Audit Report

OFFICE OF THE INSPECTOR GENERAL

HOTLINE ALLEGATIONS CONCERNING OPERATION OF A NONSTANDARD AUTOMATED TRAVEL SYSTEM

Report No. 95-214 May 31, 1995

Department of Defense

Additional Information and Copies

This report was prepared by the Finance and Accounting Directorate, Office of the Assistant Inspector General for Auditing, DoD. If you have questions on this audit or to obtain additional copies of the draft report, contact Mr. David C. Funk, Audit Program Director, at (303) 676-7445 (DSN 926-7445), or Mr. Donald F. Broderick, Audit Project Manager, at (303) 676-7433 (DSN 926-7433).

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Acronyms

AFB	Air Force Base
AFDW	Air Force District of Washington
DAO	Defense Accounting Office
DFAS	Defense Finance and Accounting Service
DTPS	Defense Travel Pay System
FSO	Financial Services Office
MCP	Management Control Program
11SPTW	11th Support Wing, Department of the Air Force

INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-2884

May 31, 1995

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (COMPTROLLER)
ASSISTANT SECRETARY OF THE AIR FORCE
(FINANCIAL MANAGEMENT AND COMPTROLLER)
DIRECTOR, DEFENSE FINANCE AND ACCOUNTING
SERVICE

SUBJECT: Audit Report on Hotline Allegations Concerning Operation of a Nonstandard Automated Travel System (Report No. 95-214)

Introduction

We are providing this report for your information and use. We made the audit in response to a Hotline complaint alleging that the DoD, specifically the 11th Support Wing, Department of the Air Force, wasted $3 to $5 million each year operating and improving the Automated Travel System (the Air Force Automated System), although the Defense Finance and Accounting Service (DFAS) standard system (the DFAS Integrated Automated Travel System [the DFAS Integrated System]) was more efficient and widely used at DFAS Defense Accounting Offices (DAOs). The complainant made seven allegations. This audit report responds to those allegations and addresses related issues that arose during our audit. On July 15, 1994, the Air Force redesignated the Air Force District of Washington (AFDW) as the 11th Support Wing (11SPTW), Department of the Air Force. Except for quotations, this report refers to the former AFDW as 11SPTW.

Audit Results

We did not substantiate the allegation that funds were wasted. The complainant's allegations had inaccurately characterized situations, costs, and system relationships in several respects. In other respects, the allegations had been overtaken by actions of the Defense Performance Review and by actions associated with the DFAS development of a DoD travel system. We informed DFAS and the 11SPTW that waste could occur in the future unless both parties cooperate to update the DoD system for travel authorizations, pay, and accounting. The DFAS and the 11SPTW were working to complete actions in response to our observations.

Objectives

The overall objective was to determine the validity of a Defense Hotline complaint alleging that the continued operation and improvement of a nonstandard automated travel system at Bolling Air Force Base (AFB) wastes Government funds. We also assessed management controls as they pertained to the objective, and we assessed related compliance with the DoD management control program.

Scope and Methodology

We interviewed DFAS travel managers, including two of the three individuals cited in the allegation, at Headquarters, DFAS, Arlington, Virginia; the DFAS Denver Center, Denver, Colorado; and the DAO at Bolling Air Force Base (AFB), Washington, D.C. We contacted the Office of the Under Secretary of Defense (Comptroller) (the Comptroller, DoD) concerning the general nature of our review and the DoD Task Force to Reengineer Travel. We also interviewed the 11SPTW Comptroller; computer programmers and personnel at the 11SPTW Travel Reinvention Laboratory; representatives of the Defense Performance Review, Office of the Deputy Secretary of Defense; and Air Force personnel in the Financial Services Office (FSO) at Bolling AFB. We conducted initial interviews in person and made followup contacts by telephone. We discussed the Air Force Automated System then in use at Bolling AFB and the DFAS Integrated System used at other DAOs. We also discussed two travel systems under development, the DFAS Defense Travel Pay System (DTPS) and the 11SPTW Travel Reinvention Laboratory's Federal Air Force Automated System for Travel (FASTravel). We reviewed correspondence and memorandums about the Air Force Automated System and the DFAS Integrated System as related to the complaint. For the systems in development, DTPS and FASTravel, we reviewed documents from the DTPS program office and the 11SPTW Comptroller's office, including memorandums, functional descriptions, implementation guides, point papers, reports, newsletters, and cost and schedule data. We did not use computer-processed data or statistical sampling procedures. Enclosure 1 discusses the actions being taken to improve travel systems.

