INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
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ARLINGTON, VIRGINIA 22202-2884

REPORT
NO. 91-026

December 28, 1990

MEMORANDUM FOR DIRECTOR, ADMINISTRATION AND MANAGEMENT, OFFICE OF THE SECRETARY OF DEFENSE

SUBJECT: Report on the Survey of the Management of DoD Federal Advisory Committees (Project No. 0CH-0038)

Introduction

This is our final report on the Survey of the Management of DoD Federal Advisory Committees for your information and use. The Contract Management Directorate made the survey at the request of the Assistant Inspector General for Administration and Information Management and the Assistant Inspector General for Analysis and Followup, DoD. Our overall audit objective was to determine whether DoD had provided the necessary controls and management oversight for advisory committees. The General Services Administration (GSA) reported that during FY 1989 about $98.4 million was spent to operate 1,042 Federal Advisory Committees sponsored by 60 departments and agencies. DoD spent $12.8 million to operate the 66 DoD committees listed in Enclosure 1. The majority of the non-Federal members on the DoD committees served without compensation. DoD estimated FY 1990 expenditures to be about $12.3 million for 61 committees.

The survey determined that the management of DoD Federal Advisory Committees had improved since prior reviews. The Director, Administration and Management initiated prompt action during the survey to correct the administrative and oversight technical deficiencies we identified. The Director's actions will result in continued improvement in the management of advisory committees.

Scope of Survey

We stratified the 66 committees that DoD sponsored during FY 1989 by type and level of expenditures, and we randomly selected 10 committees for detailed review. The 10 committees sampled accounted for $5.6 million (44 percent) of the total DoD expenditures. The 10 committees held 121 (25 percent) of the 485 meetings and had 335 (27 percent) of the 1,251 members on the 66 committees (Enclosure 2).

We examined DoD's justifications for renewing committees, committee charters and related correspondence, Federal Register notices of committee meetings, and DoD's FY 1989 report to GSA on committee operations. We also examined the financial disclosure statements (DD Form 1555, "Confidential Statement of Affiliations

and Financial Interest," and Standard Form 278, "Executive Personnel Financial Disclosure Report") submitted by current (March 1990) committee members; the selected travel documents, contracts, and accounting records; and the Director, Administration and Management (DA&M) reports on periodic compliance reviews of committee operations. We interviewed responsible DoD, GSA, and contractor personnel involved in the management and support of DoD Advisory Committees.

This survey was made from January 31 through July 28, 1990, in accordance with auditing standards issued by the Comptroller General of the United States, as implemented by the Inspector General, DoD. Accordingly, we included such tests of internal controls as were considered necessary.

Internal Controls

We reviewed DoD's implementation of the Federal Advisory Committee Act (FACA) as it related to our audit objectives. We reviewed DA&M oversight procedures for ensuring that DoD complied with the requirements of the FACA. We also reviewed procedures in effect at the DoD activities sponsoring advisory committees to ensure compliance with the FACA and DoD implementing directives. The internal controls applicable to DoD's management of its advisory committees were deemed to be effective in that no material deficiencies were disclosed by the survey.

Background

In 1972, the FACA (Public Law 92-643) established requirements for the creation and operation of advisory committees. GSA is responsible for matters relating to all advisory committees and has issued guidelines on establishing and administering advisory committees in GSA Final Rule 101-6.10, "Federal Advisory Committee Management," December 1987. The DoD implemented the FACA through DoD Directives 5105.18, "DoD Committee Management Program," March 1984, and 5105.4, "Department of Defense Federal Advisory Committee Program," September 1989. The DA&M is responsible for the administration of all DoD Advisory Committees.

DoD Advisory Committees play an important role in assuring that DoD officials have access to advice on a broad range of issues affecting DoD policy and programs. Committee membership is to be fairly balanced in terms of the points of view represented and the functions to be performed by the committee. The balance allows DoD to draw upon the knowledge and expertise of the Nation's citizens. Advisory committees may be established to do fact finding, research, special studies, audits, reviews, and inspections; however, they may not perform operational, administrative, or management responsibilities and functions that can be accomplished by DoD activities.

