



DEPARTMENT OF THE ARMY
U.S. ARMY AUDIT AGENCY
Office of the Deputy Auditor General
Acquisition and Logistics Audits
3101 Park Center Drive
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DCN 9409

SAAG-IMT

16 August 2004

MEMORANDUM FOR The Director, The Army Basing Study Group

SUBJECT: Validation of Army Installation Capacity Data for Base Realignment and Closure 2005, Supply and Storage Activity Joint Cross-Service Group (Project Code A-2003-IMT-0440.042), Audit Report: A-2004-0453-IMT

1. You asked us to validate Army installations' responses to the capacity data call that The Army Basing Study Group and six Joint Cross-Service Groups¹ will use for Base Realignment and Closure (BRAC) 2005 analyses. This is our report on the validation of Army capacity data call responses to questions the Supply and Storage Activity Joint Cross-Service Group was interested in.
2. Generally, Army installations' certified responses to capacity data call questions in the samples that we validated were adequately supported with appropriate evidentiary matter and were accurate based on the criteria we applied. However, in some instances Army installations could not support their responses to the questions and did not accurately answer all questions. Details of our validation are in enclosure 1. The scope of our validation for the Supply and Storage Joint Cross-Service Group capacity questions is in enclosure 2. A flowchart of the 2005 Army basing study process is in enclosure 3.
3. We discussed these results with key personnel at the Army installations. They took corrective actions for the problems we identified and submitted certified changes to the Study Group for answers we identified as requiring correction. We also discussed these results with the Army representative on the Supply and Storage Activity Joint Cross-Service Group. Consequently, this report does not contain any recommendations and is not subject to the official command-reply process described in AR 36-2.

¹ The Study Group did not collect capacity data for a seventh group—the Intelligence Joint Cross-Service Group. Accordingly, we will report data validation results for that group to the Deputy Chief of Staff, G-2.

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4. We appreciate the courtesies and cooperation extended to us during the capacity data validation. If you have any questions or need additional information, please contact Lawrence Wickens at (703) 696-9769, Clarence Johnson at (410) 278-4287, or me at (703) 681-6020. We can also be contacted via e-mail at lawrence.wickens@aaa.army.mil, clarence.johnson@aaa.army.mil, or david.branham@aaa.army.mil.

FOR THE AUDITOR GENERAL:

3 Encls


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Program Director
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CF:

Office of the Inspector General, DOD
Army Representative, Supply and Storage Activity Joint
Cross-Service Group (Mr. Robert Williams)

**VALIDATION OF ARMY INSTALLATION CAPACITY DATA FOR
BASE REALIGNMENT AND CLOSURE 2005
SUPPLY AND STORAGE JOINT CROSS-SERVICE GROUP**

WHAT WE VALIDATED

You asked that we validate Army installations' responses to the capacity data call that The Army Basing Study Group and six Joint Cross-Service Groups will use for Base Realignment and Closure 2005 analyses. Our validation efforts focused on determining if responses were adequately supported and accurate. This enclosure summarizes the results of our validation efforts for the Army capacity data that the Study Group collected, certified and provided to the Supply and Storage Joint Cross-Service Group. We will include these results in our overall summary reports on the capacity data call and the 2005 Army basing study process.

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 enclosure 3.

Enclosure 1

SCOPE AND METHODOLOGY

The Army's inventory included 88 installations that met the BRAC 2005 threshold for study. For the capacity data call, the Study Group sent each installation a total of 552 questions: 548 questions to answer, if applicable, and 4 questions pre-populated from Army databases. During our validation efforts, we visited 31 installations and validated responses to a sample of the 57 questions the Supply and Storage Activity Joint Cross-Service Group was interested in: 9 that we judgmentally selected for validation at each installation we visited, plus a random selection of the remaining questions. (The number of capacity questions answered and the number of responses we validated at each installation is in enclosure 2.) We tested 363 of 1,278 total responses for adequacy of support and 317 responses for accuracy. We also reviewed all 489 responses to questions the Supply and Storage Group was interested in that Army installations answered as "not applicable" to determine if that answer was appropriate. The Supply and Storage Group did not issue any questions in the supplemental capacity data calls that were issued in July 2004.

We conducted our review from April to July 2004 in accordance with generally accepted government auditing standards, which include 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 did not allow any margin for error except for answers reporting square footage.
- For questions with answers involving 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 the samples we reviewed, provided the errors were not significant (determined by auditor judgment except for answers reporting square footage).

We did not rely on computer-generated data to validate responses from Army corporate databases, but instead validated the accuracy of the data by comparison with installation source documents 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 administrators to obtain the evidence needed to answer our objectives.

We also evaluated installation compliance with the Study Group's Internal Control Plan, but we will address those results in our overall reports on the capacity data call and the 2005 Army basing study process.

OBJECTIVE AND CONCLUSION

We established one objective for our validation of Supply and Storage Activity Joint Cross-Service Group capacity data. Here is that objective and our conclusion.

Objective: To determine if Army installations' certified responses to capacity data call questions in which the Supply and Storage Group had an interest were adequately supported with appropriate evidentiary matter and were accurate.

