



DEPARTMENT OF THE ARMY
HEADQUARTERS, U.S. ARMY MATERIEL COMMAND
5001 EISENHOWER AVENUE, ALEXANDRIA, VA 22333 - 0001

REPLY TO
ATTENTION OF

AMCIR-A (11-2a)

14 November 2002

MEMORANDUM THRU ASSISTANT SECRETARY OF THE ARMY, (FINANCIAL
MANAGEMENT AND COMPTROLLER), 109 ARMY PENTAGON, WASHINGTON, DC
20310-0109

FOR SECRETARY OF THE ARMY, 101 ARMY PENTAGON, WASHINGTON, DC
20310-0101

SUBJECT: FY 02 Annual Statement of Assurance on Management Controls

1. In compliance with the provisions of Army Regulation 11-2, Management Controls, I have reasonable assurance that the management controls within my command are operating as intended except for the material weaknesses reported. The new material weaknesses reported during FY 02 are at Enclosure 2. The current status of the prior year material weaknesses is at Enclosure 3.
2. I have based my personal assessment of the command's management control process on attestations from each Assessable Unit Manager in the headquarters, heads of my major subordinate commands and separate reporting activities. The process also includes reviewing audit and inspection reports, management control reviews, application of existing control evaluations, discussion of management control issues in command group staff meetings and other verification procedures to ensure that controls are adequate, in place, and working.
3. The following are the mandatory enclosures for this statement:
 - a. TAB A - How our assessment was conducted throughout the command (Encl 1).
 - b. TAB B - Material Weaknesses (Encl 2 newly reported and Encl 3 prior years).

3 Encls
as


PAUL J. KERN
General, USA
Commanding

**HOW THE COMMAND'S ASSESSMENT WAS CONDUCTED
DURING FY 02**

TAB A

LEADERSHIP EMPHASIS

HQ, AMC AUMS:

G-1 - DEPUTY CHIEF OF STAFF FOR PERSONNEL

Prepared a memorandum, 29 Mar 02, signed by GEN Kern - Linking Performance to the U.S. Army Materiel Command (AMC) Strategic Plan. Purpose is to transform AMC into the kind of organization we consider essential to the Army's future.

Prepared a memorandum, 20 Aug 02, signed by GEN Kern, Creating Lean - A Management Tool for the Future. Purpose was to notify subordinate commanders and directors that a new environment suggests new approaches and new ways of thinking about what we do. Also, asked the G-1 and Command Counsel to lead an initiative to educate and train AMC's managers, union officials and the work force at large on subject management tool.

G-2 - DEPUTY CHIEF OF STAFF FOR INTELLIGENCE

The G-2 has provided training and guidance in order to accomplish the intelligence and security mission. New policies and procedures are provided to all managers and discussed in office meetings to ensure understanding of requirements. All managers have been advised that failure to comply with policies and procedures can result in violation of statute, regulation or command direction.

G-3 - DEPUTY CHIEF OF STAFF FOR OPERATIONS

The assessment for the G-3 is based on management controls that are used on a daily basis. The following controls are in place and operating: Single Stock Fund General Officers' Working Group; National Maintenance Program Executive Committee; Program Execution Reviews; Balanced Scorecard (Strategic Readiness System); Program Budget Decision - 407 Arsenals; Operational Board of Directors (IBOD); GCSS Army Integration Team (GAIT).

The G-3 recognizes that AMC is a key player in the Integrated Army Munitions Management Program and Class IX Army Spares. However, the Army G4 has taken the lead in identifying these weaknesses and resource shortfalls. HQ, AMC G-3 is prepared to support them as required.

LEADERSHIP EMPHASIS (CONTINUED)

G-5 - PUBLIC COMMUNICATIONS

The Chief, G-5 retains the ultimate responsibility for how our resources are expended. Close, regular and frequent review of available funds is part of the routine of this office. The entire staff meets weekly to cover a variety of topics to include status of funding, requirements and to surface any management deficiencies from other areas of the staff.

The addition of the G-5 basic scorecard as part of the implementation of the Strategic Readiness System will contribute to the overall management of this G-staff element. It will help identify G-5 deficiencies and funding shortfalls, help clarify how the G-5 contributes to the Army and AMC strategic plans, and orient staff actions toward achieving the Army's strategic goals.

G-6 - CHIEF INFORMATION OFFICER

Prepared a memorandum from the Chief Information Officer providing additional guidance and information for the AMC Information Assurance Training Program. This guidance applies to all commands, organizations and activities within HQ, AMC, major subordinate commands and separate reporting activities.

Published AMC Information Assurance Strategic Plan, Aug 02 and made available on the HQ, AMC Corporate Information web site.

G-8 - DEPUTY CHIEF OF STAFF FOR RESOURCE MANAGEMENT

The DCSR, G-8 collaborates with the Office of Command Procurement to identify GPC delinquencies throughout AMC, as well as respond to various internal/external audit inquiries regarding the GPC Program. During FY 02, HQ AMC virtually eliminated GPC delinquencies and used the PCMS/C.A.R.E. reporting mechanisms to avoid instances of GPC fraud throughout AMC. Although USAAA, DODIG, and GAO audits of AMC sites revealed some questionable GPC purchases, there were no reported instances of fraud. The audits resulted in issuance of DOD and Army policies for enhanced control/management of the GPC Program.

The DCSR issued policy, signed by the Deputy Commanding General, based on fixed price work order guidance in DFAS-IN-37-1, emphasizing the need to be vigilant against accepting items in other than the agreed condition and unfunded scope of work changes. The cost overruns occurred, in part, because maintenance proceeded on units that were delivered in condition substantially different than that presumed in establishing the fixed price or involved outside of scope work. In order to avoid future cost overruns the above policy was issued.

COMMAND COUNSEL

The Command Counsel conducted a Chief Counsel Workshop and five Chief Counsel videoconferences to discuss current legal issues and material weaknesses.

LEADERSHIP EMPHASIS (CONTINUED)

OFFICE OF COMMAND PROCUREMENT

Issued a HQ, AMC Commanding General Procurement Directive, dated 5 Jun 02, to all AMC Commanders, clarifying our purchase card policy. In addition, monthly reviews of AMC's delinquent (late) payments for purchase card accounts.

In order to gain greater insight into the manageable portion of ALT/PLT, the HQ, AMC Commanding General mandated R&A requirement be broken out into two elements: Internal (ALT) and External (PLT) for reporting requirements. The issuance of long-term contracts is being encouraged throughout AMC contracting activities to reduce ALT. In addition, quarterly reviews continue to be performed to ensure each Inventory Control Point (ICP) used to track ALT/PLT data is meeting established goals. These reviews also track input data for accuracy and discrepancies. The review found that each ICP is making adequate progress toward their goals. Reduced ALT/PLT equals reduced inventory. This saves dollars both in the direct cost of inventory, and in the cost of stockpiling inventory.

INSPECTOR GENERAL

The AMCIG ensured that management control problems and/or potential weaknesses discovered during inspections, investigations or inquiries were briefed to the appropriate manager.

INTERNAL REVIEW AND AUDIT COMPLIANCE

Senior Responsible Official presented reporting new material weaknesses as a topic for discussion during the command group staff meetings. All designated Assessable Unit Managers (AUMs) attend these meetings.

A memorandum, signed by Commander, AMC (GEN Kern), 19 Mar 02, was sent to all MSC/SRA Commanders. This memorandum urged them to stress the importance of effective management controls for their staff.

Senior Responsible Official prepared a Memorandum of Commendation for the G-6, Deputy Chief of Staff for Corporate Information management control point of contact (Ms. Linda Flick), 19 Jul 02. This memorandum commended her for her outstanding performance while managing the G-6 management control process.

Chief of Staff, HQ, AMC signed a memorandum to designate the HQ, AMC Assessable Unit Managers for FY 02, 15 Mar 02.

LEADERSHIP EMPHASIS

MAJOR SUBORDINATE COMMANDS

ARMY RESEARCH LABORATORY

1. The Director's Office distributed numerous memoranda to ARL's senior leadership, down to the branch level, demonstrating strong support for the management control process and emphasizing the importance of effective management controls and sound stewardship of public resources. Management controls have been incorporated in the performance standards of every manager, supervisor and team leader. These objectives are considered in the performance ratings under the element of Management/Leadership and Supervision/EEO. Discussed management control processes at senior level staff meetings, and reminded staff to complete all scheduled evaluations prior to 30 September 2002.
2. ARO Directorate Directors continue to personally appoint management control evaluators based on a combination of their experience within a particular mission area combined with their demonstrated objectivity and analytical abilities. In FY 02, the ARO Director requested application of the AR 525-13 checklist to assess the adequacy of ARO's antiterrorism and physical security programs. A number of operational improvements were incorporated into ARO's security program as a result of this evaluation.
3. Sensors and Electron Devices Directorate (SEDD) places emphasis and guidance on management controls through circulation of memorandums and discussions at staff meetings.
4. Survivability/Lethality Analysis Directorate (SLAD) issued policy to the Divisions emphasizing the importance of maintaining prescribed internal controls to subordinate level supervisors.
5. Chief of Staff personally participated in the out briefing for the AMC reviews on internal audit and management controls. The final report for management controls resulted in no findings and no recommendations.
6. Computational and Information Sciences Directorate (CISD) had frequent interactions with subordinates by using management staff meetings at all levels to enforce management controls. In order to reduce costs, these meetings are accomplished using VTC links to various sites.

AVIATION AND MISSILE COMMAND

1. The Commanding General signed a memorandum, that stresses the importance of the MCP AMCOM wide. The memorandum emphasizes the importance of using effective management controls to ensure that we are good stewards of the public's tax dollars. Memorandum was distributed to all managers/supervisors.

MAJOR SUBORDINATE COMMANDS (CONTINUED)

AVIATION AND MISSILE COMMAND (CONTINUED)

2. Management controls are given a high priority and management encourages a positive attitude toward the controls. Emphasis continues to be placed on controls to ensure that all responsible officials have performance standards on management control responsibilities and are rated on these standards. The performance standards of new management officials were personally reviewed by the MCA to ensure compliance with this Command policy.

3. Numerous managers address controls in their weekly staff meetings throughout the year. Senior managers have added their comments and support during the management control training sessions.

COMMUNICATIONS-ELECTRONICS COMMAND

1. CECOM's support for the Management Control Process is evidenced in the emphasis placed on identifying and correcting all material weaknesses. To this end, we conducted a MCP executive conference which I attended with organizational directors, or designees, on 24 JUN 02. This process is used as a forum to discuss organizational efforts in MCP, including training, checklist completion, and corrective action plans for new and prior year material weaknesses.

2. The Software Engineering Center-Meade established a Board of Directors, comprised of three senior managers, to review Acquisition Requirements Packages and technical evaluations of proposals to ensure fairness and consistency in contracting decisions.

OPERATIONS SUPPORT COMMAND

1. The OSC Commanding General (CG) formally appointed assessable unit managers (AUMs) within OSC and outlined their management control responsibilities and his expectations.

2. The OSC sent out a memorandum with the subject, Management Controls - Statements of Responsibility, on 3 June 2002 to the Headquarters (HQ), US Army Operations Support Command and HQ FSC offices. It addressed the importance of ensuring that all managers have a statement of management controls responsibility in their performance standards.

3. At the direction of the CG, we established an Executive Steering Group (ESG) on Management Controls within HQ OSC comprised of senior managers. The ESG reviews potential material weaknesses and makes recommendations to the CG. The OSC deputies, organizations and installations reported four potential new material weaknesses to the OSC CG. The OSC Management Controls ESG met and recommended that OSC report one new material weakness to the Headquarters, U.S. Army Materiel Command (HQ, AMC).

OPERATIONS SUPPORT COMMAND (CONTINUED)

The OSC uses metrics to monitor the performance of the different functional areas. We use the Metric Management Reporting System for housing our metric system.

SOLDIER AND BIOLOGICAL CHEMICAL COMMAND

1. SBCCOM Commander personally met with the assigned AUMs, to provide a refresher on the importance of the MC program, reiterate the requirements of the process, and to ensure them that their proactive efforts to identify any deficiencies would be considered positive actions. He encouraged them to report a deficiency/concern before it is identified by an external audit/visit/or review.
2. In FY02 under the direction of the Stockpile Industrial Remediation and Restoration (SIRR) Assessable Unit Manager (AUM) SBCCOM instituted Pre-Chemical Surety Inspection (CSI) Tiger Teams to assist the sites in preparing for follow-on DAIG (CSI) team visits. Each Tiger Team spends an average of four weeks at each location scheduled to receive a CSI. In addition, quarterly Commanders' Conferences are a forum for Commanders to share lessons learned from their site-specific CSI experience.
3. Chief of Staff as Senior Responsible Official (SRO) for the management control process:
 - a. Appointment memoranda were signed and released for 18 Assessable Unit Managers (AUMs) to support the Command's designated top-level assessable units. Guidance and training presentations were issued prior to the beginning of the fiscal year to highlight AUM requirements and command expectations, and to ensure each appointed AUM has management controls as an identified responsibility within the performance agreement.
 - b. Provided refresher MC meeting with the Commander; having an on-site DA Graduate Course to reiterate the process requirements prior to FY02 MC execution; developing and issuing an FY02 fast-track action plan, an MC policy statement, and a detailed MC Desk Guide; and executing our new automated Management Control Reporting Tool (MCRT). This included a workshop to introduce our new automated process for documenting the five-year inventory and to reiterate the requirements of the overall MC process.

