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JAPAN ENGINEER DISTRICT GAP-ZAPPER RECOGNIZED AS ONE OF ARMY'S BEST By Todd Lyman, Chief, Public Affairs, Japan District

CAMP ZAMA, JAPAN –Four percent of the 250,581 Department of the Army civilians are responsible for managing our resources. These vital command members are known as auditors, comptrollers, financial managers and internal review officers. It would seem nearly impossible for one to stand out from the crowd in this highly-skilled occupation field, especially when plying the trade nearly 7,000 miles from the Capitol.

At U.S. Army Corps of Engineers, Pacific Ocean Division, Japan District, one employee's 2010 performance was exceptional. For this, our teammate was recognized at the highest seats of government with the 2010 Auditor of the Year Award. First awarded in 1993, only 29 people have received this distinction. The Secretary of the Army, Financial Management Proponency Office manages the award to recognize outstanding Army civilian employees who make significant contributions to the field of resource management. Awards are also presented to military members.

Our teammate received his award at the American Society of Military Comptrollers (ASMC) Professional Development Institute (PDI) Army Day June 1 2011 in Minneapolis, MN. Award plaques and certificates were presented by Assistant Secretary of the Army (Financial Management & Comptroller) Dr. Mary S. Matiella.

The objective of the Army's Internal Review program is to provide commanders and their staffs with a full range of internal auditing services that support local decision-making and effective stewardship. As a commander's principal advisor on all audit matters, an internal review officer, or auditor, directs a full range of services to include technical advice, assistance, and consultation on management controls to unit managers. A command auditor's scope of work encompasses all aspects of management and management control for all programs, functions, transactions and records, systems and documents. To fulfill their responsibilities, the Army requires internal review officers to have full and unrestricted access to all information needed to accomplish the various objectives of the commander's internal review and audit compliance program.

The command auditor also serves as a liaison to all external audit organizations such as the Government Accountability Office, the Department of Defense Inspector-General, the Department of the Army Inspector-General, the Criminal Investigation Division and the U.S. Army Audit Agency.

An internal review expert's responsibilities exceed record checking, verification and liaison work. A proficient internal review evaluator helps the organization manage risk. Doing so requires extensive planning, therefore each internal review office must create an annual internal review plan or schedule. Such planning requires an auditor to assess organizational risks periodically and ensure oversight is tracked in the command.

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Government internal review experts are required to possess the same qualifications as civilian accountants, auditors and financial officers in the course of their work. It is not uncommon for government agencies to employ certified public accountants (CPAs) for internal review positions. Other qualifications include certified internal auditor (CIA) and certified defense financial manager (CDFM) designations.

The Department of the Army 2010 Auditor of the Year awardee is Mr. Eric Lampkin, Internal Review Officer, Japan District. Lampkin was recognized primarily for re-establishing a district internal review program after a 14-year dormancy period. Soon after establishing Review and Audit Compliance Standard Operating Procedures, Lampkin audited the district's policies and procedures, focusing on time and attendance and personnel security requirements. Lampkin's addition to the district team paid dividends. One finding resulted in the command correcting of leave liability reporting processes. His review identified a past overstatement of leave liability that totaled approximately \$16,000. In addition, Lampkin teamed with the district security officer and workforce management chief to examine personnel security requirements. As a result, processes, checks and screening criteria were developed to ensure appropriate security requirements are met, preventing overpayment for costly background investigations.

"Internal review officers work directly for the commander, and my philosophy is if I can find it, we can fix it. If DOD IG or US Army Audit Agency (USAAA) finds it, the Chief of engineers will fix it," Lampkin explained. "Overall, we'd much prefer to catch someone doing something right and inform the commander."

Lampkin told the story about a commander who suspected mismanagement and called him in to investigate. What Lampkin found was that the employee was doing a good job, "the soldier was going above and beyond." Upon Lampkin's recommendation, the employee received a commander's award for civilian service.

In an effort to help commanders and managers make informed decisions, auditors like Lampkin endeavor to work as a team with senior leadership using the best information available. Internal Review Officers are honest brokers with the primary goal to increase efficiency and establish workable processes.

"More often than not, what we find is not intentional fraud. It's more likely we will discover mistakes of ignorance or inadvertent actions. In those cases we apply corrective measures. We educate, train, ensure compliance and follow-up," Lampkin explained. Commands with proactive internal review officers find solutions, improve processes and preserve valuable resources which include time and capital.