Conclusion: Generally, Army installations' certified responses to capacity data call questions the Supply and Storage Group was interested in were adequately supported with appropriate evidentiary matter and were accurate, based on the criteria we applied to responses in our samples. In addition, we concluded that the "not applicable" responses were appropriate. However, we found some instances where Army installations could not support their responses to capacity questions and did not answer all questions accurately. We discussed the potential risk of using inaccurate or inconsistent data in the Supply and Storage Group's analyses with the group's Army representative. The representative responded that the Supply and Storage Group acted to mitigate the potential risk.

Adequate Support. Of the 363 responses we validated for adequacy of support, 285 responses were adequately supported with appropriate evidentiary matter. The 78 other responses were not adequately supported primarily because Army installations submitted answers that differed from the supporting evidence, or functional responders provided estimates but did not gather and keep any evidence to support their answers. We noted that responses to

7 judgmentally selected questions frequently were not adequately supported (at more than 3 of the 31 installations):

- Facilities under construction (no. 22).
- All land owned/controlled by the installation according to the land uses (no. 30).
- Building space used by the supply and storage activity (no. 635).
- Customer DOD Activity Address Codes supported by the supply and storage activity (no. 652).
- Issues of class III bulk petroleum products by the supply and storage activity (no. 662).
- Total tons received by the supply and storage activity (no. 672).
- Peak number of requisitions processed by the supply and storage activity (no. 682).

In addition, responses to one of the randomly selected questions (no. 678)—which asked for the peak number and average dollar value of stock records supply and storage activities managed during FYs 02-03—were not adequately supported at three of four installations where we validated responses to the question. The Army installations we visited satisfactorily corrected most of the problems we identified with supporting documentation.

Accuracy. Of the 317 responses we validated for accuracy, 186 responses were accurate. For the remaining 131 responses, the primary reasons Army installation answers were not accurate were that functional responders did not correctly answer the question with the information requested or made mathematical errors. The same 7 judgmentally selected questions with responses that frequently were not adequately supported also had installation responses that were frequently inaccurate (at more than 3 of the 31 installations). In addition, responses to two other judgmentally selected questions were frequently inaccurate:

- Facility square footage (no. 11).
- Contracts awarded by the supply and storage activity (no. 642).

Further, responses to one of the randomly selected questions (no. 634)—which asked for the building number, gross square footage and location for each building assigned to or leased by the supply and storage activity as of 30 September 2003—were not accurate at three of four installations where we validated responses to the question. The Army installations we visited corrected the answers that were not accurate, recertified them, and resubmitted the responses to the Study Group. The Study Group, in turn, provided the corrected and recertified responses to the Supply and Storage Group.

Potentially Misinterpreted. We also determined that Army installations may not have consistently interpreted and answered seven questions in accordance with the question amplification and clarification guidance. As discussed in the preceding paragraphs, responses to question nos. 635, 642, 652, 662, 672, 678 and 682 frequently were not supported, accurate or both at the sites we visited. Consequently, we concluded that the Supply and Storage Group had reduced assurance that the responses from all Army installations that answered these seven questions were consistent and reliable.

Potential Risk. In our opinion, the Supply and Storage Group would have assumed a higher degree of risk if it used in its analyses Army responses that were frequently inaccurate, or responses to questions that were not consistently answered by Army installations. We discussed the potential risk with the Army representative on the Supply and Storage Group to determine what—if any—actions the group needed to take for the 11 questions we identified with systemic data problems. The Army representative responded that the Supply and Storage Group:

- Requested clarification or detailed activity-level data from specific supply and storage organizations for 8 of the 11 questions (nos. 634, 635, 642, 652, 662, 672, 678, and 682).
- Will not use data in responses to question nos. 11, 22 and 30. Although the Army representative initially expressed a need for data from these questions before the capacity data call, the representative said the data would not be used in the Supply and Storage Group's analyses.

In our opinion, these actions acknowledged the potential risk and should help mitigate the risk of using inaccurate or inconsistent data responses in the Supply and Storage Group's analyses.

**SCOPE OF VALIDATION FOR SUPPLY AND STORAGE ACTIVITY
JOINT CROSS-SERVICE GROUP
CAPACITY QUESTIONS**

Installation/Activity	Supply and Storage Facilities*	Total Questions Answered	Judgmental Sample	Random Sample	Total Responses Validated**
Aberdeen Proving Ground		3	3	10	13
Anniston Army Depot	X	45	7	0	7
Blue Grass Army Depot	X	47	9	3	12
Corpus Christi Army Depot	X	5	3	1	4
Detroit Arsenal	X	45	8	11	19
Fort Belvoir		45	6	4	10
Fort Benning		49	8	7	15
Fort Bliss		55	9	7	16
Fort Bragg		49	8	5	13
Fort Campbell		53	9	4	13
Fort Drum		57	9	6	15
Fort Eustis		49	8	6	14
Fort Gordon		49	9	4	13
Fort Hood		53	9	3	12
Fort Huachuca		54	9	6	15
Fort Lee	X	56	9	7	16
Fort Lewis		46	8	5	13
Fort McCoy		56	9	7	16
Fort Rucker		51	8	3	11
Fort Sam Houston		57	9	5	14
Fort Shafter		3	3	5	8
Fort Stewart/Hunter Army Airfield		51	8	0	8
Lima Army Tank Plant		3	3	0	3
McAlester Army Ammunition Plant	X	55	8	7	15
Picatiny Arsenal		40	7	4	11
Radford Army Ammunition Plant	X	3	2	0	2
Red River Army Depot	X	27	4	9	13
Redstone Arsenal	X	55	9	1	10
Schofield Barracks		57	9	2	11
Tobyhanna Army Depot	X	11	4	1	5
Tripler Army Medical Center		49	8	8	16
Totals		1,278	222	141	363

