Evaluation Report

OFFICE OF THE INSPECTOR GENERAL

INSPECTION OF THE U.S. EUROPEAN COMMAND

Report No. 96-007 **October 13, 1995**

DEPARTMENT OF DEFENSE

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

October 13, 1995

MEMORANDUM FOR COMMANDER IN CHIEF, U.S. EUROPEAN COMMAND

SUBJECT: Report on the Inspection of the U.S. European Command

This final report on the inspection of the U.S. European Command is provided for your use and comment. Your Chief of Staff's response to the draft report was considered in developing this report. Those comments were generally responsive; however, we request that you reconsider the Command position on the recommendation related to contract administration and provide additional comments within 60 days.

We appreciate the courtesies extended to the inspection team throughout the inspection. If you need additional information regarding this report, please contact me.

Robert J. Lieberman
Assistant Inspector General
for Auditing

Enclosure

cc:
Director, Joint Staff
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Inspector General, Department of the Air Force
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House Committee on Government Reform and Oversight

EXECUTIVE SUMMARY

The Inspector General, Department of Defense, conducted an inspection of the U.S. European Command from November 1994 to January 1995. The U.S. European Command is a unified command responsible for the planning and conduct of all U.S. military operations within its geographic area. We evaluated the effectiveness and efficiency of the management programs and processes used by the U.S. European Command to support execution of its assigned missions.

The inspection included visits to the U.S. European Command Headquarters and the George C. Marshall Center for Security Studies. The inspection focused on three major areas of the U.S. European Command organization. We evaluated the processes used to determine the Command's requirements and resources, internal management programs, and the internal oversight and control mechanisms used by the U.S. European Command's managers. We did not assess the Command's capacity to execute operations, but rather focused on its ability to manage itself in ways that will permit it to carry out its missions.

During our inspection, we noted several positive aspects in the management of the U.S. European Command. For instance, we found the management tools used by the Command's Inspector General Staff particularly noteworthy. Its computerized tracking system and standardized correspondence used to track identified problems allow the Inspector General to monitor and control inspection results. We also found that the U.S. European Command's strategy closely follows the National Military Strategy. It provides an overview of the Command's end objectives, the ways available to accomplish them, and the means the Command will use.

Our inspection did note areas where improvements in the Command's management processes are warranted. Specifically our inspection showed:

- Internal Management Planning. The HQ USEUCOM lacks a business plan which describes the goals and objectives, standards, and measurement criteria for internal relationships of its organizational functions.

We recommended the HQ USEUCOM develop a business plan to set goals and objectives, standards, and measurement criteria for internal functions of the Command. The HQ USEUCOM concurred with the recommendation and has initiated actions to implement the recommendation.

- Manpower Requirements. While we found no indications that the U.S. European Command is significantly under or over manned, we did note several concerns resulting from the lack of a cohesive, command-wide manpower requirements determination process. As a result, determining the impact of future changes to the Command's authorized manpower has become increasingly difficult. We also found that the Command's guidance for deployment of headquarters personnel to support large scale contingency operations is out of date.

We recommended the HQ USEUCOM develop and implement a mechanism to identify the total number of manpower requirements to perform its mission and Headquarters functions by quantity and skill mix. The HQ USEUCOM concurred with the recommendation and already has mechanisms in place or planned.

We also recommended the HQ USEUCOM revalidate prior downsizing decisions against resultant impact (i.e., meeting legal and regulatory requirements, and the effects on efficiency and effectiveness of the functions previously performed). The HQ USEUCOM concurred with the recommendation.

- Funds Management. The HQ USEUCOM needs to improve the accuracy of fiscal records and lacks an effective management process for reprogramming.

We recommended the HQ USEUCOM initiate a management process which monitors and reprograms funds, to more efficiently program funds to spending targets. The HQ USEUCOM concurred with the recommendation and has taken several actions to improve the efficiency of the funds management process.

- Information Resource Management. The HQ USEUCOM Information Resource Management Program is incomplete.

We recommended the HQ USEUCOM develop its current strategic planning processes into an integrated Information Resource Management Strategic Plan and establish a mechanism to monitor and control the funding of current unfinanced, prioritized information technology requirements. The HQ USEUCOM concurred with the recommendation and has initiated corrective actions.

- Logistics and Supply Management. The HQ USEUCOM does not have the necessary mechanisms in place to ensure control of its logistics and supply management function.

We recommended the HQ USEUCOM develop and implement an internal property accountability program to control logistics and supply management functions. The HQ USEUCOM partially concurred with the recommendation and plans to develop and implement procedures that comply with published regulatory guidance.

- Contract Administration. The HQ USEUCOM has not established adequate processes and mechanisms to monitor contract management.

We recommended the HQ USEUCOM update and implement internal policies and procedures; implement a mechanism to clearly identify the Command's contracting and purchase requirements; establish a central official or point of contact for oversight and monitoring; and establish a mechanism that accurately identifies and monitors the performance of the Command's Contracting Officer Representatives. The HQ USEUCOM did not agree with the recommendations, stating it has no inherent contracting mission or authority but rather functions as a contracting customer. The Command position was unresponsive. The HQ USEUCOM must take responsibility for its role in the contracting function;

therefore, we requested the HQ USEUCOM reconsider the matter and provide additional comments.

- Civilian and Military Personnel Programs. The HQ USEUCOM does not actively manage its civilian and military personnel management programs.

We recommended the HQ USEUCOM manage and monitor its civilian and military programs for the Headquarters. The HQ USEUCOM concurred with the recommendation has taken corrective actions.

- The HQ USEUCOM does not have an effective Military Drug Abuse Testing Program.

We recommended the HQ USEUCOM implement management processes to provide control and oversight of its Drug Abuse Testing Program. The HQ USEUCOM concurred with the recommendation and is in the process of establishing a Drug Abuse Testing Program.

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PART I - INTRODUCTION

A. ORGANIZATIONAL OVERVIEW

COMMAND HISTORY

The United States European Command (USEUCOM) is one of the five unified commands with regional responsibilities through which the United States meets its military commitments and responsibilities around the world. It is the senior command for all U.S. military forces in Europe and throughout the rest of its area of responsibility. The USEUCOM area of responsibility has changed several times over the years. The USEUCOM area of operations encompasses Europe, including eastern European countries (Poland, the Czech Republic, Slovakia, Latvia, Estonia, Lithuania, Hungary, Bulgaria, Romania, the former Yugoslavia, and Albania); the United Kingdom and Ireland; the Mediterranean Sea and its islands; the Mediterranean littoral, excluding Egypt; and the entire continent of Africa excluding Sudan, Kenya, Ethiopia, Eritrea, Somalia, and Djibouti.

The NATO Origins of USEUCOM

The history of the USEUCOM dates back to the earliest days of the North Atlantic Treaty Organization (NATO). World War II had drastically altered the face of the European continent and drawn Western Europe and the United States into a partnership. The primary reason for the creation of USEUCOM lies in one of the NATO treaty obligations--the promise of the U.S. to return combat troops to Europe for its defense under the operational control of the NATO wartime commander.

Dual Responsibilities

Following the establishment of NATO, the former World War II Supreme Allied Commander was appointed as the Supreme Allied Commander, Europe (SACEUR). Concurrently, the SACEUR was assigned operational command of the U.S. Army Forces, Europe; the U.S. Air Forces, Europe; and the U.S. Naval Forces, Eastern Atlantic and Mediterranean. In May 1952, the SACEUR assumed direct command of and authority for U.S. forces in Europe. All U.S. Military Service commands in Europe became subordinate components or area commands under the unified command. The SACEUR served in the dual role of the SACEUR on an international level and U.S. Commander in Chief (CINC) for American forces in Europe.

The SACEUR, in his role as the CINC, established a separate staff, under a deputy, whose major duty would be to administer those U.S. military matters of a joint

nature. That structure remains the same today, with the Deputy Commander in Chief (DCINC) responsible for the operation of the USEUCOM under the overall direction of the SACEUR.

USEUCOM MISSIONS

The USEUCOM's primary mission is to provide combat-ready forces to support U.S. commitments to the NATO alliance. This includes war planning for both conventional and nuclear operations. Besides planning for a NATO conflict, the Headquarters (HQ), USEUCOM also conducts unilateral and bilateral contingency planning in support of friendly or neutral governments in emergencies, as well as the protection of American citizens and interests within its area of responsibility. Such planning involves examining the threat, projecting the potential contingency scenarios, identifying the forces needed for a range of options, and determining the most effective means of supporting the U.S. forces if, and when, they become committed. In addition, the HQ USEUCOM is responsible for security assistance actions, the military assistance advisory groups, and offices of defense cooperation in the USEUCOM geographic area of responsibility.

ORGANIZATIONAL STRUCTURE

The Commander in Chief, U.S. European Command (CINCEUR), as the commander of a unified command, is responsible to the President and the Secretary of Defense as specified in Title 10, United States Code, for accomplishing assigned military missions. The CINCEUR exercises command authority over assigned forces as directed by the Secretary of Defense. The CINCEUR is located at the Supreme Headquarters Allied Powers Europe (SHAPE) in Mons, Belgium. Figure 1 illustrates the structural relationships of the U.S. European Command and Allied Command Europe.

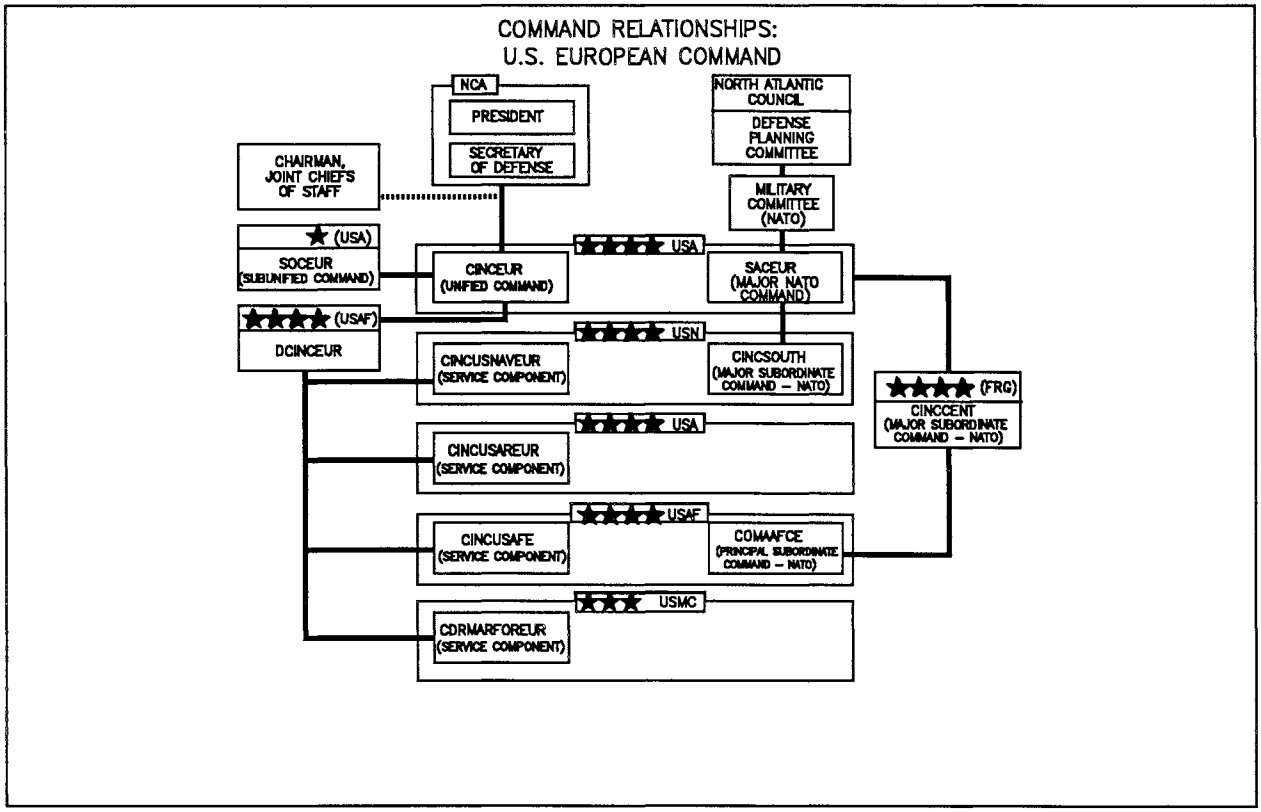

Figure 1

The Headquarters USEUCOM

The USEUCOM is organized in a typical joint command structure. The structure includes the HQ USEUCOM, the Service Component Commands, and the Special Operations Command Europe (a subunified command). The Army, Navy, Air Force, and Marine Corps Components, and the Special Operations Command Europe provide and command required ready forces; prepare operation, contingency and exercise plans; plan for combat support and logistics; and establish requirements for Military Department funding. The Secretary of the Army, through the U.S. Army Europe (USAREUR), is the executive agent for USEUCOM. As such, the USAREUR is assigned responsibility and is delegated the authority to carry out certain functions and duties on behalf of the USEUCOM.

The Headquarters staff is organized with six primary directorates: Manpower, Personnel and Administration; Intelligence; Operations; Logistics and Security Assistance; Plans and Policy; and Command, Control and Communications Systems. In addition, the Headquarters

organization is composed of Direct Reporting Units; Special Activities; and Special Staff Offices. Figure 2 illustrates the HQ, USEUCOM organizational structure.

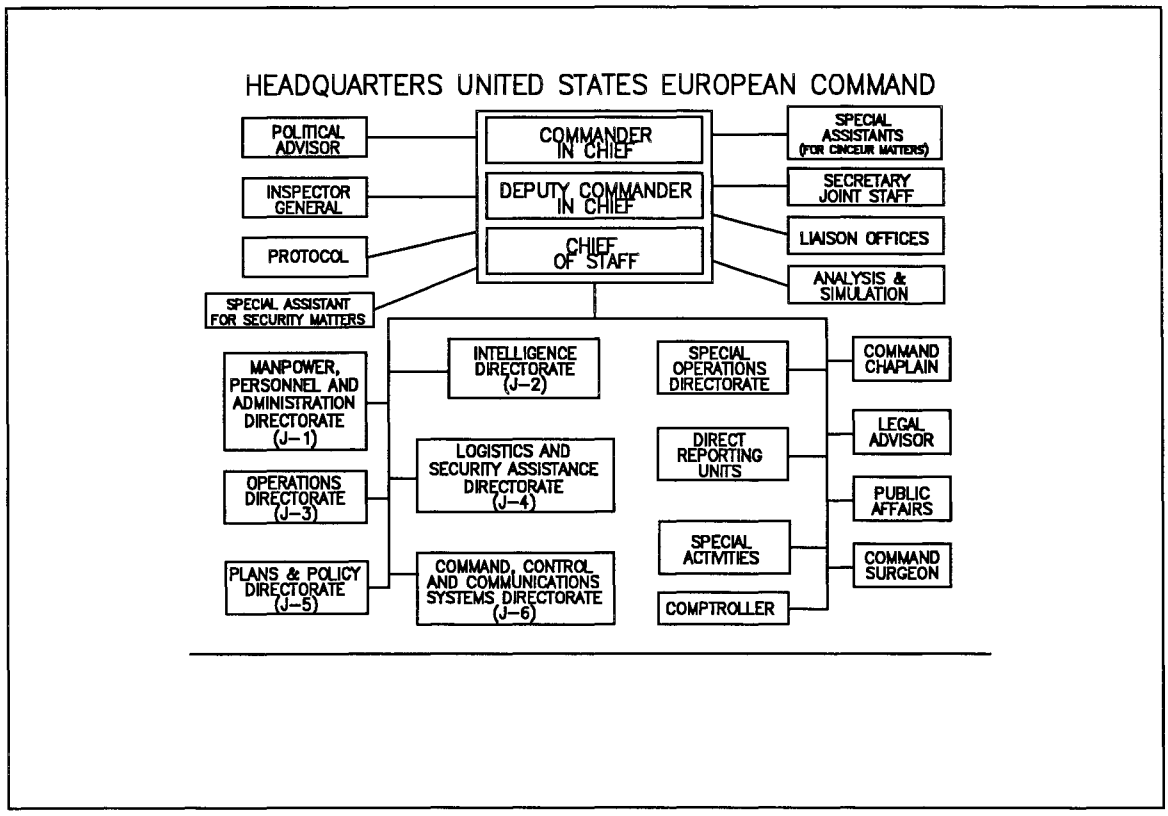

Figure 2

RESOURCES

Resource management within the HQ USEUCOM is, for the most part, decentralized. Each of the Directorates, and the majority of the Special Activities and Direct Reporting Units, has a resource management staff that manages and oversees the Directorate's resources, e.g., budget, manpower, contracting, supplies, and logistics.

Personnel

The Command is currently staffed by 1,914 permanently assigned personnel: 1,445 military and 469 civilians.

Budget

The Annual Funding Program for the USEUCOM for FY 1994 was $122 million. The HQ USEUCOM budget has increased by 151 percent since 1989, primarily due to new USEUCOM programs. Those programs include the Joint Contact Teams, the establishment of the George C. Marshall European Center for Security Studies, and humanitarian assistance and emergency response requirements.

B. INSPECTION GOAL AND OBJECTIVES

The goal of our inspection was to evaluate the efficiency and effectiveness of the processes and mechanisms used by the HQ USEUCOM to manage and administer resources, internal management and administrative programs, policies, practices, procedures, and controls. We identified three major objectives to achieve that goal:

- Evaluate the adequacy of the processes and mechanisms used to identify the HQ USEUCOM's mission requirements, and to plan, acquire, and organize resources to meet those requirements.

- Evaluate the efficiency and effectiveness of the HQ USEUCOM's internal management and administrative programs, policies, and practices for:

  - financial management

  - information resource management

  - logistics and supply management

  - contract management

  - personnel management

- Evaluate the adequacy of the HQ USEUCOM's oversight and reporting processes.

C. INSPECTION SCOPE AND METHODOLOGY

Our inspection team conducted an Organizational Performance Review of the HQ USEUCOM. The review inspected and evaluated the efficiency and effectiveness of the processes and mechanisms used by the HQ USEUCOM to manage and administer resources and internal management and administrative functions. The bases for the review are applicable laws, DoD regulations, an assessment of best business practices, and an evaluation of how managers have incorporated the objectives of the National Performance Review and the Defense Performance Review. To gain an understanding of how the HQ USEUCOM operates, we collected copies of reports, meeting notes, and files, and

interviewed personnel assigned to the Headquarters elements; the Direct Reporting Units; the Service Components; special staff offices; the 266th Theater Finance Command; the 6th Area Support Group; the Civilian Personnel Operations Center; the U.S. Army Contracting Center, Frankfurt; and the Regional Contracting Office, Seckenheim. The on-site portion of our inspection was conducted between November 29 and December 14, 1994.

USEUCOM Processes Reviewed

We reviewed the processes used by the HQ USEUCOM to develop, implement, evaluate, communicate, and disseminate policies and regulations throughout the organization. We also evaluated whether those policies and regulations actually supported the purpose of the organization. We reviewed the organization's goals and objectives, and evaluated progress made towards achieving those goals and objectives.

Functional Elements Reviewed

To evaluate the functional elements within the HQ USEUCOM, we reviewed the roles and responsibilities assigned to the major elements of the organization. We evaluated whether they were clearly defined and established a logical flow between and within the functional elements. We also reviewed the planning mechanisms that exist in the organization to ensure that appropriate managers and operators are involved in the planning of the organization mission. In particular, we identified ways in which the organization develops, implements, and measures cost-effective ways of doing business.

D. PRIOR COVERAGE

The General Accounting Office (GAO), the Inspector General, Department of Defense (IG, DoD), and the Military Department Inspectors General have conducted reviews of specific aspects of the USEUCOM mission. The GAO has ongoing projects reviewing the military drawdown in Europe, the U.S. foreign policy concerns related to Operation Provide Comfort, and a review of the significant benefits civilians in support roles provide to the USEUCOM. The IG, DoD has an ongoing inspection of the Joint Manpower Process. None of those projects overlap the scope of our inspection effort.

The following is a brief summary of the reports that address areas related to our inspection:

- "Defense Reorganization: Role of Joint Military Organizations in Resource Allocations,"

GAO/NSIAD-99-76, June 1990. The GAO examined the implementation of resource allocation provisions in Title 2 of the Goldwater-Nichols DoD Reorganization Act of 1986. The GAO found the DoD has increased the combatant commanders' influence in the resource allocation process, mainly by expanding their personal input and involvement in the Secretary of Defense's planning, programming, and budgeting systems and the Chairman of the Joint Chiefs of Staff Joint Strategic Planning System.

- IG, DoD Report No. 94-032, "European Stars and Stripes (ES&S)," January 26, 1994. The auditors found that ES&S was not operated efficiently because its managers did not recognize the importance of establishing and enforcing internal controls. The lack of adequate controls contributed significantly to the existing financial difficulties. Funds and property had not been safeguarded against waste and unauthorized use.

- "Command Inspection of the Joint Analysis Center (JAC)," HQ USEUCOM IG, April 1994. The inspection assessed the JAC's effectiveness in carrying out its intelligence mission. In addition, the JAC's resource management, logistics operations, security posture, communications and automation programs, reserve affairs, manpower and personnel were evaluated. The HQ USEUCOM IG identified 29 observations and 10 findings. Of the 10 findings, 8 were in Security, 1 was in Logistics, and 1 was in Communications.

