December 16, 2002

Supply Inventory Management

Property Accountability at Research, Development, Test, and Evaluation Installations

(D-2003-036)

Department of Defense
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Acronyms

DPAS	Defense Property Accountability System
RDT&E	Research, Development, Test, and Evaluation

INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202–4704

December 16, 2002

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE FOR ACQUISITION, TECHNOLOGY, AND LOGISTICS

SUBJECT: Report on Property Accountability at Research, Development, Test, and Evaluation Installations (Report No. D-2003-036)

We are providing this report for information and use.

No written response to this report was required, and none was received. Therefore, we are publishing this report in final form.

We appreciate the courtesies extended to the staff. For additional information on this report, please contact Mr. Tilghman A. Schraden at (703) 604-9186 (DSN 664-9186) or Mr. Robert Schonewolf at (215) 737-5421, extension 227 (DSN 444-5421, extension 227). See Appendix C for the report distribution. The audit team members are listed inside the back cover.

Thomas F. Gimble
for David K. Steensma
Deputy Assistant Inspector General
for Auditing

Office of the Inspector General of the Department of Defense

Report No. D-2003-036 **December 16, 2002**
(Project No. D2002LD-0015)

Property Accountability at Research, Development, Test, and Evaluation Installations

Executive Summary

Who Should Read This Report and Why? Logistics personnel having a responsibility for property accountability should read this report. This report evaluates the Military Departments' improvement in maintaining property accountability over personal property at research, development, test, and evaluation installations.

Background. Personal property at research, development, test, and evaluation installations includes military equipment and most other types of property, except for real property, consumable items, component parts of a higher assembly, and items that lose their individual identity through use. We previously reported that the Military Departments improperly stocked uncataloged material for research, development, test, and evaluation work. This report includes an assessment of the actions taken by the Military Departments to implement the recommendations in that report, Inspector General of the Department of Defense Report No. 97-183, "Uncataloged Material at Research, Development, Test, and Evaluation Installations," June 30, 1997. As of January 9, 2002, there were at least 67 military installations performing research, development, test, and evaluation work.

Results. The Military Departments improved procedures and controls for maintaining property accountability at six research, development, test, and evaluation installations. We visited two research, development, test, and evaluation installations in each of the Military Departments and--based on our review of new regulatory guidance, in-house assessments and inventories, a judgmental sample of items, and work area environments at those installations--concluded that personal property was properly maintained on accountability records with minor exceptions, was located in safeguarded, active work areas, and was being used or was marked for disposal. For details of the results, see the Finding section of this report.

Management Comments. We provided a draft of this report on November 6, 2002. No written response was required, and none was received. Therefore, we are publishing this report in final form.

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Background

Accountability Guidance. Within DoD, property accountability policies, procedures, and practices are set forth in DoD Instruction 5000.64, "Defense Property Accountability," August 13, 2002. The instruction integrates the broad requirements of the Federal Property and Administrative Services Act of 1949 and the Chief Financial Officers Act of 1990 into an overarching property accountability policy. The instruction essentially consolidates already existing DoD policies, procedures, and practices as well as criteria on property accountability into one comprehensive framework. In doing so, the instruction effectively separates property accountability from accounting as a functional management area. Accountability is the obligation imposed by law or regulation and accepted by a person to keep accurate records of property, with or without physical possession. The person who actually has custody of property is responsible for its care and safeguarding. Personal property includes military equipment and most other types of property, except for real property, consumable items, component parts of a higher assembly, and items that lose their individual identity through use.

Accountability Criteria and System Control. DoD requires that formal property accountability be maintained for personal property that either has an acquisition cost of $5,000 or more or is considered classified or sensitive.

- **Classified Items.** Require protection in the interest of national security.

- **Sensitive Items.** Require a high degree of protection and control due to statutory requirements or regulations, such as narcotics and drug abuse items, precious metals, highly technical or hazardous material, and small arms, ammunition, explosives, and demolition material.

