

SUBJECT: Internal Review and Audit Compliance Planning Memorandum No. 04-1

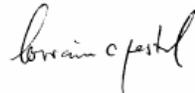
26 September 2003

1. Internal Review and Audit Compliance Office's mission is to support the Commander with professional audit and consulting services to:
 - a. Safeguard, account for and properly use District resources.
 - b. Address the problems and concerns of management.
 - c. Coordinate all external audit efforts.

2. To effectively execute our mission, we have developed the enclosed FY 04 IRAC Annual Plan. It is a visible sign to you, "OUR CUSTOMER", that the IRAC office is focused on your needs. The contents of the plan are as follows:

FY 04 Annual Plan	Section 1	FY 03 Charts and Metrics	Section 4
FY 03 Accomplishments	Section 2	Audit Details	Section 5
Engagements In Process	Section 3	Supporting documents	Section 6

3. This is a transition year for the IRAC office. Our primary goal in FY 04 is to provide you and your executive managers accurate and timely information on which to base decisions. We want to build coalitions with senior management so that we address Commands' high visibility, high-impact areas and earn the reputation of adding value to processes. Please contact me if issues arise that could be addressed with our services.



Submitted by: Lorraine C. Jestel
Chief, Internal Review and
Audit Compliance Office

Reviewed by: D. Scott Welker
Chief of Staff

Approved by: Robert M. Radin
Colonel (P), OD
Commanding

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Major General, US Army
Commanding

FY 04 Annual Plan

Title	Assign #	Org	Sch A/D	1q	2q	3q	4q
Section 1 - Direct Time Charges							
Audit/Consulting							
Government Purchase Card - MCAAP	2003-004	GX	8	8			
Ravenna AAP Environmental Cleanup Contract	2003-005	GS	36				36
Homeland Defense Expenditures	2003-010	G2	30	30			
AMSJM-97-3 Management Control of Financial Inventory Accounting as Reported in the Standard Industrial Financial System	2003-011	G8	25		25		
SOMARDS Labor Data	2003-012	G8	37	37			
Master Storage Plan	2003-015	GS	25			25	
Accountability of Government Property	2003-016	GS	38				38
AMSJM-94-3 Inadequate Workload/Billing and Reporting Information - Standard Depot System and the JMC Commodity Command Standard System (CCSS)	2003-017	G3	31		31		
AMSJM-94-5 Ammunition Automated System Shortfalls	2003-018	G3	31		31		
AMSSJM-99-1 Outloading Capability of JMC Installations	2003-019	GS	31				31
AMSJM-99-4 Force Protection Training Requirements	2003-020	G2	26		26		
AMSJM-99-5 Identify Contaminated Sites and Develop and Maintain Database	2003-021	GS	32			32	
AMSJM-99-6 Army Contaminated Equipment Retrograde Team (ACERT) Mission	2003-022	GS	32	32			
AMSJM-99-7 Industrial Mobilization Capacity (IMC)	2003-023	G8	31	31			
AMSJM-00-4 Ammunition Module for GCSS-A System	2003-024	GS	31		31		
Make or Buy Decision Process	2004-001	G3	51			51	
FY04 Management Control Program	2004-002	G8	30	10	15	5	

FY 04 Annual Plan

Title	Assign #	Org	Sch A/D	1q	2q	3q	4q
Section 1 - Direct Time Charges							
Audit/Consulting							
FY04 Yearend Certification	2004-003	G8	29				29
Army Contaminated Equipment Retrograde Team Waste Disposal Activities	2004-004	GS	36				36
Foreign Military Sales Nonrecurring Costs Recoupment Process - Phase II	2004-005	GS	31		31		
Rocky Mountain Arsenal Secondary Cost Documentation Audit (1 Apr - 30 Sep 03)	2004-006	GX	25		25		
AMSJM-00-3 Assets Accountability and Visibility from Government Acceptance at Contractor's Production Facility to Receipt and Storage at the Designated U.S. Army JMC Government Facility	2004-007	G3	31				31
AMSJM-00-5 Automated In-Transit Visibility and Accountability of Ammunition Items	2004-008	G3	31				31
Purchase Policy for IT services	2004-009	G6	25		25		
ARDEC ESIP	2004-010	G8	27	27			
Travel Card Usage	2004-011	G8	33				33
Rocky Mountain Arsenal F/U 00-310	2004-012	GX	20			20	
FMS Nonrecurring Costs 2002-05 F/U Finding A	2004-013	GS	20	20			
GSA Smart Pay Card Program **	2004-014	GS	38			38	
Time and Attendance Reporting **	2004-015	G8	46			46	
Premium Class Airfares **	2004-016	GS	20	20			
LOGCAP services and payment proprieties	2004-017	G8	56				56
Command Resource Realignment	2004-018	GX	40	15	15	10	
subtotal - audits/consulting	33		1033	230	255	227	321