- "Command Inspection of Commander-in-Chief, U.S. Naval Forces Europe," Navy IG, June 1994. The inspection concentrated on management and oversight in the broad areas of mission; organization; planning; manpower and personnel; and resources. The inspection noted that the CINC U.S. Naval Forces Europe overall performance in carrying out its mission was satisfactory.

- IG, DoD Report No. 95-026, "Controls Over Funds Used for the Worldwide Military Command and Control System [WWMCCS] in the European Theater," November 8, 1994. The audit was conducted to evaluate the adequacy of procedures and internal management controls to account for funds and automatic data processing equipment used for WWMCCS in the European theater. The audit found that the U.S. Army, Europe did not adequately manage and administer Operation and

Maintenance funds for WWMCCS. The audit also found that the USEUCOM did not have accurate accounting records, causing funds available for obligations and disbursements to be misstated.

PART II - ORGANIZATIONAL ASSESSMENT

A. GENERAL

The review of the HQ USEUCOM focused on the organization's functional elements, specifically financial management, information resource management, logistics and supply management, contract management, and personnel management. Although we did not evaluate how the Command executes its mission, we did evaluate how efficient and effective the HQ USEUCOM's functional elements are structured and managed to achieve its mission.

Our assessment of the HQ USEUCOM's planning, functional operations, and oversight mechanisms will provide managers feedback on the processes in the organization that are working well and what areas need management attention. The issues we identified and the resulting recommendations are intended to provide managers with the tools necessary to establish priorities to improve operations.

We have made specific recommendations for improving the efficiency and effectiveness of the HQ USEUCOM's internal management and administrative programs. The recommendations include clarifying policy, improving functional processes and management oversight, and implementing new or revised mechanisms to ensure better or streamlined operations.

B. OVERALL ASSESSMENT

The HQ USEUCOM operating environment has been influenced by numerous changes which continue to impact the Command. In the last five years, the collapse of the Soviet Union and the escalation of armed conflict in the Command's area of responsibility have significantly expanded the demands on HQ USEUCOM resources. Other initiatives, such as Partnership for Peace, the Combined Joint Task Force, and the Military-to-Military Contact Program have added to the Command's workload.

The drawdown of U.S. Forces in Europe and the Joint Chief of Staff directed personnel reductions have compelled the Command to "do more with less." The HQ

USEUCOM also anticipates additional reductions based on the DoD civilian work-year reduction decision in Program Decision Memorandum I.

The Command has responded to those changes in requirements by focusing on mission accomplishment. Although we recognize and appreciate the magnitude and importance of mission focus, there are management areas which support the mission requiring attention. We believe the Command will be well-served by directing its attention to management improvements. This will allow the HQ USEUCOM to achieve long-term efficiencies.

Overall, we found that the HQ USEUCOM employs adequate mechanisms to support the accomplishment of its mission, both now and in the foreseeable future. We also identified positive aspects within the HQ USEUCOM. For instance, we found the management tools used by the Command's Inspector General staff particularly noteworthy. Its computerized tracking system and standardized correspondence used to track identified problems allow the Inspector General to monitor and control its inspection results.

We also found that the HQ USEUCOM's strategy closely follows the National Military Strategy. It provides an overview of the Command's end objectives, the ways available to accomplish them, and the means the Command will use. In addition, the HQ USEUCOM has started to develop the Theater Security Planning System (TSPS), which has the capability of expanding from a single theater campaign plan to four regional campaign plans and individual detailed country campaign plans. When fully implemented, the TSPS should provide an adequate system to meet the Command's operational planning needs.

Its administrative control and oversight processes, however, are not given the emphasis and priorities necessary to ensure a sound infrastructure. The HQ USEUCOM relies on support provided by external sources, such as its Executive Agent, the USAREUR; the Civilian Personnel Operations Center; the 266th Theater Finance Command; and the 6th Area Support Group which provides support for contracting, logistics, and supply management. We found that the HQ USEUCOM does not adequately monitor the support it receives nor does it apply the mechanisms necessary to ensure the accountability of its resources.

Some aspects of the Command's internal management processes could be improved. We noted the following areas where management attention is needed.

- Internal Management Planning. The HQ USEUCOM TSPS meets the requirement for an operational strategic planning system. However, the HQ USEUCOM does not have an organizational business plan to address the day-to-day operations of the Headquarters. As a result, the Command is unable to identify, prioritize, and allocate resources to efficiently meet the requirements of its internal functions.

- Manpower Requirements. The HQ USEUCOM does not adequately identify its manpower requirements. As a result, the Command does not know the total number of manpower requirements by quantity and skill mix needed to perform its mission and Headquarters functions.

- Budget Resource Management. The HQ USEUCOM does not adequately manage and monitor funds to meet mission requirements. As a result, the Command is unable to efficiently manage its current year funds.

- Financial Management. The HQ USEUCOM has not established a process or mechanism to account for, monitor, manage, and control financial resources. As a result, the Command is unable to utilize funds efficiently on a day-to-day basis or monitor both the accounting support provided by the 266th Theater Finance Command and the performance of its Resource Managers.

- Information Resource Management (IRM). While the IRM program at the HQ USEUCOM is adequate overall, the program is incomplete. The HQ USEUCOM does not have the required mechanisms in place to ensure an adequate IRM support program. As a result, the Command jeopardizes the continued adequacy of its current IRM program.

- Logistics and Supply Management. The HQ USEUCOM does not have the necessary mechanisms in place to ensure its logistics and supply management needs are met. As a result, the Command cannot monitor or determine its logistical and supply support.

- Contracting Management. The HQ USEUCOM does not have adequate processes in place for the monitoring and oversight of its contracting and

purchasing functions. As a result, the Command is unable to ensure contracting requirements are met.

- Civilian Personnel Management. The HQ USEUCOM does not monitor the operational civilian personnel support provided, nor does it actively manage its internal civilian personnel program. As a result, the Command is unable to ensure it receives efficient and effective personnel support.

- Military Personnel. The HQ USEUCOM does not effectively monitor the military personnel support received from the individual Military Service detachments which provide supplemental support to the Headquarters. As a result, the Command cannot evaluate the adequacy and quality of the support it receives.

Those areas are discussed in detail in the next section of this report.

PART III - ISSUES AND RECOMMENDATIONS

In this section of the report, we discuss in detail the areas where we believe that management attention is needed and highlight organizational best practices to be shared with other DoD agencies. An issue is provided where appropriate to address concerns in a specific area and recommended solutions are identified.

A. RESOURCE MANAGEMENT

GENERAL

Resource management is the first of the key management areas we evaluated. Resource management encompasses the processes an organization uses to identify, obtain, and employ the resources it needs to perform its mission. Resources include personnel, funds, and equipment. Key elements of an effective resource management process include:

- determining the organization's requirements, i.e., the tasks it must perform to be successful;
- developing strategies and setting objectives to accomplish those requirements; and
- determining, acquiring, and managing the resources needed to implement the strategies and achieve the objectives.

MISSION REQUIREMENTS DETERMINATION

BACKGROUND

A viable resource management process identifies and defines organizational requirements. Organizational requirements are those tasks that an organization must accomplish in order to fulfill its mission. Organizational requirements are often defined in an organization's charter or in legislation that defines the organization's purpose. Requirements are also defined by an organization's customers, who establish performance criteria for the output of the organization.

In order to effectively meet mission requirements, an organization must clearly understand its mission tasks. Without a clear understanding of such tasks, an organization runs the risk of failing to accomplish one or

more requirements or of using resources to accomplish tasks that it is not required to perform.

An adequate resource determination process consists of three key elements:

- Identification of the organization's taskings, and a clear distinction between those that it must perform (requirements) and those that it could perform if sufficient resources are available (capabilities).
- Prioritization of the requirements so that, if resources are limited, the most essential tasks can be accomplished.
- Communication of the prioritized requirements throughout the organization so that the elements of the organization are all working to accomplish the same overall objectives.

SOURCES OF USEUCOM REQUIREMENTS

As a unified command, the USEUCOM has a broad mission, and its requirements come from a number of sources. Formal tasking documents include the Unified Command Plan, the National Security Strategy, the National Military Strategy, the Defense Planning Guidance, the Joint Strategic Capabilities Plan, various National Security Directives and Presidential Decision Directives, Joint Publications, and policy published by the Joint Staff.

The national level military objectives that drive the USEUCOM mission are to promote international stability and thwart military aggression by nations within the Command's area of responsibility. The Command is tasked to conduct adaptive planning for potential crises, and to develop flexible deterrent options to keep any crisis from escalating.

REGIONAL OBJECTIVES

Part of the USEUCOM requirements process involves defining and accomplishing regional objectives. General regional objectives applicable to all the regional unified commands include:

- deterring threats to North America, and to U.S. interests and allies abroad;
- preventing development of regional hostile powers;
- strengthening security cooperation with allies and other friendly nations;

- preventing and countering proliferation of weapons of mass destruction;
- securing freedom of navigation and access to support U.S. military operations;
- supporting democratic reform, human rights, rule of law, and peaceful conflict resolution;
- countering terrorism;
- reducing the effects of humanitarian crises; and
- countering the flow of drugs into the U.S.

AREA OF RESPONSIBILITY OBJECTIVES

In addition to those general regional objectives, the USEUCOM has objectives specific to its area of responsibility. In Europe they include protecting U.S. investment and economic ties with European allies, supporting NATO, and developing stability in Eastern Europe through the Partnership for Peace program. Objectives for Africa include promoting democracy and economic liberalization, countering the spread of radical anti-Western ideologies, and conducting disaster relief operations.

USEUCOM STRATEGY

To determine whether the HQ USEUCOM planning processes adequately identified and incorporated the requirements placed upon the Command, we compared the contents of the source tasking documents with the USEUCOM "Strategy of Engagement and Preparedness (Draft)." Although in draft at the time of our inspection, the USEUCOM Strategy is intended to be an overall mission statement for the Command. It provides an overview of what the Command's end objectives are, the ways available to accomplish them, and the means it will use.

Command Strategy Incorporates Requirements

As written, the USEUCOM strategy closely follows the National Military Strategy while incorporating other taskings not explicitly stated in the national level document. We found only two taskings not specifically discussed in the USEUCOM strategy: promoting human rights and countering drug activities.

We discussed those shortcomings with members of the HQ USEUCOM planning staff that are developing the strategy. We were told that both items were considered for inclusion in the strategy, but were omitted to maintain the strategy as an unclassified document, and to keep the high level strategy out of purely political issues. We were also told that both taskings would be

included in lower level planning documents, and we confirmed this by reviewing the Command's regional campaign plans. It was clear from this review that the planners have identified the Command's requirements and incorporated them into the strategy.

Prioritization of the USEUCOM requirements is performed as part of the strategic planning process and is discussed in the next section. The primary mechanisms for prioritizing requirements involves four regional working groups and a flag level Synchronization Steering Group. Those decision making bodies resolve issues concerning how the Command's resources will be used to support each of the strategic objectives, and provide regular opportunities to adjust priorities to match changing conditions.

Although the USEUCOM strategy has not been finalized, the Command has developed a process to communicate it once it is approved. Techniques to be used include publication of a pamphlet for distribution throughout the Command and its component commands; a strategy briefing, entitled "EUCOM Perspectives," that will be given to Congressmen as well as Ambassadors in the theater; detailed strategy briefings for USEUCOM elements; and the Command's Annual Posture Statement which is provided to the Congress and distributed throughout the Command. We reviewed drafts of the Command briefings and posture statement in development, and found they included the key elements of the strategy.

CONCLUSION

The USEUCOM mission requirements determination process is adequate. It identifies the Command's required tasks, provides a mechanism to prioritize and reprioritize them, and includes processes to communicate the requirements to those who will be managing the Command's programs and activities.

STRATEGIC PLANNING

BACKGROUND

Strategic planning is an essential component of resource management and is an integral part of good business practice in any organization. We use the term strategic planning to refer to the analytical process an organization uses to translate its requirements into an action plan that defines how the organization will accomplish its missions. The passage of the Government Performance and Results Act (GPRA) of 1993 formalizes the process for government agencies. The GPRA requires all Executive Agencies of the Government to develop strategic plans and annual performance plans by 1997. In order to help managers improve their agency's performance, the GPRA requires them to develop plans to improve program efficiency and develop objective measures of program effectiveness.

Although the GPRA is not compulsory until 1997, the planning elements identified in the Act must be present for an organization to effectively identify and plan for future mission requirements.

GPRA ELEMENTS

Key elements that the GPRA requires in strategic plans include:

- a comprehensive mission statement covering the major functions and operations of the agency;
- general goals and objectives for the major functions and operations of the agency;
- a description of how the goals and objectives will be accomplished, including the operational processes, skills and technology, and human, capital, information, and other resources required; and
- an identification of the key factors beyond agency control that could significantly affect the ability to achieve the goals and objectives.

In addition to the strategic plan, the GPRA requires that each agency develop annual performance plans that define specific performance goals in an objective, quantifiable, and measurable form to provide a basis to compare actual program performance with what was planned.

USEUCOM PLANNING

The HQ USEUCOM recognized a need to improve its strategic planning process, and in mid-1994 began

development of a new planning system, the Theater Security Planning System (TSPS). At the time of our inspection, the TSPS existed as a working model and was being used in draft form to develop implementation plans for the USEUCOM strategy. The draft USEUCOM directive for the TSPS sets a planning cycle that requires all output plans to be reviewed and updated annually. The TSPS implementing directives are being coordinated with the USEUCOM component commands.

We compared the draft TSPS with the strategic planning requirements of the GPRA. We reviewed both the draft directive defining the planning process, as well as how the system is being used by the action officers within the Plans and Policy Directorate (J-5). We found that the TSPS, when fully implemented, will provide an adequate strategic planning process for the operational taskings embodied in the USEUCOM strategy.

TSPS Elements

Key elements of the TSPS that meet the standards of the GPRA include:

- The CINC's vision of how to accomplish the national level objectives of the Command. It also serves as the unifying mission statement for all subsequent planning actions.

- The planning process develops general goals and objectives for each operational program and activity in the Command. Those are expressed in a series of campaign plans. They start with a single theater campaign plan, four regional campaign plans that provide additional detail, and individual country campaign plans with even greater detail. Those campaign plans provide the long-range planning required to program future resource acquisition and allocation. The plans are further supported with planning guidance documents that document the CINC's philosophy and principles for the staff.

- The planning process develops activity annexes for each operational activity or program within the theater (such as security assistance or exercises). Those annexes provide the short-term performance plans that specify how the Command's operational resources will be expended.

- Four regional working groups and the USEUCOM Synchronization Steering Group provide for prioritization and performance evaluation during the plan development and review cycle.

We concluded from our review that the USEUCOM TSPS is an adequate operational strategic planning system. However, we also noted the TSPS has not been fully implemented and that the HQ USEUCOM faces some significant challenges in the months ahead as it proceeds with implementation.

Theater Security Planning System Draft Directive

At the time of our inspection, the USEUCOM Directive 56-10, "Theater Security Planning System," was still in draft and had just been forwarded to the Component Commands for review and comment. The directive establishes responsibilities for the TSPS, provides sample format output products, and sets a timeline for preparation and review of the approximately 100 plans and supporting documents the system will produce. The directive establishes an annual plan development and review cycle, designed to harmonize with the USEUCOM planning and budgeting cycle.

Development of the Theater Security Planning System

In addition to the draft directive, we found that none of the products being developed by the TSPS had been approved in final form. Only one of the four regional campaign plans had completed coordination. A small number of the country plans had been written and were being coordinated. About 90 percent of the documents the system will eventually produce were still under development at the USEUCOM, with a target date of August 1995 for completion of the first planning cycle.

Since the TSPS was still under development during our inspection, we interviewed planners at two USEUCOM Component Commands to determine their concerns and to see what major obstacles they anticipated during its implementation. The Component personnel uniformly praised the quality of the planning documents being produced by the new system. However, they also raised concerns about their ability to support the annual planning cycle.

Component Command Input

Considering the amount of work that will be required to complete the first TSPS planning cycle, the Component Commands we interviewed expressed concern about their ability to provide quality input to the USEUCOM planning process given their limited planning staffs and the large number of documents to be reviewed. For example, the U.S. Air Forces Europe (USAFE) staff told us they were given only eight working days to review the Sub-Saharan Africa Campaign Plan. They complained that, because of prior operational commitments, some USAFE staff sections were unable to provide comments in time to meet the USEUCOM suspense date. Although the USAFE requested and was granted an extension in this particular instance, the USAFE planners anticipate significant problems getting

adequate staff input in a timely manner when the majority of the USEUCOM planning documents are released for review over the next several months.

Conclusion

Although the HQ USEUCOM has established a planning process that adequately meets the Command's need for operational strategic planning, it faces significant challenges as it implements that process. We recognize and encourage the Command's efforts to press ahead as rapidly as it can to complete the first TSPS planning cycle. Without the TSPS, the Command lacks an integrated planning process. However, the USEUCOM must also continue to work closely with its Components to ensure they are provided sufficient time to adequately review and comment on the plans as they are developed.

ISSUE

The HQ USEUCOM lacks a business plan which describes the goals and objectives, standards, and measurement criteria for internal relationships of its organizational functions

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USEUCOM LACKS BUSINESS PLAN

Although we found that the USEUCOM TSPS provides a vehicle for strategic planning for the operational missions of the command, it does not cover the full range of planning required by the GPRA. The GPRA requires strategic planning not just for the operational aspects of an agency, but also for the major functions of the agency.

We believe that establishing goals and objectives to improve and measure the performance of internal management functions is critical to ensuring efficient use of resources. We found several examples where strategic planning for internal management functions could help improve the operations of the Command.

Planning for Manpower Support to Joint Task Forces Not Accomplished

The USEUCOM has operated between one and four Joint Task Forces (JTF) each year for the past 6 years. The forces required to execute JTF missions are provided by the Military Services through the Component Commands. However, the HQ USEUCOM frequently staffs the command and control structure of the JTFs.

The JTFs are designed to be temporary organizations that perform a specific mission and then disband. However, the tempo of operations in the USEUCOM area of responsibility has been so high in recent years that the Command has had several concurrent JTFs. Support for JTFs has been a continual loss of Headquarters

manpower from the tasks that those personnel would normally perform. Although the Command has recognized that its standing commitment of personnel resources has an impact on the Command's ability to execute its other missions, it has not quantified that impact, or developed long-range plans to alleviate it.

Administrative Support from Agencies External to the HQ USEUCOM

A second area which would allow the HQ USEUCOM to benefit from an organizational business plan is in the support it receives from external agencies. The HQ USEUCOM receives support for several administrative functions through an Interservice Support Agreement (ISA) between the CINC USEUCOM and the CINC USAREUR of July 18, 1988. We found, however, that as a result of the drawdown in Europe and the restructuring of organizations, the principal ISA support providers to the HQ USEUCOM, as identified in the 1988 ISA, no longer exist.

No Performance Measure for External Support

The lack of an organizational business plan, which addresses support provided by the ISA, leaves the HQ USEUCOM vulnerable in several of its functional elements. We found that the HQ USEUCOM has not identified and defined performance expectations for the support it receives in quantifiable and measurable forms. We found areas needing attention in the level and quality of support in financial management, logistics and supply management, contracting, and civilian personnel management.

Financial Management

The HQ USEUCOM does not have a defined measurement standard to determine whether finance and accounting support is adequate. In 1993, the 266th Theater Finance Command (TFC) in Heidelberg assumed finance and accounting support for the HQ USEUCOM. Prior to that time, a branch office of the 7th Finance Group located at the same installation with the HQ USEUCOM provided finance and accounting support. Therefore, the HQ USEUCOM was able to resolve support issues face-to-face on a daily basis. The geographical distance of the 266th TFC from the HQ USEUCOM (approximately 75 miles) mandates some mechanism by which the HQ USEUCOM can monitor the support it receives against established responsibilities and standards, and readily resolve support issues.

Logistics and Supply Management

The HQ USEUCOM has not established a standard to determine whether logistics and supply support is adequate. The Command receives its logistics and supply management support from the 6th Area Support Group (ASG) which is an organization external to the HQ USEUCOM. The lack of a business plan has prevented the Command from establishing and documenting the necessary processes and procedures to ensure that

current, planned, and targeted logistical and supply support requirements are clearly communicated to the HQ USEUCOM staff and external organizations. For example, the HQ USEUCOM does not have an internal procedure or process to provide oversight of its property accountability program or to ensure that it can account for all of its assigned property.

Contract Management

Contracting and purchase support is provided to the HQ USEUCOM by a variety of contracting offices which are geographically dispersed across a wide area. The contracting function is decentralized throughout the HQ USEUCOM and controlled at the Resource Manager level in the functional staffs. The HQ USEUCOM does not have a central office or official responsible to ensure the needs of the Command are met--acceptable standards are not defined, adequacy of services are not monitored, and roles and duties of responsible personnel are not identified. An organizational business plan would assist the HQ USEUCOM in defining its performance expectations and establish measurement criteria to ensure appropriate levels of service were received.

Civilian Personnel Management

The HQ USEUCOM has not established a standard to determine whether civilian personnel support is adequate. The Command receives its operational civilian personnel support from HQ USAREUR through the Civilian Personnel Operations Center. The lack of a business plan has prevented the Command from establishing the necessary processes and procedures to ensure current and future civilian personnel support requirements are communicated to the HQ USEUCOM staff and external organizations. For example, the HQ USEUCOM does not have a process or mechanism to monitor and evaluate the quality and responsiveness of personnel support, whether the support complies with law and regulations, or how well civilian personnel management is supporting the Command's needs.

