

**Interviewee Profile:**

**Maynard T. Krebbs**  
**Director, Bank Examination Unit**  
**U.S. Bank Examination and Oversight Commission**  
**Boston Regional Office**

Maynard T. Krebbs is an incredibly skilled, incredibly seasoned audit program manager with over thirty years of experience in dissecting complex financial transactions and laying bare the inner workings of banks and bank holding companies, both large and small. He began his career at the now-defunct big eight accounting firm of Arthur Anderson as a newly-minted CPA. Seeking greater career challenges, he joined the Internal Revenue Service in 1982 and quickly rose through the ranks, becoming a senior audit manager in less than five years and attaining a position in the Senior Executive Service in less than eight. He was one of a handful of senior executives at the IRS who had personally been handpicked by the newly-sworn-in BEOC Commissioner, Gomez Addams, to be part of new agency's senior leadership team.

By the end of FY 2010, BEOC's first year of operations, it had become apparent throughout the entire agency that there were problems with BEOC's auditor corps. When the agency was conceived in the halls of Congress, it was envisioned that the auditors would do the ER work on ailing institutions, analyzing their financial condition in very clear and precise terms, and collecting the data and raw information that would determine what actions the agency would take vis-à-vis a particular bank.

Unfortunately, the quality of the audits had been shockingly poor, and the problem had been endemic throughout the agency. At most of the regional offices, audit reports would routinely be submitted late, often at the last minute, with team leaders, supervisors, and even audit managers having to "clean up the mess." Needless to say, Congress had gotten wind of the problems and BEOC's senior management was raked over the coals by angry congressional oversight committees.

In response to Congressional demands, BEOC formed an internal committee to review the audit function from top to bottom, and to make recommendations about what should be done. The committee consisted of the heads of the bank examination divisions of the various regional offices. Mr. Krebbs, by virtue of his vast expertise on the management of large and complicated audits, was elected committee chairman. Driven by a sense of urgency, the Krebbs committee, as it had come to be known, had completed its study of the problem and issued its report by January 31, 2011. Among its findings:

- Lack of adequate training and preparation for higher-level audit assignments. Auditors who cut their teeth with agencies that dealt with other aspects of the financial services industry failed to grasp the subtle nuances of bank audits.

- The career ladder position, which typically extended from GS-5 all the way up to GS-12, topped out too high. Auditors who functioned well at the GS 7 and 9 levels, where there was more stringent supervision, could not demonstrate that they could function at the level of independence required for fully successful performance at the GS-11 level or higher.

Acting upon the recommendations of the Krebbs Committee, BEOC completely restructured the career path for its staff auditor positions. That trajectory would now be configured as follows:

- GS-5/7/9 positions would remain career ladder positions, with the incumbent being eligible for a non-competitive promotion after one year of experience at the next-lowest grade and an annual performance rating of fully successful.
- The designation “Senior Auditor” would be moved one grade down, from GS-12 to GS-11. To be eligible for promotion to GS-11, an incumbent would have to attain a performance rating of “outstanding” at the GS-9 level for two consecutive rating periods, or, in the event of a significantly heavy workload, attain an outstanding appraisal rating for one rating period and be recommended by his or her immediate supervisor.
- Promotion to GS-12 would be available only to those auditors who are admitted to the Senior Auditor Program (SAP). Admission to this career development program is highly competitive, and one of the prerequisites for admission is an MBA degree from a university accredited by one of the six regional accrediting bodies.

Mr. Krebbs fervently believes that the creation of uniform, rigorous, and objective standards for advancement had directly resulted in the improvement of the quality of the auditors’ work products. He maintains that, since the implementation of these requirements, the work of the auditors has risen to the point where it is finally on par with their level of knowledge, skills, abilities and pay grade. He insists that these standards are essential, in particular the MBA requirement, because the GS-12/13 positions are feeder pools for management level positions, and an MBA is vital for the career development of senior managers and executives.

In support of his position, Mr. Krebbs cites a report from Dr. Jonas Grundy, an expert in human resources development engaged by the agency to review the structure of the auditing function within BEOC.