* GS = Deputy for Spt Ops Dir; GX = Special Staff/other

** These audits were requested by AMCIR.

FY 04 Annual Plan

Title	Assign #	Org	Sch A/D	1q	2q	3q	4q
Liaison/Followup	2004Lxxx	Gx	223	60	54	53	56
Supervision	2004S000		165	38	39	44	44
Site Visits, Coordination and Supervision of Subordinate IRAC Offices	2004S000		20	5	5	5	5
SUBTOTAL Direct Charges			1441	333	353	329	426
Section 2 - Indirect Charges							
Holidays			60	24	18	6	12
Leave			139	51	18	38	32
Training			40	7	7	22	4
Program Management			40	10	10	10	10
SUBTOTAL Indirect Charges			279	92	53	76	58
TOTAL WORK DAYS NEEDED			1720	425	406	405	484
TOTAL WORK DAYS			1596	420	390	390	396
BACKLOG			124				

Section 2 - FY 03 Accomplishments

assgn #	Audit title	A/D Sch	A/D Used	Benefits Realized
2002-01	PA Reimbursables	G8	0	5Compliance with policies
2002-63	ASP - Add-on Rail to M249	G8	15	24Validated savings
2002-05	FMS Report	G4	10	17Compliance with policies
2002-10	MW 97-4 Physical Inventory Program	G8	5	4Validated existing controls
	MW 96-1 National Env'l Policy for			
2003-03	Continuing Activities	G8	15	3.5Validated existing controls
2003-06	Worker's Compensation Policy	GX	10	17Compliance with policies
2003-07	Suggestion Program	G8	16	28Validated savings
2003-09	MW 99-3 Threat Conditions	G8	10	20Validated existing controls
2003-41	RMA Secondary Cost Documentation	GX	90	26Compliance with policies
F03-I-01	RIA NOR	GX	15	21Validated corrective actions
		10	186	165.5

Section 3 - Engagements in Process

audit title	assg #	objective	are a	a/d left	status
Government Purchase Card - MCAAP	2003-004	Review propriety of purchases made by selected individuals.	G4	8	Suspended
Homeland Defense Expenditures	2003-010	Determine if expenditures are adequately documented and supported	G2	30	In process
SOMARDS Labor Data	2003-012	Determine why labor data in SOMARDS doesn't agree with operating data and what actions can be taken so that analysts can readily reconcile discrepancies.	G8	37	Started
AMSJM-97-3 Management Control of Financial Inventory Accounting as Reported in the Standard Industrial Financial System	2003-011	Verify that JMC implemented the Logistics Modernization Program that overcomes this weakness.	G8	25	in process
AMSJM-99-7 Industrial Mobilization Capacity (IMC)	2003-023	Validate that the management controls are in place and that the JMC did all of the needed corrective actions.	G8	31	started
Totals				5	131

