DEPARTMENT OF DEFENSE

AUDIT REPORT

CONTROLS OVER RESERVE DUTY DRILL ATTENDANCE

No. 91-054

February 26, 1991

Office of the
Inspector General

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

February 26, 1991

MEMORANDUM FOR ASSISTANT SECRETARY OF DEFENSE (RESERVE AFFAIRS)

SUBJECT: Report on the Audit of Controls Over Reserve Duty Drill Attendance (Report No. 91-054)

This is our final report on Audit of Controls Over Reserve Duty Drill Attendance, provided for your information and use. The audit was made from August 1989 through April 1990 at the request of the Assistant Secretary of Defense (Reserve Affairs). The objectives of the audit were to evaluate the effectiveness of procedures for reporting drill attendance, and to evaluate internal controls established to ensure that drill attendance was properly reported for members of the Reserve Components. As of September 30, 1989, the Reserve Components, including the National Guard, had a total of about 1.2 million drilling members. The results of the audit are summarized in the following paragraphs, and the details and audit recommendations are discussed in Part II of this report.

The National Guard and Reserve Component units improperly rescheduled training assemblies for members who did not attend scheduled training for personal reasons, and failed to maintain documentation showing the reasons for excused absences or rescheduled training. We questioned the propriety of 8,850 training periods rescheduled between October 1, 1989, and April 30, 1990; whether members with excessive rescheduled training periods received equivalent training; and whether payments for rescheduled training periods were properly authorized. In addition, there was a lack of assurance that members were excused or training was rescheduled only in compliance with the intent of DoD and Congress.

We recommended that the Assistant Secretary of Defense (Reserve Affairs) direct the National Guard and Reserve Components to prohibit the use of rescheduled training for absences due to personal reasons; to restrict the use of rescheduled training to valid training or mission requirements; and to maintain documentation on reasons for members' absences, unit commanders' reasons for authorizing excused absences or rescheduled training, and the training or duty to be performed during makeup periods. We also recommended that legislative action be proposed to seek relief from pay limitations when makeups are due to bona fide work-related conflicts.

The audit identified internal control weaknesses as defined by Public Law 97-255, Office of Management and Budget Circular A-123, and DoD Directive 5010.38. There was insufficient assurance that members' absences were excused or training was rescheduled for reasons that complied with the intent of DoD and Congress, and that payments for makeup training were authorized. Recommendations in this report, if implemented, will correct the internal control weaknesses. Therefore, the senior official responsible for internal controls within DoD, the Comptroller, will be provided a copy of this report.

We are not able to precisely quantify the monetary benefits that will be realized by implementing our recommendations (see page 9 and Appendix D).

A draft of this report was provided to the Assistant Secretary of Defense (Reserve Affairs) on October 12, 1990. We received management comments from the Assistant Secretary on December 28, 1990. These comments were considered in preparation of this final report and are discussed in Part II. The complete text of management comments is in Appendix C.

The Assistant Secretary of Defense (Reserve Affairs) concurred with the finding and Recommendations 1.a., 1.b., and 1.c., but only partially concurred with Recommendation 2. and provided an alternative action. The Assistant Secretary did not agree that legislation was needed to resolve conflicts between members' job requirements and drill attendance. However, the response was not specific as to the alternative action that would be taken. We believe that legislation would be the most effective measure. Therefore, we request that the Assistant Secretary reconsider the recommendation and provide comments on this final report.

DoD Directive 7650.3 requires that all audit recommendations be resolved promptly. Accordingly, final comments on the unresolved issues should be provided within 60 days. Therefore, we request that the Assistant Secretary of Defense (Reserve Affairs) provide final comments on Recommendation 2. within 60 days of this report.

Copies of the final report will be distributed to the non-DoD activities shown in Appendix G. The courtesies extended to the audit team members, listed in Appendix F, are appreciated. If you have any questions concerning this audit, you may call Mr. James G. McGuire at (804) 766-9108 or Mr. James H. Beach at (804) 766-2703.