Planning Process Action Team

A partial solution for the lack of a functional planning mechanism at the HQ USEUCOM already exists. The Executive Officer for the DCINC organized a Process Action Team (PAT) in mid-1994 to develop solutions for internal organizational issues and problems. The PAT's charter is to identify and find solutions to the HQ USEUCOM internal administrative processes. The PAT is limited in scope since it only addresses issues that the HQ USEUCOM can resolve, but it does identify Command-wide problems, the first step of building a Command business plan. It also develops plans to address those issues within the limited scope of its charter.

Even though its scope is limited, the PAT has helped improve the performance of Command internal functions. For example, the PAT developed procedures to use electronic transmission of documents to allow adequate review while meeting short suspense dates. It developed revised distribution for the Command's end-of-day report, which provides more information on Command activities.

Conclusion

Although the PAT is a good first step toward internal functional planning, it does not fully address the Command's need for a functional planning process. Moreover, it does not establish measurable goals and objectives that functional elements within the Command need to effectively prioritize day-to-day activities. The lack of a business plan has kept the Command from clearly communicating its present and future direction to the HQ USEUCOM staff and external organizations. A support planning system focused on organization planning, similar to the TSPS, would help the Command streamline its internal processes and help it program resources for future internal requirements.

Recommendation 1

The HQ USEUCOM develop a business plan to set goals and objectives, standards, and measurement criteria for internal functions of the Command.

Management Comments

The HQ USEUCOM concurred with the recommendation and stated that "prior to the review by the DoD IG, HQ USEUCOM was not fully aware of the scope of requirements contained in The Government Performance and Results Act (GPRA) as applied to Unified Commands of the Department of Defense." The HQ USEUCOM has initiated actions to implement the recommendation with an estimated completion date of July 1996.

Evaluation of Management Comments

The comments are responsive to the recommendation.

RESOURCE REQUIREMENTS DETERMINATION

The third area of the resource management process we evaluated was resource requirements determination. Resource requirements determination is the process used by an organization to evaluate what resources are needed to perform the tasks that accomplish its missions. (Those resource categories include personnel, funds, and equipment.) The process also allocates the necessary resources to the managers who will employ them to perform the organization's tasks.

An adequate resource requirements determination process not only determines the type and quantity of resources needed, but also has mechanisms to allocate resources in accordance with the priority they have been assigned by the organization. A strong resource requirements determination process can help ensure efficient use of resources by determining and allocating only the minimum resources needed to effectively accomplish the organization's requirements.

MANPOWER

The first resource category we reviewed was manpower. An organization's manpower consists of all the personnel it is authorized to employ to accomplish its missions and functions, and includes assigned military and government civilian employees. The objective of manpower requirements determination is to identify and obtain the minimum personnel required to perform the assigned mission and Headquarters support functions.

Joint Manpower Program Policy

Manpower authorizations for the unified commands are controlled by the Joint Chiefs of Staff, under the Joint Manpower Program. The fundamental policy and guidance for the Joint Manpower Program is contained in Chairman, Joint Chiefs of Staff Memorandum of Policy (MOP) Number 75, "Manpower for Joint and International Activities," April 2, 1993.

As provided in MOP 75, the Joint Manpower Program will accurately reflect the Command's tasks, functions, and organization; current manpower authorizations; and future manpower requirements. It goes on to state that:

- each joint activity will develop a manpower requirements determination process to identify its manpower requirements;
- manpower needs and resource allocation will be based upon approved programs and mission

directives of the Secretary of Defense and the Chairman of the Joint Chiefs of Staff; and

- manpower authorizations should not be adjusted in reaction to temporary changes in workload.

HQ USEUCOM Manpower Policy

The HQ USEUCOM provides additional guidance in its Staff Memorandum (SM) 51-1, "Manpower Control," April 2, 1992. The purpose of the SM 51-1 is to assign responsibilities and establish procedures for implementing the Joint Chiefs of Staff manpower guidance. The SM 51-1 states that although the Manpower, Personnel, and Administration Directorate (J-1) is responsible for the overall manpower program, Directors, Office Chiefs, and Officers in Charge of separate activities are responsible for:

- ensuring that missions and functions undertaken are based upon directives from Joint Chiefs of Staff or higher;
- identifying and requesting the minimum manpower required to perform missions; and
- identifying missions and functions which may be eliminated or transferred; and missions and functions from which manpower resources may be realigned to support new requirements.

Leadership Guidance

In addition to the regulatory guidance, another key organizational management tool is that provided by the Command's leadership. Leadership involvement:

- establishes priorities and eliminates unnecessary tasks or procedures;
- seeks areas of decreased workload from which to transfer manpower; and
- identifies lower priority functions which, if curtailed, eliminated, or made more efficient, would result in the availability of resources for use in satisfying new or changing mission requirements.

The Chief of Staff is the ultimate approval authority for all organizational and resource actions within the Headquarters. The Directors and Office Chiefs are delegated the authority to organize their staffs in the most efficient and effective operating mode. It is through short-term solutions that the Command's leaders are able to respond to the challenge of receiving unprogrammed

long-term mission taskings without an increase in requisite resources. However, the manpower increases needed to perform those long-term mission increases must be addressed and manpower increases must be justified to the Joint Chiefs of Staff for future programming through the Program Objective Memorandum and the Commander's Narrative Assessment. One method for justifying requirements is through the manpower survey process.

MANPOWER FUNCTION

The traditional process used to identify manpower requirements for the Unified Commands has been the manpower survey. During the 1980s, the Joint Chiefs of Staff had an organizational element that performed surveys of the Unified Commands. This capability, however, no longer exists at the Joint Chiefs of Staff and the current MOP 75 delegates the manpower survey function to each CINC.

In the HQ USEUCOM, the J-1 is assigned the responsibility for the joint manpower program. Although MOP 75 states that CINCs will perform manpower surveys, we found the J-1 places a low priority on this task. The J-1 explained that the Command lacked the resources to perform this function.

ISSUE

The HQ USEUCOM has not adequately identified its manpower requirements

Basis for Manpower Requirements Outdated

The most recent manpower survey of the HQ USEUCOM was performed by the Joint Staff and approved in 1988. Since that time, HQ USEUCOM has been impacted by a number of events that have affected its end-strength level and organizational structure. Those events include:

- the end of the Cold War in 1989 and a mission shift from the Soviet threat, to "no one country" as the particular threat to U.S. interests;
- the resultant downsizing of forces in the European Theater;
- the Chairman of the Joint Chiefs (CJCS) of Staff directed 15 percent end-strength reduction (5 percent reduction for 1991, 1992, and 1993);
- Defense Intelligence Agency direction to establish the Joint Analysis Center;

- the Secretary of Defense's direction to establish the George C. Marshall Center; and

- the establishment of and support to Joint Task Force operations.

Figures 3, 4, and 5 graphically illustrate those events and mission changes for the HQ USEUCOM and its major organizational elements. The organizations included as "Other" in Figure 3 include: Special Operations Command Europe, U.S. National Military Representative, the NATO School, NATO Multi-National Corps, Security Assistance Offices, and Special Activities. In order to more fully understand the impacts of mission changes and personnel drawdown on the HQ USEUCOM, we analyzed the period from FY 1988 to FY 2000.

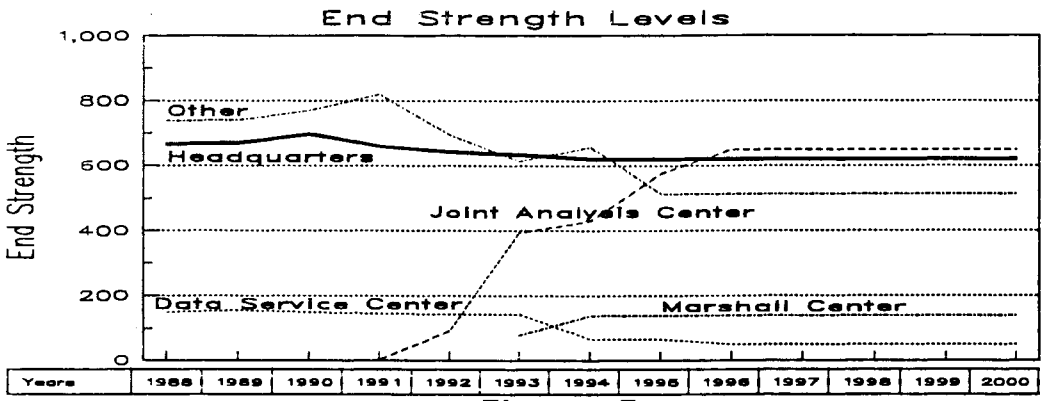

Figure 3

Years	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Events		Cold War Ends	Desert Shield 1 JTFs	Desert Storm CJCS 5% Cut JAC Standup 2 JTFs	CJCS 5% Cut JAC Buildup 2 JTFs	CJCS 5% Cut Marshall Standup JAC Buildup NATO Multi-National Corps 3 JTFs	JAC Buildup NATO Multi-National Corps 4 JTFs	JAC Buildup 3 JTFs	JAC Buildup				
HQ	665	669	698	659	642	634	621	621	621	621	621	621	621
DSC	148	154	149	145	143	143	66	66	49	49	49	49	49
JAC				2	92	394	431	576	650	650	650	650	650
Marshall						77	139	139	139	139	139	139	139
Other	737	739	769	818	695	613	657	512	512	512	512	512	512
Total	1,550	1,562	1,616	1,624	1,572	1,861	1,914	1,914	1,971	1,971	1,971	1,971	1,971

Source: ECJ1 fax 1/27/95.

Figure 4

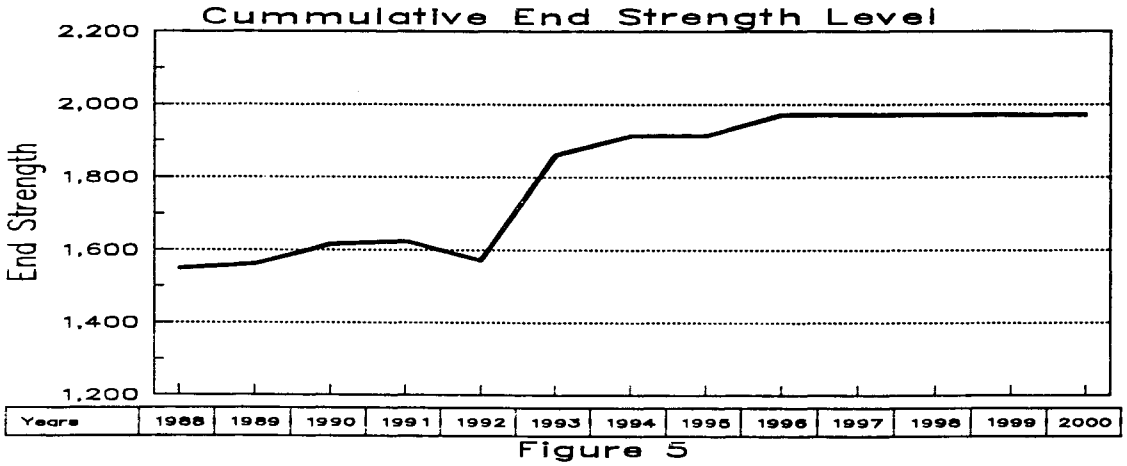

Figure 5

Analysis of Mission Trends and Manpower

The figures show the numerous mission changes that have occurred or are programmed for the HQ USEUCOM managed Joint Table of Distribution. Figure 3 shows the Headquarters account declining every year from FY 1990 to FY 1994. However, during this same period, the Headquarters staff has continued to support the changing and increasing operational needs in the European Theater such as the establishment of the Joint Analysis Center and the Marshall Center as depicted in Figure 4.

Although Figure 5 shows an overall increase to the USEUCOM managed end-strength, none of the individual increases were applied to the Headquarters account. This increase is largely attributed to the creation of the Joint Analysis Center and the Marshall Center. Our analysis shows that there have been significant changes in the USEUCOM mission responsibilities, and that the rate of change is at a level that does not impact the Command. This represents an opportunity for the USEUCOM to revalidate mission and support requirements, and identify its manpower needs.

Manpower Requirements Assessment Needed

We found, however, that the HQ USEUCOM has not instituted a process to identify the manpower requirements necessary to meet the changing needs of the organization. The HQ USEUCOM does not have a current manpower survey. It has not performed or contracted for any reviews to identify the "total" manpower requirements for mission and support functions by organizational element, quantity, and skill mix for the entire Headquarters.

Without a current manpower survey, the Command cannot capture the total "risk" associated with manpower reductions (prior, programmed, and proposed) as it concerns the performance of the HQ USEUCOM mission and support functions. It is critical that workload be quantified and the uniqueness of the Command's work qualified so the CINC and DCINC receive the best information on what mission, administrative, and support functions can, and at what level, be performed. Without this information, the leadership cannot fully appreciate the capabilities of the staff or readily substantiate recommendations to the Joint Chiefs of Staff on:

- changes in performance levels;
- what missions and functions can be readily assumed or, when necessary, cut from the USEUCOM; or

- the number of requirements, authorizations, and amount of payroll and associated funds to be added to the HQ USEUCOM in order for the mission to continue.

Accurately stated requirements are critical since they provide the goal, by organizational element, for allocating scarce manpower authorizations and resources.

USEUCOM Initiatives Focus on Reallocating Manpower Assets

The HQ USEUCOM Chief of Staff has directed each organizational element to perform internal reviews on how best to organize and restructure to accomplish the mission within "allocated" manpower resource levels. Those reviews focus on reallocating current manpower resources, not on the specific resources which are actually required to perform the Headquarters' mission and support functions in order to operate efficiently and effectively. To conduct a valid manpower assessment, the USEUCOM should not only review how the manpower is allocated, but also establish its manpower requirements.

15 Percent Manpower Reductions

To respond to the CJCS levied 15 percent reduction, or 234 billets, the Headquarters staff performed several reviews to determine which billets to cut. The staff identified the functions that could be combined, transferred, or eliminated in order to avoid an across the board reduction. The decisions also resulted in increases in certain functions, consistent with the change in the Command's orientation from an administrative and logistics command to an operational or regional contingency focus.

The HQ USEUCOM is continuing its work on developing methods of increasing productivity through work identification and utilization reviews, realignment of priorities, and elimination of non-essential workloads. For example, in FY 1994, the HQ USEUCOM Chief of Staff directed a "Resource Prioritization Review." It is an analysis of the Headquarters mission and functions and the associated manpower, with a view towards continued streamlining of the functions and redistribution of the resources. In particular, the review focused on the ratio of administrative personnel to non-administrative personnel and the ratio of supervisors to supervised.

Attrition to Meet Reductions

In order to achieve the end-strength reductions, the Headquarters has depended on attrition. However, the use of attrition for significant downsizing efforts, e.g., the 15 percent CJCS directed reduction, generally creates misalignments between remaining employees and the quantities and skill mix needed to meet mission and support function requirements.

Prior to or during the attrition phase, good business practice prescribes that leadership revalidate the Command's mission. It should also prioritize its functions, and design the desired end-state organizational structure by billet quantity and skill mix to accomplish the validated mission and support functions. The Command is then able to develop a step by step plan for programming, budgeting, and executing the necessary stages by employee level of detail to achieve the desired organizational end-state. Without knowing the end-state organization and the manpower requirements by organizational element, quantity, and skill mix, it is very difficult to analyze the current employee pool and identify what actions are required.

With declining resources and mission changes, the Headquarters should use all its resources as optimally as possible. Although an indepth review of the assigned personnel to organizational needs was outside the scope of our inspection, we saw no evidence that the Headquarters has undertaken a proactive role in matching organizational needs against its workforce and establishing a plan to bridge the gap. The misassignment of personnel or lack of training may have contributed to performance inefficiencies and risks within the Headquarters. We also noted an absence of reviews or evaluations of previously abolished positions and the impact of those reductions on the Command.

Revalidating Manpower Reductions

The Headquarters is not revalidating manpower reduction decisions against the efficient and effective performance of its mission and support functions. This revalidation would ensure that the Headquarters is operating smoothly, and that it is not at risk of noncompliance with laws and regulations. A revalidation would also ensure that the Command does not have operational or support gaps which make it vulnerable to losses or misuse of resources (i.e., financial, manpower, and supplies).

Impacts of Manpower Reductions

We noted the following impacts of not reviewing previous manpower reduction decisions, as well as internal and external realignment of responsibilities, and the resultant effect of those decisions on the Headquarter's performance of mission and support functions. Those impacts are addressed in detail in Part III, B., Internal Management Programs of this report.

- The transfer of the property management function from the HQ USEUCOM to the 6th ASG, and the subsequent lack of oversight by, and unresponsiveness of, the Headquarters resulted in the HQ USEUCOM's inability to adequately

account for its property and equipment. Specifically, we identified:

- $3.1 million of unaccounted for property at the HQ USEUCOM;
- the generation of numerous Reports of Survey; and
- unresolved Reports of Survey for FY 1992, FY 1993, and FY 1994.

- The loss of billets within the Command, Control, and Communications Systems Directorate (J-6) resulted in decentralizing the responsibility for purchasing central hardware and software within the Command. This decision placed untrained personnel in the purchasing process for hardware and software.

- The J-1 acquired the function of performing manpower surveys of the HQ USEUCOM from the Joint Chiefs of Staff, but not the corresponding billets. As a result, the HQ USEUCOM has not performed a manpower survey of the Headquarters and does not know the manpower requirements by organizational element, quantity, and skill mix needed to perform its mission and Headquarters functions.

Options to Assess EUCOM Manpower

There are several processes that the HQ USEUCOM can use to assess its manpower needs:

- Contract an agency to perform a manpower survey (e.g., the U.S. Army Force Integration Support Agency);

- Provide the J-1 authority to perform an autonomous survey and the Joint Manpower and Organization Branch relief from all other duties for that period; or

- Provide the J-1 sufficient augmentees skilled in performing manpower surveys to assist the Joint Manpower and Organization Branch in conducting an autonomous survey.

Conclusion

The HQ USEUCOM has undergone significant changes in its mission responsibilities. The Command's manpower initiatives are reshaping the organization with the goal of increasing productivity. However, it has not identified the total manpower needed to perform its mission and Headquarters functions by organizational element,

quantity, and skill mix. Further, the HQ USEUCOM is not revalidating prior manpower reduction decisions. In order for the HQ USEUCOM to realize its manpower requirements, it must establish and use the mechanisms necessary to ensure the efficient use of resources to accomplish its mission requirements.

Recommendation 2

The HQ USEUCOM develop and implement a mechanism to identify the total manpower required to perform its mission and Headquarters functions by quantity and skill mix.

Management Comments

The HQ USEUCOM concurred with the recommendation. It stated "mechanisms are already in place....Beginning in March of 1994, the HQ USEUCOM Chief of Staff chartered the staff to begin transition from a planning headquarters to an operational headquarters. This was the first phase of a restructure designed to meet new mission demands. This phase started with redesign of mission, goals, objectives and metrics based on the CINC's February 1994 'Strategy of Engagement and Preparedness.' Then each Directorate/Staff Office prioritized their tasks/processes and reallocated manpower assets accordingly. As a result, USEUCOM was able to offset 26 of the 28 requirements needed to establish the CINC's number one operational element--the European Theater Command Center (ETCC). The second phase, launched in February 1995, 'piggy-backed' on the first phase. The objective was to link processes to the CINC's theater strategy, fund higher priority requirements with manpower from lower priorities, and identify processes and corresponding manpower for possible elimination or reduction. In fact, the USEUCOM is using this approach to execute the SECDEF directed civilian reduction."

Evaluation of Management Comments

The HQ USEUCOM's comments are responsive to the recommendation.

Recommendation 3

The HQ USEUCOM revalidate prior downsizing decisions against resultant impact (i.e., meeting legal and regulatory requirements, and the effects on efficiency and effectiveness of the functions previously performed).

Management Comments

The USEUCOM concurred with the recommendation. It stated, "each downsizing decision USEUCOM has faced has been accompanied by a thorough assessment of mission impact and the effects of potential mission degradation....Through various efforts...USEUCOM evaluated the effect downsizing efforts would have on mission effectiveness. Further, the Mission Prioritization

and HQ USEUCOM restructure efforts, as outlined in the response to DoD IG Report Recommendation 2, not only addresses mission impacts, but seeks economies and efficiencies as well. Therefore, to revalidate 'prior downsizing decision' as suggested is not warranted, prudent or cost effective."

Evaluation of Management Comments

The HQ USEUCOM's comments are responsive to the recommendation.

BUDGET

The second resource category we reviewed during our inspection was the budget process. An adequate budget process ensures that the organization identifies and programs its funding requirements to support both its current and future mission. Adequacy in the budget process also means that the organization manages, monitors, and controls funds.

In this section, we discuss the budget process, including budget requirements determination, budget development, and current year reprogramming. In the financial management section, we examine budget execution and funds control.

Planning, Programming, and Budgeting System

We examined the HQ USEUCOM budget process in terms of its interaction with the DoD Planning, Programming and Budgeting System (PPBS). The purpose of PPBS is to produce a plan, a program, and a 2-year budget for the DoD. The USEUCOM requirements for PPBS come from a variety of sources including DoD Directive 7045.14, "Planning, Programming and Budgeting System (PPBS)," May 22, 1984; JCS MOP Number 136, "JCS, CINC, and OJCS Involvement in the Planning, Programming, and Budgeting System," July 22, 1985; and USEUCOM Staff Memorandum 56-1, "USEUCOM Planning, Programming, and Budgeting System (PPBS) Participation," June 23, 1994.

