Audit Report

OFFICE OF THE INSPECTOR GENERAL

TRAINING OF CONTRACTING AND ACQUISITION PERSONNEL

Report Number 92-041

February 6, 1992

Department of Defense

The following acronyms are used in this report.

ACE.....Acquisition Enhancement
ACPERS.....Army Civilian Personnel System
AFIT.....Air Force Institute of Technology
AFTMS.....Air Force Training Management System
ASD(FM&P).....Assistant Secretary of Defense
.....(Force Management and Personnel)
ALMC.....Army Logistics Management Center
ATRRS.....Army Training Requirements and Resource System
CEP.....Career Enhancement Plan
CPO.....Civilian Personnel Office
DLA.....Defense Logistics Agency
DSMC.....Defense Systems Management College
IDP.....Individual Development Plan
LOA.....Letter of Agreement
MIPR.....Military Interdepartmental Purchase Request
NCPDS.....Navy Civilian Personnel Data System
NITRIS.....Navy Integrated Training Resources Information System
NSWSC.....Naval Space Warfare Systems Command
NUSC.....Naval Underwater Systems Center
ODAS.....Officer Distribution and Assignment System
OPF.....Official Personnel Folder
PDS-C.....Personnel Data System-Civilian
PERSCOM.....Army Total Personnel Command
TDY.....Temporary Duty
USD(A).....Under Secretary of Defense (Acquisition)

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

February 6, 1992

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (ACQUISITION)
ASSISTANT SECRETARY OF THE NAVY (FINANCIAL MANAGEMENT)
ASSISTANT SECRETARY OF THE AIR FORCE (FINANCIAL MANAGEMENT AND COMPTROLLER)

SUBJECT: Final Audit Report on the Training of Contracting and Acquisition Personnel (Report No. 92-041)

We are providing this final report for your information and use. Comments on a draft of this report were considered in preparing the final report.

Ensuring that contracting personnel are properly trained is an essential step in minimizing fraud, waste, and abuse in the procurement process. In 1984, we reported that DoD lacked effective training policies and programs. In this follow-on report, we describe how progress has been made in terms of putting a program into place; however, results have been limited and improved management is needed.

The Director, Acquisition Education, Training and Career Development Policy and Assistant Secretary of the Navy (Research, Development and Acquisition) either concurred with the recommendations addressed to them or partially concurred and planned to take actions that were responsive to our concerns. The Assistant Secretary of the Air Force (Acquisition) concurred with Recommendations C.3. and C.4., but nonconcurred with Recommendation C.2. Recommendation C.2. has been reworded. DoD Directive 7650.3 requires that all audit recommendations be resolved promptly; therefore, the Assistant Secretary of the Air Force (Acquisition) is requested to provide comments on the revised recommendation by April 6, 1992.

This report identifies no quantifiable potential monetary benefits. Other benefits are shown in Appendix E.

The courtesies extended to the audit staff are appreciated. If you have any questions about this audit, please contact Mr. Michael Joseph at (804) 766-9108 or Mr. James H. Beach at (804) 766-3293. The distribution of this report is listed in Appendix G.

Robert J. Lieberman
Assistant Inspector General
for Auditing

cc:
Secretary of the Army
Secretary of the Navy
Secretary of the Air Force
Director, Defense Logistics Agency

Office of the Inspector General

AUDIT REPORT NO. 92-041 February 6, 1992
(Project No. 0FC-0082)

TRAINING OF CONTRACTING AND ACQUISITION PERSONNEL

EXECUTIVE SUMMARY

Introduction. As of June 30, 1990, the DoD acquisition workforce consisted of about 214,000 military and civilian personnel, of whom about 57,000 work in basic acquisition job series and are assigned to acquisition organizations. The Acquisition Enhancement Program Office develops budgets and controls funding for mandatory acquisition training. The Acquisition Enhancement budget for mandatory acquisition training was $17.8 million for FY 1990 and $18.8 million for FY 1991.

Objectives. The objectives of the audit were to determine whether procurement training was properly funded and executed for the DoD procurement workforce. At the request of the Under Secretary of Defense (Acquisition), the objectives were expanded to include determination of:

- the number of acquisition personnel who had not completed mandatory training;
- the abilities of DoD schools to meet mandatory training requirements; and
- the abilities of the Military Departments and Defense agencies to meet reporting requirements.

Audit Results. A sufficiently funded program was established for procurement training, but improvements were needed in the program's execution.

- **Training accomplishments.** Only half of the contracting personnel had completed all mandatory training required for their career levels. Therefore, assurance was lacking that contracting personnel had the knowledge and skills necessary to adequately protect the Government's best interests **(Finding A).**
- **Training requirements.** The Military Departments and Defense agencies did not have effective procedures and systems to accurately determine training requirements. Consequently, DoD lacked assurance that training spaces and funds were distributed properly and used effectively **(Finding B).**

o **Training funds.** Acquisition Enhancement funds were not used properly and effectively by the Navy and the Air Force. Funds were used for training other than the mandatory acquisition courses they were intended for, which may have increased the backlogs for mandatory training **(Finding C).**

o **Capabilities of DoD schools.** DoD schools' abilities to satisfy mandatory training requirements were reduced by inequitable allocations of spaces, underuse of training spaces, and failure to follow prescribed policy for prioritizing trainees. Contracting personnel did not receive training when they needed it, causing unnecessary training backlogs and possibly affecting their performance **(Finding D).**

Internal Controls. Policies and procedures for distribution and control of training funds did not assure that funds were used properly and effectively. The absence of fully trained contracting personnel was an internal control weakness that increased the risk of fraud, waste, and abuse in the acquisition process. See Findings A and C for details of these weaknesses and page 3 for details of our review of internal controls.

Compliance with Laws and Regulations. The Military Departments and Defense agencies failed to comply with regulatory requirements to maintain Individual Development Plans to assure that contracting personnel received the training and developmental assignments needed for career progression. In addition, the Military Departments and Defense agencies did not maintain documentation on completed training, as required by the Federal Personnel Manual.

Potential Benefits of Audit. Recommendations in this report, if implemented, will result in improved internal controls, more efficient use of training spaces and funds, improved training of acquisition personnel, and compliance with applicable regulations.

Summary of Recommendations. We recommended increased guidance, strengthened internal controls, transfer of functions, and compliance with applicable regulations.

Management Comments. The Director, Acquisition Education, Training and Career Development Policy, either concurred or partially concurred with the recommendations in Findings A, B, and D, and planned to take actions that were responsive to our recommendations. The Assistant Secretary of the Navy (Research, Development and Acquisition) partially concurred with Finding C

and has implemented corrective actions on Recommendation C.1. The Assistant Secretary of the Air Force (Acquisition) concurred with Recommendations C.3. and C.4 but nonconcurred with Recommendation C.2., which has been reworded. The Assistant Secretary of the Air Force (Acquisition) should comment on the revised Recommendation C.2. by April 6, 1992. Management comments are discussed in Part II, and the complete text of management comments is in Part IV.

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This report was prepared by the Financial Management Directorate, Office of the Assistant Inspector General for Auditing, DoD. Copies of the report can be obtained from the Information Officer, Audit Planning and Technical Support Directorate, (703) 614-6302.

PART I: INTRODUCTION

Background

Acquisition workforce. As of June 30, 1990, 214,000 military and civilian personnel worked for DoD either in acquisition job series or worked in other job series, such as engineering or budget and finance, but were assigned to acquisition organizations. About 57,000 of the 214,000 personnel are in basic acquisition series and are assigned to acquisition organizations.

Training management. The Under Secretary of Defense (Acquisition) formulates policy, directs, and evaluates the education and training of military and civilian acquisition personnel. DoD Directive 5160.55, "Defense Systems Management College," August 22, 1988, designated the Commandant, Defense Systems Management College (DSMC) as the Executive Agent for the Under Secretary to oversee DoD's education and training program for the acquisition workforce. DSMC has responsibilities in four general categories:

- oversight and review of training and education;
- quality, effectiveness, and efficiency of curricula, course content, mode of instruction, and sources;
- management of the annual allocation of quotas; and
- budgeting for the resources needed to support mandatory acquisition training.

Budgeting. The Acquisition Enhancement (ACE) Program Office carries out DSMC's responsibilities for managing quota allocation and budgeting. The ACE Program Office determines training requirements, prepare budgets and controls all funding for mandatory acquisition courses. Each quarter, the Military Departments and Defense agencies receive direct fund cite authority or Military Interdepartmental Purchase Requests (MIPRs) that authorize them to obligate funds. The Military Departments and Defense agencies allocate quarterly funding to each subordinate activity and provide consolidated reports or billings to the ACE Program Office. The ACE budget for mandatory acquisition training was $17.8 million for FY 1990 and $18.8 million for FY 1991.

Objectives

The objectives of the audit were to determine whether procurement training was properly funded and executed for the DoD procurement workforce. Specific objectives were to determine whether:

- o valid training requirements were identified;

- o individual training plans were established commensurate with current assignments;

- o individual training plans contained objective criteria that permitted developmental and promotional opportunities;

- o sufficient funds had been set aside for training; and

- o training funds were used properly.

Expanded objectives. At the request of the Under Secretary of Defense (Acquisition), the objectives were expanded to include determination of:

- o the number of acquisition personnel who had not completed mandatory training;

- o the abilities of DoD schools to meet training requirements; and

- o the abilities of the Military Departments and Defense agencies to meet reporting requirements on mandatory acquisition training.

Scope

Audit coverage. We visited 19 contracting or contract administration activities within the continental United States. We also visited Military Department or Defense agency activities that are responsible for allocating training spaces and funds and consolidating reports for submission to the ACE Program Office. Our reviews of training completions and Individual Development Plans (IDPs) were limited to personnel in the GS/GM-1102 series and comparable military specialties. We reviewed the determination of requirements, allocation of quotas, and allocation and control of funds for all personnel in acquisition functions.

We reviewed procedures and systems for tracking the accomplishment of mandatory training and determining requirements for mandatory courses. We also reviewed Official Personnel Folders (OPFs) to validate the accuracy of established tracking systems and to determine whether or not contracting personnel had attended mandatory training. Individual Development Plans were reviewed, where available, to determine whether or not they were up-to-date, accurate, and contained objective criteria for determining employees' training and development needs. At activities, higher-level commands, Military Departments, and Defense agencies, we reviewed policies, procedures, and controls over the use of funds for mandatory training.

Audit period, locations, and standards. This performance audit was requested by the Office of the Naval Inspector General and was performed from July 25, 1990, to February 22, 1991. We reviewed training records and documentation for 3,485 personnel assigned to 19 contracting or contract administration activities (see Appendix A). The audit was made in accordance with the auditing standards issued by the Comptroller 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

Controls assessed. At all 19 activities and at higher-level commands, we evaluated internal controls for ensuring that funds for mandatory acquisition training were used properly and effectively.

Internal control weaknesses. 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. Contracting personnel had not received all the mandatory training they needed to function effectively, which increased the risk of fraud, waste, and abuse in the acquisition process. Adequate policies, procedures, and controls had not been established to ensure that mandatory training funds were used effectively and for their intended purpose. Recommendations in Findings A and C of this report, if implemented, will correct these weaknesses. We will send copies of this report to the senior officials responsible for internal controls within DoD, the Navy, and the Air Force.

Prior Audits and Other Reviews

Department of Defense Inspector General Report No. 84-087, "Audit of Department of Defense Procurement Training," February 14, 1984, showed that about 68 percent of DoD procurement personnel had not received the mandatory training required for their career level. All recommendations in this report had been implemented, except for the recommendation to require an appropriate time period for completion of mandatory training for intermediate and senior acquisition personnel. This recommendation had been implemented only for contracting officers.