We performed this economy and efficiency and program audit from July through December 1994 in accordance with the auditing standards issued by the Comptroller General of the United States as implemented by the Inspector General, Department of Defense, and accordingly included such tests of internal controls as were considered necessary. Enclosure 4 lists the organizations we visited or contacted.

Management Controls

We evaluated the effectiveness of the 11SPTW and DFAS management controls over the development and planned use of the new automated FASTravel system. Those controls related to compliance with laws, regulations, and procedures used during development of the system.

The DFAS and the 11SPTW had taken or planned effective actions to correct problems identified during the audit. Therefore, management controls as applicable to the audit objectives were adequate. No material management control weaknesses as defined by DoD Directive 5010.38 were disclosed during the audit. See the discussion of Allegation 4 regarding implementation of the DoD management control program.

Prior Audits and Other Reviews

No audits of the specific systems discussed in this report had been done in the past 5 years.

Background

Enclosure 1 gives background information describing:

o the National Performance Review and reinventing-Government laboratories;

o the role of the Defense Performance Review office; and

o the effects of the National Performance Review on the development of FASTravel by the 11SPTW, and on the DoD Task Force to Reengineer Travel.

Enclosure 1 also explains the responsibilities and functions of the DFAS and describes how Air Force installations process travel vouchers.

Allegations and Responses

Hotline Complaint. The Hotline complainant made seven allegations concerning the wasteful operation of a nonstandard travel pay and accounting system. Details of those matters and our conclusions follow.

Allegation 1. The DFAS Integrated System automatically interfaced with their accounting systems, while the Air Force Automated System did not. The DFAS spends from $600,000 to $1 million each year to manually process Air Force Automated System transactions to DFAS accounting systems.

Response. We could not substantiate the allegation. Both the DFAS Integrated System and the Air Force Automated System automatically interface with the DFAS accounting system. Personnel at the Bolling AFB DAO and the Air Force FSO believed that a small amount of savings might result if the 11SPTW used the DFAS Integrated System instead of the Air Force Automated System. We concluded that few, if any, costs could be avoided in this manner.

If the DFAS Integrated System were installed at Bolling AFB, itinerary and expense information on traveler-prepared vouchers would have to be manually entered in a computer loaded with the DFAS Integrated System software. The

DFAS Integrated System would automatically compute travel entitlements and produce a summary cover sheet that would be affixed to the traveler's voucher. The voucher would be paid using normal procedures. The DFAS Integrated System would also produce a computer file that would send appropriation accounting data on paid vouchers to the automated DFAS general accounting system that serves the Air Force. DAO personnel would have to manipulate that data to give customers the budget and expense data they need.

Procedures at Bolling AFB direct FSO personnel to use itinerary and expense information from traveler-prepared vouchers to manually compute travel entitlements. FSO personnel send the computed vouchers to DAO personnel, who pay the vouchers and input appropriation accounting data to the Air Force Automated System. The Air Force Automated System then interfaces with DFAS accounting systems serving the Air Force. The Air Force Automated System edits data to give customers the budget and expense data they need.

Allegation 2. The Air Force Automated System at 11SPTW requires the manual computation of travel vouchers, while the DFAS Integrated System automatically computes travel vouchers.

Response. The allegation is correct; however, the implication of waste is incorrect. The Air Force Automated System does not compute travel voucher entitlements. Travel vouchers at Bolling AFB must be manually computed and paid before being input to the Air Force Automated System. By contrast, the DFAS Integrated System automatically computes travel vouchers. However, travelers' itineraries and expense information must first be manually entered in the DFAS Integrated System's computer. Personnel at the Bolling AFB DAO and FSO said the time required for data entry usually equals the time spent manually computing the travel voucher entitlements. They stated that little or no time would be saved.