Robert J. Lieberman
Assistant Inspector General
for Auditing

Enclosures

cc:
Comptroller of the Department of Defense
Secretary of the Army
Secretary of the Navy
Secretary of the Air Force
Chief, Army Reserve
Director of Naval Reserve
Chief of Air Force Reserve
Chief, National Guard Bureau

REPORT ON THE AUDIT OF
CONTROLS OVER RESERVE DUTY DRILL ATTENDANCE

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Prepared by:
Financial Management Directorate
Project No. 9FC-0056

REPORT ON THE AUDIT OF CONTROLS OVER RESERVE DUTY DRILL ATTENDANCE

PART I - INTRODUCTION

Background

Each of the Services has one or more Reserve Components. Each Reserve Component consists of three Reserve categories: Ready Reserve, Standby Reserve, and Retired Reserve. Exceptions are the Army National Guard and the Air National Guard, which do not have a Standby Reserve. The Ready Reserve of each Component consists of three subgroups: the Selected Reserve, the Individual Ready Reserve, and the Inactive National Guard. The Selected Reserve consists of units and individuals that are designated as essential and that have priority over all other Reserve elements for training, equipment, and personnel. Members of the Selected Reserve receive training for the mobilization assignments and the required readiness level of the unit to which they are assigned. Training programs of the Selected Reserve provide active duty training, inactive duty training (IDT), and annual training necessary to maintain individual proficiency and unit readiness.

As of September 30, 1989, the Reserve Components of the Services (including the National Guard) had about 1.2 million drilling members. These members participated in IDT assemblies in units ranging in size from a few members to several hundred members. The United States Code, title 37, sec. 206, authorizes members to be paid for periods of IDT. To remain a successful member of a Reserve Component, a member must attend a minimum of 48 unit training assemblies (UTA's) per year, each consisting of at least 4 hours of training.

Objectives and Scope

The objectives of the audit were to evaluate the effectiveness of procedures for reporting drill attendance by Reserve Component members, and to evaluate internal controls established to ensure that drill attendance was properly reported.

We made unannounced visits to 26 Reserve Component units at 22 locations. Review locations were selected from six sections of the continental United States, based on Metropolitan Statistical Areas in the 1989 Statistical Abstract of the United States. Units of the Army National Guard were excluded from the audit review based on our survey results, which validated findings in reports issued between January 1987 and June 1989 by the Army Audit Agency. However, findings and recommendations in Part II of this report also apply to the Army National Guard.

We observed unit procedures for recording and reporting attendance to determine whether internal controls ensured that members were actually present at drills. We obtained copies of certified drill recording forms and compared them to pay records at the Service finance centers to verify that only members attending drills received pay. We reviewed drill recording forms for prior months' drills and any other available data to identify excessive rescheduling, and to determine whether training was rescheduled in accordance with DoD guidance and legal restrictions.

This performance audit was requested by the Assistant Secretary of Defense (Reserve Affairs) and was performed from June 18, 1989, to May 15, 1990. We reviewed drill records for FY's 1989 and 1990 at 26 Reserve Component units (see Appendix D). The audit was made in accordance with auditing standards issued by the Comptroller General of the United States as implemented by the Inspector General, DoD, and accordingly included such tests of the internal controls as were considered necessary.

Internal Controls

At all the Reserve Component units we reviewed, we evaluated internal controls for ensuring that drill attendance was properly recorded and reported to the applicable Service finance center. Our review showed that written policies and procedures were generally adequate, except for documentation of excused absences and rescheduled training (discussed in the finding).

The audit identified internal control weaknesses as defined by Public Law 97-255, Office of Management and Budget Circular A-123, and DoD Directive 5010.38. Documentation requirements did not ensure that members' absences were excused or training was rescheduled in compliance with the intent of DoD and Congress and that payments for makeup training were authorized. Recommendations in this report, if implemented, will correct the weaknesses. Therefore, the senior official responsible for internal controls within DoD will be provided a copy of this report.

Prior Audit Coverage

Department of Defense Inspector General Report No. 87-064, "Report on the Survey of the Military Pay System," January 6, 1987, showed that policies, procedures, and internal controls over time and attendance reporting for Reservists were adequate.

Since January 1987, the Army Audit Agency (AAA) had issued seven audit reports citing weaknesses in procedures and controls over the scheduling, recording, and reporting of Reservists' drill attendance. Also since January 1987, the AAA had issued

13 reports citing similar weaknesses in procedures and controls in various State Army National Guard units.

From 1984 to 1989, the Naval Audit Service had issued four reports applicable to the Naval and Marine Corps Reserves. Only one of those reports dealt with procedures and controls over the recording and reporting of drill attendance.

From 1984 to 1989, the Air Force Audit Agency had issued two reports citing weaknesses in Reserve Component policies and procedures for recording and reporting drill attendance.

Appendix A gives details of the audit reports listed above.