Lampkin's receipt of the Auditor of the Year Award was also due to his successful accomplishment of part of an auditor's mission to the command; to act as a liaison to all external audit organizations. According to Lt.Col. Richard Davis, Japan District Deputy Commander, "Eric flawlessly coordinated three major audits—a Department of Defense Inspector General's inspection of contracting procedures and compliance with combating trafficking in persons regulations; a U.S. Army Japan Inspector General's inspection of the use of government-owned vehicles; and a Pacific Ocean Division command assist visit. His efforts were a primary factor in the successful completion of these inspections. Eric continues to be recognized as an expert in his field within Japan and throughout the Pacific Region."

Lampkin attributes part of his success at Japan District to a philosophy he learned and applied nearly seven years ago called 'Zapping the Gaps.' Lampkin wrote in the December 2004 IR Journal:

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Dr. Kenneth Blanchard, noted author, speaker, and business consultant, describes “Zapping the Gaps” as the process of eliminating differences between management’s desired performance goals and the organization’s actual performance. To “Zap the Gaps,” Blanchard says management must:

Go for the ‘Shoulds.’ Determine how the organization should perform.

Analyze the ‘Is’. Determine how the organization is actually performing.

Pinpoint the ‘Cause.’ Identify the root cause of deficiencies.

Select the Correct ‘Solution.’ Implement solutions to fix the root cause.

There’s no one better positioned to “zap the gaps” than an auditor. For example, suppose supply managers needed to issue 300 stock items per day to meet customer demand (the “should”), but instead only issued 200 stock items per day (the “is”). Many factors may have contributed to the gap (i.e. lack of automation, insufficient stock levels, or excessive delivery times). A “gap-zapping” audit might discover that property was routinely placed in the wrong bin locations, which significantly impacted automation flow, stock levels, and delivery times. Consequently, scarce resource dollars were wasted to maintain excessive compensating stock levels and search for misplaced items. Further, the auditor found that the warehouse bin labels were difficult to read (the “cause”) and correctly recommended a redesign of the bin labels. This solution would increase productivity by eliminating the “gap.”

By applying gap-zapping principals during a telecommunications audit, I once determined that a communication squadron’s “Shoulds” were to process and verify the accuracy of vendor bills within 30-days of receipt, make timely collections from installation users, and look for opportunities to reduce costs. However, there was a considerable gap between the communication squadron’s “Shoulds” and their “Is.” They had 14-month work backlog and were losing nearly \$1 million annually. The “Pinpointed Cause” was that the vendor traditionally was mailing detailed paper copies of phone bills consisting of over 300,000 calls per month, thus forcing communication squadron personnel to manually process the bills. The problem was exacerbated by high employee turnover due to low morale. I “Selected the Correct Solution,” by recommending that the vendor transmit the bills electronically and providing the installation with an automated tool that would sort and process the bills upon receipt. The audit recommendation eliminated the 14-month backlog, provided timely processing of the bills within 2-weeks of receipt, and allowed timely collection of lost revenues resulting from non-official phone calls. Further, the software tool identified over 2,700 unused phone lines that could be eliminated, saving the installation an additional \$5.2 million.

These examples show how important it is for auditors to become familiar with their clients’ business environment and to recognize the client’s top priorities. This information helps auditors identify potential organization gaps and sell management on the auditor’s ability to provide cost-effective improvements. Strong selling points are that auditors:

Are process experts who can see the organization’s “big picture.”

Provide a fresh outside view to spot gaps often overlooked by employees.

Save significant client resources needed to obtain similar gap-zapping results.

Provide useful gap eliminating products (i.e. audit report, automation tools) at minimal costs to the client.

Serve as an objective and informal team member to resolve process and production issues.

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Produce gap-zapping audit benefits that far outweigh any inconvenience associated with the audit process.

The Honorable Mary Sally Matiella, Assistant Secretary of the Army (Financial Management and Comptroller), Office of the Assistant Secretary of the Army advised Army financial managers, "As we build and justify budgets for our Army, we must ensure we do so as proper stewards of our taxpayer's money." These vital command members, whether known as auditors, comptrollers, financial managers or internal review officers, are vital in achieving the priorities of supporting our war fighters; improving financial information and audit readiness; making appropriated dollars go further; and developing our financial management workforce. With two other Corps of Engineer awardees, Amy J. Rainer, management analyst at the Engineer Research and Development Center (ERDC) at Vicksburg, Miss. and Lindera D. Dozier-Owens, budget analyst at Norfolk District, Norfolk, Va., Lampkin represents the Japan District's and the U.S. Army Corps of Engineers' commitment to responsible resource stewardship.

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