External Interfaces

The Assistant Secretary of the Army for Financial Management provides funding for the HQ USEUCOM. The Directorate of Program Analysis and Evaluation at the HQ Department of the Army provides interface to the HQ USEUCOM for Program Objective Memorandum (POM) development.

The Assistant Secretary of the Army for Financial Management and the Directorate of Program Analysis and Evaluation actually represent only a portion of the external agency interfaces for the HQ USEUCOM Comptroller. Figure 6 presents a comprehensive view of the HQ USEUCOM primary interfaces.

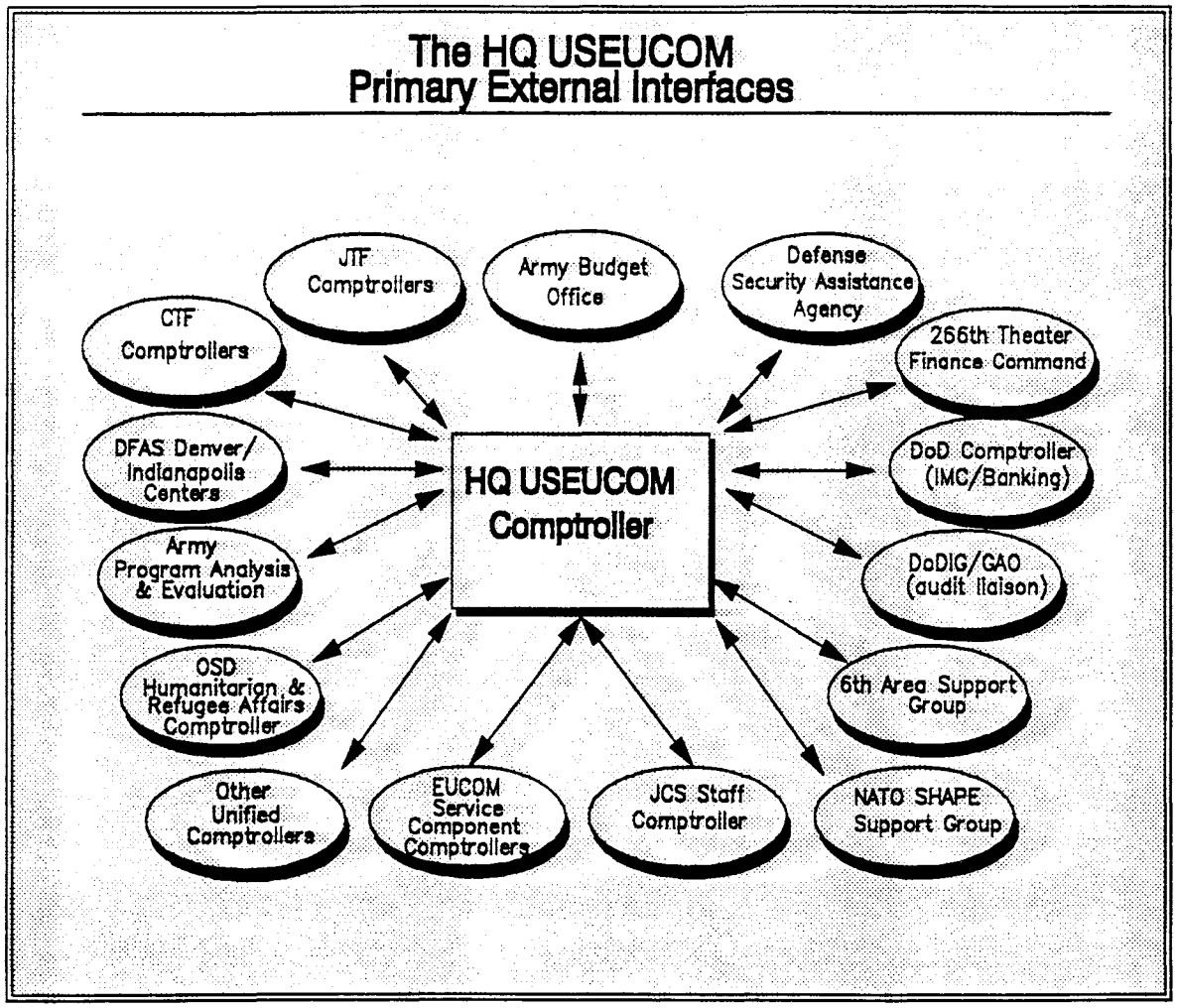

Figure 6

HQ USEUCOM Funding Program

The HQ USEUCOM has decentralized fund control to all of its Joint Staff Directorates, certain special staff elements, and to Security Assistance Offices in 13 of 26 countries. The Comptroller's Office provides resource management support, including fund certification, to the remainder of the special staff offices.

During the period 1989 to 1994, the HQ USEUCOM Comptroller's Office maintained about the same number of permanent positions with double the growth in the annual funding program. The HQ USEUCOM gained additional funding program responsibilities for emergency response and humanitarian assistance. Figure 7 compares the FY 1989 and FY 1994 funding programs.

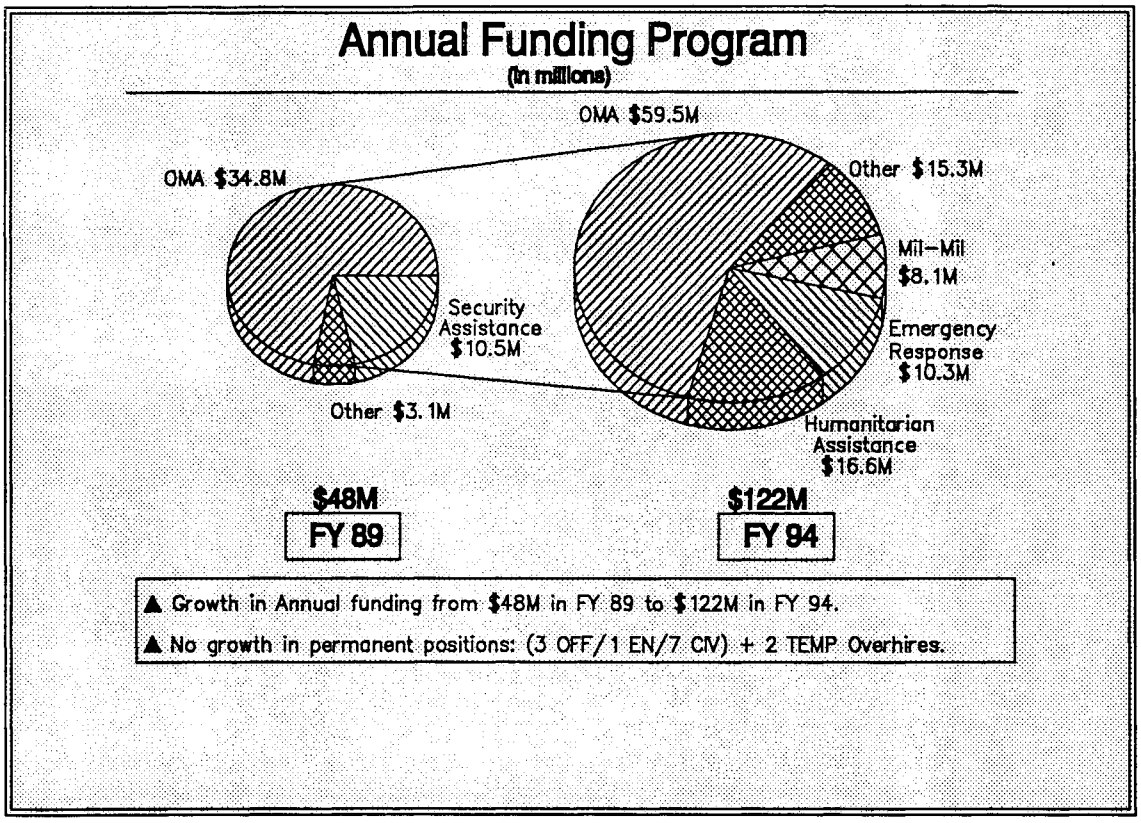

Figure 7

Within the HQ USEUCOM, we examined both responsible offices in the budgeting process: the J-5, Strategy, Resources, and Legislative Affairs (J-5S), and the Comptroller.

J-5S Budget Office

The J-5S is responsible for coordinating inputs from the Service Components and the USEUCOM, and preparing Planning, Programming, and Budgeting System issues as they relate to the USEUCOM as a Unified Command. This includes responsibility for the Integrated Priority List and responses to Program Budget Decisions that directly impact on USEUCOM.

In the programming phase, the DoD components develop proposed programs consistent with Defense Guidance. The CINC's Integrated Priority List contains the highest priority needs of the CINCEUR which is sent through the Army to the Secretary of Defense and the CJCS. The Army must include a special POM annex that shows how the Army POM responds to the needs of the CINCEUR, specifically the CINC's Integrated Priority List. The Secretary of Defense and the CJCS compare and make an assessment of the Army's POM and with the CINC's Integrated Priority List, against strategic priorities.

In the budgeting phase, the DoD Components develop detailed budget estimates for the budget years for the programs approved during the programming phase. A joint Office of Management and Budget and DoD budget review is conducted; the results are issued in Program Budget Decisions. The USEUCOM's responses to the Program Budget Decisions both rebut a specific budget decision and request Secretary of Defense reconsideration.

Within the HQ USEUCOM, the J-5 has a response team called the USEUCOM Program/Budgeting Issue Team to coordinate Component and USEUCOM staff inputs for both the Integrated Priority List and Program Budget Decisions.

Comptroller Office

The Comptroller has responsibility for Planning, Programming, and Budgeting Execution System matters related to the operation of the USEUCOM staff and activities. The Comptroller prepares the Headquarters POM and has staff responsibility for budget execution. The Comptroller also supports the CINCEUR in fulfilling a variety of other comptroller related responsibilities. Besides programming, budgeting execution, and providing financial management guidance, the Comptroller oversees military banking and credit union operations, conducts audit liaison, and administers the HQ USEUCOM Internal Management Control Program.

Budget Submission Adequate

In the areas of providing budget guidance and developing and submitting the future budget, the HQ USEUCOM adequately identifies the budget requirements to support mission requirements both as a Unified Command and a Headquarters. As a Unified Command, the USEUCOM's identification, development, and submission of its Integrated Priority List and budget justification through the Program Budget Decision process is timely, well coordinated, and efficient. As a Headquarters, we assessed the USEUCOM's budget submission as adequate except for the process used for the Marshall Center that we will discuss in detail later in this section.

Decentralized Fund Execution Not Efficient

We found that the decentralized fund execution at the HQ USEUCOM is effective but not efficient. The HQ USEUCOM meets minimal standards by not overspending funds by the year-end closeout. However, there was no evidence of active management, monitoring, and controlling of current year funds which would make the HQ USEUCOM more efficient in reprogramming funds according to better business practices. There was also evidence that the Marshall Center, which is a major subordinate element under the HQ USEUCOM,

understated its future funding requirements which will cause reductions or curtailment of operations.

ISSUE **The HQ USEUCOM does not manage its funds efficiently and lacks an effective management process for reprogramming**

Limited Reprogramming Initiatives

We found the HQ USEUCOM minimizes its opportunities for reprogramming thus limiting the opportunities to monitor or control its current year funds. Regular monitoring of funds execution would allow the Comptroller to detect problems and to efficiently use current year funds through reprogramming. Reprogramming allows the HQ USEUCOM to move funds from organizational elements that are underspent to organizational elements that are overspent. The HQ USEUCOM Comptroller could reprogram periodically during the year to allow more efficient spending rather than just during the year-end closeout with only a short time to complete spending for the fiscal year. Reprogramming can assist the HQ USEUCOM in meeting its spending targets by reducing the variance between planned and actual execution.

Spending Against Targets

EUCOM Directive 50-2, "Administration and Control of Financial Resources," March 2, 1990, states that the USEUCOM (through the Comptroller) should "monitor execution of current year funds based on approved monthly spending plans and budget execution procedures." Specifically, each element must compare their obligations against their annual spending plan and identify variances between planned versus actual execution.

We found little evidence of active management of the funding variances. Without this active management, there are fewer opportunities for reprogramming. The Department of the Army may also misinterpret the Command's actual funding needs by its performance against targets and reduce the HQ USEUCOM's opportunity for additional funds.

Underutilization of Program Budget Advisory Committee

According to USEUCOM SM 50-2, "Program Budget Advisory Committee (PBAC)," January 15, 1988, the PBAC provides a forum to discuss current year execution and future year funding issues. There are two types of PBACs within the HQ USEUCOM: Working and Executive. The Working PBAC coordinates efforts of the individual Resource Managers while the executive PBAC is the senior decision-making committee that approves the recommendations of the Working PBAC. The HQ

USEUCOM uses both the PBACs on an irregular basis to develop future year requirements and unfinanced requirements. However, the HQ USEUCOM does not use the PBACs to centrally manage its current year funds. This practice will be discussed in detail in the Financial Management Section of this report.

During a recent inspection of the U.S. Central Command, we saw an example of an effective and active PBAC process that also promotes centralized management of funds which facilitates reprogramming when needed. The U.S. Central Command financial working group meets monthly to manage current year execution and future year requirements. Meeting on a regularly scheduled basis allows the group to effectively and efficiently manage and reprogram current year funds.

Conclusion

The HQ USEUCOM does not reprogram funds efficiently since it waits until the end of the year to correct shortfalls and assist individual organizational elements. This minimizes reprogramming opportunities due to the limited time available to commit and the constraints on contracting during year-end. It may also jeopardize future year funding with less than optimal accomplishment of current year funds execution.

Recommendation 4

The HQ USEUCOM initiate a management process which monitors and reprograms funds, to more efficiently program funds to spending targets.

Management Comments

The HQ USEUCOM concurred with the recommendation. It stated the "Chief of Staff has already taken several actions to improve the efficiency of the funds management process at HQ USEUCOM. SM 50-2 was revised to require Executive PBAC meetings at least twice per year. In addition, at the Executive PBAC...directors and office chiefs, for the first time, will brief their own program requirements, an initiative where the Executive PBAC will review spending plans, execution rates, program deviations, and potential reprogramming." The HQ USEUCOM also stated it will revise Staff Memorandum 50-2, "Program Budget Advisory Committee (PBAC)" by September 30, 1995.

Evaluation of Management Comments

The HQ USEUCOM comments are responsive to the recommendation.

Understatement of Funding Requirements at the George C. Marshall Center

The second major concern we noted with the monitoring of the budget process relates to the Marshall Center. We found that the Marshall Center understated its current and future year requirements when reporting to higher headquarters. Further, a larger concern is that effective Comptroller oversight could have identified and corrected the Marshall Center's requirements submission.

ISSUE

The Marshall Center understated its requirements which adversely impact its operation now and will continue to adversely impact its operation in the future

Requirements

The Marshall Center provides its budget inputs into the total HQ USEUCOM Program Objective Memorandum or Command Budget Estimate. The HQ USEUCOM, in turn, combines those inputs and provides the consolidated submission to the Department of Army, Directorate of Program Analysis and Evaluation. The POM input is significant in the final funding of the HQ USEUCOM and the Marshall Center.

The Marshall Center's Command Budget Estimate identified a FY 1995 and future years funds shortfall for the Institute of Eurasian Studies (formerly the U.S. Army Russian Institute [USARI] and the Foreign Language Training Center-Europe [FLTCE]). Funding was only provided for FY 1994. The HQ USEUCOM and the Marshall Center restated their concerns to the Department of the Army staff in the Programming, Budgeting, and Execution process for the funding for the former U.S. Army Russian Institute and the Foreign Language Training Center-Europe. However, the Marshall Center did not provide new funding requirements. The funding for the former Institute and Center was $1.9 million. This caused the Marshall Center, and ultimately the HQ USEUCOM, budget submission to be understated.

Understatement of Requirements

We also found that the Command Budget Submission did not contain all requirements recently identified by the Marshall Center. The Marshall Center's total shortfall is approximately $6.6 million, of which $1.9 million was reported to the HQ USEUCOM and the Department of the Army. Its Resource Manager's Integrated Priority List for FY 1995 and the submission for the Command Budget Estimate understates the cost of the Marshall Center's operations by $4.7 million dollars. Figure 8 provides details on the Marshall Center requirements determination for FY 1995.

MARSHALL CENTER
Calculation of FY 95 Unfinanced Requirements Not Reported [1,2]

▲ Calculation of Marshall Center Funding

Funding Guidance EUCOM	$ 8.426M	
HQDA FLTCE/USARI	$ 1.919M	
Restore CIVPay cut	$ .942M	
Total FY 95 funding:		$ 11.287M
FY 95 Potential German contribution [based on MOU]	$ .741M	
Total FY 95 funding with German contribution:		$ 12.028M

▲ Total Operation and Maintenance, Army requirements at Marshall Center: $ 16.016M

▲ Shortfall:
$ 16.016M – $ 11.287M (less GE contribution): $4.729M

NOTE 1: Reported requirements to HQDA $ 11.287M
NOTE 2: Source of information Marshall Center Resource Manager

Figure 8

Those shortfalls permeate and impact operations throughout the Center. Our assessment of its funding level is that it has an adverse impact on current operations of all directorates.

For example, the current funding levels in the College of Strategic Studies and Defense Economics pay for the Class 95-1 core course and one critical hire, but do not fund Class 95-1 field trips, four weeks of Class 95-2, five critical hires, and staff TDY funds. In the Research and Conference Center, current funding levels pay for a minimal level of conference activities but do not fund a civilian researcher, contracts for research, or the preferred level of Conference Activities. In the Support Directorate, current funding levels pay for personnel on-board but maintain operations with no new initiatives or investment. Finally, in the Operations Division, current funding levels pay for college graduations, translation costs, and only 25 percent of the TDYs but do not pay for interpreters for Seminars or other necessary TDYs. Those examples all show a major impact on operations of the Center.

Factors Causing Understated Requirements

The Marshall Center understated its funds requirements through the HQ USEUCOM Comptroller to the Department of the Army due to two specific factors attributed to the Center. First, we noted that there was specific direction by Marshall Center management not to report unfunded requirements other than U.S. Army Russian Institute and the Foreign Language Training Center-Europe funding. Second, the budget was developed without input from each Directorate. Those factors contributed to the incomplete budget submission from the Marshall Center Resource Manager to the HQ USEUCOM Comptroller.

Although the Marshall Center is responsible for the understatement of their requirements, more effective oversight by the Comptroller could have assisted in the identification of the Marshall Center's submission. Such oversight is an inherent Comptroller function.

The failure of the Marshall Center to accurately project future year requirements is impacting both the current and future year budgets. For FY 1995, the Center has significant shortfalls affecting operations not identified by the HQ USEUCOM. The failure will also impact FY 1996 and future budget submissions since the HQ USEUCOM will need to explain why next year's actual requirement differs substantially from last year's submission for the Command Budget Estimate. This is the first full fiscal year for the Marshall Center operations with a faculty (summer 1994) and the foreign classes (fall 1994). FY 1995 represents an opportunity for the Marshall Center to establish a credible baseline projection of funding requirements.

Conclusion

The Marshall Center's inaccurate projection of its funding requirements adversely affects current and future operations of the Center. Although the Center's ability to carry out its mission is clearly affected by budget shortfalls, the shortages were not reported to the Department of the Army, Directorate of Program Analysis and Evaluation. Though the submission was the responsibility of the Marshall Center, the HQ USEUCOM Comptroller did not provide sufficient oversight to identify and correct the Center's submission. This points out the need for the Marshall Center to allow the Directorates to report all of their requirements to HQ USEUCOM for both current and future years.

Recommendation 5.a

The HQ USEUCOM:

a. review the Marshall Center Command Budget Estimate and provide the Department of the Army,

Directorate of Program Analysis and Evaluation, any revisions to the initial estimate;

Management Comments

The HQ USEUCOM concurred with the recommendation and stated that "revised Marshall Center funding requirements were included in the mini-POM submitted to DA [Department of the Army] in Mar 95. Numerous other efforts have been taken to secure the required funding. These include: sending high level messages to DA; establishing a DA-hosted General Officer Steering Committee to bring all participants together and size the problem; and briefing a DA-hosted Working Group, 25 May 95, to build funding detail for DA budget authorities."

Recommendation 5.b

b. assess the Marshall Center's unfunded list to request additional funding for this fiscal year;

Management Comments

The HQ USEUCOM concurred with the recommendation. It stated the Marshall Center's "unfinanced requirements (UFR) list, reviewed during the inspection, was an aggressive list of priorities that would lead to a steady state status more quickly than provided for in current plans....FY 95 requirements are $11.3M and have been secured from HQDA/EUCOM."

Recommendation 5.c

c. provide the Marshall Center oversight and technical assistance in all aspects of its budgeting process.

Management Comments

The HQ USEUCOM concurred with the recommendation. The "Comptroller, USEUCOM, conducted a financial assistance visit in Feb 95. ECJ5 and Comptroller regularly provide oversight and assistance in support of MC [Marshall Center] resource requirements."