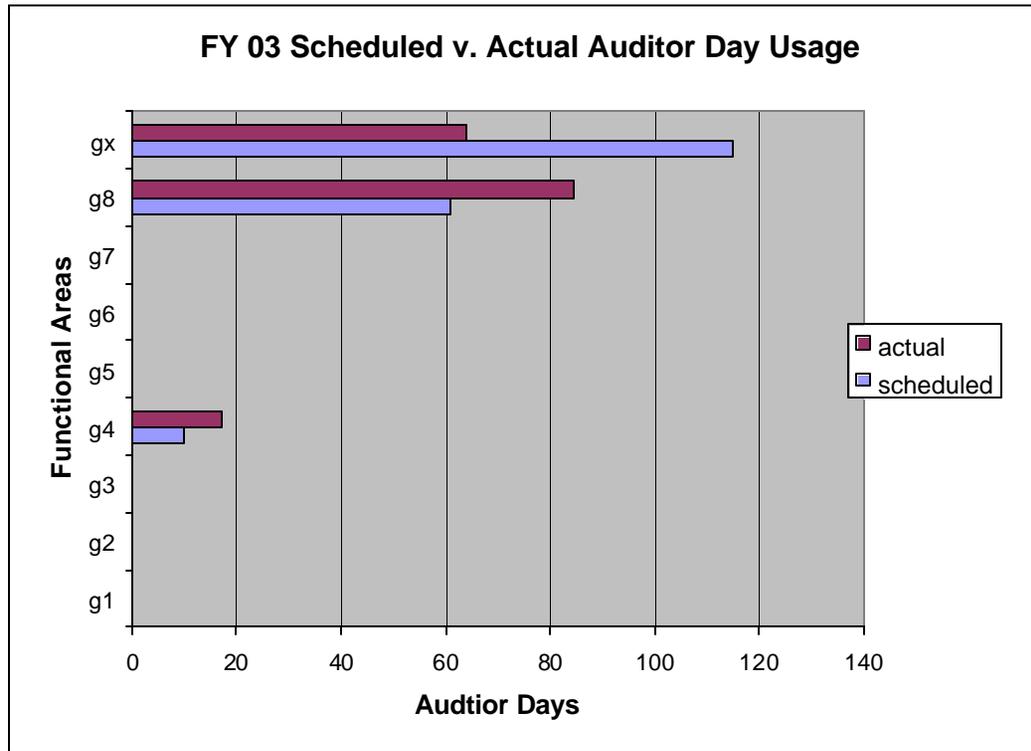
Section 4 - Metrics and Graphs

Strategic Goals		Metrics		Status	Improvement Plan
Goal 1:	Be valued member of the management team	Performance	12:1 ROI	N/R	None
			7 engagement per year per auditor	10 = RED	Included in standards; more QRAs
			Agreed-to benefits on every engagement	N/R	Start tracking
			4.5 or better on customer satisfaction rating (team player)	N/R	Included in standards
Goal 2:	Identify current and emerging needs of Army decision makers and deliver the services to meet them.	Army Needs	4.25 or better on customer satisfaction rating (meeting needs)	N/R	Included in standards
Goal 3:	Achieve unsurpassed quality	Quality	98% compliance with CPE requirements.	100% GREEN	n/a
			Increase professional certifications by 25% by 2006	N/R	None
			Increase advanced degrees by 10% by 2008	N/R	None
			Achieve at least 90% on peer review	N/R	None
			4.6 or better on customer satisfaction rating (quality)	N/R	Included in standards
Goal 4	Streamline process to ensure delivery of timely and relevant products and services	Efficiency	Decrease time to complete audits by 10%	N/R	None
			Achieve 90% success in meeting suspense dates	N/R	Start tracking
			Achieve not less than 60% direct time	51.38% = RED	Included in standards; shift work to office mgr
			Achieve 4.5 or better on customer satisfaction rating (products & services)	N/R	Included in standards
Goal 5	Market IR capabilities	Marketing	Achieve 4.6 or better on customer satisfaction (products & services)	N/R	Included in standards

Section 4 - Metrics and Graphs

FY 03 Cause Matrix

	control	performance
Major	1	2
Minor	1	3



Section 5 - Audit Details

audit title	assg #	objective	area	sch a/d	
Ravenna AAP Environmental Cleanup Contract	2003-005	Evaluate the adequacy of Command actions to establish the scope of the contract. Review bid evaluation/price determination process.	GS	36	
				Background	2
				Regulatory Guidance	3
				Audit Steps	25
				Draft Report	4
				Final Report	2
Master Storage Plan	2003-015	Determine if JMC installations have minimum acceptable master storage plan or explosives license.	GS	25	
				Background	2
				Regulatory Guidance	3
				Audit Steps	15
				Draft Report	3
				Final Report	2
Accountability of Government Property	2003-016	Evaluate whether property purchased in support of A/FP was properly accounted for.	GS	38	
				Background	3
				Regulatory Guidance	3
				Audit Steps	25
				Draft Report	4
				Final Report	3

Section 5 - Audit Details

audit title	assg #	objective	area	sch a/d	
AMSJM-94-3 Inadequate Workload/Billing and Reporting Information - Standard Depot System and the JMC Commodity Command Standard System (CCSS)	2003-017	Verify that JMC implemented the Logistics Modernization Program that overcomes this weakness.	G3	31	
				Background	4
				Regulatory Guidance	2
				Audit Steps	20
				Draft Report	3
				Final Report	2
AMSJM-94-5 Ammunition Automated System Shortfalls	2003-018	Verify that JMC implemented the Logistics Modernization Program that overcomes this weakness.	G3	31	
				Background	4
				Regulatory Guidance	2
				Audit Steps	20
				Draft Report	3
				Final Report	2
AMSSJM-99-1 Outloading Capability of JMC Installations	2003-019	Ensure that JMC completed all the needed outloading infrastructure projects.	GS	31	
				Background	4
				Regulatory Guidance	2
				Audit Steps	20
				Draft Report	3
				Final Report	2