Allegation 3. The 11SPTW was spending from $6 to $10 million to upgrade the Air Force Automated System to make it the functional equivalent of the DFAS Integrated System.

Response. No funds had been spent to upgrade the Air Force Automated System to make it the functional equivalent of the DFAS Integrated System. The complainant may have misunderstood either of two events that called for modifying the Air Force Automated System. If the complainant did not know all the facts, either event could have been incorrectly perceived as attempting to make the Air Force Automated System the functional equivalent of the DFAS Integrated System.

Prototype System. The first event occurred in August 1993, when the DTPS Program Manager at DFAS approved a request from the 11SPTW to continue developing a prototype Air Force automated travel system (the precursor of the Travel Reinvention Laboratory's FASTravel). DFAS approved the 11SPTW prototype system, stating that it would "solve some of the most pressing problems you face in this area." When recommending that the 11SPTW continue developing its prototype, the DTPS Program Manager at

DFAS also stated, "In light of delays in the development of the Defense Travel Pay System, your system . . . will be beneficial to the AFDW."

Modifying the Air Force Automated System. The second event was the modification of the Air Force Automated System to become the accounting module of the FASTravel system. The FASTravel system was developed by the Travel Reinvention Laboratory of the 11SPTW. The Defense Performance Review office designated the 11SPTW as a Travel Reinvention Laboratory under the Executive branch's Reinventing Government initiative. The 11SPTW Travel Reinvention Laboratory was tasked "to develop, test and implement new concepts and procedures for improving the travel authorization and payment processes." 11SPTW laboratory managers modified the Air Force Automated System to serve as the automated interface between the computation module of FASTravel and the DFAS accounting systems. Documents from the Travel Reinvention Laboratory indicated that approximately $1.6 million would be spent to develop FASTravel.

Allegation 4. The Automated System had not been reviewed and certified under the DoD management control program (MCP); however, the DAO at Bolling AFB disbursed funds based on output from the Air Force Automated System.

Response. The complainant correctly alleged that the Air Force Automated System had not been reviewed or certified under the DoD MCP. Personnel in the 11SPTW Comptroller's office overlooked the requirement to report under the MCP. The DFAS personnel knew that the 11SPTW used the Air Force Automated System, but did not recognize that fact in their MCP evaluations. Personnel at both the 11SPTW and the DFAS Denver Center stated that future reports on the DoD MCP will address the vulnerability of the Air Force Automated System and the adequacy of its management controls.

The allegation that the Bolling DAO disbursed funds based on the Air Force Automated System's output is incorrect. The DAO disbursed funds based on travel vouchers manually computed and audited by FSO personnel.

Allegation 5. The 11SPTW employs full-time computer programmers to operate the Air Force Automated System.

Response. The allegation was not substantiated. The 11SPTW did not employ computer programmers solely to operate the Air Force Automated System. Computer managers and programmers at the 11SPTW support all computer hardware and software requirements that are unique to the 11SPTW. Their primary responsibility is maintaining the local area network and supply system that serves Government customers in the Washington, D.C., area. Computer programmers at the 11SPTW also developed the Air Force Automated System and are modifying it for the FASTravel system.

Allegation 6. Documents at the DFAS Denver Center showed unsuccessful attempts to eliminate the Air Force Automated System. However, Headquarters, DFAS, authorized the 11SPTW to operate the Air Force

Automated System for political reasons involving the Air Force hierarchy and reports issued under the Reinventing Government initiative.

Response. We verified that DFAS made an internal recommendation to replace the Air Force Automated System at Bolling AFB with the DFAS Integrated System. However, we could not substantiate that the operation of the Air Force Automated System was continued for political reasons. Specifically, a trip report from the DFAS Denver Center, dated February 25, 1994, recommended to that Center's Deputy Director for Accounting that the DFAS Integrated System replace the Air Force Automated System at Bolling AFB. No decision was made on the matter. However, in August 1993 (5 months before the designation of the 11SPTW Travel Reinvention Laboratory), the DTPS Program Manager at DFAS Headquarters approved the 11SPTW's request to continue developing an automated travel system, as described in our response to Allegation 3. We found no evidence that this authorization was politically motivated. The DFAS shut down its DTPS program on October 13, 1994.

