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June 10, 2005

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# Defense Infrastructure

Education and Training Joint  
Cross-Service Group Data Integrity  
and Internal Control Processes for  
Base Realignment and Closure 2005  
(D-2005-084)

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### **Acronyms**

AAA	Army Audit Agency
BRAC	Base Realignment and Closure
COBRA	Cost of Base Realignment Actions
DoD OIG	Department of Defense Office of Inspector General
E&T	Education and Training
FT	Flight Training
ICP	Internal Control Plan
IEC	Infrastructure Executive Council
ISG	Infrastructure Steering Group
JCSG	Joint Cross-Service Group
JPAT 7	Joint Process Action Team Criterion Number 7
OSD	Office of the Secretary of Defense
PDE	Professional Development Education
SOP	Standard Operating Procedure
SST	Specialized Skill Training
USD(AT&L)	Under Secretary of Defense for Acquisition, Technology, and Logistics



INSPECTOR GENERAL  
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June 10, 2005

MEMORANDUM FOR CHAIR, EDUCATION AND TRAINING JOINT  
CROSS-SERVICE GROUP

SUBJECT: Report on Education and Training Joint Cross-Service Group Data Integrity  
and Internal Control Processes for Base Realignment and Closure 2005  
(Report No. D-2005-084)

We are providing this report for information and use. No written response to this report was required, and none was received. Therefore, we are publishing this report in final form.

We appreciate the courtesies extended to the staff. Questions should be directed to Ms. Deborah L. Carros at (703) 604-9217 (DSN 664-9217) or Ms. Beth K. Schaefer at (703) 604-9232 (DSN 664-9232). See Appendix D for the report distribution. Team members are listed inside the back cover.

By direction of the Deputy Inspector General for Auditing:

A handwritten signature in black ink, reading "Richard B. Jolliffe", is positioned above the printed name.

Richard B. Jolliffe  
Assistant Inspector General  
for Contract Management

## Department of Defense Office of Inspector General

Report No. D-2005-084

June 10, 2005

(Project No. D2003-D000CG-0134.000)

### Education and Training Joint Cross-Service Group Data Integrity and Internal Control Processes for Base Realignment and Closure 2005

#### Executive Summary

**Who Should Read This Report and Why?** Office of the Secretary of Defense personnel, members of the Education and Training Joint Cross-Service Group, and anyone interested in the Base Realignment and Closure (BRAC) process should read this report. The report discusses the validity, integrity, and documentation of data used by the Education and Training Joint Cross-Service Group for BRAC 2005.

**Background.** BRAC 2005 is the formal process outlined in Public Law 101-510, “Defense Base Closure and Realignment Act of 1990,” as amended, under which the Secretary of Defense may realign or close military installations inside the United States and its territories. As part of BRAC 2005, the Under Secretary of Defense for Acquisition, Technology, and Logistics issued “Transformation Through Base Realignment and Closure (BRAC 2005) Policy Memorandum One—Policy, Responsibilities, and Procedures,” April 16, 2003, that states that the Department of Defense Office of Inspector General would review the accuracy of BRAC data and the certification process. In addition, the Department of Defense Office of Inspector General was responsible for validating whether the BRAC data used by the Joint Cross-Service Groups for developing recommendations was certified by the appropriate authority.

The BRAC 2005 process was mandated for the United States and its territories and was divided into the following data calls—capacity analysis, supplemental capacity, military value, Cost of Base Realignment Actions, Joint Process Action Team Criterion Number 7, and scenario specific. The supplemental capacity, military value, Cost of Base Realignment Actions, and Joint Process Action Team Criterion Number 7 data calls were collectively known as the second data call. This report is one of seven that discusses the Joint Cross-Service Group involvement in the BRAC process.

**Education and Training Joint Cross-Service Group.** As the Chairman of the Infrastructure Steering Group, the Under Secretary of Defense for Acquisition, Technology, and Logistics established six Joint Cross-Service Groups on March 15, 2003. A seventh Joint Cross-Service Group was later added. Each Joint Cross-Service Group is responsible for overseeing the joint cross-service analysis of functions within its area. The Education and Training Joint Cross-Service Group was established to evaluate active and reserve component institutions, Special Operations Forces schools, Defense agency schools, and civilian institutions, with the exceptions of healthcare and intelligence professional education. Also, excluded from Education and Training Joint Cross-Service Group analysis were categories and sub-categories of institutional education and training to be evaluated by the Services.

**Results.** We evaluated the Education and Training Joint Cross-Service Group use of certified data and whether the Education and Training Joint Cross-Service Group had an adequate audit trail for capacity analysis and military value analysis. We evaluated the adequacy of the Education and Training Joint Cross-Service Group audit trail for the input into the Cost of Base Realignment Actions model.

After corrections were made, the Education and Training Joint Cross-Service Group used certified data and created adequate audit trails for capacity analysis and military value analysis.\* The Education and Training Joint Cross-Service Group had adequate audit trails for input into the Cost of Base Realignment Actions model. In addition, the Education and Training Joint Cross-Service Group generally complied with established internal control procedures from the Office of the Secretary of Defense internal control plan and Education and Training Joint Cross-Service Group standard operating procedures. As a result, all material discrepancies within our scope of review that would affect the reliability and integrity of the Education and Training Joint Cross-Service Group process were resolved.

