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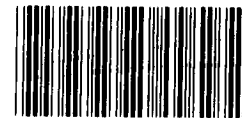
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**Report To The Chairman, Subcommittee  
On Legislation And National Security,  
House Committee On Government Operations  
OF THE UNITED STATES**

**The Navy's Inspection System  
Could Be Improved**

The Naval Inspector General inspection system is much smaller than the Air Force or the Army systems, and covers only about 20 percent of the Navy's activities; the other activities are inspected by individual commanders. While this tiered system has minimized duplication, it has also prevented lower level problems from reaching the Navy headquarters Inspector General. If headquarters expanded its inspections and used civilians more often to fill professional positions, the system would be stronger.

Headquarters and some major command inspection reports are valuable, but they can be improved by (1) developing more information on the underlying causes of problems disclosed during inspections and (2) eliminating reports of minor, non-mission-related deficiencies.



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DECEMBER 26, 1979



COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

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The Honorable Jack Brooks  
Chairman, Subcommittee on Legislation  
and National Security  
Committee on Government Operations  
House of Representatives

HSE 01506

Dear Mr. Chairman:

Your letter of November 13, 1978, requested that we review inspector general operations in the Air Force, Army, Navy, Marine Corps, and Defense Logistics Agency. You also asked us to determine whether the new Department of Defense policy of releasing inspector general reports to us is a workable solution to the longstanding problem of obtaining inspection reports and records needed to perform our work.

We received excellent cooperation from Navy officials and were provided copies of all reports and supporting documentation we requested. Accordingly, we were able to evaluate the effectiveness of the inspection system of the Naval Inspector General. This report discusses the results of our review and contains several recommendations for strengthening the inspection system.

As you requested, we did not obtain written comments from the Navy. However, we did informally discuss our findings with Naval officials and included their comments in the report where appropriate.

As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days from the date of the report. At that time we will send copies to interested parties and make copies available to others upon request.

Sincerely yours,

Comptroller General  
of the United States

COMPTROLLER GENERAL'S  
REPORT TO THE SUBCOMMITTEE  
ON LEGISLATION AND NATIONAL  
SECURITY, HOUSE COMMITTEE  
ON GOVERNMENT OPERATIONS

THE NAVY'S INSPECTION  
SYSTEM COULD BE IMPROVED

D I G E S T

The Naval Inspector General inspection system is much smaller than the Air Force or Army systems and covers only about 20 percent of the Navy's activities; the other activities are inspected by individual commanders. Both inspection groups rely extensively on temporary inspectors who normally are taken from the headquarters staff offices of the activity conducting the inspection. This system could reduce objectivity, but GAO noted only one instance where an inspector was not objective and believes that most temporary inspectors are objectively reporting deficiencies. (See p. 18.)

Headquarters and some major command inspection reports provide valuable information on such areas as personnel and material shortages, program problems, and morale. That information is useful to Navy's top management and would benefit DOD and congressional decisionmakers, as well. However, the reports would be more useful if the underlying causes of problems were developed and if information on minor, non-mission-related deficiencies were eliminated. (See p. 8.)

*MC*  
The Naval inspection system differs from the Air Force and Army systems whose headquarters and command-level inspection staffs inspect the lower levels of their organizations. The Navy relies on each level within the chain of command to inspect its immediate subordinates. Generally, the Inspector General does not receive copies of lower level inspection reports, and significant problems these inspections disclose are not referred to him.

While this highly decentralized system provides some formal oversight of Naval activities and prevents duplication of inspections by different levels, it could be more effective. If the headquarters Inspector General expanded his inspections to include lower level Navy activities, the Secretary of the Navy and the Chief of Naval Operations would get an independent assessment of the units' condition and a better overall picture of the state of the command. Additional full-time staff would probably be required, but the benefits of their work should justify the investment. (See p. 12.)

Although civilians already make up about 32 percent of the Navy's full-time inspection staff, GAO identified additional professional positions in the Inspector General's office that could be filled by civilians. (See p. 21.)

As implemented by the Navy for this review, the November 1978 DOD policy regarding the release of Inspector General reports seems to provide a workable method for GAO to review and obtain copies of those reports and other inspection documents. (See p. 24.)