During FY 1988, congressional hearings, a General Accounting Office report, and a review performed by the President's Council on Management Improvement resulted in increased interest in the management of Federal Advisory Committees. In response to the increased interest, DoD took initiatives to strengthen its implementation of the FACA. In September 1989, DoD issued DoD Directive 5105.4, to provide comprehensive policy guidance on committee matters. The Directive required that all appointments to DoD Advisory Committees be approved by the Secretary of Defense, the Deputy Secretary of Defense, or their designee. Also, DA&M intensified the periodic compliance reviews of the advisory committees and performed 19 compliance reviews in 1989 and scheduled 26 reviews for 1990. As of July 20, 1990, 22 of the 26 planned reviews were completed.

Prior Coverage

The President's Council on Management Improvement performed a review of the management of Federal Advisory Committees in March 1988. The Service audit agencies, the Office of the Inspector General, DoD, and the General Accounting Office have not performed any comprehensive reviews of the management of DoD Advisory Committees. However, the General Accounting Office and the Office of the Inspector General, DoD, issued five reports during FY 1983 through FY 1989, which addressed aspects of the management of individual committees. Enclosure 3 is a synopsis of those six prior reports.

Discussion

Management of the DoD Advisory Committees has improved since 1988 because DoD established additional policies, controls, and management oversight procedures to ensure that advisory committee operations were in compliance with the FACA. The committees we reviewed generally complied with the requirements of the FACA. However, we found that administrative requirements were not always followed and that oversight reviews performed did not always identify the deficiencies. Improvement in the application of existing procedures and in the performance of oversight reviews was required. Details are provided in the following paragraphs.

Personnel Costs. DoD reported advisory committee personnel costs to GSA that were unsupported and incomplete. The FACA requires that advisory committees keep records that fully disclose the disposition of committee funds. Five of the ten committees reviewed did not have a system to track the actual time and cost of Federal staff salaries. As a result, the following committees reported estimates of their FY 1989 expenditures for Federal staff salaries.

- Advisory Committee on the Air Force History Program
- Chief of Engineers Environmental Advisory Board
- Strategic Defense Initiative Advisory Committee

- DoD Retirement Board of Actuaries
- Advisory Council on Dependent's Education

Additionally, the prorated salaries of Federal members of the Advisory Committee on the Air Force History Program and salaries of Federal members and Federal staff of the Advisory Group on Electron Devices were not reported to GSA. As a result, DoD's personnel costs for these committees, included in GSA's annual report to the President on Federal Advisory Committees, were unsupported and incomplete.

Notices of Meetings in the Federal Register. Notices of meetings of two committees were incomplete. GSA Final Rule 101-6.1015 requires that a notice of each committee meeting be published in the Federal Register at least 15 days before the meeting. The notice should include the time, date, place and purpose of the meeting, and whether the meeting is open or closed to the public. If closed, the specific exemption of U.S.C., title 5, sec. 522(b), "Government in the Sunshine Act" must be cited as the basis for closure. Notices of meetings of the Defense Policy Board Advisory Committee did not contain the time of the meetings. Notices of meetings of the President's National Security Telecommunications Advisory Committee did not contain the purpose of the meetings or the specific exemption for closing the meetings to the public. This deficiency was also reported by DA&M in August 1988. However, the Committee had not included the required information in the Federal Register notices as of February 1990.

Closed Meeting Determinations. One committee did not prepare determinations to close meetings, and another committee did not have the determinations available for review. GSA Final Rule 101-6.1023 requires that written determinations be made for each closed committee meeting. The determinations must cite the specific exemption under U.S.C., title 5, sec. 522(b); must be reviewed by General Counsel; and must be available to the public on request. The Advisory Group on Electron Devices did not prepare a determination to close each meeting. The contractor supporting the Advisory Group stated that it was the Group's policy to close all meetings. This policy was based on a February 1973 determination that expired in January 1975. To comply with the GSA Final Rule, the Group should prepare written determinations for each meeting. Determinations to close the meetings of the President's National Security Telecommunication Advisory Committee were not available for review. Committee officials told us that the determinations were prepared and coordinated with General Counsel but were not retained. Copies of the determinations must be retained in accordance with the GSA Final Rule to make them available to the public and to document that the determinations were coordinated with General Counsel.

