DEPARTMENT OF THE ARMY
HEADQUARTERS, U.S. ARMY ALASKA
600 RICHARDSON DRIVE #5000
FORT RICHARDSON, ALASKA 99505-5000

REPLY TO
ATTENTION OF:

APVR-RRM-MS

17 DEC 2002

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: United States Army Alaska (USARAK) Management Control Program (MCP) (CG/CofS Policy Statement #0-32)

1. PURPOSE. This policy statement prescribes responsibilities and provides policy, procedures, and guidance for implementation of the Army's MCP in USARAK.

2. APPLICABILITY. This policy statement applies to commanders and managers at all levels of the active Army assigned or attached to USARAK. It remains in effect during all levels of mobilization. Tenant activities who report management control data to their parent command are exempt from reporting requirements outlined in this policy.

3. REFERENCES.

a. Federal Managers' Integrity Act of 1982 (the Integrity Act).

b. Office of Management and Budget (OMB) Circular A-123, Management Accountability and Control, revised 21 Jun 95.

c. General Accounting Office Standards for Internal Control in the Federal Government, GAO/AIMD-00-21-3.1, Nov 99.

d. Department of Defense Directive 5010.38, MCP, 26 Aug 96.

e. Army Regulation (AR) 11-2, Management Control, 1 Aug 94.

f. USARAK MCP Handbook, Aug 00.

4. GENERAL.

a. Every commander and manager has a vested interest in effective management controls – the rules, procedures, techniques, and devices employed by managers to ensure that what should occur in their operations does occur on a continuing basis. They are embedded in the statutes, and policy directives and detailed procedures that govern our operations. The management problems we deal with and the vast majority of audit and inspection findings have, at their root, a management control failure of some kind. When properly implemented, management controls provide reasonable assurance to the management team that its daily practices and procedures make sense and properly safeguard entrusted resources from fraud, waste, abuse, or loss.

b. Every Army manager is responsible to ensure that management controls in their organization are in conformance with the five basic standards of the Integrity Act.

(1) Control environment. Management and employees should establish and maintain an environment throughout the organization that sets a positive and supportive attitude toward internal control and conscientious management.

(2) Risk assessment. Internal control should provide for an assessment of the risks the agency faces from both external and internal sources.

(3) Control activities. Internal control activities help ensure that management's directives are carried out. The control activities should be effective and efficient in accomplishing the agency's control objectives.

(4) Information and communications. Information should be recorded and communicated to management and others who need it within the organization. It should be in a form and within a time frame that enables them to carry out their internal control and other responsibilities.

(5) Monitoring. Internal control monitoring should assess the quality of performance over time and ensure that the findings of audits and other reviews are promptly resolved.

5. POLICIES, PROCEDURES, AND EXECUTION.

a. Organizations within USARAK will designate Assessable Unit Managers (AUMs) according to the enclosed roster.

b. The USARAK's Management Control Administrator (MCA) is assigned to the Deputy Chief of Staff for Resource Management (DCSRM). The MCA will develop and publish a single command-wide MCP for the command. This document will identify: functional areas for evaluation, the AUM responsible for conducting the evaluation, when the evaluation is to be conducted (every five years), and any Army Regulations (ARs) applicable to the areas to be evaluated. The MCA will keep the MCP current and utilize it to monitor progress to ensure all management control evaluations are conducted as scheduled. Where appropriate, commanders and managers will coordinate the MCP with other command oversight processes, such as the annual Internal Review Plan, the Command Inspection Program (CIP), and/or Organizational Inspection Program (OIP) (Tab I of MCP Handbook).

c. The chain of command will encourage the prompt and full disclosure of material weaknesses discovered as part of management control evaluations and ensure commanders and managers are not penalized for reporting those weaknesses. Regardless of who or how the material weakness is discovered, the organization responsible for responding to the finding will initiate the material weakness report.

d. Key leaders will ensure that the management control responsibilities of AUMs, senior functional leaders and key management officials are documented in their evaluation support forms (Tab G of MCP Handbook). Commanders and managers may choose whether or not to include management control responsibilities in performance agreements for personnel below the AUM level.

