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COMPTROLLER GENERAL'S  
REPORT TO THE CONGRESS

NEED TO IMPROVE ACCURACY OF  
AIR FORCE REQUIREMENTS SYSTEM  
FOR REPARABLE PARTS  
Department of the Air Force B-146874

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D I G E S T



WHY THE REVIEW WAS MADE

The Department of the Air Force has a highly complex system for determining, by computer, requirements for reparable parts. The system furnishes data on about 150,000 items, consisting primarily of aeronautical parts. The inventory of these items is valued at \$7.1 billion. Procurements and repair programs for these items in fiscal year 1970 exceeded \$900 million.

The Air Force makes decisions to buy, repair, retain, or dispose of reparable parts on the basis of data provided by this requirements system. Also data from this system are used to support requests for funds from the Congress.

The General Accounting Office (GAO) undertook the review to ascertain whether the system provided management with reliable information.

FINDINGS AND CONCLUSIONS

Errors in several key data elements in this system were widespread. Because of the extent of error, questions were raised as to whether management was getting reliable information for making decisions to buy, repair, retain, or dispose of reparable parts.

GAO's review of requirements computations for 110 items selected on a statistical-sampling basis showed that errors had caused inaccurate requirements in about 59 percent of the computations. Requirements for some items were misstated by \$2.5 million, and availability of assets were misstated by \$2.2 million.

GAO, using statistical-sampling techniques, estimates that, of the 73,000 computations for items showing requirements such as a need to buy or repair, about 43,000 were inaccurate. GAO could not estimate, with any degree of accuracy, the total dollar effect of these inaccurate requirements. However, the extent of errors and the amount of funds involved for the items sampled indicated that substantial amounts could be involved.

Causes for errors in the system follow.

- Data are not checked for accuracy before they are used due to managers' heavy workloads.

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- Good sources are not readily available for some of the data needed.
- Policies and procedures are ambiguous or unclear.
- Personnel are not trained thoroughly in the system's operations.

The requirements system reviewed by GAO is scheduled to be absorbed into a new highly sophisticated logistics system called the Advanced Logistics System. GAO is concerned that invalid data will be carried into the new system and will minimize the expected benefits. (See p. 16.)

#### RECOMMENDATIONS OR SUGGESTIONS

To improve the reliability of data for this requirements system, the Secretary of the Air Force should direct the Air Force Logistics Command to:

- Strengthen procedures for finding and correcting errors.
- Provide reliable sources of information for requirements workers so that they can check data more easily.
- Accelerate training programs.
- Take action necessary to reduce the amount of invalid data transferred into the Advanced Logistics System data bank.
- Consider reducing the number of items managed under this requirements system by eliminating those items having low usage.

Further, because of the large number of errors in the system reviewed, the Air Force Audit Agency should test, using statistical-sampling techniques, the reliability of data currently contained in other systems which will be used by the Advanced Logistics System. The results of such tests should then be reported to management for corrective action. (See p. 21.)

#### AGENCY ACTIONS AND UNRESOLVED ISSUES

The Air Force acknowledged that errors existed in the system. However, the Air Force stated that corrective actions taken and underway would make the system effective and reliable for computing requirements.

Concerning each of the above suggestions, the Air Force said that:

- Computer checks had been installed to correct the data. The Air Force Logistics Command had designated personnel to work full time on a program designed to analyze, review, and recommend courses of action to eliminate causes of errors. (See p. 28.)

- The Logistics Command was developing procedures to guide managers in obtaining, verifying, and correcting data used in the computations. (See p. 30.)
- The Advanced Logistics System Data Conversion Plan, which was published in September 1971, was to insure the accuracy of data element values loaded into the data bank and to identify and correct errors which were present in the system. (See p. 32.)
- The Air Force Audit Agency would provide management with maximum practical audit support to improve data accuracy. (See p. 35.)
- The command had implemented an improved personnel-retesting program in February 1972 to determine on a more timely basis the need for accelerated training of individuals in specific areas of materiel requirements. (See p. 31.)

With respect to GAO's suggestion that low-usage items be dropped from the system, the Air Force said that it would not be practical to set up separate management for these items. GAO agrees but recommends that the Air Force at least eliminate the many items having no usage. (See p. 23.)

MATTERS FOR CONSIDERATION BY THE CONGRESS

The Appropriations Committees of the Congress and other committees may wish to consider the matters discussed in this report in connection with future Air Force fund requests for reparable parts and computerized systems.