Financial Disclosure Statements. Financial disclosure statements for most of the committee members were appropriately processed. However, seven committees either did not have all

statements on file or did not have evidence that all were reviewed. Also, three committees did not require annual renewal of the statements. DoD Directive 5500.7 "Standards of Conduct," May 1987, requires advisory committee members to submit financial disclosure statements before assumption of duties and to renew the statements annually. The statements are to be reviewed for potential conflicts of interest by a cognizant supervisor and a standards of conduct counselor and retained by the General Counsel. For the 10 committees reviewed, 216 members were required to submit a financial disclosure statement. We were unable to find statements filed with the appropriate General Counsel or committee for nine members. Of the remaining 207 statements that we found, 7 were not on file with General Counsel, 6 were on file but not reviewed by General Counsel, and 4 of these 13 showed no evidence of supervisory review. Details on the specific committees and members were provided to DA&M to facilitate corrective action. We believe problems with annual renewals of financial disclosure statements should be resolved in the future because DoD Directive 5105.4 requires that advisory committee members be appointed (reappointed) as consultants annually. Part of the appointment procedure is the submission and review of the statements before the appointment can be made.

Compliance Reviews of Committees. The DA&M compliance reviews did not always identify when advisory committees did not comply with the FACA, GSA Final Rule, and DoD Directives. We could not determine why the deficiencies were not identified because DA&M did not retain documentation to support the conclusions of its periodic reviews. We disagreed with the following conclusions made in the DA&M reviews.

- The compliance reviews concluded that financial records were detailed, precise and up-to-date, and that current and projected expenditures were reasonable. We found that 5 of the 10 committees reviewed did not track the actual time and cost of their Federal staffs. Also, one committee did not report prorated salaries of Federal members to GSA and another committee did not report prorated salaries of Federal members and staff.

- The compliance reviews concluded that written justifications for closing meetings were prepared, coordinated with General Counsel, and on file. We found that one committee did not have determinations on file and that another committee had not prepared determinations for each meeting.

- The compliance reviews concluded that members had current financial disclosure statements on record, which were properly reviewed and filed by the appropriate General Counsel. We found that seven committees either did not have all financial disclosure statements on file, or did not have evidence that all were appropriately reviewed. Three committees were not requiring annual renewal of financial disclosure statements.

Report Staffing

The deficiencies identified in our survey were discussed with responsible officials at the activities sponsoring the committees and the Office of the Director, Administration and Management. The Director, Administration and Management agreed to coordinate correction of the deficiencies with the cognizant activities and to issue a memorandum to DoD activities sponsoring advisory committees, pointing out the types of deficiencies identified and reemphasizing the requirement for strict compliance with the FACA and related implementing directives. The Director also agreed to strengthen compliance reviews of the committees in the areas of financial records, closed meeting determinations, Federal Register notices of meetings, and financial disclosure statements. Additionally, the Director agreed to retain documents that support the findings and conclusions of the reviews (Enclosure 4). We believe these actions will correct the deficiencies identified and will result in continued improvement in DoD's management of its advisory committees.

Management Comments

We provided a draft of this report to the Director, Administration and Management on October 10, 1990. Because there were no recommendations, no comments were required of management, and none were received. Therefore, we are publishing this report in final form. Management comments on the final report are not required. A list of the activities visited or contacted is shown in Enclosure 5.

We appreciate the cooperation and courtesies extended to the audit staff. If you have any questions on this audit, please contact Mr. Garold E. Stephenson at (703) 614-6275 (AUTOVON 224-6275) or Mr. Joseph P. Doyle at (703) 614-2342 (AUTOVON 224-2342). A list of the audit team members is provided in Enclosure 6. The planned distribution of this report is listed in Enclosure 7.

