Audit Report

OFFICE OF THE INSPECTOR GENERAL

PROCEDURES USED BY DEFENSE GENERAL SUPPLY CENTER, RICHMOND, VIRGINIA, FOR THE DEFENSE LOGISTICS AGENCY 1995 BASE REALIGNMENT AND CLOSURE DATA COLLECTION PROCESS

Report No. 95-168 April 11, 1995

Department of Defense

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Acronyms

BRAC	Base Realignment and Closure
DGSC	Defense General Supply Center
DLA	Defense Logistics Agency

INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-2884

Report No. 95-168 April 11, 1995

MEMORANDUM FOR DIRECTOR, DEFENSE LOGISTICS AGENCY

SUBJECT: Audit Report on Procedures Used by Defense General Supply Center, Richmond, Virginia, for the Defense Logistics Agency 1995 Base Realignment and Closure Data Collection Process (Project No. 4CG-5015.51)

Introduction

We are providing this report for your information and use. The Deputy Director, Defense Logistics Agency (DLA), requested the audit to verify revisions to data call responses for the DLA inventory control points. This report is one in a series of reports discussing the process that DLA is using to collect data for the 1995 Commission on Defense Base Closure and Realignment (1995 Commission). As agreed to by the Deputy Director, DLA, the report focuses only on the adequacy of procedures that the Defense General Supply Center (DGSC), Richmond, Virginia, used to collect and document data for the DLA 1995 Defense base realignment and closure (BRAC) data call submission.

Audit Results

After we issued Inspector General, DoD, Audit Report No. 95-122, "Defense Logistics Agency 1995 Defense Base Realignment and Closure Data Collection Process for the Defense General Supply Center, Richmond, Virginia," February 17, 1995, we reviewed 171 of the 347 responses that DGSC provided to DLA for the 1995 BRAC data call submission. Of the 171 data call responses reviewed, 27 responses were changed from the original data call submission, and the remaining 144 responses were additional responses not previously reviewed. All 171 responses were properly supported; therefore, no corrective actions are required.

Background

Development and Use of the DLA 1995 BRAC Data Call. The DLA working group developed the data call, and the DLA executive group approved the data call. DLA then provided the 1995 BRAC data call to commanders and primary-level field activities in July 1994. The DLA executive group will use the information from the data call to assist in assessing realignment and closure options for the DLA BRAC candidate activities in the 1995 BRAC process.

Categories of the DLA 1995 BRAC Data Call. The DLA 1995 BRAC data call was subdivided into 11 parts by category. The parts consisted of 194 to 347 questions, depending on the type of DLA primary-level field activity involved. The questions were distributed among 9 of the 11 parts. In addition,

for the financial category, Part III, each of the participating DLA primary-level field activities was provided financial data compiled by DLA headquarters, based on recorded obligation data as of June 30, 1994. The activities were required to review the data and take the following actions as required.

- Adjust the financial data and document in detail the basis for the adjustments. Adjustments may be supported by the activity's financial documents.
- Document all one-time costs associated with the activity and delete those one-time costs from the financial data.
- Estimate the remaining 3 months to provide 1 year of financial data.

Guidance for the DLA 1995 BRAC Data Call. The DLA 1995 BRAC data call provides uniform guidance for gathering and submitting data for DLA analysis. The data call contains:

- evaluation questions for an activity to furnish information needed to assess and identify BRAC opportunities,
- the data certification process for each element of data developed and submitted by an activity,
- general and specific instructions for compiling the data call responses for each part, and
- procedures for submitting modifications to the responses to the data call after the required submission date of September 15, 1994.

Analyses of the DLA 1995 BRAC Data Call. DLA will analyze the certified data call responses to determine 1995 BRAC recommendations for DLA. DLA will then provide the analysis and recommendations to the Secretary of Defense. The Secretary of Defense will consider the recommendations and will ultimately make DoD recommendations to the 1995 Commission.

Objectives

The overall audit objectives were to validate the DLA 1995 BRAC data collection process and the data that DLA provides to support recommendations for the 1995 Commission. The specific objective for the audit was to determine whether the process that DGSC used to develop and report revisions to the DLA 1995 BRAC data call resulted in accurate and supportable data. The audit also reviewed applicable internal controls.

Scope and Methodology

The audit evaluated the DGSC data call responses to determine whether DGSC:

- followed the DLA guidance to develop its data call responses,
- had adequate documentation to support its data call responses, and
- had internal controls in place to ensure that data call responses were complete and accurate.

Statistical Sampling Methodology. We assessed the accuracy and support for 1995 BRAC data call information provided by DLA BRAC activities as part of the overall audit to validate the DLA 1995 BRAC data collection process and to validate the data that DLA provides to support recommendations for the 1995 Commission.

