C) Civilian Award recipient is Mr. Henry B. Hunt, Senior Systems Accountant for the United States Army Special Operations Command (USASOC).

Mr. Hunt led his team through development of plans for USASOC Data Processing Installation (DPI) consolidation, the BRAC closure of USASOC accounting support at DFAS Orlando, and subsequent move of all USASOC accounting service to DFAS Rome. His clear guidance to the field precipitated accurate set up and ultimate assurance that funding transactions for FY 2008

would flow appropriately in the new Resource Management Tool (RMT) financial system and into the accounting systems. Mr. Hunt assumed the leadership position of the Accounting and Integration team, even while performing his duties as Senior Systems Accountant with the escalated pace and complexity of preparing to close out budget analysts and comptrollers accounts USASOC-wide.

ASSISTANT SECRETARY OF THE ARMY (FM&C) MILITARY AWARD

The ASA (FM&C) Military Award recognizes the top military Soldier serving in a leadership capacity whom the Assistant Secretary personally cites for outstanding contributions to the field of resource management. The ASA (FM&C) Military Award recipient is MAJ Richard J. Hoerner, U.S. Army Central Command, Budget Analyst – Afghanistan/NATO for HQ, Third Army, G8-CONOPS.

MAJ Hoerner ensured a smooth financial management transition in Afghanistan. His presence and ability to ensure a smooth financial management transition was so highly regarded during the Relief In Place/Transfer of Authority between Combined Forces Command-Afghanistan (CFC-A), 10th Mountain and 82d Airborne Divisions that the CJTF-82 Chief of Staff requested he remain in country for four to six months and assist their command with teaching, coaching and mentoring financial management functions. MAJ Hoerner's oversight and guidance assisted in recouping over \$100 million. He closed year end with a 99.9% obligation rate. His role as the U.S. financial expert in regards to the NATO Maintenance and Supply Agency (NAMSA) directly impacted funding and contract decisions at the NATO, SHAPE and coalition forces

level and reflects the responsibility and authority---clearly above his pay grade---entrusted to him by his command.

FUNCTIONAL CHIEF REPRESENTATIVE (FCR) SPECIAL AWARD

The FCR Special Award recognizes someone serving in a leadership capacity whom the FCR, personally cites for outstanding contributions to the CP11 Program. The FCR Special Award recipient is Mr. Aaron R. Polley, Career Program Manager in the Comptroller Proponency Office, Office of the Assistant Secretary of the Army (Financial Management and Comptroller).

Mr. Polley ensured Financial Management (FM) education, training and professional development opportunities for over 16,500 professionals Army-wide. He was instrumental in securing funding for the Army-wide professionals to attend short-term and long-term training. Careerists gained more direct access and higher awareness of important career development aspects through his briefings at professional FM workshops and training events and vigilant maintenance of Comptroller Proponency information on the ASA (FM&C) Homepage. He planned and coordinated the Army Day Event at numerous American Society of Military Comptrollers Professional Development Institutes. Mr. Polley briefed OASA (FM&C) leadership on Army Day Event details and formed and directed the Planning Action Team Members that successfully produced the Army Day Events.

OUTSTANDING RESOURCE MANAGEMENT ORGANIZATION AWARD

(Above Army Command)— Headquarters, Department of the Army (HQDA), ASA, FM&C, Army Budget Office, Operations and Support Directorate, Military Personnel Division – During FY 2007 this team suggested and implemented several internal control improvements for the Military Personnel Appropriation (MPA).

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They implemented a web-based system, Resource Management Tool, to control the obligation of funds. They devised a better methodology to obligate pay and allowances monthly. They developed an Oracle query capability, which has improved the quality and reliability of MPA funding requests for both the active and reserve components. They devised a process to obligate subsistence transactions prior to disbursement using detailed order files while a new system is being fielded to automate this process. They improved upon the methodology used to report GWOT cost of war information to OSD and the Congress. Thanks to the hard work, dedication and expertise of these individuals, the MPA appropriation is back on the right track.

Organization Members: James P. Fasano, Steven E. Gray, and Kimberly D. Hayes.

(Below Army Command)— Installation Management Command (IMCOM) – Fort Drum, NY, Directorate of Resource Management – During FY 2007 the ingenuity and collaborative efforts of the entire staff were instrumental in overhauling the directorate Status of Funds reporting process, which resulted in man-hour savings of over 240 hours annually and reduced the number of days to produce monthly status reports for installation directorates/activities. Their meticulous management of the Garrison's Total Obligation Authority of a quarter billion dollars afforded the Soldiers and Family members of the Fort Drum community the required resources to support Readiness and Quality of Life which significantly impacts on the All-Volunteer Force.

Organization Members: Elsie M. Fitzsimmons, Roxane E. Melton, Anne M. Seegebarth, Richard H. Temple, Rosalie H. Austin, Kimberly M. Ormiston, Barbara L. Pillans, Letetia A. Dable, Patricia L. Marcello, Mark A. Hawes, Artema L. Wright, Walter G. Koepp, Diane D. McMullen, Leslie S. Alton, Carol K. Steria, Gilbert A. Allen, Pamela M. Nabewaniec, and Karin Fossett.

