



DCN: 11018

DEPARTMENT OF THE NAVY  
OFFICE OF THE ASSISTANT SECRETARY  
(INSTALLATIONS AND ENVIRONMENT)  
1000 NAVY PENTAGON  
WASHINGTON, D.C. 20350-1000

21 October 2004

MEMORANDUM FOR DIRECTOR, DEFENSE CAPABILITIES AND MANAGEMENT

Subj: RESULTS OF NAVAL AUDIT SERVICE REVIEW OF CAPACITY DATA CALL 1

Ref: (a) NAVAUDSVC Memo 7540 N2004-NIA300-0042.000 of 8 Oct 03  
(b) SECNAV Memo of 27 Jun 03; Subj: Internal Control Plan (ICP) for Management of the Department of the Navy 2005 Base Realignment and Closure (BRAC) Process Policy Advisory Two  
(c) SECNAV Notice 11000 of 9 Mar 04; Subj: Base Closure and Realignment  
(d) ASN (I&E) Memo of 23 June 2004

The Naval Audit Service (NAVAUDSVC) conducted site visits at 61 Department of the Navy originating activities to evaluate responses to the BRAC Capacity Data Call as announced by reference (a) and required by references (b) and (c). The enclosed memorandum and briefing summarizes their preliminary results.

NAVAUDSVC provided my staff with copies of the 61 exit memos and comments to the exit memos submitted by the audited activities. My staff has used the exit memos to request corrections to the Department of the Navy Base Realignment and Closure (BRAC) 2005 Information Transfer System (DONBITS) data for discrepancies identified by the auditors and agreed to by the originating activities. I have taken corrective action relating to the systemic discrepancies identified by the NAVAUDSVC by issuing guidance outlined in reference (d).

Following through and correcting the issues noted by the auditors is an important step in ensuring the integrity of the Department of the Navy's BRAC data. If you have any questions or comments, I can be reached by phone 703-602-6500.

Anne Rathmell Davis  
Deputy Assistant Secretary of the Navy  
(Infrastructure Strategy & Analysis)

Attachments:

1. NAVAUDSVC Memo of 01 Oct 04
2. Audit Status Briefing of 17 Sep 04



DEPARTMENT OF THE NAVY  
NAVAL AUDIT SERVICE  
1006 BEATTY PLACE SE  
WASHINGTON NAVY YARD, DC 20374-5005

7540  
01 October 2004

**MEMORANDUM**

From: BRAC Audit Director, Naval Audit Service  
To: Deputy Assistant Secretary of the Navy (Infrastructure Strategy and Analysis)  
Subj: RESULTS OF OUR AUDIT OF CAPACITY DATA CALLS RESPONSES FOR  
BRAC-2005 (N2004-0042)  
Ref: (a) NAVAUDSVC Memo 7540 N2004-NIA300-0042.000 dated 8 Oct 03  
(b) SECNAV Memo Internal Control Plan for Management of the Department of  
the Navy 2005 Base Realignment and Closure (BRAC) Process Policy Advisory  
Two dated 27 Jun 03  
(c) SECNAV Notice 11000, Base Closure and Realignment dated 9 Mar 04  
(d) Audit Status Briefing for: Mrs. Anne Davis, DASN (Infrastructure Strategy  
and Analysis) BRAC 2005 Preliminary Audit Results of Site Visits to Validate  
Activity Responses to Capacity Data Call of 25 May 04  
Encl: Audit Status Briefing - Preliminary Audit Results of Site Visits to Validate  
Activity Responses to Capacity Data Call of 17 Sep 04

1. We have concluded our site visits to 61 Department of the Navy originating activities to evaluate responses to the BRAC Capacity Data Call as announced by reference (a) and required by references (b) and (c). The enclosed briefing summarizes our preliminary results and updates reference (d).
2. We previously provided your staff with copies of the 61 exit memos and comments to the exit memos submitted by the audited activity, if received, for the Capacity Data Call. Your staff has used the exit memos to request corrections to the DONBITS data for discrepancies identified by the auditors and agreed to by the originating activity. In addition, we previously provided your staff with the summarized data generated from the results of our review of the Capacity Data Call.
3. If you have any questions or comments regarding the enclosure, please let me know. I can be reached by phone at 202.433.5122 or via e-mail at jim.durbin@navy.mil.

James P. Durbin  
BRAC Audit Director

*Deliberative Document - For Discussion Purposes Only. Do Not Release Under FOIA*

# Audit Status Briefing

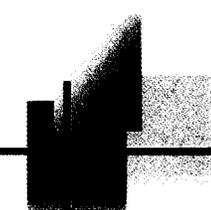


17 Sep 04

## BRAC 2005

Preliminary Audit Results of Site  
Visits to Validate Activity Responses  
to Capacity Data Call

Draft Deliberative Document - For  
Discussion Purposes Only. Do Not  
Release Under FOIA.



# Capacity Data Call

## Scope and Methodology

---

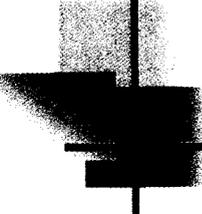
- Scope** - Site Visits to 61 Navy and USMC Activities
  - 67 % of DON's Building Square Total Footage
  - 48 % of Total Number of Civilian Personnel
- Methodology** – Reviewed Lesser of All Answered Questions or 75 Answered Questions at each activity.
  - Adequate, auditable supporting documentation?
  - Accurate response?
  - Compliance with Navy Internal Control Plan and
    - SECNAVNOTE 11000?
  - Cursory Review of "N/As" to verify question truly did not apply to originating activity.