DoD policy is to permit DoD components to establish accountability controls for other property costing less than $5,000, if deemed appropriate for property management purposes or for property that is considered pilferable. At research, development, test, and evaluation (RDT&E) installations, personal property that requires formal accountability is often acquired commercially (does not have a national stock number), such as test equipment and computers. As of January 9, 2002, there were at least 67 military installations performing RDT&E work.

In December 1994, the Under Secretary of Defense (Comptroller) designated the Defense Property Accountability System (DPAS) as the migratory system for the accountability and financial reporting of all DoD personal and real property. The system was intended to be an integrated accounting and logistics system that would provide general ledger control and depreciation schedule information to financial systems. However, in 2001, the Under Secretary concluded that migratory systems would most likely not be a part of the ultimate enterprise solution to Chief Financial Officers Act compliancy and curtailed further deployment of migratory systems to those organizations that already have a satisfactory system.

Prior Report. In June 1997, we reported that the Military Departments improperly stocked well over $1 billion of uncataloged material for RDT&E work. Inspector General of the Department of Defense Report No. 97-183, "Uncataloged Material at Research, Development, Test, and Evaluation Installations," June 30, 1997, states that military installations did not fully consume uncataloged material in fabrication and testing and retained material without apparent need and without sufficient safeguards. The prior audit focused on the Military Departments' implementation of DoD accounting and property accountability policies, procedures, and practices. Because we found that an item's identity, acquisition date, cost, location, and other identifying information were often missing from accounting and accountability records, we categorized all personal property--regardless of cost or acquisition source--that we found improperly stocked as uncataloged material.

Current Report. Because the new DoD instruction essentially separated property accountability from accounting as a functional management area, audit work for this report focused on only property accountability procedures and controls and concentrated on assets that met the DoD or Military Departments' accountability criteria for cost, classification, or sensitivity.

Objective

The audit objective was to evaluate the Military Departments' policies and procedures for maintaining property accountability at RDT&E installations. We also reviewed the management control program as it applied to the audit objective. See Appendix A for a discussion of the audit scope and methodology and our review of the management control program. See Appendix B for prior coverage related to the audit objective.

Property Accountability

The Military Departments improved procedures and controls for maintaining property accountability at six RDT&E installations. We visited two RDT&E installations in each of the Military Departments and--based on our review of new regulatory guidance, in-house assessments and inventories, a judgmental sample of items, and work area environments at those installations--concluded that personal property was properly maintained on accountability records with minor exceptions, was located in safeguarded, active work areas, and was being used or was marked for disposal.

Summary of Prior Report's Recommended Actions

Our prior audit report recommended that the Director, Defense Research and Engineering, in coordination with the Military Departments, improve property accountability by entering unrecorded assets on property accountability records and ensuring that the assets were needed and safeguarded. In response, the Under Secretary of Defense for Acquisition, Technology, and Logistics requested the Military Departments to determine the extent to which the problems with property accountability existed at RDT&E installations. Based on those determinations, the Military Departments were to provide the Director, Defense Research and Engineering with a plan of action and milestone chart to correct any material deficiencies identified.

Reviews at Military Installations

Army Actions, Policies, and Facilities. The Army took responsive action to improve property accountability at RDT&E installations. On June 16, 1998, the Deputy Under Secretary of the Army (Operations Research) reported to the Under Secretary of Defense for Acquisition, Technology, and Logistics that the Army had conducted special investigations and was aggressively correcting all areas of uncataloged material needing improvement. The Deputy Under Secretary further stated that all RDT&E facilities had disposed of their excess project material and that all facilities would have cataloged and established accountability for all remaining material no later than September 30, 1998. The Deputy Under Secretary also noted that all Army facilities involved in RDT&E were directed to conduct special investigations to determine whether other similar situations as found in our report existed. The Deputy Under Secretary added that the existing, periodically recurring Command Supply Management Reviews had been modified to focus on RDT&E accountability.

Policies and procedures for controlling Army personal property are contained in Army Regulation 735-5, "Policies and Procedures for Property Accountability,"

June 10, 2002. The Army regulation and DoD Instruction 5000.64 were consistent with the exception that the Army uses $300 as a basis for recording property on accountability records and DoD uses $5,000.