**Management Comments.** We provided a draft of this report on May 27, 2005. No written response to this report was required, and none was received. Therefore, we are publishing this report in final form.

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\* Due to time constraints, we could not verify whether the Question 104 data used by the Specialized Skill Training Subgroup were certified and could not determine the impact of Question 104 data on the military value model or potential candidate recommendations. Additionally, we did not complete a review of the certified data and audit trails of the Ranges Subgroup spreadsheets and Microsoft Access data files used for capacity analysis or military value analysis. We discontinued our review because the Infrastructure Executive Council did not approve any candidate recommendations from the Ranges Subgroup.

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## Background

**Base Realignment and Closure 2005.** Public Law 101-510, “Defense Base Closure and Realignment Act of 1990,” as amended, establishes the procedures under which the Secretary of Defense may realign or close military installations inside the United States and its territories. Congress authorized a Base Realignment and Closure (BRAC) in 2005. The law authorizes the establishment of an independent Commission to review the Secretary of Defense recommendations for realigning and closing military installations. The deadline for the Secretary of Defense to submit recommendations to the independent Commission was May 16, 2005.

In the “Transformation Through Base Realignment and Closure (BRAC 2005) Memorandum,” November 15, 2002, the Secretary of Defense established two senior groups to oversee and operate the BRAC 2005 process. The two senior groups were the Infrastructure Executive Council (IEC) and the Infrastructure Steering Group (ISG). Distinct functional boundaries and levels of authority separated these two groups. The Secretary of Defense established and chartered the IEC and the ISG as the BRAC 2005 deliberative bodies responsible for leadership, direction, and guidance.

**Infrastructure Executive Council.** The IEC, chaired by the Deputy Secretary of Defense and composed of the Secretaries of the Military Departments and their Chiefs of Services, the Chairman of the Joint Chiefs of Staff, and the Under Secretary of Defense for Acquisition, Technology, and Logistics (USD[AT&L]), was the policymaking and oversight body for the entire BRAC 2005 process. The IEC was the approval authority for all BRAC recommendations to the Secretary of Defense.

**Infrastructure Steering Group.** The ISG was chaired by the USD(AT&L) and composed of the Vice Chairman of the Joint Chiefs of Staff, the Military Department Assistant Secretaries for Installations and Environment, the Service Vice Chiefs, and the Deputy Under Secretary of Defense for Installations and Environment. The ISG oversaw the joint cross-service analyses of common business-oriented functions and ensured that the process was integrated with the Military Department and Defense agency-specific analyses of all other functions. The ISG provided progress reports to the IEC. The USD(AT&L) had the authority and responsibility for issuing the operating policies and detailed direction necessary to conduct BRAC 2005 analyses.

- **“Transformation Through Base Realignment and Closure (BRAC 2005) Policy Memorandum One—Policy, Responsibilities, and Procedures,” (Policy Memorandum One) April 16, 2003.** Policy Memorandum One applies to the Military Departments, Defense agencies (DoD Components), and Joint Cross-Service Groups (JCSG) in developing the Secretary of Defense BRAC recommendations for the 2005 BRAC Commission review. Policy Memorandum One describes policy, responsibilities, and procedures to be followed by participants in the BRAC process. Additionally, Appendix B of Policy Memorandum One is the Office of the Secretary Defense (OSD) internal control plan (ICP) for the BRAC 2005 process.

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- **“Policy Memorandum Two—BRAC 2005 Military Value Principles,” October 14, 2004.** Policy Memorandum Two states that all recommendations made by the JCSGs and Military Departments will use military value as the determining factor. When making realignment or closure recommendations, JCSGs and Military Departments were to apply appropriate use of military judgment in order to meet all requirements by the Department. Military judgment is applied through the following principles: Recruit and Train; Quality of Life; Organize; Equip; Supply, Service, and Maintain; Deploy and Employ (operational); and Intelligence.
  - **“Transformation Through Base Realignment and Closure (BRAC 2005) Policy Memorandum Three—Selection Criterion 5,” December 7, 2004.** Policy Memorandum Three describes how BRAC Selection Criterion 5 will be implemented during the BRAC process. JCSGs and Military Departments were to apply Selection Criterion 5 to estimate the projected costs and savings of their scenarios.
  - **“Transformation Through Base Realignment and Closure (BRAC 2005) Policy Memorandum Four—Selection Criteria 7 and 8,” December 7, 2004.** Policy Memorandum Four provides guidance and clarification on the assessment of communities’ infrastructure and consideration of the environmental impacts of realignment and closure scenarios.
  - **“Transformation Through Base Realignment and Closure (BRAC 2005) Policy Memorandum Five—Homeland Defense,” December 10, 2004.** Policy Memorandum Five establishes policies and procedures for the Military Departments and JCSGs to ensure that DoD retains the necessary capabilities to support the homeland defense mission.
  - **“Transformation Through Base Realignment and Closure (BRAC 2005) Policy Memorandum Six—Selection Criterion 6,” December 20, 2004.** Policy Memorandum Six provides guidance that establishes policies and procedures for the Military Departments and the JCSGs on how to use the Economic Impact Tool when applying BRAC Selection Criterion 6 to realignment and closure scenarios.
  - **“Transformation Through Base Realignment and Closure (BRAC 2005) Policy Memorandum Seven—Surge,” January 4, 2005.** Policy Memorandum Seven provides guidance to the Military Departments and JCSGs on meeting the DoD statutory requirement to consider surge in realignment and closure scenarios.
  - **“Transformation Through Base Realignment and Closure (BRAC 2005) Policy Memorandum Eight—Selection Criterion 8,” January 4, 2005.** Policy Memorandum Eight provides guidance on how to identify the environmental impact of a particular scenario to provide decision makers with the necessary information to fully consider the impacts.