Section 5 - Audit Details

audit title	assg #	objective	area	sch a/d	
AMSJM-99-4 Force Protection Training Requirements	2003-020	Validate that there are sufficient numbers or various levels of Force Protection training courses.	G2	26	
				Background	3
				Regulatory Guidance	3
				Audit Steps	15
				Draft Report	3
				Final Report	2
AMSJM-99-5 Identify Contaminated Sites and Develop and Maintain Database	2003-021	Validate that JMC has identified contaminated sites and developed and maintained a database.	GS	32	
				Background	3
				Regulatory Guidance	3
				Audit Steps	20
				Draft Report	4
				Final Report	2
AMSJM-99-6 Army Contaminated Equipment Retrograde Team (ACERT) Mission	2003-022	Validate that AMSJM-SF is accomplishing the basic essential ACERT mission with current resources.	GS	32	
				Background	4
				Regulatory Guidance	2
				Audit Steps	20
				Draft Report	4
				Final Report	2

Section 5 - Audit Details

audit title	assg #	objective	area	sch a/d	
AMSJM-00-4 Ammunition Module for GCSS-A System	2003-024	Determine whether LMP will satisfy intent of material weakness; whether a simple fix would have corrected the material weakness or whether this deficiency should still be considered a material weakness.	GS	31	
				Background	4
				Regulatory Guidance	2
				Audit Steps	20
				Draft Report	3
				Final Report	2
Make or Buy Decision Process	2004-001	Evaluate whether JMC properly applied the make or buy decision process to the acquisition and manufacturing of conventional ammunition and other supplies within the Command's production capability.	G3	51	
				Background	3
				Regulatory Guidance	4
				Audit Steps	35
				Draft Report	5
				Final Report	4
FY04 Management Control Program	2004-002	Evaluate program management of the management control program	G8	30	
				Background	2
				Regulatory Guidance	2
				Audit Steps	20
				Draft Report	4
				Final Report	2

Section 5 - Audit Details

audit title	assg #	objective	area	sch a/d	
FY04 Yearend Certification	2004-003	Evaluate controls over financial processes to ensure that yearend information accurately represents operating results of the Command and that funds were used for their intended purposes.	G8	29	
				Background	2
				Regulatory Guidance	4
				Audit Steps	15
				Draft Report	5
				Final Report	3
Army Contaminated Equipment Retrograde Team Waste Disposal Activities	2004-004	To document improvements the Army has made since audits conducted after Operations Desert Storm and to evaluate the Army's current process.	GS	36	
				Background	4
				Regulatory Guidance	2
				Audit Steps	25
				Draft Report	3
				Final Report	2
Foreign Military Sales Nonrecurring Costs Recoupment Process - Phase II	2004-005	Evaluate whether the nonrecurring cost process was properly implemented.	GS	31	
				Background	3
				Regulatory Guidance	2
				Audit Steps	20
				Draft Report	4
				Final Report	2

Section 5 - Audit Details

audit title	assg #	objective	area	sch a/d	
Rocky Mountain Arsenal Secondary Cost Documentation Audit (1 Apr - 30 Sep 03)	2004-006	Evaluate supporting secondary cost documentation	GX	25	
				Background	2
				Regulatory Guidance	1
				Audit Steps	19
				Draft Report	2
				Final Report	1
AMSJM-00-3 Assets Accountability and Visibility from Government Acceptance at Contractor's Production Facility to Receipt and Storage at the Designated U.S. Army JMC Government Facility	2004-007	Verify that JMC implemented the Logistics Modernization Program and Automated In-Transit (AIT) enhancements that correct this weakness.	G3	31	
				Background	4
				Regulatory Guidance	2
				Audit Steps	20
				Draft Report	3
				Final Report	2
AMSJM-00-5 Automated In-Transit Visibility and Accountability of Ammunition Items	2004-008	Verify that JMC implemented the Automated In-Transit (AIT) enhancements that correct this weakness.	G3	31	
				Background	4
				Regulatory Guidance	2
				Audit Steps	20
				Draft Report	3
				Final Report	2

