

# **Realignment Phase 2 Field Operating Agencies**

**Office of the Administrative  
Assistant to the Secretary  
of the Army**

**4 November 2004  
Audit Report: A-2005-0003-ALA**



**U.S. Army Audit Agency**





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4 November 2004

Office of the Administrative Assistant to the Secretary of the Army


This report presents the results of our audit of how the field operating agencies of Headquarters, DA implemented Army leadership realignment decisions. Army leadership requested U.S. Army Audit Agency to provide realtime input to Army leaders on ways to effectively implement approved decisions and monitor actions agencies were taking to implement Army leadership realignment decisions.

We assessed the adequacy of affected agencies' realignment actions for compliance with leadership decisions, and determined if appropriate resources were transferred and recorded in Army standard systems.

We provided the information in this report to Army leadership and field operating agencies at several points throughout the audit. This report summarizes information previously reported to, and discussed with, responsible Army personnel. Because there are no recommendations in this report, the command-reply process that Army Regulation 36-2 prescribes doesn't apply.

I appreciate the courtesies and cooperation extended to us during the audit.

FOR THE AUDITOR GENERAL:

  
JOSEPH P. MIZZONI  
Program Director  
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and Development

*This report replaces Audit Report A-2005-0003-ALA, dated 4 October 2004.*

*For more information about this audit, please call the Acquisition, Research and Development Division at (703) 681-9593.*

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# **INTRODUCTION**

## **PURPOSE**

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The purpose of this report is to present the results of our audit of how the Headquarters, DA (HQDA) field operating agencies implemented the Secretary of the Army and Chief of Staff realignment decisions. Army leadership requested this effort to help oversee the implementation of decisions to realign field operating agencies of HQDA. We audited actions the field operating agencies made to implement realignment decisions, and to transfer functions and resources.

To assist the Army in its realignment effort, we:

- Reviewed affected field operating agencies' implementation plans for compliance with leadership decisions and applicable guidance.
- Determined if agencies implemented approved decisions and plans.
- Determined if resource movements were recorded in Army standard systems.

We provided the information in this report to Army leadership and field operating agencies at several points throughout the audit. This allowed HQDA and the agencies to consider the information in the implementation process. This report summarizes information previously reported to, and discussed with, responsible Army personnel. Annex B lists the issued reports. Annex C provides a summary of each report.

## **BACKGROUND**

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On 4 January 2002, the Secretary of the Army and the Chief of Staff directed a review to align the missions and functions of field operating agencies. The purpose of the review was to achieve more streamlined, integrated organizations that can meet rapidly changing institutional and operational challenges. The Secretary and the Chief appointed the Deputy Under Secretary of the Army as the Director of the review. The Director established a charter identifying responsibilities, goals, assumptions, and procedures. To execute the mission of the charter, the Army established a Task Force made up of subject matter experts and representatives from affected functions and organizations. The Task Force:

- Developed baseline organizations using Army standard systems.
- Evaluated missions and functions of organizations for possible realignment.
- Recommended realignment courses of actions to the Secretary of the Army and Chief of Staff.
- Asked U.S. Army Audit Agency to audit each organization's baseline, recommend needed adjustments to the baseline, and monitor follow-on actions to implement Army leadership decisions.

## **Leadership Involvement**

Senior Army leaders from the Secretariat and Army Staff were directly involved with designing the realignment goals and objectives. The Secretary of the Army and Chief of Staff appointed the Deputy Under Secretary of the Army as the Director, Field Operating Agencies Task Force to lead the review.

The Director provided policy oversight of the review in coordination with the Secretary and Chief. The Director and his staff consulted with representatives from affected organizations to gain insights on the functions and operations of the field operating agencies. The Director also solicited ideas that would contribute to meeting the goals and objectives of the realignment effort.

In January 2003, the Army announced the approved realignment decisions. The Secretary and the Chief issued a decision memorandum containing 35 realignment actions affecting 17 field operating agencies.

## **U.S. Army Audit Agency's Role**

The Director requested U.S. Army Audit Agency's assistance to provide realtime audit input to Army leaders on ways to effectively implement approved decisions for realigning field operating agencies. To assist the Army in this effort, we reviewed implementation plans, actions taken to implement and institutionalize the decisions, and actions taken to coordinate the efforts and process of transferring functions and resources.