OUTSTANDING RESOURCE MANAGEMENT TEAM AWARD

(Above Army Command)— U.S. Army Central Command (USARCENT) and the Resource Management office for III Corps at Fort Stewart, GA – Team members expertly performed during the conversion of the Army's total stock fund budget to the Funds Control Module (FCM). This high performing team submitted 190 problem reports and analyzed 18 million conversion documents and discovered \$94 million in erroneous obligations. Through identification of FCM errors, and the resultant process improvement suggestions to overcome FCM errors and shortfalls, they saved the Army nearly a half-billion dollars. The team's proven logistical and financial expertise allowed it to clearly verbalize problems and effects of problems. They presented cogent solutions and guaranteed that deployed forces receive uninterrupted support without feeling the effects of system change in FY 2007.

*Team Leader: Audrey Moss
Team Members: Polly Williams, Patrick Warner, Daniel Buxton, CPT John Yun, SFC Bryan Harding, Michael Byrd, Kathy Hack, Linda Richardson, and Theo Mixon.*

(Below Army Command)— U.S. Army Developmental Test Command (CSTE-DTC-RP-H), Aberdeen Proving Ground, MD - The Unit Business Efficiency Resourcing (UBER) Team developed a process that ensures effective and efficient execution of a \$2 billion annual budget across nine geographically dispersed ranges, improves DTC's ability to develop requirements and defend resources, and ensures compliance with the established law. They revolutionized the key components of a "one of a kind" decision-making tool. The tool allows what-if drills and identifies potentially obsolete assets. This invaluable tool better articulates the resources required and helps to more accurately allocate available resources to support the overall Army transformation efforts and the Long War on Terrorism, which will enable the Army to deploy faster, hit

harder, and exit the combat theater more rapidly with fewer losses. Through the in-depth analytical efforts and commitment of the team, the U.S. Army Developmental Test Command has developed and implemented a decision-making tool that provides the right resources, at the right place, and at the right time.

*Team Leader: Diana Schoffstall
Team Members: JoAnn L. Ely, David W. Glenn, and Elizabeth C. Murter.*

CIVILIAN INDIVIDUAL AWARDS

Accounting and Finance

(Above Army Command)— Mr. Henry B. Hunt, U.S. Army Special Operations Command, Fort Bragg, NC – Mr. Hunt shows true professionalism in his role as Senior Systems Accountant. His expert systems accounting skills and knowledge, coupled with his stellar customer service, leadership, guidance and communications during the entire year while leading the accounting team through development of plans for the USASOC Data Processing Installation (DPI) consolidation, the BRAC closure of USASOC accounting support at DFAS Orlando and subsequent move of all USASOC accounting service to DFAS Rome, resulted in a flawless transition to the DPI consolidation and the new accounting service for USASOC.

(Below Army Command)— Ms. Carol J. Walker, U.S. Army Training and Doctrine Command (TRADOC), Combined Arms Center (CAC) G8, Fort Leavenworth, KS - Ms. Walker is the Supervisory Budget Officer and is described as the linchpin of the CAC. She is responsible for overall management of CAC financial systems. She successfully transitioned CAC from using the Database Commitment Accounting System to the Resource Management Tool. Ms. Walker also successfully managed implementation of Wide Area Work Flow. She is a great coach and mentor. Her professional demeanor, wise counsel, and technical expertise are central to the efforts of the CAC's G8.

Analysis and Evaluation

(Above Army Command)— Mr. Gary E. Ward, Army Materiel Command, Fort Belvoir, VA - Mr. Ward is a Supervisory Budget Analyst and directly responsible for the accomplishment of all program, planning, budgeting and execution requirements for the Army Working Capital Fund (AWCF) Industrial Operations (IO) program. He led several efforts to implement changes in policy and processes in the WCF arena that significantly enhanced the efficiency and effectiveness of the products affected. He successfully spearheaded the effort to change DOD FMR in order to increase CIP threshold from \$100 thousand to \$250 thousand increasing installation commander flexibility in use of resources to meet customer production requirements. Mr. Ward is the “go-to” person and the technical expert for WCF Industrial Operations.

(Below Army Command)— Mr. Michael J. Nielsen, Army Materiel Command, Fort Monmouth, NJ - Mr. Nielsen is a Senior Evaluator and is assigned as lead evaluator on high priority reviews--Military Interdepartmental Purchase Requests (MIPRs) and the Government Travel Card. He brought new LEAN ideas to the audit liaison process and made suggestions for streamlining and improving communications and relations. Mr. Nielsen identified questionable transactions with the Government Travel Card which resulted in identifying about 200 incidents of misuse. As a result of the MIPR review, he identified over \$800 thousand that was deobligated. He has suggested that the ASA, FM&C establish an SOP to be used for all personnel who work with MIPRs.