PART II - FINDING AND RECOMMENDATIONS

Attendance Reporting

FINDING

National Guard and Reserve Component units improperly rescheduled training assemblies for members who missed scheduled training for personal reasons. Also, units failed to maintain adequate documentation to support excused absences or rescheduled training. These conditions existed because units lacked current and definitive guidance from DoD in two important areas: the proper use of rescheduled training and the need to retain supporting documentation. As a result, the propriety of 8,850 training assemblies rescheduled from October 1, 1988, through April 30, 1990, was questionable, and there was a lack of assurance that members who attended excessive rescheduled training assemblies received equivalent training. The authority for paying $57,000 to members who attended 1,576 rescheduled training assemblies was also questionable. In addition, we could not determine if members' absences were excused or training was rescheduled only for reasons that complied with the intent of DoD and Congress.

DISCUSSION OF DETAILS

Background. United States Code (U.S.C), title 37, sec. 206, authorizes payment for periods of inactive duty training by members of the National Guard and Reserve Components. One day's pay is authorized for each scheduled or rescheduled unit training assembly that a member attends for at least 2 hours and satisfactorily completes. A unit training assembly is defined as an authorized and scheduled training assembly of not less than 4 hours. Most Reserve Component unit personnel are required to attend 48 training assemblies each year unless excused by the unit commander.

Commanders may grant excused absences for sickness, injury, or other circumstances beyond a member's control. Employment conflicts, overtime, civilian schooling, and loss of income are not normally considered valid reasons for absences from training. Excused absences can be made up through equivalent training assemblies scheduled for that purpose. Equivalent training assemblies should be of the same type, quality, and duration as the training missed.

When changing circumstances and requirements dictate, unit commanders can reschedule drills for individuals or groups. Examples of situations that warrant rescheduled training include: a training flight that cannot be accomplished due to weather conditions or availability of aircraft; supported or supporting units that are not available on the originally

scheduled training date; and training that cannot be conducted due to acts of God, civil disturbances, or other valid reasons. Rescheduled training should enhance the unit's ability to perform its assigned mission and may include staff visits, unit inspections, and training at other locations. Rescheduled training assemblies may not be used to make up regularly scheduled training assemblies missed by individuals.

Because of growing concern over the number of members missing regularly scheduled unit training and the possibility that members would not receive proper training, Congress placed a restriction on payments for equivalent training. That restriction is found in U.S.C., title 37, sec. 206(e), which states that:

> A member of the National Guard or of a Reserve Component of the uniformed services may not be paid under this section for more than four periods of equivalent training, instruction, duty, or appropriate duties performed during a fiscal year instead of the member's regular period of instruction or regular period of appropriate duty during that fiscal year.

A memorandum from the Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics), "Equivalent Training for Selected Reservists," dated September 18, 1979, established DoD policy on authorized reasons for excused absences and rescheduled training. The memorandum also provided guidance on Congressional restrictions on the use of equivalent training, as subsequently stated in U.S.C., title 37, sec. 206(e). The memorandum stated that absences from training assemblies due to unforeseen personal emergencies should be excused and made up through equivalent training periods (limited by public law to four paid periods per fiscal year).

DoD disseminated this memorandum in 1979, but did not clarify or enforce the policy, in spite of numerous reports that cited the problem. The policy had never been incorporated into DoD directives; therefore, the Services and their Reserve Components had established policies and procedures that did not comply with the stated DoD policy.

Reporting Policies and Procedures. Our review covered policies and procedures for the reporting of 166,174 regular unit training assemblies scheduled from October 1, 1988, through April 30, 1990. We found that policies and procedures were generally adequate to ensure that members received payments only for periods of actual attendance. However, we also found that policies and procedures for reporting and documenting excused absences and rescheduled training were not adequate to ensure compliance with applicable laws and regulations.

Rescheduled training assemblies were authorized for members who missed scheduled training assemblies for personal reasons, and documentation was not available to justify additional rescheduled assemblies. The lack of documentation reduced assurance that members who attended rescheduled training assemblies were receiving equivalent training and that payments for makeup or equivalent training assemblies were properly authorized.

Improper Rescheduling. Adequate documentation was available for only 9,165 of the 15,843 training assemblies rescheduled during the period covered by our audit. Our review of the documentation for these 9,165 rescheduled training assemblies showed that about 2,172 assemblies (24 percent) were authorized for personal reasons (see Appendix B) and members' convenience, rather than for training or mission requirements. We could not evaluate the reasons for rescheduling the remaining 6,678 training assemblies because documentation was not available.