In addition, the Army Audit Agency oversaw the Realignment Implementation Working Group. We monitored and measured the progress of actions needed to implement realignment decisions affecting HQDA field operating agencies. Specific responsibilities included:

- Identifying and resolving issues and barriers related to implementing the approved realignment plans.
- Updating senior Army Leaders on the Realignment Executive Implementation Committee on all actions related to implementing realignment decisions.
- Tracking progress, identifying problems, recommending corrective actions, and measuring corrective actions needed to make sure field operating agencies appropriately implemented and institutionalized the realignment decisions.

## **OBJECTIVES AND CONCLUSIONS**



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We concentrated on determining if agencies complied with Secretary of the Army and Chief of Staff decisions on reorganizing and realigning field operating agencies. We established two specific objectives for this effort.

### **Implementing the Approved Decisions**

**Objective:** Were organizational changes in compliance with Secretary of the Army and Chief of Staff decisions?

**Conclusion:** Yes. Overall, agencies properly implemented the approved Army realignment decisions. During January 2003, Army leadership issued a memorandum on the subject of Realignment Phase 2, Field Operating Agencies' Implementation Plans. The memorandum conveyed 35 decisions of the Secretary of the Army and the Chief of Staff on realigning 17 Army field operating agencies. We reviewed actions the operating agencies took to implement the realignment decisions. The majority of the decisions were fully implemented. The status of the 35 realignment decisions was:

- Agencies completed 29 realignment decisions. These actions complied with the approved decisions.
- Army leadership rescinded two realignment decisions.
- Agencies needed to complete actions on four realignment decisions. Of these actions two had an approved suspense date in the future.

Agencies successfully implemented the decisions because of the control environment and processes Army leadership put in place as part of the realignment process. The processes and controls will provide reasonable assurance that the Army agencies will institutionalize realignment decisions.

### **Completed Realignment Decisions**

Agencies successfully implemented 29 of the approved Army leadership realignment decisions. Army leadership approved implementation plans that adequately identified actions needed by

agencies to comply with realignment decisions. Specifically, agencies:

- Conducted organizational studies to realign or reduce personnel authorizations for improving efficiency.
- Prepared implementation plans outlining proposed actions to realign missions, functions, responsibilities, and resources based on leadership's criteria.
- Briefed studies and plans to Army leadership for approval.

The Human Resource Integrated Process Team briefed Army leadership on a multiyear implementation plan. We will address the human resource implementation plan in a separate audit report.

Some of the major realignment decisions that the field operating agencies completed included:

- Office of The Inspector General created a new bio-surety mission and team, and integrated Reserve Component authorizations into the U.S. Army Inspector General Agency.
- Office of the Chief of Legislative Liaison realigned its organizational structure and reduced authorizations.
- The Judge Advocate General's School investigated alternatives to reduce its staff and worked with DOD and the Services to address joint education and shared workload.
- Office of the Assistant Secretary of the Army (Acquisition, Logistics and Technology) worked with U.S. Army Materiel Command to disestablish U.S. Army Simulation, Training and Instrumentation Command and move operations to the newly created Program Executive Office, Simulation, Training and Instrumentation and the Army Acquisition Executive.
- U.S. Army Contracting Agency established a Contingency Contracting Directorate, and developed a savings plan.
- U.S. Army Acquisition Support Center consolidated three organizations (the Acquisition Career Management Office, the Logistics Proponency Office, and the Army Acquisition Executive Support Agency) into one organization and

reduced the authorizations needed to accomplish its functions.

- Office of the Chief Public Affairs successfully completed Phase I of its plan. It transferred 48 authorizations (and the associated funds) from the Operations Group and the Army Hometown News Service to the Broadcasting Service.

### **Rescinded Realignment Decisions**

During the audit, Army leadership rescinded two realignment decisions. The Acting Secretary of the Army rescinded the decisions to:

- Eliminate the U.S. Army Peacekeeping Institute from the U.S. Army War College. In July 2003, Army leadership decided to reestablish the functions of the Peacekeeping Institute. The College developed a detailed concept plan for the new U.S. Army Peacekeeping and Stability Operations Institute that outlined the new mission and the resources required for execution. Headquarters, DA approved the plan in February 2004.
- Collocate the U.S. Army Logistics Transformation Agency into one location at Fort Belvoir. However, because of DOD and congressional concern about collocating the Transformation Agency in the National Capital Region, Army leadership rescinded the realignment decision to collocate the offices.