PART II: FINDINGS AND RECOMMENDATIONS

A. MANDATORY TRAINING ACCOMPLISHMENTS

We could not verify completion of mandatory training requirements for 63 percent of the civilians and 57 percent of the military contracting personnel we reviewed. Accurate procedures and systems had not been established to keep track of and document the completion of mandatory training. In addition, management did not place enough emphasis on completion of mandatory training at the appropriate point in an employee's career. As a result, DoD lacked assurance that contracting personnel had the knowledge and skills needed to protect the Government's best interests in the acquisition process. Also, DoD lacked assurance that the Military Departments and Defense agencies were able to meet the reporting requirements prescribed by DoD Instruction 5000.55.

DISCUSSION OF DETAILS

Mandatory training. DoD Manual 5000.52-M, "Department of Defense Career Development Program for Acquisition Personnel," September 13, 1990, lists the mandatory training courses for specific career levels in the acquisition field. The manual states that employees should complete mandatory courses before they are promoted to a higher career level or assigned to more responsible positions. An employee who cannot complete mandatory training in advance must do so within 18 months of the promotion or assignment unless a waiver is obtained.

Reporting requirements. DoD Instruction 5000.55, "Reporting Functional and Training-Related Data on DoD Military and Civilian Acquisition Personnel," July 3, 1990, established requirements for the Military Departments and Defense agencies to report all past and present completions of training to the Defense Manpower Data Center by April 30, 1991, for the establishment of a DoD-wide data base for acquisition personnel.

Mandatory training completions. We could not verify completion of mandatory training for about 63 percent of the civilians and 57 percent of the military contracting personnel reviewed. The Military Departments and Defense agencies either had not established accurate systems to track completion of mandatory training, or their systems were not effective. Documentation in Official Personnel Folders (OPF's) did not support the completion of mandatory courses as recorded in training data bases. Because the Military Departments and Defense agencies lacked effective systems to keep track of completed training and maintain accurate records, there was less assurance that the reporting requirements of DoD Instruction 5000.55 would be met.

Training deficiencies. Of the 3,485 civilian and military contracting personnel reviewed, 1,744 (50 percent) had not completed all required courses for their career level. For an additional 426 personnel, data bases showed completion of all required courses, but documentation in OPF's did not support the data bases. Overall, we could not verify completion of all mandatory training for 2,170 (62.3 percent) of the contracting personnel reviewed, as shown in the following table.

TRAINING COMPLETIONS

	Number of personnel reviewed	Training completions not documented	Percentage of completions not documented	Number with no record of completion	Percentage with no record of completion
Civilian	3,223	2,020	62.7	1,597	49.6
Military	262	150	57.3	147	56.1
Totals	3,485	2,170	62.3	1,744	50.0

For individuals with incomplete records, we recognized data from any source and gave credit for completion of basic courses where individuals showed completion of advanced courses (see Appendix A for details). The extent of training deficiencies (personnel who had not completed required training) was relatively consistent throughout DoD, except for the Air Force, as shown in the table below.

TRAINING DEFICIENCIES BY DEPARTMENT/AGENCY

Department/agency	Training records reviewed	Training records found deficient	Percentage of deficient records
Department of the Army	1,032	711	68.9
Department of the Navy	545	392	71.9
Department of the Air Force	1,133	553	48.8
Defense Logistics Agency	775	514	66.3
Totals	3,485	2,170	62.3

Since 1984, when IG, DoD Report No. 84-087 was issued, the percentage of contracting personnel who had completed mandatory training had increased only slightly. Training deficiencies by career level and by course varied widely, as discussed below.

Training deficiencies by career level. Training deficiencies varied widely between career levels (Level I -- Entry, Level II -- Intermediate, and Level III -- Senior), especially for civilian contracting personnel. Deficiencies for civilian personnel at Level I were about 26 percent, while deficiencies for Level III were about 93 percent. Part of this variation occurred because a number of personnel had not taken the three Level III courses that were added to mandatory training requirements in FY 1989. Exclusion of these courses would reduce the percentage for Level III to about 48 percent. Statistics by career level for civilian and military contracting personnel are shown in the following charts.

CIVILIAN TRAINING DEFICIENCIES BY CAREER LEVEL

Career level	Number reviewed	Number of deficiencies	Percentage of deficiencies
I	148	39	26.4
II	2,398	1,354	56.5
III	677	627	92.6
Total civilians	3,223	2,020	62.7

MILITARY TRAINING DEFICIENCIES BY CAREER LEVEL

Career level	Number reviewed	Number of deficiencies	Percentage of deficiencies
I	52	27	51.9
II	120	76	63.3
III	90	47	52.2
Total military	262	150	57.3

Deficiencies shown in the charts above represent undocumented completions. However, personnel with documented completion of the "Management of Defense Acquisition Contracts - Advanced" course were given credit for the basic course.

Training deficiencies by course. Analysis of training deficiencies by course showed that the number of Level I personnel who needed training was significantly lower than the number of Level II and Level III personnel who needed training. For example, out of 148 Level I civilian personnel, 25 needed to take the "Management of Defense Acquisition Contracts -- Basic" course. Out of 2,398 Level II personnel, 554 needed to take the "Management of Defense Acquisition Contracts -- Advanced" course. Large numbers of personnel needed to take all three "Management of Defense Acquisition Contracts" courses and the "Government Contract Law" course (see Appendix B for details by course).

Training data bases. All but 1 of the 19 activities reviewed either had an in-house data base or access to a higher command's data base to track completed training. However, only four of these data bases were accurate. The other data bases were inaccurate because they did not include all personnel working in the GS/GM-1102 job series, did not include all completed training, or were not supported by training documents. Without adequate procedures and systems to track completed training, the activities could not accurately determine training needs (see Finding B). Because training histories were inaccurate, management could not identify personnel who needed specific training in order to make the best use of training allocations.

Training documentation. We reviewed training forms maintained in employees' OPFs to determine the accuracy of data bases and how much training had actually been completed. To determine whether personnel met mandatory training requirements, we compared the courses documented in OPFs with the mandatory courses listed in DoD Manual 5000.52-M. Documents such as DD Forms 1556, "Request, Authorization, Agreement and Certification of Training," DD Forms 2518, "Fulfillment of DoD Mandatory Training Requirement," waivers, and equivalency certificates were considered official evidence of course completion. In most cases, OPFs did not contain documents to support completion of courses recorded in the activities' data bases.

In some instances, personnel officials told the auditors that all training documents had been removed from OPFs because there was no requirement that they be maintained. Figure 1, Subchapter S4, Federal Personnel Manual (FPM) Supplement 293-31, September 2, 1987, requires that training forms be retained for each instance of training in excess of 8 hours in a Government facility. The FPM also requires that training forms be retained each time an employee attends training for 40 hours or more in a non-Government facility, whether or not the training is completed. Training forms must show the title of the course, the

length of the course in hours, starting and ending dates of the course, whether or not the employee satisfactorily completed training, and the name of the training facility.

To meet internal control requirements and FPM requirements, the Military Departments and Defense agencies should direct personnel offices to maintain documentation on all completions of mandatory acquisition training.

Reporting capabilities. Because the Military Departments and Defense agencies lacked effective management information systems to track completed training, compliance with DoD Instruction 5000.55 was doubtful (see Appendix C for details). This instruction requires the Military Departments and Defense agencies to submit training-related data on selected civilian and military personnel to the Defense Manpower Data Center on magnetic tapes. Data should include completions of mandatory acquisition courses, the subject of each course, method of instruction, delivering school, and completion date. Initial data were to be submitted by April 30, 1991, and should have included training histories for all employees plus training completed in the first half of FY 1991.

Compiling and verifying training histories will be time-consuming; however, if unverified data were entered into the Defense Manpower Data Center's system, data accuracy would be questionable. Inaccurate data would hinder efforts to track the composition and training of the acquisition workforce. Training histories should be verified before the first submission or should be verified and corrected in subsequent submissions.

Conclusions. A sizable backlog of contracting personnel still needed mandatory training courses. At least part of that backlog resulted from inadequate documentation and systems to track completed training. A major concern, however, was the absence of definite deadlines for completion of mandatory training courses.

DoD Manual 5000.52-M states that mandatory training courses should be completed before an employee is promoted to a higher career level or assigned to a more responsible position. The manual also states that if an employee cannot complete the training before he or she is promoted or reassigned, the training should be completed within 18 months or waived. This guidance gives management too much latitude in allowing personnel to complete mandatory training, and defeats the purpose of mandatory training requirements. More stringent completion requirements are needed to ensure that personnel receive training in accordance with the career progression criteria in DoD Manual 5000.52-M.

DoD Directive 5010.38, "Internal Management Control Program," April 14, 1987, requires management to emphasize the prevention of fraud, waste, and abuse. Since acquisition, contracting, and procurement are highly susceptible to fraud, waste, and abuse, the absence of fully trained and technically competent contracting personnel is a material internal control weakness.

RECOMMENDATIONS FOR CORRECTIVE ACTION

We recommend that the Under Secretary of Defense (Acquisition) direct the Military Departments and Defense agencies to establish policies and procedures to ensure that:

1. Management provides acquisition personnel the opportunity to complete mandatory training courses in accordance with the career progression criteria in DoD Manual 5000.52-M;

2. Accurate and effective systems are established and maintained to track completions of mandatory training;

3. Historical training data are verified before the first submission to the Defense Manpower Data Center, or are verified and corrected in subsequent submissions; and

4. Supporting documentation, such as DD Forms 1556, DD Forms 2518, or equivalent documents are filed in employees' Official Personnel Folders to show completion of mandatory training courses, and data from these forms are entered in automated tracking systems.

MANAGEMENT COMMENTS

The Director, Acquisition Education, Training and Career Development Policy, concurred with Recommendations A.1. and A.2. Planned completion dates are December 1, 1991, and October 1, 1991, respectively. The Director stated, "A lack of training may be compensated for ...[by]... experience and on-the-job training." Therefore, he partially concurred with our statement that "the absence of fully trained and technically competent contracting personnel is a material internal control weakness." DoD's policy is to fully train its contracting personnel; by taking the action planned for Recommendation A.1. and by establishing a management information system under DoD Instruction 5000.55, DoD will ensure that training of contracting personnel is effectively monitored.

The Director partially concurred with Recommendation A.3., stating that the Assistant Secretary of Defense (Force Management and Personnel) (ASD[FM&P]) should act on this recommendation. The ASD(FM&P) will incorporate this recommendation when DoD Instruction 5000.55 is revised, and will emphasize the importance

of accurate, verifiable, and documented training data. Completion is planned by December 1, 1991. The Director also partially concurred with Recommendation A.4., stating that the ASD(FM&P) should direct the Components in this area. The revised DoD Instruction 5000.55 will require personnel offices to the file supporting documentation in the OPFs of military and civilian personnel. The ASD(FM&P) planned to issue the revised DoD Instruction 5000.55 by December 1, 1991.

B. TRAINING REQUIREMENTS

The Military Departments and Defense agencies were unable to accurately determine training requirements on which to base the distribution of quotas and funds. Comprehensive management information systems for training had not been established or were inaccurate. In addition, the Military Departments and Defense agencies did not maintain current, accurate Individual Development Plans (IDPs) to serve as a basis for determining requirements. As a result, DoD had no assurance that training quotas and funds were distributed properly and used effectively.

DISCUSSION OF DETAILS

Oversight of acquisition training. DoD Directive 5160.55 designated the Defense Systems Management College (DSMC) as DoD's Executive Agent to oversee the education and training of the acquisition workforce. The DSMC was given responsibilities in four categories:

- oversight and review of training and education;
- quality, effectiveness, and efficiency of curricula, course content, method of instruction, and sources;
- management of the annual allocation of quotas; and
- budgeting the resources needed to support mandatory acquisition training.

Programming and budgeting. The Acquisition Enhancement (ACE) Program Office carries out DSMC's responsibilities for programming and budgeting. Using an automated financial model, the ACE Program Office projects annual training requirements and associated costs based on:

- the number of personnel in each occupational series and career level (obtained from the Defense Manpower Data Center);
- the estimated percentage of personnel turnover;
- DoD's training goal of satisfying 85 percent of annual requirements; and
- the specific costs of a training course, such as course development, instructor training, and temporary duty (TDY) costs (provided by the Military Departments).