According to DoD policy as expressed in the September 18, 1979, memorandum from the Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics), rescheduled training must be for the benefit of units rather than individuals, and may not be used to make up regularly scheduled training assemblies that were missed. These absences for personal reasons should have been excused, and equivalent training should have been authorized to make up the absences. Therefore, the propriety of these 2,172 rescheduled training assemblies was questionable.

The 2,172 rescheduled training assemblies were also questionable because members did not always receive training that was equivalent to the training missed. Rescheduled training was not adequately planned to ensure that available time was used effectively, and some units did not prepare schedules identifying the tasks to be accomplished during rescheduled assemblies. Our review showed that during rescheduled training, members often performed routine administrative duties such as filing records, reviewing medical files, or taking inventories.

For example, one member originally scheduled for four periods of instruction on nuclear, biological, and chemical operations performed filing duties during his four rescheduled training assemblies. This member did not receive the training that he would have received at the regularly scheduled assembly. Improper rescheduling of training assemblies also resulted in excessive rescheduled training periods for individual members, and questionable payments to members for rescheduled training periods.

Excessive Rescheduled Training Periods. Training periods were also rescheduled excessively for individual members. We found that during FY 1989, 25.4 percent of the 2,965 members included in our review had rescheduled over 20 percent of their regular training periods. For example, one member had rescheduled 20 (42 percent) of his 48 regular training periods, and 12 periods had been rescheduled for personal reasons. If those 12 periods had been properly reported as excused absences, the percentage of rescheduled training periods would have been reduced to only 17 percent. The table below summarizes excessive rescheduled training (20 percent or more) for individual members by Reserve Component.

EXCESSIVE RESCHEDULED TRAINING BY COMPONENT

Component	Number of Members with Excessive Rescheduled Training			Percentage of Total Members Included in Our Review
	Officer	Enlisted	Total	
Army Reserve	13	94	107	23.5
Naval Reserve	10	71	81	20.1
Air Force Reserve	10	286	296	34.3
Marine Corps Reserve	23	67	90	13.7
Air National Guard	17	162	179	29.7
Totals	73	680	753	25.4

Our review of attendance data for FY 1990 indicated that this trend was continuing at about the same rate. The number of training assemblies that can be rescheduled is not predetermined, and unit commanders determine when these assemblies should be scheduled. However, training assemblies should be rescheduled to enhance unit performance and not to make up regularly scheduled training assemblies missed by individual members. Although some rescheduling of training is necessary and beneficial, rescheduling 20 percent or more of a unit's scheduled assemblies for individual members may degrade individual training and unit readiness.

Questionable Payments. Our review showed that in FY 1989, 1,576 training periods, valued at about $57,000, were improperly rescheduled, resulting in payments for makeup training periods in excess of the congressional limitation of four periods. To obtain the number of questionable training periods, we identified the number of periods rescheduled for personal or undocumented reasons for each member and subtracted the four makeup periods allowed by public law. For the 102,199 scheduled training periods reviewed for FY 1989, 1,576 (1.5 percent) of the authorizations for payment were questionable under U.S.C., title 37, sec. 206. This law authorized members to be paid for only four periods of equivalent training, instruction, duty, or appropriate duties performed during a fiscal year.

While our sample results were not statistically projectable, they indicated conditions throughout the National Guard and Reserve Components. By applying the 1.5 percent ratio to about 56 million regular training periods scheduled in FY 1989, we estimated that about $31 million may have been paid for makeup training periods that exceeded congressional limitations.

Attendance Documentation. In the 26 units we reviewed, there were 15,843 rescheduled training assemblies and 6,742 excused absences from October 1, 1988, through April 30, 1990. Written documentation was not available to support 6,678 rescheduled training assemblies and 3,801 excused absences.

Documentation for Rescheduled Training Periods. Our review showed that for 6,678, or 42 percent, of the 15,843 rescheduled training periods, there was no written documentation to show why training was rescheduled (see Appendix B). Also, available documentation often did not show what training or duty was to be performed during the rescheduled periods. Without adequate documentation for rescheduled training, there was a lack of assurance that the rescheduling complied with DoD policy. The lack of documentation also made the authorization of payments for the 6,678 rescheduled training periods questionable.

Documentation for Unexcused Absences. In the 26 units we reviewed, there were 6,742 excused absences from October 1, 1988, through April 30, 1990. Our review of the 6,742 excused absences showed that documentation for 3,801, or 56 percent, of these absences did not state why members were absent or give the commander's reason for excusing the absence. As a result, there was a lack of assurance that absences were excused for valid reasons and that payments for makeup training were authorized under U.S.C., title 37, sec. 206. Excused absences by Component are shown below.