SIMULATION, TRAINING AND INSTRUMENTATION COMMAND

1. The Commander issued memoranda/messages to subordinates to provide guidance and give command emphasis on the importance of effective management controls. Commander also sent out a statement to all Assessable Unit Managers urging them to aggressively apply the management control process throughout the year. Conducted weekly staff calls for senior managers to discuss pertinent daily business.
2. The Commander requested the newly designated MCA place more emphasis on the Management Control process and publish management control guidance for managers who sustain management controls within their operation.
3. Each Project Manager regularly conducted reviews of their operational programs to verify/improve implementation and execution of controls.
4. The Executive Steering Committee (ESC) conducted meetings to disseminate/discuss information and issues.
5. Continued the annual Technical Advisory Board with industry to get feedback on our processes. Continued the Senior Leadership Advisory Board comprised of several retired senior military and civilian leaders who assist us in Command-wide strategic direction.
6. Conducted Town Hall (off-site) meetings to permit the workforce to raise issues to the Commander and the principal staff; these meetings focused on improving information flow and eliminating “managerial bottlenecks.”

TANK-AUTOMOTIVE AND ARMAMENTS COMMAND

The Deputy Command General held a video conference, with all sites, to discuss all existing material weaknesses. A representative for the Command Group, Chief of Staff Offices, and 10 Business Group Leaders and their subject matter experts attended. Material weaknesses were discussed and all questions or concerns regarding these weaknesses were resolved.

SEPARATE REPORTING ACTIVITIES

- a. AMSAA conducted weekly senior management council meetings to advise the director of possible weaknesses and provide proposals for improving internal management controls. High-risk areas for potential weaknesses are constantly monitored.
- b. AMC-FAST director conducted periodic meetings with staff and other assigned personnel to stress the importance and adherence of management controls. VTCs were held on a periodic basis between HQs staff and the regional Division Directors.

- c. Director, I&SA sent correspondence to installation commanders and their staffs emphasizing important policies. Published articles relating to management control responsibilities in the AMC Deputy Chief of Staff for Installations bulletin, which is distributed three times annually throughout AMC. Published lessons learned, which included items relating to management controls and distributed to all subordinates.
- d. IGA conducted a command-wide IG Assistance and Assessment Program (IGAAP) survey at the Commander, AMC's request. IGAAP assesses eight areas and is forwarded in advance of the IG on-site assistance visit and the results are electronically compiled.

MANAGEMENT CONTROL TRAINING

1. Based on a total headquarters realignment, requested funding to bring USDA on-site to train newly designated Assessable Unit Managers (AUMs). AUMs will be redesignated again in FY 03 because of the newly developed G-staff structure.

2. Training Statistics for FY 02:

Total that received management control training (AMC-wide): 2,590

In-house: 2,519

USDA training (MCAs and managers): 71

3. Training has been conducted at all levels. Major subordinate commands and separate reporting activities have conducted training on a wide scale using various methods (training included Commanders, Assessable Unit Managers, Management Control Administrators and other managers).

4. Other training highlights as follows:

G-6 - The new G-6 management control point of contact received desk-side training from the HQ, AMC Management Control Administrator. G-6 Assessable Unit Manager had previously been trained in FY 00.

G-8 - All current managers have been previously trained on the management control process. We annually provide G-8 supervisors with copies of the GAO Standards for Internal Management Controls.

AMCCP - The newly assigned management control point of contact received desk-side training from the HQ, AMC management control point of contact. AMCCP will establish a training program promoting management controls in FY 03. Newly assigned personnel will receive the training.

MANAGEMENT CONTROL TRAINING (CONTINUED)

AMCIG - Internal management control program training handbook has been updated and circulated to managers and other action officers to refresh their management control responsibilities. A Management Controls Information- Share binder has been maintained and provided to IG personnel for information.

Internal Review and Audit Compliance (IRAC) - HQ, AMC management control administrator attended the HQDA Management Control Training Symposium in Scottsdale Arizona, 21-23 Aug 02. Six IRAC personnel attended the HQDA Internal Review Training Symposium in Scottsdale, Arizona, 19-23 Aug 02. Formal training was provided to one new Assessable Unit Manager (AMCSG). Management Control Process training was provided to HQ, AMC management control points of contact in the following offices AMCSG, AMCCH, AMCEE, AMCLG and AMCPP. Orientation training was provided to new MSC/SRA MCAs at STRICOM and AMCOM.

TRAINING HIGHLIGHTS - MAJOR SUBORDINATE COMMANDS

- a. ARL updated MC materials on the ARL inside Intranet. ARL Management Control Electronic Training Brief was also produced in hard copy and sent to each AUM as a refresher tool to enforce awareness of management controls.
- b. CECOM made available to all managers a pamphlet, containing an overview of the MC process. Informal training consisted of managers reading and signing a three-page statement of their MC process responsibilities. The Tobyhanna Army Depot issued an internally developed training book to all new managers.
- c. OSC held a Management Controls Workshop on 23-24 April 02. The workshop further facilitated communication between management control and audit/inspection personnel. We also held a Management Controls Video Teleconference training session on 30 May 02. Posted Management Control Column in the "Productivity Today" newsletter. The column addresses the latest news in management controls.
- d. SBCCOM has increased emphasis on management controls training in FY 02. The two-day USDA Graduate School Course for MCAs was brought on site 30-31 July 01 prior to FY 02 MC execution. In addition, the SBCCOM MCA plans to coordinate with the NECPOC training coordinator to schedule this course again in FY 03. This continued initiative supports reduced travel costs and help to encourage AUMs and MCAs to attend the formal training sessions. It supports their command's increased focus on management controls. The SBCCOM AUMs and MCAs have received a copy of the HQDA and HQ, AMC training presentations, along with a copy of the SBCCOM management controls process diagram and a copy of the new MC policy and desk guide. The SBCCOM assessable units MCAs have, in turn, communicated the available training materials to their lower level AUMs and MCAs.

TRAINING HIGHLIGHTS - MAJOR SUBORDINATE COMMANDS
(CONTINUED)

- e. STRICOM is having the USDA Graduate School come on-site to present the one-day Management Control Process course in Sep 02 to ensure the assessable unit managers, key officials and other points of contact are familiar with the major elements of the Army's process.
- f. TACOM's MCP Bulletin Board on the Command's Intranet has been updated to include the latest information on the management control process. A semi-annual newsletter has been created and published for the MC community at all TACOM sites. This tool helps us pull all aspects of the program together and stay in touch with our customers.

EXECUTION

- 1. Feeder statements have been required from all subordinate commanders/directors and appropriate HQ, AMC senior staff managers. Assessable Unit Managers (AUMs) have been designated, and individual management control plans have been developed AMC-wide. An e-mail network of MCAs and MC Points of Contact is in place to distribute guidance in a timely manner. Additional management control information and links have been added to our web site to improve communication between commands. This also allows subordinate to share information with each other and to capture management tools to improve execution of their individual processes.
- 2. Other innovative actions have been taken to exceed the management control assessment criteria as stated below:

HQ, AMC AUMs:

G-2 - DEPUTY CHIEF OF STAFF FOR INTELLIGENCE

A complementary system of internal and external oversight mechanisms is in place. Internal review were conducted by ITSA members during staff assistance visits, workshops, functional area assessments, and Intelligence and Security Program Overview visits conducted by the ITSA Security Support Division. External reviews are conducted by U.S. Army Audit Agency, Department of the Army and Department of Defense, Inspector General and the Department of the Army Finance and Accounting Office and the AMC Inspector General.

G-3 - DEPUTY CHIEF OF STAFF FOR OPERATIONS

Review and evaluation of controls being used to ensure they are effective, and to ensure they are compliant with the provisions of AR 11-2, Management Control.

EXECUTION (CONTINUED)

G-3 - DEPUTY CHIEF OF STAFF FOR OPERATIONS (CONTINUED)

The HQ, AMC Internal Review and Audit Compliance Office reviewed several corrected material weaknesses and verified that the actions taken to correct the problems were documented and applicable.

G-6 - CORPORATE INFORMATION OFFICER

Used AR 25-1 Checklist as part of our organization's management oversight process, to supplement existing review processes to ensure compliance with AR 11-2.

The Director of Information Management Division has decided to review Information Assurance on a 6-month cycle, sooner than HQDA requires.

G-8 - DEPUTY CHIEF OF STAFF FOR RESOURCE MANAGEMENT

U.S. Government (USG) Department of Defense Travel System (DTS). HQ AMC collaborated with the DOD DTS Program Management Office (PMO) and HQDA to begin DTS fielding throughout AMC; AMC and other tenants at the Garrison Aberdeen Proving Ground (GAPG), Maryland commenced DTS processing in July 02. The DTS not only streamlines travel processing but also provides a singular budget and accounting reporting mechanism for Command stewardship of scarce travel resources. DTS fielding at GAPG is also the first USG business application to include the use of the state-of-the-art Common Access Card (CAC) Public Key Infrastructure (PKI). DTS and CAC/PKI will revolutionize the AMC travel business practice by automating internal controls and travel processing to the level consistent with effective management control of the GTC Program.

Financial Management Training Guide. We maintain the AMC Executive Training Guide for Financial Management. This publication is designed as a primer and desk side reference primarily for AMC executives and action officers who occupy positions involving management of AMC's financial resources. This 100-page manual describes all the principal appropriations and funds managed by AMC and the programming, budgeting and execution process at directorate, installation and major command level. It addresses management's responsibilities regarding the administrative control of funds and related topics including management controls, internal review and audit compliance, cost and economic analysis and automated accounting systems. It is available on the HQ AMCRM homepage.

EXECUTION (CONTINUED)

G-8 - DEPUTY CHIEF OF STAFF FOR RESOURCE MANAGEMENT (CONTINUED):

U.S. Government Purchase Card (GPC) Program. The DCSRM, G-8 collaborates with the Office of Command Procurement to identify GPC delinquencies throughout AMC, as well as respond to various internal external audit inquiries regarding the GPC Program. During FY 02, HQ AMC virtually eliminated GPC delinquencies and used the PCMS/C.A.R.E. reporting mechanisms to avoid instances of GPC fraud throughout AMC. Although USAAA, DODIG, and GAO audits of AMC sites revealed some questionable GPC purchases, there were no reported instances of fraud. The audits resulted in issuance of DOD and Army policies for enhanced control/management of the GPC Program. USAAA continues a collaborative effort with AMC Internal Review on behalf of the DODIG to review selected GPC purchases at AMC sites based on a "data mining" technique USAAA used with the Defense Management Data Center Data Base. At HQ AMC, the Defense Contracting Command - Washington (DCC-W) replaced the GSA Self Service Supply Center (SSSC), Uncle Sam's Store, with the Virginia Industries for the Blind (VIB). The VIB SSSC maintains adequate internal controls regarding management of the HQ AMC GPC Program.

Improved managerial accounting. AMCRM has initiated several actions to improve the performance within the financial management arena. One of these initiatives has been the continual strengthening of the Joint Reconciliation Program within AMC. Accomplished under a contract with CACI, Inc., the data collection and presentation for this project is fully automated and has reduced the formerly labor intensive effort involved in keying data into spreadsheets and creating charts, from several days to a matter of minutes, to produce the same output products. This has allowed more time for critical staff analysis. As a result, unliquidated balances for canceling year accounts are at an all time low for AMC. AMC engaged another contractor, KPMG Consulting, to perform contract reconciliations to correct Negative Unliquidated Obligations (NULOs) at the St. Louis Operating Location. This initiative has resulted in the clearance of over \$130M in NULOs over the past fiscal year.

Cost Validation of PPBES Estimates. In FY02, the HQ AMC DCSRM, G-8 increased efforts to assure the preparation and validation of credible estimates for the PPBES in accordance with AMC R 37-4. These efforts enhanced documentation and definition of total program requirements, funded and unfunded, particularly in the RDA accounts. The MSC Cost Analysis offices were also provided significant cost validation and estimation assignments for AMC projects. Finally, economic analyses were being held to higher, more rigorous standards for approval to include proper and complete documentation, alternative analyses, beneficial payback results, and validation reviews. These internal control activities are intended to continue into future years.