In response to our prior audit, the Army Materiel Command--at the time in charge of both Army installations reviewed during the prior audit (Fort Monmouth, New Jersey and Aberdeen Proving Grounds, Maryland)--took prompt action to determine whether its installations properly maintained accountability over personal property. The Commander of the Army Materiel Command had a team perform a special assessment of property accountability from September 1997 through March 1998. The team found problems similar to those identified by our prior audit. The Commander directed that actions be taken to correct the problems and to preclude them from happening again. In addition, this audit did not include ammunition although the prior audit showed that many old ammunition items lacked unit prices. However, a current provision in Army Pamphlet 708-1, "Cataloging of Supplies and Equipment, Management Control Numbers," August 1, 2000, addresses the problem identified by the prior audit. The pamphlet requires Test and Evaluation Command facilities to maintain a central register for the assignment of all management control numbers. The pamphlet also requires project and program managers to obtain numbers from the Test and Evaluation Command before initiating contracting actions for RDT&E equipment and prototype munitions to ensure that necessary catalog data is obtained (including pricing) and that the numbers assigned stay with the items throughout their life cycle.

Management Controls and Audit Tests. For this audit, we reviewed management controls and made tests of property accountability at two Army facilities under the Army Materiel Command: the Army Communications-Electronics Command at Fort Monmouth and the Army Tank-automotive and Armaments Command, Research, Development and Engineering Center at Picatinny Arsenal, New Jersey. Since the prior audit, the Army Materiel Command Installations and Services Activity has reviewed property accountability procedures at 12 RDT&E installations. The reviews, including one performed at Picatinny Arsenal, found problems such as late postings of property receipts that were minor compared to those identified by the prior audit. The Communications-Electronics Command's logistics office also reviewed property accountability of project material and reported overall improvement. In addition, the RDT&E facilities at Fort Monmouth and Picatinny Arsenal performed inventories of project material annually and developed checklists covering property accountability. Further, our reviews at the two RDT&E facilities showed that management controls over personal property had improved since our prior audit.

Communications-Electronics Command. The Communications-Electronics Command was included in our prior review, which found a large amount of uncataloged material locked in two barrack-sized buildings or kept outside in an RDT&E area. In response to our report, property book personnel stated that the Communications-Electronics Command either sent the uncataloged material to depots or disposed of it. Property book personnel stated that, as of April 2002, DPAS showed RDT&E facilities at Fort Monmouth (including the Communications-Electronics Command) had 28,058 items on

hand, with an acquisition cost of about $110.2 million, spread among 307 custodians. At the Communications-Electronics Command, purchases under $2,500 are made using purchase cards while those for $2,500 and more are made using local purchase procedures involving contracting officers. We reviewed a sample of both types of purchases for the billing period December 2001 through March 2002 to determine whether purchases were posted to accountable records and were on hand. During that period, the Communications-Electronics Command's Acquisition Center reported that Fort Monmouth RDT&E facilities made 4,340 purchases amounting to $1,443,160. We reviewed 40 purchases, totaling $40,768, made by 8 of the 98 purchase card holders. We also selected 12 local purchases over $2,500 for review. In addition, we inventoried 50 items (costing about $0.4 million) selected from accountability records, and we selected 20 additional items while we were taking our inventory to see whether they were recorded on accountability records. With the exception of some minor discrepancies, such as a purchase coding error, all sampled items reviewed were properly recorded on accountability records and on hand; no items were identified as missing. Further, we conducted a walkthrough of the Communications-Electronics Command and observed that all personal property was located in safeguarded, active work areas (laboratories and offices) and was being used or was marked for disposal.