6. RESPONSIBILITIES. In addition to the responsibilities identified in AR 11-2, the:

a. Commanding General (CG), USARAK will:

(1) ensure the MCP is effectively implemented within all units, staffs, and directorates of the Command to include the Inspector General (IG), Staff Judge Advocate (SJA), Chaplain (CH), Equal Employment Office (EEO), organizations/subordinate organizations of the 172d Infantry Brigade (Separate) (172d SIB), Chief of Staff (CofS), and U.S. Army Garrison, Alaska (USAG-AK).

(2) designate the Deputy Chief of Staff for Resource Management (DCSRM) as the management controls administrator (MCA) of the MCP within USARAK.

(3) sign and submit a written annual statement of assurance (ASA) to the Commander, US Army, Pacific (USARPAC), that certifies the status of management controls in USARAK, to include any material weaknesses and plans for corrective action (Tab M of MCP Handbook).

b. Internal Review and Audit Compliance Office (IRACO) will:

(1) convey findings of potential/actual material weakness within the organization being audited to the MCA and make recommendations on whether material weaknesses merit reporting to Headquarters USARPAC. Maintain oversight on the material weakness until it is validated that the remedial actions have resolved the weakness. The validation process should include: date of the CIP review, management follow-up of findings, command evaluations, and actions taken to correct material weaknesses.

(2) review the CG's ASA on management controls, to include supporting feeder statements from subordinate organizations. Provide an assessment of its thoroughness and validity.

(3) coordinate with outside agencies such as the United States Army Audit Agency (USAAA) and the Government Audit Office (GAO) as mandated by AR 11-2.

(4) provide technical advice, assistance, and consultation on management controls to AUMs within their organizations.

(5) during audits: evaluate the effectiveness of management controls, validate the adequacy of management control evaluations, and review actions taken to correct material weaknesses.

c. The USARAK IG will, during the normal course of inspections, review applicable management control documentation to determine if policies, standards, and requirements have been met and make appropriate recommendations.

d. Brigade level commanders will ensure subordinate commanders/managers maintain and report on management controls in accordance with (IAW) public law, ARs, instructions from higher headquarters, and this policy.

e. The DCSRM is USARAK's proponent for implementation and administration of the MCP within the command. The USARAK's MCA is assigned to DCSRM.

f. USARAK MCA will:

(1) coordinate management control administration and reporting activities for USARAK.

(2) serve as focal point and subject matter expert on all management control matters and develop a comprehensive understanding of management control policies, procedures, and required actions as outlined in AR 11-2 and other applicable sources in order to provide installation-wide technical assistance.

(3) advise and inform USARAK commanders and managers on the implementation and status of the MCP (Tab E of MCP Handbook).

(4) develop and maintain a roster of USARAK AUMs (Enclosure).

(5) present training on management control topics to AUMs and key personnel. Training will cover the statutory and regulatory basis of the MCP, underlying philosophy and major elements of the Army's process, and the basic responsibilities of AUMs and key players (Tab H of MCP Handbook).

(6) develop, maintain, and publish an MCP describing annual guidelines and milestones for evaluating management controls. Provide guidance to AUMs on completion of management control evaluations according to the MCP.

(7) ensure management control evaluation results are certified by AUMs according to the MCP (Tab J of MCP Handbook).

(8) report through the chain of command to HQ USARPAC any material weakness in management controls identified by AUMs during their management control evaluations. Ensure that material weaknesses are tracked until corrected.

(9) before April 30th of each year, prepare and submit a midyear status report on management controls that provides an update on previously reported material weaknesses and any adjustments to reported corrective action plans. Include any potential new material weaknesses discovered since last report.

(10) issue instructions to subordinate elements for the preparation of their ASA in July of each year (Tab M of MCP Handbook). Coordinate input of ASAs from subordinate units in preparation for the CG's ASA.