EXECUTION (CONTINUED)

G-8 - DEPUTY CHIEF OF STAFF FOR RESOURCE MANAGEMENT (CONTINUED)

Chief Financial Officer's (CFO) Act Implementation and Strategic Plan. The DCSR, G-8 has been designated as HQ AMC lead for this program. The CFO Strategic Plan is a DA initiative developed to comply with the CFO Act by obtaining a clean audit opinion on DA annual financial statements. The CFO Strategic Plan was rebaselined in FY01. The milestone date to achieve an opinion has been extended to FY07 and the date to achieve an unqualified opinion has been extended to FY10. As part of the rebaselining process, direction was re-focused to identify and complete noncompliant tasks. Completed, cancelled and merged tasks were removed from the list of open tasks. The majority of AMC's open tasks have related to financial or feeder systems, many of which will be replaced by the Logistics Modernization Program (LMP) system. As a result, AMC currently has only one open task for the next IPR. This task relates to automated reconciliation of Worldwide Ammunition Reporting System (WARS) with DFAS. WARS will be subsumed by LMP in FY06/07. An automated reconciliation with DFAS will not occur until that time.

U.S. Government Travel Card (GTC) Program. HQ AMC continued as the best Army Program Coordinator (APC) in terms of GTC delinquency rate. AMC GTC delinquencies have dropped below 2% (Army Goal: 4%) as AMC continued its zero tolerance policy for delinquencies. AMC provided HQDA a "Best Practices" model for presentation at the 4th annual GSA SmartPay Conference.

Reduction of Aged In-Transit Inventories: Past USAAA audits had determined that AMC's Integrated Materiel Management Centers and the Defense Finance and Accounting Service were not adequately reconciling financial and logistical inventory records. In cases where discrepancies were identified, the logistical numbers were accepted at face value and the variances were never researched and analyzed. As a result, in FY01 AMC had \$309M of in-transit transactions that were over 90 days old. AMC has since stepped up its efforts, in concert with DFAS-St. Louis to clear these aged in-transit records. As of 31 Jul 02, DFAS and AMC have effectively reduced aged in-transits to \$47M. AMC is continuing to work closely with its IMMCs via the Joint Reconciliation Program to vet these remaining in-transits, validate all transactions with supporting documentation and monitor the status of aging in-transits.

COMMAND COUNSEL

Conducted reviews of operational program to verify and improve implementation and execution of controls. The Command Counsel and his deputies personally conducted staff review of six AMC legal offices to ensure accomplishment of the legal mission by providing direct assistance to the MSCs and helping them resolve organizational, management and technical legal issues.

EXECUTION (CONTINUED)

OFFICE OF COMMAND PROCUREMENT

The following key control initiatives were undertaken by this office to improve controls for the Government Purchase Card Program (AMC-wide) and the tracking of Administrative and Production Lead-time (ALT/PLT). AMC management will track new reporting requirements and take appropriate actions to correct problems. In addition, monthly reviews will be conducted of AMC's delinquent (late) payments for purchase card accounts.

Quarterly reviews of ALT/PLT to track input data for accuracy and discrepancies. Ensure each ICP is making adequate progress toward their goals. Reduced ALT/PLT equals reduced inventory.

AMCCP-O is the oversight activity for all contracting activity within AMC to include Secure Environment Contracting and A-76 studies. Performed periodic procurement management reviews, annual reviews and periodic metric reviews.

INSPECTOR GENERAL

We continue to maintain and publicize the Oversight Activity Information Database, which includes: Information on inspections and assistance visits conducted by AMCIG; inspections conducted by external oversight agencies (e.g., DODIG, DAIG, Forces Command IG, etc.). Also contains information on staff assistance visits, assessments, reviews conducted by HQ, AMC staff elements and Separate Reporting Activities. Available to all HQ, AMC employees and MSC IG staff. It serves as an on-line management tool to minimize potential duplication of oversight activities.

INTERNAL REVIEW AND AUDIT COMPLIANCE

Used our management control plan as part of our oversight process. Conducted a staff review of the Office of the Surgeon (AUM). This was scheduled as an alternative evaluation process for FY 02.

Internal Review auditors conducted three assistance visits (ARL, STRICOM and APG) to assess the effectiveness of major subordinate command's internal review process.

Internal Review auditors performed thirteen audits during FY 02. They also verified five AMC-level material weaknesses for closure.

HQ, AMC MCA revised the existing alternative management control checklist. This new checklist was used to conduct management control process reviews during FY 02.

EXECUTION (CONTINUED)

MAJOR SUBORDINATE COMMANDS

ARMY RESEARCH LABORATORY

Director's Office - One hundred and forty-four additional evaluations for time and attendance Certifying Officials ARL-wide are required to execute a Certifying Official Checklist for at least one quarter of every fiscal year; each certifying official must answer questions and sign the checklist certifying that proper procedures are being followed.

ARO continues to complete more evaluation than required by the ARL MCP in areas where the application of such an evaluation will improve program effectiveness or enhance management oversight capabilities.

Logistics Division (LO) - The Command Supply Discipline Program (CSDP) checklists were completed annually in the areas of supply support and property book. In addition, Maintenance (a generic checklist developed by ARL), OCONUS travel and TMDE checklists were completed for applicable sites. No weaknesses were detected.

AVIATION AND MISSILE COMMAND

1. The evaluation of the MCP by AMCOM organizations included the use of various alternative evaluation processes in addition to the use of standardized checklists. Many organizations also completed internal checklists on administrative issues within their individual offices, which are not reflected on our 5-year plan.

2. The MCA and unit points of contact attend audit conferences and review the audit reports to determine if any findings relate to management control shortcomings.

COMMUNICATIONS-ELECTRONICS COMMAND

1. Each Department of Army (DA) checklist is completed at least once, and in most cases more than once, every five years.

2. Our two Internal Review and Audit Compliance Offices conducted reviews of corrected material weaknesses and verified the accuracy of the documentation prior to their closure.

3. The Acquisition Center has approved the use of an electronic request and approval form for use in their organization's IMPAC purchase card process. It is scheduled to begin operation as part of the Materiel Acquisition Process System (MAPS) beginning in August 2002. MAPS will replace the use of a paper form and will track purchases from requirement to delivery. MAPS is also connected to the G6 office. If the cardholder indicates that the requirement is an IT item it will then be seen by the G6 office for approval.

COMMUNICATIONS-ELECTRONICS COMMAND (CONTINUED)

4. The Director of the CECOM Acquisition Center issued a memorandum to all credit card holders and billing officials stressing the requirement to follow the Standard Operating Procedures for credit card purchases and restating the policy prohibiting split purchases.
5. The Software Engineering Center's Resource Management Office conducted a review of the processes associated with equipment purchases and training costs incurred through the IMPAC credit card. The review concluded that internal processes were in compliance with existing guidance.
6. The management control administrator works closely with our Internal Review and Audit Compliance Office so that pertinent audit findings are quickly disseminated.
7. Each organizational director functions as an Assessable Unit Manager (AUM). Each AUM prepares his/her own Annual Assurance Statement to the Commanding General.

OPERATIONS SUPPORT COMMAND

1. The OSC MCA issued a memorandum for HQ OSC and HQ FSC managers in June 2002, addressing the importance of having performance objectives for management controls responsibility in their performance standards.
2. This command utilizes an audit database developed to identify and track to correction all audit and inspection findings against the OSC. While higher headquarters elements (AMC/DA) are responsible for corrective actions on a number of the audit findings, the database provides an excellent tool for monitoring weaknesses within the OSC.
3. We asked our HQ OSC functional offices to determine the frequency of the evaluations based on the low to high-risk criteria. We revised our frequency for each scheduled evaluation per functional office recommendation. We posted the OSC MCP on the OSC Management Controls web page.
4. We use the OSC Command Assessment program to assess the different functional areas at an installation and give the results to the installation and Headquarters commanders:
 - a. Metrics. The OSC used metrics to monitor the performance of different functional areas. We use the Metric Management Reporting System for housing our metric system. The OSC elements identify performance metrics and report their status in a quarterly Review and Analysis (R&A). The R&A process ensures that we track and analyze important performance indicators that constitute an effective control mechanism for safeguarding against waste and mismanagement.

OPERATIONS SUPPORT COMMAND (CONTINUED)

b. The AMC Combat Equipment Group – Europe (CEG-E) implemented the Contractor Performance Certification Program (CP2) Program. It is a program that measures the entire command's quality system. The intent of the program is to ensure that management understands and controls all processes within the command. Examples: Document and Data Control, Contract Review, Purchasing, Process Control, Inspection and Testing, Corrective and Preventive Action, Internal Quality Audits, and Control of Quality Records. The CEG-E does internal studies using the 28 elements as a guide to identify strengths and weaknesses.

c. Crane Army Ammunition Activity used the 20 elements found in ISSO 9000:1994 to develop performance metrics. The Crane management reviews these metrics quarterly as a means of management controls.

SOLDIER AND BIOLOGICAL CHEMICAL COMMAND

1. Besides revamping the overall process covering identification of the assessable units and scheduling evaluations, SBCCOM uses a fast track action plan to highlight requirements to be completed prior to 30 September 2002, and to get AUMs personal attention. The fast track action plan reflects a SRO, SBCCOM MCA, AUM, Assessable Unit MCA matrix to show whom has responsibility for each action listed. Coupled with SBCCOM's revamping efforts, the events of 11 September 2001 (9/11) resurfaced the importance of controls. Our process for ensuring compliance includes the use of checklists, reviews, audits, surveys, visits, and investigations. Beginning with FY02, the SBCCOM five-year inventory schedule of evaluations is in a central database file called the Management Control Reporting Tool (MCRT). This allows AUMs to access real time status of the evaluation completions and certifications, and to note those areas where deficiencies are being worked at the local level.

2. The Operations Enterprise AUM took the initiative to include audits, inspections, visits, surveys as a part of the units FY02-06 inventory of scheduled evaluations. This provides a central file of documented evaluations to support oversight of the sites and helps to verify that sufficient management controls are in place and functional.

3. The RDA AUM requested the IRAC team perform audits in the following areas: Property accountability, the Morale, Welfare and Recreation Program, the use of Cellular Telephones, and the Government Purchase Card. The audits revealed a need for additional actions. These three deficiencies, with corrective action in process, do not warrant reporting as a material weakness. All three deficiencies will continue to be worked at the local Enterprise level.

SOLDIER AND BIOLOGICAL CHEMICAL COMMAND (CONTINUED)

4. Along with an Internal Review and Audit Compliance (IRAC) Team follow-up review results of the Credit Card/Check Program in FY02, the GAO audit and the IG staff visit found no items considered material weaknesses/major findings. Oversight and systemic reviews are performed within the acquisition community on a regular basis. The accommodation check program at Research Triangle Park Contracting Division received an outstanding rating from the Army Research Laboratory IRAC. All FY02 evaluations indicate FY01 previously identified deficiencies as being corrected. The Credit Card/Check Program will continue to receive focus at the local level using existing audits and staff visits.

5. The financial management controls for the ACWA Program were evaluated and measures put in place, which corrected the three deficiencies addressed during FY01. A consulting review by United States Army Audit Agency should provide necessary verification of corrections.

6. An automated Commander's Legal Handbook was provided to all SBCCOM installation Commanders to assist them in asking the important questions and to give them a basis to understand the answers to their legal questions. The handbook has proven valuable not only to the site Commanders but also to the lawyers. The Commander's Legal Handbook is now positioned to become a Client's Legal Handbook. It will be evaluated, updated and distributed on a two-year cycle.

SIMULATION, TRAINING AND INSTRUMENTATION COMMAND

1. Performance Emphasis: STRICOM placed special attention on the Audit Resolution and Compliance Standard. In September 2002 we chartered a Tiger Team to review the TAPES/Incentive Awards findings from an IG Inspection and make recommendations for changing the policies and the processes.

2. Review and Oversight: Follow up actions on General Accounting Office (GAO), U.S. Army Audit Agency (USAAA), and DOD Inspector General (DODIG) findings and recommendations to correct material weaknesses. There were no audits of STRICOM performed in FY01 or FY02 that surfaced any material weaknesses.

3. Developed functional management control evaluations to cover applicable controls outlined in regulations/procedures not identified as a key control by HQDA proponents. FY02 total evaluations performed – 8. We embedded management control evaluations into other existing management review processes (i.e., Program /Milestone Reviews and the Physical Security Inspection Program.).

TANK-AUTOMOTIVE AND ARMAMENTS COMMAND

Each TACOM AUM prepares and submits an annual statement of assurance concerning adequacy of controls in their organization.