The ACE Program Office publishes projected training and funding requirements in the ACE Blue Book, which supports the annual budget request for mandatory acquisition training. However, the ACE Blue Book's projections for FYs 1990 and 1991 were changed based on requirements supplied by the Military Departments.

Determination of training requirements. The Military Departments and Defense agencies did not have automated information management systems that accurately accumulated training histories to provide a basis for determining training requirements. Reviews of contracting departments and branches showed that the Military Departments and Defense agencies had not implemented systematic procedures at the operational level for determining mandatory training requirements. Instead, requirements were usually derived from surveys or in-house automated systems. Most of the in-house systems could not determine completed training or current training requirements. In addition, acquisition activities did not maintain accurate IDP's that could be used to determine training requirements. The distribution of mandatory training spaces and funds was not based on accurate management information, and the effective use of training funds could not be assured.

Annual surveys. Military Departments' and Defense agencies' requirements were projected based on annual surveys that either did not include input from all subordinate activities or did not reflect actual needs. At the four Navy activities, training requirements were not solicited and reported to the next higher level for inclusion in the FY 1990 Defense Management Education and Training survey. The other Military Departments and Defense agencies projected their training requirements based on annual surveys performed at operational activities and reported upward through the chain of command. However, operational managers usually used inaccurate in-house systems to determine and report requirements. Of the 19 activities, 18 maintained in-house automated systems to keep track of training and determine requirements. The activity that did not maintain an in-house automated training system did not have any procedures or systems to track or determine training requirements. Only 4 of the 18 automated in-house training systems accurately tracked completed training (see Finding A for details). These four systems allowed managers to accurately determine training requirements. The inaccuracy of in-house systems demonstrated the need for the Military Departments and Defense agencies to develop standard automated systems to track completed training and accurately determine requirements.

Individual Development Plans. DoD Manual 5000.2-M, "Career Development Program for Acquisition Personnel," September 13, 1990, requires that an Individual Development Plan (IDP) or its equivalent be prepared for each employee in the acquisition

workforce. Both the employee's supervisor and the personnel office are to maintain copies of the IDP. IDP's should plan and document completion of the minimum education, training, and experience requirements in DoD Manual 5000.52-M. According to DoD Instruction 5000.55, "Reporting Functional and Training-Related Data on DoD Military and Civilian Acquisition Personnel," July 3, 1990, completed training must also be entered into automated data systems.

The Military Departments and Defense agencies did not maintain accurate IDP's for use in determining training needs. Automated in-house systems generally served as IDPs, since operational managers used the data in these systems to determine training needs. However, as stated in Finding A, these systems were not accurately maintained and were inadequate for determining training needs.

The Air Force used the Career Enhancement Plan, a subsystem of the Personnel Data System-Civilian (PDS-C), as an automated IDP. However, the PDS-C was not accurate, so the Career Enhancement Plan could not serve effectively as an IDP. Out of 69 Career Enhancement Plans from 3 Air Force activities, 38 (55 percent) did not contain accurate training requirements.

Adherence to DoD Manual 5000.52-M and DoD Instruction 5000.55 would make IDPs useful for determining training needs, and would give the Military Departments and Defense agencies a means of determining overall requirements. Up-to-date IDPs would also allow the Military Departments and Defense agencies to check the accuracy of the automated systems used to report training data to the Defense Manpower Data Center.

Reviewing requirements and allocations of training spaces. The Military Departments and Defense agencies did not sufficiently review operational requirements and allocations of training spaces. The Navy did not determine its total training requirements; therefore, it had not established any procedures for reviewing operational requirements and allocations of training spaces. The Defense Logistics Agency (DLA) had not established a system to effectively review requirements and allocations. At the DLA operational level, requirements and allocations were reviewed manually. However, because DLA activities had been reorganized and contracting and acquisition personnel from the Military Departments had been reassigned to DLA, manual review procedures were not effective.

The Army used the Army Training Requirements Resource System (ATRRS) and the Air Force used the Training Management System to review requirements and quota allocations. However, their procedures were not effective. Training requirements were generally solicited from operational activities 18 months to 2 years before training was needed. Requirements continually

changed because of resignations, retirements, hirings, transfers, and completions of training. Requirements for the next fiscal year should be validated before the end of the current fiscal year to ensure that training spaces are properly allocated and that qualified personnel use the paces. For example, an Army activity had requested 30 spaces for a mandatory course in FY 1990. The activity received 15 spaces, but was only able to fill 6 spaces in the course. Out of 98 Air Force personnel who attended 2 class sessions of mandatory courses during FY 1990, 16 were not required to take the training. However, the Air Training Command reported that these 16 students were ACE students (personnel for whom the training was required); the ACE Program Office reimbursed the Air Training Command for the students' training costs.

Managers also noted that when the Military Departments and Defense agencies conducted annual training surveys, the managers did not know what quotas would be allotted for the upcoming fiscal year. In the FY 1991 training survey, an Air Force activity requested five spaces for the "Quantitative Techniques for Cost and Price Analysis" course. The FY 1991 training survey was conducted before the FY 1990 training year was complete, and the training officer expected to receive 25 spaces in FY 1990 that were not received. Therefore, this activity actually needed 30 spaces in FY 1991. The Military Departments and Defense agencies need to develop procedures to ensure that, at the end of the third quarter of a fiscal year, they review operational requirements for the next fiscal year's training. Spaces for mandatory training courses should be allocated on the basis of validated training requirements.

Conclusions. The Military Departments and Defense agencies could not accurately determine and review training requirements. Automated systems had not been established to track the training data needed to determine requirements. The Military Departments and Defense agencies had not implemented procedures at the operational level to ensure that requirements were accurately determined and reported to the next higher level. Without these procedures, DoD had no assurance that spaces and funds were effectively allocated.

RECOMMENDATIONS FOR CORRECTIVE ACTION

We recommend that the Under Secretary of Defense (Acquisition):

1. Direct the Military Departments and Defense agencies to establish policies and procedures that:

a. fully explain to operational managers the Acquisition Enhancement program and the requirements of DoD Manual 5000.52-M;

b. require operational managers to determine and verify mandatory training accomplishments for acquisition personnel;

c. establish effective systems for accurately determining training requirements and recording completions of mandatory training; and

d. require supervisors to prepare and maintain Individual Development Plans for all acquisition personnel.

2. Direct the Military Departments and Defense agencies to validate subordinate activities' mandatory training requirements and submit consolidated requirements to the Office of the Under Secretary of Defense (Acquisition) by the end of the third quarter of the current fiscal year for the upcoming fiscal year.

3. Ensure that allocations of training spaces and funds are based on validated training requirements from the Military Departments and Defense agencies and are distributed before the start of the fiscal year.

MANAGEMENT COMMENTS

The Director, Acquisition Education, Training and Career Development Policy partially concurred with Recomendation B.1.; he stated that the issuance of DoD Manual 5000.52-M and DoD Instruction 5000.55 implemented Recommendations B.1.b. and d. and partially implemented B.1.c. DoD Instruction 5000.55 and DoD Manual 5000.52-M, planned for reissuance by December 1, 1991, and November 5, 1991, respectively, will address these recommendations. The Under Secretary of Defense (Acquisition) will ask the DoD Components to communicate to the operational level the importance of the Acquisition Enhancement Program and to aggressively monitor compliance. The Director concurred with Recommendations B.2. and B.3., stating that planned actions would be completed by April 1, 1992.

C. TRAINING FUNDS

Acquisition Enhancement funds allocated to the Navy and the Air Force for mandatory acquisition training were not used properly and effectively. Policies and procedures did not give adequate guidance on the use and control of Acquisition Enhancement funds. As a result, funds were used for purposes other than mandatory acquisition training, and the backlog of personnel who needed mandatory training may have been unnecessarily increased.

DISCUSSION OF DETAILS

Funding. As the Executive Agent for the ACE Program, the Defense Systems Management College (DSMC) budgets, allocates, and controls funds through the ACE Program Office. Funding levels are based on the sponsoring schools' and Military Departments' proportional share of DoD's training requirements. The ACE Program Office develops an annual budget by cost category for each of the funding recipients, and publishes the budget in the ACE Blue Book. To distribute funds, the ACE Program Office issues quarterly Military Interdepartmental Purchase Requests (MIPRs) and Letters of Agreement (LOAs) giving the Military Departments and Defense agencies authority to obligate funds. Monthly or quarterly, the Military Departments and Defense agencies submit bills against their reimbursable orders (MIPRs or LOAs).

Use and control of funds. DSMC Directive 201-2, September 21, 1989, gives detailed guidance on the use and control of ACE funds. The directive limits use of ACE funds to the following expenses:

- o school operations and maintenance;
- o course development and maintenance;
- o instructors' and students' travel and per diem; and
- o contract training.

The Directive also requires recipients of funding to prepare annual obligation plans, quarterly training reports, and quarterly execution reports and submit them to the ACE Program Office. These reports compare plans to the number of employees actually trained and funds actually spent. Recipients must also file reports with the ACE Program Office each June 30, July 31, and August 31, showing any unexecuted reimbursement balances, and they must return any excess funds.

Budget data. The DSMC, the Military Departments, and the Defense agencies budgeted about $17.8 million in FY 1990, and about $19 million was budgeted for FY 1991. The ACE Program

Office tracks obligations and expenditures made against the budget, and resolves any budget or training shortfalls. This office also determines the reasonableness of costs by comparing information in the quarterly training and execution reports to the estimated costs and projected student loads in the ACE Blue Book.

Control of training funds. The Navy and the Air Force did not use ACE training funds properly and effectively. The Army, the Air Force, and the Defense Logistics Agency (DLA) used adequate procedures to distribute ACE funds; however, Navy procedures did not allow prompt distribution of funds or give adequate guidance on the use of funds. The Army and DLA had effective systems for monitoring and controlling ACE expenditures; however, the Navy and the Air Force did not. As a result, funds were spent on courses that were not part of the ACE Program, and the backlog of mandatory training may have been unnecessarily increased.

Distribution of funds. The Army, the Air Force, and DLA distributed training funds promptly and gave subordinate activities adequate guidance on the use of funds. Each of these organizations distributed ACE funds effectively because its ACE Program was centrally managed. By contrast, the Navy used a decentralized approach to manage the program in FY 1990 and part of FY 1991. Instead of receiving the funds in one account and redistributing them to subordinate organizations as the other Services did, the Navy required DSMC to distribute the funds to 13 subordinate organizations. Because of the Navy's decentralized approach, activities were not prompty notified of available funding, and did not receive adequate guidance on the use of ACE funds. Consequently, some organizations spent ACE funds on nonmandatory courses, while others allowed the money to go unspent, as discussed below.

In FY 1991, in an attempt to centralize management, the Navy received its ACE funds in one account and made the Naval Supply Systems Command responsible for allocating and managing funds. This was an improvement, but additional attention was needed to ensure that funds were distributed promptly and subordinate activities received sufficient guidance on the proper use of funds.

Naval Sea Systems Command. In FYs 1990 and 1991, the Naval Sea Systems Command was late in receiving and distributing ACE funds. In FY 1990, the Naval Sea Systems Command spent only $20,000 of its $110,000 allocation. The Consolidated Civilian Personnel Office in Washington, D.C., received notice of funds available for FY 1990, but did not promptly notify the Naval Sea Systems Command. Officials of the Newport News Supervisor of Shipbuilding (a subordinate activity) told us that they did not receive any ACE funds in FY 1990. In FY 1991, the Navy

suballocated $20,000 to the Naval Sea Systems Command; however, the Naval Sea Systems Command did not receive notice of the funding until the second quarter of FY 1991. As of mid-January 1991, the Naval Sea Systems Command was still trying to determine how much to distribute to each subordinate activity.

