REPORT
NO. 91-071

April 22, 1991

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY (FINANCIAL MANAGEMENT)
ASSISTANT SECRETARY OF THE NAVY (FINANCIAL MANAGEMENT)
ASSISTANT SECRETARY OF THE AIR FORCE (FINANCIAL MANAGEMENT AND COMPTROLLER)

SUBJECT: Report on the Audit of the Improvement and Modernization Program for Major Range and Test Facility Bases (Project No. 0AB-0086)

Introduction

This is our final report on the Audit of the Improvement and Modernization Program for Major Range and Test Facility Bases (test ranges). The Acquisition Management Directorate performed the survey from August 1990 through January 1991. The survey objective was to evaluate OSD oversight of the Improvement and Modernization (I&M) program for the test ranges and to determine if the desired program results were being achieved through established procedures. We also evaluated internal management control procedures to eliminate potential duplication of planned I&M projects, test facilities, and capabilities within the test ranges. The I&M budget for the test ranges was over $1.0 billion for FY's 1990 through 1993.

Discussion

The Military Departments have established policies and procedures for identifying, prioritizing, and programming I&M projects while preventing unnecessary duplication of test facilities and capabilities. The I&M process begins with the test range directorates identifying their test capability deficiencies. These deficiencies are then submitted to the test range's I&M review panel. The review panel validates and prioritizes I&M requirements. The review panel forwards the results of the reviews to the test range commanders for further review and approval. The commanders then forward the results to major command headquarters. Each major command's headquarters reviews, consolidates, prioritizes, and approves its test range's I&M requirements. The test ranges' consolidated I&M requirements are published in each major command's I&M document: the Army's "Test Facilities Master Plan," the Navy's "Test and Evaluation Long Range Investment Plan," and the Air Force's "Test Investment Planning and Programming." The major commands also report their

test ranges' I&M requirements to the Multi-Service Test Investments Review Committee for further review and consolidation. All the Military Departments' test requirements are documented in a Test Resource Master Plan, which is reviewed and approved by the Joint Commanders Group for Test and Evaluation (T&E), and eventually approved and published by the Director, Defense Research and Engineering.

The Military Departments implemented procedures to prevent unnecessary duplication of test facilities and capabilities. To determine if the Military Departments' procedures and review processes were effective, we reviewed the test ranges' I&M plans to:

- identify duplicate I&M projects within a test range,

- identify duplicate I&M projects among the test ranges, and

- compare proposed I&M projects against existing test ranges' facilities and capabilities to identify any duplication.

Our review found that the Military Departments' policies and procedures are effective for identifying, prioritizing, and programming I&M projects, while preventing unwarranted duplication of test facilities and capabilities. The prevention of unwarranted duplication was due to initiatives implemented by the Deputy Director, Research and Engineering (T&E), and the Director, Test Facilities and Resources, and they should be commended for their actions to alleviate or minimize any future duplication.

Scope of Survey

We visited 10 test ranges, which were managed and operated by the Military Departments. We interviewed OSD and Military Department headquarters personnel, technical directors, and I&M program managers on policies, procedures, and internal controls for the I&M program. The survey included an examination of existing test facilities, I&M requirements and plans, program funding, and resource requirements for the programs. We reviewed the Military Departments' proposed I&M projects and funding for FY's 1990 through 1993. We evaluated OSD and Military Department management control procedures that were established to prevent unnecessary duplication of I&M projects, test facilities, and capabilities within and between the Military Departments. We also reviewed risk assessments performed in accordance with the Federal Managers' Financial Integrity Act.

This program survey was performed from August 1990 through January 1991 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 internal controls as were considered necessary. The activities visited or contacted are listed in Enclosure 1.

Background

DoD Directive 3200.11, "Major Range and Test Facility Base," September 29, 1980, assigns responsibility for the management and operation of the test ranges. The Directive requires that the Secretaries of the Military Departments manage and operate their assigned test ranges to ensure early participation in the T&E planning process of new Defense materiel and systems to maximize use of existing test support capabilities, avoid unnecessary new acquisitions, prevent unnecessary duplication, and permit development of new capabilities.

Army Materiel Command Regulation 70-9, "Research, Development, and Acquisition: Test Facilities Management," December 1988, prescribes policies and procedures for the Army Materiel Command Test Facilities Management Program, the U.S. Army Test Facilities (TESTFACS) Register, and the Army Materiel Command's TESTFACS Master Plan. The Regulation requires that the TESTFACS Master Plan be used to forecast, and obtain approval for, new test facilities.

Naval Air Systems Command Memorandum, "Navy Test and Evaluation Long Range Investment Plan," March 2, 1990, states the policies and procedures to be used by Navy test ranges to identify their test investments. These I&M requirements are included in the Navy's T&E long range plan.

Air Force Systems Command Regulation 172-8, "Budgeting and Funding for Test and Evaluation," February 12, 1988, states the policies and procedures that the Air Force test ranges will use to identify their test investment requirements. These I&M investments are included in the Air Force's test investment planning and programming.