Allegation 7. Personnel in the 11SPTW Comptroller's office championed the Air Force Automated System to save their jobs.

Response. The allegation was not substantiated. We found nothing to indicate that the jobs of personnel in the 11SPTW Comptroller's office depended on either maintaining the Air Force Automated System or developing FASTravel.

Future Travel Systems

Problems may occur in the future unless the DFAS and the 11SPTW cooperate to develop an updated DoD system for travel authorizations, pay, and accounting. Although waste and inefficiency had not occurred, at the beginning of the audit the likelihood of future problems was high, for two reasons:

- the DFAS and the 11SPTW had not been cooperating, and
- controls over the travel reinvention laboratory were lacking.

DFAS and the Travel Reinvention Laboratory. In late FY 1994, the DFAS still had not fully participated in the Travel Reinvention Laboratory. The DFAS participation improved after a meeting between representatives of the Comptroller, DoD; the DFAS; and the 11SPTW. However, the DFAS functions and responsibilities in DoD Directive 5118.5, "Defense Finance and Accounting Service," November 26, 1990, were not included in the Travel Reinvention Laboratory. In a memorandum to DFAS managers, we asked them to advise us of any actions they had taken to address those functions and responsibilities in the Travel Reinvention Laboratory's development of a new travel system. The DFAS needs to ensure that such a system:

- can correctly compute travel entitlements in compliance with the Joint Federal Travel Regulations, Volume 1, and the Joint Travel Regulations, Volume 2;

o complies with existing laws and meets criteria for holding DFAS disbursing officers pecuniarily liable for disbursing errors;

o can be integrated with the design of existing or planned accounting systems (for example, accounting and disbursing systems serving the Air Force);

o can be successfully fielded in DFAS regional offices; and

o has application software that is compatible with the computer hardware used by the Defense Information Systems Agency to service DFAS operations.

DFAS Comments. In a letter dated December 12, 1994 (see Enclosure 2), the DFAS Deputy Director for Finance responded to our concerns, stating:

> We believe the Air Force is addressing the matters referenced in . . . your letter . . . . However, our reviews indicate that today the system does not adequately meet these requirements . . . . We will continue to provide assistance to the reinvention effort and work with Air Force financial management personnel to evaluate the applicability of this effort to other Air Force activities. We will focus our efforts on the areas specifically identified in your memorandum.

Actions taken by DFAS and those planned, if completed, should correct the problems. We have no further recommendations at this time.

11SPTW Travel Reinvention Laboratory. The 11SPTW Travel Reinvention Laboratory had not established and used baselines and benchmarks for system development, and had not accumulated data on system development costs. The 11SPTW needed that information to measure the success of the development effort; to determine the appropriateness of continued research and development; to comply with instructions from the Defense Performance Review office; and to prevent waste. We briefed the 11SPTW and asked them to advise us of any actions taken to correct the conditions described above.

11SPTW Comments. In a letter dated December 8, 1994 (see Enclosure 3), the 11SPTW Comptroller responded to our concerns, stating:

> We agree that development baselines and benchmarks need to be established and used to reduce the risk of incurring waste and inefficiency. To that end we're recommending that a Program Management Office be created . . . . In addition, the Assistant Secretary of the Air Force, Financial Management and Comptroller, has asked his staff to put together a planning team to work with us to determine the next steps for FASTravel and set milestones for completing development and implementation. He also directed the Deputy Assistant Secretary of the Air Force (Cost & Economics) to conduct a cost/benefit analysis for system development/ implementation . . . . Finally, we've been in contact with the Defense Performance Review (DPR) office and are complying with their instructions regarding reinvention laboratories.

Actions taken by the Air Force and those planned, if completed, should correct the problems identified. We have no further recommendations at this time.

Management Comments

Because the report contained no findings or recommendations, no written comments were required. However, to allow management to comment before we issue the final report, which will normally be available for public release, we sent a draft copy of the report to the addressees on March 24, 1995. We did not receive any comments from management.