(11) for audit and inspection purposes, retain all required documentation in support of annual statements, management control evaluations, and material weaknesses. File IAW AR 25-400-2 (The Modern Army Recordkeeping System (MARKS)).

g. The senior individual within each of USARAK's major organizations (i.e. G1, G2, DPW, DCA, etc.) will:

(1) be designated as AUMs for each of their respective organizations (Enclosure).

(2) ensure that management control responsibilities are written into their job performance standards (Tab G of USARAK MCP Handbook).

(3) understand and apply the Comptroller General Standards for Management Control in the Federal Government (reference 3.c.).

(4) conduct formal evaluations of key management controls at least once every five years (Tab J of MCP Handbook). Inspections will be coordinated and scheduled IAW USARAK Circular 5-2 (United States Army Alaska Organizational Inspection Program). All inspections of management control issues are a component of Command Inspections, Staff Inspections, or IG inspections IAW AR 1-201 (Army Inspection Policy).

(a) USARAK AUMs may use HQDA developed management control evaluation checklists as published in their governing AR, or as an alternative, any existing management review process that meets the basic requirements of a management control evaluation. This assessment will be based on the actual testing of key management controls and must be supported by specific documentation. This documentation will include: the individual(s) who conducted the evaluation, date of the evaluation, the methods used to test the controls, any deficiencies detected, and corrective actions taken.

(b) AUMs will be directly involved in the evaluation of their management controls and must certify the inspector's results of the evaluation. The AUM's certification is documented on DA Form 11-2-R (Management Control Evaluation Certification Statement). The AUM will ensure the most recently completed management control evaluation is kept on file.

(5) provide the leadership and support needed to ensure that management controls are in place and operating effectively.

(6) ensure that all subordinate leaders/managers are cognizant of the importance of safeguarding resources and have a working knowledge of management controls.

(7) designate a point of contact for management controls from within your organization. Provide this information through the DCSRM to the USARAK MCA.

(8) attend an annual mandatory training briefing on management controls (1-2 hours) as scheduled and conducted by the MCA.

(9) ensure the five year MCP, maintained by the USARAK MCA, accurately reflects responsibility and milestones for the assessable units to be evaluated (Tab I of MCP Handbook). The basic process for developing the USARAK MCP is for the AUMs to:

(a) review the inventory of functions that require evaluation and identify those that are applicable to their organization.

(b) identify other functions to be evaluated.

(10) execute and document evaluation of key management controls using either management control evaluation checklists or an existing management review process. Ensure management control reviews are conducted as prescribed by AR 11-2, this policy statement, and IAW the schedule in the MCP. Certify the results of required management control evaluations on DA Form 11-2-R (Management Control Evaluation Certification Statement). Submit a copy to the DCSRM each year with your ASA. Ensure required documentation on each completed management control evaluation is retained on file for audit/inspection purposes.

(11) determine whether a weakness in management controls is or is not material weakness. If determined to be a material weakness, ensure documentation is submitted through the chain of command and MCA to the CG USARAK, IAW AR 11-2, para 2-6 and this policy statement. Establish an implementation plan to correct material weaknesses within a reasonable time frame. Track progress in executing those plans until the material weakness is corrected. This includes preparing an updated action plan for all material weaknesses at the end of the fiscal year (in the ASA) (Tabs K and M of MCP Handbook).

(12) no later than (NLT) March 30th of each year, prepare and submit to the USARAK MCA a midyear status report on management controls.

(13) sign and submit a written ASA through USARAK MCA to the USARAK CG certifying the status of management controls within your organization, to include material weaknesses and plans for corrective actions (Tab M, MCP Handbook).

h. All assigned USARAK personnel, as stewards of taxpayer financed resources, will, within their limits of authority and responsibility:

(1) display a high level of commitment towards mission accomplishment and the safeguard of resources entrusted to their care.

(2) establish, maintain, and practice effective management controls and assess areas of risk.

(3) identify and correct weaknesses in those controls, and promptly report the absence or ineffectiveness of controls as potential material weaknesses.

(4) keep their superiors informed on all management control related issues.