EXCUSED ABSENCES BY COMPONENT

Component	Number Reviewed	Number Documented	Number Undocumented
Army Reserve	2,781	91	2,690
Naval Reserve	1,375	1,170	205
Air Force Reserve	1,513	871	642
Marine Corps Reserve	879	733	146
Air National Guard	194	76	118
Totals	6,742	2,941	3,801

The absence of adequate documentation made the propriety of the 3,801 excused absences questionable and did not provide any assurance that makeup training, if authorized, was equivalent in nature and content to the training missed.

Members' Absences. Review of available documentation and discussions with unit commanders showed that work conflicts were one of the major reasons for members' absences. To reduce the necessity for overtime, many businesses now require employees to work three 12-hour shifts. Under this schedule of 3 days' work and 3 days off, employees are regularly required to work on many weekends, creating a conflict with drill requirements. Shift work and normal overtime requirements have created severe problems and have resulted in numerous instances of improper rescheduling. However, in the absence of a change to U.S.C., title 37, sec. 206(e), any subsequent training or duty performed to make up such absences should comply with the restriction on the number of paid makeup or equivalent training periods allowed per fiscal year.

Conclusion. The rescheduling of training when members were absent for personal reasons circumvented the congressional restriction on payment for makeup training periods. The restriction resulted from congressional concern that members would not receive proper training in a nonunit environment. Improperly designating makeup training periods as rescheduled training rather than equivalent training did not alleviate that concern, and disguised the improper use of rescheduling.

Because units had inadequate documentation for excused absences and rescheduled training, they could not ensure that training was carried out in accordance with law and management policy. Units also could not ensure that payments for rescheduled or equivalent training periods complied with congressional restrictions.

The high percentage of members' absences due to work conflicts indicated a need to obtain relief from the congressional limitation on payments for makeup training in such cases. Until the congressional limitation is lifted, DoD guidance should direct the Reserve Components to comply strictly with public law and maintain documentation to assure compliance.

RECOMMENDATIONS FOR CORRECTIVE ACTION

We recommend that the Assistant Secretary of Defense (Reserve Affairs):

1. Issue guidance directing the National Guard and Reserve Components to:

a. Prohibit the use of rescheduled training when members are absent for personal reasons.

b. Restrict the use of rescheduled training to valid training or mission requirements.

c. Maintain documentation of the reasons for all members' absences, unit commanders' reasons for authorizing excused absences or rescheduled training, and training or duties to be performed during makeup training periods.

2. Propose legislative action to remove the limitation on paid makeup periods when members have verifiable work conflicts initiated by their employers.

MANAGEMENT COMMENTS

In response to the draft audit report, the Assistant Secretary of Defense (Reserve Affairs) concurred with the finding and Recommendations 1.a., 1.b., and 1.c., stating that a clear DoD policy would be developed and incorporated into a DoD Directive. Coordination of the directive is to begin on June 30, 1991.

The Assistant Secretary concurred in part with Recommendation 2., but did not feel that legislation along the lines recommended would be advisable. The Assistant Secretary stated that such legislation would diminsh the effectiveness of Reemployment Rights provisions under U.S.C., title 38, chapter 43, which are critical to the success of the Reserve program. Instead, the DoD Directive discussed in response to Recommendation 1. will contain guidance on the use of greater flexibility in training periods to avoid conflicts between jobs and Reserve duties.

In the interest of accuracy, the Assistant Secretary recommended that line 8 of page 8 (page 5, lines 24 and 25 in the final report) be changed to read "...training assembly of not less than 4 hours. Most Reserve Component unit personnel are required to...".

AUDIT RESPONSE TO MANAGEMENT COMMENTS

The proposed alternative action on Recommendation 2. is considered nonresponsive. In our opinion, such action would perpetuate the misuse of paid makeup training periods. Recommended legislative action to remove the limitation on paid makeup periods should have no effect on the Reemployment Rights provisions under U.S.C., title 38, chapter 43. We agree that such rights are necessary to protect Reservists when their Reserve duties require them to be absent from their jobs. However, in the case of inactive duty training, it is doubtful that a Reservist would request a leave of absence, which would result in a loss of pay, rather than miss a drill. Eliminating the restrictions on the number of paid makeup periods would enable Reservists to accomplish both job and Reserve duties without adverse impact on training or personal finances. We request that the Assistant Secretary of Defense (Reserve Affairs) reconsider the response to Recommendation 2. in the final report.

