



DEPARTMENT OF THE ARMY
U.S. ARMY AUDIT AGENCY
Office of the Deputy Auditor General
Installations Management
3101 Park Center Drive
Alexandria, VA 22302-1596

DCN: 9757

SAAG-IMT

13 July 2004

MEMORANDUM FOR

Commander, Army Field Support Command (AMSFS-BI/Perry Reynolds),
1 Rock Island Arsenal, Rock Island, Illinois 61299-6500
Commander, Blue Grass Army Depot (Internal Review/Terry Keltner),
2091 Kingston Highway, Richmond, Kentucky 40475-5001

SUBJECT: Validation of Data for Base Realignment and Closure 2005,
Blue Grass Army Depot, Kentucky (Project Code A-2003-IMT-0440.011),
Audit Report: A-2004-0398-IMT

1. **Introduction.** The Director, The Army Basing Study Group asked us to validate data that the Study Group and six Joint Cross-Service Groups will use for Base Realignment and Closure (BRAC) 2005 analyses. This memorandum summarizes the results of our validation efforts at Blue Grass Army Depot. We will include these results in summary reports to the director and each applicable Joint Cross-Service Group, and in our overall report on the 2005 Army basing study process.

2. **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, an ad hoc, chartered organization that serves as the Army's single point of contact for planning and executing the Army's responsibilities in the development of BRAC 2005 recommendations. The Study Group will gather and analyze certified data to assess the capacity and military value of Army installations, evaluate base realignment and closure alternatives, and develop recommendations for BRAC 2005 on behalf of The Secretary of the Army. The BRAC 2005 process requires certification of all data from Army installations, industrial base sites and leased properties; Army corporate databases; and open sources. A flowchart of the 2005 Army basing study process is at the enclosure.

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3. Objectives, Scope and Methodology

a. Our objectives were to determine if:

- Certified data provided to The Army Basing Study Group and Joint Cross-Service Groups was adequately supported with appropriate evidentiary matter.
- Certified data was accurate.
- BRAC 2005 management controls were in place and operating at installations.

b. Blue Grass Army Depot data elements for the installation capacity data call included 267 questions the depot answered, plus 3 questions pre-populated from a corporate database. To answer our first two objectives, we reviewed data elements judgmentally selected for validation at all installations visited, data elements randomly selected from the depot's responses, and all data elements the depot answered "not applicable" to ensure that those answers were appropriate. Here's a summary of what we reviewed:

	Population	Objective Sample	
		1-Adequate Support	2-Accuracy
Answered	267	51	26
Pre-Populated	3	3	3
Not Applicable*	280		
Total	550	54	29

* 100-percent review to determine that "not applicable" was appropriate response.

To answer the third objective, we evaluated BRAC 2005 controls related to installations.

c. We conducted our review from April to June 2004 in accordance with generally accepted government auditing standards, which include

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criteria on the adequacy and appropriateness of evidentiary matter, accuracy and management controls. We assessed the accuracy of installation answers using these specific criteria:

- For questions with a single answer and minimal support requirements, we didn't allow any margin for error except for answers reporting square footage.
- For questions with answers reporting square footage, we defined significant errors as greater than 10 percent.
- For questions with multiple answers and single answers with voluminous supporting documentation, we allowed errors up to 25 percent in samples we reviewed, provided the errors weren't significant (determined by auditor judgment except for answers reporting square footage.)

We didn't rely on computer-generated data to validate responses from Army corporate databases, but instead validated the accuracy of data by comparison with source documentation or physical attributes. When practicable, we also validated installation responses from other databases in the same manner. For all other responses, we worked with the installation administrator to obtain the evidence needed to answer all three objectives.

4. Results

a. **Adequacy of Support.** Blue Grass Depot didn't adequately support answers to 5 of the 54 questions with appropriate evidentiary matter. For these five answers personnel sometimes didn't maintain supporting documentation to provide an audit trail of how amounts were determined, or they used estimates when actual data was obtainable. Also, although the depot provided data for two other data elements, it should have labeled the questions "not applicable."

b. **Accuracy.** Answers to 7 of 29 questions weren't accurate. Data provided to The Army Basing Study Group didn't agree with the installation's records. The inaccuracies occurred because:

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- Personnel compiling the data developed estimates when actual data was available.
- Measurements performed during our review didn't agree with data provided to The Army Basing Study Group.
- Personnel made mathematical errors in calculating reportable data.
- The depot provided data when it should have answered questions as "not applicable."

In addition, all 280 of the questions that were answered "not applicable" were answered appropriately.

c. **Management Controls.** Required management controls for BRAC 2005 were generally in place and operating at Blue Grass Depot. The senior mission commander had certified the information submitted to The Army Basing Study Group. Some additional nondisclosure agreements had to be obtained to ensure coverage of all personnel who provided data or who we discussed data with. Also, we found no instances when personnel used nongovernment e-mail to convey BRAC data or information.

d. **Action Taken.** The installation corrected or initiated corrective action for all issues we identified. For answers that weren't accurate, Blue Grass Depot personnel made corrections and resubmitted the proposed changes to U.S. Army Field Support Command, who will submit the changes for review to The Army Basing Study Group. After the Study Group reviews the proposed changes, the Commander, Field Support Command will recertify the answers and resubmit the corrected data to the Study Group, which in turn will provide corrected data to the Joint Cross-Service Groups as necessary. We may validate whether these actions occurred.