Tank-automotive and Armaments Command, Research, Development and Engineering Center. Property book personnel stated that, as of September 2002, DPAS showed RDT&E components of the Tank-automotive and Armaments Command, Research, Development and Engineering Center had 24,078 items on hand, with an acquisition cost of about $121.4 million, spread among 233 custodians. At the Tank-automotive and Armaments Command, Research, Development and Engineering Center, all acquisitions (regardless of dollar value) are made through its local integrated financial system (e-nova), operational since about July 2001. We reviewed purchases of four material groups (automated data processing hardware, communications and electronics, laboratory equipment, and laboratory supplies) made from October 1, 2001, through March 31, 2002. During that period, there were 707 purchases amounting to $2,227,733--all by purchase card holders on e-nova. We reviewed 49 purchases for $257,210 by 8 (of 75) purchase card holders. In addition, we inventoried 50 items (costing about $0.3 million) selected from accountability records, and we selected 20 additional items while we were taking our inventory to see whether they were recorded on accountability records. With the exception of some minor discrepancies, such as overlooked postings, all items reviewed were properly recorded on accountability records and on hand; no items were identified as missing. Further, we conducted a walkthrough of the Tank-automotive and Armaments Command, Research, Development and Engineering Center and observed that all personal property was located in safeguarded, active work areas (laboratories and offices) and was being used.

Navy Actions, Policies, and Facilities. The Navy took responsive action to improve property accountability at RDT&E installations. On May 22, 1998, the Office of the Assistant Secretary of the Navy (Research, Development, and Acquisition) reported to the Director, Defense Research and Engineering that a plan of action with milestone dates was completed. Also, in a related initiative, the Naval Audit Service reported on January 10, 2001, that management of

sponsor-owned material at seven Naval Sea Systems Command Warfare Centers had shown significant improvements since its prior audit and that about $237.9 million of material had been excessed from the Centers' inventories within the last 3 and 3/4 years. In April 1997, the Naval Audit Service had reported that the seven Centers, which perform RDT&E and fleet support for sponsors, held about $1.5 billion in excess sponsor-owned material (assets that do not come under DoD property accountability requirements) from completed production jobs, base closures, and ship decommissioning.

In response to our prior report, the Navy published Secretary of the Navy Instruction 7320.10, "Department of the Navy Personal Property Policies and Procedures," August 1, 2001. The instruction establishes policies and procedures for the control of personal property at all Navy facilities. The Navy uses the DoD criteria of $5,000 as a basis for recording property on accountability records. The Navy instruction was consistent with DoD Instruction 5000.64.

Management Controls and Audit Tests. We reviewed management controls and made tests of property accountability at two Navy facilities: the Naval Air Engineering Center at Lakehurst, New Jersey and the Naval Air Warfare Center Aircraft Division at Patuxent River, Maryland. Both facilities are part of the Naval Air Systems Command and use the Patuxent River Inventory System to maintain property accountability over personal property. Our reviews at the two RDT&E facilities showed that management controls over personal property had improved since our prior audit.

Naval Air Engineering Center, Lakehurst. The Lakehurst center was included in our prior review, which found a large number of uncataloged avionic components and parts along with raw material locked in a hangar or kept outside. In response to our prior report, the Lakehurst center arranged a cleanup and moved an estimated $11 million of assets into more appropriate storage areas or disposed of them. Property book personnel stated that, as of September 4, 2002, the Patuxent River Inventory System showed all facilities at Lakehurst, including the Naval Air Engineering Center, had 4,306 items on hand, with an acquisition cost of about $62 million, spread among 1,353 custodians. Lakehurst logistics personnel expected to complete a 3-year cyclic inventory by December 2002. We inventoried 50 items (costing about $3.8 million) selected from accountability records, and we selected 20 additional items while we were taking our inventory to see whether the items were recorded on accountability records. Only 2 items, costing $117,719, out of our initial selection of 50 items could not be accounted for. No discrepancies were found for the 20 additional items. In addition, we conducted a walkthrough of the Naval Air Engineering Center and observed that all personal property was located in safeguarded, active work areas (laboratories, offices, and test sites) and was being used.

