Audit Report

OFFICE OF THE INSPECTOR GENERAL

PERSONNEL SUPPORT FOR THE CORPORATE INFORMATION MANAGEMENT INITIATIVE

Report No. 95-233 June 12, 1995

Department of Defense

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This report was prepared by the Readiness and Operational Support Directorate, Office of the Assistant Inspector General for Auditing, DoD. If you have questions on the audit or to obtain additional copies of the report, contact Mr. Robert M. Murrell, Audit Program Director, at (703) 604-9507 (DSN 664-9507) or Mr. Eric B. Edwards, Audit Project Manager, at (703) 604-9515 (DSN 664-9515).

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Acronyms

ASD(C^3I)	Assistant Secretary of Defense (Command, Control, Communications and Intelligence)
CIM	Corporate Information Management
DISA	Defense Information Systems Agency
PSAs	Principal Staff Assistants

INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
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June 12, 1995

MEMORANDUM FOR ASSISTANT SECRETARY OF DEFENSE (COMMAND, CONTROL, COMMUNICATIONS AND INTELLIGENCE)
DIRECTOR, DEFENSE INFORMATION SYSTEMS AGENCY

SUBJECT: Audit of Personnel Support for the Corporate Information Management Initiative (Report No. 95-233)

Introduction

We are providing this report for your information and use. The audit was performed in response to a request from the Office of the Assistant Secretary of Defense (Command, Control, Communications and Intelligence) (ASD[C^3I]) to review the extent to which the 137 billets provided by the Defense Information Systems Agency (DISA) to the Principal Staff Assistants (PSAs), Office of the Secretary of Defense, directly supported the Corporate Information Management (CIM) initiative.

Audit Results

Overall, the PSAs appropriately used assigned personnel in implementing the CIM initiative (see Enclosure 1). Additionally, the audit identified concerns related to the management of the billets allocated to the PSAs. We suggested that memorandums of agreement be established to clarify how billets should be used, to identify time frames in which billets could be reallocated, and to specify management responsibilities for the billets.

Audit Objectives

The primary audit objective was to evaluate the use of billets that supported the PSAs in implementing the CIM initiative.

Scope, Methodology and Management Controls

Scope and Methodology. We obtained documentation showing 120 billets that were authorized, as of March 6, 1995, to support the implementation of the CIM initiative. Of those 120 billets, 86 were staffed as of February 1995. We

attributed the difference in the number of billets authorized (120) and the number of billets requested for review (137) to downsizing. We attributed the vacancies to hiring freezes imposed by DISA. We reviewed 50 staffed billets allocated to the following functional areas: ASD(C^3I) support, civilian personnel, intelligence, logistics, medical, military personnel, and procurement. To determine whether the personnel supported the CIM initiative, we interviewed the personnel assigned to the billets, their immediate supervisors, the PSAs or their designees, and representatives from the Functional Information Management Division, Deputy Assistant Secretary of Defense (Information Management). We reviewed documentation, dated from November 1990 to February 1995, related to position descriptions, work performed, and CIM criteria and evaluated assigned responsibilities to determine whether each billet reviewed supported the CIM initiative. We did not use computer-processed data or statistical sampling procedures for this audit.

Audit Period, Standards, and Locations. We performed this economy and efficiency audit from November 1994 through March 1995 in accordance with auditing standards issued by the Comptroller General of the United States, as implemented by the Inspector General, DoD. Enclosure 3 lists the organizations we visited or contacted.

Termination of Audit Work. At the completion of the audit survey, we decided that no additional audit work was necessary. Enclosure 1 shows the results of our audit.

Management Control Program. We announced an objective to review the adequacy of the management control program applicable to the primary audit objective; however, the billets were not covered in a single assessable unit, it was impractical to review management controls in every PSA office, and we found no indications of problems that might indicate control weaknesses. Therefore, we did not review implementation of the DoD management control program.

Prior Audits and Other Reviews

Since September 1992, the General Accounting Office; the Inspector General, DoD; and DISA issued reports related to our primary audit objective and the CIM initiative. See Enclosure 2 for a discussion of those reports.