* "X" represents installations that the Army representative identified as having supply and storage facilities.

** Responses to all questions selected judgmentally were validated for accuracy and adequacy of evidentiary matter. Responses to all questions selected randomly were validated for adequacy of support. When time permitted, we also validated the responses for accuracy.

Enclosure 2

**DELIBERATIVE DOCUMENT – FOR DISCUSSION PURPOSES ONLY
Do Not Release Under the Freedom of Information Act**

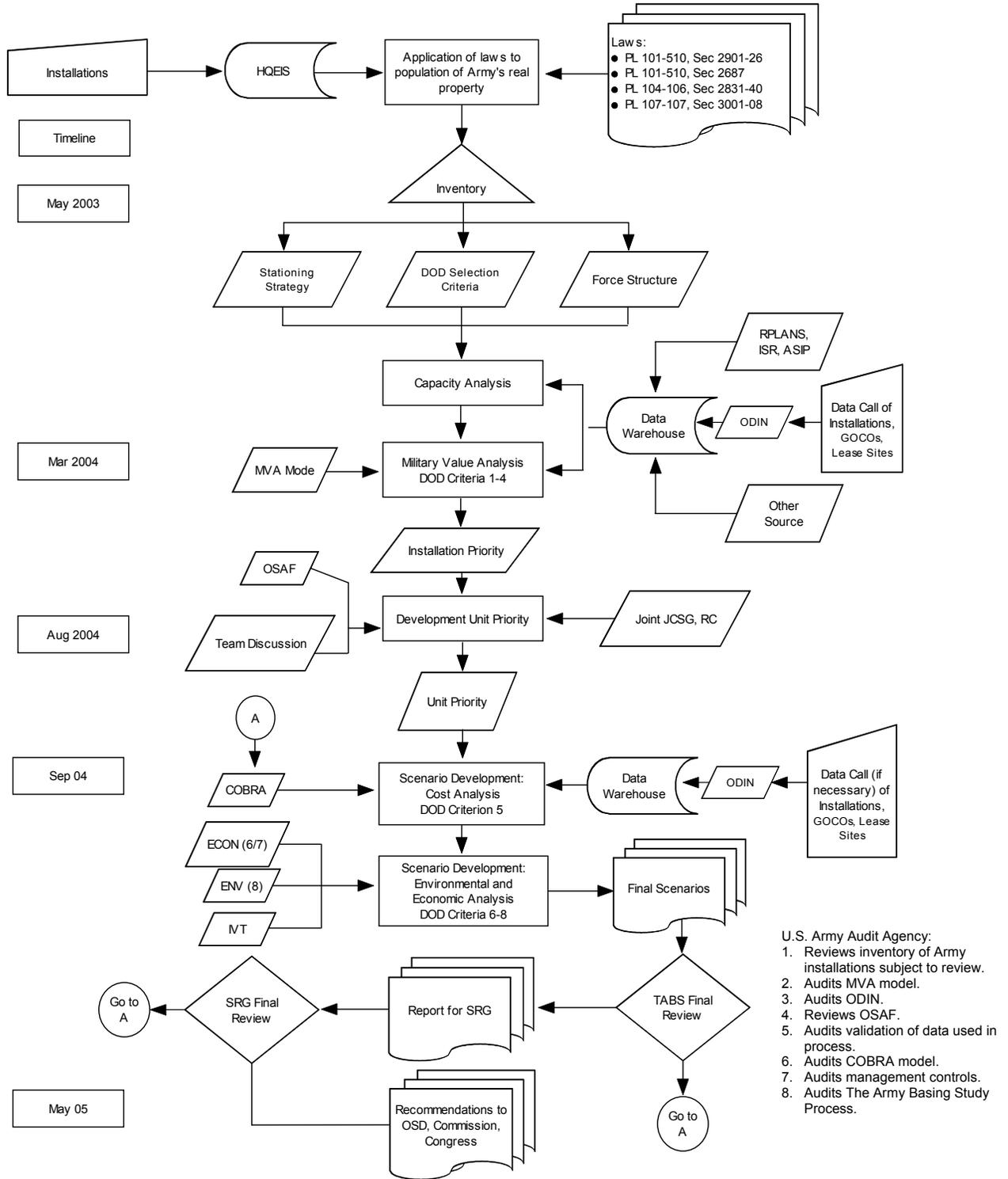
Acronyms and Abbreviations Used:

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 3