Standardized CFO Inventory Sampling Plan Approach

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Lynn Fulling
ODASD(Supply Chain Integration)
OUSD(AT&L/L&MR)
CFO Sampling Plan Background

- FIAR Issue: Each Service and DLA are required to report their ending year inventory value.
- DLA and the Air Force have separate sampling plans for inventory held at DDC. Both rely on DSS data as system of record.
- Other services do not have sampling plans—causing audit issue.
- DLA and AF plans have been reviewed and accepted by their auditors and by the DoD IG.
- Opportunity to standardize a single sampling process was discussed in JPWIG meeting.
- In addition to dollar savings, a single plan would help the Army, Navy, and USMC become compliant sooner.
- This standardization effort does not address Service inventories held in Service managed warehouses (non-DSS sites).
CFO Sampling Plan Effort

• Jan 26, 2011 - In person meeting at SCI with Statisticians and Auditors
  • Reviewed DLA sampling plan run with all component inventory
  • DLA strata, inventory pulled for all components from DSS
  • Issues: Snow impacted meeting participation, sizes of samples in each strata, Working Capital Fund and General Fund inventory combination
  • Agreements reached:
    • Two phased approach - first, sample determined for each component; second (when confidence gained), move to one DoD sample and all components report on results
    • Force minimum sample sizes per Strata for each component
    • Review AF strata plan run for possible usage across all components
    • Separate out Working Capital Fund Inventory
  • Concern raised: Possible conflict of interest in DLA running warehouse, running sampling plan, pulling samples, and reporting results
CFO Sampling Plan Current Status

- AF Statistician developed sampling minimum strata size tool
- DLA DORRA applied results of tool to new plan run for all Components with AF plan strata ($ value based)
- General fund inventory removed from component inventory, except for Marine Corp—needs manual removal
- Components need more time to review proposed Enterprise Plan but generally approve
- DLA/DDC needs to evaluate workload impact
- Plan framework sent to DoD IG as work-in-process update
CFO Sampling Plan Next Steps

- Address any issues with DDC workload impact.
- Send finalized plan to DoD IG for approval.
- SCI policy memorandum
- Implementation of Enterprise CFO Sampling Plan
Questions?
Weekly Status Call Participants: Briggs, Merita G CIV USAF AF/A4LM; Walker, Melissa CIV NAVAUDSVC; 'Rudd, Sara P (DORRA)'; 'Mathis CIV Sheron R'; 'Hambric CIV Betty J'; 'Cooks CIV Jonelle D'; 'Shufelt CIV Pinky'; 'thomas.vaden@us.af.mil'; 'Northenor, Stephen S Civ USAF AFMC HQ AFMC/FMF'; 'Gray, George P DLA CIV LOGISTICS OPERATIONS'; 'mark.entner@dla.mil'; Lafalce, John T Mr CIV USA HQDA DCS G-4; 'Simpson, Terry L CIV DLA J-3312'; 'Ziegler, Gary T CIV DLA J-3312'; 'Feie, Gregg DLA CIV DISTRIBUTION'; 'Butz, David CIV NAVSUP HQ, SUP 04'; 'terrence.roberts@us.army.mil'; 'darryl.l.washington@us.army.mil'; Crowley, John, OSD-COMPT; Tollefson, Ron, Mr, OSD-COMPT; 'charles.d.black1@usmc.mil'; Gore CWO5 Robin J; Stubbs MSgt Warren; 'Kurtz, Denise DLA CIV DISTRIBUTION'; 'ramon.marin@navy.mil'; 'norman.frech@us.army.mil'; 'alice.morrow@usmc.mil'; 'john.edalgo@usmc.mil'