### **Open Realignment Decisions**

Some agencies are in the process of completing actions on four realignment decisions. The following agencies still need to complete actions to fully comply with approved realignment decisions:

- The Office of Assistant Secretary of the Army (Acquisition, Logistics and Technology) is performing a review to assess and resize Program Executive and Program Manager Offices. The Office expects to complete the review and brief the results and recommendations to the Secretary and Chief by 31 October 2004.
- The Office of The Inspector General has until FY 06 to complete two actions for implementing a plan to convert

Active Component authorizations to Reserve Component authorizations and converting eight spaces.

- Office of the Chief of Public Affairs was in the process of implementing Phase II of its implementation plan. Phase II calls for the Office to realign functions and resources from three divisions and three offices into the Soldier Media Center. The Office has until FY 07 to complete the Phase II plan and establish the Soldier Media Center.
- U.S. Army Legal Services Agency made significant progress towards fielding a Web-based personnel claims application program to help improve its claims services. The Agency plans to field the completed system in first quarter FY 05.

### **Controls Over the Realignment Process**

Processes, policies, and controls the Army established for field operating agencies of Headquarters, DA were adequate to provide reasonable assurance that agencies effectively implemented the Secretary of the Army's and Chief of Staff's realignment decisions. Controls over the realignment process included:

- Having senior leadership participate in developing realignment goals and objectives, and developing preferred courses of action.
- Assigning a senior leader as the Director, Field Operating Agencies Task Force. The Director outlined a process and timetable for developing and implementing the realignment effort.
- Establishing a full-time task force of representatives from affected field operating agencies.
- Providing guidance and written approval of implementation plans of proposed actions to realign organizations.
- Establishing the Executive Implementation Committee and the Realignment Implementation Working Group as forcing and enabling mechanisms to resolve issues and barriers, and track progress.
- Establishing a reclama process that allowed activities to present risks associated with implementing decisions, and realigning functions and resources.

- Requesting U.S. Army Audit Agency to provide realtime input to Army leaders on ways to effectively implement approved decisions and oversee actions activities were taking to implement the field operating agencies realignment.

Agencies put forth immense time, effort, and energy to meet the Secretary of the Army's and Chief of Staff's realignment decisions. We believe the processes and controls will provide reasonable assurance that the Army will fully implement realignment decisions and achieve its goal of creating more streamlined and integrated organizations.

## **Reporting the Transfer of Functions and Resources**

**Objective:** Did agencies adequately coordinate the transfer of functions and resources with all affected activities?

**Conclusion:** Agencies adequately coordinated the transfer of most of the functions and resources with affected activities. We reviewed 17 agencies as part of the realignment effort. At the time of our audit, 16 of the 17 agencies had successfully transferred 845 authorizations and about \$3.8 billion for FYs 04 – 09. Approved authorizations and transfers were accurately recorded in Army manpower systems. Also, agencies transferred the associated funds needed to implement realignment decisions. The transfers of funds were accurately recorded in the budget system. Specifically, agencies:

- Updated their Table of Distribution and Allowances accurately reflecting approved end strengths. The tables agreed with authorizations programmed within the Structure and Manpower Allocation System.
- Transferred FY 04 funds through Funding Authorization Documents and Funding Letters, and transferred funds across the Program Objective Memorandum 05 – 09 for future years. However, two agencies' funding transactions weren't coded as approved realignment decisions and, therefore, couldn't be tracked within the budget system (Program Optimization and Budget Evaluation). However, we performed sufficient reviews to determine the agencies transferred the appropriate funds.

At the time of this report, only one agency needed to complete actions for coordinating the transfer of functions and resources. Specifically:

- U.S. Army Center of Military History (Center) agreed to coordinate with supporting activities to make sure FY 05 resources are transferred back to the Center. The Center needed to transfer these resources after the Army reversed the original realignment decision.