The courtesies extended to the audit staff are appreciated. Questions about the audit should be directed to Mr. David C. Funk, Audit Program Director, at (303) 676-7392 (DSN 926-7392), or Mr. Donald F. Broderick, Audit Project Manager, at (303) 676-7433 (DSN 926-7433). Enclosure 5 lists the report distribution. Audit team members are listed inside the back cover.

Robert J. Lieberman

Robert J. Lieberman
Assistant Inspector General
for Auditing

Enclosures

Background on National Performance Review and the 11SPTW Travel Reinvention Laboratory

National Performance Review. In March 1993, the President initiated the National Performance Review to make Government less expensive and more efficient. According to the Vice President's "Report of the National Performance Review," September 7, 1993, "the President asked each cabinet secretary to organize a Reinvention Team to work from within each agency and to create Reinvention Laboratories where experiments in new ways of doing business could begin immediately." The Defense Performance Review in the Office of the Deputy Secretary of Defense is the focal point for reinventing-Government initiatives in DoD. Initiatives of that office included designating the Air Force District of Washington (AFDW) as a Reinvention Laboratory to improve travel authorization and payment processes, and establishing the DoD Task Force to Reengineer Travel.

11SPTW Travel Reinvention Laboratory and FASTravel. On January 29, 1994, the Director, Defense Performance Review,

> designated the 11SPTW a Reinvention Laboratory to develop, test, and implement new concepts and procedures for improving the travel authorization and payment processes. . . . The objectives are to:
>
> a. Implement a 'seamless' automated process;
>
> b. Eliminate paper documentation;
>
> c. Maximize use of the Government Charge Card and Automatic Teller Machines;
>
> d. Pay travelers via Electronic Funds Transfer (EFT); and
>
> e. Use the Commercial Travel Office to acquire lodging in addition to commercial transportation reservations.

In March 1994, the Travel Reinvention Laboratory determined that customizing commercial software for computation of travel entitlements was more cost-effective than modifying the software of the existing travel system. 11SPTW initially named the system that used the customized commercial software the Federal Automated System for Travel (FAST). The system later became known as FASTravel.

FASTravel Prototype System. By July 1994, the 11SPTW had developed a FASTravel prototype system and was testing it within the 11SPTW. The 11SPTW had also demonstrated the prototype system at Langley AFB, Virginia, to representatives of the Air Force Air Combat Command, the Air Education and Training Command, the Air Force Audit Agency, and the DFAS Denver Center. The prototype was designed for temporary duty travel by military and civilians and included the following features:

o an order writer that electronically integrated traveler input, travel authorization, and funding;

o a module for automated voucher preparation and computation that combined itinerary data (input by travelers) with data on travel requests and authorizations (previously input in the order-writer phase); and

o an electronic interface of voucher data with the DFAS accounting system.

DoD Task Force to Reengineer Travel. In June 1994, the DoD Task Force to Reengineer Travel was chartered by the Under Secretaries of Defense for Acquisition and Technology, Personnel and Readiness, and Comptroller, and the Director for Administration. The task force was established to:

> take a "fresh look" . . . approach as it evaluates and analyzes the entire travel network. Specifically, it will develop a fair and equitable temporary duty travel system for all DoD organizations. At a minimum the system must: (a) meet the operational requirements of the department; (b) improve service to the customers of the system; and (c) reduce overall cost to the government.

In January 1995, the Task Force published a report that recommended the DoD shift its ways of thinking about travel, suggested specific changes in the administration of travel, and recommended reliance on the private sector to accomplish many of its goals. The DoD goal is a seamless, paperless system that meets the needs of travelers, commanders, and process owners while reducing costs, support mission requirements, and providing superior customer service. At the direction of the Deputy Secretary of Defense, the Comptroller, DoD, was tasked to manage the transition effort. Included among the pilot programs were the efforts of the 11SPTW to test the use of commercial software to prepare orders and compute vouchers.

Defense Finance and Accounting Service. DoD Directive 5118.5, "Defense Finance and Accounting Service," November 26, 1990, established the DFAS. DFAS responsibilities and functions include:

o directing DoD finance and accounting requirements, systems, and functions for all appropriated activities;

o establishing and enforcing the requirements, principles, standards, systems, procedures, and practices necessary to comply with the statutory and regulatory requirements for finance and accounting that apply to DoD; and

o providing finance and accounting services for DoD Components.