5. **Contacts.** This report isn't subject to the official command-reply process described in AR 36-2 because Blue Grass Depot resolved the issues we identified during the audit and took or initiated corrective action. If you have any questions or need additional information, please

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FOR THE AUDITOR GENERAL:

Encl


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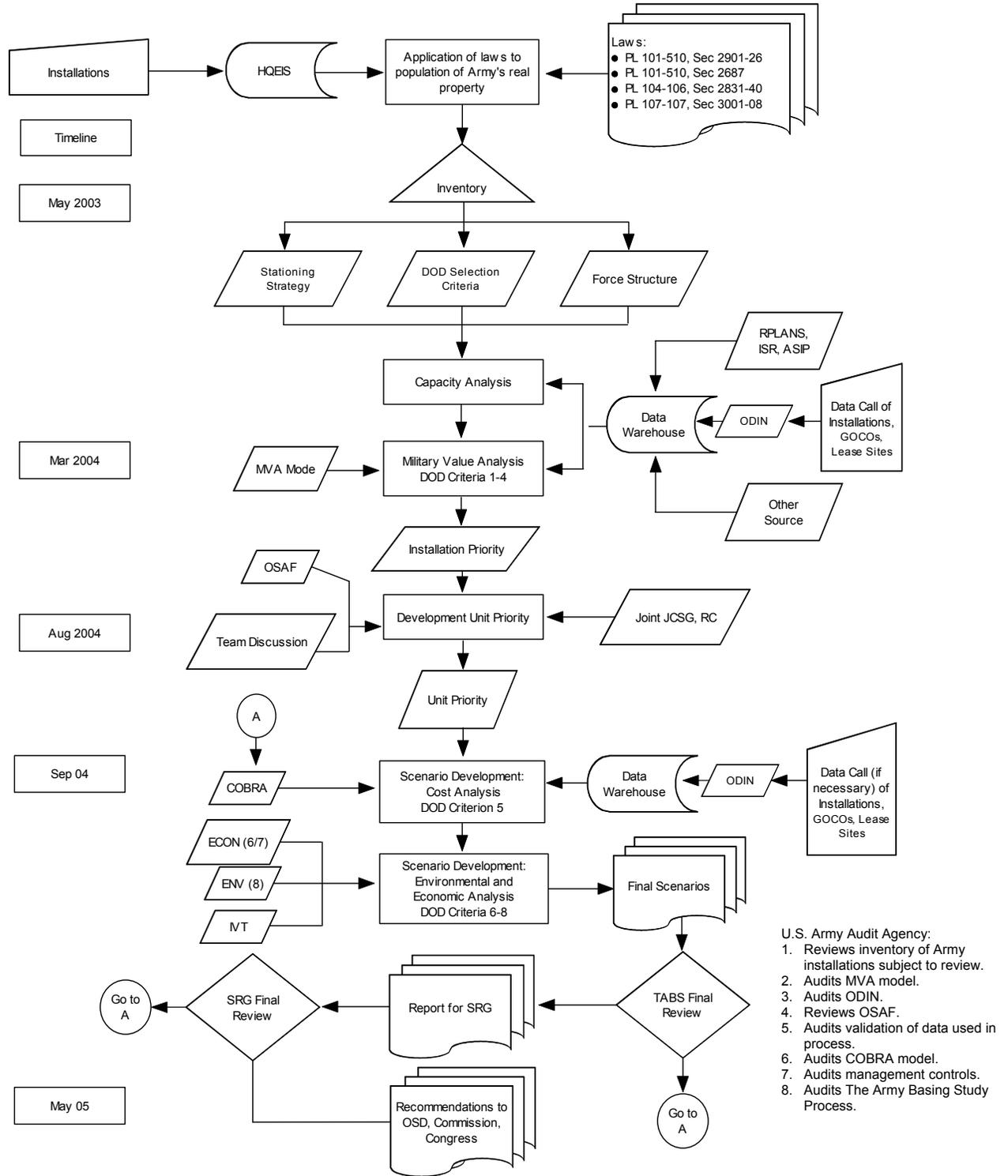
Acronyms and Abbreviations Used:

ASIP = Army Stationing and Installation Plan
 COBRA = Cost of Base Realignment Action Model
 ECON = Economic Model
 ENV = Environmental Model
 GOCO = Government-Owned, Contractor-Operated
 HQEIS = Headquarters Executive Information System

ISR = Installation Status Report
 IVT = Installation Visualization Tool
 JCSG = Joint Cross-Service Group
 MVA = Military Value Analyzer Model
 ODIN = Online Data Interface Collection
 OSAF = Optimal Stationing of Army Forces

OSD = Office of the Secretary of Defense
 PL = Public Law
 RC = Reserve Components
 RPLANS = Real Property Planning and Analysis System
 SRG = Senior Review Group

FLOWCHART OF 2005 ARMY BASING STUDY PROCESS



Enclosure