## **Controls Over Resource Transfers**

The Realignment Implementation Working Group worked with subject matter experts in the areas of planning, programming, budget, and execution; manpower documentation; personnel; and standard Army systems. The goal was to identify and establish controls that would help identify transactions unique to the field operating agencies' realignment and would allow those transactions to be tracked and monitored through Army standard systems. Based on the collective input of these functional experts, the Army put controls in place to help track realignment-related transactions in Army standard systems. Specific controls included:

- **Controls for Tracking Manpower Authorizations (Command Requested Changes, Schedule 8).** Operating agencies assigned unique issue numbers and remarks in the comments field on realignment related Schedule 8 transactions. Field operating agencies submit Schedules 8 for changes to civilian and military manpower, and for changes to dollars in all appropriations except military pay. Operating agencies reviewed and forwarded the Schedule 8 transactions to the Office of Program Analysis and Evaluation, which then input the transactions into Army systems for the upcoming Program Objective Memorandum process.
- **Controls for Tracking Funds (Command Requested Changes, Schedule 8).** Operating agencies tied associated fund transfers to the appropriate realignment manpower authorization transactions using the same issue numbers and comments on dollar Schedules 8.
- **Controls Over Tables of Distribution and Allowances.** U.S. Army Force Management Support Agency identified realignment-related changes to manpower authorizations in the FY 04 Tables of Distribution and Allowances. It used the remarks section of the document to identify the realignment-related changes.

We believe the controls put in place helped field operating agencies effectively implement Army leadership realignment decisions and coordinate the transfer of resources.

Annex B lists the issued audit reports. Annex C provides a summary of each report.

## **ANNEXES**



## **AUDIT SCOPE AND METHODOLOGY**

We obtained and reviewed applicable Senior Army leadership guidance and all applicable field operating agencies' documents and transactions regarding the realignment. The audit covered decision documents and transactions for the period May 2002 through April 2004. We performed the audit according to generally accepted government auditing standards and included the tests of management controls that we considered necessary under the circumstances.

We provided the information in this report to Army leadership and field operating agencies at several points throughout the audit. This allowed Headquarters, DA and the agencies to consider the information in the implementation process. This report summarizes information previously provided to, and discussed with, responsible Army personnel.

To determine if the agencies implemented the approved realignment decisions, appropriately transferred resources, and recorded approved authorizations in Army manpower and budget systems, we:

- Reviewed all Army decisions on realignment implementation plans conveyed in a memorandum issued 29 January 2003.
- Interviewed key personnel from each agency; Realignment Task Force, Office of the Deputy Under Secretary of the Army; Office of the Deputy Chief of Staff, G-3; Office of the Deputy Chief of Staff, G-8; Office of the Administrative Assistant to the Secretary of the Army (Operating Agency 22); Program Analysis and Evaluation Division; and the Training Program Evaluation Group. These personnel were directly responsible for documenting and coordinating the realignment of resources in official Army systems.
- Reviewed, analyzed, and compared the agencies' implementation plans with decision memorandums, and approved reclaims against the following source documents to track manpower authorization and funding movements:
  - FY 04 Table of Distribution and Allowances with effective dates of 2 – 4 October 2003, reflecting field operating agencies' realignment decisions.
  - FY 05 Table of Distribution and Allowances with effective date of 2 October 2004, reflecting field operating agencies' realignment decisions.

- BESPOM FY 05 – 09, Program Objective Memorandum Files: PF 3.0 released 14 July 2003.
  - BESPOM FY 05 – 09, Program Objective Memorandum Files: PF 1.0 released 20 August 2003.
  - Program Budget Decision 041.
- 
- We relied on computer-generated data and determined the data accuracy by comparing the system data with source documentation. Based on these tests, we determined that the data was sufficiently reliable to support our audit conclusions.
  - Established controls to oversee the activities' progress in implementing the approved decisions.
  - Attended the Realignment Task Force 2 Field Operating Agency Implementation Working Group.