Processing Travel Vouchers at Air Force Installations. In October 1992, the DFAS Denver Center began assuming responsibility for the Air Force's base-level accounting and finance offices. DFAS Defense Accounting Offices (DAOs) took responsibility for accounting and disbursing, while the Air Force established Financial Services Offices (FSOs) to perform most customer service functions. Existing accounting and payment systems were used to process travel

vouchers. Responsibilities for executing parts of the travel process and maintaining travel-related systems were divided among DAOs and FSOs. For example, travelers prepared their travel vouchers and submitted them to the FSOs. The FSOs computed and audited travel entitlements for each voucher, and sent the voucher to a DAO disbursing officer for payment. The DAO disbursing officer paid the voucher and performed all related travel and fund accounting tasks.

Effect of Changed Organization. While existing systems integrate the processes for travel voucher computation and fund accounting, the new organization requires separate organizational entities to maintain different parts of the same system. This division of responsibilities can complicate the process of developing new travel systems. For example, while the Air Force may seek to modify existing systems to improve installation-level customer service, DFAS must ensure that modifications comply with laws and regulations and are compatible with DFAS travel and computer systems that serve other DoD entities.

Correspondence from the Defense Finance and Accounting Service

DEFENSE FINANCE AND ACCOUNTING SERVICE
1931 JEFFERSON DAVIS HIGHWAY
ARLINGTON, VA 22240-5291

DEC 20 1994

DFAS-HQ/F

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MEMORANDUM FOR PROGRAM DIRECTOR, FINANCIAL SERVICES DIVISION (DENVER), OFFICE OF THE ASSISTANT INSPECTOR GENERAL FOR AUDITING

SUBJECT: Audit of Hotline Allegations Concerning Operations of a Nonstandard Automated Travel System (Project No. 4FD.8014)

The Director of the Defense Finance and Accounting Service (DFAS) cancelled the Defense Travel Pay System (DTPS) Program because a Department of Defense Task Force is completing a review of existing travel practices. Preliminary information indicates significant changes will be recommended in all aspects of travel. These changes will impact policy, the process, entitlements, and business practices. Since the DTPS initiative was to automate existing business practices, it was not logical or cost effective to continue the effort. The shutdown on the DTPS program is not an endorsement of the 11th Support Wing Travel Reinvention Laboratory effort as a potential standard travel system. Any such endorsement would be premature, the 11th Support Wing effort is still under the direct supervision of the Air Force, and since it is a laboratory environment they are experimenting with the expectation that the National Performance Review will grant waivers for all non-compliance issues.

We do agree that the Reinvention Laboratory offers an opportunity to improve travel processing and test and evaluate new ideas. Therefore, we are currently assisting the 11th SPTW in evaluating computations, interfaces, workflows, and other areas as they have requested. Air Force financial personnel are also monitoring their progress. We all share the same objective...to improve the way we do business.

We believe that the Air Force is addressing the matters referenced in paragraph two of your letter dated December 5, 1994. However, our reviews indicate that today the system does not adequately meet these requirements. The 11th Support Wing is focusing on the Air Force, they plan to request waivers in order to simplify today's business practices and are using Air Force specific systems.

DFAS Denver personnel have worked with 11SPTW personnel to evaluate interfaces and briefed the 11SPTW of their findings and recommendations. DFAS travel personnel have also evaluated the

system's accuracy and compliance with current travel regulations. The 11SPTW was briefed on our findings and provided a written report. It is difficult to evaluate the system at the present time because a written Concept of Operations describing the system and its capabilities is not available, and the software has not been baselined.

We will continue to provide assistance to the reinvention effort and work with Air Force financial management personnel to evaluate the applicability of this effort to others Air Force activities. We will focus our efforts on the areas specifically identified in your memorandum.

If you have any questions, my project officer is Mr. Jim Chittick. He can be reached at DSN 332-4933 or Commercial (703) 602-4933.