7. ADDITIONAL INSTRUCTIONS.

a. The USARAK MCA is Mrs. Virginia (Ginny) W. Sears, 384-2032, APVR-RRM-MS, e-mail virginia.sears@richardson.army.mil.

b. Suggested changes to this policy statement should be furnished to the Management Services Division, Deputy Chief of Staff for Resource Management (APVR-RRM-MS).

c. File this policy statement with AR 11-2.

JOHN M. BROWN III
Major General, USA
Commanding

Encl
as

DISTRIBUTION:
Commanding General (APVR-CG)
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Commander, 203d Personnel Service Battalion (APVR-ASB-AG)
Commander, 267th Finance Battalion (APVR-RFB-CO)
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Commander, 172d Infantry Brigade (Separate)(APVR-WLB-CO)
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Director of Logistics (APVR-RDL)
Fort Richardson Post Commander (APVR-RPC)
Fort Wainwright Post Commander (APVR-WPC)
Director of Information Management/59th Signal Battalion (APVR-RIM)
USARAK Provost Marshal (APVR-RUPM)
Director of Public Works (APVR-RPW)
Director of Community Activities (APVR-RCA)
Director of Regional Contracting-AK (APVR-RDOC)
Fort Richardson CPAC Office (APVR-RCP)
Director of Safety (APVR-RDZ)

USARAK ASSESSABLE UNIT MANAGERS (AUMs)

Organization	Senior Functional Manager	Manager Level	Office Symbol
CG	Commander, U. S. Army Alaska	Major General	APVR-CG
DCO	Deputy Commander, U. S. Army Alaska	Colonel	APVR-WDC
172d IN BDE	Commander, 172d Infantry Brigade (Separate)	Colonel	APVR-WLB-CO
CofS	Chief of Staff, U. S. Army Alaska	Colonel	APVR-CS
CHAPLAIN	Chaplain	Colonel	APVR-CH
USAG	Commander, U. S. Army Garrison-Alaska	Colonel	APVR-GC
DOL	Director of Logistics	Colonel	APVR-RDL
DPW	Director of Public Works	Colonel	APVR-RPW
203d PSB	Commander, 203d Personnel Service Battalion	Lt Colonel	APVR-ASB-AG
4/123d Avn Regt	Cdr, 4th Battalion/123d Aviation Regiment	Lt Colonel	APVR-WAB-CO
LEC	USARAK Provost Marshal	Lt Colonel	APVR-RUPM
NWTC	Commander, Northern Warfare Training Center	Lt Colonel	APVR-WNW
CDR, FRA	Post Commander, Fort Richardson	Lt Colonel	APVR-RPC
CDR, FWA	Post Commander, Fort Wainwright	Lt Colonel	APVR-WPC
DCSOPS	Deputy Chief of Staff for Operations	Lt Colonel	APVR-RPTM
DCSRM	Deputy Chief of Staff for Resource Management	Lt Colonel	APVR-RRM
DOIM	Director of Info Mgmt (Cdr, 59th Signal BN)	Lt Colonel	APVR-RIM
IG	Inspector General	Lt Colonel	APVR-RIG
SJA	Staff Judge Advocate	Lt Colonel	APVR-RJA
STB	Commander, Special Troops Battalion	Lt Colonel	APVR-RST
267th FSB	Commander, 267th Finance Support Battalion	Major	APVR-RFB-CO
DCSPER	USARAK Adjutant General	Major	APVR-RAG
PAO	Public Affairs Officer	Major	APVR-RPO
SGS	Secretary of the General Staff/Protocol	Major	APVR-CS-SGS
NCOA	Commandant, NCO Academy	CSM	APVR-RST-N
DCA	Director of Community Activities	GS-14	APVR-RCA
CPAC	Director, Civilian Personnel Advisory Center	GS-13	APVR-RCP
ROC	Director of Contracting	GS-13	APVR-RDOC
IRAC	Chief, Internal Review & Audit Compliance Ofc	GS-13	APVR-RIR
SAFETY	Director, Safety	GS-13	APVR-RDZ
EEO	Equal Employment Manager	GS-12	APVR-REEO