PRIOR AUDIT COVERAGE

Department of Defense

DoD IG Report No. 87-064, "Report on the Survey of the Military Pay System," January 6, 1987, showed that policies, procedures, and internal controls over time and attendance reporting for Reservists were adequate. This survey was a followup to Defense Audit Service Report No. 80-135, which reported that the Services' procedures for recording Reserve drill attendance did not ensure accurate reporting, and did not include unannounced tests of procedures and controls at Reserve Component units.

Department of the Army

Army Reserve: Army Audit Report No. EC 87-2, "70th Division (Training), Livonia, MI," January 29, 1987, cited weaknesses in procedures and controls over the scheduling, monitoring, and documenting of rescheduled training.

Army Audit Report No. SO 88-302, "120th U.S. Army Reserve Command, Fort Jackson, SC," January 5, 1988, cited weaknesses in procedures and controls for ensuring that rescheduled training was properly authorized, planned, and accomplished.

Army National Guard: Army Audit Report Nos. SW 87-1, NE 87-2, WE 87-6, NW 87-205, WE 88-300, SW 88-300, SW 88-301, EC 88-302, WE 88-303, EC 89-300, SO 89-300, and WE 89-301 all contained findings on the improper use of split unit training in place of equivalent training for makeup of missed assemblies.

Army Audit Report Nos. SW 87-1, NE 87-6, NW 87-205, WE 88-300, SW 88-300, SW 88-301, WE 88-303, SO 89-300, and WE 89-301 all contained findings on the granting of excused absences for unauthorized reasons and the failure to require supporting documentation.

Department of the Navy

Naval Audit Service Report No. C27214, "Administration of Marine Corps Reserve Pay," July 11, 1985, cited a weakness in procedures and controls over recording drill attendance that resulted in a lack of adequate documentation.

PRIOR AUDIT COVERAGE
(continued)

Department of the Air Force

Air Force Audit Report No. 5165115, "Manning, Training and Mobilizing Air National Guard Combat Communication Forces," December 18, 1986, cited weaknesses in policies, procedures, and controls that had resulted in the improper substitution of split unit training for equivalent training and a lack of documentation for excused absences.

Air Force Audit Report No. 8165112, "Followup Audit--Manning, Training and Mobilizing Air National Guard Combat Communication Forces," December 6, 1988, showed that appropriate actions had been taken in response to recommendations in the prior report (Report No. 5165115) and that the reported weaknesses had been corrected.

Air Force Audit Report No. 7165111, "Manning, Training, and Mobilizing Air Force Reserve Support Units," October 28, 1988, cited weaknesses in policies, procedures, and controls that resulted in the rescheduling of training for makeup of inactive duty training periods missed for personal reasons, and the failure to adequately document the reasons for excused absences.

RESCHEDULED UNIT TRAINING ASSEMBLIES: OCTOBER 1, 1988, THROUGH APRIL 30, 1990

Component	Rescheduled Training Assemblies			
	Number Reviewed	Number Proper	Number Questionable	
			Personal	Undocumented
Army Reserve	2,849	258	38	2,553
Naval Reserve	1,997	1,444	229	324
Air Force Reserve	4,954	3,678	753	523
Marine Corps Reserve	2,617	640	1,034	943
Air National Guard	3,426	973	118	2,335
Totals	15,843	6,993	2,172	6,678

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1500

RESERVE AFFAIRS

DEC 28 1990

MEMORANDUM FOR DIRECTOR OF FINANCIAL MANAGEMENT, OFFICE OF THE INSPECTOR GENERAL, DEPARTMENT OF DEFENSE

SUBJECT: Draft Report on the Audit of Controls Over Reserve Duty Drill Attendance (Project No. 9FC-0056)

This office appreciates the opportunity to review and provide comments on the draft report on the audit you performed at our request. Our comments on the findings and recommendations of the audit are attached.

We recommend that, for reason of accuracy, line 8 of page 8 be changed to read as follows: "...training assembly of not less than 4 hours. Most Reserve component unit personnel are required to ...." Lines 24 & 25 page 5

Request that you consider the comments of this office in preparing your final report. Thank you for performing the audit.