Evaluation of Management Comments

The HQ USEUCOM's corrective actions are responsive to the recommendation

B. INTERNAL MANAGEMENT PROGRAMS

The second management area we evaluated was the HQ USEUCOM's internal management programs. Internal Management programs are those processes and procedures used by an organization to perform functions necessary for effective operations. We define those management programs as the major functional elements within the HQ USEUCOM; specifically: financial management, information resource management, logistics and supply management, contract management, and personnel management.

FINANCIAL MANAGEMENT

BACKGROUND

The first internal management program we reviewed was financial management. We define financial management as the accounting, managing, and controlling of financial resources.

Accounting is the structure of methods and procedures used to record, classify, and report information on the financial position and operations of a governmental activity or any of its funds and components.

Managing and controlling financial resources consists of oversight of the program to include training of personnel and promulgation of directives. In addition, an organization must properly manage financial resources by closely monitoring funds. Proper management also means an organization correctly obligates funds against an appropriation.

HQ USEUCOM Comptroller

The Comptroller's Office is responsible for total financial oversight for the HQ USEUCOM which includes:

- providing financial/resource management guidance and assistance to HQ USEUCOM elements;
- monitoring execution of current year funds based on approved monthly spending plans and budget execution procedures; and
- monitoring the status and management of prior year funds and unliquidated obligations for both prior year and current year funds.

The Comptroller's Office also provides training to Resource Managers and Security Assistance Office

personnel appointed as financial officers, and issues financial directives governing the HQ USEUCOM's financial program.

The HQ USEUCOM funds are decentralized--each organizational element maintains control of their funds using Resource Control Ledgers. The data entry system being used to maintain those ledgers is the Department of the Army's Databased Commitment Accounting System (dCAS). The person(s) within each organizational element who is responsible for maintaining the Resource Control Ledger (data entry, verification, and reconciliation) is the Resource Manager. That person may or may not have a financial background.

Resource Managers

The Resource Manager is responsible for maintaining the Resource Control Ledger for each appropriation and fund category subject to limitation or control. Their responsibility for reconciliation of the accounting reports includes notification of any errors (data entry, mismatched obligations and disbursements, or incorrect deobligation amounts) to the 266th Theater Finance Command (TFC). The Resource Manager enters the data into dCAS and downloads the data on a diskette. This diskette, with supporting documentation, is sent to the 266th TFC with a letter of transmittal.

266th Theater Finance Command

The 266th TFC is responsible for:

- maintaining the official accounting records for the HQ USEUCOM Activities (directorates, staff offices, and Security Assistance Offices);
- distributing financial reports (electronic and/or hard copy medium) to provide information on the results of operations and status of funds;
- ensuring various reports and financial data are complete and current through the end of each reporting period; and
- notifying the HQ USEUCOM of any new or changed operating procedure, policy, or directive affecting finance and accounting operations.

All disbursements of HQ USEUCOM monies (vendor payments and civilian payroll) are made by the 266th TFC. The 266th TFC is also responsible for providing technical accounting guidance and support, and scheduling and conducting joint reviews with the HQ USEUCOM Resource Managers.

The 266th TFC forwards financial data electronically for the current work month for its area of responsibility to the Department of Army (through the Defense Finance and Accounting Service at Indianapolis, Indiana). The 266th TFC receives Department of Army electronic data and produces the accounting reports, which should reflect updated transactions. Each USEUCOM Resource Manager is responsible for verifying the validity of the data as reflected on the reports and notifying the 266th TFC of any discrepancies.

Maintaining Resource Control Ledgers is integral to fund administration and control. When properly maintained, the ledgers keep managers informed on the status of funds and how actual fund usage (financial reports that record obligations) compares with the HQ USEUCOM spending plan. Resource Managers can use the reports to identify unfavorable trends (such as disbursements without a matching obligation or overobligations) and accounting errors which can disrupt operations. Without properly reconciled Resource Control Ledgers management lacks the financial data to make spending decisions and evaluate alternative funding actions. In addition, properly maintained Resource Control Ledgers can prevent overobligation and overexpenditure of funds that may cause a reportable violation of the Anti-Deficiency Act.

EUCOM Policy for Management of Financial Resources

The responsibilities and the division of duties between the Comptroller's Office, Resource Managers, and the 266th TFC are well defined and documented in EUCOM Directive 50-2, "Administration and Control of Financial Resources," March 2, 1990. This extensive directive addresses day-to-day operations of not only the Comptroller's Office, but the functions of the Resource Managers and the supporting finance office. Memoranda issued to the Resource Managers by the Comptroller with day-to-day guidance are clear, concise and easily understood. However, the Command needs to update this directive to reflect the 266th TFC role in providing finance and accounting support.

ISSUE

The HQ USEUCOM has difficulty in reconciling errors and determining the accuracy of the accounting support provided by the 266th Theater Finance Command

The HQ USEUCOM financial data as reflected in official Department of Army financial reports does not accurately reflect the current status of funds. Lack of monitoring by the HQ USEUCOM Comptroller's Office of the recurring problems with the 266th TFC has allowed

this situation to continue. Without a proper audit trail in place, the Comptroller cannot determine the magnitude or occurrence of those instances. Resource Managers expressed the following concerns:

- The Resource Managers we interviewed identified problems with the level of accuracy of the accounting support provided by the 266th TFC. Lack of or untimely correction of noted errors on the Department of Army accounting reports received from the 266th TFC has led to questionable fund balances.

- During the reconciliation process, Resource Managers have discovered that the data on the Detail Obligation Report or the Non Stock Orders and Payables Report is different from the data they submitted on the dCAS diskette. When queried, the 266th TFC replied that the diskette "hung-up" in the system or was blank. Rather than contact the Resource Manager and ask for another diskette, the 266th accounting technicians input the data manually from the supporting documentation sent with the diskette. Data entry errors are frequently made and require the HQ USEUCOM Resource Manager to correct the error(s). In addition, the 266th TFC accounting technicians, without justification, adjust financial data that was originally entered correctly in dCAS by the Resource Manager.

  - Travel obligations for the foreign students at the Marshall Center were entered correctly into dCAS. When the Center received the current month's official accounting report, the FY 1994 accounting data had been changed to FY 1995 by an accounting technician at the 266th TFC. That resulted in the commitment showing as FY 1994 while the matching obligation showed up on another line with FY 1995 accounting data.

  - In another example at the Marshall Center, individual travel expenditures for 74 students were all charged to one student.

  - The J-6 Resource Manager has a continuing problem with one Honeywell contract dating back to FY 1991. Despite several meetings with the 266th TFC, no changes have been made and a $300,000 over-disbursement remains.

- After monthly reconciliation has been performed by the Resource Managers, the 266th TFC is not processing the annotated corrections on the official accounting reports in a timely manner.

Based on interviews with Resource Managers, the Command has not resolved FY 1994 and previous years problems with the 266th TFC accounting support. The HQ USEUCOM Comptroller has not been proactive in responding to the concerns of the Resource Managers regarding this lack of accounting support.

Conclusion

The HQ USEUCOM Comptroller does not provide oversight over the accounting support provided by the 266th TFC to ensure that the data reflected in the USEUCOM financial reports is accurate. There is no assurance that the USEUCOM financial posture is accurately reflected in the Department of the Army's financial records. Therefore, the USEUCOM managers lack the accurate financial data to make proper spending decisions and evaluate funding actions. In addition, the Resource Managers' time is not being used efficiently. They do monthly, lengthy reconciliation only to discover they are continually providing the same corrective information month after month to the 266th TFC, including reproducing the supporting documentation.

Recommendation 6

The HQ USEUCOM develop a process which will resolve the long-standing problems with the 266th Theater Finance Command's ability to produce accurate financial and accounting support.

Management Comments

The HQ USEUCOM concurred with the recommendation. It stated the "HQ USEUCOM will task the 266th TFC through HQ USAREUR to work with the HQ USEUCOM Comptroller to develop a process to resolve existing problems." The HQ USEUCOM identified several actions it has or plans to take to resolve the issue. Specifically, (1) the "HQ USEUCOM will task the 266th TFC through HQ USAREUR to establish an accounting working group from staff members from both the 266th TFC and HQ USEUCOM with scheduled regular meetings to analyze problem areas and to jointly develop solutions...by 31 August 1995....(2) HQ USEUCOM will seek authority for a temporary overhire to act as an independent ombudsman to perform in-depth, audit-like, analysis of specific problem areas with the goal of pinpointing the root causes and proposing solutions to the accounting working group....by 30 September 1995."

Evaluation of Management Comments

The HQ USEUCOM's corrective actions are responsive to the recommendation.

ISSUE **The HQ USEUCOM does not have a process that ensures effective training and oversight of the Resource Managers**

INADEQUATE OVERSIGHT OF RESOURCE MANAGERS

The second major concern we noted in financial management included both the technical proficiency of Resource Managers and the degree of oversight by the HQ USEUCOM of the Resource Managers. We interviewed 13 fund certifying Resource Managers and reviewed the adequacy of their resource management functions.

Fund Certification Authority

Not all Resource Managers have authorized fund certification authority; some funds are certified by the HQ USEUCOM Comptroller. The individuals we interviewed, however, all have authorized fund certification authority. According to EUCOM Directive 50-2, those individuals are responsible for the obligation and expenditure of funds, and "must be knowledgeable of obligation rules, purposes for which funds may be lawfully used, fund control procedures in this Directive, and other applicable guidance." The Directive further states that "financial management, fund certification, and fund control will be decentralized to HQ USEUCOM Activities having adequately trained personnel to perform fund controls functions."

We found 3 of 13 individual fund certifying Resource Managers we interviewed lacked the skills and abilities necessary to effectively perform their duties. This lack of technical proficiency increases the potential for improper procurement and for violating the Anti-Deficiency Act (31 USC, Chapters 13 and 15) and reduces the level of support to the customer.

Training of Resource Managers Needs Improvement

New fund managers at the HQ USEUCOM typically get less than a day of orientation to prepare themselves for their duties. The new fund managers then perform their duties with minimal subsequent oversight of their budget operations. Without proper oversight, it is difficult to identify problems experienced by new fund managers or the need for additional training. This is an area of vulnerability since Resource Managers have different levels of familiarity with the Department of Army budgeting, the automated software, and specific financial procedures within the theater.

Because the HQ USEUCOM follows the Department of Army budget procedures, those Resource Managers

unfamiliar with Army financial management require more training than those Resource Managers with Army experience.

Inexperience with Army Financial Management Processes

We believe three Resource Managers were not technically competent because of their inexperience with the Department of the Army financial management process. We found one, whose background was in another Service's financial management process, still had difficulty in understanding the automated software system which provides local financial control of the funds after 8 months in the position. We believe closer Comptroller oversight would identify and correct such shortcomings in technical competence and identify additional training needs for the Resource Manager.

Deliberate Over-commitment of Funds

Another example of lack of technical competence is one budget analyst who deliberately overcommitted funds in order to keep the expenditure rate up. We see this as a questionable business practice since funds would not be available if the contracts were to obligate. The regular delay between the commitment and the obligation of the contract provided the opportunity for this particular Resource Manager to overcommit funds. In the Resource Manager's view, more funds would become available or there would be sufficient time to cancel the contracts if more funds were not available. This is similar to "floating" a personal check. One gambles that your money will get into your checking account prior to the check clearing and potentially "bouncing" due to the lack of funds.

Funds Certified Without Identifying Available Funds

In the third example of the lack of technical competence, we found a Resource Manager who certified funds without being able to show what funds were available for future expenditures. Effective Comptroller oversight would easily identify the problem and appropriate actions could be taken, such as additional training or even decertification.

Comptroller Oversight of Resource Managers Needed

Closer Comptroller oversight would also help identify other potential risks. We found three examples of ineffective Comptroller oversight:

- a transition between Resource Managers was not properly conducted;

- centralized action to correct variances in fund execution did not occur; and

- a mechanism to track error trends with the Resource Managers does not exist.

Transition of Resource Managers

In the first example, a Resource Manager complained about the lack of an effective transition between the incoming and outgoing Resource Managers. The result was a missing audit trail of essential financial documents for FY 1994. We believe Comptroller oversight would have recognized the situation and provided alternatives, such as pulling back the fund certification authority, until an effective transition took place and necessary assistance to the Resource Manager was provided.

Variances in Fund Execution

The HQ USEUCOM Comptroller's staff monitors the obligation rates and percentages of the various Resource Managers and notifies them if there is a variance of plus or minus 5 percent or $10,000 from their spending plan. However, no further action is taken once those notices are sent. Additionally, there is no process to determine how well the Resource Manager is maintaining the Resource Control Ledgers and if reconciliation is being done properly on a monthly basis.

No Mechanism to Track Error Trends

Analysis is not being performed by the Comptroller's staff to determine the percentage of errors discovered during reconciliation that are attributable to the Resource Manager or to the 266th TFC. Absent this analysis, there is no method to track error trends Command-wide. Error trends reveal a need for more oversight or additional training of the Resource Managers, or closer monitoring of the performance of the 266th TFC.

Conclusion

Funds certification authority is a legal authority to obligate funds. With this responsibility comes considerable consequences if executed incorrectly. An Anti-Deficiency Act violation for overobligation of funds can result in fines and imprisonment. Proper training can alleviate potential hazards.

When necessary personnel are not familiar or trained in proper budget execution techniques, the potential for an Anti-Deficiency Act violation, improper procurement, slower service on orders, or missed buying opportunities increases. Those missed buying opportunities become more critical at year-end closeout since there is less time to purchase items with the remaining funds.

In a decentralized environment, periodic assessment of the fund certifying Resource Managers to ensure their proficiency would assure the adequate control and expenditure of HQ USEUCOM funds.

The HQ USEUCOM Comptroller does not have a process to measure and analyze the performance of the various Resource Managers. Without this process, the Comptroller cannot ensure the reliability of its financial data as reflected in the Resource Control Ledgers and

ultimately in Department of the Army financial records. Reliable Resource Control Ledgers are integral to proper fund administration and control. Proper identification of reconciliation and accounting errors could ensure that there is no disruption of financial operations (overobligated or undisbursed). In addition, tracking of error trends would pinpoint the necessity for follow-up or additional financial training.

Recommendation 7

The HQ USEUCOM:

a. assess the technical proficiency of Resource Managers on an annual basis;

b. provide longer orientation to new Resource Managers; and

c. provide oversight of Resource Managers.

Management Comments

The HQ USEUCOM partially concurred with the recommendation stating "Resource managers in directorates and offices do not work for the Comptroller. He has no control over the hiring, qualifications, annual rating, training or other assigned duties of the directorate resource managers. Furthermore, Comptroller has no control over the time or quality of resource management transition. However, training and oversight can be improved." The HQ USEUCOM has or plans to take the following corrective actions: "1. Comptroller has instituted monthly meetings of resource managers to provide continuous training on resource management laws and issues. Completed: March 1995. 2. Comptroller will staff a revision to ED 50-2 to require Comptroller concurrence on all hiring actions, ratings, and awards for resource managers. Estimated Completion Date: 30 September 1995. 3. Comptroller will develop a list of resource management courses that newly assigned resource managers will be required to complete within ninety days of assuming their positions and include this requirement in the revision to ED 50-2. Estimated Completion date: 30 September 1995."

Evaluation of Management Comments

The actions taken or proposed by the HQ USEUCOM are responsive to the recommendation.

ISSUE

The Working Program Budget Advisory Committee is not effective in reviewing the current year operating budget execution to ensure the HQ USEUCOM is utilizing funds efficiently on a day-to-day basis

INEFFECTIVE PROGRAM BUDGET ADVISORY COMMITTEE

The Working Program Budget Advisory Committee (PBAC) consists of members and alternates appointed by each directorate or staff office and is chaired by the Comptroller. The Working PBAC is responsible for programming, budgeting, and execution of the HQ USEUCOM budget. The Comptroller's staff is responsible for announcing the meetings, providing the members of the PBAC with an agenda and supporting documentation in advance of each meeting, and for recording the results of the Working PBAC meetings. We found that the Working PBAC does not meet on a regular basis, and no minutes are kept.

Reprogramming of Funds is Not Occurring

Our analysis of the HQ USEUCOM Working PBAC showed that it does not routinely meet to review the current year budget execution or make recommendations for reprogramming funds. The Working PBAC process focuses more on future year spending rather than devoting some effort to current year reprogramming. Further, we saw no evidence that financial managers review and recommend for funding, from available resources, unprogrammed current year requirements which have not previously been subjected to the program/budget process. Individual Resource Managers use their allotted funds during the year, but we could find no evidence of reprogramming of funds between directorates. Instead we found the aggressiveness of the individual Resource Manager is the primary means for obtaining additional funds from the Comptroller for unfinanced requirements. This practice risks funding a requirement that may not be the highest priority on the Unfinanced Requirements Listing. Further, funds are provided by the Comptroller without the benefit of an overall priority assessment. This issue is discussed in greater detail in the Information Resource Management section of the report.

The HQ USEUCOM could benefit from routinely scheduling Working PBAC meetings. The Working PBAC, meeting on a regular basis, could focus on the reprogramming of funds to meet an established and prioritized list of requirements. With the process in place, funds could be reprogrammed routinely during the year for requirements on the Unfinanced Requirements Listing.

Today, the HQ USEUCOM waits until year-end to attempt to purchase items as monies become available. However, with the short lead-time for letting a contract, the Command runs the risk of being unable to make year-end purchases with current fiscal year funds. Minutes of the meeting could record funding decisions to provide an orderly and systematic assessment of requirements while providing an audit trail of taskings and action officers.

Conclusion

The HQ USEUCOM Working PBAC does not meet on a regular basis nor is there any record of decisions made to assist managers in making better future decisions. The PBAC process we reviewed focuses on future year spending rather than devoting some effort to current year reprogramming. This results in inconsistencies in monies being allocated to fund items on the Unfinanced Requirements Listing.

Recommendation 8

The HQ USEUCOM redefine the roles and responsibilities of the Working PBAC to ensure:

a. it is more proactive in current year reprogramming;

b. it schedules meetings on a regular basis to reprogram funds; and

c. it provides supporting documentation to record funding decisions and actions assigned.

Management Comments

The HQ USEUCOM concurred that the "entire PBAC process should meet on a regular basis and become more proactive in current year reprogramming....we believe that the Working PBAC's role is to recommend reprogramming actions to the Executive PBAC who retains final approval authority."

Evaluation of Management Comments

The HQ USEUCOM's proposed corrective actions and those actions identified in Recommendation 4 are responsive to the recommendation.

INFORMATION RESOURCE MANAGEMENT

BACKGROUND

The second internal management program we reviewed was Information Resource Management. Information Resource Management includes those mechanisms (i.e., personnel, procedures, hardware, and software) that are designed, built, integrated, operated, and maintained by an organization to collect, process, disseminate, and store information. Employing sound business practices and following federal requirements, an Information Resource Management program should:

- be responsive to users to ensure that the Information Resource Management needs of the agency are identified and met;
- have formal plans for achieving and supporting information management and technology requirements, Corporate Information Management requirements, data requirements and standardization, and the multi-year resources necessary to obtain and meet those requirements in support of the agency's mission;
- address Automated Information System security; and
- be monitored so that Information Resource Management managers can determine if the Information Resource Management support program meets the needs of the agency.

The HQ USEUCOM Command, Control, and Communications Directorate (J-6) reorganized in October 1994. The J-6 centrally manages the requirements process, the Information Resource Management support functions, and the automated information system security functions. The J-6 also monitors specific Information Resource Management support functions, such as the Local Area Network, and centrally manages information technology funds or hardware and software purchases. Each HQ USEUCOM organizational element manages those functions with guidance from and approval by the J-6.

Our inspection results determined that overall the HQ USEUCOM has an adequate Information Resource Management program; however, the program is incomplete. The Information Resource Management program lacks key components required by the Paperwork Reduction Act of 1980 (44 USC, Section

3506), the Office of Management and Budget, and the DoD.

ISSUE **The HQ USEUCOM Information Resource Management Program is incomplete**

INCOMPLETE INFORMATION RESOURCE MANAGEMENT PROGRAM

The HQ USEUCOM has an incomplete Information Resource Management program. Specifically, the HQ USEUCOM lacks:

- an Information Resource Management Strategic Plan;
- a mechanism that effectively integrates, monitors, and controls its unfinanced information technology requirements with its current year budget execution;
- an oversight mechanism to monitor the Information Resource Management hardware and software procurement process;
- a data administration plan; and
- an Information Resource Management Review Program.

Information Resource Management Strategic Plan Required

The HQ USEUCOM does not have an integrated 5-year Information Resource Management Strategic Plan for its office automation and command and control information technology requirements. (see MFR EJ6-WMS-05) Office of Management and Budget Circular A-130, "Management of Federal Information Resources," July 15, 1994, and DoD Directive 7740.2, "Automated Information System Strategic Planning," July 29, 1987, require agencies to establish and maintain strategic Information Resource Management planning processes. This planning should result in the preparation and maintenance of an up-to-date 5-year plan, as required by the Paperwork Reduction Act of 1980. Those planning processes must interface with the existing Planning, Programming, and Budgeting System and ensure that the Automated Information System strategic plans are appropriately updated to be consistent with the DoD portion of the President's budget and supporting Information Technology Program exhibits. The 5-year plan should also link to, and integrate with, the agency's strategic planning required by the Government Performance and Results Act of 1993, Public Law 103-

62. This linkage ensures that agencies apply information resources to programs that support the achievement of agreed-upon mission goals.