Audit Background

The DoD established the CIM initiative in 1989. The CIM initiative is a strategic, collaborative, management initiative in which managers from

functional and technical areas work together to improve business methods and employ information technology to meet goals on effectiveness and efficiency. The primary objective of the CIM initiative is to improve the way DoD does business by adopting better practices used in both the private and public sectors. In 1991, the Deputy Secretary of Defense approved the CIM implementation plan, which directed the ASD(C^3I) to establish the Office of the Director of Defense Information and to implement the CIM initiative within DoD. In addition, Defense Management Review Decision 925, "Corporate Information Management," December 26, 1991, tasked the Director of Defense Information to provide central oversight* for CIM, tasked DISA to provide technical support, and tasked the PSAs to improve business processes and standardize systems in their functional areas. The "Corporate Information Management Strategic Plan," dated June 1994, identifies six goals related to functional process reengineering, data sharing and standardization, information system standardization, communications and computer infrastructure, functional and technical integration, and management of the CIM initiative at all levels of the DoD.

Beginning in June 1991, the PSAs requested that the Director of Defense Information provide personnel to support the functional integration management responsibilities of the PSAs. The Director of Defense Information and, subsequently, the Deputy Assistant Secretary of Defense (Information Management) allocated billets provided by DISA to 10 functional areas: ASD(C^3I) support, civilian personnel, continuous acquisition and life-cycle support, integrated computer-aided software engineering, intelligence, logistics, medical, military personnel, procurement, and the Under Secretary of Defense for Acquisition and Technology. The memorandums describing the allocation of the billets to the functional areas state that the billets "were to remain on the books of DISA, and DISA would pay salaries and benefits." The PSAs were to provide travel support, administrative overhead, and equipment support from their budgets.

Discussion

Guidance Governing Allocation of Billets. Generally, the memorandums the Director of Defense Information and the Deputy Assistant Secretary of Defense (Information Management) used to allocate billets to the PSAs did not state how the PSAs were to use the billets, identify "sunset clauses" (time frames) for returning the billets to DISA, or determine management responsibilities for the billets. Only two memorandums allocating billets for two functional areas provided "sunset clauses" for the return of the billets.

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*Oversight is now the responsibility of the Deputy Assistant Secretary of Defense (Information Management)

Work Performed by the Personnel Assigned to Billets in Support of the CIM initiative. Overall, the PSAs effectively used allocated billets in supporting CIM activities in their functional areas. Of the 50 billets we reviewed, 42 personnel performed work directly related to the 6 goals identified in the "Corporate Information Management Strategic Plan." Personnel assigned to the other eight billets did not perform work directly related to the CIM business process reengineering effort. Three personnel performed budgeting support or other duties part-time, and five personnel performed budgeting or administrative support full-time. Details on the work performed in the functional areas are in Enclosure 1.

Reallocation of Billets to Additional Functional Areas. Since the Director of Defense Information first allocated the billets to the PSAs, the Deputy Secretary of Defense tasked additional functional area managers to implement the CIM initiative. The additional functional areas included, but were not limited to: environmental security, economic security, system acquisition management, atomic energy, and science and technology. The Deputy Assistant Secretary of Defense (Information Management) did not reallocate billets initially allocated to the PSAs to the additional functional areas tasked with implementing the CIM initiative.

Management Responsibilities Related to Personnel Assigned to Billets. The personnel assigned to the billets worked directly for the PSAs, yet DISA was responsible for paying salaries and benefits and for handling personnel grievances. PSAs or their designees prepared performance appraisals, but DISA officials approved performance appraisals. Several personnel stated they were concerned about difficulties regarding grievance procedures due to the multiorganizational appraisal process. Communication between the personnel and DISA was, at times, inadequate. In addition, several personnel stated they had not received adequate training and technical support.

Establishing Memorandums of Agreement. We suggested that the Deputy Assistant Secretary of Defense (Information Management) consider establishing memorandums of agreement that specify the terms and conditions for the use of the billets. The memorandums of agreement could clarify how the PSAs are to use the billets and whether personnel assigned to the billets should be used to perform only work directly related to the six goals of the "Corporate Information Management Strategic Plan." Additionally, the memorandums of agreement could identify "sunset clauses" for possible reallocation of the billets to additional functional areas tasked with implementing the CIM initiative. Further, the memorandums of agreement could specify management responsibilities in order to alleviate concerns raised by personnel assigned to the PSAs.

to additional functional areas tasked with implementing the CIM initiative. Further, the memorandums of agreement could specify management responsibilities in order to alleviate concerns raised by personnel assigned to the PSAs.

