



DEPARTMENT OF THE ARMY
U.S. ARMY AUDIT AGENCY
OFFICE OF THE DEPUTY AUDITOR GENERAL
ACQUISITION AND LOGISTICS AUDITS
3101 PARK CENTER DRIVE
ALEXANDRIA, VA 22302-1596

DCN 9332

SAAG-ALT

15 March 2005

MEMORANDUM FOR Director, The Army Basing Study Group

SUBJECT: Attestation Examination of The Army Basing Study Group's 2005
Quality Assurance Process, Audit Report: A-2005-0132-ALT

1. This report provides the results of our attestation examination that you requested on The Army Basing Study Group's quality assurance process for approved 2005 Army Base Realignment and Closure recommendation proposals.
2. We performed our attestation examination in accordance with generally accepted government auditing standards.
3. In our opinion, the Study Group generally complied with its established quality assurance process for the approved 2005 Army Base Realignment and Closure recommendation proposals we examined. Details of our examination are in enclosure 1. The checklists at enclosures 2 and 3 show the criteria we examined in the quality assurance process.
4. The formal command-reply process prescribed by AR 36-2 does not apply to this examination. We coordinated this report with the Study Group, and the members agreed with our conclusions and suggested actions. If you have any questions or need additional information, please contact Mr. Lawrence Wickens at (703) 428-6524 or DSN 328-6524, or Mr. Clarence Johnson at (410) 278-4287 or DSN 298-4287. You can also reach them via e-mail at lawrence.wickens@aaa.army.mil or clarence.johnson@aaa.army.mil.
5. Thank you for the courtesies and cooperation extended to us during the engagement.

FOR THE AUDITOR GENERAL:

3 Encls

DAVID H. BRANHAM
Program Director
Installation Studies

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ATTESTATION EXAMINATION OF THE ARMY BASING STUDY GROUP'S 2005 QUALITY ASSURANCE PROCESS

What We Examined

We examined The Army Basing Study Group's 2005 quality assurance process by examining quality control checklists for the Cost of Base Realignment Actions (COBRA) model and candidate recommendations to determine if the checklist steps were completed and supported. The Study Group is responsible for the quality assurance process, which included completion of the checklists for each approved recommendation proposal and maintenance of supporting documentation. We examined whether the process worked by validating the completion of the checklists and verifying the evidence to support their completion.

Objective and Conclusion

We are reporting on one objective for this examination:

Objective: Did the Study Group comply with its quality assurance process for approved 2005 Army Base Realignment and Closure (BRAC) recommendation proposals?

Conclusion: Yes. In our opinion, the Study Group generally complied with its quality assurance process for the approved 2005 Army BRAC recommendation proposals we examined. We selected 20 proposals for examination, but dropped 2 Active Component proposals. Study Group analysts had not completed the two checklists because the proposals required further work. For the 18 remaining proposals, we found that documentation was available to support completion of each applicable step in the COBRA and candidate recommendation quality control checklists. For example:

- In the COBRA checklist, the analyst must make sure that if the proposal includes one-time dynamic costs, the COBRA input screen has footnotes to support each dynamic cost. We confirmed that all proposals with one-time dynamic costs had supporting footnotes in the COBRA input screen.
- In the candidate recommendation checklist, the analyst must ensure that all payback periods are expressed in positive terms whenever mentioned. We confirmed that all proposals with payback periods were presented in the

Enclosure 1

quad charts and the proposal worksheets as a positive number. A quad chart is a tool analysts prepare for senior Army and DOD leadership that details the military value, costs and savings, and impact on local area and environment (at gaining installation) and local economy (at losing installation) for the recommendation proposal.

However, we did identify improvements the Study Group could make to the footnotes within the COBRA input reports and to the quad charts. Specifically:

- All recommendation proposals captured costs for military construction, when applicable, but sometimes did not provide a military construction schedule in the footnotes in the COBRA input screen.
- All recommendation proposals captured costs for moving equipment, when applicable, but sometimes did not provide a schedule for when the equipment would move or analysis of whether it would be more cost-effective to buy new equipment in the footnotes in the COBRA input screen.
- All recommendation proposals considered family housing requirements, when applicable, but sometimes did not provide an explanation of how those requirements would be addressed in the footnotes in the COBRA input screen.
- All recommendation proposals had a quad chart, but sometimes did not have every required box at the bottom of the chart checked.

Our suggested improvements are in the Suggested Actions section of the report on page 3 of this enclosure.

Background

The Secretary of Defense initiated BRAC 2005 on 15 November 2002. The Secretary of the Army established the Deputy Assistant Secretary of the Army (Infrastructure Analysis) to lead the Army's efforts to support BRAC 2005. The Deputy Assistant Secretary directs The Army Basing Study Group, which serves as the Army's single point of contact for planning and executing the Army's responsibilities in the development of recommendations for BRAC 2005. The Study Group will:

- Develop Army installation and unit priorities in order to generate multiple stationing scenarios.
- Evaluate BRAC alternatives.

