



U.S. ARMY AUDIT AGENCY AUDIT PLANS FOR BRAC 2005

For The Army Basing Study Office

19 August 2003



AGENDA

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MISSION AND ORGANIZATION

- **The U.S. Army Audit Agency serves as the Department of the Army's internal audit department by providing objective and independent auditing services.**
- **These services help the Army make informed decisions, resolve issues, use resources effectively, and satisfy statutory and fiduciary responsibilities.**
- **The Auditor General is responsible for the worldwide operations of the U.S. Army Audit Agency and he reports to the Secretary of the Army.**
- **USAAA's Headquarters is in Alexandria, VA and it has 24 field offices – 21 in CONUS and 3 overseas.**



INDEPENDENCE

- **GAO June 2003 Yellow Book, Section 3.03: Independence - In all matters relating to the audit work, the audit organization and the individual auditor, whether government or public:**
 - **Should be free both in fact and appearance from personal, external, and organizational impairments to independence.**
 - **Is responsible to maintain independence so opinions, conclusions, judgments, and recommendations will be impartial and viewed as impartial by knowledgeable third parties.**
 - **Should avoid situations that could lead third parties to conclude auditors are not capable of exercising objective and impartial judgment on all issues associated with conducting and reporting on the work.**

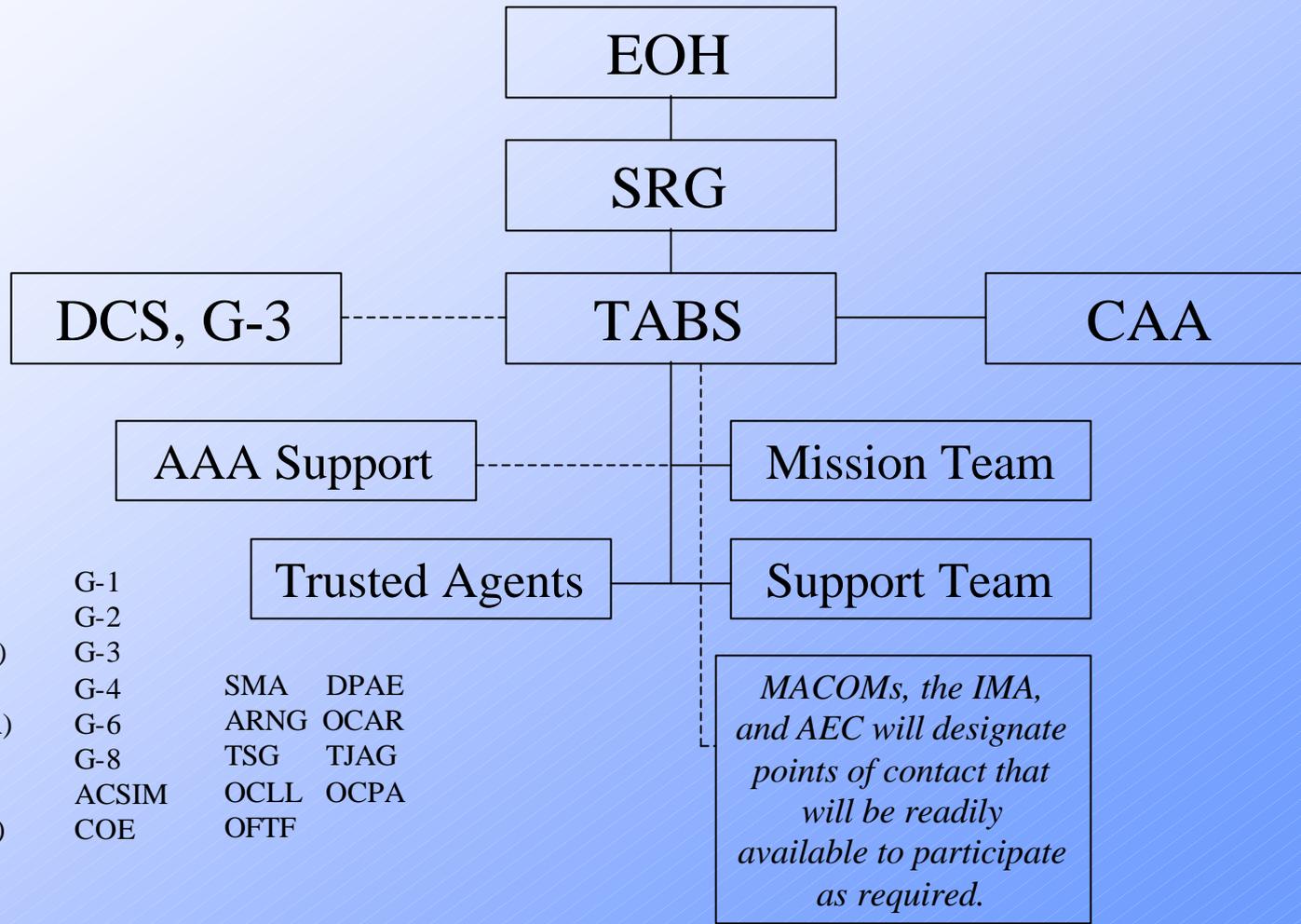


INDEPENDENCE (continued)