Edward R. Jones
Deputy Assistant Inspector General
for Auditing

Enclosures

cc: Secretary of the Army
Secretary of the Navy
Secretary of the Air Force

ADVISORY COMMITTEES SPONSORED BY DOD DURING FY 1989

Academic

Academic Advisory Board to the Superintendent, United States Naval Academy
Advisory Committee on the Air Force History Program*
Advisory Council on Dependents' Education*
Air Force Reserve Officer Training Corps Advisory Committee
Air University Board of Visitors
Army Advisory Panel on ROTC Affairs
Board of Advisors to the President, Naval War College
Board of Advisors to the Superintendent, Naval Postgraduate School
Board of Visitors, Defense Intelligence College
Board of Visitors, National Defense University
Chief of Staff's Special Commission on the Honor Code and Honor System at the United States Military Academy
Command and General Staff College Advisory Committee
Community College of the Air Force Board of Visitors
Defense Information School Board of Visitors
Defense Language Institute Board of Visitors
Defense Systems Management College Board of Visitors
Department of the Army Historical Advisory Committee
DoD University Forum
National Defense University Transition Planning Committee
Overseas Dependents Schools National Advisory Panel on the Education of Handicapped Dependents
Secretary of the Navy Advisory Board on Education and Training
Secretary of the Navy's Advisory Committee on Naval History
United States Air Force Academy Board of Visitors
United States Military Academy Board of Visitors
United States Naval Academy Board of Visitors

Technical

Ada Board
Chief of Engineers Environmental Advisory Board*
Defense Advisory Committee on Military Personnel Testing
Defense Manufacturing Board
DoD Advisory Committee on Uncompensated Overtime
DoD Clothing and Textile Board
DoD Education Benefits Board of Actuaries
DoD Retirement Board of Actuaries*
DoD Wage Committee
Public Cryptography Advisory Committee

Footnote on next page

ADVISORY COMMITTEES SPONSORED BY DOD DURING FY 1989
(Continued)

Policy

Advisory Committee on Integrated Long-Term Strategy
Chief of Naval Operations Executive Panel
Commission on Merchant Marine and Defense
Defense Secretary's Commission on Base Realignment and Closure
Defense Advisory Panel on Government-Industry Relations
Defense Advisory Committee on Women in the Services*
Defense Equal Opportunity Management Institute Board of Visitors
Defense Policy Advisory Committee on Trade
Defense Policy Board Advisory Committee*
Inland Waterways Users Board
National Board for Promotion of Rifle Practice
Navy Resale System Advisory Committee
President's National Security Telecommunications Advisory Committee*
Secretary of the Navy Health Care Advisory Committee
Special Operations Policy Advisory Group

Scientific

Advisory Council Federal Participation in SEMATECH
Advisory Group on Electron Devices*
Air Force Scientific Advisory Board
Armed Forces Epidemiological Board
Army Coastal Engineering Research Board
Army Medical Research and Development Advisory Committee
Army Science Board
Defense Communications Agency Scientific Advisory Group
Defense Intelligence Agency Scientific Advisory Committee
Defense Science Board*
Joint Strategic Target Planning Staff Scientific Advisory Group
National Security Agency Scientific Advisory Board
Naval Research Advisory Committee
Scientific Advisory Board of the Armed Forces Institute of Pathology
Scientific Advisory Group on Effects, Defense Nuclear Agency
Strategic Defense Initiative Advisory Committee*