Management Comments

We issued a draft of this report on May 18, 1995. Because the report contained no findings or recommendations, no comments were required, and none were received. Therefore, we are publishing this memorandum report in final form.

We appreciate the courtesies extended to the audit staff. For additional information on this report, please contact Mr. Robert M. Murrell, Audit Program Director, at (703) 604-9507 (DSN 664-9507) or Mr. Eric B. Edwards, Audit Project Manager, at (703) 604-9515 (DSN 664-9515). We will provide a formal briefing on the results of the audit, if desired. Enclosure 4 lists the distribution of this report. The audit team members are listed inside the back cover.

Robert L. Lieberman
Assistant Inspector General
for Auditing

Enclosures

Work Performed by Personnel Assigned to Billets in Support of the Corporate Information Management Initiative

Functional Area	Number of Personnel Assigned	Number of Personnel Evaluated[1]	Type of Support Provided			
			Full-time	Part-time	Administrative	Budgeting
CALS	9	0	--	--	--	--
Civilian Personnel	10	8	7	0	0	1
I-CASE	10	0	--	--	--	--
Intelligence	3	3	3	0	0	0
Logistics	8	8	7	0	0	1
Medical	11	11	9	1	1	0
Military Personnel	8	8	5	2	1	0
ASD(C^3I) Support	19	4	4	0	0	0
Procurement[2]	8	8	7	0	0	1
USD(A&T)[3]	0	0	--	--	--	--
Totals	**86**	**50**	**42**	**3**	**2**	**3**

Acronyms

ASD(C^3I)	Assistant Secretary of Defense (Command, Control, Communications and Intelligence)
CALS	Continuous acquisition and life-cycle support
I-CASE	Integrated computer-aided software engineering
USD(A&T)	Under Secretary of Defense (Acquisition and Technology)

[1]We evaluated 58 percent of the billets with personnel assigned.
[2]In February 1995, the assigned personnel were transferred to the Defense Logistics Agency; as of March 1995, the eight billets had not been reallocated to another functional area.
[3]The USD(A&T) was allocated seven billets, but personnel were not assigned to the billets.

Summary of Prior Audits and Other Reviews

General Accounting Office

General Accounting Office Report No. NSAID-95-28 (OSD Case No. 9660), "Defense Management: Impediments Jeopardize Logistics Corporate Information Management," October 21, 1994, states that the following three impediments delayed the logistics CIM implementation effort: DoD managers had not fully accepted the CIM initiative, DoD business areas were poorly integrated, and confusion existed concerning development authority over information systems. The report recommends that DoD revise the CIM strategy to ensure that DoD managers actively participate and lead efforts to redesign processes. The report also recommends that DoD train employees to provide a thorough understanding of the interrelationships between business functions of the employees' organization. Management concurred with most of the findings; however, management was concerned about the tone of the report and the General Accounting Office's interpretation of CIM plans, expert advice, and reviews. As a result of management comments, the General Accounting Office revised the report to clarify management's position and actions to alleviate impediments to the CIM initiative.

General Accounting Office Report No. AIMD-94-14 (OSD Case No. 9506), "Defense IRM: Management Commitment Needed to Achieve Defense Administration Goals," January 21, 1994, states that although DoD recognizes that data administration information improvements are central to achieving CIM goals, DoD functional managers did not document the business goals, methods, and performance measures required to accurately identify the needed data. Further, the Defense Data Repository System, a data dictionary, is contrary to the CIM model and was developed before determining the methods, processes, and data needed to support DoD data administration. The report recommends that the Office of the Secretary of Defense direct the PSAs to document their business methods and performance measures before developing process and data models, and require the ASD(C^3I) to apply the CIM model to determine data administration methods, performance measures, processes, and data requirements needed to manage DoD's data resources. The report also recommends canceling the Defense Data Repository System. Overall, management partially concurred with the findings. Management nonconcurred with the finding that data element standardization procedures were premature and with the recommendation to cancel the Defense Data Repository System.