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**Joint Cross-Service Groups.** A primary objective of BRAC 2005, in addition to realigning base structure, was to examine and implement opportunities for greater joint activity. Prior BRAC analyses considered all functions on a Service-by-Service basis and, therefore, did not result in the joint examination of functions that cross Services. The JCSGs addressed issues that affect common business-oriented support functions, examined functions in the context of facilities, and developed realignment and closure recommendations based on force structure plans of the Armed Forces and on selection criteria. The JCSGs reported their results through the ISG to the IEC. The USD(AT&L) established six JCSGs—Education and Training, Headquarters and Support Activities, Industrial, Medical, Supply and Storage, and Technical on March 15, 2003. A seventh JCSG—Intelligence—was later added.

**Education and Training Joint Cross-Service Group.** The Education and Training (E&T) JCSG is one of seven JCSGs and was established by the Chairman of the ISG on March 15, 2003. E&T JCSG was established to evaluate active and reserve component institutions, Special Operating Forces schools, Defense agency schools, and civilian institutions, with the exceptions of healthcare and intelligence professional education. Also, excluded from E&T JCSG analysis were categories and subcategories of institutional education and training to be evaluated by the Services, such as Army one-station Unit Training, service-unique basic and recruit training, officer accessions, junior officer professional military education, service non-commissioned officer academies, enlisted leadership schools, and unit-level collective training. The Principal Deputy Under Secretary of Defense for Personnel and Readiness chaired the E&T JCSG, and each Service and the Joint Staff was represented.

Each JCSG was responsible for overseeing the joint cross-service analysis of functions within its area of responsibility. E&T JCSG was divided into four functional subgroups: Flight Training (FT), Professional Development Education (PDE), Range and Collective Training Capability (Ranges), and Specialized Skill Training (SST).

**FT Subgroup.** The FT Subgroup evaluated all DoD installations and processes for the following flight training functions: undergraduate fixed-wing pilot, undergraduate rotary-wing pilot, navigator/naval flight officer, joint strike fighter initial training site, and unmanned aerial vehicle operators. The FT Subgroup did not evaluate retiring aircraft; Service-unique, single-site, or specialized aircraft training; Air Battle Manager training; or tilt-rotor, H-60 series, and airlift pilot flight training.

**PDE Subgroup.** The scope of the PDE Subgroup analysis included Professional Military Education, Joint Professional Military Education, Graduate Education, Other Full-Time Education Programs, and Leader Development.

**Ranges Subgroup.** The Ranges Subgroup scope of analysis included processes that support collective training capabilities, including Service unit, cross service, and joint training functions. The assessment included training ranges and test and evaluation ranges, but did not include training simulation centers. The Ranges Subgroup was divided into two sub-working groups: Ranges-Training and Ranges-Test and Evaluation.

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**SST Subgroup.** The SST Subgroup evaluated all institutional training that provides officer and enlisted personnel with new or higher-level skills in military specialties or functional areas for specific job requirements. The scope of SST analysis included three categories: initial skill, skill progression, and functional training.

**BRAC Data Calls.** The BRAC 2005 data collection process, mandated for the United States and its territories, was divided into the following data calls—capacity analysis, supplemental capacity, military value, Cost of Base Realignment Actions (COBRA), Joint Process Action Team Criterion Number 7 (JPAT 7), and scenario specific. The supplemental capacity, military value, COBRA, and JPAT 7 data calls were collectively known as the second data call. Each JCSG developed data call questions related to capacity and military value to obtain information about its respective functions. Each JCSG issued a capacity analysis and military value analysis report. Each data call had a specific purpose as follows.

- The capacity analysis data call gathered data on infrastructure, current workload, surge requirements, and maximum capacity.
- The supplemental capacity data call clarified inconsistent data gathered within the initial capacity analysis data call.
- The military value data call gathered data on mission requirements, land and facilities, mobilization and contingency, and cost and manpower.
- The COBRA data call gathered data to develop costs, savings, and payback (formerly known as return on investment) of proposed realignment and closure actions.
- The JPAT 7 data call gathered data to assess the community's ability to support additional forces, missions, and personnel associated with individual scenarios.<sup>1</sup>
- The scenario specific data call gathered data related to specific scenario conditions for realignment or closure.