Auditing

(Above Army Command) – Mr. Charles R. Brownfield, Army Audit Agency, St. Louis, MO - Mr. Brownfield is an Audit Manager, but was Acting Program Director for most of FY 2007 and responsible for the overall running of the Financial Management Audits Division in addition to completing his own tasks. He

issued 12 draft reports which exceeded management expectations. Mr. Brownfield held meetings prior to audits with clients and stakeholders which led to an overall decrease in the number of auditor days required to complete projects. His effectiveness and efficiency contributed to client satisfaction. He has received favorable client satisfaction ratings. Mr. Brownfield promoted teamwork and was very involved as managing auditor. Under his tutelage, Mr. Brownfield’s employees felt that they had opportunities to learn, grow, and improve their skills.

Budgeting

(Above Army Command) – Mr. Dale L. Hanson, Office of the Assistant Secretary of the Army (Financial Management and Comptroller), Investment Directorate - Mr. Hanson, as Chief of the Munitions Division, successfully defended and obtained \$1.4 billion in FY 2007 supplemental funds. He produces eight budget submits (two for each appropriation: Ammunition, Missiles, Aircraft, and Chemical Demilitarization). He successfully briefed Armed Reconnaissance Helicopter restructure and saved the Army over \$200 million. Mr. Hanson is called upon frequently by Senior Army leaders because of his tremendous technical knowledge and his ability to explain hugely complex issues in layman’s terms. He is a trusted expert in the field of Army Munitions.

(Below Army Command)— Ms. Ann E. Capps, U.S. Army Reserve Command (USARC), 89TH Regional Readiness Command (RRC), Wichita, KS - Ms. Capps is the resident Reserve Personnel Appropriation expert at the 89th RRC. She is responsible for realizing a cost reduction by promptly deobligating TDY orders and reducing aged accounts. Ms. Capps conducted five budget training classes for key personnel. She continuously coaches and mentors budget analysts. Ms. Capps created an accurate and timely fund manager report for informing fund managers of their financial status. She also developed a back-up program for TDY orders on CDs greatly reduc-

ing the amount of required filing cabinet space. Ms. Capps has successfully completed all of her assigned tasks despite increased OPTEMPO. She openly shares her knowledge, expertise, provides sound recommendations, and is committed to always providing the best possible support.

Cost Savings Initiatives

(Above Army Command) – Mr. Arthur W. Pulket, Army Reserve National Guard (ARNG) - Mr. Pulket, a Facility Management Engineer, encouraged and trained the force to use Design Build as the primary delivery means for the BRAC Projects of the Army National Guard. This accelerated the design process and allowed projects to be brought into construction phase much quicker. Mr. Pulket was a member of the Army National Guard BRAC team which executed 100% of all projects assigned, the only component of the Army or of any service to do so. They achieved a cost savings over \$10.8 million. Mr. Pulket assisted in accomplishing the excellent BRAC team results in addition to performing his normal duties. He is directly responsible for 23 projects involving Katrina damage to ARNG installations totaling \$750 million.

(Below Army Command)— Mr. Paul S. O’Leary, Installation Management Command (IMCOM) Headquarters, U.S. Army Garrison – DAEGU - Mr. O’Leary is a Management Analyst who has increased program productivity, efficiency, and provided notable cost savings/avoidance for the garrison. He facilitated a comprehensive update of facility occupancy, validating the square footage and usage of all customer units and activities. Through Mr. Leary’s efforts, the command earned an additional \$200 thousand in reimbursements in FY 2007 and for projects an additional \$300 thousand in FY 2008. Mr. Leary modified and improved the support agreement document. His suggestions for improving the support agreement process Army-wide is currently under review at Headquarters, Department of the Army (HQDA).

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Education, Training, and Career Development

(Above Army Command)— Ms. Irene W. Lloyd, U.S. Army Space and Missile Defense Command (SMDC) - Ms. Lloyd, the Assistant Deputy Chief of Staff, G8, is the quintessential mentor. She makes available time in her personal schedule to assist resource management personnel. Ms. Lloyd is continuously involved in the development of Comptroller Civilian Career Program employees' individual development plans. Her dedication, caring, unselfish leadership style, and consummate professionalism depict a strong leader and role model. Ms. Lloyd guides the development of students and builds leaders on values such as loyalty, ethics, trust, and dedication to excellence.

(Below Army Command)— Ms. Patricia A. Wong, U.S. Army Communications-Electronics Command, Life Cycle Management Command (CECOM LCMC, DESRM), Fort Monmouth, NJ - Ms. Wong, a Training Program Specialist, created savings on tuition and travel costs by negotiating with an outside agency to bring several classes to Ft. Monmouth. Her cooperative nature and impressive teamwork skills led to successfully training over 130 employees. Ms. Wong created a splash page on the C4ISR Knowledge Center, to include a question and answer section, and continuously updates the page with current information. She developed and maintained a spreadsheet which captured training costs and savings for the fiscal year which assisted the Budget Officer to capture costs and aided customers in determining the reimbursable rates for their newly assigned interns.