Naval Supply Systems Command. In FY 1990, the Naval Supply Systems Command did not distribute almost $500,000 in ACE funds to its 16 subordinate activities until February 7, 1990. According to personnel at the Naval Supply Center, Norfolk, Virginia (a subordinate activity of the Naval Supply Systems Command), the Naval Supply Center received notice of $31,000 in funds too late in the fiscal year to use the funds. Also, messages to subordinate activities did not explain adequately how the funds were to be used. We found that 4 of the Naval Supply Systems Command's 16 subordinate activities did not use any funds in FY 1990.

Naval Underwater Systems Center. The Naval Underwater Systems Center (NUSC), a subordinate activity of the Naval Space Warfare Systems Command (NSWSC), did not receive any funds in FYs 1990 and 1991 from its higher command. The ACE Program Office's funding reports showed that in FY 1990, the NSWSC had received $89,000 in ACE funds. However, officials at the NSWSC did not think the funds were needed, and returned them to the ACE Program Office. Consequently, no ACE funds were distributed to the NUSC. The NUSC used general training funds for mandatory acquisition training for its 60 acquisition personnel. If ACE funds had been available, mandatory training would not have needed to compete with other training for resources, and more training could have been provided.

Monitoring and controlling expenditures. The Military Departments and the Defense agencies need an effective system for monitoring and controlling expenditures. Such a system would ensure that they are fiscally responsible, that they make only authorized expenditures, and that they prepare the required quarterly expense reports for the ACE Program Office.

The Army and DLA had effective systems for monitoring and controlling ACE expenditures; however, the Navy and the Air Force did not. The Air Force Institute of Technology had used ACE funds for training costs associated with Air Force personnel who did not work in acquisition. We did not review DSMC's internal procedures for monitoring and controlling ACE expenditures, or the propriety of those expenditures.

Navy. The Navy had not established procedures to ensure that ACE funds were used only for approved courses. As mentioned earlier, the Navy used a decentralized approach to implement the ACE Program. In FY 1991, the Navy assigned responsibility for managing ACE funds to the Naval Supply Systems

Command. However, the Navy distributed funds to 11 subordinate commands and expected those commands to manage their own funds.

Of the five Navy organizations visited during the audit, only the Naval Supply Systems Command had spent a significant amount of its ACE funds for FY 1990 or 1991. In FY 1990, the Naval Supply Systems Command spent about $355,000 in ACE training funds. However, out of 277 employees who attended training courses, 112 (40 percent) were sent to nonmandatory courses. For example, 10 employees attended a course entitled, "Introduction to Software for Business," and 9 employees attended an algebra course; neither of these courses was a mandatory ACE course. The Navy needs to centrally review all expenditures or require recipients to thoroughly review the use of ACE funds.

Air Force. The Air Training Command and the Air Force Institute of Technology (AFIT) jointly managed ACE funds in the Air Force. When Air Force personnel attended training in a TDY status at locations other than AFIT, the Air Training Command controlled the funding. The Air Training Command had spent ACE funds on training other than mandatory acquisition courses. The Institute managed TDY costs for personnel who attended training at the Institute, and used ACE funds to pay the expenses of non-ACE students.

Air Training Command. The Air Training Command's Program Division for Technical Training (the Program Division) could not track actual ACE expenses because ACE funds were commingled with other training funds. In November 1990, the Air Training Command gave Air Force activities a cost code to use when paying for ACE expenditures. However, since the same code was used for general training, it did not provide a means of identifying and tracking ACE expenditures. Use of this cost code for general training caused ACE funds to lose their identity and may have allowed the Air Force to offset any reductions to general training funds with ACE funds.

ACE funds could not be identified and tracked; therefore, to compute reimbursements due from the ACE Program Office, the Program Division estimated TDY costs and projected the number of students trained. Because these costs and attendance figures were estimated, the actual costs of ACE training were overstated, and reimbursements were higher than they should have been. For example, the Program Division claimed full per diem as reimbursement for 228 employees who were scheduled to attend three project manager courses at DSMC during FY 1990. According to DSMC records, 71 of these employees stayed in Bachelor Officers' Quarters on post, which should have reduced the Air Force's costs by about $622,000. Also, the Program Division based its claim on the 228 students projected to attend the 3 courses, rather than on the 195 whose attendance was verified, which further overstated the Air Force's actual costs and

reimbursements claimed. Excess reimbursements were placed in the general training fund and lost their identity as ACE funds, with no assurance that they were spent on mandatory acquisition training.

Through a Memorandum of Agreement with the Program Division, the Air Force Civilian Personnel Management Center, Contracting, Manufacturing Consolidated Civilian Personnel Office (the Personnel Office) is responsible for suballocating ACE training spaces. The Personnel Office also monitors all personnel who attend mandatory acquisition training to make sure they are qualified and complete the training.

The ACE Program was established to train contracting and acquisition personnel, not to offer technical training to Air Force personnel. The Personnel Office, which is aware of the training needs of contracting and acquisition personnel, should be better qualified to manage ACE resources. Transferring the monitoring and controlling of ACE quotas and funds from the Program Division to the Personnel Office would increase assurance that ACE resources are used properly and effectively.

Air Force Institute of Technology (AFIT). AFIT received ACE funds to cover the TDY costs of Air Force personnel who attended resident acquisition courses at AFIT. Rosters for 5 resident contracting courses in FY 1990 showed that 9 (19 percent) of the 48 Air Force personnel who attended those classes in a TDY status did not work in the contracting job series for which the training was required. According to Defense Systems Management College Directive 210-2, activities that sponsor non-ACE students (personnel who are not required to attend courses) are to pay all direct costs such as travel, per diem, and subsistence. Quarterly training reports to the ACE Program Office showed that the Institute requested ACE funds to reimburse about $9,500 in travel and per diem costs for these 9 employees.

According to AFIT personnel, no attempt is made to determine the job series of students who attend mandatory acquisition courses; therefore, any Air Force personnel who attend in a TDY status are funded with ACE funds. If the Institute had restricted the use of ACE funds to personnel who were required to attend training, funds could have been released to help reduce the backlog of mandatory acquisition training.

RECOMMENDATIONS FOR CORRECTIVE ACTION

1. We recommend that the Assistant Secretary of the Navy (Research, Development and Acquisition) establish a permanent Acquisition Enhancement Program Office to:

a. promptly distribute Acquisition Enhancement funds to all Navy activities, and

b. provide guidance to all Navy activities on monitoring and controlling expenditures of Acquisition Enhancement funds.

2. We recommend that the Assistant Secretary of the Air Force (Acquisition) allow Acquisition Enhancement funds to be used for student temporary duty costs only by students who are required to attend acquisition courses.

3. We recommend that the Assistant Secretary of the Air Force (Financial Management and Comptroller) direct:

a. the establishment and use of a unique cost code for tracking Acquisition Enhancement expenditures, and

b. that actual costs and numbers of personnel trained be tracked and used to compute reimbursements for Acquisition Enhancement training.

4. We recommend that the Chief of Staff of the Air Force direct the transfer of responsibility for allocating, monitoring, and controlling Acquisition Enhancement quotas and funds from the Air Training Command, Program Division for Technical Training, to the Air Force Civilian Personnel Management Center, Contracting, Manufacturing Consolidated Civilian Personnel Office.

MANAGEMENT COMMENTS

The Assistant Secretary of the Navy (Research, Development and Acquisition) partially concurred with Finding C.1., and stated that an ACE Program Office had been implemented effective October 1, 1991. The Assistant Secretary of the Navy (Research, Development and Acquisition) and the ACE Program Manager will provide timely guidance and direction to ensure that the Navy's responsibilities for execution of ACE training are fulfilled promptly and efficiently.

The Assistant Secretary of the Air Force (Acquisition) concurred with Recommendations C.3. and C.4., stating that planned actions would be completed by September and June 1992, respectively. The Assistant Secretary nonconcurred with Recommendation C.2., stating that ACE funds should be used not only for temporary duty costs, but also to fund course costs and to contract for course offerings.

AUDIT RESPONSE TO MANAGEMENT COMMENTS

The Assistant Secretary of the Air Force (Acquisition) is correct in stating that ACE funds should also be used to fund course costs and contracting for course offerings. Finding C and

Recommendation C.2. dealt only with that portion of ACE funding that is used for students' temporary duty travel costs when students attend mandatory acquisition courses. Recommendation C.2. has been reworded; we are now recommending that ACE funds be used to pay temporary duty costs only for those students required to attend mandatory acquisition courses.

D. CAPABILITIES OF DOD SCHOOLS

DoD schools' abilities to meet requirements for mandatory acquisition training were reduced because training spaces were not allocated equitably and were not used, and excessive numbers of non-contracting personnel were allowed to enroll. The practice of allowing sponsoring schools to allocate training spaces permitted bias toward the schools' parent Military Departments. Also, policies and procedures of the Military Departments, Defense agencies, and schools did not provide for adequate screening of applicants to ensure that training spaces were fully used and were filled as much as possible with DoD contracting personnel. As a result, the number of contracting personnel who could obtain mandatory training when needed was reduced.

DISCUSSION OF DETAILS

Training structure. DoD contracting personnel receive mandatory training from sponsoring schools, certified schools, and certified course offerors. Sponsoring schools are responsible for specific courses, including the development and maintenance of course materials, conduct of classes, and course reviews. Mandatory acquisition courses are taught by DSMC, the Army Logistics Management Center (ALMC), the U.S. Navy, and the Air Force Institute of Technology (AFIT). All mandatory acquisition courses (except for "Systems Acquisition for Contracting Personnel" and the "Defense Acquisition and Contracting Executive Seminar") are sponsored by ALMC and AFIT.

Attendance quotas. Each DoD school determines course offerings and spaces for the mandatory acquisition courses it sponsors. The number of course offerings and spaces are based on constraints such as course length and availability of classrooms and qualified instructors. Sponsoring schools provide attendance quotas for each course to the Military Departments and Defense agencies. Each Military Department and Defense agency then suballocates its quotas based on the requirements of subordinate activities.

Attendance priorities. DoD Manual 5000.52-M, "Career Development Program for Acquisition Personnel," September 13, 1990, established the following priorities for attendance at mandatory training courses:

> Where more requests to attend a course exist than spaces available, priority will go first to employees who are in positions for which training is required by law; then to employees for which the training is established as mandatory by this manual; then to employees for whom the DoD Component has established a mandatory training requirement; and last to employees who are not required to attend.

Allocation of training spaces. Each school establishes the total training spaces available for a course and allocates them to the Military Departments and Defense agencies. Allocations for resident courses in FY 1990 classes were often biased toward a school's parent Military Department. For example, the ACE budget for the "Management of Defense Acquisition Contracts - Basic" course gave the Army 28 percent of the training requirements; however, the Army Logistics Management Center allocated 68 percent of the training spaces in resident courses to the Army. Similarly, the ACE budget gave the Air Force 32 percent of the budget for "Principles of Contract Pricing," but the Air Force Institute of Technology gave the Air Force about 79 percent of the resident training spaces. Because of inequitable allocations, contracting personnel from the other Military Departments and Defense agencies did not receive needed training, and backlogs of mandatory training were unnecessarily increased.

To allow more equitable distribution of training spaces and reduce the backlog of mandatory training, spaces should be allocated by the Office of the Under Secretary of Defense (Acquisition). When the Military Departments and Defense agencies develop systems to accurately determine training requirements (see Finding B), the Office of the Under Secretary of Defense (Acquisition) can allocate training spaces based on needs.

Use of training spaces. Data on use of FY 1990 training spaces by the Military Departments and Defense agencies showed that ALMC and AFIT used about 95 and 97 percent, respectively, of their training spaces for resident courses. While overall use was high, specific users filled between 36 and 186 percent of their quotas. Use of training spaces for resident courses also varied widely by course and school, as discussed in the following paragraphs.

Army Logistics Management Center. Data on use of training spaces for resident courses at the Army Logistics Management Center showed that users other than the Navy and DLA ranged from 98 to 178 percent. However, the Navy and DLA used only 42 and 63 percent, respectively, of their training spaces. One reason for low use by the Navy and DLA may have been the

numerous on-site training courses taught by DoD school instructors or contract instructors. Failure to notify subordinate activities promptly that ACE funds and training spaces were available also contributed to the Navy's low use of resident training spaces (see Finding C).