**OSD Master Database.** The DoD collected certified data for BRAC 2005 using a mix of automated and manual processes. The Services and six Defense agencies used automated tools to collect the data while the other Defense agencies and organizations collected data in electronic format for the data calls. Portions of that automated data were then transferred to OSD and compiled into Microsoft Access databases called Capacity Analysis Database and Military Value Analysis Database. We refer to the Capacity Analysis Database and the Military Value Analysis Database together as the OSD Master Database, which OSD used as the centralized point of data distribution to the JCSGs.

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<sup>1</sup> A scenario is a description of one or more potential realignment or closure actions identified for formal analysis by either a JCSG or a Military Department.

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**COBRA Model.** COBRA is a computer model that provides a uniform methodology for estimating and itemizing projected costs and savings associated with realignment and closure scenarios. The COBRA model calculates the costs, savings, and payback of proposed realignment and closure actions, using data that are readily available without extensive field studies. The COBRA model can also be used to compare the relative cost differences between various stationing alternatives. It is not designed to produce budget estimates, but to provide a consistent method of evaluating proposed actions. The COBRA model calculates the costs and savings of base stationing scenarios over a period of 20 years or longer if necessary. It models all activities (moves, construction, procurements, sales, closures) as taking place during the first 6 years, and thereafter, all costs and savings are treated as steady-state. The key output value produced is the Return on Investment Year, the point in time when the realignment or closure has paid for itself and net savings start to accrue (payback period). The COBRA model allows comparison of realignment or closure scenarios based on when payback will be achieved.

To perform a COBRA assessment, E&T JCSG loaded scenario specific data into the COBRA model. These data, used in combination with model algorithms and standard cost factors already developed and pre-loaded into the model, resulted in an estimate of costs, savings, and payback for the proposed realignment or closure scenario. To obtain the needed COBRA data input, E&T JCSG developed COBRA-related questions that were issued as scenario specific data calls. These COBRA-related questions primarily focused on data not previously gathered concerning specific losing and receiving installations.

**Internal Control Plans and Standard Operating Procedures.** The OSD ICP was distributed as part of Policy Memorandum One. Appendix B of Policy Memorandum One is the ICP for all JCSGs.

E&T JCSG prepared “Standard Operating Procedures for Education and Training Joint Cross-Service Group (E&T JCSG) Base Realignment and Closure (BRAC) 2005” in April 2004, and updated the standard operating procedures (SOP) in October 2004 and February 2005. The SOP addressed E&T JCSG-specific storage requirements, document control, use of communication devices, public affairs guidance, and office security. Each of the E&T JCSG Subgroups prepared SOPs that were based on the E&T JCSG SOP, and the Subgroups reviewed and updated the SOPs during the BRAC process.

**Department of Defense Office of Inspector General Responsibility.** Policy Memorandum One requires the Department of Defense Office of Inspector General (DoD OIG) to provide advice on the ICP development and implementation and review the accuracy of BRAC data and the certification process. In addition, the memorandum requires DoD OIG personnel to assist the JCSGs and DoD Components as needed. This report summarizes issues related to E&T JCSG BRAC 2005 process.

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## Objectives

The overall objective of the audit was to evaluate the validity, integrity, and documentation of data used by E&T JCSG. Specifically, we determined whether JCSG used certified data and had created an adequate audit trail for capacity analysis and military value analysis. In addition, we determined whether E&T JCSG had created an adequate audit trail for the COBRA model input for its potential candidate recommendations.

Also, we evaluated whether E&T JCSG complied with the OSD ICP and the specific E&T JCSG SOPs. This report is one in a series on JCSG data integrity and internal control processes for BRAC 2005. See Appendix A for a discussion of the audit scope and methodology and our review of the management control programs related to the objectives. See Appendix B for a discussion of prior coverage. See Appendix C for a discussion of the review of COBRA model input for potential candidate recommendations.

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# **Education and Training Joint Cross-Service Group Data Integrity and Internal Control Processes for BRAC 2005**

Once corrections were made, E&T JCSG used certified data and created an adequate audit trail for capacity analysis and military value analysis. E&T JCSG also created an adequate audit trail for COBRA model input related to six<sup>2</sup> potential candidate recommendations. In addition, E&T JCSG properly safeguarded BRAC data and complied with the OSD ICP and E&T JCSG SOPs. As a result, any material discrepancies within our scope of review that might have affected the reliability and integrity of E&T JCSG process were resolved.