Michael E. Wilson
Deputy Director for Finance

Correspondence from the Department of the Air Force

DEPARTMENT OF THE AIR FORCE
11TH SUPPORT WING

JAN 20 1995

8 Dec 94

MEMORANDUM FOR PROGRAM DIRECTOR, FINANCIAL SERVICES DIVISION (DENVER), DEPARTEMENT OF DEFENSE INSPECTOR GENERAL

FROM: 11 SPTW/FM
1430 Air Force Pentagon
Washington, DC 20330-1430

SUBJECT: Audit of Hotline Allegations Concerning Operation of a Nonstandard Automated Travel System

Your 18 Nov 94 letter, states that the cancellation of DTPS obviates the need for your audit to recommend improved DFAS cooperation with our Travel Reinvention Laboratory. We believe that the need for cooperation is perhaps greater now than ever and would like your memorandum to reflect that. Now that DTPS has been cancelled, interest in our experiment is escalating. The increasing possibility that our system will be implemented beyond our current test environment intensifies the need for DFAS and other experts to work closely with us to complete development of a benchmark prototype, end the reinvention laboratory, and transition to a true system development/implementation effort.

We are taking action to ensure that the concerns expressed in your letter are dealt with. We agree that development baselines and benchmarks need to be established and used to reduce the risk of incurring waste and inefficiency. To that end, we're recommending that a Program Management Office be created to plan and oversee any broader implementation since this is beyond the capacity of 11 SPTW/FM's resources and beyond the scope of our mission. Working alone the 11 SPTW/FM would not be able to progress satisfactorily.

Increased interest in our effort is yielding much needed support. We were pleased when DFAS, responding to our numerous requests for assistance, recently sent a team to meet with us. At that meeting we agreed with your recommendation, to baseline system development.

In addition, the Assistant Secretary of the Air Force, Financial Management and Comptroller has asked his staff to put together a planning team, to work with us to determine the next steps for FASTravel and set milestones for completing development and implementation. He also directed the Deputy Assistant Secretary of the Air Force, (Cost & Economics) to conduct a

cost/benefit analysis for system development/implementation. We have already met with the cost team to discuss methods for accumulating cost data and for measuring the worth and success of the development effort.

Finally, we've been in contact with the Defense Performance Review (DPR) office and are complying with their instructions regarding reinvention laboratories. The DPR Deputy Director has assigned a Customer Service Team to monitor our progress and assist us as we transfer our initiative to the development/implementation team. We update them quarterly and often communicate informally.

Thank you for your independent inquiry. You have focused some well deserved attention on a system that certainly needed reinventing. By doing so you have encouraged cooperation among various parties resulting in more rigorous and efficient management of this effort. If you have any questions, please call me at DSN 225-6624.

GEORGE V. CAVA
Financial Management and Comptroller

Organizations Visited or Contacted

Office of the Secretary of Defense

Deputy Secretary of Defense, Washington, DC
  Defense Performance Review
Under Secretary of Defense (Comptroller), Washington, DC
  Directorate for Accounting Policy
  Directorate for Performance Measures and Results

Department of the Air Force

Deputy Assistant Secretary of the Air Force (Budget), Washington, DC
  Directorate of Budget Operations
11th Support Wing, Department of the Air Force, Washington, DC
  Financial Management and Comptroller

Defense Activities

Defense Finance and Accounting Service, Arlington, VA
  Defense Finance and Accounting Service Denver Center, Denver, CO
    Defense Accounting Office, Bolling Air Force Base, Washington, DC

Report Distribution

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Secretary of the Air Force
Assistant Secretary of the Air Force (Financial Management and Comptroller)
  11th Support Wing (Financial Management and Comptroller)
Auditor General, Department of the Air Force

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Director, Defense Finance and Accounting Service
  Director, Defense Finance and Accounting Service Denver Center

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  House Committee on Appropriations
  House Subcommittee on National Security, Committee on Appropriations
  House Committee on National Security
  House Committee on Government Reform and Oversight
  House Subcommittee on National Security, International Affairs, and Criminal Justice, Committee on Government Reform and Oversight

Audit Team Members

This report was prepared by the Finance and Accounting Directorate, Office of the Inspector General for Auditing, DoD.

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