Financial Management System Improvement

(Below Army Command)— Ms. Paula L. Collins, U.S. Army Training and Doctrine Command (TRADOC), Combined Arms Center (CAC) G8, Fort Leavenworth, KS - Ms. Collins is

a Budget Analyst who was guiding and managing the CAC for conversion to Resource Management Tool (RMT). She identified improvements to RMT before the system was implemented saving CAC G8 employees weeks of potential errors and rework. Ms. Collins carried the load as primary RMT trainer while fielding the system. She was also the lead for implementation of Wide Area Work Flow (WAWF) and Funds Control Module. Ms. Collins volunteered to be on the working group for the Government Fund Enterprise Business System (GFEBS). Her superb technical expertise, eagerness to learn, cheerful can-do attitude, drive to do the right thing, and willingness to take on the hard jobs justifies recognition of her numerous achievements.

Innovative Use of Technology

(Below Army Command)— Ms. Vickie G. Atkison-Clark, U.S. Army Training and Doctrine Command (TRADOC), Combined Arms Center (CAC) G8, Fort Leavenworth, KS - Ms. Atkison-Clark, a Supervisory Information Technology Specialist, led a Lean Six Sigma (LSS) process to streamline the Defense Travel System (DTS) process. The LSS process resulted in reducing two full days of DTS processing time. Her team processed more than 7,500 travel orders with a DFAS rejection rate of less than 5%. She is also the Bank of America Travel Card program manager and has met a less than standard 2% delinquency rate. Ms. Atkison-Clark is a technical expert that is dedicated, customer-focused, and a true innovator.

Resource Management

(Above Army Command)— Mr. Kirit Jhaveri, Army Reserve National Guard (ARNG) - Mr. Jhaveri is a Facility Management Engineer who created a visibility report allowing the actual status of the entire Army Reserve BRAC program to be displayed at any time on demand. His reputation as an honest broker created an atmosphere of trust. Mr. Jhaveri contributed to the Army National Guard BRAC team which executed 100% of all projects assigned, the only component of

the Army or of any service to do so. They achieved a cost savings over \$10.8 million. Mr. Jhaveri assisted in accomplishing the excellent BRAC team results in addition to successfully performing his normal duties of executing 26 projects with a value of \$295 million.

(Below Army Command)— Ms. Sandara Weaver, U.S. Army Developmental Test Command (CSTE-DTC-RP), Aberdeen Proving Ground, MD - Ms. Weaver, the Director of Resources and Personnel, exceeded all HQDA financial execution goals for FY 2007. She solicited and obtained over \$18 million in funding for Future Combat Systems (FCS) program for specific instrumentation and modeling and simulation developments. Ms. Weaver saved the command approximately \$480 thousand in operational costs in FY 2007 by streamlining the processing parameters of files being transmitted to the Army's financial management and information system. She played a pivotal role in managing and executing the Unit Business Efficiency Resourcing model, a cost tracking tool designed to analyze staffing, dollars, workload, and facility utilization. Ms. Weaver's vision, tenacity, and perseverance resulted in the development of an innovative, resource allocation model that provides an enterprise-wide view of the command's overall and optimal resource posture.

MILITARY INDIVIDUAL AWARDS

Analysis and Evaluation

(Above Army Command)— SFC Bryan N. Harding, U.S. Army Central Command (USARCENT), Fort McPherson, GA - SFC Harding's tenacious commitment to excellence and attention to detail saved the Army hundreds of millions of dollars in transaction errors in FY 2007. He saved the Army over \$70 million in supply funds. SFC Harding shared his knowledge and taught useful queries to the field. His superior performance guaranteed that deployed forces did not feel the effects of overwhelming system change in FY 2007 resulting in continued and uninterrupted support.

Comptroller/Deputy Comptroller

(Above Army Command-Military)— COL Christopher F. White, U.S. Army Special Operations Command, Fort Bragg, NC - COL Christopher White is Comptroller of one of the more complex organizations in the U.S. Army. He masterfully juggled a myriad of important tasks while never dropping the ball or never failing a mission. He campaigned tirelessly within Installation Management Command (IMCOM) and the Office of the Assistant Chief of Staff for Installation Management (ACSIM) for funding for Special Operating Forces (SOF) sustainment rather than base operations (BASOPS) bills. The Army agreed to provide additional Army funding to ARSOF for support categories other Army customers traditionally have to reimburse. COL White is deeply committed to succession planning. He is an advocate for doing things right, developing and using stringent and equitable processes, and providing the USASOC leadership the unbiased truth.