* Committees Reviewed During Survey

FY 1989 DOD FEDERAL ADVISORY COMMITTEE STATISTICS

	Universe	Reviewed During Survey	Percent of Universe
Committees	66	10	15
Members	1,251	335	27
Meetings			
Open	123	17	14
Closed	346	104	30
Partially Closed	16	0	0
Total	485	121	25
Expenditures			
Personnel			
Non-Federal Members	$ 670,259	$ 109,113	16
Federal Members	124,537	42,868	34
Federal Staff	4,962,469	1,218,775	25
Consultants	1,501,610	1,465,600	98
Subtotal	$ 7,258,875	$2,836,356	39
Travel			
Non-Federal Members	$ 1,560,719	$ 398,268	26
Federal Members	337,739	104,348	31
Federal Staff	106,982	56,064	52
Consultants	682,854	0	0
Subtotal	$ 2,688,294	$ 558,680	21
Other (contracts and supplies)	$ 2,837,519	$2,197,120	77
Total	$12,784,688	$5,592,156	44

no evidence was found that a designated Federal officer was appointed, financial information was not available, and timely notices of committee meetings were not published in the Federal Register. The implied recommendation was that DoD should reemphasize the need for compliance with the Federal Advisory Committee Act. In October 1987, the Under Secretary of Defense for Acquisition issued a memorandum to the seven advisory committees under his cognizance reemphasizing the need to comply with existing laws. The Chemical Warfare Review Committee was terminated in FY 1987.

Office of the Inspector General, DoD, Report No. 84-013, "Report on the Follow-up Review of Policies, Practices, and Procedures for Operation of the Defense Science Board," November 16, 1983.

The report stated that significant corrective actions had been taken or were planned to correct problems disclosed in Inspector General, DoD Report No. 83-156, July 1983, but some additional attention was required. The auditors recommended that the Under Secretary of Defense for Research and Engineering improve documentation of reviews of prior studies, document reasons for selection of task force members, establish stronger controls over compensation for attendance at task force meetings, speed up approval of task force meeting minutes, and issue a plan to prevent conflicts of interest for task force topics which are potentially sensitive to conflict of interest considerations. Management agreed with the recommendations and stated that subsequent to the review the Board developed and implemented revisions to its practices, procedures, and oversight to ensure compliance with legal requirements. In addition the Office of General Counsel appointed an ethics counselor to advise the Board, and the Comptroller reiterated the importance of complying with public law and DoD Directives to all DoD committee managers. DoD's implementation of the recommendations in this report was included in General Accounting Office testimony before the Senate Committee on Government Affairs in April 1988 (see GAO Testimony on previous page).

Office of the Inspector General, DoD, Report No. 83-156, "Policies, Procedures and Practices for Operation of the Defense Science Board," July 7, 1983.

The report stated that the Defense Science Board (DSB) was not fully complying with the Federal Advisory Committee Act (Public Law 92-463). The auditors recommended that the Under Secretary of Defense for Research and Engineering ensure that committee meetings are properly announced in the Federal Register, meeting minutes are properly prepared, all documents utilized or generated by each task force are centrally located, and that task

forces document that prior studies have been analyzed to determine their relevance to proposed studies. The auditors also recommended that the Under Secretary ensure that the DSB financial disclosure statements are properly prepared, reviewed, and filed. The auditors recommended that the DoD Comptroller perform periodic compliance reviews of DSB operations, and clarify guidance on conflicts of interest and balanced membership. Management agreed with the general thrust of the findings and recommendations and developed procedures to ensure compliance with legal requirements. Inspector General, DoD, Report No. 84-103 reported on the corrective actions DoD took in response to this report.

OFFICE OF THE SECRETARY OF DEFENSE

WASHINGTON, DC 20301

Administration
& Management

28 AUG 1990

MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR AUDITING, OFFICE OF THE INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE

SUBJECT: Draft Report on the Audit of the Management of DoD Advisory Committees (Project No. OCH-0038)

We have carefully reviewed the subject Draft Memorandum Report and generally concur in the observations and conclusions. It is our understanding from the Report and meetings between your staff and our committee management officer that formal written comments on the Report are not required since it contains no findings and recommendations. Moreover, it is further understood that the issuance of this Report concludes your field work on the subject of DoD advisory committees.