George G. Kundahl
Principal Deputy Assistant Secretary

Attachment:
As stated

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE (RESERVE AFFAIRS)
COMMENTS ON THE
DRAFT REPORT ON THE AUDIT OF CONTROLS OVER
RESERVE DUTY DRILL ATTENDANCE
PROJECT NO. 9FC-0056

FINDING:

National Guard and Reserve Component units improperly rescheduled training assemblies for members who did not attend scheduled training for personal reasons. Also, units failed to maintain adequate documentation to support excused absences or rescheduled training. These conditions existed due to the lack of current and definitive DoD guidance on the proper use of rescheduled training and the need to retain supporting documentation. As a result, the propriety of 8,850 training assemblies rescheduled from October 1, 1988, through April 30, 1990, was questionable, and there was a lack of assurance that members who attended excessive rescheduled training assemblies received equivalent training. The authority for paying $57,000 to members who attended 1,576 rescheduled training assemblies was also questionable. In addition, it could not be determined if members' absences were excused or training was rescheduled only for reasons that complied with the intent of DoD and Congress.

OASD/RA COMMENTS: Concur.

RECOMMENDATIONS FOR CORRECTIVE ACTION: We recommend that the Assistant Secretary of Defense (Reserve Affairs):

1. Issue guidance directing the National Guard and Reserve Components to:

a. Prohibit the use of rescheduled training when members are absent for personal reasons.

b. Restrict the use of rescheduled training to valid training or mission requirements.

c. Maintain documentation of the reason for all members' absences, unit commanders' reasons for authorizing excused absences or rescheduled training, and training or duties to be performed during makeup training periods.

2. Propose legislative action to remove the limitation on paid makeup periods when members have verifiable work conflicts initiated by their employers.

OASD/RA COMMENTS:

1.a., 1.b. and 1.c. Concur. A clear DoD policy on these issues will be developed and incorporated into a DoD Directive. Coordination of the Directive will be initiated by June 30, 1991.

2. Concur in part. We do not agree that legislation along the lines recommended would be desirable. Federal law (Chapter 43 of Title 38, United States Code - Veterans' Reemployment Rights) is quite clear that Reservist employees must be granted a leave of absence from their employment to perform active duty for training or inactive duty training. Legislation along the lines suggested in the audit would serve to diminish the effectiveness of the Reemployment Rights provisions which are critical to the success of the Reserve program. Where possible, to avoid conflicts between job and Reserve duties, greater flexibility in training periods may be consistent with Reserve training mission requirements. The DoD Directive discussed in our response to recommendation 1 will provide guidance on this issue.

SUMMARY OF POTENTIAL MONETARY AND OTHER BENEFITS RESULTING FROM AUDIT

Recommendation Reference	Description of Benefit	Amount and Type of Benefit
1.a.	Compliance with regulations.	Nonmonetary. 1/
1.b.	Compliance with regulations.	Nonmonetary. 1/
1.c.	Improved internal controls.	Nonmonetary. 1/
2.	Economy and Efficiency.	Nonmonetary.

1/ As explained on page 9 of this report, the audit sample was sufficient to indicate the existence of systemic problems regarding drill pay, but was not large enough to allow for a precise estimate of the monetary benefits that could be achieved through corrective action.

ACTIVITIES VISITED OR CONTACTED

Office of the Secretary of Defense

Assistant Secretary of Defense (Reserve Affairs), Washington, DC

Department of the Army

Office of the Chief, Army Reserve, Washington, DC
Chief of the National Guard Bureau, Washington, DC
Headquarters, U.S. Army Forces Command, Fort McPherson, GA
U.S. Army Finance and Accounting Center, Fort Benjamin Harrison, IN
Headquarters Company, 3d Brigade, 85th Division, Arlington Heights, IN
1st Battalion, 337th Regiment, 80th Division, Arlington Heights, IN
Company E, 3d Battalion, 318th Regiment, 80th Division, Fort Story, VA
680th Transportation Detachment, 359th Transportation Battalion, Fort Story, VA
Headquarters and Headquarters Company, 321st Engineer Battalion, Boise, ID
341st Military Police Company, San Jose, CA
Headquarters and Headquarters Company, 309th Ordnance Group, Dallas, TX
102d Military Police Group, Grandview, MO