(Below Army Command-Military)— COL Dennis W. Stine, U.S. Army Reserve Command (USARC), 95th Division (IT) G8, Oklahoma City, OK - COL Stine has expertly guided the G8 organization and the Division through effective budget development and execution, financial analysis of transformation planning, and solidifying individual Soldier Financial Readiness across the Division. He refined and implemented an enhanced effective and efficient Division Command Priority List program. COL Stine met all budget targets. He devotes time and energy to ensuring the Division has a solid individual Soldier Financial Readiness program. His teams conducted 26 Battalion-level Quality Assurance Visits during FY 2007. COL Stine depicts a “can-do” attitude.

Resource Management

(Above Army Command)— MAJ Teresa A. Pleinis, U.S. Army Special Operations Command (USASOC), Fort Bragg, NC - MAJ Pleinis, Comptroller for Headquarters (HQs), USASOC, developed a fool proof audit trail that

tracked the myriad of financial transactions between her higher HQs and her numerous staff elements. She demonstrated unparalleled resource management expertise in the flawless execution of the USASOC HQs \$120 million multi-appropriation budget. MAJ Pleinis excelled in training entry level employees to exceed expectations and strive for greater levels of responsibility and promotion. She was relentless in keeping the entire USASOC HQs staff of 33 different Sections/Directorates on task with all resourcing requirements.

(Below Army Command)— MAJ Richard J. Hoerner, U.S. Army Central Command, Budget Analyst – Afghanistan/NATO for HQ, Third Army, G8-Contingency Operations (CONOPS). MAJ Hoerner, as the Afghanistan Budget Analyst was responsible for managing and allocating CONOPS funding, conducting liaison and performing financial reviews and analyses with OSD, CENTCOM, HQDA, CJTF-82 and DFAS for \$2.3 billion of GWOT dollars in support of Operation Enduring Freedom. He served as the subject matter expert and sole representative to the NATO Maintenance and Supply Agency (NAMSA) during Kandahar Airfield’s transition from U.S. Executive Agency to NATO lead. MAJ Hoerner’s commitment to excellence resulted in peers and senior leaders alike seeking his guidance and advice in resolving GWOT-Afghanistan and NAMSA funding issues.

Outstanding Intern Award

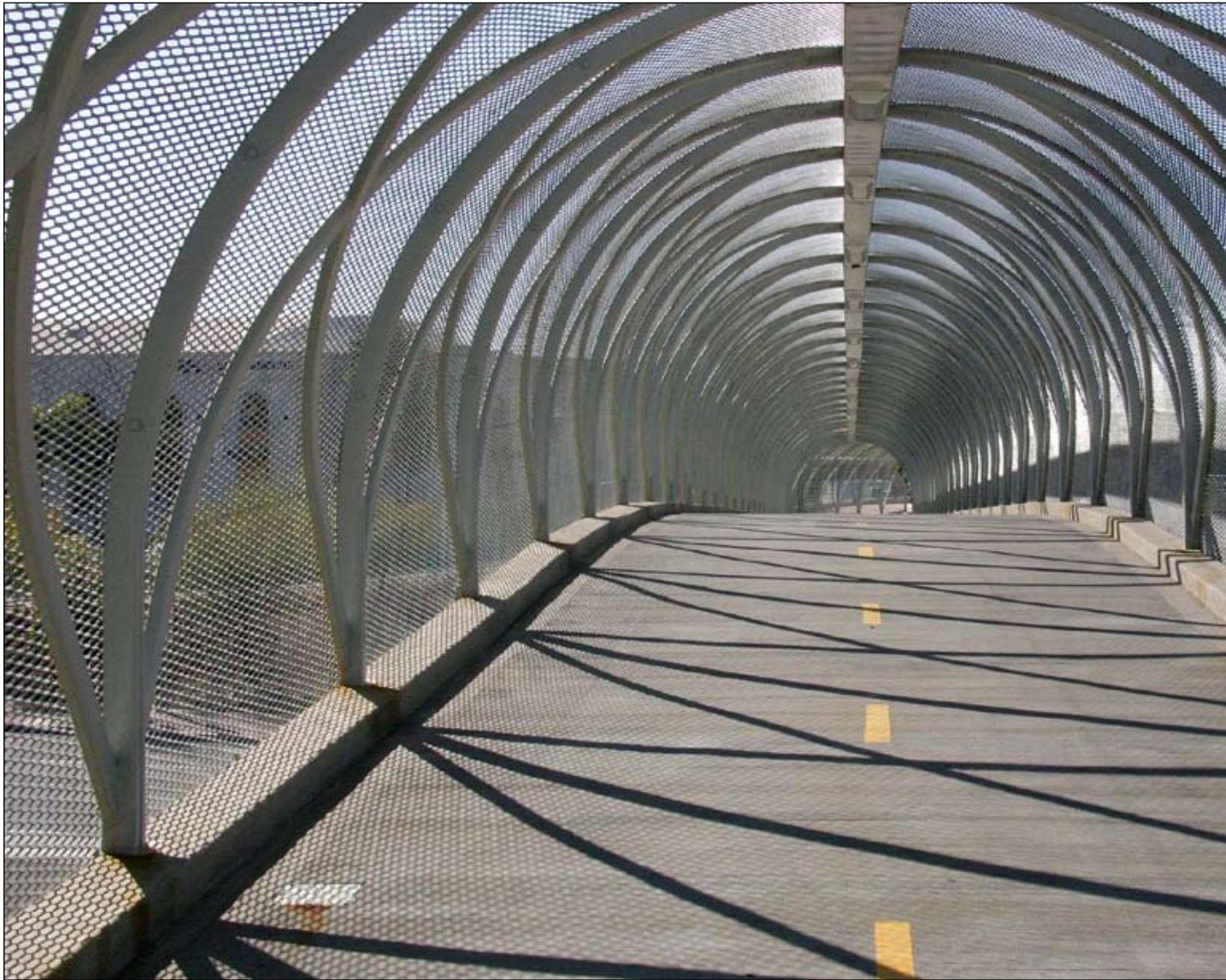
(Above Army Command) – Mr. Jonathan Colvin, U.S. Army Audit Agency, Alexandria, VA - Mr. Colvin participated as a staff auditor on two complex and highly technical audits of depot level logistics systems. His efforts were instrumental in the identification of approximately \$94 million in potential monetary benefits over the life of the Program Objective Memorandum (POM), related to improving existing systems and resulting in canceling plans to implement a duplicate system. Mr. Colvin successfully acted as lead auditor on one audit when other members