## **E&T JCSG Data Integrity and Documentation for BRAC 2005**

After corrections were made, the E&T JCSG Subgroups used certified data and created adequate audit trails for their capacity analysis and military value analysis. In addition, the E&T JCSG Subgroups created an adequate audit trail for COBRA model input. During our review, we identified data discrepancies and audit trail issues; however, we worked with the E&T JCSG Subgroups to correct the deficiencies. Public Law 101-510, "Defense Base Closure and Realignment Act of 1990," as amended, section 2903(c)(5) requires that all information used to develop and make realignment and closure recommendations to the Secretary of Defense and the 2005 Defense BRAC Commission must be certified as accurate and complete to the best of the certifier's knowledge and belief. Additionally, the OSD ICP for the 2005 BRAC process states that the BRAC 2005 process will be recorded and clearly documented to ensure the integrity of the process performed by the JCSGs.

We did not complete a full validation or revalidation of the certified data and audit trails of the Ranges Subgroup spreadsheets and Microsoft Access data files used for capacity analysis and military value analysis. We discontinued our review because the IEC did not approve any candidate recommendations from the Ranges Subgroup. Therefore, this report does not address the data integrity or the documentation issues we identified during our initial validation efforts related to the Ranges Subgroup. For additional information on validation work performed, see Appendix A.

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<sup>2</sup> The IEC approved nine candidate recommendations for E&T JCSG as of May 2, 2005. We limited our review of COBRA model input to the six candidate recommendations for which E&T JCSG Subgroups ran the COBRA model. We did not review the COBRA input for E&T-0061, E&T-0062, or E&T-0064 because the Army ran the COBRA model for these candidate recommendations.

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**Capacity Analysis.** Once corrections were made, E&T JCSG used certified data and created adequate audit trails for capacity analysis. During our initial review, we identified where E&T JCSG used data that were not contained in the OSD Master Database or properly certified. We also identified discrepancies between the OSD Master Database and the capacity analysis spreadsheets, and where the Subgroups did not provide adequate audit trails for spreadsheets and supporting spreadsheets. Specifically, we identified where E&T JCSG did not create audit trails that identified the specific question numbers from which the data were obtained or the calculations performed on the capacity analysis data. Based on our findings, E&T JCSG made changes to capacity analysis spreadsheets. We conducted a revalidation of the capacity analysis spreadsheets and identified similar issues. Based on our revalidation, E&T JCSG made corrections and resolved all outstanding data discrepancies and audit trail issues.

**Military Value Analysis.** Once corrections were made, E&T JCSG used certified data and generally created adequate audit trails for military value analysis. During our initial review, we identified discrepancies between the OSD Master Database and the military value spreadsheets. We also determined that E&T JCSG did not create adequate audit trails for the military value analysis spreadsheets. Based on our findings, E&T JCSG made changes to the military value spreadsheets. We conducted a revalidation of the military value analysis spreadsheets and identified similar issues. Based on our revalidation, E&T JCSG made corrections and resolved all outstanding data discrepancies and audit trail issues for the FT and PDE Subgroups.

The SST Subgroup generally created adequate audit trails and documented methodologies for its military value analysis spreadsheets. Although the SST Subgroup documented audit trails for each question, due to time constraints we were not able to verify that the SST Subgroup used certified data for Question 104. Question 104 asked for SST courses and associated student throughput. Additionally, we could not determine whether the data materially affected the military value model or potential candidate recommendations.

**COBRA Model Input.** After corrections were made, E&T JCSG created adequate audit trails for the COBRA model input for six potential candidate recommendations. E&T JCSG had nine potential candidate recommendations approved by the IEC as of May 2, 2005. Specifically, the FT Subgroup had two approved candidate recommendations; the PDE Subgroup had one approved candidate recommendation; and the SST Subgroup had six approved candidate recommendations. The Army ran the COBRA model on three of the nine approved candidate recommendations. For the remaining six approved candidate recommendations, the respective Subgroup ran the COBRA model and updated the cost analyses as new versions of the COBRA model were released, and we evaluated the COBRA model input for the 6.09 version. During our initial review, we identified data discrepancies between the COBRA model input reports and the data received from the Services through the OSD Acquisition, Technology, and Logistics portal (OSD AT&L portal). We also identified where E&T JCSG used data from outside the OSD AT&L portal and where the JCSG applied a consolidation factor without adequate documentation or justification. After E&T JCSG made corrections, we determined that E&T JCSG adequately documented and footnoted all outstanding issues, created a sufficient audit trail, and all material issues were resolved. E&T JCSG reran the scenarios using COBRA model

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version 6.10. We only reviewed the COBRA model version 6.10 for changes made to correct audit trail issues and data discrepancies identified during our review of COBRA model version 6.09. For specific results of our review, see Appendix C.

## **E&T JCSG Internal Control Processes for BRAC 2005**

E&T JCSG generally complied with the OSD ICP and E&T SOPs. The OSD ICP established the foundation for the E&T JCSG SOP for safeguarding BRAC data. Additionally, each E&T JCSG Subgroup created an SOP based on the E&T JCSG SOP. We compared each E&T JCSG SOP and each Subgroup SOP to the OSD ICP to evaluate E&T JCSG compliance with the OSD ICP and to ensure that E&T JCSG adequately addressed all areas of concern. Additionally, we observed E&T JCSG on a regular basis as members implemented the policies and procedures documented in the SOPs.