Future Requirements Not Included in Strategic Planning

The HQ USEUCOM has two office automation systems and one command and control system which need to be integrated into the strategic planning process--the USEUCOM Command Center System (UCCS) and the Secret Local Area Network (S-LAN). The Joint Staff has designated UCCS as a command and control migration system, which will eventually become a part of the DoD Global Command and Control System (GCCS). The HQ USEUCOM will incur significant costs with the implementation of the GCCS. The planned evolution of the UCCS and the S-LAN exemplify the significance of establishing goals and plans as part of a strategic planning process. Without an integrated strategic plan for Information Resource Management needs, the Command risks an uncoordinated approach at system integration and a costly ad hoc approach to achieving goals and objectives.

We found, for example, in 1993 the Deputy J-6 (the Information Management Board chairperson) provided guidance to the Directorates to upgrade their personal computers to 80486s "hopefully" by January 1996 so "that those who want to" can implement the Windows operating system. Each element was given responsibility for achieving the modernization goal. However, given the technical considerations, implementation of the new software cannot occur until all elements have upgraded to the proper hardware. Despite the direction provided by the Deputy, not all elements have defined plans to ensure achieving the goal nor has the J-6 established firm milestones for achieving this goal.

USEUCOM Strategic Planning Process

Although the HQ USEUCOM lacks a formal, documented Information Resource Management Strategic Plan, the HQ USEUCOM does an adequate job of identifying its Information Resource Management requirements through other established strategic planning processes and mechanisms. For the UCCS and GCCS, the mechanism is the Command and Control Support Systems Working Group. For the S-LAN, the Automation Networks Branch and the HQ USEUCOM Configuration Control Board track and control automation projects. As a result, the HQ USEUCOM Program Objective Memorandum identifies budget requirements for both its command and control system and its office automation system. However, those mechanisms do not result in an integrated HQ USEUCOM Information Resource Management plan, which can work interactively with the strategic planning mechanisms to guide the HQ

USEUCOM towards achieving its overall information technology goals.

Unfinanced Requirements

The lack of a strategic plan also impacts the HQ USEUCOM funding process, which in turn ultimately affects the HQ USEUCOM achieving its information technology goals.

We noted that the HQ USEUCOM lacks an adequate process to manage its funding of current unfinanced Information Resource Management requirements. The HQ USEUCOM does not have a mechanism in place that effectively integrates, monitors, and controls its unfinanced information technology requirements with its current year budget execution as part of the HQ USEUCOM Planning, Programming, and Budgeting System process.

The HQ USEUCOM Information Management Board publishes a list of current unfinanced information technology requirements. The objective is to provide the Chief of Staff with a continuously current recommended list of prioritized expenditures for information management requirements should funds become available.

The Comptroller publishes a current year Unfinanced Requirements Listing for the Command for use by the Program Budget Advisory Committee. The Comptroller integrates the Information Management Board's list, under a separate heading and in its entirety, into the Comptroller's current year unfinanced requirements list. However, the Comptroller's version of the Information Management Board's priorities as it exists on the FY 1995 unfinanced requirements list (October 1994) is not consistent with the Information Management Board's most current list (July 1994).

USEUCOM Unfinanced Requirements Listing Priorities

The Information Management Board published three consecutive Unfinanced Requirements Listings during FY 1994, dated December 10, 1993; March 25, 1994; and July 28, 1994. The Comptroller's Unfinanced Requirements Listing does not match any of those lists. It is most closely aligned with the 7-month old March 25, 1994 Information Management Board list. Also of significance is that the J-5 was able to receive additional FY 1994 funding from the Comptroller, which allowed the J-5 to satisfy its unfinanced FY 1994 and (planned) FY 1995 personal computer requirements. This occurred even though there were 15 Information Resource Management requirements on the Comptroller's list with a higher priority that cost less money than the J-5's requirements. Even more notable is that the J-1 received year-end funding for its information technology

requirements even though they do not have any requirements on any of the Unfinanced Requirements Listings mentioned. Considering the automation goals the HQ USEUCOM has established, the lack of a strategic plan and the associated funding issue have the same results--an inability to achieve the Command's Information Resource Management goals in a systematic and planned manner.

System Transition Challenges

According to the HQ USEUCOM Information Resource Management office, the Command cannot migrate to its planned S-LAN software environment until all offices upgrade their personal computers to meet the minimum hardware and memory requirements called for by the software. Without a centrally controlled and integrated Command Information Resource Management master plan with specific milestones directing the action of all elements, there can be no assurance that the Command can effectively and efficiently transition to an improved Information Resource Management environment. The manner in which the HQ USEUCOM currently manages unfinanced information technology requirements also works against achieving intended Information Resource Management improvements. It is our conclusion that the future of the Command's automation architecture is, in essence, being driven decentrally by a series of uncontrolled events instead of a disciplined strategic plan managed by the Command.

This uncontrolled approach to Information Resource Management modernization can lead to increased long-term costs as organizational elements that have the requisite hardware technology purchase individual copies of more advanced versions of software. This could continue until it is technically feasible for the HQ USEUCOM to transition (at additional costs) to the Command target Local Area Network software environment. We found, for example, the Comptroller's Office purchased an individual copy of Harvard Graphics because the current Local Area Network version did not meet their needs. Such unilateral purchase actions can be detrimental to the Command's Information Resource Management goals as financial resources become more constrained.

Oversight of Information Resource Management Procurement

Another area in which the HQ USEUCOM needs improvement is in monitoring Information Resource Management hardware and software procurement. The HQ USEUCOM does not have an oversight mechanism to monitor the Information Resource Management hardware and software procurement process. One of the goals of the DoD Information Resources Management Program (as promulgated by DoD Directive 7740.1, "DoD Information Resources Management," June 20, 1983) is to provide

for the economic and effective acquisition of information resources. Because the information technology procurement process calls for more specific knowledge than the process involved in standard purchases, personnel involved in the procurement process must be aware:

- that there is more than one contract vehicle available;
- what contracts are available; and
- that there are maximum order limits on standard General Services Administration (GSA) schedule contracts.

Knowledge of those specifics will result in a more efficient purchase process for all involved. The Information Resource Management Office must ensure that the Command has this knowledge and should establish sound Information Resource Management purchase practices that are responsive to users.

Evolution of Information Resource Management Procurement

The J-6, at one time, was responsible for centrally submitting and monitoring information technology purchase requests. This included having ready access to information on contracts. The J-6 and the J-1 Resource Managers consider this a critical central function. However, in March 1994 as a result of end-strength reductions, the individual within the J-6 who controlled the hardware and software purchase requests and who monitored the purchase request process was transferred. The HQ USEUCOM then chose to decentralize this function. As a result, each organizational element is currently responsible for submitting and monitoring its own purchase requests. Some of the HQ USEUCOM action officers responsible for submitting and monitoring purchase requests lack knowledge of the peculiarities of the information technology procurement process. This can delay the process and result in requesters cancelling orders, reprocurements (i.e., competing a new contract or having to use another contract vehicle), and changes in the availability on the contract of the requested technology.

USEUCOM Hardware Purchases

Specifically, at the end of FY 1994, the HQ USEUCOM experienced challenges with its year-end hardware buys. The J-6 Chief, Resources Management Branch/Information Management Board Secretary attributes the challenges to the HQ USEUCOM not having a central person responsible for hardware and software purchase requests. A prime example is the situation that occurred with the J-1.

The J-1 purchase request action officer, who is a manpower management technician, submitted a purchase request for Information Resource Management equipment in September (at the end of FY 1994), requesting a specific GSA schedule contract. Because the maximum order limit on that GSA schedule contract had been exceeded, the Army Contracting Command in Frankfurt had to send the purchase request back through the appropriate channels to the HQ USEUCOM for resubmission against another contract at a higher cost per item. In addition, the J-1 Resource Manager had an unplanned expenditure for FY 1995 funds for unforeseen processing fees associated with the new contract. The result was the Command received less hardware for its money and had to make an unplanned expenditure of additional funds for unforeseen costs.

Conclusion

Although overall the HQ USEUCOM has an Information Resource Management Program, it lacks the key elements to support sound Information Resource Management practices. Without an Information Resource Management Strategic Plan, the Command is unable to effectively use its strategic planning process to achieve its overall information technology goals. The process used to acquire information technology hardware and software is non-responsive to the actual needs of the organization and can result in wasted time and money. An oversight function which employs individuals who are unfamiliar with the information technology procurement process makes the HQ USEUCOM unable to adequately monitor and make more efficient the Information Resource Management hardware and software procurement process for users.

Recommendation 9

The HQ USEUCOM:

a. develop its current strategic planning processes into an integrated Information Resource Management Strategic Plan, and

b. implement a mechanism to monitor and control the funding of current unfinanced, prioritized information technology requirements.

Management Comments

The HQ USEUCOM concurred with recommendation 9.a., and stated the "ECJ6 has requested FY 96 funding to prepare this plan, via contract, from the ASD/C3I Corporate Information Management (CIM) program. The Joint Staff concurred with this request and forwarded it to DoD for funding."

The HQ USEUCOM partially concurred with recommendation 9.b., and stated a "USEUCOM Directive will be developed between the Information Management Board and the Comptroller's office to ensure that the IMB's prioritized Unfinanced Requirements Listing is aligned with the Comptroller's Unfinanced Requirements Listing."

Evaluation of Management Comments

The planned corrective actions are responsive to the recommendation.

Recommendation 10

The HQ USEUCOM establish an oversight mechanism to monitor the status of available contracts and centrally control and monitor information technology purchase requests.

Management Comments

The HQ USEUCOM concurred with the recommendation and stated that "one manpower space is being considered for internal realignment to firmly establish a 'mechanism to monitor the status of available contracts and centrally control and monitor information technology purchase requests for HQ USEUCOM.' This staff position would coordinate all purchases, funded or unfunded, with the Comptroller's office."

Evaluation of Management Comments

The planned actions are responsive to the recommendation.

DATA ADMINISTRATION PLAN

During our review, we noted that the HQ USEUCOM does not have a data administration plan.

Requirements

DoD Directive 8320.1, "DoD Data Administration," September 26, 1991 establishes policies for DoD data administration. DoD 8320.1-M, "Data Administration Procedures," March, 1994, provides procedures for implementing the policies and concepts delineated in DoD Directive 8320.1. DoD 8320.1-M requires agencies to review and approve an annual data administration plan in accordance with annual planning guidance and submit that plan to the DoD Data Administrator. A completed data administration plan contains detailed resourced and unresourced requirements. A Deputy Secretary of Defense Memorandum, "Accelerated Implementation of Migration Systems, Data Standards, and Process Improvement," October 13, 1993, states the definition of data requirements and implementation of data standardization should be implemented and given priority

in current and future resource planning and implementation.

USEUCOM Data Administration Resource Requirements

The HQ USEUCOM has not submitted any plans or requests for resources in response to the FY 1993 or FY 1994 annual DoD Strategic Planning call from the DoD Data Administrator. It has become more urgent that the HQ USEUCOM submit a data administration plan because in December 1994, the HQ USEUCOM received final delivery of the USEUCOM Command Center System (UCCS). The UCCS is the Command's primary command and control system that provides the CINC and his staff with decision making and planning support. The JCS has designated the UCCS to migrate to the Global Command and Control System. The HQ USEUCOM will fund UCCS operation and maintenance from FY 1995 through its remaining life; the Department of the Army funded the UCCS until it became fully operational. This information is significant because the DoD provides specific guidance to Component Data Administrators that they should consider migration system initiatives in their data administration plan.

If the HQ USEUCOM does not prepare and submit a data administration plan, they and the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) will not know what portion of the HQ USEUCOM data administration program requirements are financed or unfinanced.

Defense Information Systems Agency Guidance

On December 22, 1994, the HQ USEUCOM J-6 received the FY 1995-2002 Data Administration Strategic Planning Guidance from the Defense Information Systems Agency. The Guidance is for the development of the FY 1995-2002 functional area and Component data administration plans. The Chief, Automation Resources Division stated that the HQ USEUCOM is actively working this issue and will meet the February 28, 1995 suspense.

Conclusion

Proper resource planning is crucial in this time of constrained resources. A Data Administration Plan would ensure that the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) will be able to adequately assess the HQ USEUCOM's data administration funding requirements for the Global Command and Control System.

Recommendation 11

The HQ USEUCOM develop and submit to the DoD an annual data administration plan in accordance with DoD requirements.

Management Comments

The HQ USEUCOM concurred with the recommendation and stated that "a data administration plan for the USCINCEUR Command Center System (UCCS) was submitted to the Defense Information Systems Agency in response to DISA's FY 1995-2002 Data Administration Strategic Planning Guidance."

Evaluation of Management Comments

The comments are responsive to the recommendation.

INFORMATION RESOURCE MANAGEMENT REVIEW PROGRAM

We found that the HQ USEUCOM does not have an Information Resource Management Review Program. The Paperwork Reduction Act of 1980, requires agencies to periodically review their Information Resource Management activities. DoD Instruction 7740.3, "Information Resources Management (IRM) Review Program," February 7, 1989, establishes the DoD Program that meets this requirement--the Information Resource Management Review Program. The Office of the Secretary of Defense (Command, Control, Communications and Intelligence) memorandum, "Information Resources Management Review Program," February 2, 1993, changed the Information Resource Management Review Program. The key changes:

- Require each DoD Component to assess its overall Information Resource Management program using the Office of the Secretary of Defense "Guide for Assessing Component Information Management Activities" (or comparable assessment guide).

- Require an initial 3-year action plan for accomplishing assessment guide and information management review program activities.

- Require annual progress reports on self-assessment activities, improvement actions taken, information management reviews, and an updated 3-year action plan be submitted to the Deputy Assistant Secretary of Defense (Information Systems) every February 15 beginning in 1994.

In addition, an Under Secretary of Defense (Comptroller) memorandum, "Guidance Applicable to Assessing Internal Management Controls," February 2, 1993, forwarded the OSD Guide to Internal Management Control focal points. The Guide provides a standardized required methodology for evaluating internal management controls in information management environments.

In the past, the GSA has been critical of the DoD information management review program and has identified problems in specific information management areas that exist in Defense agencies. The changes to the DoD's Information Resource Management review program were in response to that criticism. If agencies fail to follow the Information Resource Management review program requirements, they will continue to contribute to the DoD's information management problems identified by the GSA. For example, one of the assessable areas in the OSD Guide is Strategic Planning.

If the HQ USEUCOM Information Resource Management managers had implemented the DoD Information Resource Management review program, they would have known about the requirement for a 5-year plan.

Conclusion

An Information Resources Management Review Program would allow the HQ USEUCOM to assess the elements of its information management, identify the strengths and weaknesses of its program, and focus its resources on those areas needing the most attention. The lack of an Information Resources Management Review Program limits the HQ USEUCOM's ability to perform oversight in the various information management activities identified by the Assistant Secretary of Defense (Command, Control, Communications and Intelligence). Such oversight would allow the HQ USEUCOM to prioritize its resources and redirect its energies as needed.

Recommendation 12

The HQ USEUCOM implement an Information Resources Management Review Program in accordance with DoD requirements.

Management Comments

The HQ USEUCOM concurred with the recommendation stating that it "will be implemented as the current levels of manpower and funding resources within the ECJ6 permit. The Sep 95 ECJ6 N/R reorganization will provide some additional capacity to accomplish these tasks as will the CIM funding...."

Evaluation of Management Comments

The comments are responsive to the recommendation.

LOGISTICS AND SUPPLY MANAGEMENT

BACKGROUND

The third internal management program we reviewed was logistics and supply management. We define logistics and supply management as the storage, distribution, procurement, maintenance, transportation, facilities, communications, data processing, property accountability and disposal, and the personnel and equipment necessary to manage those functions. An adequate program ensures that the logistical and supply support requirements are fulfilled in the requested time frames and at the expected costs.

Support Received from the 6th Area Support Group

The HQ USEUCOM receives its logistical and supply management support from the 6th Area Support Group (ASG), an element of the U.S. Army Europe (USAREUR), through an Interservice Support Agreement. Prior to 1991, the EUCOM Support Activity provided logistical and supply management support to the HQ USEUCOM; that Activity was deactivated as part of the drawdown of forces in Europe. The HQ USEUCOM uses Department of the Army Regulations since the Department of the Army is its Executive Agent. This includes following Army Regulation (AR) 735-5, "Policy and Procedures for Property Accountability," March 31, 1994.

ISSUE

The HQ USEUCOM does not have the necessary mechanisms in place to ensure control of its logistics and supply management function

During the inspection, we found areas needing management attention which impact the adequacy of the HQ USEUCOM's logistics and supply management process. Those areas reflect a lack of oversight and monitoring by the HQ USEUCOM and hinder its ability to ensure accountability of property and equipment.

PROPERTY MANAGEMENT PROCESS

The first area requiring management attention is the HQ USEUCOM's internal property management process. As a result of the drawdown, the 6th ASG assumed HQ USEUCOM property accountability support from the EUCOM Support Activity. Unlike that Activity, the 6th ASG is not a part of the HQ USEUCOM and therefore is not responsible or accountable for providing the same level of property accountability support.

The lack of an internal property management program at the HQ USEUCOM has a direct impact in three major areas:

Property Accountability

- Our inspection showed that Command emphasis is needed to improve accountability within the HQ USEUCOM. As of December 1, 1994, the HQ EUCOM has equipment valued at $3,181,409 unaccounted for. The HQ USEUCOM Hand Receipt Holders are not carrying out their responsibilities as stated in AR 735-5. This is reflected by Hand Receipt Holders departing the Command prior to the proper joint inventory and turnover of property. Of the 8 open Reports of Survey that the 6th ASG initiated after the Hand Receipt Holders left their commands, 7 belonged to the HQ USEUCOM.

Reports of Survey

- There were 55 Reports of Survey processed against HQ USEUCOM Hand Receipt Holders for FY 1994. In addition, the HQ USEUCOM has 24 unresolved Reports of Survey dating back to 1992. AR 735-5 requires that the Reports of Survey normally not exceed 75 days processing time with 30 days allocated for the Survey Officer. If a Report of Survey is not completed within 2 years, it can be written off as a loss to the Government. The majority of the equipment missing is ADP hardware and software or command, control, communications, and intelligence related equipment such as STUIIIs (secure telephone units). The late surveys indicate poor Command emphasis in completing Reports of Survey. This is contrary to Department of the Army policy as well as good business practice.

Excess Equipment Not Controlled

- The HQ USEUCOM does not have adequate controls over its excess equipment. We found excess property stored in ladies' rooms, attics, and basements in buildings throughout the Command. The property has not been identified for disposition or turn-in. Some pieces of computer equipment have turn-in slips dated March 1994, but do not have hand receipt numbers or other information that would identify the owner of the equipment. Actions to turn in the equipment have not been forwarded to the 6th ASG for processing. The inadequate accountability of excess equipment is another indication of the lack of an internal property management program.

Improper Delegation of Property Responsibility

We attribute these three major concerns--inadequate property accountability, late reports of survey, and excess property--to the HQ USEUCOM lack of management and control of its property. The HQ USEUCOM delegated authority to an organization outside its chain-of-command, the 6th ASG, to manage and

control property accountability. Both the appointing and approving authority for reports of survey reside within the Headquarters 6th ASG as delegated by the HQ USEUCOM. AR 735-5, however, requires that those functions be within the Command, and individuals delegated authority must also be members of the Command.

We found that all of the 6th ASG's other customers provide their own Property Book Officer and organizational property accountability--only the HQ USEUCOM does not. In an attempt to maintain accountability of HQ USEUCOM property, the 6th ASG maintains the property book for the HQ USEUCOM and works with approximately 80 hand receipt holders. While the 6th ASG is located at the same installation as the HQ USEUCOM, the Headquarters 6th ASG, which is responsible for administering the Reports of Survey Program, is located at another installation, approximately 10 miles from the HQ USEUCOM.

More stringent property control measures are needed to insure property accountability and to reduce the risk of losing control of the organization's resources. The USEUCOM frequently deploys Joint Task Forces (JTF) with USEUCOM equipment. When losses occur, or missing property is discovered, recovery action must be initiated with the 6th ASG Property Book Officer, who has overall responsibility for USEUCOM property. The 6th ASG has no way of tracking this deployed JTF equipment. The HQ USEUCOM, however, knows which equipment will and does deploy with the JTF. We recognize that responsible Hand Receipt Holders serve to ensure that property is adequately accounted for, however, support from the Property Book Officer is a key part of the process.

Conclusion

The HQ USEUCOM's internal property accountability program needs Command emphasis on property accountability, Reports of Surveys, and identification of excess property. In addition, the improper delegation of appointing and approving authority for Reports of Survey to the 6th ASG has led to untimely processing and unresolved Reports of Survey. This results in the HQ USEUCOM's inability to account for and control its property.

Recommendation 13

The HQ USEUCOM develop and implement an internal property accountability program to control logistics and supply management functions.

Management Comments

The HQ USEUCOM partially concurred with the recommendation stating that the "HQ USEUCOM is a customer of the 6th Area Support Group (ASG)....The 6th ASG's written procedures are sound and are in compliance with Department of the Army regulations. Improvement however is required in the enforcement of those procedures by HQ USEUCOM activities." The HQ USEUCOM also stated it plans to develop and implement procedures that comply with published regulatory guidance, in conjunction with the 6th ASG.

Evaluation of Management Comments

The HQ USEUCOM's comments are responsive to the recommendation.

Recommendation 14

The HQ USEUCOM assume responsibility for appointing and approving authority for Reports of Survey from the 6th Area Support Group.