were promoted or transferred. He has shown that he readily accepts additional responsibility and continually strives to enhance his performance. Mr. Colvin has shown that he is and will be a valuable asset to the Agency and the U.S. Army.

(Below Army Command)— Mr. Alexander J. Hice, Army Material Command (AMC), U.S. Army Aviation and Missile Life Cycle Management Command, AMSAM-RM-FD, Redstone Arsenal, AL - Mr. Hice, and AMC Fellows, developed new reports that could more easily track manpower execution to a detailed level. He personally met with key budget and manpower personnel in primary organizations to resolve critical errors that previously had been uncorrectable. Manpower execution would not have been as accurate across all accounts if not for his efforts. Mr. Hice’s diligence ensured that manpower execution closely matched program budget guidance. His efforts will ultimately result in fewer future manpower reductions by HQDA due to over/under execution of funds. **RM**

**About the Author:**

Ms. Catherine Rinker is a Program Manager in the Comptroller Proponency Office,



Building Bridges to the Future

By Ms. Jean Wigham

There has been a great deal of talk in recent years about the “aging” work force and the need to create an environment that encourages talented and energetic people to enter the federal government, specifically the Army, as a career choice. One prominent way is through the Career Intern program, which has been given a boost in the last couple of years by an injection of funds to increase the num-

ber of interns. In addition to the intern programs, there are programs that mentor junior career employees to “bridge the gap” and help them to become the leaders of tomorrow. For example the National Security Personnel System (NSPS) may offer the opportunity to attract talented people at higher levels of experience based on competitive salaries to both “bridge the gap” and provide leadership role models.



Job rotations, developmental assignments, and overseas rotations are part of the growth and development of tomorrow's leaders

not, once they have graduated from the intern program, these new careerists find themselves with supervisors (military and civilian) who do not take the time to help develop training plans for further development and maturation. Local interns are sometimes given limited training opportunities due to a lack of funding. Many newly graduated interns get stuck in middle management levels because they haven't been given training to expand their skills. Frequently technical employees are refused training opportunities because of workload priorities.

While training plans are important, diversity in job assignments is essential to ensure depth of experience and understanding. The Army does this with young soldiers to develop and expand their skills, why do we not encourage this for career civilians? Job rotations, developmental assignments, and overseas rotations are part of the growth and development of tomorrow's leaders, yet we seem to have a problem allowing our talented people to take advantage of these opportunities. We do not encourage civilians to seek new opportunities; in fact we discourage it because civilians provide historical experience'. We are afraid to lose our 'best and brightest' and may sometimes fail to encourage participation for those who may express an interest, or, seek to promote internally to keep these resources. We fail to recognize that because we have limited their experience to a single organization, we have limited their growth opportunities.

NSPS is also redefining the role of the supervisor to become more involved in personnel management.

None of these programs will be successful without direct involvement by current supervisors. Supervisors and managers should ensure that employees who have the drive and ambition are given the opportunities they need to enhance their education and get the training and job opportunities needed to advance in their careers.

One requirement of the Career Intern Program is that interns must have a training plan reviewed and approved by their career managers, but more frequently than

NSPS will not solve these problems. Perhaps we do not take enough time to train Supervisors to be Managers – as defined by Webster -- from one who has "authority to hire, fire, discipline, and rate employees" to "someone who handles or controls resources, especially one who do so with skill". Unless we change the role of a supervisor to that of a manager, we will be unable to "stopgap" between the "aging workforce" and the leaders of tomorrow. In fact, we cannot grow leaders if we cannot overcome the inertia associated with supervision. We must be the Leaders of Today and recognize that we need to encourage our best and brightest to develop training plans, take rotational assignments or development positions, and sometimes leave the Army to gain skills in other agencies or services.