Use of training spaces for specific courses varied from use of total resident course offerings. For example, the Army was allocated 270 (68 percent) of the 397 spaces available for the "Management of Defense Acquisition Contracts - Basic" courses taught in residence at the Center, and used 277 spaces, or about 103 percent of its allocation. However, the Navy and DLA used only 62 and 45 percent, respectively, of their allocations for these courses because on-site courses met many of their requirements. Future allocations could be better used if they were based on actual needs for resident instruction at ALMC.

Air Force Institute of Technology (AFIT). At AFIT, use of resident courses ranged from a low of 96 percent to a high of 186 percent for all Military Departments and Defense agencies except the Navy, which used an average of 36 percent of its spaces. The Navy used a lower percentage of spaces because Navy activities were not promptly notified that ACE funds and training spaces were available (see Finding C).

While overall use of spaces at the Air Force Institute of Technology was high, specific courses varied widely. For example, the Air Force was allocated 208 (80 percent) of the 264 training spaces available for the resident course, "Principles of Contract Pricing," but used only 189 spaces, or 91 percent, of its allocation. However, the Army and DLA used 171 and 230 percent, respectively, of their allocations for this course. Underuse by the Air Force and high use by the Army and DLA showed that allocation of spaces was not based on users' actual needs.

Class attendance. Each DoD school is required to send quarterly reports to the ACE Program Office showing ACE students' attendance at mandatory acquisition courses. Reports are to include resident courses taught at the schools, courses taught on-site at a Military Department or Defense activity by school or contract instructors, satellite instruction, and accredited off-campus instruction. In FY 1990, resident courses were about 91 percent filled, and attendance rates for all methods of instruction averaged about 85 percent, as shown below.

ATTENDANCE RATES BY METHOD OF INSTRUCTION

Method of instruction	Spaces	Students	Attendance rate (percentage)
Resident	3,073	2,807	91.3
On-site (school)	1,687	1,464	86.8
On-site (contract)	2,495	2,149	86.1
Satellite	420	354	84.9
Accredited off-campus instruction	2,280	1,649	72.3
Totals for all methods	9,955	8,423	84.6

These attendance rates showed that additional spaces were available for other contracting personnel who needed mandatory training; use of these spaces would have reduced the backlog of mandatory training. Attendance rates also reflect the total number of students trained, not the number of students actually required to take the training. Subtracting the number of students who did not require training would have further increased the spaces that could have been used to satisfy mandatory training needs.

Class composition. While mandatory contracting courses had relatively high rates of attendance, only slightly over two-thirds of the attendees were DoD contracting personnel. The ACE Program Office's training reports for all ALMC courses in FY 1990, and class rosters for two AFIT resident courses in FY 1990, showed that only 68 percent of the attendees were DoD contracting personnel (see table below).

CLASS COMPOSITION BY COURSES

Course title	Number of attendees	Number of contracting personnel	Percentage of contracting personnel
"Management of Defense Acquisition Contracts"			
Basic	2,611	1,519	75
Advanced	2,305	1,727	58
Executive	264	264	100
"Contract Administration Executive"	161	132	82
"Principles of Contract Pricing"	51	42	82
Total	5,392	3,684	68

Class composition data at ALMC came from counts taken by instructors, since attendees were not screened to determine their job series. Reports from to the ACE Program Office included only DoD contracting personnel in the number of students trained.

Composition data for classes at AFIT came from DD Form 1556's that instructors maintained for the two mandatory acquisition courses. Quarterly reports from AFIT to the ACE Program Office included non-contracting personnel in the number of students trained. If the Military Departments and Defense agencies screened prospective students thoroughly, using the prescribed criteria for prioritizing trainees, more contracting personnel could enroll in courses, and the backlog of personnel who need mandatory training would be reduced. Better compliance with prescribed prioritization criteria would not eliminate training for non-contracting personnel with valid needs; however, it would make training slots for personnel with marginal needs more difficult to obtain.

Policies and procedures. The policies and procedures of DoD schools did not direct that applicants for mandatory contracting courses be screened to determine whether or not the applicants were in job series that required the training. School officials stated that the DoD Components submitting the applications should screen applicants. Military Department and Defense agency activities that controlled school quotas had procedures for screening applicants to ensure that acquisition personnel received priority. However, if an activity did not use all its allocated spaces, applicants from other job series were accepted in order to fill course quotas. The Military Departments and Defense agencies should establish controls to ensure that spaces are filled with DoD acquisition personnel before accepting other applicants.

RECOMMENDATIONS FOR CORRECTIVE ACTION

We recommend that the Under Secretary of Defense (Acquisition):

1. Direct DoD schools to provide the Office of the Under Secretary of Defense (Acquisition) with spaces available for resident mandatory training; the Under Secretary of Defense (Acquisition) should allocate the spaces to the Military Departments and Defense agencies based on validated requirements.

2. Direct the Military Departments and Defense agencies to establish policies and procedures ensuring that applicants for mandatory acquisition courses are screened, and that DoD personnel in other job series are enrolled only when no acquisition personnel who must take those courses are available to fill training spaces.

MANAGEMENT COMMENTS

The Director, Acquisition Education, Training and Career Development Policy, concurred with Recommendation D.1. and stated that planned action would be completed by April 1, 1992. The Director partially concurred with Recommendation D.2., stating that the policy in DoD 5000.52-M, Chapter 4, paragraph D., "PRIORITY FOR ATTENDANCE," is clear and sufficient. The Director planned to continue the existing policy by reissuing DoD 5000.52-M, scheduled for November 5, 1991, and to emphasize the need for compliance with the manual.

PART III: ADDITIONAL INFORMATION

APPENDIX A - Mandatory Training Deficiencies by Activity

APPENDIX B - Training Deficiencies by Course

APPENDIX C - Military Departments' and Defense Logistics Agency's Capabilities to Meet Reporting Requirements

APPENDIX D - Space Allocations for Mandatory Contracting Courses

APPENDIX E - Summary of Potential Benefits Resulting from Audit

APPENDIX F - Activities Visited or Contacted

APPENDIX G - Report Distribution

APPENDIX A. MANDATORY TRAINING DEFICIENCIES BY ACTIVITY

Civilian Personnel

Activity	Number of Personnel Reviewed	Training Completions Not Documented	Percentage of Completions Not Documented	Number with No Record of Completion	Percentage with No Record of Completion
Army					
Communications and Electronics Command	422	296	70.14	220	52.13
Aberdeen Proving Ground-Support Activity	48	37	77.08	34	70.83
Tank-Automotive Command	514	347	67.51	307	59.73
Army Totals	984	680	69.11	561	57.01
Navy					
Naval Supply Center-Norfolk	58	52	89.66	52	89.66
Naval Aviation Supply Office-Philadelphia	184	69	37.50	69	37.50
Supervisor of Shipbuilding-Newport News	38	34	89.47	27	71.05
Naval Underwater Systems Command	61	50	81.97	42	68.85
Naval Sea Systems Command	191	182	95.29	151	79.06
Navy Totals	532	387	72.74	341	64.10
Air Force					
Warner Robins Air Logistics Center	382	117	30.63	117	30.63
Electronic Systems Divison	200	111	55.50	111	55.50
Headquarters, Air Force Space Command	34	23	67.65	17	50.00
Headquarters, 3rd Space Support Wing	26	20	76.92	20	76.92
Headquarters, Air Force Logistics Command	47	36	76.60	33	70.21
Space Systems Division	174	107	61.49	83	47.70
Headquarters, 63rd Military Airlift Wing	17	7	41.18	7	41.18
Audio-Visual Squadron, Norton Air Force Base	4	4	100.00	3	75.00
Wright-Patterson Contracting Center	48	14	29.17	9	18.75
Air Force Totals	932	439	47.10	400	42.92

APPENDIX A. MANDATORY TRAINING DEFICIENCIES BY ACTIVITY (cont'd)

Activity	Number of Personnel Reviewed	Training Completions Not Documented	Percentage of Completions Not Documented	Number with No Record of Completion	Percentage with No Record of Completion
Defense Logistics Agency					
Defense Contract Management Division-South	465	428	92.04	226	48.60
Defense General Supply Center	310	86	27.74	69	22.26
Defense Logistics Agency Totals	775	514	66.32	295	38.06
Total Civilian Personnel	3,223	2,020	62.67	1,597	49.55
		Military Personnel			
Army					
Communications and Electronics Command	32	25	78.13	25	78.13
Tank-Automotive Command	16	6	37.50	6	37.50
Army Totals	48	31	64.58	31	64.58
Navy					
Naval Sea Systems Command	13	5	38.46	5	38.46
Navy Totals	13	5	38.46	5	38.46
Air Force					
Warner Robins Air Logistics Center	19	2	10.53	2	10.53
Electronic Systems Division	77	56	72.73	56	72.73
Headquarters, Air Force Space Command	8	3	37.50	2	25.00
Headquarters, 3rd Space Support Wing	12	3	25.00	3	25.00
Headquarters, Air Force Logistics Command	12	6	50.00	5	41.67
Space Systems Division	64	35	54.69	34	53.13
Headquarters, 63rd Military Airlift Wing	9	9	100.00	9	100.00
Air Force Totals	201	114	56.72	111	55.22
Total Military Personnel	262	150	57.25	147	56.11

APPENDIX B. TRAINING DEFICIENCIES BY COURSE

Civilian Contracting Personnel

Course	Career Level I	Career Level II	Career Level III	Totals
Management of Defense Acquisition Contracts - Basic	25	458	0	483
Principles of Contract Pricing	36	463	0	499
Government Contract Law	N/A	607	0	607
Management of Defense Acquisition Contracts - Advanced	N/A	554	0	554
Quantitative Techniques for Cost and Price Analysis	N/A	182	0	182
Advanced Contract Administration	N/A	313	0	313
Contracting for Information Resources	N/A	0	0	0
Systems Acquisition for Contracting Personnel	N/A	1	0	1
Management of Defense Acquisition Contracts - Executive	N/A	N/A	488	488
Contract Administration Executive	N/A	N/A	66	66
Advanced Contract Pricing	N/A	N/A	61	61
Defense Acquisition and Contracting Executive Seminar	N/A	N/A	298	298
Civilian Totals	61	2,578	913	3,552

APPENDIX B. TRAINING DEFICIENCIES BY COURSE (cont'd)

Military Contracting Personnel

Course	Career Level I	Career Level II	Career Level III	Totals
Management of Defense Acquisition Contracts - Basic	20	16	0	36
Principles of Contract Pricing	21	45	0	66
Government Contract Law	N/A	25	0	25
Management of Defense Acquisition Contracts - Advanced	N/A	46	0	46
Quantitative Techniques for Cost and Price Analysis	N/A	0	0	0
Advanced Contract Administration	N/A	7	0	7
Contracting for Information Resources	N/A	0	0	0
Systems Acquisition for Contracting Personnel	N/A	0	0	0
Management of Defense Acquisition Contracts - Executive	N/A	N/A	46	46
Contract Administration Executive	N/A	N/A	0	0
Advanced Contract Pricing	N/A	N/A	0	0
Defense Acquisition and Contracting Executive Seminar	N/A	N/A	34	34
Military Totals	41	139	80	260

APPENDIX C. MILITARY DEPARTMENTS' AND THE DEFENSE LOGISTICS AGENCY'S CAPABILITIES TO MEET REPORTING REQUIREMENTS

Army. The Army was installing and modifying an automated personnel system at civilian personnel offices. This system could meet reporting requirements for civilians. No automated system had been developed to meet reporting requirements for military personnel.

Army Civilian Personnel System. The Army Civilian Personnel System (ACPERS) will be used to meet reporting requirements for Army civilian personnel. ACPERS was adapted from the Air Force Personnel Data System-Civilian (PDS-C) to serve as the Army's official civilian personnel data system. At the time of our review, ACPERS had been installed in 140 (82 percent) of the 170 Army civilian personnel offices (CPO's). Completed training was to be reported through the Training and Development Module of ACPERS, but only 69 CPO's were using ACPERS.