The results of the stratified sampling plan of all DLA data will be used to estimate the proportion of responses that are inaccurate or without adequate support for the DLA 1995 BRAC data call. The results of the reviews, and the population results estimated with confidence and precision of estimate, will be summarized in our final report.

Use of Computer-Processed Data. We relied on computer-processed data when reviewing the responses to the personnel and mission-unique questions and the adjustments made to the financial data for the DLA 1995 BRAC data call. We did not establish the reliability of the system that generated the financial data for DLA activities included in the data call. However, because each activity's data were uniformly produced, each activity verified its own data, and we reviewed all adjustments made by the activity, the reliability of that data was considered adequate.

Audit Standards and Locations. This phase of the program audit was conducted January through February 1995 and was made in accordance with auditing standards issued by the Comptroller General of the United States as implemented by the Inspector General, DoD. Accordingly, we included tests of internal controls that were considered necessary. See Enclosure 2 for organizations visited or contacted.

Internal Controls

We evaluated the DLA internal controls for preparing, reporting, and documenting information associated with the DLA 1995 BRAC data call. Specifically, we reviewed procedures that DGSC used to develop, report, and document its 1995 BRAC data call responses. Internal controls were adequate as they applied to the audit objectives. We did not review DGSC implementation of the DoD Internal Management Control Program because its provisions were not deemed applicable to the one-time data collection process.

Discussion

DGSC adequately supported all revised data submitted to DLA in response to the 1995 BRAC data call. Enclosure 1 summarizes the results of our review of the sampled DGSC data call responses to the DLA 1995 BRAC data call.

DLA 1995 BRAC Data Call. The DGSC 1995 BRAC data call consisted of 347 questions distributed among 9 of the 11 categories. The table in Enclosure 1 provides the categories and the distribution of the questions. We selected 171 data call questions that consisted of 27 responses that were revised from the original data call submissions and 144 responses not previously reviewed.

DGSC Sampled Data Call Responses. Our review of the 171 data call responses and supporting documentation showed that DGSC data call responses were accurate and supported. The 27 responses and the additional 144 responses were supported by documentation used to validate the BRAC process.

Recommendations and Management Comments

We provided a draft of this report to the Defense Logistics Agency on February 3, 1995. Because this report contains no recommendations, management comments were not required, and none were received.

We appreciate the courtesies extended to the audit staff. If you have any questions on this report, please contact Mr. Wayne K. Million, Audit Program Director, at (703) 604-9312 (DSN 664-9312), or Mr. Michael Perkins, Audit Project Manager, at (703) 604-9273 (DSN 664-9273). The audit team members are listed inside the back cover.

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Deputy Assistant Inspector General
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Enclosures

Review of Responses to Data Call Questions for the Defense General Supply Center

Summary of Responses to Data Call Questions

Part	Part Title	Universe of Questions For Part	Universe of Responses Reviewed	Reviewed Responses Unsupported	Unsupported Responses Corrected	Unsupported Responses Unresolved
I	General instructions[1]	0	0	0	0	0
II	Personnel	13	8	0	0	0
III	Financial[2]	0	0	0	0	0
IV	Building and facilities	88	40	0	0	0
V	Mission-unique	66	44	0	0	0
VI	Services provided/received	9	6	0	0	0
VII	Tenant information	7	5	0	0	0
VIII	Community	40	12	0	0	0
IX	Environmental	115	51	0	0	0
X	Technology	6	3	0	0	0
XI	COBRA[3]	3	2	0	0	0
Total		347	171[4]	0	0	0

[1]Part I did not include any data call questions, only instructions for completing the remaining parts.

[2]DLA provided financial data to the primary-level field activities. The data call contained no specific questions about financial data but was adjusted for any one-time costs. We examined all adjustments and exclusions made to the financial information.

[3]Cost of Base Realignment Actions computer model.

[4]27 of the 171 data call responses were revisions submitted to DLA after we issued Inspector General, DoD, Report No. 95-122.

Statistical Sampling Methodology

We assessed the accuracy and support for 1995 BRAC data call information provided by DLA BRAC activities as part of the overall audit to validate the DLA 1995 BRAC data collection process and to validate the data that DLA provides to support recommendations for the 1995 Commission.

Reporting of Statistical Results. The results of the stratified sampling plan will be used to estimate the proportion of responses that are inaccurate or without adequate support for the DLA 1995 BRAC data call. The results of the reviews, and the population results estimated with confidence and precision of estimate, will be summarized in our final report.

Organizations Visited or Contacted

Defense Organizations

Defense Logistics Agency, Alexandria, VA
Defense General Supply Center, Richmond, VA

Audit Team Members

This report was prepared by the Contract Management Directorate, Office of the Assistant Inspector General for Auditing, DoD.

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