Give our graduate interns, our skilled specialists and talented employees the tools they need to become Leaders of the Future. Help "bridge the gap" and ensure that, when you leave, you have left a legacy that encourages growth in leadership. **RM**



About the Author:

Ms. Jean Wigham began her career as a Manpower Intern at Fort Bragg, NC. She currently serves as the Deputy Division Chief, Program Development Division, PAED. Ms. Wigham has over 34 years of experience at the installation, MACOM, and HQDA levels in the fields of manpower management, budgeting, and programming.



Managers' Internal Controls and Accountability

By Mr. Jorge F. Roca

In preparing to write this article, I spent some time thinking about the concept of internal controls, sometimes referred to as management controls in terms of organizational requirements, and the relationship or similarities to everyday life.

Business organizations are actually quite similar to families or social groups levels of documentation and formality (controls) in the these groups vary and in some instances are non-existent. These differences may

very well have a direct influence to the success or failure of the organizational (Family or Business) goals and/or objectives.

TAKE FOR INSTANCE THE FOLLOWING SCENARIOS –

My youngest son's Boy Scout troop was preparing to go on an overnight camping trip. As part of the preparation process they had a variety of classes, to

include going over a camping packing list. Some of the Scouts asked why they needed a packing list. The Troop leader explained that a good Scout is always prepared and a packing list is a good way to ensure that nothing that will be needed during their camp out is forgotten.

One summer weekend, I made plans to go fishing with a buddy of mine. In order to make sure that I did not forget anything, I made a list of everything I wanted to take with me the night before. When we arrived at the lake and got ready to cast our lines, my friend came over to me and asked me if I had some extra bait that he could use, admitting that he had forgotten to pack his.

While I was in the Army, during one of many field-training events, we commonly used the buddy system when preparing for a tactical road march. One function of this system required us to perform pre-combat checks. This allowed us to make sure we had not forgotten to tape down metal parts in our equipment (noise discipline), that we had all the equipment we needed and that everything was in good working order. When we were done, the platoon sergeant pulled out a couple of laminated cards that contained a checklist of items we needed for the mission, safety briefing and risk assessment. I asked the platoon sergeant why he used the cards. I had worked with him for a while and I had never known him to forget anything, in fact everyone in the battalion considered him to be the best at what he did. His response was that no one is perfect and at any given time we are bound to forget something, and by using his checklist (leader cards) he was sure to not forget and make sure that everyone was ready for the mission.

Over time I have seen many instances where organizational objectives were not met, financial reports were misstated, or injury or loss of life occurred because someone did not have appropriate control measures to mitigate risks. In fact I have encountered many people that believe internal controls are only a financial management requirement.

However, Managers' Internal Controls

are not limited to financial management. Internal controls include other business processes. Internal controls over our business processes help us ensure that specific outcomes are derived based on adherence to specific guidelines established by the organization, laws and/or regulations. Senior Leaders' risks assessment and establishment of internal controls for high risk areas is a key to mitigating and reducing negative outcomes resulting from weaknesses in internal controls. Periodic reviews and testing of established internal controls help to identify weaknesses or necessary changes as a result of changes in laws, regulations, automation technology, organizational mission, strategic objectives, and other changes in the operating environment.

Below are a list of documents that provides guidance to managers in establishing internal controls:

The Army's Managers' Internal Control Program operates under the direction of the **Federal Managers' Financial Integrity Act (FMFIA) of 1982** which establishes specific requirements with regard to management controls. The agency head must establish controls that reasonably ensure that (i) obligations and costs comply with applicable law, (ii) assets are safeguarded against waste, loss, unauthorized use or misappropriation, and (iii) revenues and expenditures are properly recorded and accounted for. The Act encompasses program, operational, and administrative areas as well as accounting and financial management.

OMB Circular A-123 – Defines management's responsibility for internal control in Federal agencies. A re-examination of the existing internal control requirements for Federal agencies was initiated in light of the new internal control requirements for publicly-traded companies contained in the Sarbanes-Oxley Act of 2002. Circular A-123 and the statute it implements, the FMFIA, are at the center of the existing Federal requirements to improve internal controls.

OMB Circular A-123 Appendix A – The circular provides updated internal control standards and new specific requirements

for conducting management's assessment of the effectiveness of internal control over financial reporting (ICFR).

Management is responsible for establishing and maintaining internal control to achieve the objectives of effective and efficient operations, reliable financial reporting, and compliance with applicable laws and regulations. Internal control, in the broadest sense, includes the plan of organization, methods and procedures adopted by management to meet its goals.