During December 1990, the Army's Total Personnel Command (PERSCOM) requested that ACPERS add the data elements needed to meet reporting requirements. PERSCOM has instructed all CPO's to establish procedures for identifying and collecting data on civilian personnel in accordance with DoD Instruction 5000.55. Civilian personnel offices and local acquisition officials are responsible for identifying and collecting all required data.

PERSCOM has also directed that completed training be verified from official documents before entering it into ACPERS. If official documents are not available, but the senior acquisition official knows that the employee completed the course, the official may certify in writing that the course was completed. These procedures are necessary to ensure that data are accurate.

Military reporting. The Army had not established a system to meet reporting requirements for military personnel, and did not plan to adapt an existing system or develop a new system. In order to meet reporting deadlines, the Army planned to extract training data from the Officer Distribution and Assignment System (ODAS) and the Army Training Requirements and Resource System (ATRRS). Information from these systems will be compared to information provided by commanders.

However, the ODAS can record only 10 training incidents per individual, and the ATRRS is used to manage training quotas, not to record training histories. Therefore, individual training histories obtained from ODAS and ATRRS would not be complete. In addition, soliciting data from field activities, organizing the data, and comparing it to ATRRS and ODAS would be a labor-

intensive manual effort; thefefore, reporting deadlines probably would not be met. The Army does not have a means of storing information for input into a future reporting system or for reporting data before the system is developed.

Navy. The Navy had automated systems capable of meeting DoD reporting requirements for civilian and military personnel. However, data on civilian personnel were not always entered into the system.

Navy Civilian Personnel Data System. The Navy had not completed plans for meeting the civilian reporting requirements of DoD Instruction 5000.55. In the meantime, the Navy used the Navy Civilian Personnel Data System (NCPDS), adapted from the Air Force's Personnel Data System-Civilian, as its personnel data base. To meet reporting deadlines, the Navy considered asking employees in acquisition jobs to verify their training histories as shown in NCPDS. However, NCPDS contained very little training data. This was because the Navy lacked centralized procedures to ensure that civilian personnel offices (CPOs) recorded all completed training in NCPDS (see Finding A).

For example, at the Naval Supply Center in Norfolk, Virginia, all training was recorded manually before 1989. During FY 1989, the CPO began recording completed training on NCPDS. However, training records for FY 1988 and all fiscal years before FY 1986 could not be found. Procedures also had not been established to ensure that all completed training was forwarded to the CPO and entered into NCPDS. During FYs 1989 and 1990, personnel at the Naval Supply Center completed 678 courses, but only 23 (3 percent) were entered into NCPDS. At another Naval activity, all completed training was recorded manually because CPO employees had not been trained on the NCPDS.

Navy Integrated Training Resources Information System. The Navy will use the Navy Integrated Training Resources Information System (NITRIS) to meet reporting requirements for military personnel. We did not verify the accuracy of NITRIS. However, the Navy planned to report training data only on 120 military program managers. The Navy did not plan to record the data required by DoD Instruction 5000.55 for any other military personnel in acquisition jobs. Unless training histories for all military acquisition personnel are recorded, the data in NITRIS will not satisfy the requirements of DoD Instruction 5000.55.

Air Force. The Air Force had an automated system that could meet DoD reporting requirements for civilian personnel; however, the system was not accurate enough. The Air Force was developing a system that could meet reporting requirements for military personnel.

Air Force Personnel Data System-Civilian. The Air Force will use the Personnel Data System-Civilian (PDS-C) to meet reporting requirements for civilians. However, the PDS-C was not accurate enough to satisfy DoD reporting requirements. PDS-C contains a subsystem, the Career Enhancement Plan (CEP), which lists training histories and current training requirements for all personnel in professional job series.

At three Air Force installations, we compared training completions for 69 employees in the GS-1102 series (as recorded in their CEPs) to training completions in their Official Personnel Folders (OPFs). Only 43 (62 percent) of the 69 CEPs matched showed training that OPFs. The CEPs were inaccurate because installations lacked procedures for ensuring that completed training was entered into the system. Air Force personnel were aware of the deficiencies in the PDS-C and planned to take corrective actions so that DoD reporting requirements would be met by November 1991.

Military Personnel Data System. Work on the Military Personnel Data System was still in progress. When established, this system will be used to meet reporting requirements for military personnel. Problems in the development of this system were:

- o availability of course codes for mandatory training;
- o identifying personnel who worked in positions reportable under DoD Instruction 5000.55;
- o recording past training histories;
- o identifying and recording equivalent training courses; and
- o updating training histories at base CPOs.

Air Force personnel did not believe they could completely solve these problems and still meet the reporting deadlines in DoD Instruction 5000.55. Recording and verifying training histories is a time-consuming manual process. However, training histories must be accurate if the data reported under DoD Instruction 5000.55 are to be accurate and useful.

Defense Logistics Agency. DLA will not be able to meet reporting deadlines. During January 1991, DLA began a 90-day test of a subsystem of the Automated Payroll Cost and Personnel System. The subsystem will be used to meet reporting requirements. At least another year will be needed before a system that can track training completions is ready for fielding. DLA also had not collected from field activities all the data needed to meet reporting requirements. Until the APCAPS subsystem can meet reporting requirements, DLA will not be able to report accurate data.

APPENDIX D. SPACE ALLOCATIONS FOR MANDATORY CONTRACTING COURSES

Army Logistics Management Center (ALMC) - FY 1990

Course	ALMC Allocation		Blue Book Allocation	
	Spaces Allocated	Percentage Allocated	Percentage Allocated	Equivalent Spaces
Management of Defense Acquisition Contracts - Basic				
Army	270	68.01	28.00	111
Navy	45	11.34	26.00	103
Air Force	29	7.30	32.00	127
Defense Logistics Agency	49	12.34	13.00	52
Other	4	1.01	1.00	4
Totals	397	100.00	100.00	397
Management of Defense Acquisition Contracts - Advanced				
Army	240	46.15	29.70	154
Navy	0	.00	21.30	111
Air Force	240	46.15	27.50	143
Defense Logistics Agency	40	7.70	20.50	107
Other	0	.00	1.00	5
Totals	520	100.00	100.00	520
Management of Defense Acquisition Contracts - Executive				
Army	106	32.52	31.00	101
Navy	76	23.31	25.70	84
Air Force	77	23.62	34.00	111
Defense Logistics Agency	53	16.26	7.00	23
Other	14	4.29	2.30	7
Totals	326	100.00	100.00	326

APPENDIX D. SPACE ALLOCATIONS FOR MANDATORY CONTRACTING COURSES (cont'd)

Air Force Institute of Technology (AFIT) - FY 1990

Course	AFIT Allocation: Spaces Allocated	AFIT Allocation: Percentage Allocated	Blue Book Allocation: Percentage Allocated	Blue Book Allocation: Equivalent Spaces
Contract Administration Executive				
Army	24	13.72	17.00	30
Navy	22	12.57	15.00	26
Air Force	69	39.43	21.70	38
Defense Logistics Agency	59	33.71	44.00	77
Other	1	.57	2.30	4
Totals	175	100.00	100.00	175
Principles of Contract Pricing				
Army	21	7.95	28.00	74
Navy	19	7.20	26.00	69
Air Force	208	78.79	32.00	84
Defense Logistics Agency	10	3.79	13.00	34
Other	6	2.27	1.00	3
Totals	264	100.00	100.00	264
Government Contract Law				
Army	271	37.59	36.30	262
Navy	181	25.10	24.00	173
Air Force	238	33.01	35.40	255
Defense Logistics Agency	25	3.47	3.30	24
Other	6	.83	1.00	7
Totals	721	100.00	100.00	721
Advanced Contract Administration				
Army	125	33.33	36.00	135
Navy	91	24.27	25.80	97
Air Force	142	37.87	34.20	128
Defense Logistics Agency	11	2.93	3.00	11
Other	6	1.60	1.00	4
Totals	375	100.00	100.00	375

APPENDIX D. SPACE ALLOCATIONS FOR MANDATORY CONTRACTING COURSES (cont'd)

Air Force Institute of Technology (AFIT) - FY 1990 (cont'd)

Course	ALMC Allocation		Blue Book Allocation	
	Spaces Allocated	Percentage Allocated	Percentage Allocated	Equivalent Spaces
Quantitative Techniques for Price and Cost Analysis				
Army	28	12.96	33.00	71
Navy	19	8.80	22.00	48
Air Force	144	66.67	33.00	71
Defense Logistics Agency	23	10.65	11.00	24
Other	2	.92	1.00	2
Totals	216	100.00	100.00	216
Advanced Contract Pricing				
Army	12	25.00	29.00	14
Navy	12	25.00	28.00	13
Air Force	20	41.67	33.00	16
Defense Logistics Agency	3	6.25	6.60	3
Other	1	2.08	3.40	2
Totals	48	100.00	100.00	48

APPENDIX E. SUMMARY OF POTENTIAL BENEFITS RESULTING FROM AUDIT

Recommendation Reference	Description of Benefit	Amount and Type of Benefit
A.1.	Improved internal controls.	Nonmonetary.
A.2.	Improved internal controls.	Nonmonetary.
A.3.	Improved internal controls.	Nonmonetary.
A.4.	Improved internal controls.	Nonmonetary.
B.1.a.	Compliance with regulations.	Nonmonetary.
B.1.b.	More efficient determination of training requirements.	Nonmonetary.
B.1.c.	More efficient determination of training requirements.	Nonmonetary.
B.1.d.	Compliance with regulations.	Nonmonetary.
B.2.	More effective use of training quotas and funds.	Nonmonetary.
B.3.	More effective use of training quotas and funds.	Nonmonetary.
C.1.a.	More effective use of training funds.	Nonmonetary.
C.1.b.	Improved internal controls and more effective use of training funds.	Nonmonetary.
C.2.a.	Improved internal controls and more effective use of training funds.	Nonmonetary.
C.2.b.	Improved internal controls and more effective use of training funds.	Nonmonetary.
C.2.c.	Improved internal controls and more effective use of training funds.	Nonmonetary.
D.1.	More effective use of training quotas.	Nonmonetary.
D.2.a.	More effective use of training quotas.	Nonmonetary.
D.2.b.	More effective use of training quotas.	Nonmonetary.

