



INSTALLATION REPORT OF AUDIT

F2010-0012-FBN000

**American Recovery and Reinvestment
Act of 2009 Program Requirements
611th Air Support Group
Elmendorf AFB AK**

Northwest Area Audit Office

3 November 2009

INTRODUCTION

On 17 February 2009, the President signed into law the American Recovery and Reinvestment Act of 2009. The Air Force received \$1.15 billion for 1,548 Recovery Act projects at 107 locations, of which, the 611th Air Support Group received \$19 million for use on five facilities sustainment, restoration, and modernization projects.

OBJECTIVES

We accomplished this centrally directed audit to determine whether 611th Air Support Group personnel properly established Recovery Act facilities sustainment, restoration, and modernization requirements. Specifically, we determined whether personnel:

- Properly selected Recovery Act projects.
- Included all new Federal Acquisition Regulation clauses in Recovery Act contracts.
- Met the goals of the Recovery Act by fostering competition and expeditiously awarding contracts.
- Reported contract information so that it was transparent to the public.

CONCLUSIONS

The 611th Air Support Group properly established Recovery Act facilities sustainment, restoration, and modernization requirements. Although, Federal Acquisition Regulation requirements, Recovery Act goals, and transparency objectives were not applicable to the 611th Air Support Group, personnel properly selected Recovery Act projects. As a result, the Air Force is spending funds on high priority projects that will correct valid infrastructure problems and help improve Air Force operations and morale. (Tab A, page 1)

RECOMMENDATIONS

The report contains no recommendations to improve the audited processes or procedures because the audit identified no discrepancies requiring corrective action.



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BACKGROUND

The American Recovery and Reinvestment Act of 2009 authorized the Air Force to expend \$1.15 billion for valid infrastructure projects that the Government could quickly initiate. The intent was to stimulate the economy by rapidly awarding infrastructure contracts for legitimate infrastructure requirements. The short timelines involved increase the risk for fraud, waste, or abuse.

When requesting a project, an organization turns in a Department of Defense (DD) Form 1391, Military Construction Project Data, for large projects or an Air Force Information Management Tool (AF IMT) 332, Base Civil Engineer Work Request, for smaller projects. These forms outline the work the Government needs accomplished and documents the justification for the project. Additionally, the Government uses an integrated project listing to rank unfunded projects in order of urgency.

AUDIT RESULTS 1 – JUSTIFICATION

Condition. The 611th Air Support Group properly justified both projects selected to receive Recovery Act funding. Specifically, both the Eareckson Runway and Indian Mountain Repair Fire Detection Equipment projects had sufficient justification to support the project's validity. For example, the Eareckson runway posed a high risk to aircraft tires and engines and a hydroplaning situation due to the severely deteriorated surface. Additionally, the Indian Mountain Fire Detection system presented a safety hazard due to the outdated system and unavailability of replacement parts.

Cause. This occurred because personnel effectively chose the projects using the integrated project listing. Specifically, management chose the top two ranked projects on the integrated listing because they represented the most urgent need.

Impact. As a result, the Air Force is spending funds on high priority projects that will correct valid infrastructure problems and help improve Air Force operations and morale.

Policies and Procedures

Criteria. We performed this audit using the following criteria:

- Public Law 111-5, The American Recovery and Reinvestment Act of 2009, 19 February 2009
- Office of Management & Budget Memorandum M-09-15, Updated Implementing Guidance for the American Recovery and Reinvestment Act of 2009, 3 April 2009
- Air Force Instruction 32-1023, *Design and Construction Standards and Execution of Facility Construction Projects*, 19 July 1994
- Air Force Instruction 32-1032, *Planning and Programming Appropriated Funded Maintenance, Repair, And Construction Projects*, 15 October 2003

AUDIT SCOPE

Audit Coverage. We reviewed documents (project listings, DD Form 1391, AF IMT 332, project folders), for the period January 2008 through June 2009, to determine whether or not 611th Air Support Group personnel properly selected Recovery Act projects. We reviewed the DD Form 1391 for large projects and AF IMT for small projects to determine whether personnel properly justified Recovery Act projects. Additionally, we obtained the facilities board unfunded project listing for Fiscal Year 2009 that ranked the projects in order of urgency, and reviewed the project rankings to ensure the most urgent projects were indeed selected for Recovery Act funding. We conducted the audit from July to August 2009 and issued management a draft report in October 2009.

Sampling Methodology. The Air Force received \$1.15 billion for 1,548 Recovery Act projects at 107 locations. The audit control point selected two of five Recovery Act projects at the 611th Air Support Group for review. The audit control point selected the Indian Mountain Repair Fire Detection Equipment project as part of a random sample and selected the Eareckson Runway project because it was greater than \$7.5 million.

Computer-Assisted Auditing Tools and Techniques. We did not use computer-assisted auditing tools and techniques to complete this audit.

Data Reliability. We did not rely on computer-generated data to support our conclusions.

Auditing Standards. We accomplished this audit in accordance with generally accepted Government auditing standards, and accordingly, included such tests of internal controls as considered necessary under the circumstances. Specifically, we evaluated management controls over Recovery Act project selection.

Discussion with Responsible Officials. We discussed/coordinated this report with the 611th Air Support Group Commander and other interested officials. We advised management this audit was part of an Air Force-wide evaluation, American Recovery and Reinvestment Act of 2009 Program Requirements (Project F2009-FD1000-0516.000). Therefore, selected data not contained in this report, as well as data contained herein, may be included in a related Air Force report of audit. We received management's formal comments in October 2009 and included the comments in this report.

PRIOR AUDIT COVERAGE

We did not identify any Air Force Audit Agency, Department of Defense Inspector General, or Government Accountability Office reports issued to the 611th Air Support Group within the last 5 years that related to our specific objectives.

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PROJECT NUMBER

We accomplished this audit under project number F2009-FD1000-0516.008.

FREEDOM OF INFORMATION ACT

The disclosure/denial authority prescribed in AFPD 65-3 will make all decisions relative to the release of this report to the public.