TACOM requires feeder statements from subordinates. Checklists are prepared at all levels of an organization. Once checklists are applied and completed, the Business Groups review and sign a “rolled up” statement prepared by the MCP designees. These statements are then reviewed and consolidated into a final response.

Guidance from AMC was disseminated to all TACOM Sites. A customer focused approach was taken for the Statement of Assurance drill by providing “one-stop shopping” for all MCP action officers.

TACOM performed additional evaluations through inspections by the IG office and audit reviews by the IRAC Office. We embedded evaluations in other programs where possible, or eliminated them so no waste occurs. Some evaluations were applied multiple times by multiple offices.

a. Red River Army Depot completed an unscheduled alternative checklist on the Army Substance Abuse Program, inspections on its Security Program, an inspection by the COMSEC Audit and Inspection Team, and process reviews by the TACOM IBE IPT and ISO 9002 Registration.

b. The Armament Research Development and Engineering Center performs an annual evaluation on Force Protection/Anti-terrorism.

TACOM used existing management review processes to improve the execution of the management control process. TACOM management builds controls into place wherever possible to ensure mission accomplishment. TACOM is continually seeking ways to effectively advertise the mechanisms for reporting waste, fraud, or abuse and create the environment where managers and employees can elevate possible material weaknesses to higher levels for investigation without creating excessive reporting requirements.

TACOM uses IRAC for program evaluation. Upon completion of all corrective actions needed to “fix” a material weakness, our IRAC office is called in to validate that the weakness can be closed. In addition, IRAC investigates issues related to having effective management controls in place, and makes recommendations on establishing these controls.

TANK-AUTOMOTIVE AND ARMAMEMTS COMMAND (CONTINUED)

The TACOM IG, ARDEC IG, ARDEC MCP Administrator, and ARDEC IRAC Offices have initiated an integrated program to assure that potential material weaknesses during oversight activities/inspections/audits, etc. are coordinated between participants and that the organizational elements and managers appropriately address deficiencies. The TACOM-Warren Force Management Office has had similar meetings with their IG and IRAC to increase the effectiveness of the MCP Program and eliminate redundancies between offices.

The TACOM-ARDEC IRAC conducted an audit of their management control process in FY 02. An independent assessment was presented to the Commander by IRAC. The IRAC routinely assesses the effectiveness of management controls in the course of every audit and explicitly addresses management control deficiencies in their reports as a means of ensuring managerial accountability.

SEPARATE REPORTING ACTIVITIES

- a. AMC-FAST's Management Control Plan was used as part of the management oversight process. Ensured managers had information provided through the Electronic Bulletin Board Service for the distribution of guidance, and policy on the management control process. Provided an analysis of US Army Audit Agency, DoD Inspector General, and AMC published findings to ensure organization compliance and to identify potential weaknesses.
- b. I&SA assisted the Army Audit Agency in their audits of AMC installation property, plant, and equipment accountability. Provided command oversight, coordination and quality control over the AMC Troop Food Service Program and the AMC's Integrated Training Area Management, agriculture/grazing and forestry programs.

AMC MATERIAL WEAKNESSES

TAB B

**LIST OF AMC MATERIAL WEAKNESSES
FY 02**

| <u>USAMC NUMBER</u> | <u>TITLE</u> | <u>ORGANIZATION</u> |
|--------------------------------|--|----------------------------|
| 02-001 | Revision of Regulations and Policy to Address Changes in Mission and Installation Duties as a Result of Transformation of Installation Management (TIM) | G-2, DCS INTEL |
| 02-002 | NETCOM Continuity of Operations and Disaster Recovery Plan (COOP/DRP) Management and Responsibilities | G-6, CIO |
| 02-003 | Civilian Personnel System | G-1, DCS PER |
| 01-001 | Improper Conversion of HQ, AMC Self Service Supply Center (SSSC) to U.S. Government Purchase Card (GPC) Program | G-8, DCS RM |
| 01-002 | Delays in Recruitment | G-3, DCS OPS |
| 01-003 | Delays in Recruitment | G-3, DCS OPS |
| 01-004 | Ammunition Shortfall | G-3, DCS OPS |
| 01-005 | Industrial Base (IB) Management, Analysis, and Planning | G-3, DCS OPS |
| 01-006 | Acquisition Centers- Not Enough Contracting Personnel | G-3, DCS OPS |
| 01-007 | Inability to Recruit Young People for Science and Technology | G-3, DCS OPS |
| 01-008 | Law Enforcement and Security Operations | G-3, DCS OPS |

PAGE 2

| <u>USAMC NUMBER</u> | <u>TITLE</u> | <u>ORGANIZATION</u> |
|--------------------------------|--|----------------------------|
| 01-009 | Lack of Physical Security, Law Enforcement, and Force Protection Equipment and Materiel | G-3, DCS OPS |
| 01-010 | Spares | G-3, DCS OPS |
| 01-011 | Management Control of Physical Security at the Chemical Sites | G-3, DCS OPS |
| 96-005 | Threat of Unclassified Automated Information Systems (AISs) | G-6, CIO |
| 96-004 | AMC World Wide Web (WWW) Use and Vulnerabilities | G-6, CIO |

TOTAL REPORTED - 16

UNCORRECTED MATERIAL WEAKNESSES

| <u>USAMC NUMBER</u> | <u>TITLE</u> | <u>OLD PROPONENT</u> | <u>NEW PROPONENT</u> |
|---------------------------------------|--|---------------------------------|---------------------------------|
| <u>New in FY 02</u> | | | |
| 02-001 | Revision of Regulations and Policy to Address Changes in Mission and Installation Duties as a Result of Transformation of Installation Management (TIM) | N/A | G-2, DCS INTEL |
| 02-002 | NETCOM Continuity of Operations and Disaster Recovery Plan (COOP/DRP) Management and Responsibilities | N/A | G-6, CIO |
| 02-003 | Civilian Personnel System | N/A | G-1, DCSPER |
| <u>Reported in Prior Years</u> | | | |
| 01-005 | Industrial Base (IB) Management, Analysis, and Planning | DCS RDA | G-3, DCS OPS |
| 01-008 | Law Enforcement and Security Operations | DCS PER | G-1, DCS PER |
| 01-009 | Lack of Physical Security, Law Enforcement, and Force Protection Equipment and Materiel | DCS PER | G-3, DCS OPS |
| 01-010 | Spares | DCS LOG | G-3, DCS OPS |
| 01-011 | Management Control of Physical Security at the Chemical Sites | DCS CB | G-3, DCS OPS |

21 Oct 02

UNCORRECTED MATERIEL WEAKNESS

Local ID # USAMC-02-001

Title and Description of Material Weakness: Revision of Regulations and Policy to Address Changes in Mission and Installation Duties as a Result of Transformation of Installation Management (TIM).

TIM implemented changes in various programs which transitions spaces and dollars, but hasn't modified regulations and policy. Detailed guidance for a clear, unambiguous understanding of the separation of functions and responsibilities amongst the Installation, the Senior Mission Commander, and other tenant Commanders, remains very unclear.

Functional Category: Other; crosses multiple functional areas

Pace of Corrective Action:

Year Identified: FY 02

Original Targeted Correction Date: N/A

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

Current Target Date: FY 03

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

Component/Appropriation/Account Number: Army

Validation Process: Management judgement; independent review and audit.

UNCORRECTED MATERIEL WEAKNESS

Local ID # USAMC-02-001

Results Indicators: Revision of current policy documents and regulations will result in successful transition of installation programs from mission to the installation. Detailed guidance will allay fears of MACOM's MSCs that they will, by regulation, retain responsibility for "installation programs" without requisite personnel and funding to accomplish the mission. Clear separation, in regulation and policy documentation, of installation and mission responsibilities will ensure proper mission handoff, eliminate potential conflicts in resources, enhance command and control, and permit a better environment for oversight.

Source(s) Identifying Weakness: Management, G-2

Major Milestones in Corrective Action:

A. Completed Milestones:

| Date: | Milestone: |
|-----------|--|
| 14 Jun 02 | Memorandum to DA voicing concerns with lack of revised policy. |
| 11 Sep 02 | Memorandum to DA voicing concerns with lack of revised policy. |

B. Planned Milestones (Fiscal Year 2003):

| Date: | Milestone: |
|---------------------|---|
| 1 Nov 02 revised | Command Memorandum to DA voicing concerns with lack of policy. |
| 31 Dec 02 | AMCIR-I verify completed milestones. |

C. Planned Milestones (Beyond Fiscal Year 2003):

| Date: | Milestone: |
|-------|------------|
| None. | |

HQDA Functional Proponent Participating in Corrective Action: ACSIM, Harry Helfrich, 703-602-2735, harry.helfrich@hqda.army.mil

UNCORRECTED MATERIEL WEAKNESS

Local ID # USAMC-02-001

NOTE: This problem should be reported by HQDA in the future. If not corrected this FY, HQAMC alone cannot fix the problem. HQDA advised AMC that "many of our concerns could be mitigated by open communications between installation and mission commander." While that may be true, what assurance has been/will be provided for TIM implementation that this will be the case? As it stands now, many AMC MSCs believe that they will transfer (lose) the resources to accomplish the mission while retaining significant responsibilities to ensure that the mission is properly executed. We believe these concerns are systemic and not unique to AMC and must be addressed and resolved ASAP to TIM implementation.

Point of Contact:

Name: Stephanie Samergedes

Office Address: HQ AMC, ATTN: AMXMI-SCM

5001 Eisenhower Avenue, Alexandria, VA 22333-0001

Telephone: Commercial (703) 617-9066 DSN: 767-9066

Date: 24 Oct 02

UNCORRECTED MATERIAL WEAKNESS

Local ID# USAMC-02-002

TITLE AND DESCRIPTION OF MATERIAL WEAKNESS: NETCOM Continuity of Operations and Disaster Recovery Plan (COOP/DRP) Management and Responsibilities.

U.S. Army Materiel Command (AMC) and its components have invested heavily on information technology (IT) applications critical to the successful fulfillment of its mission. These applications are currently hosted on servers and transit networks that were previously AMC assets. With the standup of U.S. Army NETCOM on 1 Oct 02, networks, hardware ownership/maintenance, and network defense has become the responsibility of the new command. Of specific concern to AMC is NETCOMs response to a natural or man-made event affecting AMC applications and information hosted on NETCOM servers or transiting NETCOM networks.

The objective of any COOP/DRP developed by NETCOM is to assure that the capability exists to continue essential functions and provide access to information across a wide range of potential emergencies. Any NETCOM COOP/DR plan should:

- (1) Ensure the continuous availability of hosted AMC applications/essential functions/operations.
- (2) Reduce or mitigate disruptions to AMC operations and information from a broad spectrum of threats.
- (3) Reduce loss of life, minimize damage and losses, and achieve a timely and orderly recovery to resume essential functionality to AMC and its customers.

AMCs COOP/DRP role is to provide a list of applications and information hosted by NETCOM that are critical to AMC operations and provide them as inputs to the NETCOM COOP/DRP planning process. A service level agreement (SLA) should be developed between NETCOM and AMC/MACOM/MSA that specifically outlines AMCs needs and expectations, and NETCOMs responsibilities to provide those needs at a commensurate level of support. Current COOP/DRP plans, if they exist, may not have been thoroughly tested and likely would fail or cause extended delays in resuming operations critical for national defense.

Functional Category: Information Technology

UNCORRECTED MATERIAL WEAKNESS

Local ID# USAMC-02-002

Pace of Corrective Action:

Year Identified: FY 02

Original Targeted Correction Date: N/A

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

Current Target Date: N/A

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

Component/Appropriation/Account Number: Army

Validation Process: Managerial judgement; independent review and audit.

Results Indicators: Lack of defined Continuity of Operations/Disaster Recovery Plan (COOP/DRP) to support AMC applications and information hosted on NETCOM equipment. NETCOM needs to rapidly develop comprehensive COOP/DRP plans and procedures, exercise them and address problem areas with mitigation actions. This will establish a baseline on which to build.

Source(s) Identifying Weakness: Management - AMC CIO/G-6

Major Milestones in Corrective Action:

A. Completed Milestones:

Date: Milestone:

None

Planned Milestones:

Date: Milestone

None.

C. Planned Milestones:

Date: Milestone:

None.