APPENDIX F. ACTIVITIES VISITED OR CONTACTED

Office of the Secretary of Defense

Under Secretary of Defense (Acquisition), Washington, DC
Assistant Secretary of Defense (Force Management and Personnel), Washington, DC
Defense Systems Management College, Fort Belvoir, VA

Department of the Army

Assistant Secretary of the Army (Research, Development and Acquisition), Washington, DC
Headquarters, U.S. Army Materiel Command, Washington, DC
Headquarters, U.S. Army Total Personnel Command, Washington, DC
Headquarters, U.S. Army Communications and Electronics Command, Fort Monmouth, NJ
Headquarters, U.S. Army Tank-Automotive Command, Warren, MI
Aberdeen Proving Ground Support Activity, Aberdeen, MD
U.S. Army Logistics Management Center, Fort Lee, VA

Department of the Navy

Assistant Secretary of the Navy (Research, Development and Acquisition), Washington, DC
Headquarters, Naval Sea Systems Command, Washington, DC
Headquarters, Naval Supply Systems Command, Washington, DC
Navy Aviation Supply Office, Philadelphia, PA
Naval Supply Center, Norfolk, VA
Naval Underwater Systems Center, Newport, RI
Supervisor of Shipbuilding, Newport News, VA

Department of the Air Force

Assistant Secretary of the Air Force (Acquisition), Washington, DC
Headquarters, Air Force Logistics Command, Wright-Patterson Air Force Base, OH
Headquarters, Air Force Space Command, Peterson Air Force Base, CO
Headquarters, Air Training Command, Randolph Air Force Base, TX
Air Force Civilian Personnel Management Center, Contracting and Manufacturing Civilian Career Program Office, Randolph Air Force Base, TX
Air Force Military Personnel Center, Randolph Air Force Base, TX
Headquarters, Air Force Electronic Systems Division, Hanscom Air Force Base, MA
Space Systems Division, Los Angeles Air Force Base, CA
Air Force Institute of Technology, Wright-Patterson Air Force Base, OH
Warner Robins Air Logistics Center, Robins Air Force Base, GA

APPENDIX F. ACTIVITIES VISITED OR CONTACTED (cont'd)

Department of the Air Force (cont'd)

Wright-Patterson Contracting Center, Wright-Patterson Air Force Base, OH
3rd Space Support Wing, Peterson Air Force Base, CO
63rd Military Airlift Wing, Norton Air Force Base, CA
1352nd Audiovisual Squadron, Norton Air Force Base, CA

Defense Agencies

Headquarters, Defense Communications Agency, Arlington, VA
Headquarters, Defense Logistics Agency, Cameron Station, Alexandria, VA
Defense General Supply Center, Richmond, VA
Defense Contract Management District South, Atlanta, GA
Defense Manpower Data Center, Monterey, CA

APPENDIX G. REPORT DISTRIBUTION

Office of the Secretary of Defense

Under Secretary of Defense (Acquisition)

Department of the Army

Secretary of the Army
Assistant Secretary of the Army (Financial Management)

Department of the Navy

Secretary of the Navy
Assistant Secretary of the Navy (Financial Management)

Department of the Air Force

Secretary of the Air Force
Assistant Secretary of the Air Force (Financial Management and Comptroller)

Defense Agencies

Director, Defense Logistics Agency

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

PART IV: MANAGEMENT COMMENTS

Management Comments: Office of the Under Secretary of Defense

Management Comments: Assistant Secretary of the Navy (Research, Development and Acquisition)

Management Comments: Department of the Air Force

MANAGEMENT COMMENTS: OFFICE OF THE UNDER SECRETARY OF DEFENSE

OFFICE OF THE UNDER SECRETARY OF DEFENSE

WASHINGTON, DC 20301-3000

ACQUISITION

5 SEP 1991

MEMORANDUM FOR INSPECTOR GENERAL

SUBJECT: Draft Audit Report on Training of Contracting and Acquisition Personnel (Project No. OFC-0082)

Subject Draft Audit Report has been reviewed. A detailed response to the findings is at Attachment 1 and to the recommendations at Attachment 2.

James S. McMichael
Director, Acquisition Education, Training and Career Development Policy

Attachments

DRAFT AUDIT REPORT ON TRAINING OF CONTRACTING AND ACQUISITION PERSONNEL

FINDINGS

(Project No. OFC-0082)

1. FINDING A: Mandatory Training Accomplishments. Only half of the contracting personnel reviewed had completed all mandatory training required for their current career levels. Therefore, assurance was lacking that contracting personnel had the knowledge and skills necessary to adequately protect the Government's best interests.

OBSERVATION. While agreeing that the Components have not placed enough emphasis on completion of mandatory training, it should be noted that the DoD policies and procedures have been systematically re-formulated to assure compliance. While there have been long-standing requirements for contracting training within the Department of Defense, the policy was reformulated in September 1990 with the issuance of DoD 5000.52-M. DoD Instruction 5000.55 was issued in July 1990. These Defense regulations could not have been fully implemented prior to the audit. It is difficult to conclude that a "sizable backlog" of contracting personnel still require mandatory training courses because the Components really do not know how many people need what training courses. It would be more accurate to say that the backlog of contracting personnel still needing mandatory training may be sizable but cannot be quantified due to a lack of accurate training information in the personnel data systems. The current policy in DoD 5000.52-M requiring that a person promoted or reassigned to an acquisition category for which he/she lacks the mandatory training has 18 months after the effective date of reassignment or promotion to complete the training or to have the training requirement waived is reasonable. Disagree that this guidance gives too much latitude for completion of training. Given the apparent magnitude of the training backlogs, it is reasonable to provide an 18 month window for completion of the training. The waiver authority in DoD 5000.52-M for contracting training is delegated no lower than the commander of the procurement commands or Defense Agencies. This is

a high level waiver requirement, which should prevent abuse.

2. **FINDING B:** Training Requirements. The Military Departments and Defense Agencies did not have effective procedures and systems to accurately determine training requirements. Consequently, DoD lacked assurance that training spaces and funds were distributed properly and used effectively.

OBSERVATION. It is not completely accurate to say that the "Military Departments and Defense agencies did not have automated information management systems that accurately accumulated training histories to provide a basis for determining training requirements." The Army, Navy, and Air Force civilian personnel data systems have the capability to gather and report this training information. However, these systems were not being utilized as contemplated. The military personnel data systems of the Army, Navy, Air Force, and Marine Corps were generally inadequate to accomplish the reporting requirements. Agree with the conclusion that the Military Departments and Defense Agencies had not implemented procedures at the operational level to ensure that training requirements were accurately determined and reported.

3. **FINDING C:** Training Funds: Acquisition Enhancement funds were not used properly and effectively by the Navy and the Air Force. Funds were used for training other than the mandatory acquisition courses they were intended for, which may have increased the backlogs for mandatory training.

4. **FINDING D:** Capabilities of DoD Schools. Abilities of DoD schools to satisfy mandatory training requirements were reduced by inequitable allocations of spaces, underuse of training spaces, and enrollment of nonacquisition personnel. Contracting personnel may not have received training when they needed it, causing unnecessary training backlogs.

OBSERVATION. Agree with the finding that sponsoring schools tended to favor their parent component in the allocation of quotas to mandatory training courses. Also, the current training data systems have lacked the capability of identifying acquisition personnel uniquely from all others. The upshot has been that the sponsoring schools have not been able to effectively screen students to assure that they meet the priorities established

in DoD 5000.52-M. The analysis of class composition should be caveated to recognize that at least two of the courses identified (Management of Defense Acquisition Contracts [Basic] and [Advanced]) are mandatory for other acquisition personnel besides contracting, e.g., the property management function (GS-1103) for the Basic and Advanced courses. Thus, the fact that 75 per cent of the class seats were filled with contracting personnel is not a problem if the other 25 per cent of the seats included personnel in the above-mentioned career fields. Agree that the primary responsibility for assuring that the applicants require mandatory training courses resides with the Components and not the offering DoD schools.

DRAFT AUDIT REPORT ON TRAINING OF CONTRACTING AND ACQUISITION PERSONNEL

RECOMMENDATIONS

(Project No. OFC-0082)

1. RECOMMENDATION NUMBER: A.1

That the Under Secretary of Defense (Acquisition) direct the Military Departments and Defense agencies to establish policies and procedures to ensure that management provides acquisition personnel the opportunity to complete mandatory training courses in accordance with the career progression criteria in DoD Manual 5000.52-M.

CONCUR. It is DoD policy, as set forth in DoD 5000.52-M, Chapter 4, A.3 and A.4., promulgated in September 1990, that mandatory courses "should be completed before promotion or assignment to the next higher level...In cases where training could not be completed in advance, it must be completed within 18 months after the promotion or assignment, or a waiver must be obtained per the provisions of the individual appendices" (para. A.3.). "Activities shall send their acquisition personnel to mandatory courses as soon as practicable after they become eligible. Adherence to mandatory education and training requirements shall be a matter of concern for DoD audits, Inspector General visits, and acquisition management reviews" (para. A.4.).

PROPOSED ACTION. The policies previously established within DoD 5000.52-M shall be incorporated in the new revision to the Manual and other regulations. In addition, the Under Secretary of Defense (Acquisition) will reemphasize the importance of this requirement and shall request that the DoD Components make this finding a matter of concern for Component Inspector General visits and acquisition management reviews.

COMPLETION DATE: December 1, 1991

1 ATTACHMENT (2)

MATERIAL INTERNAL CONTROL WEAKNESS: PARTIALLY CONCUR. It is correct that acquisition, contracting and procurement are highly susceptible to fraud, waste, and abuse, and that fully trained and technically competent contracting personnel is important. However, it does not necessarily follow that the "absence of fully trained and technically competent contracting personnel is a material internal control weakness." A lack of training may be compensated for in two particulars: experience and on-the-job training, coupled with close supervision, until formal training can be completed; and, a system of internal checks and reviews focusing on the contracting officer and the reviewing and approving officials above the contracting officer. Nonetheless, the full training of contracting personnel is Department policy and an objective for all contracting organizations. The PROPOSED ACTION discussed above and the establishment of a management information system under the provisions of Section 1761 of the Defense Acquisition Workforce Improvement Act, implemented through the reissuance of DoD Instruction 5000.55, will ensure the effective monitoring of the training status of contracting personnel within the Department of Defense.

2. RECOMMENDATION NUMBER: A.2.

That the Under Secretary of Defense (Acquisition) direct the Military Departments and Defense Agencies to establish policies and procedures to ensure that accurate and effective systems are established and maintained to track completions of mandatory training.

CONCUR.

PROPOSED ACTION: The Under Secretary of Defense (Acquisition), in coordination with the Assistant Secretary of Defense (Force Management and Personnel), will incorporate this recommendation in the revision to DoD Instruction 5000.55.

COMPLETION DATE: October 1, 1991.

3. RECOMMENDATION NUMBER: A.3.

That the Under Secretary of Defense (Acquisition) direct the Military

Departments and Defense Agencies to establish policies and procedures to ensure that historical training data are verified before the first submission to the Defense Manpower Data Center or verified and corrected in subsequent submission.

PARTIALLY CONCUR. It is more properly within the purview of the Assistant Secretary of Defense (Force Management and Personnel) to act on this recommendation.

PROPOSED ACTION: This recommendation will be incorporated in the revision to DoD Instruction 5000.55. The Assistant Secretary of Defense (FM&P) will emphasize the importance of accurate, verifiable and documented training data and shall request that the DoD Components make this a matter of concern for Inspector General audits and personnel management reviews.

COMPLETION DATE: December 1, 1991.

4. RECOMMENDATION NUMBER A.4.

That the Under Secretary of Defense (Acquisition) direct the Military Departments and Defense Agencies to establish policies and procedures to ensure that supporting documentation, such as DD Forms 1556, DD Forms 2518, or equivalent documents are filed in employees' Official Personnel Folders to show completion of mandatory training courses, and data from these forms are entered in automated tracking systems.

PARTIALLY CONCUR. It is more appropriate for the Assistant Secretary of Defense(Force Management and Personnel) to direct the Components in this regard. This regulatory requirement already exists for civilian personnel in the Federal Personnel Manual (FPM) Supplement 293-31. However, use of automated products, such as print-outs, summarizing pertinent training information in lieu of hard copy course completions is acceptable. This policy can be re-emphasized and extended to military personnel.

PROPOSED ACTION. This policy will be reiterated in the reissuance of DoD Instruction 5000.55 requiring the filing of supporting documentation in the OPF of both military and civilian personnel.

COMPLETION DATE: December 1, 1991.

5. RECOMMENDATION NUMBER: B.1.

That the Under Secretary of Defense (Acquisition) direct the Military Departments and Defense Agencies to establish policies and procedures that: (a) fully explain to operational managers the Acquisition Enhancement program and the requirements of DoD Manual 5000.52-M; (b) require operational managers to determine and verify mandatory training accomplishments for acquisition personnel; (c) establish effective systems for accurate determination of training requirements and recording completions of mandatory training; and, (d) require supervisors to prepare and maintain Individual Development Plans for all acquisition personnel.

PARTIALLY CONCUR. Part of this recommendation [(b) and (d) above] has been implemented with the promulgation of DoD 5000.52-M and DoD Instruction 5000.55 [(c) above in part]. The need for communicating the importance of the Acquisition Enhancement program is recognized. The need for a management information system which provides timely and accurate feedback information to responsible officials is also recognized.