## ISSUED AUDIT REPORTS

| Organization  | Audit Report    |
|---|-----------------|
| Army National Guard Readiness Center  | A-2004-0190-AMA |
| Office of the Chief of Legislative Liaison  | A-2004-0265-AMA |
| U.S. Army War College   | A-2004-0283-AMA |
| Office of The Judge Advocate General  | A-2004-0293-AMA |
| U.S. Army Test and Evaluation Command   | A-2004-0294-AMA |
| U.S. Army Logistics Transformation Agency   | A-2004-0298-AMA |
| Office of the Chief of Public Affairs   | A-2004-0324-AMA |
| U.S. Army Center of Military History  | A-2004-0334-AMA |
| Office of the Deputy Chief of Staff, G-3  | A-2004-0349-AMA |
| U.S. Army Acquisition Support Center/U.S. Army Simulation, Training and Instrumentation Command | A-2004-0361-AMA |
| U.S. Army Inspector General Agency  | A-2004-0378-AMA |
| U.S. Army Contracting Agency  | A-2004-0445-AMA |

## SUMMARY OF RESULTS FOR THE AGENCIES INCLUDED IN THE REALIGNMENT

### **Army National Guard Readiness Center**

The Office of the Director, Army National Guard successfully implemented approved Army realignment decisions. The Office of the Director:

- Conducted an organizational analysis that reorganized the Army National Guard Readiness Center (Readiness Center).
- Transferred 166 non-add authorizations from the Readiness Center's Table of Distribution and Allowances to National Guard operational forces. (This transfer brought the Readiness Center's approved strength to 1,334 authorizations.)

Transferring the non-add authorizations didn't affect the Readiness Center's budget or funding in Army standard systems.

### **Office of the Chief of Legislative Liaison**

The Office of the Chief of Legislative Liaison (Liaison Office) properly realigned its organizational structure and reduced authorizations according to approved Army realignment decisions. The Liaison Office:

- Conducted an organizational study that realigned and reduced personnel authorizations by 12 positions. (This reduction brought the Liaison Office's approved strength to 90 authorizations.)
- Converted a vacant Congressional Liaison Representative position to a Chief, Support Operations Division position.
- Converted an Administrative Sergeant position to a Chief Warrant Officer administrative technician position.
- Retained about \$3 million in the budget system for meeting other payroll requirements.

Also, the Deputy Chief of Staff, G-3 recorded an approved Senior Executive Service position in The Army Authorization Documents System by 31 May 2004. (This transaction brought the Liaison Office's approved strength to 91 authorizations.)

**U.S. Army War College**

The U.S. Army War College (College) successfully implemented the approved realignment and subsequent decisions. The College:

- Realigned its organization under the command of U.S. Army Training and Doctrine Command.
- Transferred appropriate missions and functions, and reduced personnel authorizations by 46 positions. (This transfer brought the College's approved strength to 396 authorizations.)
- Transferred about \$9.4 million in the budget process. However, some of the College's funding transactions weren't coded as approved realignment decisions and, therefore, couldn't be tracked within the budget system. We performed sufficient reviews to determine the College transferred the appropriate funds.

The Secretary of Defense requested the Army to reevaluate the closing of the U.S. Army Peacekeeping Institute. During July 2003, the Acting Secretary of the Army issued a memorandum to the College to take actions for reestablishing the functions of the Peacekeeping Institute. The College developed a detailed concept plan for the new Peacekeeping and Stability Operations Institute that outlined the scope of the new mission and the resources required for execution. Headquarters, DA approved the plan in February 2004.

**Office of The Judge Advocate General**

The Office of The Judge Advocate General, The Judge Advocate General's School (School), and U.S. Army Legal Services Agency (Services Agency) successfully implemented all but one of its approved Army realignment decisions. The School investigated alternatives to reduce staff, and worked with DOD and the Services to address Joint Education and shared workload. The Services Agency made significant progress in fielding a Web-based personnel claims application program. (The Services Agency plans to complete fielding the final system during first quarter FY 05.) It also improved the U.S. Army Claims Service to the point it could justify the Claims Service shouldn't be consolidated with the DOD General Counsel or other Services. The School and Services Agency:

- Reduced personnel authorizations by 29 positions and accurately documented their FY 04 end strengths in Army manpower systems.

- Transferred about \$7 million in the budget process. However, some of the Services Agency's funding transactions weren't coded as approved realignment decisions and, therefore, couldn't be tracked within the budget system. We performed sufficient reviews to determine the Services Agency transferred the appropriate funds.