Naval Air Warfare Center Aircraft Division, Patuxent River. Property book personnel stated that, as of July 10, 2002, the Patuxent River Inventory System showed all Navy Working Capital Fund facilities at Patuxent River, including the Naval Air Warfare Center Aircraft Division, had 33,463 items on hand, with an acquisition cost of about $516 million, spread among 5,256 custodians. Patuxent logistics personnel began a 3-year cyclic

inventory on October 1, 2000, and, as of September 20, 2002, had identified only 10 items (valued at $341,418) as missing. We inventoried 50 items (costing about $27 million) selected from accountability records and we selected 20 additional items while we were taking our inventory to see whether the items were recorded on accountability records. Only 1 item, an automated radar costing $330,000, out of our initial selection of 50 items could not be located. According to command personnel, a report of survey investigation had been initiated to ensure that the item was excessed but not deleted from the accountable records. No discrepancies were found for the 20 additional items. In addition, we conducted a walkthrough of the Naval Air Warfare Center Aircraft Division and observed that all personal property was either marked for disposal or located in safeguarded, active work areas (laboratories and offices) and was being used.

Air Force Actions, Policies, and Facilities. The Air Force questioned the need to improve property accountability at its RDT&E installations. On May 26, 1998, the Principal Deputy to the Assistant Secretary of the Air Force (Acquisition) reported to the Director, Defense Research and Engineering that all Air Force RDT&E facilities already execute fully institutionalized logistics support processes to acquire, control, and dispose of uncataloged material.

Air Force facilities conduct logistics support through centralized support organizations called Logistics Materiel Control Activities that operate in accordance with Air Force Materiel Command Instruction 23-201, "Logistics Materiel Control Activity Operation Instruction," December 27, 1999. The instruction specifies appropriate management controls for RDT&E facilities, which include processes for identifying, controlling, and disposing of excess personal property. A Logistics Materiel Control Activity is an organization, either Government or contractor operated, that implements supply policies and procedures in support of Air Force Materiel Command RDT&E facilities. A Logistics Materiel Control Activity performs all duties associated with property accountability, to include processing property requests and turn-ins, record keeping, and taking inventories. The Air Force Materiel Command instruction and DoD Instruction 5000.64 were consistent with the exception that the Air Force uses $2,500 as a basis for recording property on accountability records and DoD uses $5,000.

Management Controls and Audit Tests. We reviewed management controls and made tests of property accountability at two Air Force installations with three RDT&E facilities: the Information Directorate at Rome, New York and the Directed Energy Directorate and the Space Vehicles Directorate at Kirtland Air Force Base, New Mexico. At the three facilities, property accountability is maintained through the Air Force's Automated Materiel Control System (for material other than automated data processing equipment) and the Information Processing Management System (for automated data processing equipment). Our reviews at the three RDT&E facilities showed that management controls over personal property had improved since our prior audit.

Information Directorate at Rome. The Information Directorate at Rome was included in our prior audit, which found unlabeled communication and electronic components and parts locked in small buildings without apparent need and without proper accountability. The Information Directorate uses a

Government-operated Logistics Materiel Control Activity to maintain property accountability over personal property other than automated data processing equipment. For automated data processing equipment, the Information Directorate uses the Site Operations Division to maintain property accountability and perform quality assurance reviews. As of May 2002, the Information Directorate had 17,245 items on hand, with an acquisition cost of about $120.3 million, spread among 106 custodian accounts. The Logistics Materiel Control Activity and the Site Operations Division conducted a wall-to-wall inventory during FY 2002 and performed a quality assurance review of property accountability. The Activity's inventory identified a relatively minor number of missing items (10 items, costing about $13,000, within 7 custodian accounts). The quality assurance reviews did not identify any problems with property accountability. We inventoried 52 items (costing about $1.8 million) selected from accountability records, and we selected 28 additional items while we were taking our inventory to see whether the items were recorded on accountability records. No discrepancies were found. In addition, we conducted walkthroughs of four buildings and observed that all personal property was located in safeguarded, active work areas (laboratories and offices) and was being used.

Directed Energy and Space Vehicles Directorates at Kirtland. The Kirtland directorates use a contractor-operated Logistics Materiel Control Activity to maintain property accountability over personal property. Quality assurance reviews by Kirtland logistics personnel did not identify property accountability as a problem in FY 2002. As of March 2002, the directorates had 14,873 items on hand, with an acquisition cost of about $85.4 million, spread among 190 custodian accounts. The Logistics Materiel Control Activity conducted a wall-to-wall inventory during FY 2002. The Activity's inventory identified a relatively minor number of missing items (10 items, costing about $34,000, within 5 custodian accounts). We inventoried 87 items (costing about $5.3 million) selected from accountability records, and we selected 20 additional items while we were taking our inventory and to see whether the items were recorded on accountability records. No discrepancies were found. In addition, we conducted walkthroughs of eight buildings and observed that all personal property was located in safeguarded, active work areas (laboratories and offices) and was being used.