PROPOSED ACTION. The reissuance of DoD Instruction 5000.55 and DoD 5000.52-M will address these recommendations. In addition, the Under Secretary of Defense (Acquisition) will request that the Components communicate to the operational level the importance of the Acquisition Enhancement program and that they aggressively monitor compliance.

COMPLETION DATE: November 5, 1991.

6. RECOMMENDATION NUMBER: B.2.

That the Under Secretary of Defense (Acquisition) direct the Military Departments and Defense Agencies to validate subordinate activities' mandatory training requirements and submit consolidated requirements to the Office of the Under Secretary of Defense (Acquisition) by the end of the third quarter of the current fiscal year for the upcoming fiscal year.

CONCUR.

PROPOSED ACTION: Incorporate recommendation in the reissuance of DoD 5000.52-M and other regulations. Realign the Acquisition Enhancement Program Office within the new Defense Acquisition University structure under the oversite of the Office of the Under Secretary of Defense (Acquisition).

COMPLETION DATE: April 1, 1992.

7. RECOMMENDATION NUMBER: B.3.

That the Under Secretary of Defense (Acquisition) ensures that allocations of training spaces and funds are based on validated training requirements from the Military Departments and Defense Agencies and are distributed before the start of the fiscal year.

CONCUR.

PROPOSED ACTION: Individual Service and Defense Agency level points-of-contact for validation of annual ACE training requirements have been designated by USD(A). The ACE Program Office under USD(A) oversite has established itself in a proactive management role to ensure only validated service and agency requirements are covered by ACE funded quotas. Additionally, the ACE Program Office will proactively manage the specific class/seat allocation process between the services, agencies and provider schools in fiscal year 1992 to ensure a disciplined quota allocation plan is agreed to in fiscal year 1992 for fiscal year 1993.

The expanded role of the ACE Program Office down to the level of advance class/seat allocations to the services and agencies has brought the needed service and agency focus to filling assigned seats. The services and agencies, once in receipt of class/seat assignments have direct management responsibility to properly fill these assignments.

COMPLETION DATE: April 1, 1992.

8. RECOMMENDATION NUMBER: D.1.

That the Under Secretary of Defense (Acquisition) direct DoD schools to provide the Office of the Under Secretary of Defense (Acquisition) with spaces available for resident mandatory training; the Under Secretary of Defense (Acquisition) should allocate the training spaces to the Military Departments and Defense Agencies based on validated requirements.

CONCUR: One of the weaknesses in the current operation of the ACE program was that allocation of training seats was not done the year prior to execution and was allowed to be negotiated directly between the schools and the Components. It is appropriate that the ACE Program Office allocate quotas from the schools to the Components and manage the process to assure effective execution.

PROPOSED ACTION: The Under Secretary of Defense (Acquisition) is realigning the ACE Program Office within the new Defense Acquisition University (DAU) structure under the oversite of OUSD(A). Additionally, each service has designated single points-of-contact with service level responsibility for validation of requirements. Under the 1990 Defense Acquisition Workforce Improvement Act (DAWIA) USD(A) will establish and charter a Defense Acquisition University (DAU) in 1991. The DAU's charter and operating plan will be published by October 1991. The ACE Program Office, as part of the DAU structure, has an expanded management role to ensure advance seat level allocation plans are developed for all ACE funded quotas. This process, under OUSD(A) oversite, has started and will lead in fiscal year 1992 to fiscal year 1993 quotas being developed and allocated the year prior to execution.

COMPLETION DATE: April 1, 1992.

9. RECOMMENDATION NUMBER: D.2.

That the Under Secretary of Defense (Acquisition) direct the Military Departments and Defense Agencies to establish policies and procedures ensuring that applicants for mandatory acquisition courses are screened, and that DoD personnel in other job series are enrolled only when no acquisition personnel who must take those courses are available to fill training spaces.

PARTIALLY CONCUR. DoD 5000.52-M, Chapter 4, paragraph D., PRIORITY FOR ATTENDANCE, states: "Where more requests to attend a course exist than spaces available, priority will first go to employees who are in positions for which the training is required by law; then to employees for which the training is established as mandatory by this Manual (personnel who are training enroute to a new assignment should have priority within this group); then to employees for whom the DoD Component has established a mandatory training requirement; and last to employees who are not REQUIRED to attend." Thus the policy is clear and sufficient. It allows DoD personnel in other job series to be enrolled in mandatory courses only as the last priority. The assignment of students to fill classroom seats based on DoD 5000.52M priorities is the responsibility of the DoD Components. Because DoD 5000.52-M was not promulgated until September 1990, the audit report may have reported a situation existing prior to implementation.

PROPOSED ACTION: Continue the existing policy in the reissuance of DoD 5000.52-M and emphasize the need for compliance by the Under Secretary of Defense (Acquisition).

COMPLETION DATE: November 5, 1991.

MANAGEMENT COMMENTS: ASSISTANT SECRETARY OF THE NAVY (RESEARCH, DEVELOPMENT AND ACQUISITION)

THE ASSISTANT SECRETARY OF THE NAVY
(Research, Development and Acquisition)
WASHINGTON, D C 20350-1000

OCT 9 1991

MEMORANDUM FOR THE DEPARTMENT OF DEFENSE ASSISTANT INSPECTOR GENERAL FOR AUDITING

Subj: DRAFT AUDIT REPORT ON TRAINING OF CONTRACTING AND ACQUISITION PERSONNEL (PROJECT NO. 0FC-0082)

Ref: (a) DODIG memo of 27 Jun 1991

Encl: (1) DON Response to Draft Audit Report

The Department of the Navy response to reference (a), the draft audit report concerning the training of contracting and acquisition personnel, is provided at enclosure (1). We partially concur with the draft report findings and recommendations. As outlined in the enclosed comments, the Department has taken, or is planning to take specific actions to ensure adequate management controls and oversight for the execution of the Acquisition Enhancement (ACE) Program.

Gerald A.Cann

Copy to:
NAVINSGEN
NAVCOMPT (NCB-53)

Department of the Navy Response
to
DODIG Draft Report of June 27, 1991
on
DRAFT AUDIT REPORT ON TRAINING
OF CONTRACTING AND ACQUISITION PERSONNEL
Project No. 0FC-0082

Finding C:

Acquisition Enhancement Funds allocated to the Navy and the Air Force for mandatory acquisition training were not used properly and effectively. Policies and Procedures did not provide adequate guidance on the use and control of Acquisition Enhancement Funds. As a result, funds were used for purposes other than mandatory acquisition training, and the backlog of personnel who needed mandatory training may have been unnecessarily increased.

Recommendation C-1:

It is recommended that the Assistant Secretary of the Navy (Research, Development and Acquisition) establish a permanent Acquisition Enhancement Program Office to:

a. promptly distribute Acquisition Enhancement funds to all Navy activities, and

b. provide guidance to all Navy activities on monitoring and controlling expenditures of Acquisition Enhancement funds.

DON Position:

Partially Concur: In recognition of the need to improve the management of acquisition training, program guidance was issued in FY 1991 by ASN(RDA)APIA/AWP. With ASN(RDA)APIA/AWP ltr of 27 Nov 90, the Director, Civilian Personnel Programs, Naval Supply Systems Command, SUP 09D, in support of ASN(RDA)APIA/AWP, was tasked to perform interim program management functions for ACE in FY 1991 and ACE recipients in major Navy and Marine Corps commands were informed of ACE Program requirements and procedures. A permanent Program Manager position for ACE has been approved along with a Program Office structure for centralized DON ACE Program administration in the future. ASN(RDA) has implemented the ACE Program Office effective 1 October 1991. ASN(RDA) and the ACE Program Manager will provide timely guidance and direction to ensure that DON responsibilities for execution of ACE training are fulfilled promptly and efficiently.

Enclosure (1)

However, it is the DON position that the difficulties experienced in the initial execution of the ACE Program under the DOD's executive agent, the Defense Systems Management College (DSMC) were due, in large part, to the process by which the funds were centrally managed at the DOD level and subsequently allocated to the users. This unusual process (Military Interdepartmental Purchase Request) led to confusion among funds recipients as well as burdensome reporting requirements. The DON actions described above have been designed to work around the difficulties inherent in the current DOD management structure for acquisition training.

pg 2

MANAGEMENT COMMENTS: DEPARTMENT OF THE AIR FORCE

DEPARTMENT OF THE AIR FORCE
WASHINGTON DC 20330-1000

OFFICE OF THE ASSISTANT SECRETARY

SEP 9 1991

MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR AUDITING
OFFICE OF THE INSPECTOR GENERAL
DEPARTMENT OF DEFENSE

SUBJECT: Draft Report on the Audit of Training of Contracting and Acquisition Personnel, 27 June, 1991, Project OFC-082
- INFORMATION MEMORANDUM

This is in reply to your memorandum for the Assistant Secretary of the Air Force (Financial Management and Comptroller) requesting comments on the findings and recommendations made in the subject report.

We are taking steps to improve our management of the Acquisition Enhancement (ACE) Program, including the establishment of unique cost codes for each ACE course to improve tracking of expenditures. We are also consolidating our focal points for the ACE Program under the newly created office of the Director of Acquisition Career Management. These measures should resolve the concerns expressed in the audit.

Our specific comments are attached We appreciate the opportunity to provide comments on the draft report.

Daniel S. Rak

DANIEL S RAK
Deputy Assistant Secretary
(Acquisition)

1 Atch
Comments

SEP 25 1991

AIR FORCE COMMENTS
ON
DoD(IG) DRAFT REPORT ON THE AUDIT
OF
TRAINING OF CONTRACTING AND ACQUISITION PERSONNEL
PROJECT NO. OFC-0082

RECOMMENDATION C.2.: "We recommend that the Assistant Secretary of the Air Force (Acquisition) restrict the use of Acquisition Enhancement funds to temporary duty costs for students required to attend mandatory acquisition courses."

Response: Nonconcur with comments.

We nonconcur because we believe ACE funds should be used, not only for temporary duty costs, but also for funding of the course, and for contracting out for additional offerings when additional course offerings are required. The use of ACE funds for temporary duty costs would limit our ability to accomplish the training.

RECOMMENDATION C.3.: "We recommend that the Assistant Secretary of the Air Force (Financial Management and Comptroller) direct:

a. the establishment and use of a unique cost code for tracking Acquisition Enhancement expenditures, and

b. that actual costs and numbers of personnel trained be tracked and used to compute reimbursements for Acquisition Enhancement training."

Response: Concur.

We recognized the problems with tracking expenditures and unique cost codes for each ACE course have been developed for fiscal year (FY) 1992. We believe these unique cost centers will provide better tracking of expenditures and resolve the problem

The Contracting and Manufacturing Civilian Career Program training office (AFCMPC/DPCMQ), a part of the Air Force Civilian Personnel Management Center, already tracks the numbers of students trained in each of the mandatory ACE courses, except the Program Management Course (PMC). PMC students trained are tracked directly by the Office of the Director of Acquisition Career Management.

Actual costs should be available with the implementation of cost centers. A reconciliation of each ACE course will then be possible (accomplished on a quarterly basis).

Completion Date: September, 1992

RECOMMENDATION C.4.: "We recommend that the Chief of Staff of the Air Force direct the transfer of responsibility for allocating, monitoring, and controlling Acquisition Enhancement quotas and funds from the Air Training Command, Program Division for Technical Training; to the Air Force Civilian Personnel Management Center, Contracting, Manufacturing Consolidated Civilian Personnel Office."

Response: Concur.

The Contracting and Manufacturing Civilian Career Program training office (AFCMPC/DPCMQ) is capable of accepting responsibility for allocating, monitoring and controlling current ACE quotas and funds. AFCPMC/DPCMQ, operated by "acquisition" people with "personnel" assistance, can manage all ACE quota assignments, including funds tracking and management, for civilian and military personnel. The office can also verify student eligibility to attend an ACE course. Since ACE funding is separate from funding for schooling by the services, we believe it can effectively be separated from management of other training programs.

Completion Date: June, 1992