**Compliance with OSD ICP.** E&T JCSG complied with the OSD ICP procedures requiring that:

- the BRAC 2005 process be clearly recorded;
- information used in the analysis be certified by the appropriate authority for accuracy and completeness, and that the information be used consistently;
- data collected and used for analyses and/or decision making be obtained from appropriate sources;
- minutes be recorded for all deliberative meetings;
- oral briefings be captured in minutes;
- outside studies be brought to the attention of any BRAC group;
- technical experts submit information or data in writing with the required certification if the JCSG considers the data relevant;
- nondisclosure agreements be maintained for all participants in the BRAC process; and
- BRAC 2005 documents be marked as draft deliberative and/or sensitive.

As a result of compliance actions, E&T JCSG maintained its data integrity throughout the BRAC 2005 process.

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**Compliance with Standard Operating Procedures.** E&T JCSG generally complied with its SOPs. To evaluate its compliance with the SOPs, we observed E&T JCSG on a regular basis as members implemented documented policies and procedures in performance of their daily activities. In addition to the requirements outlined in the OSD ICP, the E&T JCSG and Subgroup SOPs required that E&T JCSG:

- safeguard BRAC data by strictly controlling access to facilities, controlling and tracking originals and copies of BRAC documents, and following office procedures for faxing and e-mailing BRAC information;
- review SOPs regularly and update as required; and
- update BRAC files with supplemental data upon receipt.

## **Conclusion**

After corrections were made, E&T JCSG used certified data and created an adequate audit trail for capacity analysis and military value analysis. After making corrections, E&T JCSG created an adequate audit trail for the input into the COBRA model. E&T JCSG also complied with established internal control procedures from the OSD ICP and E&T JCSG SOPs. As a result, all material discrepancies within our scope of review that might affect the reliability and integrity of E&T JCSG process were resolved.

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## Appendix A. Scope and Methodology

We evaluated the validity, integrity, and documentation of data used by the JCSGs. Specifically, we determined whether E&T JCSG used certified data and created an adequate audit trail for capacity analysis and military value analysis. In addition, we determined whether E&T JCSG created adequate audit trails for the COBRA model input for its potential candidate recommendations. We also evaluated whether E&T JCSG complied with the OSD ICP and E&T JCSG and Subgroup SOPs.

Over a 2-year period beginning May 2003, we attended E&T JCSG and Subgroup meetings. We reviewed the formal minutes and briefing charts from the meetings to verify that decisions made by E&T JCSG were adequately documented.

We validated whether E&T JCSG used certified data for developing BRAC recommendations. We also evaluated the integrity of the E&T JCSG BRAC 2005 process. Our evaluation included:

- reviewing the capacity analysis and military value analysis spreadsheets and Microsoft Access files for accuracy,
- ensuring methodologies were sufficiently documented,
- comparing data used to make deliberative decisions to certified data, and
- comparing analysis spreadsheets to Subgroup submissions to the Capacity Analysis Report and Military Value Analysis Report.

**Scope Limitations.** We reduced the scope of our review for the FT, Ranges, and SST Subgroups.

**FT.** We performed an initial review of the Optimization Model for the FT Subgroup. However, we did not complete follow-up efforts on the Optimization Model because of higher priority E&T JCSG audit work.

**Ranges.** We completed our validation and revalidation of the Ranges-Training capacity analysis data and validation of the Ranges-Test and Evaluation capacity analysis data. However, we did not complete follow-up efforts with the Ranges Subgroup to address the data integrity and documentation issues we identified because the Ranges Subgroup did not have any approved candidate recommendations.

We did not complete a 100 percent validation of the Ranges military value data. We conducted a preliminary review of the Microsoft Access data files used for military value analysis for the Ranges-Training and Ranges-Test and Evaluation Sub-working Groups. Based on our preliminary review of the Microsoft Access files, we limited our scope to 67 of the 331 spreadsheets for the Ranges-Training Sub-working Group. We validated whether data input to the Microsoft Access files was certified, and we did not review the query results. Furthermore, we did

not validate the Ranges-Test and Evaluation military value data. We based these decisions on the volume of data for Ranges military value analysis, time constraints, and because the Ranges Subgroup did not have any approved candidate recommendations.

**SST.** We did not verify whether the Question 104 data used in the military value analysis spreadsheets were certified due to time constraints. Additionally, we did not compare the SST military value analysis data to the Military Value Analysis Report due to time constraints.

**Capacity Analysis Data and Military Value Analysis Data Validation.** We validated whether E&T JCSG used certified data and created adequate audit trails for capacity analysis and military value analysis. We obtained the capacity analysis and military value analysis spreadsheets for each E&T JCSG Subgroup and obtained a copy of the corresponding OSD Master Database for the related sites and questions. We discussed data integrity and documentation issues with each Subgroup when applicable and performed a revalidation of the capacity analysis and military value analysis data after the Subgroups made changes to the data and audit trails in the spreadsheets. We performed these validations at a specific point in time, and the following table lists the validation dates of the OSD Master Database.