Appendix A. Scope and Methodology

To evaluate the Military Departments' policies and procedures for maintaining property accountability at RDT&E installations, we judgmentally selected six installations. We defined RDT&E installations as any military installation having at least one facility performing RDT&E work. DoD does not maintain a centralized list of RDT&E installations. The Office of the Director, Research and Engineering maintained a list of 67 installations performing RDT&E work, as of January 9, 2002. However, the list included installations with arsenals and centers that perform research and development work and not all installations with test and evaluation facilities. We judgmentally selected the installations (two from each Military Department) because a statistical basis did not exist. One of the two installations of each Military Department was selected because it had been included in our prior audit. The other installation of each Military Department was selected because it had a relatively large RDT&E workload. An accurate or meaningful list of DoD personal property on hand at RDT&E installations, individually or in total, does not exist because RDT&E installations employ different criteria to record personal property on accountability records and do not always separately identify property earmarked for RDT&E projects. Our focus was to determine whether personal property was properly maintained on accountability records and was safeguarded.

The audit essentially involved a risk assessment of how well the Military Departments were maintaining accountability and protecting personal property at RDT&E installations. We did that by determining whether the material management environment for personal property had been improved or strengthened since our prior report. To do so, we reviewed Military Department procedures in effect at the time of this audit. The documented procedures, including DoD Instruction 5000.64, were dated from December 1999 through August 2002. We also conducted walkthroughs of RDT&E facilities to observe whether property was maintained in safeguarded, active work areas and was being used.

We performed this audit from January through November 2002 in accordance with generally accepted government auditing standards. We did not employ statistical sampling techniques and, therefore, the results of our sample reviews cannot be projected. Our judgment in taking samples was influenced by variety, location, and dollar value. Detailed methodology, by Military Department, follows.

Army. To determine whether the Army had improved accountability controls over personal property, we visited two Amy installations (Fort Monmouth and Picatinny Arsenal) with RDT&E facilities. At the facilities, we reviewed and tested management controls over property accountability at the time of our review (April through September 2002). We also reviewed external and in-house reviews made on each facility's property accountability controls. To test property accountability controls, we checked whether recent acquisitions (89 by purchase card holders and 12 by contracting officers) were on hand and recorded on accountability records (DPAS). We also inventoried a judgmentally selected

sample of 50 items and selected an additional 20 items while we were taking our inventory to see whether the items were properly recorded on accountability records.

Navy. To determine whether the Navy had improved accountability controls over personal property, we visited two Navy installations (Lakehurst and Patuxent River) with RDT&E facilities. At the facilities, we reviewed and tested management controls over property accountability that were in effect at the time of our review (March through October 2002). We also reviewed external and in-house reviews made on each facility's property accountability controls. To test property accountability controls, we inventoried a judgmentally selected sample of 50 items and selected an additional 20 items while we were taking our inventory to see whether the items were properly recorded on accountability records (the Patuxent River Inventory System).

Air Force. To determine whether the Air Force had improved accountability controls over personal property, we visited two Air Force installations (Rome and Kirtland) with three RDT&E facilities. At the facilities, we reviewed and tested management controls over property accountability that were in effect at the time of our review (March through May 2002). We also reviewed external and in-house reviews made on each facility's property accountability controls. To test property accountability controls, we inventoried a judgmentally selected sample of 52 items for the facility at Rome and 87 items for the facilities at Kirtland. We also selected an additional 28 items at Rome and 20 at Kirtland to see whether the items were properly recorded on accountability records (the Automated Materiel Control System for materiel other than automated data processing equipment and the Information Processing Management System for automated data processing equipment).

