

Naval Audit Service Audit Report N2005-0046, “The Department of the Navy’s Implementation of the FY 2005 Base Realignment and Closure Process”

Overview

The Defense Base Closure and Realignment Act of 1990, as amended, is intended to provide for a fair process that will result in the timely closure and realignment of military installations inside the United States. The statutory process is designed to ensure that the list of military installations recommended for closure or realignment was determined based on the military value (MILVAL) and other selection criteria specified for the 2005 round, and on the infrastructure inventory and 20-year force structure plan developed for the Base Realignment and Closure (BRAC) 2005 process by the Department of Defense (DoD). The recommendations were submitted to the Defense Base Closure and Realignment Commission and Congressional defense committees on 13 May 2005.

We audited the Department of the Navy’s (DON’s) BRAC 2005 process during the period from October 2003 to 10 June 2005 and concluded that it complied with statutory guidance and DoD policies and procedures. We did note and report opportunities for improvement with the proper marking, identification, safe-keeping and retention of source documentation for certified data; differences between source documentation and the data call responses provided; and minor data errors related to excess capacity analysis, military valuation, and scenario analysis phases. However, the Infrastructure Analysis Team (IAT) took immediate action to make the improvements and correct the certified data.

DON developed an internal control mechanism for ensuring the accuracy and completeness of information gathered during the BRAC 2005 process. Under the Defense Base Closure and Realignment Act of 1990, the Secretary of the Navy, when submitting information to the Secretary of Defense or the Commission concerning the closure or realignment of a military installation, shall certify that such information is accurate and complete to the best of his knowledge and belief. As a basis for the certification by the Secretary of the Navy, individuals providing information as part of the BRAC 2005 process were required to certify the accuracy and completeness of such information.

Objective

The objective of the audit was to ensure the processes used in implementing base closure and realignment requirements were sound and the data used for the processes were reasonably accurate and complete. DON's Internal Control Plan for Management of the BRAC Process charged the Naval Audit Service

(NAVAUDSVC) to perform an independent audit of the DON BRAC 2005 process review the supporting processes, data, and documentation used to develop the DON BRAC Information Transfer System (DONBITS) database; and verify DON's compliance with certification policy.

Conclusions

Overall, the processes used by DON in implementing BRAC requirements appeared reasonably sound and the data appeared reasonably accurate and complete. Specifically, processes used by DON to gather certified data, validate the data and make necessary corrections to the data appear sound. Also, the methodologies and formulas used to calculate excess capacity and MILVALs, rank military installations, identify realignment and closure scenarios for evaluation, and calculate the cost or savings of the scenarios, appeared reasonably sound. The data we audited used by DON to identify excess capacity, rate the MILVAL of military installations and evaluate bases closure and realignment scenarios was certified data that, after being corrected through the data resolution process, appeared reasonably accurate and complete.

We determined that the internal control plan provided an adequate basis for controlling and reviewing compliance with the BRAC 2005 process. Ultimately, we concluded that recommended installation closures and realignments were determined based on certified data that appeared to be reasonably accurate and complete.

Corrective Actions

We identified data discrepancies throughout the audit fieldwork and promptly notified the IAT and the originating activities of errors in data and, where appropriate, the lack of sufficient, competent, and relevant evidence to verify the accuracy of the data. The IAT took action to correct errors in the data, reinforced the importance of identifying and retaining appropriate supporting documentation, and issued supplemental or additional data call questions to obtain the necessary data. Based on audit tests, it appeared that the IAT's process for correcting data discrepancies was operating effectively to correct discrepancies in the certified data in DONBITS. Because corrective actions were taken throughout the audit fieldwork, we are not making recommendations.