Management Comments

The HQ USEUCOM partially concurred stating that it is "doubtful that simply moving the delegation of the appointing authority to an activity within HQ USEUCOM would result in more timely completion of Reports of Survey. It would, however, result in the loss of centralized management of the approving/appointing authority process. Compliance with existing guidance/standards is what is really required and HQ USEUCOM concurs that improvement is necessary." It plans to "develop and implement procedures which ensure compliance with Department of the Army regulations for total property accountability to include timely processing of Reports of Survey."

Evaluation of Management Comments

The HQ USEUCOM comments are responsive to the recommendation.

Recommendation 15

The HQ USEUCOM identify excess property and follow applicable procedures for turn-in or disposal of that property.

Management Comments

The HQ USEUCOM concurred with the recommendation stating it will "develop and implement procedures to identify and properly dispose of excess property. Once identified, HQ EUCOM property managers must work with 6th ASG PBO to expedite turn in paperwork to include automation equipment documentation which normally takes longer."

Evaluation of Management Comments

The HQ USEUCOM comments are responsive to the recommendation.

PROCESS TO MONITOR SUPPORT

The second area of logistics and supply management we reviewed was the mechanism used to evaluate the adequacy of the support it receives from the 6th ASG. We found the HQ USEUCOM does not have a process or procedure to monitor its logistical and supply support. As a result, it cannot evaluate and verify that the data concerning property accountability provided by the 6th ASG is accurate and complete.

Further, the HQ USEUCOM does not have a focal point or liaison to identify or review USEUCOM requirements as a whole. Because of the HQ USEUCOM's decentralized organizational structure, requisitions flow from each Resource Manager directly to the 6th ASG. The 6th ASG is not responsible for reviewing the HQ USEUCOM's requisition requirements prior to procurement. This process does not allow the Command to have visibility of its property management requirements as a whole or assess whether procurements are being made in excess of actual needs.

Conclusion

There is no process to evaluate the adequacy of the 6th ASG support. The absence of a Command focal point or liaison leaves the HQ USEUCOM without a means to monitor Command-wide logistical and supply support.

Recommendation 16

The HQ USEUCOM develop and implement a process to monitor the adequacy of the support it receives from the 6th Area Support Group.

Management Comments

The HQ USEUCOM nonconcurred with the recommendation. It stated that "customer units do not normally establish procedures to monitor the adequacy of support received as they are not resourced to perform this function. Within the Department of the Army system, performance standards are in place to meet this requirement. These performance standards are checked by inspections by the Inspector General Activity and inspections provided under the Command Supply Discipline Program (CSDP). For the 6th ASG, these inspections are performed by USAREUR, the U.S. Army component under USEUCOM." Although it did not agree with the recommendation, the HQ USEUCOM stated it will "verify component IGs are conducting property accountability compliance visits within the command."

Evaluation of Management Comments

The HQ USEUCOM's comments were partially responsive to the recommendation. We consider component Inspector General inspections an adequate process to ensure the accountability of property. However, based on the problems we noted during this

inspection, those inspections are either not occurring or corrective actions have not been taken.

CONTRACT MANAGEMENT

BACKGROUND

The fourth internal management program we reviewed was Contract Management. Contract Management involves both the procurement of supplies and services and the management of the resultant contracts to ensure the HQ USEUCOM obtains what it ordered. Through good contract management, an organization will be able to determine accurate requirements, develop plans to address those requirements, and designate qualified personnel to monitor the resultant contracts. A contract management process should define the organization's responsibilities by:

- establishing procedures so that all components are aware of acquisition procedures and responsibilities;
- ensuring that contracting performance is monitored; and
- ensuring that contracting efforts are not circumventing applicable laws and regulations.

Contracting Authority

The HQ USEUCOM does not have contract authority to buy its own supplies and services, with the exception of limited contract authority to execute the Command's Joint Contact Team Program. Contracting support is provided by the following external support organizations: 6th Area Support Group, Stuttgart-Vaihingen; Regional Contracting Office Stuttgart Cell, Kelley Barracks; Regional Contracting Office, Seckenheim; USAREUR Contracting Center, Frankfurt; and other contracting offices such as Army Information Systems Command, Fort Huachuca. To evaluate the HQ USEUCOM contract support, we interviewed personnel and gathered data at the HQ USEUCOM, Patch Barracks; 6th Area Support Group, Stuttgart-Vaihingen; Regional Contracting Office Stuttgart Cell, Kelley Barracks; Regional Contracting Office, Seckenheim; Central Receiving Point, Panzer Kaserne; and the USAREUR Contracting Center, Frankfurt.

6th Area Support Group Contract Support Functions

The 6th Area Support Group is the main conduit of contract and purchase support for the Command. It performs the purchase function up to $2,500, maintains purchase files, receives supplies, and certifies and forwards invoices to the 266th Theater Finance Command for payment. Figure 9 depicts the responsible organizations, dollar limitation, and types of contracting performed.

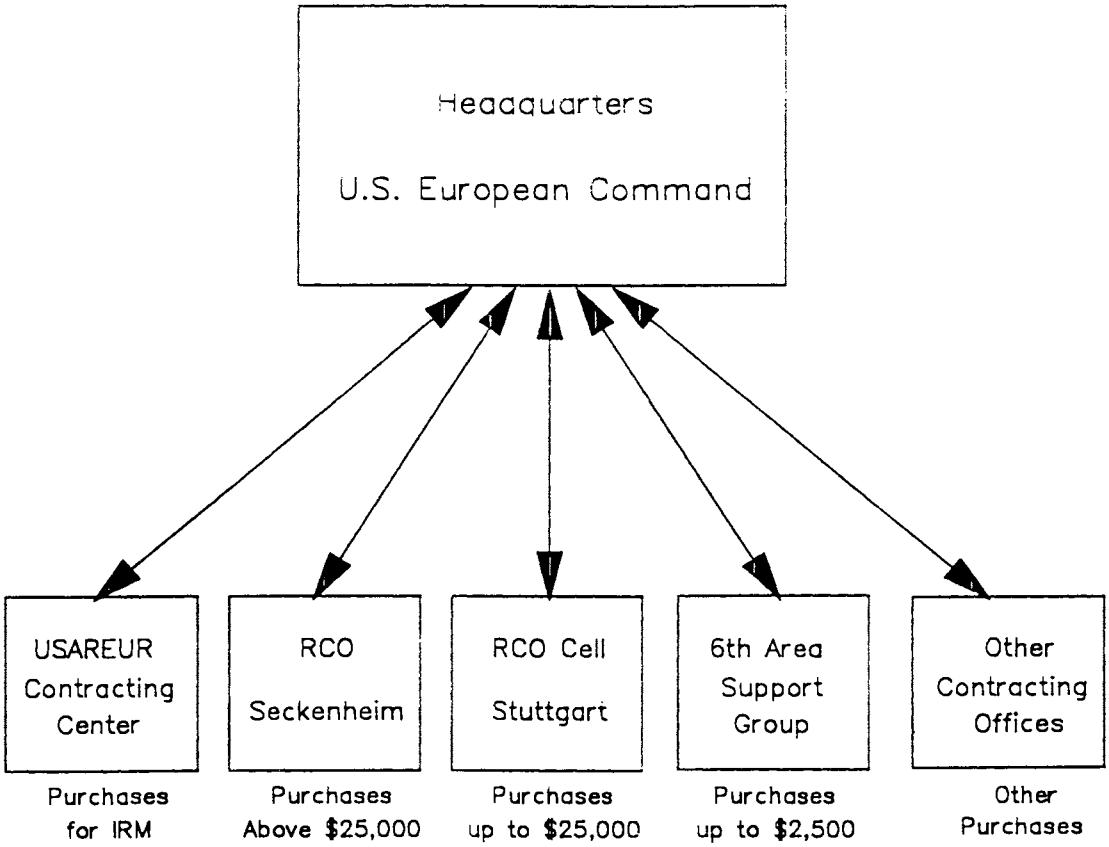

Figure 9

Decentralized Management

The HQ USEUCOM has decentralized the management of the resources function, including the responsibility for contracting and purchasing, to its individual functional staffs. The support provided by the HQ USEUCOM's external contract support organizations is generally considered adequate. The HQ USEUCOM, however, has not taken appropriate steps to coordinate and monitor the contracting and purchasing processes at its Command. The process is controlled at the Resource Manager level in the functional elements, flowing from budgetary controls imposed by the Comptroller. There is no other control over the contracting process similar to that used at other Unified Commands, i.e., a Contracts Requirements Review Board which reviewed all contracts over $25,000.

ISSUE — **The HQ USEUCOM has not established adequate processes and mechanisms to monitor contract management**

INADEQUATE PROCESS TO MONITOR CONTRACT MANAGEMENT

During our assessment of the contracting functions within the HQ USEUCOM, we found four conditions that require corrective action:

- Lack of current internal policies and procedures which cover contracting and purchasing processes within the HQ USEUCOM;
- Lack of effective means to identify contracting and purchasing requirements;
- Lack of centralized management of contracting and purchasing processes; and
- Failure to identify and monitor Contracting Officer Representatives.

Current Internal Policies and Procedures Are Not Comprehensive

The HQ USEUCOM does not maintain current internal policies and procedures to communicate to staff members how the contract support process works to support the Command. Such policies are needed to communicate and standardize instructions to personnel involved in the processing of contracting and purchasing requirements and to assess how the contract support process works to support the organization's requirements. This guidance is particularly important to Contracting Officer Representatives because they are normally appointed to monitor service contracts, monitor contractor performance, answer technical contracting questions, clarify the statement of work, and approve contractor invoices for payment.

EUCOM Directive 50-2, "Administration and Control of Financial Resources," March 2, 1990, contains guidance for contracting and purchasing as it relates to financial management, but it does not provide guidance to adequately control and monitor the contracting process. Those procedures are not current and they do not reflect the structure for the contracting and purchasing process, particularly support provided by the 6th Area Support Group and the Regional Contracting Cell, Stuttgart.

Lack of current guidance impacts on HQ USEUCOM's Contracting Officer Representatives and their ability to effectively monitor contracts. We saw several instances

where personnel involved in contracting and purchasing functions did not understand their responsibilities because of missing or outdated procedures. Without adequate internal policies and procedures, the contracting process operates by trial and error.

Identification of Contract Requirements

The HQ USEUCOM lacks an effective means to clearly identify its contract and purchase requirements. It does not have a clear picture of its contracting universe; specifically the exact numbers, types, dollar amounts, and the geographic location of its contracting support. The HQ USEUCOM's inability to capture its contracting universe is caused by the decentralization of contract management, a lack of a consolidated database for the Command's outstanding purchase requirements, and the lack of a central point of contact to monitor contracting activities. This condition is exacerbated by the geographically dispersed contract support organizations. The HQ USEUCOM relies on the contract support organizations as well as the individual Resource Managers to keep records of their outstanding contracts and purchase requirements.

Prior to and during the inspection, we made several attempts to acquire a list of open contracts and purchases. We discovered this information was not compiled or maintained by the HQ USEUCOM. To respond to our request, the Comptroller tasked all of the functional elements to prepare a list of open purchases and contracts within the USEUCOM. An organization should normally be aware of its contract activity. In one instance, at the end of FY 1994, the Comptroller assigned a staff member to contact the various contracting offices to determine the status of the Command's obligations because no management control process existed to routinely reconcile contract obligations.

We also found that it was difficult for the support activities to provide an accurate picture of open HQ USEUCOM contracts and purchases because they are not centrally linked. In addition, some requirements are being sent outside the normal chain of support and it is difficult to accurately capture that data.

Overall, the HQ USEUCOM is not able to clearly identify all its contract and purchase requirements. The HQ USEUCOM has, in effect, passed off that responsibility to its contracting support organizations.

Inadequate Monitoring of the Contracting Process

The area of contracts and purchases is important to the HQ USEUCOM because of its overall link to mission accomplishment. In FY 1994, the HQ USEUCOM contracts and purchases funded through the Operations

and Maintenance Army amounted to $22.7 million, approximately 38 percent of its Operations and Maintenance Army dollars.

We found that the HQ USEUCOM does not always get copies of orders placed by the 6th Area Support Group. In fact, of the 1200 orders placed by the 6th Area Support Group in FY 1994, the HQ USEUCOM only received copies of 387 orders. The orders are important to the HQ USEUCOM because the customer needs to have complete information on the contract or purchase order to verify contractor performances. That information should include delivery information, final prices, and a complete description of the final product or service ordered.

Other unified commands with a decentralized contracting process have developed a Contract Requirements Review Board for all actions over $25,000. The Review Board is then able to provide the necessary oversight of the Command's resources. The establishment of a similar review process would allow the HQ USEUCOM to monitor its purchasing and contracting function and would provide it with a mechanism for control and oversight.

Contracting Officer Representative Oversight

Another area that affects the HQ USEUCOM's ability to oversee its contract management function is how it manages its Contracting Officer Representatives. Contracting Officer Representatives perform a critical function for the HQ USEUCOM because they are responsible for assuring that the Government receives those goods and services for which it is paying. The HQ USEUCOM could not identify its Contracting Officer Representatives nor does it conduct adequate oversight of the Contracting Officer Representatives to ensure they are fulfilling their responsibilities.

Lists of Contract Officer Representatives

During the inspection, we were provided three different lists of Contracting Officer Representatives. The list of names varied and we were unable to determine if any of those lists were accurate. USAREUR Pamphlet, 713-3, "Manual for Contracting Officer's Representatives," October 5, 1989, states that Contracting Officer Representatives are nominated by the activities with contracting and purchasing requirements and are delegated specific responsibilities by the individual contracting officer. The instruction also details what actions Contracting Officer Representatives must accomplish in the course of their duties. Based on this guidance, we believe the Command should have been able to identify the Contracting Officer Representatives within its Command.

After several attempts to obtain the names of the HQ USEUCOM Contracting Officer Representatives, the Acquisition Management Support Office, 6th Area Support Group, identified seven Contracting Officer Representatives or Points of Contact delegated responsibility for individual contracts and delivery orders. We interviewed three of the seven and reviewed their records to gain an understanding of their knowledge of their responsibilities and to determine the adequacy of their record-keeping. Two of the Contracting Officer Representatives maintained excellent records and demonstrated hands-on control of their contracts. However, one Point of Contact for a large contract did not have a copy of the contract nor the delivery order against the contract. He did not have copies of invoices or other support documentation which demonstrated to us poor oversight of the contract.

In addition to not being able to properly identify Contracting Officer Representatives, we found no evidence that the Command is providing effective oversight of Contracting Officer Representatives or complying with USAREUR Pamphlet, 713-3. The Command has, in effect, passed off its responsibility for Contracting Officer Representatives to the support activities.

Conclusion

Establishing sound guidance, identifying requirements, and monitoring contract performance are cornerstones of effective contract management. The HQ USEUCOM does not have operating policies or procedures to identify contract and purchase requirements or provide effective oversight of contract management. We concluded, therefore, that HQ USEUCOM has not established adequate processes and mechanisms to ensure effective contract management. The decentralization of contracting in conjunction with the lack of centralized management oversight has resulted in a fragmented approach to providing the products and services needed by the HQ USEUCOM.

Recommendation 17

The HQ USEUCOM:

a. update and implement internal policies and procedures for requesting acquisition support so that staff elements involved in the process understand their roles.

b. obtain data available from the applicable contracting office to identify clearly the Command's contracting and purchase requirements, to include the

dollar value, commodity, and contracting office providing the support.

c. establish an official or point of contact for centralizing the acquisition requests, procurement actions and deliveries; and for identifying the Command's Contracting Officer Representatives.

d. establish a mechanism to monitor the performance of the Command's Contracting Officer Representatives.

e. ensure, in coordination with USAREUR Contracting Command, that all Contracting Officer Representatives are adequately trained.

Management Comments

The HQ USEUCOM nonconcurred with each of the four parts of the draft report recommendation, stating that the "recommendation is not supported by a finding of a specific deficiency or failure in the current HQ USEUCOM system." It also pointed out that the "HQ USEUCOM has no inherent contracting mission or authority but rather functions as a contracting customer."

Evaluation of Management Comments

The HQ USEUCOM comments were not responsive to the recommendation. The fact that the HQ USEUCOM is a "contracting customer" does not relieve the Command of its responsibility to ensure that the services it requests from contracting organizations are necessary, and that those services are performed to the satisfaction of the Command. We found the HQ USEUCOM has little visibility over the contracting support it requests or over the performance of contracting related functions by Command personnel. Our report describes practices followed by other Unified Commands to meet their responsibilities in contracting and purchasing. The HQ USEUCOM should adopt similar practices.

The USAREUR contracting offices can provide data for USEUCOM purchase requests and contracts through reports from their Standard Army Automated Contracting System.

In response to "Procurements and Facility Renovations at the George C. Marshall Center," Audit Report No. 95-026, the procurement official at the Marshall Center established standard operating procedures and provided training to staff involved in procurement requests. The procedures and training from the Marshall Center could be used as a basis for USEUCOM's procedures.

The recommendation has been reworded and restructured. We believe the HQ USEUCOM should take proactive action to decrease the risk of contract mismanagement.

Further Action Required

Within 60 days of publication of this report, we request the HQ USEUCOM provide additional comments indicating concurrence or nonconcurrence with the revised recommendation.

CIVILIAN PERSONNEL

BACKGROUND

The fifth internal management program we reviewed was Civilian Personnel. We define Civilian Personnel as the processes the HQ USEUCOM uses to obtain, train, review the performance of, motivate, and manage its civilian personnel workforce.

Civilian Personnel Support Structure in Transition

The HQ USAREUR is forming a centralized civilian personnel system as a pilot program for the Department of Defense. Prior to the recent centralization, there were 32 Civilian Personnel Offices throughout Europe, each providing a complete range of on-site support. The Civilian Personnel Operations Center (CPOC) in USAREUR represents the current "reinvented structure" which will have one central production site with full on-site delivery of services through local Civilian Personnel Service Centers (CPSC). That concept is intended to centralize and unify civilian personnel policy, eliminate overhead, and increase line manager authority and flexibility. This restructure and transition affected the HQ USEUCOM in that it lost the Civilian Personnel Offices that previously provided complete support directly to the Headquarters from a local office. The transition is continuing throughout Europe; upon completion there will be 23 service centers providing support.

Roles and Responsibilities Also Changed

The centralization and conversion of Civilian Personnel Offices to the CPOC and CPSCs that directly support the HQ USEUCOM was completed on June 26, 1994. The changes extend beyond the support structure, affecting not only the nature of support but the role of the personnel specialists throughout Europe. Each personnel specialist at the service centers now provides the full range of personnel services (i.e., recruitment, classification, employee relations, training), rather than specializing in any one of the personnel functions. The Director of the CPOC is now the only Army Civilian Personnel Officer in Europe, as compared to each community previously having their own Civilian Personnel Officer.

Methodology

Early during the on-site portion of the inspection, it became clear that the focus of the HQ USEUCOM Office of the Civilian Personnel Advisor staff was "theater focused", as opposed to operationally focused on HQ USEUCOM Civilian Personnel issues. The primary objective of the inspection was to determine the efficiency and effectiveness of the civilian personnel management operating program. Due to the external nature of civilian personnel operating support at the HQ USEUCOM, we primarily looked at:

- the establishment of agreements to obtain support;

- the standards of performance the HQ USEUCOM has established as measurement criteria for the support received through the established support agreements;

- the oversight of the civilian personnel program by the HQ USEUCOM; that is, how the HQ USEUCOM monitors and evaluates the civilian personnel support they receive against those standards; and

- how the HQ USEUCOM communicates their needs and resolves any problems related to civilian personnel management.

A civilian personnel management program should be able to analyze the needs of the HQ USEUCOM staff, provide efficient support, and develop tools which facilitate management of that support. Measured against the standards of performance established by the HQ USEUCOM, an adequate personnel program provides effective leadership and direction to the management of the HQ USEUCOM in five primary areas:

- Position Management and Classification: providing advice and counsel to management and employees on matters relating to position descriptions, organizational structure, and classification of positions;

- Recruitment and Placement: maintaining a continuing human resource program which meets the needs of the HQ USEUCOM by providing a means to hire qualified people to fill established positions;

- Management-Employee Relations: advises, counsels, and assists management on matters such as employee discipline, conduct, performance, benefits, and entitlements;

- Training and Development: plans, organizes, and provides orientation, supervisory training, managerial and executive development, and professional development;

- Technical Services: processes personnel actions, maintains official personnel folders, monitors, and coordinates data requirements pertaining to the federal personnel system.

Internal Support

At the HQ USEUCOM, the Office of the Civilian Personnel Advisor within the J-1 is the primary point of contact for civilian personnel matters. According to the

mission and functions statement contained in the HQ USEUCOM Directive 20-1, "Headquarters United States European Command Organization and Functions," February 8, 1993, the main emphasis of the J-1 Office of the Civilian Personnel Advisor is to coordinate with components, OSD, and JCS on civilian personnel matters requiring joint headquarters policy development; coordinate U.S. and Local National personnel policy for the theater; and to assure coordination among the components to establish benefits and personnel policies for employees throughout various countries in the HQ USEUCOM area of responsibility.