General Accounting Office Report No. IMTEC-92-77 (OSD Case No. 9235), "Defense ADP: Corporate Information Management Must Overcome Major Problems," September 14, 1992, identifies three related problems associated with the implementation of CIM within DoD: DoD had not established policies regarding the roles of the Office of the Secretary of Defense and the Military Departments, controls over the funds for managing functional areas had not

shifted from the Military Departments to the Office of the Secretary of Defense, and DoD implemented a technology without clear goals. The report recommends that the Office of the Secretary of Defense develop a management policy that defines how the roles and responsibilities of Office of the Secretary of Defense officials, the Military Departments, and DoD agencies should change to implement CIM. The report also recommends that the Office of the Secretary of Defense complete an implementation strategy for information systems and include a cost-benefit analysis in funding for developmental information systems.

Inspector General, DoD

Inspector General, DoD, Program Evaluation, "Defense Corporate Information Management," January 28, 1993, states that the CIM initiative lacked a comprehensive plan. The report recommends that the Director of Defense Information develop an overall CIM business plan, including a specific organizational structure defining the roles and responsibilities of the DoD Components. The report did not contain a management response.

Defense Information Systems Agency

Defense Information Systems Agency, "Report on the CIM Functional Group Billet Review," September 8, 1993, states that the billets allocated to PSA functional areas were performing tasks in support of functional integration management. The report recommends that the ASD(C^3I) reduce the number of billets provided to the functional areas and set a "sunset date" for the return of the billets to DISA. The report also recommends that the ASD(C^3I) reduce the number of billets performing staff work for the ASD(C^3I) and freeze the four integrated computer-aided software engineering billet allocations at the current level. The ASD(C^3I) never received the report.

Organizations Visited or Contacted

Office of the Secretary of Defense

Under Secretary of Defense for Acquisition and Technology, Washington, DC
- Deputy Under Secretary of Defense (Logistics), Washington, DC
  - Assistant Deputy Under Secretary of Defense, Logistics Systems Development, Washington, DC

Under Secretary of Defense for Personnel and Readiness, Washington, DC
- Assistant Secretary of Defense (Force Management Policy), Washington, DC
  - Deputy Assistant Secretary (Civilian Personnel Policy), Washington, DC
    - Director, Defense Civilian Personnel Management Services, Falls Church, VA
- Assistant Secretary of Defense (Health Affairs), Washington, DC
  - Executive Director, Defense Medical Information Management, Washington, DC
    - Medical Functional Integration Management Division, Falls Church, VA
- Deputy Under Secretary of Defense (Requirements and Resources), Washington, DC
  - Director, Information Management, Arlington, VA

Assistant Secretary of Defense (Command, Control, Communications and Intelligence), Washington, DC
- Deputy Assistant Secretary of Defense (Command, Control and Communications), Washington, DC
- Deputy Assistant Secretary of Defense (Information Management), Washington, DC
  - Deputy Director, Functional Information Management, Washington, DC
- Deputy Assistant Secretary of Defense (Intelligence and Security), Washington, DC
  - Intelligence Program Support Group, McLean, VA
- Deputy Assistant Secretary of Defense (Plans and Resources), Washington, DC

Other Defense Organizations

Defense Information Systems Agency, Arlington, VA
- Deputy Director for Engineering and Interoperability, Arlington, VA
- Joint Interoperability and Engineering Organization, Sterling, VA
  - Center for Software, Arlington, VA

Defense Logistics Agency, Cameron Station, Alexandria, VA
- Defense Procurement Corporate Information Management Systems Center, Cameron Station, Alexandria, VA

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Senate Subcommittee on Defense, Committee on Appropriations
Senate Committee on Armed Services
Senate Committee on Governmental Affairs
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House Subcommittee on National Security, Committee on Appropriations
House Committee on Government Reform and Oversight
House Subcommittee on National Security, International Affairs, and Criminal Justice, Committee on Government Reform and Oversight
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Audit Team Members

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