Department of the Navy

Director of Naval Reserve, Washington, DC
Chief, Naval Reserve Forces, New Orleans, LA
U.S. Navy Finance Center, Cleveland, OH
Shore Intermediate Maintenance Activity, Detachment 204, U.S. Navy Yard, Philadelphia, PA
USS Dwight D. Eisenhower (CVN-69), Detachment 0272, Naval Air Station, Glenview, IL
Commander Second Fleet, Staff 113, Great Lakes, IL
Naval Reserve Fleet Hospital, Kansas City, MO
Naval Weapons Station Concord 220, San Jose, CA
Reserve Naval Mobile Construction Battalion-2, Detachment 0602, San Jose, CA
Shore Intermediate Maintenance Activity, Detachment 1408, Tampa, FL
Assault Craft Unit, Detachment 1908, Tampa, FL
Assault Craft Unit, Detachment 205, Buffalo, NY
LPH-11 New Orleans, Naval Air Station, Dallas, TX

ACTIVITIES VISITED OR CONTACTED
(continued)

Department of the Air Force

Chief of Air Force Reserve, Washington, DC
Headquarters, Air Force Reserve, Robins Air Force Base, GA
U.S. Air Force Accounting and Finance Center, Lowry Air Force Base, CO
913th Tactical Air Group, Willow Grove, PA
315th Military Airlift Wing, Charleston Air Force Base, SC
482nd Tactical Fighter Group, Homestead Air Force Base, FL
914th Tactical Air Group, Niagara Falls International Airport, NY
77th Aerial Port Squadron, Richards-Gebaur Air Force Base, MO
940th Air Refueling Group, Mather Air Force Base, CA
301st Tactical Fighter Wing, Carswell Air Force Base, TX

Marine Corps

Headquarters, U.S. Marine Corps, Deputy Chief of Staff for Manpower and Reserve Affairs, Washington, DC
Headquarters, 4th Marine Division, New Orleans, LA
Headquarters, 4th Marine Air Wing, New Orleans, LA
Headquarters, 4th Field Service Support Group, Marietta, GA
Marine Wing Support Squadron, 474(-), Philadelphia, PA
Headquarters and Supply Company, 4th Supply Battalion, Newport News, VA
Medical Logistics Company, 4th Supply Battalion, Newport News, VA
Anti-Tank (TOW) Company, 8th Tank Battalion, 4th Marine Division, Miami, FL
Company I, 3rd Battalion, 25th Marines, Buffalo, NY
Service Company, Headquarters and Service Battalion, 4th Field Service Support Group, Kansas City, MO
Fighter/Attack Squadron 112, Marine Air Group 41, Naval Air Station, Dallas, TX

Army National Guard

National Guard Bureau, Army National Guard, Washington, DC
Headquarters and Headquarters Company, 30th Engineer Battalion, Charlotte, NC
Company E, 224th Aviation Battalion, 29th Infantry Division, Sandston, VA
183d Personnel Services Company, 183d Infantry Battalion, 29th Infantry Division, Richmond, VA

ACTIVITIES VISITED OR CONTACTED
(continued)

Air National Guard

National Guard Bureau, Air National Guard, Washington, DC
145th Tactical Air Group, Charlotte, NC
192nd Tactical Fighter Group, Richmond, VA
125th Fighter Interceptor Group, Jacksonville, FL
178th Tactical Fighter Group, Springfield, OH
124th Tactical Reconnaissance Group, Boise, ID
107th Fighter Interceptor Group, Niagara Falls, NY

AUDIT TEAM MEMBERS

Nancy Butler, Director, Financial Management Directorate
James McGuire, Program Director
James Beach, Project Manager
Michael Yourey, Project Manager
Eugene Etheridge, Team Leader
Richard Hanley, Team Leader
Robert Hanlon, Team Leader
James O'Connell, Team Leader
Arlillian Coleman, Auditor
Veronica Gamble, Auditor
Mary Gibson, Auditor
Danny Hatten, Auditor
Helen Janssen, Auditor
Shari Patrick, Auditor
Fred Rossbach, Auditor
Carla Vines, Auditor

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Director of Naval Reserve

Department of the Air Force

Secretary of the Air Force
Chief of Air Force Reserve

Other Defense Activities

Chief, National Guard Bureau

Non-DoD

Office of Management and Budget
U.S. General Accounting Office,
NSIAD Technical Information Center

Congressional Committees:

Senate Subcommittee on Defense, Committee on Appropriations
Senate Committee on Armed Services
Senate Committee on Governmental Affairs
Senate Ranking Minority Member, Committee on Armed Services
House Committee on Appropriations
House Subcommittee on Defense, Committee on Appropriations
House Ranking Minority Member, Committee on Appropriations
House Committee on Armed Services
House Committee on Government Operations
House Subcommittee on Legislation and National Security, Committee on Government Operations