- Develop recommendations for BRAC 2005 on behalf of The Secretary of the Army.

To accomplish this, the Study Group obtained and analyzed certified data from Army installations, industrial base sites, and leased facilities; Army corporate databases; and open source data. As of 8 February 2005, the Study Group had 150 Army recommendation proposals prepared for submission to the Office of the Secretary of Defense. The Study Group established a quality assurance process to ensure that recommendation proposals had the information the Secretary of Defense required before submitting the proposals to the BRAC 2005 Commission. The quality assurance process required Study Group analysts to complete two checklists (enclosures 2 and 3) for each recommendation proposal.

Suggested Actions

We suggest that Study Group analysts:

1. Make sure COBRA input screen footnotes provide more detailed descriptions of:
 - Unit movement and military construction schedule.
 - Whether equipment moves with units and a schedule of equipment movements.
 - Whether Army Family Housing and Residential Community Initiatives were considered and how family housing requirements will be addressed at gaining locations.
2. Make sure all required boxes at the bottom of the quad charts are addressed and checked.

Scope and Methodology

We did the examination in February 2005 under project A-2003-IMT-0440.069.

We did not base our conclusions on any data, but instead examined checklists to determine if they were completed and if each step in the checklists was supported by documentation. We validated Army capacity, military value, and other data related to the recommendation proposals during our performance audits of the BRAC 2005 study process. Consequently, we did not assess the reliability of computer-processed data during this examination.

The Director of the Study Group asked us to determine if Study Group analysts complied with the group's quality assurance process by rendering an opinion on whether the steps in the COBRA and candidate recommendation quality control checklists were answered and supported by documentation.

We selected 20 (10 Active Component and 10 Reserve Component) of the 150 recommendation proposals active as of 8 February 2005. We obtained all documentation, including completed checklists, for the 20 recommendation proposals we selected and limited our scope to determining if steps in the checklists were completed and supported by documentation.

Acknowledgments

These personnel contributed to the report: Clarence Johnson (Audit Manager), Lawrence Wickens (Auditor-in-Charge), Kathleen Anshant (Editor), and James Davis, Richard Gladhill, Donna Horvath, and David Krieg (Auditors).

PIM#_____

COBRA Quality Control Checklist

AO_____

- 1. Are all data certified and documented as to source? (Yes/No)
- 2. Do Comments support one-time costs? (Yes/No)
- 3. Are structural changes of units (BPR) adequately documented? (Yes/No)
- 4. Are the unit flows appropriate—are all units considered? (Yes/No)
- 5. Has continuity of operations been considered? (Yes/No)
- 6. Is the timing of cost/savings appropriate? (Yes/No)
- 7. Are they moving the equipment in conjunction with personnel moves? (Yes/No)
- 8. Have they considered unique types of equipment? (Yes/No)
- 9. Have minimum essential core facility requirements been identified? (Yes/No)
- 10. Were closures, deactivations, and enclaves done correctly? Housing and medical closures? (Yes/No)
- 11. Have AFH requirements been considered? RCI Impacts? (Yes/No)
- 12. Are MILCON schedules reasonable and executable? (Yes/No)
- 13. Are community & medical facility requirements necessary & sufficient? (Yes/No)
- 14. Was utility tool used accurately to capture one-time utility costs? (Yes/No)
- 15. Are 1-time ENV costs included in screen 5 and consistently reported? (Yes/No)

Signature

02/04/2005

Enclosure 2

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Candidate Recommendation Quality Control Checklist

PIMS# _____

OSD# _____

- 1. Is the book complete and assembled correctly (i.e., Table of Contents and all tabs to include the appropriate support for Criteria 6-8 and legal sufficiency statement)? (Yes/No)

- 2. Is the recommendation wording the same throughout (i.e., Quad Chart, all PIMS Reports, footnote on the COBRA Summary Report)? (Yes/No)

- 3. Are the Military Value statements worded appropriately [e.g., no mention of quartiles, joint (multi-compo) results sited]? (Yes/No)

- 4. Are the paybacks presented correctly (i.e., no negatives)? (Yes/No)

- 5. Are the appropriate boxes at the bottom of the Quad Chart checked? (Yes/No)

- 6. Does every COBRA one-time cost have a footnote? (Yes/No)

- 7. Are all COBRA footnotes applicable? (Yes/No)

- 8. Has the COBRA model passed Quality Control? (Yes/No)

- 9. Other comments:

Signature

02/04/2005

Enclosure 3