### **U.S. Army Test and Evaluation Command**

U.S. Army Test and Evaluation Command complied with overall Army realignment decisions. Initial decisions from the Secretary of the Army and Chief of Staff required command to prepare a concept plan and congressional strategy to collocate Headquarters, Test and Evaluation Command with the U.S. Army Evaluation Center in FY 04. Command prepared a detailed stationing plan, but persuaded Army leadership to submit the proposal to collocate command's operations under the FY 05 Base Realignment and Closure (BRAC) process, rather than as an initiative under the realignment of the field operating agencies. The Acting Secretary of the Army approved the request. Command started coordinating with the Army's Office for Infrastructure and Analysis to submit the collocation proposal as an FY 05 BRAC initiative.

### **U.S. Army Logistics Transformation Agency**

The Office of the Deputy Chief of Staff, G-4 (ODCS, G-4) and the U.S. Army Logistics Transformation Agency (Logistics Agency) successfully implemented the approved Army realignment decisions to transfer elements and functions of the Logistics Agency. The Logistics Agency:

- Reduced personnel authorizations by 25 positions and accurately documented its FY 04 end strength in Army manpower systems. (This reduction brought the Logistics Agency's approved strength to 109 authorizations.)
- Transferred about \$392.2 million in the budget process to activities to which functions and authorizations were transferred.

The ODCS, G-4 and the Logistics Agency didn't collocate the New Cumberland Pennsylvania Office with the Fort Belvoir Virginia Office because the Acting Secretary of the Army rescinded the decision to collocate the offices.

## **Office of the Chief of Public Affairs**

The Office of the Chief of Public Affairs successfully complied with approved Army realignment decisions to date. The Secretary of the Army and Chief of Staff's initial decisions required the Public Affairs Office to defer realignment actions until the Office of the Secretary of Defense completed its study to consolidate the Services' Public Affairs Offices. However, the Public Affairs Office successfully persuaded Army leadership to approve a plan that would internally realign its organization during a phased process, and establish a most efficient organization by FY 07. At the time of our audit, the Public Affairs Office had implemented Phase I of the plan. Specifically, the Public Affairs Office:

- Transferred functions and 48 authorizations from the Army Public Affairs Operations Group and the Army Hometown News Service to the Army Broadcasting Service. (This transfer brought the Broadcasting Service's approved strength to 382 authorizations.)
- Transferred about \$19.6 million in the budget process to activities to which functions and authorizations were transferred.

During the second phase, the Public Affairs Office will realign functions and transfer 42 authorizations from 3 divisions and 3 offices into the Broadcasting Service. The Broadcasting Service will then become the Soldiers Media Center. It will serve as the integrating agency to accomplish effective media communications by FY 07. The Public Affairs Office had started coordinating future realignment actions with appropriate manpower and funding agencies to make sure resources are properly programmed and recorded in Army standard systems.

## **U.S. Army Center of Military History**

The U.S. Army Center of Military History (Center) implemented initial Army realignment decisions. The Center transferred museum-related functions and authorizations to the U.S. Army Military District of Washington (Military District). The Center successfully:

- Updated its Staffing FY 04 Table of Distribution and Allowances for the 13 authorizations transferred to the Military District. (This transfer brought the Center's approved strength to 79 authorizations.)
- Transferred about \$5.7 million in the budget system to the Military District.

After the Center completed these actions, the Army reversed the decision because aligning personnel authorizations and funding across command lines created a difficult management role for the Center. This new alignment resulted in mission, planning, and project dollars for the National Museum being aligned under the Center, and the authorizations and associated payroll funding for the National Museum being aligned under the Military District. When the Army reversed the realignment decision, the Center initiated appropriate actions to restore authorizations and funds. The Center agreed to coordinate with supporting activities to complete the transfer of the resources.

### **Office of the Deputy Chief of Staff, G-3**

The Office of the Deputy Chief of Staff, G-3 (ODCS, G-3) successfully implemented the approved Army realignment decisions. The ODCS, G-3 completed manpower and organization studies for non-Training and Doctrine Command schools (non-TRADOC Schools), the Command and Control Support Agency (Support Agency), and the Operations and Plans Support Group (Support Group). In addition, the ODCS, G-3 presented the studies and recommendations to the Chief of Staff and the Director of the Army Staff. Army leadership agreed to the following recommendations:

- Task TRADOC as the proponent for the Army's training and leader development process with the responsibility to operate a quality assurance program for non-TRADOC Schools. Operational control of the non-TRADOC Schools will remain with the functional activity.
- Retain the Support Agency as a separate activity under the ODCS, G-3 with no organizational changes or reductions.
- Make no further reductions to the Support Group.