Use of Computer-Processed Data. Property book personnel provided summary totals of personal property that were derived from automated accountability records. We verified information sampled from automated acquisition files and automated accountability records. We did not find errors that would preclude our use of the computer-processed data to meet the audit objective or that would change the conclusions in this report.

High-Risk Area. The General Accounting Office has identified several high-risk areas in DoD. This report provides coverage of the Defense Inventory Management high-risk area.

Management Control Program Review

DoD Directive 5010.38, "Management Control (MC) Program," August 26, 1996, and DoD Instruction 5010.40, "Management Control (MC) Program Procedures," August 28, 1996, require DoD organizations to implement a comprehensive system of management controls that provides reasonable assurance that programs are operating as intended and to evaluate the adequacy of the controls.

Scope of the Review of the Management Control Program. We reviewed the propriety of the Military Departments' personal property at RDT&E installations. Specifically, we determined whether the Military Departments had improved procedures and controls for maintaining property accountability over personal property. Because we did not identify a material weakness, we did not assess management's self-evaluation.

Adequacy of Management Controls. Management controls were adequate as they related to the audit objective.

Appendix B. Prior Coverage

During the last 6 years, the Inspector General of the Department of Defense (IG DoD), the Naval Audit Service, and the Air Force Audit Agency have issued 10 reports dealing with property accountability issues. The IG DoD issued six reports, the Naval Audit Service issued three reports, and the Air Force Audit Agency issued one report. Unrestricted IG DoD reports can be accessed over the Internet at http://www.dodig.osd.mil/audit/reports.

IG DoD

IG DoD Report No. D-2001-169, "United Sates Special Operations Command's Reporting of Real and Personal Property Assets on the FY 2000 DoD Agency-Wide Financial Statements," August 2, 2001

IG DoD Report No. D-2000-133, "Defense Logistics Agency FY 1999 Property, Plant, and Equipment Financial Reporting," May 30, 2000

IG DoD Report No. D-2000-078, "Reliability of the Defense Commissary Agency Personal Property Database," February 18, 2000

IG DoD Report No. 99-142, " Defense Logistics Agency FY 1998 Property, Plant, and Equipment Financial Reporting," April 26, 1999

IG DoD Report No. 98-135, "Implementation of the Defense Property Accountability System," May 18, 1998

IG DoD Report No. 97-183, "Uncataloged Material at Research, Development, Test, and Evaluation Installations," June 30, 1997

Navy

Naval Audit Service Report No. N2001-0034, "Department of the Navy Working Capital Fund Fiscal Year 2000 Personal Property," June 28, 2001

Naval Audit Service Report No. N2001-0008, "Audit Followup on Management, Control, and Accounting Procedures for Sponsor Material at Naval Sea Systems Command Warfare Centers," January 10, 2001

Naval Audit Service Report No. 037-98, "Management of Sponsor Material at Naval Air Systems Command Warfare Centers," June 2, 1998

Air Force

Air Force Audit Agency Report No. 99061026, "Followup Audit--Noncataloged Depot Item Management," November 2, 1999

Appendix C. Report Distribution

Office of the Secretary of Defense

Under Secretary of Defense for Acquisition, Technology, and Logistics
  Deputy Under Secretary of Defense (Logistics and Materiel Readiness)
  Director, Defense Research and Engineering
Under Secretary of Defense (Comptroller)/Chief Financial Officer
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Department of the Army

Commanding General, U.S. Army Materiel Command
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Department of the Navy

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Assistant Secretary of the Air Force (Financial Management and Comptroller)
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Congressional Committees and Subcommittees, Chairman and Ranking Minority Member

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Senate Subcommittee on Defense, Committee on Appropriations
Senate Committee on Armed Services
Senate Committee on Governmental Affairs
House Committee on Appropriations
House Subcommittee on Defense, Committee on Appropriations
House Committee on Armed Services
House Committee on Government Reform
House Subcommittee on Government Efficiency, Financial Management, and Intergovernmental Relations, Committee on Government Reform
House Subcommittee on National Security, Veterans Affairs, and International Relations, Committee on Government Reform
House Subcommittee on Technology and Procurement Policy, Committee on Government Reform

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