**Dates of Capacity Analysis Data and Military Value Analysis Data Validations**

Subgroup	Capacity Analysis Data		Military Value Analysis Data	
	Validation Date	Revalidation Date	Validation Date	Revalidation Date
Flight Training	11/04/04	03/15/05	11/04/04 and 11/19/04 and 11/29/04	03/15/05
Professional Development Education	10/27/04	03/08/05	12/01/04	03/08/05
Ranges	11/04/04	03/15/05	02/14/05	N/A
Specialized Skill Training	11/22/04	02/08/05	12/02/04	03/15/05

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**COBRA Model Input.** We reviewed COBRA model input for six potential candidate recommendations (see Appendix C). We used COBRA model version 6.09 for our review. A subsequent version of the COBRA model (version 6.10) was released; however, due to time constraints, we did not revalidate the COBRA model input. We only reviewed the COBRA model version 6.10 for changes made to correct audit trail issues and data discrepancies identified during our review of COBRA model version 6.09. We compared the data in the COBRA model to the master or control data downloaded from the OSD AT&L portal.

**Government Accountability Office High-Risk Areas.** The Government Accountability Office has identified several high-risk areas in DoD. This report provides coverage of the Managing Federal Real Property and the DoD Approach to Business Transformation, DoD Support Infrastructure Management high-risk areas.

**Use of Computer-Processed Data.** We relied upon computer-processed data from the OSD Master Database during this audit. This database contained data certified through the BRAC processes outlined by the OSD BRAC Office. The OSD BRAC Office provided data to us from this database, specifically information for the validation of the accuracy and completeness of capacity analysis and military value analysis data. We did not assess the reliability of the OSD Master Database because it was beyond the scope of our review.

**Use of Technical Assistance.** Statisticians from the Analysis, Planning, and Technical Support Component, Quantitative Methods Division, Office of the Assistant Inspector General for Auditing provided assistance in evaluating the algorithms and formulas in the military value analysis spreadsheets.

**Audit Type, Dates, Standards.** We performed this audit from May 2003 through May 2005 in accordance with generally accepted government auditing standards.

**Contacts During the Audit.** We visited or contacted individuals and organizations within DoD. Further details are available upon request.

## Management Control Program Review

We evaluated E&T JCSG management controls for documenting and safeguarding information associated with the BRAC 2005 data calls, as directed by the OSD ICP. Specifically, we reviewed nondisclosure agreements, deliberative meeting minutes, storage of BRAC data, and the supporting documentation for E&T JCSG BRAC data. Management controls were adequate as they applied to the audit objectives (see finding for specific details). The JCSGs were established as part of the BRAC process and, therefore, did not have management control programs outside of the BRAC process.

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## **Appendix B. Prior Coverage**

During the last 5 years, the DoD Inspector General and Army Audit Agency (AAA) have issued 12 memorandums and reports related to the Education and Training JCSG and 1 report on the COBRA model.

### **DoD IG**

DoD IG Memorandum, “Validation of the Base Realignment and Closure 2005 Military Value Data Used by the Ranges-Training Subgroup,” April 18, 2005

DoD IG Memorandum, “Validation of the Base Realignment and Closure 2005 Military Value Data Used by the Ranges-Test and Evaluation Sub-working Group,” April 18, 2005

DoD IG Memorandum, “Validation of the Base Realignment and Closure 2005 Capacity Data Used by the Flight Training Subgroup,” March 15, 2005

DoD IG Memorandum, “Validation of the Base Realignment and Closure 2005 Military Value Data Used by the Flight Training Subgroup,” March 15, 2005

DoD IG Memorandum, “Validation of the Base Realignment and Closure 2005 Capacity Data Used by the Ranges Subgroup,” March 7, 2005

DoD IG Memorandum, “Validation of the Base Realignment and Closure 2005 Capacity Data Used by the Specialized Skill Training Subgroup,” February 24, 2005

DoD IG Memorandum, “Validation of the Base Realignment and Closure 2005 Military Value Data Used by the Specialized Skill Training Subgroup,” February 24, 2005

DoD IG Memorandum, “Validation of the Base Realignment and Closure 2005 Capacity Data Used by the Professional Development Education Subgroup,” February 14, 2005

DoD IG Memorandum, “Validation of the Base Realignment and Closure 2005 Military Value Data Used by the Professional Development Education Subgroup,” February 14, 2005

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## **Army Audit Agency**

AAA Memorandum, "Validation of Army Responses for Joint Cross-Service Group Questions, Audit Report: A-2005-0169-ALT," April 22, 2005

AAA Report No. A-2005-0083-ALT, "Army Military Value Data, The Army Basing Study 2005," December 21, 2004

AAA Report No. A-2004-0544-IMT, "Cost of Realignment Action (COBRA) Model, The Army Basing Study 2005," September 30, 2004

AAA Memorandum, "Validation of Army Installation Capacity Data for Base Realignment and Closure 2005, Education and Training Joint Cross-Service Group (Project Code A-2003-IMT-0440.045), Audit Report: A-2004-0456-IMT," August 17, 2004

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## Appendix C. Review of COBRA Model Input for Potential Candidate Recommendations

We reviewed the COBRA model input for six E&T JCSG potential candidate recommendations. We analyzed each of the recommendations using COBRA model version 6.09. E&T JCSG reran the scenarios using COBRA model version 6.10. We only reviewed the COBRA model version 6.10 input for changes made to correct audit trail issues and data discrepancies identified during our review of COBRA model version 6.09 input. The following is a synopsis of our review of each recommendation.