- **Three general classes of impairments to independence:**
 - **Personal.**
 - **External.**
 - **Organizational.**
- **In case of any impairments, Government auditors need to decline to perform the work. If not possible to decline, the impairment or impairments should be reported in the scope section of the audit report.**



BRAC 05 ORGANIZATION CHART



- ASA(ALT) G-1
- ASA(CW) G-2
- ASA(FMC) G-3
- ASA(IE) G-4 SMA DPAE
- ASA(MRA) G-6 ARNG OCAR
- GC G-8 TSG TJAG
- DUSA ACSIM OCLL OCPA
- DUSA(OR) COE OFTF
- DAS



ROLES & RESPONSIBILITIES

- **USAAA’s roles in the BRAC 2005 process are as follows:**
 - **Advise on developing, documenting, and implementing effective internal control procedures.**
 - **Conduct audits addressing the accuracy and validity of processes, methodology, assumptions, calculations, and data used.**
 - **Help ensure BRAC analysis is criteria-based, rigorous, and auditable.**



MINIMUM AUDIT REQUIREMENTS

- **Review of Internal Control Plan (Controls):**
 - **Are internal controls in place and operating for The Army Basing Study 2005 process?**



MINIMUM AUDIT REQUIREMENTS

(continued)

- **Audit of COBRA (Tools):**
 - **Does the Cost of Base Realignment Action model calculate cost and savings estimates as prescribed in the operator's manual?**
 - **Do the algorithm(s) calculate net present value accurately in the Cost of Base Realignment Action model?**
 - **Will planned enhancements to the model for the 2005 round of base realignments and closures improve procedures for calculating costs and savings?**



MINIMUM AUDIT REQUIREMENTS

(continued)

- **Review of MVA (Tools):**
 - **Does the Military Value Analyzer model correctly rank-order installations based on the weighted data and algorithms?**



MINIMUM AUDIT REQUIREMENTS

(continued)

- **Review of OSAF (Tools):**
 - **Is the planned use of the Optimal Stationing of Army Forces model in the 2005 Army Basing Study appropriate?**



MINIMUM AUDIT REQUIREMENTS

(continued)

- **Validation of Data Calls**
 - **Is the data used for assessing installation values:**
 - ✓ **Accurate?**
 - ✓ **Appropriate?**
 - ✓ **Complete?**



MINIMUM AUDIT REQUIREMENTS

(Data Validation continued)

- **89 Army installations in inventory.**
- **Four data calls:**
 - **Capacity – October 2003**
 - **Military Value – March 2004**
 - **Scenario – as needed**
 - **COBRA Static Data – February 2004**
- **Will conduct two validations of data.**
- **Will start first validation around January 2004 and complete it by April 2004.**
- **Will start second validation around June 2004 and complete it by September 2004.**



MINIMUM AUDIT REQUIREMENTS

(Data Validation continued)

- **Three scenarios:**
 - **Multi-staged attribute sample, first for each JCSG and then for Army (probably select around 40 installations all together).**
 - **Randomly select from list of all Army-related and JCSG-related data elements (probably select all 89 installations).**
 - **Randomly select from list of all JCSG-related data elements and multi-staged attribute sample for Army (probably select 30 installations).**
- **Conduct same sampling technique for each validation of data.**



MINIMUM AUDIT REQUIREMENTS

(continued)

- **Audit of TABS (Process):**
 - **Is the inventory of Army installations the Basing Study included in its review complete?**
 - **Is the inventory of Army leased facilities the Basing Study included in its review complete?**
 - **Are the procedures for assessing Army installations in the Basing Study's review effective?**
 - **Are the procedures for identifying candidate installations to study for possible closure or realignment effective?**
 - **Are the procedures for developing standard factors that are used in the Cost of Base Realignment Actions model effective?**
 - **Did the Basing Study use accurate data to support costs and savings in the Cost of Base Realignment Action model?**



WHAT WE'VE DONE SO FAR

- **Gathered relevant GAO, DODIG, and USAAA BRAC-related audit reports from 1991, 1993, and 1995 rounds.**
- **Set up office space at The Army Basing Study Office.**
- **Audited methodology and data used to determine inventory of Army installations included in the BRAC 05 review – found methodology was in accordance with law and appropriately applied as well as found that data was reliable.**
- **Issued three interim reports on Draft Internal Control Plan, Army Corporate Database Schedule, and Inventory of Army Installations Subject to Review.**



WHAT TO DO – SHORT TERM

- **COBRA Model audit**
- **Military Value Analyzer (MVA) Model audit**
- **Optimal Stationing of Armed Forces (OSAF) Model audit**
- **TABS Internal Control Plan audit**
- **Advise The Army Basing Study Office**



WHAT TO DO – LONG TERM

- **Army-related and JCSG-related data validation**
- **The Army Basing Study Process audit**
- **TABS Internal Control Plan audit**
- **Advise The Army Basing Study Office**