UNCORRECTED MATERIAL WEAKNESS

Local ID# USAMC-02-002

HQDA Functional Proponent Participating in Corrective Actions: N/A

Note:

Point of Contact:

Name: John Roe

Office Address: HQ AMC, ATTN: AMCIO-P

5001 Eisenhower Avenue, Alexandria, VA 22333-0001

Telephone: Commercial (703) 617-0693 DSN: 767-0693

24 October 2002

UNCORRECTED MATERIAL WEAKNESS

Local ID # USAMC-02-003

Title and Description of Material Weakness: Civilian Personnel System

In 2001, the President's Management Agenda set strategic management of human capital as one of five government-wide goals, and GAO identified human capital management as a high risk area for federal activities. Effective human capital management entails accurately forecasting workforce and skill needs; training employees in emerging as well as legacy skills and functions; retaining valuable personnel; and staffing up a successor force to experienced employees who will leave. It also includes leading the workforce effectively, strengthening results orientation and consequences for individual performance, and providing for a supportive and simpler personnel system which attracts talented people to work for the government.

AMC has concerns about the overall civilian personnel system in terms of responsiveness and timeliness; and flexibility in recruitment, development and retention programs; and good links between performance, compensation, and placement. Even with continuing improvements in average fill time, the hiring process takes too long, particularly in a competitive market for outstanding college graduates. Other hiring actions can take several months, such as those for senior executives with their redundant approval processes. The latter is self-imposed by Army internal policies on approval authorities and levels of review.

Functional Category: Personnel and organization management.

Pace of Corrective Action:

Year Identified: FY 02

Original Targeted Correction Date: NA

Targeted Correction Date in Last Year's Report: NA

Current Target Date: FY 05

Reason for Change in Date: N/A

Component/Appropriation/Account Number: Army

Validation Process: Managerial judgement; independent review and audit.

UNCORRECTED MATERIAL WEAKNESS

Local ID # USAMC-02-003

Results Indicators: Establish revitalized workforce (interns, apprentices, fellows) numbers relative to requirements; key occupation loss rates; job fill timeliness; retirement eligibility distribution; numbers/conversions for college students in career experience programs; trained personnel in key professional, leadership, and integrating competencies.

Source Identifying Weakness: Deputy Commanding General, U.S. Army Materiel Command

Major Milestones in Corrective Action:

A. Completed Milestones:

Date: **Milestones:**

B. Planned Milestones (Fiscal Year 2003):

Date: **Milestones:**

None.

C. Planned Milestones (Beyond Fiscal Year 2003):

None.

HQDA Functional Proponents Participating in Corrective Actions: N/A

Note: At MACOM and MSC levels, AMC has undertaken a vigorous set of program activities to shape its workforce for the future including interns, apprentices and multi-disciplinary fellows. Development includes: Executive education in logistics and technology, college work-study programs, training in lean management techniques and enterprise system environment, and planned training for key employee based on individual strength assessments.

The ability to sustain such activities is increasingly tied to the state of Army's civilian personnel system. Weaknesses lead to degradation of AMC's and Army's capability to accomplish our work. Command investment resources come out of increasingly tight line mission assets such as by reengineering mid and senior level vacancies to trainee levels, and by restricting operations so we can train staff adequately. AMC Commanders' capability to project force, skill, retention, and hiring needs is altered by realignment of major Army functions to stovepipes, and by Army intentions for The Third Wave and other outsourcing initiatives.

UNCORRECTED MATERIAL WEAKNESS

Local ID # USAMC-02-003

The Army has not yet fielded a strong civilian job marketing campaign to capture the imagination of quick-paced, technology savvy people outside traditional governmental channels. Prolonged vacancies, an applicant pool which is not all it can be, unnecessarily bureaucratic processes affect our ability to carry out our mission by diverting managers and cutting into our workforce, which works longer and harder to pick up the slack.

AMC will continue to work with Army to streamline and improve the civilian personnel system and Army business processes, and strongly supports Department of Defense plans to move to an alternate personnel system. We shall continue to work with Army to plan for, justify, and make full use of central intern and training assets. AMC will continue to propose legislation for change and to volunteer as a test bed for innovative personnel programs, tools, and systems.

Point of Contact:

Name: Ms. Janice Lander

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5001 Eisenhower Avenue, Alexandria, VA 22333-0001

jlander@hqamc.army.mil, DSN 767-9547

Telephone: Commercial (703) 617-0693

DSN: 767

Date: 26 Sep 02

UNCORRECTED MATERIAL WEAKNESS

Local ID #: USAMC-01-005

Title and Description of Material Weakness: Industrial Base (IB) Management, Analysis, and Planning

Army lacks sufficient IB planning capability to efficiently and effectively support contingency operations and the transformation.

Headquarters (HQ) staff management has been reduced over the last several years such that there is inadequate management level expertise to effectively manage the Army's IB Program. There is no systematic mechanism across the Army Materiel Command (AMC) to perform industrial base planning. There is no coordination mechanism in AMC to develop guidance, coordinate, analyze, prioritize, and elevate readiness issues from the Program Managers (PM's) and the Major Subordinate Commands (MSCs) to cultivate a consistent analysis approach, identify priority issues from a common perspective, and address those issues. This includes the lack of ability to identify industrial base issues that would prevent us from meeting contingency or replenishment requirements. There is no systematic approach among the PM's/Acquisition Category (ACAT) systems to perform IB planning.

Functional Category: Industrial Base Planning/Management

Pace of Corrective Action:

Year Identified: FY 2001

Original Targeted Correction Date: FY 2003

Targeted Correction Date in Last Year's Report: FY 2003

Current Target Date: FY 2004

Reason for Change in Date(s): HQ, AMC restructure 3Q FY 2003.

Component/Appropriation/Account Number: Industrial Preparedness Operations (IPO) Account

Validation Process: Independent Review and Audit

UNCORRECTED MATERIAL WEAKNESS

Local ID #: USAMC-01-005

Results Indicators: Industrial Base Office at AMC and MSCs staffed with ability to identify production base capabilities, issues and shortfalls, coordinating across all levels of the Army.

Source(s) Identifying Weakness: Issue raised by the Commanding General of AMC.

Major Milestones in Corrective Action: Coordinate strategy with HQ Department of the Army. Coordinate with, fund and staff AMC and MSCs. Establish planning procedures. Implement analysis and planning procedures.

A. Completed Milestones:

| Date: | Milestone: |
|--------|--|
| Sep 01 | HQDA Approved Army IB Strategy. |
| Oct 01 | Provide resources to HQ, AMC & MSC's. |
| Nov 01 | Support HQDA update of AR 700-90. |
| Aug 02 | Provided preliminary assessment approach, response to PBD 407 and GAO Report 02-650. |

B. Planned Milestones (Fiscal Year 2003):

| Date: | Milestone: |
|--------|---|
| Oct 02 | Provide resources to HQ, AMC & MSCs. Continue refining common analysis approach. |
| Sep 03 | Provide follow-up assessment results. Support HQDA continuing update of AR 700-90. |

C. Planned Milestones (Beyond Fiscal Year 2003):

| Date: | Milestone: |
|-----------|--|
| Oct 03 | Provide resources to HQ, AMC & MSCs. |
| Nov 03 | Revisit approach and revise as needed. |
| 31 Jan 04 | Verify documentation on completed milestones, AMCIR-I. |

HQDA Functional Proponent Participating in Corrective Actions:

Note:

Point of Contact:

Name: LTC Alan Lee

Office Address: HQ AMC, ATTN: AMCOPS-IEB

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Telephone: Commercial (703) 617-9621 DSN: 767-9621

Date: 26 Sep 02

UNCORRECTED MATERIAL WEAKNESS

Local ID #: USAMC-01-008

Title and Description of Material Weakness: Law Enforcement and Security Operations

The Army Materiel Command has a serious shortfall in law enforcement operations. The Army has not received sufficient funds to procure adequate staffing for police and guard services. AMC installations cannot support other than minimal requirements under normal operating conditions. This problem is compounded when staffing procurement is addressed. Low pay, low morale, overtime requirements, inadequate equipment and minimum training are only a few of the issues related to retention of personnel. Civilian service recruitment and retention initiatives are another area of concern. Recruitment often times is a lengthy process. Government police and guard positions are not salary competitive with industry. Retaining individuals when they reach full employment and operations status is questionable. Furthermore, and with only a few exceptions, there are no alternative solutions to this weakness because it continues to be compounded by the prohibition on contracts for performance of security functions at military installations and facilities (Title 10, Section 2465).

Functional Category: Personnel - Force Protection (Law Enforcement Operations)

Pace of Corrective Action:

Year Identified: FY 2001

Original Targeted Correction Date: FY 2002

Targeted Correction Date in Last Year's Report: FY 2002

Current Target Date: FY 2003

Reason for Change in Date(s): Milestones slipped - pending outcome of IG report on Force Protection.

Component/Appropriation/Account Number: Various, to include Operations Maintenance, Army (OMA) and Army Working Capital Fund.

Validation Process: Independent Review and Audit

UNCORRECTED MATERIAL WEAKNESS

Local ID #: USAMC-01-008

Results Indicators: Installations performance of police and guard functions at installation levels can be met through sustaining Force Protection Condition (FPCON) level Bravo per requirements determination. Higher FPCON would require additional support.

Source(s) Identifying Weakness: Management - Directed by CG, AMC

Major Milestones in Corrective Action:

A. Completed Milestones:

Date: Milestone:
None.

B. Planned Milestones (Fiscal Year 2003):

| Date: | Milestone: |
|-----------|--|
| 26 Sep 02 | Working with FORSCOM to acquire AC and RC units to support security force operations on AMC sites during heightened FPCON. |
| 26 Sep 02 | Utilizing OPM guidance to address temporary appointments (not to exceed one year) for additional security personnel. |
| 26 Sep 02 | Requested increase in TDA workyears/manyears and increase in OMA and AWCF funding to provide for permanent positions in support of security operations at AMC installations. |
| 31 Jan 03 | Verify documentation on completed corrective actions, AMCIR-I. |

UNCORRECTED MATERIAL WEAKNESS

Local ID #: USAMC-01-008

Major Milestones in Corrective Action:

C. Planned Milestones (Beyond Fiscal Year 2003):

Date: Milestone:
None.

HQDA Functional Proponent Participating in Corrective Actions: HQDA, DAMO-ODL,
LTC Louis Lewis / COL Manolito Garbato, Commercial (703) 695-9319/614-1061,
DSN: 225-9319/224-1061

Note: Continuing to address this issue with HQDA because the weakness still exists.

Point of Contact:

Name: Ms. Sandra Wilson / COL Louis Fiertes

Office Address: Office of Security, Force Protection and Law Enforcement

ATTN: AMCOPS-CS, Bldg # 392, Fort Belvoir, VA

Telephone: Commercial (703) 704 - 0163/0158

DSN: 654

Date: 26 Sep 02

UNCORRECTED MATERIAL WEAKNESS

Local ID #: USAMC-01-009

Title and Description of Material Weakness: Lack of Physical Security, Law Enforcement, and Force Protection Equipment and Materiel

The Army Materiel Command has a serious shortfall in force protection (law enforcement and physical security) operations. Requirements have been requested annually to procure and sustain physical security equipment and materiel in support of Force Protection.

Functional Category: Force Protection (Physical Security and Law Enforcement Operations)

Pace of Corrective Action:

Year Identified: FY 2001

Original Targeted Correction Date: FY 2002

Targeted Correction Date in Last Year's Report: FY 2002

Current Target Date: FY 2003

Reason for Change in Date(s): Milestones slipped - pending outcome of IG report on Force Protection.

Component/Appropriation/Account Number: Various, to include Operations Maintenance, Army (OMA) and Army Working Capital Fund.

Validation Process: Independent Review and Audit

UNCORRECTED MATERIAL WEAKNESS

Local ID #: USAMC-01-009

Results Indicators: Installations performance of physical security and protection of Army assets at the installation levels can be met through sustaining Force Protection Condition (FPCON) level Bravo per requirements determination. Higher FPCON would require additional support.

Source(s) Identifying Weakness: Management - Directed by CG, AMC

Major Milestones in Corrective Action:

A. Completed Milestones:

Date: Milestone:
None.

B. Planned Milestones (Fiscal Year 2003):

Date: Milestone:
26 Sep 02 Working with AMC Resource Management, AMC Working Capital Fund, AMC Research Development and Acquisition, and AMC Personnel to address shortfalls in operations and identify/acquiring resources.
31 Jan 03 Verify documentation on completed corrective actions, AMCIR-I.

C. Planned Milestones (Beyond Fiscal Year 2003):

Date: Milestone:
None.

UNCORRECTED MATERIAL WEAKNESS

Local ID #: USAMC-01-009

HQDA Functional Proponent Participating in Corrective Actions: HQDA, DAMO-ODL,
LTC Louis Lewis / COL Manolito Garbato, Telephone: Commercial (703) 695-9319/614-1061,
DSN: 225-9319/224-1061.

Note: Continue to address milestones above to HQDA.