Management is responsible for developing and maintaining internal control activities that comply with the following standards to meet the objectives:

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communications, and Monitoring

Management should identify internal and external risks that may prevent the organization from meeting its objectives. When identifying risks, management should take into account relevant interactions within the organization as well as with outside organizations. Identified risks should be analyzed for their potential effect or impact on the agency. Below are some key "Risk" definitions.

Risk: The uncertainty of an event occurring that could have an impact on the achievement of objectives.

Risk assessment: A systemic process for assessing and integrating professional judgment about probable adverse conditions and/or events.

Risk management: The culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects.

Senior Military and Civilian Leaders and Managers are responsible and accountable for establishing viable, effective and efficient internal controls that provide reasonable assurance to mitigate the following risk factors:

Management should identify internal and external risks that may prevent the organization from meeting its objectives

- Fraud, waste, abuse, or mismanagement of government resources
- Effect on combat readiness or program accomplishment
- Illegal acts
- Political sensitivity or media interest
- Effect on safety, health, security or morale
- Systemic weaknesses—might result in recurring problems
- Minor deficiencies that become significant in the aggregate
- Previously identified problems not being corrected

The Army's Managers' Internal Control Program formally began in 1983, and in the 24 reporting years since inception, the Army has reported 233 Material Weaknesses to the Department of Defense, of which only four remain open as of the end of fiscal year 2007. This is an annual average of 9.7 resolved material weaknesses resulting in organizational operational improvements.

Although, managers are responsible and accountable for internal control programs, the effectiveness and ultimate success of the managers' internal control programs depend on everyone in the organization. **RM**



About the Author:

Mr. Jorge F. Roca is the Director, Management Services Directorate, in the Office of the Deputy Assistant Secretary of the Army (Financial Operations)



< DCP students visiting the Anglo American Division Los Bronces in the Andes mountain Range, the second largest mining company in Chile.

Defense Comptrollership Program – Chile Trip

By Brian Blank and Denise Oberndorf

On December 15 – 24, a group of Syracuse University students and staff traveled to Chile to experience the business culture and learn about business processes in Latin America. The trip was organized by the Austral Group and included tours of several cities, speakers from numerous entrepreneur and economic organizations, tours of businesses in Chile’s biggest industries, a service learning project in the community, and a trip to the Andes Mountains.

Chile is recognized as having a growing and open economy. Chile has enjoyed an average annual growth rate of 5.6% since 1990 and maintains the highest GDP in Latin America. In addition, Chile was the first country to sign free trade agreements

with the United States, the European Union and China. Chile, Argentina, and Brazil serve as the backbone of the Mercosur free trade block, with key roles in the integration and development of South American economies. Chile’s amazing development over the last 17 years has earned them a business transparency ranking on par with those in the developed world.

The Whitman School of Business students and staff maintained a full schedule throughout the trip. The group included eight Defense Comptrollership Program (DCP) students (Kirsten Abare, MAJ Eric Anderson, CPT Kristi Andrews, Brian Blank, Victor Castillo, CPT Jayme Hansen, Denise Oberndorf, and

Cheryl Partee), seven MBA students and Associate Dean Shula. All went on guided tours of Santiago and Valparaiso, noting Chile’s “Wall Street” and various state, defense, judicial, and historic buildings. The students attended presentations by AMCHAM, Endeavor Chile and Lloyd’s Register on foreign investment, entrepreneurship in Latin America, and quality assurance and ISO standards in Chile, respectively. In addition, they also visited Cavas del Maipo (local winery), Farmacias Ahumada (Latin America’s largest pharmacy chain), Kross Brewery, and Anglo American Division Los Bronces (copper mine) to learn of business tactics for entry into foreign markets, supply chain management, discussion on growth, strategy and defining new markets for consumer products, and copper market management and labor issues.

Like most countries, Chile also has public programs to provide care for abused or neglected children. Thus, to get the full experience and to give back to the community, Whitman students and staff participated in a service learning project at VE Global. The students painted two buildings that were being refurbished to house abused children. The students did break from working to sing Christmas songs and dance with the children.

While the trip included lots of learning opportunities, it was not all work. The group managed to squeeze in some rest and relaxation with a trip to the Andes Mountains and a visit to the Lodge Andino El Ingenio. A great time was had by all. **RM**



The DCP represents a cooperative endeavor between Syracuse University and the Department of Defense, with students completing a Masters in Business Administration and Executive Master of Public Administration. The program is under the direction of Col.(R) David Berg.



February 25 – March 20, 2008

(by row from left to right)

Back Row: Malanio Lipscombe, Morito Hamamoto, Luvenia Baker, Mary Louise Brumley, Robert Davis, Connie McAuliffe, Susan Trucks, Zuleika Brooks, Matthew Spencer, *Raymond Van Zante, Hyongkwon Pak, Tom Wilson

Front Row: Leah Ford, Jacqueline Schmunk, Rosa Rodriguez, Marion Teal, Tom Schweer, Cynthia Boone, *Malai Tubtim, Jeannice Malave

**Deborah Winder not available for picture*

***Class Liaison*