### **U.S. Army Acquisition Support Center/U.S. Army Simulation, Training and Instrumentation Command**

The Assistant Secretary of the Army (Acquisition, Logistics and Technology) (OASA (ALT)) and U.S. Army Materiel Command successfully implemented Army realignment decisions by realigning functions and resources of the U.S. Army Acquisition Support Center and U.S. Army Simulation, Training and Instrumentation Command (Simulation Command). Specifically, the OASA (ALT) and Army Materiel Command:



- Consolidated functions and resources of the Acquisition Career Management Office, Logistics Proponency Office, and former Acquisition Executive Support Agency into an Acquisition Support Center.
- Disestablished Simulation Command as a major subordinate command.
- Created a Program Executive Office for Simulation, Training and Instrumentation.
- Transferred about \$3 billion in the budget process.

The OASA (ALT) agreed to complete its review on resizing and reorganizing Program Executive and Program Manager Offices, and staff the results with Army leadership by 31 October 2004.

### **U.S. Army Inspector General Agency**

The Office of The Inspector General (IG Office) successfully implemented the Army's approved realignment decisions for the U.S. Army Inspector General Agency (IG Agency). However, the IG Office must continue coordinating actions with supporting agencies to have some authorizations recorded in Army manpower systems. Specifically, the IG Office:

- Converted Active Component authorizations to Reserve Component authorizations, and properly coordinated the conversions with both the Office of the Army Reserve and the Army National Guard.
- Studied the potential for outsourcing the IG Agency's information technology requirements.
- Created a bio-surety inspection program.
- Received Army leadership approval to increase the IG Agency's end strength from 141 to 145 authorizations.

The IG Office properly coordinated with supporting agencies, and documented most of the changes to the IG Agency's resources in Army standard systems. The IG Office's FY 05 – 11 budget accurately reflected the funding needed to meet approved realignment decisions for future years. The IG Office must continue coordinating with supporting activities to have some authorizations recorded in Army manpower systems to meet the latest approved realignment decisions. The IG Office agreed to coordinate actions to process and finalize the IG Agency's

conversion of Active Component to Reserve Component authorizations, and record its approved end strength of 145 authorizations in Army manpower systems.

### **U.S. Army Contracting Agency**

The OASA (ALT) and Army Contracting Agency implemented most of the approved realignment decisions. The OASA (ALT) initially established the Contracting Agency as a field operating agency under its authority. In addition, the Contracting Agency:

- Developed an approved Army Contracting Resource plan to generate a net 10-percent personnel saving. (This equates to 230 authorizations.) The Contracting Agency must develop a Concept Plan and coordinate the plan with the ODCS, G-3 during the Command Plan process.
- Successfully established a Contingency Contracting Directorate to perform the functions associated with controlling all Army contingency contracting. The Contracting Agency accurately documented the Directorate's FY 04 end strength in Army standard systems. Transferring authorizations internally to create the Directorate didn't affect the Contracting Agency's overall budget or funding in Army standard systems.
- The OASA (ALT) recommended to the Secretary of the Army and Chief of Staff that the Contracting Agency remain as a direct report to the OASA (ALT).

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Deputy Chief of Staff, G-3  
Deputy Chief of Staff, G-4  
Deputy Chief of Staff, G-8  
Assistant Chief of Staff for Installation Management  
Chief of Army Reserve  
The Judge Advocate General  
Director, Army National Guard

### Commanders,

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U.S. Army Materiel Command  
U.S. Army Military District of Washington  
U.S. Army Test and Evaluation Command  
U.S. Army Force Management Support Agency  
U.S. Army Center of Military History

### Directors,

U.S. Army Logistics Transformation Agency  
U.S. Army Acquisition Support Center  
U.S. Army Contracting Agency  
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**AUDIT TEAM**  
**(Project Code A-2003-AMA-0535.000)**

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