Point of Contact:

Name: Ms. Sandra Wilson / COL Louis Fuentes

Office Address: Office of Security, Force Protection and Law Enforcement

ATTN: AMCOPS-CS, Bldg # 392, Fort Belvoir, VA

Telephone: Commercial (703) 704 - 0163/0158

DSN: 654

Date: 26 Sep 02

UNCORRECTED MATERIAL WEAKNESS

Local ID #: USAMC-01-010

Title and Description of Material Weakness: Spares

The Department of the Army has failed to adequately resource spares. For FY 02, the approved spares UFR is \$1.268B.

Functional Category: Force Readiness

Pace of Corrective Action:

Year Identified: FY 2001

Original Targeted Correction Date: FY 2003

Targeted Correction Date in Last Year's Report: FY 2003

Current Target Date: FY 2003

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

Component/Appropriation/Account Number: Army AWCF

Validation Process: Independent Review and Audit

UNCORRECTED MATERIAL WEAKNESS

Local ID #: USAMC-01-010

Results Indicators: Approved Army Working Capital Fund (AWCF) resources that support a spares supply availability of at least 85% for all commodities.

Source Identifying weakness: Management - Directed by the CG, AMC

Major Milestones in Corrective Action:

A. Completed Milestones:

| Date: | Milestone: |
|---------|--|
| 3QFY 02 | Received \$200M OA for Aviation Critical UFRs. |
| 3QFY 02 | Received \$308M OA for Recap. |
| 4QFY 02 | Received \$200M OA (can only earn/spend ~\$7M) |

B. Planned Milestones (Fiscal Year FY 2003):

| Date: | Milestone: |
|-----------|--------------------------------------|
| 31 Dec 02 | Obtain funding for entire FY 03 UFR. |

C. Planned Milestone (Beyond Fiscal Year FY 2003):

| Date: | Milestone: |
|-----------|---|
| 31 Oct 03 | Obtain full FY 04 funding. |
| 31 Dec 03 | Verify completed milestones by reviewing documentation - AMCIR-I. |

HQDA Functional Proponent Participating in Corrective Action: DA, G4; DA, G8; and DA PA&E,

Note:

Point of Contact:

Name: Mr. Robert King

Office Address: HQ, AMC, ATTN: AMCOPS-SLR-SR
5001 Eisenhower Ave., Alexandria, VA 22333-0001

Telephone: Commercial: (703) 617-3485 DSN: 767-3485

Date: 29 Aug 02

UNCORRECTED MATERIAL WEAKNESS

Local ID #: USAMC-01-011

Title and Description of Material Weakness: Management Control of Physical Security at the Chemical Sites

SBCCOM uses results of the Physical Security inspection process along with the Chemical Surety Inspection, Surety Management Review, CSEPP/IRFX Exercise process, and DA/IG visit results to evaluate the chemical sites each year under the Management Control Process. In FY 01, SBCCOM expected a physical security material weakness to arise in FY 02 among chemical stockpile storage sites. This declaration was a proactive step taken to ensure appropriate continued management emphasis, in advance of any FY 02 evaluation results. It was based on results of previous inspections where repetitive physical security deficiencies were noted. Due to the events of 9/11, there has been an enormous scope of changes in the physical security posture of SBCCOM's chemical weapons storage sites as with the entire Federal Government. These changes have greatly enhanced our overall physical security, force protection, anti-terrorism, and law enforcement capabilities. In addition, specific point defense of chemical weapons storage sites has now been implemented through deployment of approximately 1,200 military RC/NG military personnel among these sites. Finally, SBCCOM instituted an intensive preparatory regime (e.g., Command Tiger Team Assistance, Site-to-Site augmentation, etc.) for all chemical surety inspections conducted so far in FY 02, and to be conducted for the foreseeable future. The sum of these security-related changes amount to a total revamping of the way physical security among these sites is managed and implemented.

Functional Category: Communications/Intelligence/Security

Pace of Corrective Action:

Year Identified: FY 01

Original Targeted Correction Date: FY 03

Targeted Correction Date in Last Year's Report: FY 03

Current Target Date: FY 03

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

Component/Appropriation/Account Number:

Validation Process: Independent Review and Audit

UNCORRECTED MATERIAL WEAKNESS

Local ID #: USAMC-01-011

Results Indicators: Institution of extensive changes in physical security, force protection, anti-terrorism, and law enforcement procedures, assets and capabilities resulting from events of 9/11. Effective implementation of these changes to be validated through review of the results of Chemical Surety Inspections, Surety Management Reviews, Physical Security Surveys and CSEPP Exercises conducted through FY 03.

Source(s) Identifying Weakness: Management - Directed by the AMC Commanding General (GEN Coburn)

Major Milestones in Corrective Action:

A. Completed Milestones:

| Date: | Milestone: |
|--------------|---|
| 29 Aug 02 | Deployment of CSDF Military populations at each chemical weapons storage site. |
| 29 Aug 02 | FPCON Charlie enacted at all chemical weapons storage sites, installation wide. |
| 29 Aug 02 | CSI Tiger Team established. Operational procedures prepared and instituted. |

Planned Milestones (Fiscal Year 2003):

| Date: | Milestone: |
|--------------|---|
| 1 Nov 02 | Successful defense of requirement from full resources needed for permanent support to FPCON Charlie security posture. |
| 1 Nov 02 | Hiring Actions for additional security guards approved and executed. |
| 1 Nov 02 | Acquisition of security systems, equipment, vehicle and supplies needed for long-term FPCON Charlie status. |
| 31 Dec 02 | Verify completed milestones - AMCIR-I. |

UNCORRECTED MATERIAL WEAKNESS

Local ID #: USAMC-01-011

Major Milestones in Corrective Action:

Planned Milestones (Beyond Fiscal Year 2003):

Date: Milestone:

None.

HQDA Functional Proponent Participating in Corrective Actions: N/A

Note: SBCCOM has totally revamped their management control process. Management control reporting tool database is in place and working. SBCCOM AUM responsible for overall corrective action plan execution.

Point of Contact:

Name: Mr. Bob Harbs

Office Address: HQ AMC, ATTN: AMCOPS-SRS

5001 Eisenhower Avenue, Alexandria, VA 22333-0001

Telephone: Commercial 617-6477

DSN: 767

CORRECTED MATERIAL WEAKNESSES

| <u>USAMC NUMBER</u> | <u>TITLE</u> | <u>NEW PROPONENT</u> |
|--------------------------------|--|---------------------------------|
| 01-001 | Improper Conversion of HQ, AMC Self Service Supply Center (SSSC) to U.S. Government Purchase Card (GPC) Program | G-8, DCS RM |
| 01-002 | Delays in Recruitment | G-6, CIO |
| 01-003 | Delays in Recruitment | G-3, DCS OPS |
| 01-004 | Ammunition Shortfall | G-3, DCS OPS |
| 01-006 | Acquisition Centers- Not Enough Contracting Personnel | G-3, DCS OPS |
| 01-007 | Inability to Recruit Young People for Science and Technology | G-3, DCS OPS |
| 96-005 | Threat of Unclassified Automated Information Systems | G-3, DCS OPS |
| 96-004 | AMC World Wide Web (WWW) Use and Vulnerabilities | G-3, DCS OPS |

TAB B-3

Date: 16 Sep 02

CORRECTED MATERIAL WEAKNESS

Local ID #: USAMC-01-001

Title and Description of Material Weakness: Improper Conversion of Headquarters U.S. Army Materiel Command (HQ, AMC) Self Service Supply Center (SSSC) to U.S. Government Purchase Card (GPC) Program. [Improper GSA GPC Billing Practice]

HQ, AMC has received erroneous HQ, AMC GPC billing statements from the U.S. Bank for the 3 monthly cycles occurring since the HQ, AMC SSSC conversion to the GPC Program. The GSA inventory control and billing practice for SSSC items purchased by HQ, AMC employees has impeded HQ, AMC's ability to properly account for budgetary resources used to purchase SSSC inventory.

Functional Category: Comptroller and/or Resource Management (Finance and Accounting)

Pace of Corrective Action:

Year Identified: FY 2001

Original Targeted Correction Date: FY 2002

Targeted Correction Date in Last Year's Report: FY 2002

Current Target Date: FY 2002

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

Component/Appropriation/Account Number: Operations & Maintenance, Army (HQ, AMC O&MA)

Validation Process: Independent Review and Audit

CORRECTED MATERIAL WEAKNESS

Local ID #: USAMC-01-001

Results Indicators: All parties continuing commitment to excellence in the current GSA/DSS-W/HQ, AMC partnership with SSSC operations, especially the GPC billing practice:

Disappearance of split billings from HQ, AMC GPC Billing Statements.

Transparency of GSA inventory adjusting entries from HQ, AMC GPC Billing Statements.

Elimination of erroneous posting of incorrect charges to HQ, AMC GPC Cardholders' GPC Billing Statements.

Source(s) Identifying Weakness: Management - HQ, AMC (AMCRM-F)

Major Milestones in Corrective Action:

A. Completed Milestones:

| Date: | Milestone: |
|------------------------|--|
| 16 May 01 (Deleted) | HQ, AMC SSSC Working Group meeting with HQ, AMC Assistant Chief of Staff, to outline DSS-W/GSA Billing Problems – 23 Apr 01 HQ, AMC GPC Billing Statement. Telephone Conversation between Messrs. Cornett, HQ, AMC, and Tozier, DSS-W, requesting assistance with DSS-W/GSA Billing Problems – |
| 23 Apr 01 (Deleted) | HQ, AMC GPC Billing Statement. |
| May 01 (Deleted) | HQ, AMC E-mail to DSS-W requesting assistance with DSS-W/GSA Billing Problems – 23 Apr 01 HQ, AMC GPC Billing Statement. DSS-W E-mail to HQ, AMC advising correction of billing errors and statement that future billing would be correct. |
| 14 Jun 01 (Deleted) | HQ, AMC SSSC Working Group meeting with HQ, AMC Assistant Chief of Staff, to outline DSS-W/GSA Billing Problems – 23 May 01 HQ, AMC GPC Billing Statement. HQ, AMC SSSC Working Group meeting at HQ, AMC with DSS-W and GSA officials to discuss corrective actions to DSS-W/GSA Billing Problems. |

CORRECTED MATERIAL WEAKNESS

Local ID #: USAMC-01-001

A. Completed Milestones (Continued):

| Date: | Milestone: |
|------------------------|---|
| 22 Jun 01 (Deleted) | HQ, AMC SSSC Working Group meeting at GSA with DSS-W and GSA officials to discuss DSS-W/GSA corrective actions on 23 May 01 HQ, AMC GPC Billing Statement. Completed actions follow: |
| 22 Jun 01 | DSS-W and GSA collaborated to establish a network of account profiles by which to communicate with AMC GPC cardholders when discrepancies occur on their GPC billing statements due to the GSA/DSS-W business practice at the HQ, AMC SSSC. |
| 22 Jun 01 | GSA researched the 5 specific categories of GPC billing discrepancies appearing on the 23 May 01 GPC Billing Statement and provided specific rationale for the occurrence of those categories. |
| 15 Sep 01 | Met with HQ, AMC Chief of Staff to decide whether to cease use of SSSC due to absence of GSA corrective actions as specified. |
| 22 Jan 02 | The Defense Contracting Command - Washington (DCC-W) replaced the GSA Self Service Supply Center (SSSC), Uncle Sam's Store, with the Virginia Industries for the Blind (VIB), based on the FY 01 material weakness. The VIB SSSC maintains adequate controls regarding management of the HQ, AMC GPC Program. |
| 19 Sep 02 | HQ, AMC IRAC (AMCIR-I) verified documentation of completed corrective actions. |

CORRECTED MATERIAL WEAKNESS

Local ID #: USAMC-01-001

B. Planned Milestones (Fiscal Year 2003):

Date: Milestone:
None

C. Planned Milestones (Beyond Fiscal Year 2003):

Date: Milestone:
None.

HQDA Functional Proponent Participating in Corrective Actions: DSS-W (Denise Miller),
E-mail: mary.miller@hqda.army.mil; GSA (Susan W. Lynch), FSS, FSC, e-mail:
susanw.lynch@gsa.gov.

Note: Weakness against GSA resolved. Recommend closure.

Point of Contact:

Name: Mr. James Kerr

Office Address: HQ AMC, ATTN: AMCRM-F

5001 Eisenhower Avenue, Alexandria, VA 22333-0001

Telephone: Commercial: (703) 617-9255 DSN: 767-9255

Date: 31 Jan 02

CORRECTED MATERIAL WEAKNESS

Local ID #: USAMC-01-002

Title and Description of Weakness: Delays in Recruitment

Delays in Recruitment impact the Command's ability to meet reimbursable customer requirements. Current recruiting procedures can result in 3-6 months to fill journey level positions when recruitment from outside the current workforce is necessary/desirable. This also includes efforts to bring in new talent at the entry level (IT Interns) to keep the workforce current and to plan for anticipated losses. Within CECOM, this problem is compounded by the fact the primary occupations are information technology specialists/ engineers and scientists, which have been recognized as hard to fill positions with a special salary rate in effect. Efforts to fill positions are hampered by our lack of ability to move at the same speed with which the private sector can offer positions. All commands need the ability to compete for talent in the marketplace. Secondly, when interested candidates are found, they need to apply several times, in several regions, to be considered for the types of positions they are interested in.