Theater Focus

The HQ USEUCOM J-1 stated their role is that of "theater advisor" vice personnel manager. This philosophy is evidenced by the fact that the list of top 10 key processes provided by the J-1 for civilian personnel does not include emphasis on the daily operation and civilian personnel support. The top 10 list of functions clearly indicates the focus and priority for the Office of the Civilian Personnel Advisor is toward developing and coordinating policy issues, rather than monitoring and evaluating the performance of the civilian personnel program. Issues such as the impact of pay comparability for overseas employees, and developing a joint civilian mobilization and deployment policy are typical of the taskings the HQ USEUCOM civilian personnel staff would tackle. These are all important staff issues which the HQ USEUCOM has actively addressed. However, pursuit of these issues should not be at the expense of ensuring that the HQ USEUCOM has adequate civilian personnel support to deal with its day-to-day operations.

Operational Support

In accordance with DoD Directive 5100.3, "Support of the Headquarters of Unified, Specified, and Subordinate Joint Commands," November 1, 1988, the support responsibility for the HQ USEUCOM is assigned to the Secretary of the Army. Since the HQ USEUCOM does not have an operating civilian personnel management function, the HQ USEUCOM receives its operational civilian personnel support from the HQ USAREUR based upon an interservice support agreement. As provided in DoD Directive 1400.6, "Inter-departmental Civilian Personnel Administration Support," October 30, 1970, the policies, regulations and procedures of the Military Department providing the support governs the administration of the HQ USEUCOM civilian personnel program. Locally, the support to the HQ USEUCOM is delivered through the Civilian Personnel Service Center (CPSC) at Kelly Barracks, Stuttgart, Germany to the Civilian Operations Center (CPOC).

ISSUE — **The HQ USEUCOM does not actively manage its civilian personnel management program**

MANAGEMENT OF CIVILIAN PERSONNEL PROGRAM

Ultimately, the responsibility for adhering to and supporting personnel management policy rests with the HQ USEUCOM. The authority and responsibility for the HQ USEUCOM to manage its civilian personnel program is not diminished because it receives operational support from the HQ USAREUR through an interservice support agreement. To exercise and discharge that responsibility requires effective management of the authorities delegated under the support agreement.

Interservice Support Agreements

The HQ USEUCOM has two support agreements which establish the civilian personnel support for the HQ USEUCOM:

- between the CINC USEUCOM and CINC USAREUR, July 13, 1988, which provides support to HQ USEUCOM elements located within the Vaihingen Military Subcommunity and the Stuttgart Army Airfield; and

- between USAFE and USEUCOM, February 12, 1985, which provides support to specified remote locations within the HQ USEUCOM Area Of Responsibility.

We reviewed the Support Agreement between the HQ USEUCOM and the HQ USAREUR to determine the extent and coverage of civilian personnel support. We found that the HQ USEUCOM interservice support agreements for civilian personnel support are out-of-date. We found no evidence those agreements were periodically reviewed or updated to meet the needs of the HQ USEUCOM. A specific function of the Office of the Civilian Personnel Advisor from the HQ USEUCOM EUCOM Directive 20-1 which is not being performed is "...monitors and updates civilian personnel servicing agreements between HQ USEUCOM, component headquarters and operating civilian personnel offices."

The support agreements should serve as the basis for HQ USEUCOM to conduct personnel management evaluations of both the supported and supporting activities. Since the support agreements do not accurately reflect the conditions and circumstances under which services will be provided, the HQ USEUCOM has difficulty effectively managing its civilian personnel program.

With the current agreements, the HQ USEUCOM does not have a basis for monitoring and evaluating:

- the quality and responsiveness of the personnel support it receives;
- whether the support complies with law and regulations; and
- how well civilian personnel management is supporting the needs of the Headquarters.

Lack of Standards

We found that the HQ USEUCOM has not developed any standards to evaluate the adequacy of civilian personnel support they receive, nor have they established a process to assess the effectiveness of their civilian personnel management program. The HQ USEUCOM should establish standards for timeliness in processing personnel action, reporting on trends (grievances, awards, and ratings), the adequacy of position classification, and the effectiveness of training. Having established standards is an essential element in the process of improving civilian personnel management and obtaining the highest level of support. Standards serve as the measurement criteria for performance monitoring and evaluation of civilian personnel support which would enable the HQ USEUCOM to provide information on the status of internal personnel programs and to determine how well civilian personnel management activities are contributing to mission accomplishment, productivity, and overall organizational effectiveness.

Monitoring of Support

We obtained copies of manual personnel action tracking reports from individual organizational elements of the HQ USEUCOM; each contained different information in varying formats. We also obtained a summary report from the J-1 which did not match those from other HQ USEUCOM elements. This inconsistency hampers effective communication with the J-1 and the service providers when attempting to discuss problems. Effective collection and synthesis of data into meaningful information would allow the HQ USEUCOM to more effectively monitor the support they receive.

Reports

The J-1 uses the HQ USEUCOM Recruitment Action Report to track and monitor civilian personnel actions. When we requested a copy of the most recent report for review and use during the inspection, it took the J-1 nearly three weeks to update, assemble, and provide a current report. The tracking report ultimately covered the period of September 20 to December 2, 1994. The fact that it took almost three weeks to update the report

indicates this tool is ineffective. The fact that the report covers almost a three month period indicates an irregular and sporadic monitoring of the support provided to the Headquarters.

Automated Information Support

Part of the DoD strategy for centralizing civilian personnel support includes greater reliance on automated systems to eliminate unnecessary paperwork and expedite processing of actions. This strategy includes Corporate Information Management initiatives, to be accomplished in part by fielding the Defense Civilian Personnel Data System. Problems experienced early in the transition caused delays in getting the system on-line. Many of the new features with this migratory system, such as automated referrals and program evaluation, were not yet available at the local Service Center. We reviewed and analyzed several of the automated reports generated by the CPOC and used by the HQ USEUCOM to monitor the status of actions. We determined that those reports do not contain information useful to the HQ USEUCOM. As an example, one report addressed the volume of actions processed by the CPOC; it would be more practical to provide a synopsis of processing times for various actions which could be used to identify causes of delays, or to reflect the quality of support.

Lack of Evaluation

We also found that the HQ USEUCOM does not conduct periodic evaluations or customer surveys of the Headquarters organizational elements' managers and employees. Such tools could be effectively used to monitor and assess the effectiveness of support received from the CPSC and the CPOC. The J-1 also has no mechanism in place to assess the internal capability of HQ USEUCOM managers and supervisors to execute their personnel management responsibilities and meet mission requirements.

Customer Feedback

During the inspection we talked to eleven managers, randomly selected from the HQ USEUCOM staff, who are not directly involved in the personnel function. We received both positive and negative comments. However, of those eleven managers, nine expressed varying degrees of dissatisfaction with the civilian personnel support received from the CPOC, specifically with the length of time it takes to process personnel actions.

Oversight

Although the HQ USEUCOM is aware of numerous individual dissatisfactions and complaints from various organizational elements, the J-1 has not performed a consolidated evaluation of those complaints to determine whether there were systemic problems that must be addressed. Likewise, there was no evidence that the HQ USEUCOM has taken any initiative to obtain better

service from the HQ USAREUR support elements (i.e., the CPSC and CPOC).

HQ USEUCOM Reacts to Civilian Personnel Problems on an Individual Basis

The J-1 Civilian Personnel Advisor does not actively review the support provided to the HQ USEUCOM, nor serve as an advocate for the HQ USEUCOM in dealing with the CPOC and the CPSC on issues concerning daily management and problem solving. Rather, each organizational element tracks its own actions; if problems are identified, the element initiates action to remedy the individual problem.

Following this decentralized approach, the HQ USEUCOM cannot be assured that individual problems do not become systemic problems, and that systemic problems are ultimately resolved. An effective oversight strategy would provide the HQ USEUCOM with the ability to collectively identify and resolve systemic problems for the Headquarters and provide effective assistance to managers.

HQ USEUCOM Mission and Functions

The mission and functions of the HQ USEUCOM Office of the Civilian Personnel Advisor are contained in EUCOM Directive 20-1. However, the regulation is inaccurate and refers to functions within the Civilian Personnel Office which are no longer performed, reporting requirements that no longer exist, and outdated and abolished references. When considered along with the current transition in the civilian personnel program, this contributes to the confusion of the roles and responsibilities of managers and supervisors, and contributes to the problems we found in the HQ USEUCOM monitoring and oversight of its civilian personnel management program.

Conclusion

We found that although the HQ USEUCOM has identified weaknesses in the civilian personnel support received from the HQ USAREUR based upon feedback from their managers, it has neither developed standards of performance nor a formal process to monitor and evaluate the services provided to its managers and employees by the CPSC and CPOC. Considering the significance of the recent transition to centralized support and the change in methods of receiving civilian personnel support from HQ USAREUR, a review and modification of the support agreement should have been performed.

Without an evaluation mechanism, the HQ USEUCOM cannot determine how well its supervisors and managers exercise their personnel management responsibilities; the quality and responsiveness of the personnel support they receive; whether the support they receive complies with law and regulations; and how well civilian personnel

management is supporting the needs of the Headquarters. A thorough monitoring and evaluation of civilian personnel support could alleviate that condition.

Where oversight or monitoring of the civilian personnel program is done, it is fragmented. The result is ineffective communication among the HQ USEUCOM organizational elements and between the Headquarters and the CPSC.

Recommendation 18

The HQ USEUCOM accept responsibility for the efficiency and effectiveness of its civilian personnel program by actively managing and monitoring the program for the Headquarters. That monitoring should include periodic reporting on timeliness of personnel actions, trend analyses on grievances, awards, performance ratings, position classification and training.

Management Comments

The HQ USEUCOM concurred with the recommendation. It stated, "we agree on the need to more actively monitor the CPO support provided to HQ USEUCOM. Our efforts were in the preliminary stages at the time of the inspection, and since then, we have taken the overhire position in the Civilian Personnel Advisor's office, made it permanent, and placed it under the Personnel & Manpower Division to facilitate monitoring of CPO support."

Evaluation of Management Comments

The HQ USEUCOM comments are responsive to the recommendation.

MILITARY PERSONNEL

BACKGROUND

The sixth internal management program we reviewed was Military Personnel. Military personnel programs typically include personnel management, processing actions, maintaining records, and providing separation and transfer support and counseling.

Methodology

One of the objectives of the inspection was to evaluate the efficiency and effectiveness of the HQ USEUCOM's internal management, policies, and practices for the military personnel management operating program. Due to the nature of internal military personnel operating support at the HQ USEUCOM, supplemented by external support from each military service, we primarily looked at:

- the establishment of agreements to obtain support;
- the standards of performance the HQ USEUCOM has established as measurement criteria for the support received through the established support agreements; and
- the oversight of the military personnel program by the HQ USEUCOM.

An adequate military personnel management program should be able to requisition and obtain qualified personnel for the military staff; provide efficient basic personnel support for its assigned service members; and facilitate operational and administrative management of that support.

Operational Support

At the HQ USEUCOM, a small element within the Personnel Division of the Manpower, Personnel and Security Division for each Military Service provides limited support for their Service members assigned to the Command. That support is primarily in the requisitioning and assignment of those individuals. Each Service element also receives supplemental military personnel management support from an external source through a support agreement. This external support primarily encompasses the daily operational support aspects of military personnel management. Although collectively the command is joint, each military member individually remains a member of their respective Service and receives Service-unique support as if they were serving in a regular Service assignment.

ISSUE — **The HQ USEUCOM does not effectively monitor the performance of its military personnel management program**

INEFFECTIVE MONITORING OF MILITARY PERSONNEL PROGRAMS

The main focus of the internal Service elements at the HQ USEUCOM is to provide advice and guidance on direct military support to management at the HQ USEUCOM. The elements are primarily concerned with the requisitioning and assignment of personnel to the HQ USEUCOM.

Internal Support External Support

Supplemental military personnel support is provided to the four HQ USEUCOM personnel Service elements as follows:

- The Army's 510th Personnel Support Group located at Panzer Kaserne provides operational support to the Army element.
- The Navy Personnel Support Detachment located at Panzer Kaserne provides the day-to-day operational support to both the Navy and Marine Corps elements.
- The Air Force Joint Support Squadron, also located at Panzer Kaserne, provides operational support to the Air Force element.

Support Agreements

None of the HQ USEUCOM military personnel elements were able to provide us a copy of their support agreement with the parent Service from which operational support is received. Accordingly, we could not evaluate the adequacy of the support beyond that expressed by members of the Service elements during interviews.

Oversight

The HQ USEUCOM does not provide oversight of, or monitor and evaluate the performance of, its military personnel management program. For example, we were unable to obtain any documentation that demonstrates that the HQ USEUCOM collectively evaluates its performance on timeliness of efficiency reports, promotion statistics, awards and decorations, completion of annual training requirements (e.g., physical fitness training and weapons qualification), and occupational specialty qualification rates as a unified command. Similarly, the Service elements could not provide individual performance data on those same elements. While we suspect that the support agreements call for periodic performance evaluation, we were unable to

determine any such requirements because we were not provided with a copy of the support agreements for review. Regulatory requirements aside, good business practice mandates that the HQ USEUCOM maintain an awareness of the level of support it receives from each of the Service elements in order to determine the effectiveness and efficiency of that support.

The HQ USEUCOM did not maintain quantitative performance data on how well military personnel management activities are contributing to mission accomplishment, productivity, and overall organizational effectiveness. Typically, unified commands would compile and monitor award statistics, billet fill rates, length of vacancies, and monthly training and qualification figures. With no available data, we were unable to evaluate the performance of the HQ USEUCOM against Service norms. There was also no evidence of any customer satisfaction surveys having been conducted by the HQ USEUCOM to determine if its military personnel were being adequately supported.

Without performance data, the Headquarters is unable to accurately monitor and assess the effectiveness of military personnel support received from the Service elements, and is limited in its ability to assess the effectiveness of the HQ USEUCOM military personnel program.

The impact of the lack of performance monitoring could not easily be determined since that very information is used to make the assessment; that is, we could not determine an adverse impact because of the lack of data. Similarly, it follows that HQ USEUCOM also cannot evaluate its overall performance of military personnel functions for the same reasons.

The impact of not having an evaluation mechanism means the HQ USEUCOM cannot determine:

- how well their military personnel are being supported;
- whether the support they receive complies with law and regulations; and
- how well military personnel management is supporting the needs of the Headquarters.

Conclusion

As a result of the lack of oversight mechanisms, the HQ USEUCOM cannot evaluate the quality of military personnel support received through support agreements,

and the overall adequacy of its military personnel program.

Recommendation 19

The HQ USEUCOM develop and institute a comprehensive oversight and monitoring process for the military personnel management support. That process should include periodic reporting on performance against specific objectives, including billet fill rates, timeliness of performance reports, and statistics on awards, decorations, and promotions.

Management Comments

The HQ USEUCOM concurred with the recommendation, and described oversight of military personnel processes and support relationships already in place.

Evaluation of Management Comments

The HQ USEUCOM comments were responsive to the recommendation.

ISSUE — **The HQ USEUCOM does not have an effective Military Drug Abuse Testing Program**

DRUG TESTING PROGRAM

The Military Departments have implemented drug testing programs for military personnel assigned to their respective Service in accordance with DoD Directive 1010.1, "Drug Abuse Testing Program," December 28, 1984. HQ USEUCOM Staff Memorandum 30-4, "HQ USEUCOM Urinalysis Testing," April 4, 1990, establishes procedures and responsibility for the conduct of urinalysis screening within the HQ USEUCOM. Staff Memorandum 30-4 states "[U]rinalysis testing for personnel within HQ USEUCOM will be administered under the auspices of current DoD guidance and Service directives and conducted by the host command." The governing regulation of the host command is Army Regulation 600-85, "Alcohol and Drug Abuse Prevention and Control Program," October 21, 1988. The HQ USEUCOM receives its support for alcohol and drug abuse prevention from the HQ USAREUR based upon an interservice support agreement. Locally support to the HQ USEUCOM is provided by the 6th Area Support Group located at Panzer Barracks, Stuttgart.

HQ USEUCOM Program

The primary objective of the Drug Abuse Testing Program at HQ USEUCOM is to ensure that military personnel assigned outside their parent Service are included in the Drug Abuse Testing Program of the organization to which they are assigned. However, we found that the HQ USEUCOM:

- has no general manager designated for the program;
- has no coordinated program for drug abuse testing; and
- could not provide documentation that any testing has been conducted.

Program Management

Staff Memorandum 30-4 states that the J-1 shall be the general manager for the urinalysis program within the HQ USEUCOM. We found that the J-1 office referenced in Staff Memorandum 30-4 no longer exists, and the HQ USEUCOM could not identify where the program responsibility had been transferred. Prior to the on-site portion of the inspection, we requested a Point of Contact for the Drug Abuse Testing Program for the HQ USEUCOM; none was provided. Repeated attempts both during and after the on-site portion of the inspection to

identify a point of contact through the HQ USEUCOM staff were unsuccessful. Lacking a designated point of contact for the HQ USEUCOM, we interviewed military personnel from the Service elements and the Alcohol and Drug Abuse Prevention Officer for the 6th Area Support Group. The 6th Area Support Group Drug Abuse Officer stated his mission is to provide support to the HQ USEUCOM; however, he reviewed his records and could not find any evidence that the HQ USEUCOM used the 6th Area Support Group facilities for support of their Drug Abuse Testing Program. None of the people we interviewed mentioned Staff Memorandum 30-4 as a reference.

Program Coordination

During the inspection we found fragmented attempts to meet program requirements at both the HQ USEUCOM and the Marshall Center. The Army personnel were aware of the program and were actively training and certifying personnel to serve as drug abuse monitors for collection. The personnel we interviewed from the other Service elements were aware of the requirements for a Drug Abuse Testing Program, but could not positively state that there was an active program, nor could they identify who served as the overall program manager for the HQ USEUCOM.

Staff Memorandum 30-4 states that the U.S. Army VII Corps shall provide a monthly testing quota to HQ USEUCOM, and that the U.S. Army Testing Laboratory, Wiesbaden, shall conduct all testing for HQ USEUCOM personnel. We note that the U.S. Army VII Corps was deactivated and has been inactive since 1992, and that Staff Memorandum 30-4 should have been updated to reflect the support agreement between the HQ USEUCOM and the HQ USAREUR. That fact notwithstanding, the response we received from the Service elements indicated there were no quotas provided, and that testing of personnel differed from the HQ USEUCOM policy. Specifically:

- the Navy and Marine elements stated their support was received from the Navy Personnel Support Detachment; and

- the Air Force element stated their urinalysis samples were taken at Ramstein AFB.

Program Execution

Prior to the start of the inspection, we requested quantifiable data to show an active Drug Abuse Testing Program; we received no response. Later, during the on-site portion of the inspection, we again requested quantifiable data or reports to describe the HQ USEUCOM program; again, we received no response.

There were no collective statistics provided by the HQ USEUCOM as evidence that there was an active and viable drug abuse testing program in effect.

Conclusion

The lack of a designated Program Manager has caused confusion among the Military Service elements concerning responsibility for administration of the Drug Abuse Testing Program and has inhibited testing at the HQ USEUCOM.

There is no tangible data to evaluate the success or shortcomings of the Drug Abuse Testing Program at HQ USEUCOM. Because of the lack of data, there can be no analysis of the actual drug problems which may exist at the HQ USEUCOM and the CINC is unable to determine whether his staff is free from the effects of drug abuse.

Recommendation 20

The HQ USEUCOM implement management processes to provide control and oversight of its Drug Abuse Testing Program.

Management Comments

The HQ USEUCOM concurred with the recommendation stating "we have been working to establish a Drug Abuse Testing Program. We have worked a cooperative effort with the 6th ASG."

Evaluation of Management Comments

The HQ USEUCOM comments are responsive to the recommendation.

APPENDIX A

ACRONYM LIST

ADP	Automated Data Processing
ASG	Area Support Group
CINC	Commander in Chief
CINCEUR	Commander in Chief, U.S. European Command
CJCS	Chairman, Joint Chiefs of Staff
CPOC	Civilian Personnel Operations Center
CPSC	Civilian Personnel Services Center
dCAS	Databased Commitment Accounting System
DCINC	Deputy Commander in Chief
DoD	Department of Defense
EUCOM	U.S. European Command
FLTCE	Foreign Language Training Center-Europe
FMFIA	Federal Managers' Financial Integrity Act
GAO	General Accounting Office
GCCS	Global Command and Control System
GPRA	Government Performance and Results Act
GSA	General Services Administration
HQ	Headquarters
IG	Inspector General
IMC	Internal Management Control
IRM	Information Resource Management
ISA	Interservice Support Agreement
JAC	Joint Analysis Center
JCS	Joint Chiefs of Staff
JTF	Joint Task Force
LAN	Local Area Network
MOP	Memorandum of Policy
NATO	North Atlantic Treaty Organization
OJCS	Office of the Chairman, Joint Chiefs of Staff
OSD	Office of the Secretary of Defense
PAT	Process Action Team
PBAC	Program Budget Advisory Committee
POM	Program Objective Memorandum
PPBS	Planning, Programming, and Budgeting System
SACEUR	Supreme Allied Commander Europe
SHAPE	Supreme Headquarters Allied Powers Europe
TFC	Theater Finance Command
TSPS	Theater Security Planning System
UCCS	USEUCOM Command Center System
USAFE	U.S. Air Forces Europe
USAREUR	U.S. Army Europe
USARI	U.S. Army Russian Institute
USEUCOM	U.S. European Command
WWMCCS	World Wide Military Command and Control System

APPENDIX B

INSPECTION TEAM MEMBERS

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