### Flight Training (FT) Subgroup Recommendations

**E&T-0046R: Realign Air Force Primary Undergraduate Pilot Training and Realign Air Force Navigator/Combat System Officer Flight Training.** The FT Subgroup adequately supported the data in the scenario. During our initial review of the COBRA model input as of April 20, 2005, we identified data discrepancies between the COBRA model input and data from the OSD AT&L portal. We identified that the FT Subgroup did not adequately document where the Subgroup, in order to correct a COBRA model error report, increased the student total at two sites. In addition, the FT Subgroup did not adequately document where the Subgroup disabled the Homeowner Assistance Program option and disallowed the request for a new recreation center based on the small number of military personnel relocating to a base. We reviewed corrections made to COBRA model version 6.10 input as of April 22, April 27, and May 5, 2005. Consequently, most outstanding data discrepancies were resolved, and the methodologies used were adequately documented in the COBRA model input footnotes.

In addition, we also identified where the FT Subgroup did not incorporate updated Air Force military construction cost data in the COBRA model input for this scenario. The FT Subgroup did not identify this discrepancy in time to update the COBRA run before submission to the BRAC Commission. However, the updated Air Force costs were lower than those used in the COBRA model input we reviewed, and as a result, the military construction costs are nominally overstated.

**E&T-0052: Realign Joint Strike Fighter Initial Flight Training.** The FT Subgroup adequately supported the data in the scenario. During our initial review of the COBRA model input as of March 23, 2005, we identified where the FT Subgroup did not provide a brief description of the scenario, disabled the Homeowners Assistance Program option, and supported personnel movements with certified data from the Joint Strike Fighter Program Office instead of the OSD AT&L portal. We reviewed corrections made to COBRA model version 6.10 input as of April 28, 2005. Consequently, the methodologies used were adequately documented in the COBRA model input footnotes.

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## Professional Development Education (PDE) Subgroup Recommendations

### **E&T-0014: Establish Joint Center for Religious Training and Education.**

The PDE Subgroup adequately supported the data in the scenario. During our initial review of the COBRA model input as of April 14, 2005, we identified where the PDE Subgroup included military construction costs based on the number of personnel moving, and applied a consolidation factor to estimate personnel savings, but did not adequately document the calculation for military construction costs or the use of the factor or the justification for doing so. We reviewed corrections made to COBRA model version 6.09 input as of April 14, 2005, and COBRA model version 6.10 input as of May 14, 2005. Consequently, the methodologies used were adequately documented in the COBRA model input footnotes.

## Specialized Skill Training (SST) Subgroup Recommendations

**E&T-0016: Establish Joint Center for Culinary Training.** The SST Subgroup adequately supported the data in the scenario. During our initial review of the COBRA model as of April 14, 2005, we identified data discrepancies between the COBRA model input and data from the OSD AT&L portal. We also identified where the source of the data was unclear and an instance where the SST Subgroup applied a consolidation factor to estimate personnel savings but did not adequately document the use of the factor or the justification for doing so. We reviewed corrections made to COBRA model version 6.10 input as of April 21, 2005. Consequently, all outstanding data discrepancies were resolved, data were adequately supported, and methodologies used were adequately documented in the COBRA model input footnotes.

**E&T-0029: Relocate Army Prime Power School.** The SST Subgroup adequately supported the data in the scenario. During our initial review of COBRA model input as of April 7, 2005, we identified data discrepancies between the COBRA model input and data from the OSD AT&L portal. We reviewed corrections to COBRA model version 6.10 input as of April 20, 2005. Consequently, all outstanding data discrepancies were resolved, data were adequately supported, and methodologies used were adequately documented in the COBRA model input footnotes.

**E&T-0053: Consolidate Transportation Management Training.** The SST Subgroup adequately supported the data in the scenario. During our initial review of COBRA model input as of April 11, 2005, we identified data discrepancies between the COBRA model input and data from the OSD AT&L portal. We also identified an instance where the SST Subgroup applied a consolidation factor to estimate personnel savings but did not adequately document the use of the factor or the justification for doing so. We reviewed corrections to COBRA model version 6.10 input as of April 22, 2005. Consequently, all outstanding data discrepancies were resolved, data were adequately supported, and methodologies were adequately documented in the COBRA model input footnotes.

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## **Appendix D. Report Distribution**

### **Office of the Secretary of Defense**

Director, Base Realignment and Closure (Installations and Environment)

Principal Deputy Under Secretary of Defense for Personnel and Readiness

### **Non-Defense Federal Organizations**

Government Accountability Office

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