# Questions Answered and Reviewed by JCSG Function\*

Section	Total No. of Questions Answered by Selected Activities	Total Number of Answered Questions Selected for Review
Operations	2,402	1,235
Environmental	1,665	407
Education & Training	625	245
Headquarters Support	789	284
Industrial	205	160
Medical	122	68
Supply & Storage	785	485
Technical	342	268
<b>TOTAL *</b>	<b>6,935</b>	<b>3,152</b>

\* Intel done separately.

Draft Deliberative Document - For Discussion Purposes Only. Do Not Release Under FOIA.

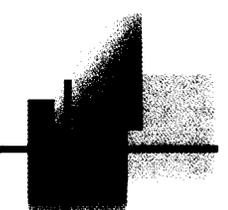


# Capacity Data Call Results

---

- Results** – Draft Exit Memos Issued for 61 Activities Providing Results of Site Visit.
  - Listed Each Instance of Inadequate Documentation or Inaccurate Responses by Question Number
  - Identified non-compliance with Navy guidance
  - Activity Given 5 Days to Respond
  - Exit Memo and Responses Provided to IAT June 04

Draft Deliberative Document - For  
Discussion Purposes Only. Do Not  
Release Under FOIA.

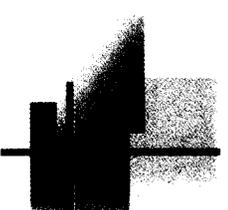


# Intelligence Capacity Data Call

## Scope, Methodology & Results

---

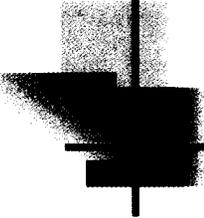
- Scope** - Site Visits to all Navy and USMC Intelligence Activities
- Methodology** – Review all Questions.
  - Adequate, auditable supporting documentation?
  - Accurate response?
  - Compliance with Navy Internal Control Plan and SECNAVOTE 11000?
  - Site visits Completed August 04
- Results**
  - Exit memos listing instances of inadequate documentation or inaccurate responses by question number and identifying issues of non-compliance with Navy guidance given to activity
  - Activity given 5 days to respond to exit memo.
  - Final Exit Memos provided to the IAT Aug / Sep 04



# Adequacy Discrepancies

---

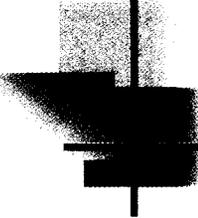
- Types / Causes of Discrepancies
  - Professional Judgment Used by Originating Activity
  - No Supporting Documentation Provided
  - Partial Supporting Documentation
  - Inadequate Documentation
  - Response Provided by Tenant Activity to Host without supporting documentation
  - Originating Activity did not collect or retain data necessary to answer question



# Accuracy Discrepancies

---

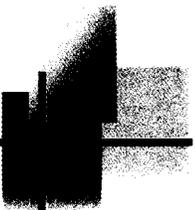
- Types / Causes of Accuracy Discrepancies
  - Math or Human Error
    - Transpose figures
    - Transcription Errors
  - Real Time System
    - Activity did not save real time data which has now changed
  - Possibly Inaccurate Source
  - Demolished Buildings Still in NFADB



# Accuracy Discrepancies

---

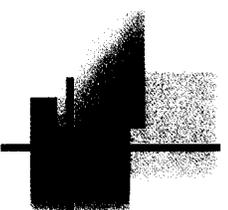
- Other Factors that led to Questionable Responses
  - Chief of Naval Installations Standup
    - Who should report the buildings & structures?
  - Questionable Guidance
    - Misinterpretation of Questions / Response by Certification Chain
  - Question should have been marked N/A
    - Activity should not have responded
  - Duplicate Responses
    - Two activities reported identical assets



# Systemic Discrepancies

---

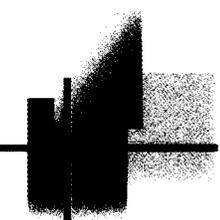
- Compliance with DON Internal Control Plan and SECNAVNOTE 11000
  - BRAC administrators were unaware of Policy Advisory Two or SECNAVNOTE 11000
  - Documents were not stamped as Deliberative Documents
  - Non-Disclosure agreements were not signed by all required personnel
  - BRAC Administrator did not believe they were given enough time to respond
  - Documents were not properly stored in a central location or adequately cataloged



# Corrective Actions

---

- Discrepancies in originating activity responses identified prior to audit and corrected by Region or Major Claimant during certification
- Naval Audit Service Evaluation of subsequently provided supporting documentation
  - Activities to properly store supporting documentation in a central location or adequately cataloged
  - Supporting documentation properly stamped as draft deliberative prior to auditors leaving site
  - Non-Disclosure Agreements signed by required personnel prior to auditors leaving site



# Corrective Actions

---

- Commands made aware of Internal Control Plan and SECNAVNOTE by DASN (IS&A) Memo of 23 June 04.
  - IAT reiterates and reinforces what is adequate supporting documentation
- Exit Memos and Command Responses provided to Infrastructure Analysis Team
  - Accuracy Discrepancies corrected and re-certified by Originating Activity
  - Requests for Clarifications Issued to Originating Activities