The Joint Commanders Group for T&E advises the Joint Logistics Commanders of actions and policies that will improve acquisition and logistics support through T&E. The Joint Commanders Group for T&E is comprised of flag officers from the Military Departments' major command headquarters. The Joint Commanders Group for T&E's mission includes test resources, requirements and investment planning, T&E policy, test program planning and execution, and other T&E issues. The Joint

Commanders Group for T&E monitors and minimizes unnecessary duplication of test resource investments between the Military Departments, supporting contractors, and other Government agencies. The results of the Multi-Service Test Investments Review Committee process are approved by the Joint Commanders Group for T&E and are forwarded for coordination in the budget process.

The Committee is chartered by, and reports to, the Joint Commanders Group for T&E. The Committee, which is comprised of technical management personnel from the Military Departments, performs a joint technical review of the Military Departments' T&E investment strategies by validating needs and seeking solutions to those needs. The Committee also evaluates the Military Departments' individual I&M proposals for commonality, interoperability, and opportunities for cooperative development and ensures only warranted duplication of planned facilities and capabilities.

Funding for I&M projects for FY's 1990 through 1993 for the test ranges visited was as follows.

	Improvement and Modernization Funding ($ in thousands)
TEST RANGE	FY'S 1990 through 1993
Electronic Proving Ground	$49,598
White Sands Missile Range	65,601
Naval Air Test Center	54,532
Naval Weapons Center	44,938
Pacific Missile Test Center	67,200
Air Force Development and Test Center	58,117
Air Force Flight Test Center	78,239
Eastern Space and Missile Center	184,347
4950th Test Wing	38,991
Western Space and Missile Center	128,013
Total	$769,576

Prior Audit Coverage

Department of Defense, Inspector General, Report No. 90-028, "Survey of the Acquisition and Management of Test Facilities at DoD Proving Grounds," December 29, 1989, stated that management controls were established and implemented to prevent the unnecessary proliferation of test facilities and instrumentation within the DoD proving grounds. The report made no recommendations.

General Accounting Office Letter (Code 396205), "Review of the Acquisition of Test and Evaluation Facilities,"

April 16, 1987, raised concerns about the management of the test ranges. The Letter stated that test facility capability and capacity could not be adequately evaluated because of the lack of a uniform definition as to what constitutes a test facility, an up-to-date inventory of existing test facilities showing capabilities, and unreliable usage data. The General Accounting Office Letter did not make any recommendations.

The audit disclosed no material internal control weaknesses, as defined by Public Law 97-255, Office of Management and Budget Circular A-123, and DoD Directive 5010.38. Management controls were established and implemented to prevent unnecessary duplication of test facilities and capabilities.

We provided a draft of the report to the addressees on March 12, 1991. Because there were no recommendations, no comments were required of management, and no comments were received. Therefore, we are publishing this report in final form. Any comments on this final report should be provided within 30 days of the date of this memorandum.

We appreciate the cooperation and courtesies extended to the staff during the audit. If you have any questions concerning this report, please contact Mr. Raymond Spencer, Program Director, at (703) 614-3995 (DSN 224-3995) or Mr. Michael Simpson, Project Manager, at (703) 693-0371 (DSN 223-0371). Copies of this report will be distributed to the activities listed in Enclosure 3.

Robert J. Lieberman

Robert J. Lieberman
Assistant Inspector General
for Auditing

Enclosure

cc:
Secretary of the Army
Secretary of the Navy
Secretary of the Air Force

ACTIVITIES VISITED OR CONTACTED

Office of the Secretary of Defense

Under Secretary of Defense for Acquisition, Washington, DC
Deputy Director, Defense Research and Engineering (Test and Evaluation), Washington, DC

Department of the Army

Electronic Proving Ground, Fort Huachuca, AZ

Department of the Navy

Office of the Chief of Naval Operations, Washington, DC
Naval Air Systems Command, Washington, DC
Naval Air Test Center, Patuxent River, MD

Department of the Air Force

Headquarters, Air Force Systems Command, Andrews Air Force Base, MD
Air Force Flight Test Center, Edwards Air Force Base, CA
4950th Test Wing, Wright-Patterson Air Force Base, OH

AUDIT TEAM MEMBERS

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Deputy Director, Defense Research and Engineering
(Test and Evaluation)
Director, Operational Test and Evaluation
Director, Test Facilities and Resources

Department of the Army

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U.S. Army (DAIG-PA)
Commander, Army Materiel Command
Commander, Test and Evaluation Command
Commander, Electronic Proving Ground
Commander, White Sands Missile Range

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Commander, Naval Air Test Center
Commander, Naval Weapons Center
Commander, Pacific Missile Test Center

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Commander, Air Force Flight Test Center
Commander, Eastern Space and Missile Center
Commander, 4950th Test Wing
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Non-Department of Defense

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 Govermental 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