Functional Category: Personnel/Organization Management

Pace of Corrective Action:

Year Identified: FY 01

Original Targeted Correction Date: FY 02

Targeted Correction Date in Last Year's Report: FY 02

Current Target Date: FY 02

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

Component/Appropriation/Account Number: Army/All Appropriations

Validation Process: Independent Review and Audit

Date: 31 Jan 02

CORRECTED MATERIAL WEAKNESS

Local ID #: USAMC-01-002

Results Indicators: Improve the time it takes to fill positions, accept jobs and assess the quality of new hires.

Source(s) Identifying Weakness: Management - Identified by CECOM as a potential material weakness (CECOM 2001-01). Issue raised during MC process conference.

Major Milestones in Corrective Action:

A. Completed Milestones:

| Date: | Milestone: |
|------------------------|--|
| 24 Oct 01 (Deleted) | Send a memorandum to HQ, DA Assistance Secretary of the Army for Manpower and Reserve Affairs. |
| 25 Jan 02 | AMCIR-I verified documentation on corrective actions. |

B. Planned Milestones (Fiscal Year 2003):

| Date: | Milestone: |
|-------|------------|
| None. | |

C. Planned Milestones (Beyond Fiscal Year 2003):

| Date: | Milestone: |
|-------|------------|
| None. | |

HQDA Functional Proponent Participating in Corrective Actions: Assistant Secretary of the Army for Manpower and Reserve Affairs.

Note: No longer warrants reporting as a material weakness. Recommending closure.

Point of Contact:

Name: Ms. Linda K. Flick

Office Address: HQ, AMC, ATTN: AMCIO-R

5001 Eisenhower Avenue, Alexandria, VA 22333-0001

Telephone: Commercial (703) 617-5906

DSN: 767-5906

Date: 31 Oct 01

CORRECTED MATERIAL WEAKNESS

Local ID #: USAMC-01-003

Title and Description of Weakness: Delays in Recruitment

Delays in Recruitment impact the Command's ability to meet reimbursable customer requirements. Current recruiting procedures can result in 3-6 months to fill journey level positions when recruitment from outside the current workforce is necessary/desirable. This also includes efforts to bring in new talent at the entry level (Interns) to keep the workforce current and to plan for anticipated losses. This problem is compounded by the fact the primary occupations are engineers, scientists and information technology specialists, which have been recognized as hard to fill positions with a special salary rate in effect. Efforts to fill positions are hampered by the inability to compete with hiring practices from the private sector. All commands within AMC need the ability to compete for talent in the marketplace. Secondly, when interested candidates are found, they now need to apply several times in several regions to be considered for the types of positions they are interested in. One applicant database would alleviate this situation and allow for faster fill for management and less frustration for applicants.

Functional Category: Personnel/Organization Management

Pace of Corrective Action:

Year Identified: FY 01

Original Targeted Correction Date: FY 02

Targeted Correction Date in Last Year's Report: FY 02

Current Target Date: FY 02

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

Component/Appropriation/Account Number: Army/All Appropriations

Validation Process: Independent Review and Audit

Date: 31 Oct 01

CORRECTED MATERIAL WEAKNESS

Local ID #: USAMC-01-003

Results Indicators: Improved time to fill positions, job acceptance rates and qualitative assessments of quality of new hires.

Source(s) Identifying Weakness: Management - Issue raised by field potential material weakness - CECOM 2001-01.

Major Milestones in Corrective Action:

A. Completed Milestones:

| Date: | Milestone: |
|--------------|--|
| 9 Oct 01 | Sent a memorandum to the Assistant Secretary of the Army for Manpower and Reserve Affairs addressing the problems identified in the CECOM potential material weakness. |
| 25 Oct 01 | AMCIR-I verified documentation on completion of corrective action. |

B. Planned Milestones (Fiscal Year 2003):

| Date: | Milestone: |
|--------------|-------------------|
| None. | |

C. Planned Milestones (Beyond Fiscal Year 2003):

| Date: | Milestone: |
|--------------|-------------------|
| None. | |

HQDA Functional Proponent Participating in Corrective Actions: Secretary of the Army for Manpower and Reserve Affairs.

Note: Recommending closure.

Point of Contact:

Name: Ms. Wallis L. Berrios

Office Address: HQ AMC, ATTN: AMCOPS-FPT

5001 Eisenhower Avenue, Alexandria, VA 22333-0001

Telephone: Commercial (703) 617-1947

DSN: 767-1947

Date: 26 Sep 02

CORRECTED MATERIAL WEAKNESS

Local ID #: USAMC-01-004

Title and Description of Material Weakness: Ammunition Shortfall

The Army has a serious shortfall in preferred war reserve ammunition. This shortfall is only partially mitigated by stocks of suitable substitutes. The Army has not received sufficient funds to procure ammunition to eliminate this shortfall. This problem is made worse because the Army has not received sufficient resources to perform required inventory surveillance and maintenance of existing war reserve ammunition stockpiles.

Functional Category: Supply Operations

Pace of Corrective Action:

Year Identified: FY 2001

Original Targeted Correction Date: FY 2002

Targeted Correction Date in Last Year's Report: FY 2002

Current Target Date: FY 2002

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

Component/Appropriation/Account Number: Procurement of Ammunition Army (PAA) and Operations Maintenance, Army (OMA)

Validation Process: Management judgement; Ammunition Functional Area Assessment.

CORRECTED MATERIAL WEAKNESS

Local ID #: USAMC-01-004

Results Indicators: Number of issuable rounds of ammunition in the inventory compared to HQDA-approved Army Acquisition Objective for each war reserve ammunition end item.

Source(s) Identifying Weakness: AMC Management (Directed by CG, AMC)

Major Milestones in Corrective Action:

A. Completed Milestones:

| Date: | Milestone: |
|------------------------|---------------------------------------|
| 31 Dec 01 (Deleted) | Receive revised requirement for HQDA. |

| | |
|------------------------|--|
| 28 Feb 02 (Deleted) | Request annual increase of \$750 million Procurement of Ammunition Army (PAA), \$150 million Operations Maintenance, Army (OMA) from Army Program Analysis and Evaluation (PAE) throughout the FY01-09 Program Objective Memorandum (POM). |
|------------------------|--|

B. Planned Milestones (Fiscal Year 2003):

| Date: | Milestone: |
|-------|------------|
| None. | |

C. Planned Milestones (Beyond Fiscal Year 2003):

| Date: | Milestone: |
|-------|------------|
| None. | |

HQDA Functional Proponent Participating in Corrective Actions: N/A

Note: This no longer warrants reporting as an AMC-level material weakness. The PAA ammunition acquisition functions of the former AMC Deputy Chief of Staff for Ammunition (Dual hatted as the ASA(ALT) Deputy for Ammunition) were transferred to the PEO for Ammunition. No IRAC verification is necessary - planned milestones have been deleted.

Point of Contact:

Name: Mr. Mike Peck

Office Address: HQ AMC, ATTN: AMCOPS-S

5001 Eisenhower Avenue, Alexandria, VA 22333-0001

Telephone: Commercial (703) 617-8021

DSN: 767-8021

31 Oct 01

CORRECTED MATERIAL WEAKNESS

Local ID #: USAMC-01-006

Title and Description of Material Weakness: Acquisition Centers- Not Enough Contracting Personnel

During the 1990s, Congressional and budget direction drove the Army to dramatically reduce its acquisition personnel. Within the contracting communities, the acquisition centers were able to cope with reductions and mitigate risk through process streamlining and reform efforts. Commencing with fiscal year 2002 and continuing through fiscal year 2006, additional significant cuts to the central procurement accounts are projected. The ever-increasing gap between workload and resources raises the prospect of mission failure. There are no major streamlining/initiatives to mitigate FY02 and beyond cuts. Two acquisition centers most affected by the contracting personnel shortfalls are the U.S. Army Aviation and Missile Command (AMCOM) and the U.S. Army Tank-automotive and Armaments Command (TACOM). For these two centers alone, the shortfall will be over 300 personnel in fiscal year 2002, increasing to over 600 in fiscal year 2006. Current staffing levels must be maintained in order to support the Army Transformation as well as other vital requirements. If adequate staffing is not restored to the acquisition centers, they may be faced with offloading or contracting out portions of their workload.

Functional Category: Personnel

Pace of Corrective Action:

Year Identified: FY 01

Original Targeted Correction Date: FY 02

Targeted Correction Date in Last Year's Report: FY 02

Current Target Date: FY 02

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

Component/Appropriation/Account Number: Army/All Appropriations but primarily Central Procurement Account, MDEP ASCE.

Validation Process: Independent Review and Audit

CORRECTED MATERIAL WEAKNESS

Local ID #: USAMC-01-006

Results Indicators: Prohibition on further reduction to contracting personnel in the acquisition centers. Increase in manpower requirements for FY 02 and beyond.

Source(s) Identifying Weakness: Management and Issue raised by Principal Assistants Responsible for Contracting (PARCs) during Jan 01 VTC with CG on contracting and personnel issues.

Major Milestones in Corrective Action:

A. Completed Milestones:

| Date: | Milestone: |
|-----------|---|
| 2 Aug 01 | Commanding General, HQ, AMC requested Acting ASA (ALT) support for restoration of adequate staffing to the Acquisition Centers. |
| 25 Oct 01 | AMCIR-I verified documentation on completion of corrective action. |

B. Planned Milestones (Fiscal Year 2003):

| Date: | Milestone: |
|-------|------------|
| None. | |

Major Milestones in Corrective Action:

C. Planned Milestones (Beyond Fiscal Year 2003):

| Date: | Milestone: |
|-------|------------|
| Note. | |

HQDA Functional Proponent Participating in Corrective Action: ASA (ALT)

Note: Recommending closure.

Point of Contact:

Name: Ms. Kathleen T. Love

Office Address: HQ AMC, ATTN: AMCCP-O

5001 Eisenhower Avenue, Alexandria, VA 22333-0001

Telephone: Commercial (703) 617-8697 DSN: 767-8697

Date: 31Jan 02

CORRECTED MATERIAL WEAKNESS

Local ID #: USAMC-01-007

Title and Description of Material Weakness: Inability to Recruit Young People for Science and Technology

The rapidly aging workforce is making it imperative that Department of Army improve the process to fill the science and technology vacancies created by attrition and retirement. The Army needs to attract talented young individuals schooled in the latest technology to replenish the workforce but efforts to fill intern positions are hampered by the inability to compete with private sector hiring practices. The private sector can make firm job offers during the interview while Army takes weeks and sometime months to make a firm offer. Even with recruiting bonuses and relocation expenses, the Army and the Government in general are not competitive with the salaries offered by the private sector in the technology areas of interest. Delays in the recruiting process also impact the Army's ability to hire seasoned professionals with private sector or academic experience to enhance Government research and technology programs. Current recruiting procedures can result in 4-8 months to fill journey level positions with candidates from outside the current workforce. The delay diminishes our ability to keep the workforce current and to respond to anticipated losses. Commands must be given the tools necessary to compete for talent in the marketplace for the Army After Next.

Functional Category: Personnel

Pace of Corrective Action:

Year Identified: FY 01

Original Targeted Correction Date: FY 02

Targeted Correction Date in Last Year's Report: FY 02

Current Target Date: FY 02

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

Component/Appropriation/Account Number: Army/All Appropriations

Validation Process: Independent Review and Audit

CORRECTED MATERIAL WEAKNESS

Local ID #: USAMC-01-007

Results Indicators: Improved recruitment of young individuals.

Source(s) Identifying Weakness: Management - Issue raised by Commanding General during Annual Statement Briefing.

Major Milestones in Corrective Action:

A. Completed Milestones:

| Date: | Milestone: |
|-----------|---|
| 9 Oct 01 | Sent a memorandum to the Assistant Secretary of the Army for Manpower and Reserve Affairs addressing program identified by CG, AMC. |
| 25 Jan 02 | AMCIR-I verified documentation of corrective action. |

B. Planned Milestones (Fiscal Year 2003):

| Date: | Milestone: |
|-------|------------|
| None. | |

C. Planned Milestones (Beyond Fiscal Year 2003)

| Date: | Milestone: |
|-------|------------|
| None. | |

HQDA Functional Proponent Participating in Corrective Action: Secretary of the Army for Manpower and Reserve Affairs.