As indicated in our discussions, we will take the necessary action to have the appropriate DoD Components correct specific deficiencies noted in your draft Report, when the final Report is issued. We will subsequently issue a memorandum to all sponsors of DoD advisory committees, indicating the types of discrepancies noted in your Report, and reemphasizing the need for strict compliance with FACA and DoD policies and procedures.

Finally, in our own compliance reviews, we will stress the need to correct the kinds of problems noted in your audit and reiterate the necessity for complete and accurate documentation.

We believe the observations made by your audit staff will help ensure that the DoD Advisory Committee Program continues to be well-managed and complies fully with FACA and established DoD policies and procedures.

Arthur G. Elkins
for D. O. Cooke
Director

ENCLOSURE 4

ACTIVITIES VISITED OR CONTACTED

Office of the Secretary of Defense

Under Secretary of Defense for Acquisition, Washington, DC
Assistant Secretary of Defense (Force Management and Personnel), Washington, DC
General Counsel, Washington, DC
Director, Administration and Management, Washington, DC
Principal Deputy Under Secretary of Defense (Strategy and Resources), Washington, DC

Department of the Army

Headquarters, Army Corps of Engineers, Washington, DC
Army Laboratory Command, Fort Monmouth, NJ
Army Missile Command, Redstone Arsenal, AL

Department of the Air Force

Office of the Judge Advocate General of the Air Force, Washington, DC
Office of Air Force History, Washington, DC
Wright-Patterson Contracting Center, Wright-Patterson Air Force Base, OH

Other DoD Activities

Defense Advanced Research Projects Office, Washington, DC
Defense Communications Agency, Arlington, VA
Strategic Defense Initiative Organization, Washington, DC
Defense Contract Audit Agency New York Branch Office, New York, NY
Defense Contract Management Area Operations, New York, NY

Non-DoD Activities

General Services Administration (Committee Management Secretariat), Washington, DC

Non-Government Activities

Palisades Institute for Research Services, Inc., New York, NY
Science Application International Corp., McLean, VA

AUDIT TEAM MEMBERS

David K. Steensma, Director, Contract Management
Garold E. Stephenson, Program Director
Joseph P. Doyle, Project Manager
Eugene E. Kissner, Team Leader
Johnetta R. Colbert, Auditor
Michael J. McKinnon, Auditor
George A. Ford, Auditor

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Under Secretary of Defense for Policy
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Assistant Secretary of Defense (Production and Logistics)
Assistant Secretary of Defense (Public Affairs)
Comptroller of the Department of Defense, Deputy Comptroller (Management Systems)
General Counsel
Director, Administration and Management
Principal Deputy Under Secretary of Defense (Strategy and Resources)
Deputy Assistant Secretary of Defense (Procurement)

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Secretary of the Army
Assistant Secretary of the Army (Financial Management)
Headquarters, U.S. Army Corps of Engineers
Auditor General, Army Audit Agency

Department of the Navy

Secretary of the Navy
Assistant Secretary of the Navy (Financial Management)
Auditor General, Naval Audit Service

Department of the Air Force

Secretary of the Air Force
Assistant Secretary of the Air Force (Financial Management and Comptroller)
Assistant Secretary of the Air Force (Acquisition)
Office of Air Force History
Auditor General, Air Force Audit Agency

Other DoD Activities

Defense Advanced Research Projects Office
Defense Communications Agency
Defense Contract Audit Agency
Strategic Defense Initiative Organization
Defense Logistics Studies Information Exchange
Industrial College of the Armed Forces

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Non-DoD Activities

Office of Management and Budget
U.S. General Accounting Office, NSIAD Technical Information Center

Congressional Committees:

Senate Subcommittee on Defense, Committee on Appropriations
Senate Committee on Armed Services
Senate Committee on Governmental Affairs
Senate Ranking Minority Member, Committee on Armed Services
House Committee on Appropriations
House Subcommittee on Defense, Committee on Appropriations
House Ranking Minority Member, Committee on Appropriations
House Committee on Armed Services
House Committee on Government Operations
House Subcommittee on Legislation and National Security, Committee on Government Operations

Other Government Agencies:

General Services Administration