Section 5 - Audit Details

audit title	assg #	objective	area	sch a/d
Purchase Policy for IT services	2004-009	Determine whether Command personnel are purchasing IT services without IT approval.	G6	
				25
		Background		2
		Regulatory Guidance		3
		Audit Steps		15
		Draft Report		3
		Final Report		2
ARDEC ESIP	2004-010	FY02 ESIP expenditures not completed.	G8	
				27
		Background		3
		Regulatory Guidance		3
		Audit Steps		15
		Draft Report		4
		Final Report		2
Travel Card Usage	2004-011	100% review of selected month's travel	G8	
				33
		Background		3
		Regulatory Guidance		5
		Audit Steps		20
		Draft Report		3
		Final Report		2
Rocky Mountain Arsenal F/U 00-310	2004-012	Determine whether corrective actions have been implemented and whether identified conditions are resolved.	GX	
				20
		Background		3
		Regulatory Guidance		2
		Audit Steps		10
		Draft Report		3
		Final Report		2

Section 5 - Audit Details

audit title	assg #	objective	area	sch a/d	
FMS Nonrecurring Costs 2002-05 F/U Finding A	2004-013	Determine whether corrective actions have been implemented and whether identified conditions are resolved.	GS	20	
				Background	3
				Regulatory Guidance	2
				Audit Steps	10
				Draft Report	3
				Final Report	2
GSA Smart Pay Card Program	2004-014	Review the soundness of controls associated with the management of the General Services Administration Smart Pay Purchase Card Program at HQAMC.	GS	38	
				Background	2
				Regulatory Guidance	3
				Audit Steps	25
				Draft Report	5
				Final Report	3
Time and Attendance Reporting	2004-015	Determine if time and attendance (T&A) of HQAMC civilians was accurately recorded and reported in ATAAPS to ensure that pay and leave usage were correctly computed.	G8	46	
				Background	3
				Regulatory Guidance	5
				Audit Steps	30
				Draft Report	5
				Final Report	3

Section 5 - Audit Details

audit title	assg #	objective	area	sch a/d
Premium Class Airfares	2004-016	Determine whether travelers inappropriately upgraded to premium class airfares.	GS	
				20
		Background		3
		Regulatory Guidance		3
		Audit Steps		10
		Draft Report		2
		Final Report		2
LOGCAP services and payment proprieties	2004-017	Evaluate whether internal processes document and fully support the LOGCAP mission.	G8	
				56
		Background		3
		Regulatory Guidance		5
		Audit Steps		40
		Draft Report		3
		Final Report		5
AFSC/JMC Resource Realignment	2004-018	Evaluate internal processes to realign AFSC/JMC resources.	GS	
				40
		Background		2
		Regulatory Guidance		3
		Audit Steps		30
		Draft Report		3
		Final Report		2
Liaison	2004Lxx	Includes audit compliance and audit liaison		223

Section 6 - Supporting Documents

Supporting documents include:

[Audit Time Categories](#) (6.1)

[Summary of Audit Hours and Costs](#) (6.2)

[Work Day Calculation](#) (6.3)

6.1 Audit Time Categories

Audit Services - This area includes formal or quick response audits. We perform a full scope audit to satisfy the need for a broad, comprehensive evaluation of the entity's effectiveness, financial position, or the results being achieved by a common program or function. Quick response audits (QRA) are limited scope performance audits to quickly provide accurate and timely information to executive management. QRAs are geared towards identifying causes and recommendation of known or suspected problems or opportunities for improvement.

Compliance Services - This covers follow-up reviews and liaison efforts. Follow-ups can be either formal or informal depending on the significance of the findings and recommendations.

Consulting and Advisory Services - This area includes non-audit services provided to meet the commanders' or other customers' needs. These non-audit services include management consulting; advisory services, staff and other support services; and transaction services.

Risk Assessment Services - This is a new area primarily due to the profession's redefinition of its roles and responsibilities. Risk assessments and risk-based auditing consider established organizational objectives and then assesses the risk through identification, measurement, and prioritization to determine whether management will control, accept, avoid, diversify, share or transfer identified risks.

Section 6 - Supporting Documents

6.2 Summary of Audit Hours and Costs

Category	Auditor Days	Costs
Total Direct Audit Time	1345	
Total Indirect Audit Time	40	
Total Audit Time Programmed	1385	
Total Audit Time Available	1357	\$404,438
Backlog	28	

6.3 Summary of Auditor Day Calculation

SUMMARY: AUDITOR DAY CALCULATION

by auditor

	lorraine	lou	dave	seb	betty	kay	total	total cost
avail w/d	266	266	266	266	266	266	1596	477393.5
-holidays	10	10	10	10	10	10	60	17947.12
- leave	26	26	26	27	26	8	139	43308.36
- trng	5	5	7	8	7	8	40	11700.29
avail a/d	235	235	233	231	233	250	1357	