Note: Recommending closure.

Point of Contact:

Name: Ms. Wallis L. Berrios

Office Address: HQ AMC, ATTN: AMCOPS-FPT

5001 Eisenhower Avenue, Alexandria, VA 22333-0001

Telephone: Commercial (703) 617-1947 DSN: 767-1947

Date: 27 Sep 02

CORRECTED MATERIAL WEAKNESS

Local ID #: USAMC-96-005

Title and Description of Material Weakness: Threat of Unclassified Automated Information Systems (AISs)

Our unclassified AISs process and transmit unclassified sensitive information over the Internet and Nonclassified (but sensitive) Internet Protocol Router Network (NIPRNET). Basic Perimeter Defense Intrusion Detection Systems (IDS) in place at NIPRNET connections. Hacker activity continues. The attacks are more sophisticated and the hackers are targeting specific systems for certain subjects.

Functional Category: OSD -- Information Technology

Pace of Corrective Action:

Year Identified: FY 1996

Original Targeted Correction Date: FY 1998

Targeted Correction in Last Year's Report: FY 2003

Current Target Date: FY 2002

Reason for Change in Date(s): No longer warrants reporting as an AMC material weakness due to establishment of NETCOM. In the course of their future operations, recommend NETCOM identify new weaknesses which would allow them to chart a new approach.

Component/Appropriation/Account Number: Army/O&M, Army (MS4X - Compliance by inspection, training, and software security tools), and OPA (MX5T - Security hardware and communications security devices).

Validation Process: Managerial judgement; independent review and audit.

CORRECTED MATERIAL WEAKNESS

Local ID #: USAMC-96-005

Results Indicators: Decrease in successful hacker intrusions as detected by IDS. Increase in detection of unauthorized access by training systems administrators and increased sophistication of detection systems.

Source(s) Identifying Weakness: Management

Major Milestones in Corrective Action:

A. Completed Milestones:

| Date: | Milestone: |
|-----------|---|
| 27 Mar 96 | Provided FY98 - 03 MS4X and MX5T funding input to HQDA (DISC4). |
| 4 Jun 97 | Provided FY99 - 04 MS4X and MX5T funding input to HQDA (DISC4). |
| 14 Aug 97 | Received FY 99 - 03 MS4X funding allocations for AMC from DISC4. |
| 31 Jan 98 | Assessed HQ, AMC's unclassified systems and networks. |
| 1 Feb 98 | Provided MS4X funding spread to DCS for Resource Management for each MSC. |
| 24 Feb 98 | The Land Information Warfare Activity's (LIWA), Army Computer Emergency Response Team (ACERT), performed a Computer Defense Assistance (CDA) Branch vulnerability assessment of the Army Materiel Command (AMC) unclassified Local Area Network. Results were sent to the HQ, AMC DOIM. |
| 1 Jun 98 | Identified technology and resource shortfalls to HQDA. |
| 1 Jul 98 | Established ISS training policy for command-wide implementation. Developed plan to secure systems in coordination with DCSINT and DOIM. Assessed AMC MSCs' unclassified systems and networks. |
| Aug 98 | Contract Award for assistance in AMC's management of our Information Assurance Program. Installed Intrusion Detection Systems as required by Phase I of the Army Network Security Improvement Program. |
| Sep 98 | Established priorities for countermeasures implementation. Initiated ISEC Engineering Studies (AMCOM). |
| Nov 98 | Distributed MS4X funds to MSCs. Initiated ISEC Engineering Study (ARL). |
| 31 Dec 98 | Submitted POM (FY 00-05). |

CORRECTED MATERIAL WEAKNESS

Local ID #: USAMC-96-005

A. Completed Milestones (Continued):

| Date: | Milestone: |
|-----------------------|--|
| 9 Jan 99 | ISEC Engineering Security Assessments. |
| 9-17 Jan 99 | HQ, AMC/USASAC (Partial Study). |
| 11-22 Jan 99 | Tobyhanna (Partial Study). |
| 1-12 Feb 99 | STRICOM (Partial Study). |
| 9 Mar 99 - 1 Apr 99 | TACOM (Full Study). |
| 22 Mar 99 - 9 Apr 99 | RIA (Full Study). |
| 7 Jun 99 - 2 Jul 99 | APG/Edgewood (Overlaps with next quarter - Full Study). |
| 1 Aug 99 | Award Task Order for AMC Strategic Plan. |
| 26 Jul 99 - 13 Aug 99 | Tobyhanna (Follow-on - Full Study). |
| 30 Sep 99 | Continue Information Assurance Contract. |
| 9 May 00 | Completed AMC IA Strategic Plan/Incident Review and Analysis Concept of Operations. |
| 30 Sep 00 | Completed Follow-on IA contract (Corbett Technology, Inc. won contract). |
| 31 Dec 00 | Published AMC Supplement to AR 380-19. |
| 17 Aug 01 | Completed fielding of Guardian (ARL's Intrusion Detection Systems) to MSCs. |
| 30 Sep 01 (Delete) | Publish AMC IA Strategic Plan. |
| 1 Oct 01 | Continue Vulnerability Assessments through the Army Computer Defense Association Program (CDAP), the ISEC Assessment Survey's, and/or the Do-it-Yourself Vulnerability Assessment Program (DITYVAP). Continue Follow-on Information Assurance Contract with Corbett. |
| 31 Dec 01 (Delete) | Publish AMC Information Assurance Plan. |

CORRECTED MATERIAL WEAKNESS

Local ID #: USAMC-96-005

A. Completed Milestones (Continued):

| Date: | Milestone: |
|-----------------------|--|
| 30 Oct 01 | Presented first series of computer security incident reporting to the AMC Command staff to highlight awareness to problems and threats using data from the Army Computer Emergency Response Team (ACERT) and Army Research Laboratory. |
| 30 Jan 02 | Developed proposed secure configuration standards for operating systems throughout AMC. This is an initiative that will greatly improve the security posture of AMC as a complementary security measure to the AMC IDS program and a proactive solution to hacker attacks. |
| 7 Feb 02 | Completed surveys of MSC reviews and comments on proposed AMC standard configurations. |
| 15 Feb 02 | Developed and implemented initiative to consolidate servers to streamline system administration operations and reduce system administrator span of control to promote more time available for security measures. |
| 28 Jan 02 | Completed final draft AMC IA Strategic Plan and obtained AMC IAPM approval. |
| Feb 02 | Completed internal division coordination of AMC IA Strategic Plan. Incorporated suggested comments provided by the AMC CIO divisions on the AMC IA Strategic Plan. |
| 30 Mar 02 | Obtain AMC IAPM approval of AMC IA Strategic Plan and staff to major subordinate commands (MSCs) for review and comment. Develop plan for implementing standard secure configurations throughout AMC. |
| 15 Apr 02 | Subject to budget availability develop future plans for additional Guardian implementations throughout AMC implementing IDS and implementation of latest RealSecure systems. |
| 15 May 02 | Incorporate MCS comments into latest AMC IA Strategic Plan. |
| 30 Jun 02 (Delete) | Publish AMC IA Strategic Plan. |
| 31 Jul 02 | Post approved AMC IA Strategic Plan, IA Awareness Plan, and AMC INFOCON documentation. |

CORRECTED MATERIAL WEAKNESS

Local ID #: USAMC-96-005

A. Completed Milestones (Continued):

| Date: | Milestone: |
|------------------------|--|
| 30 Sep 02 (Deleted) | Staff AMC Information Assurance Plan (IAP) with MSCs and incorporate comments into document. |
| 30 Mar 03 (Deleted) | Publish AMC Information Assurance Plan. |
| 26 Sep 02 | Verified completed milestones - AMCIR-I. |

B. Planned Milestones (Fiscal Year 2003):

| Date: | Milestone: |
|-------|------------|
| None. | |

C. Planned Milestones (Beyond Fiscal Year 2003):

| Date: | Milestone: |
|-------|------------|
| None. | |

HQDA Functional Proponent Participating in Corrective Actions: SAIS, Ralph A. Lowenthal, SAIS-C2P/IA, (703) 607-5886, e-mail address: lowenra@hqda.army.mil.

Note: The AMC IA Strategic Plan has undergone extensive reviews since the beginning of FY 2001. Several major Army initiatives have surfaced that directly impacted this plan and require revisions to the plan. These developments included Army Knowledge Management, the Army Wholesale Logistics Modernization Program, and other initiatives such as the future implementation of Windows 2000 and Active Directory. The roles and responsibilities for these areas are shifting to Network Enterprise Technology Command (NETCOM). Recommend closure of this weakness.

Point of Contact:

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Date: 27 Sep 02

CORRECTED MATERIAL WEAKNESS

Local ID #: USAMC-96-004

Title and Description of Material Weakness: AMC World Wide Web (WWW) Use and Vulnerabilities

Use of the WWW has innate insecurities, just as crossing a super highway has inherent dangers. These risks can not be eliminated. Actions can be taken to lessen the risks while gaining advantages.

Functional Category: OSD -- Information Technology

Pace of Corrective Action:

Year Identified: FY 1996

Original Targeted Correction Date: FY 1999

Targeted Correction in Last Year's Report: FY 2001

Current Target Date: FY 2002

Reason for Change in Date(s): In August 2001 the Department of the Army started an initiative called Army Knowledge Management (AKM). AKM is the Army strategy to transform itself into a network-centric, knowledge based force. AKM consists of four goals. Goal 4 (Scale Army Knowledge Online as the Enterprise Portal) requires the functional and MACOM managers to streamline and webify our applications. This initiative is outside the scope of this weakness. No longer warrants reporting as an AMC Material Weakness - due to the implementation of AKM and the establishment of a new command called Network Enterprise Technology Command (NETCOM).

Component/Appropriation/Account Number: Army/ Operation and Maintenance Army (MS4X PE 432140)

Validation Process: Managerial judgement; independent review and audit.

CORRECTED MATERIAL WEAKNESS

Local ID #: USAMC-96-004

Results Indicators: Managers will be aware of the risks in using the WWW and the steps taken to minimize those risks. Users will be aware of the risks and the required actions to seek help. Service providers will be aware of the programs available and required actions to minimize risks.

Source(s) identifying weakness: Management

Major Milestones in Corrective Action:

A. Completed Milestones:

| Date: | Milestone: |
|------------------------|---|
| 4th Qtr 97 | Contract Awarded. |
| 23 Dec 97 | Task 4 Work Order accepted. |
| 30 Sep 98 | AMCIO received contractor (task) document for review and comment. |
| 23 Dec 98 | Obtained study results. |
| 31 Jan 99 | Disseminated results. |
| 28 Feb 99 | Implemented changes. Trained users, managers and system administrators. |
| 13 May 99 | Draft policy on Web delivered and staffed as part of the Information Assurance Plan (IAP). |
| 27 Aug 99 | Final IAP delivered and staffed. |
| 31 Mar 00 | Published and distributed IAP, including WWW plan policy. |
| 30 Jun 00 (Deleted) | Users, managers, and systems administrators implemented IAP and WWW policy. |
| 28 Feb 02 | Briefed the IAPM regarding technical, policy, and legal issues affecting measures that may be taken to improve bandwidth availability for supporting AMC core programs. |
| 22 Mar 02 (Delete) | Publish Use of AMC IT Resources Policy. |

CORRECTED MATERIAL WEAKNESS

Local ID #: USAMC-96-004

Major Milestones in Corrective Action:

A. Completed Milestones:

- | Date: | Milestone: |
|------------------------|--|
| 30 Mar 02 (Deleted) | Provide first draft of basic WWW policy for AMC IAPM approval. This policy will address the definition of available WWW services and WWW system security measures. |
| 1 Apr 02 | Presented the AMC IAPM with an initial evaluation of bandwidth availability through reviews of surveys done as part of the WLMP site visits. |
| 30 Apr 02 (Deleted) | Complete initial draft of AMC bandwidth management policy and define those services that will be offered via WWW to incorporate into an AMC policy. |
| 30 May 02 (Deleted) | Complete final draft of AMC WWW policy addressing outcomes from both the AMC bandwidth management and final resolution of the acceptable use of government IT resource policy. |
| 30 Aug 02 (Deleted) | Staff , Update, and Publish World Wide Web Policy. |
| 26 Sep 02 | Verified completed milestones - AMCIR-I. |

B. Planned Milestones (Fiscal Year FY 2003):

Date: Milestone:
None.

C. Planned Milestones (Beyond Fiscal Year FY 2003):

None.

HQDA Functional Proponent Participating in Corrective Actions: N/A.

Note: The information technology/information assurance initiatives throughout the Army are currently in a major upheaval. Since substantial progress has been made and the new responsible agent needs to design their own approach, we recommend closing this weakness.

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