#### RECOMMENDATIONS

IX The Secretary of the Navy should ensure compliance with existing directives requiring that command inspection reports

--identify causes of problems,

--do not address minor deficiencies, and

--refer significant problems disclosed by lower level inspections to the Naval headquarters Inspector General.

The Secretary should also expand inspections of lower level activities to allow more in-depth observations and require that civilians be used in professional positions whenever possible.

As instructed by the Subcommittee on Legislation and National Security, House Government Operations Committee, GAO did not obtain written comments from the Navy. However, GAO considered the views of Navy officials in preparing this report.

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ABBREVIATIONS

DOD	Department of Defense
GAO	General Accounting Office

## CHAPTER 1

### INTRODUCTION

In November 1978 the Department of Defense adopted a new policy for releasing Inspector General reports to GAO. The Chairman, Subcommittee on Legislation and National Security, House Committee on Government Operations, subsequently asked GAO to review the effectiveness of Inspector General functions of the Air Force, Army, Navy, Marine Corps, and Defense Logistics Agency and thus determine if this policy solves the long-standing problem of GAO access to military Inspector General reports. This report is the fourth in a series. Our reports on the Air Force, Army, and Marine Corps inspection systems were issued between August and December 1979. 1/

### HOW THE INSPECTION SYSTEM FUNCTIONS

The Naval inspector general system was established on May 18, 1942, to inform the Congress and the Secretary of the Navy of the condition and needs of the entire Naval service. The Naval Inspector General was later authorized by Title 10, United States Code, Section 5088, of August 10, 1956, to

"\* \* \*inquire into and report upon any matter that affects the discipline or military efficiency of the Department of the Navy. He shall make such inspections, investigations, and reports as the Secretary of the Navy or the Chief of Naval Operations directs\* \* \*"

The Naval Inspector General reports directly to the Secretary and to the Chief of Naval Operations and is responsible for a variety of activities. As agreed with representatives of the Subcommittee on Legislation and National Security, our review focused on the inspection function and generally did

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1/"A Look At The Air Force Inspector General's Inspection System," FGMSD-79-51.

"The Army Inspector General's Inspections--Changing From A Compliance To A Systems Emphasis," FGMSD-80-1.

"The Marine Corps Inspection System Should Use Resources More Efficiently," FGMSD-80-20.



not include the investigation or complaint functions. 1/ However, GAO recently reviewed the Defense Department's grievance procedures and the report that we issued on that review included the Naval Inspector General's complaint system. 2/

The Naval organization is quite complex and consists of two major components--shore-based activities and operating forces--each of which generally has six different organizational levels, referred to as echelons. The following chart depicts how the Navy's shore-based and operating forces are organized.

Organizational level

	<u>Shore-based activities</u>	<u>Operating forces</u>
Echelon 1	Secretary of the Navy and Chief of Naval Operations	
Echelon 2	Twelve major commands and various other activities	Four major commands and various other activities
Echelon 3	Five systems commands and various other activities	Broad operational groups such as submarine forces, surface forces, and air forces
Echelon 4 -	} Various field activities	} Various groups, squadrons and units of ships, submarines, and aircraft
Echelon 5 -		
Echelon 6 -		

1/A brief overview of these functions is provided in app. V.

2/"Actions Needed to Improve Military Chain of Command and Inspector General Grievance Procedures," FPCD-79-23, June 11, 1979.

Altogether, nearly 2,600 commands, offices, units, and detachments in the Navy are inspected. The shore-based units are inspected every 3 years and the operating forces are inspected every 18 months. The Naval Inspector General and major command inspectors general are responsible for only about 20 percent of the Naval inspection system. The remaining 80 percent is handled by commanders of each organizational level or echelon who inspect their immediate subordinate activities' headquarters. Thus, the Navy's inspection system is tiered, relying on each level in the chain of command to inspect the headquarters of its immediate subordinates; no one office conducts an overall inspection of all organizational levels.

Although the Navy has nearly as many active duty military personnel (530,000) as the Air Force (569,000), the Navy has a much smaller full-time staff assigned to inspector general and support functions. During fiscal 1978, the Air Force inspection system involved more than 1,500 full-time staff while the Navy had only 139 personnel--132 full-time and 7 part-time--and of those, only 28 were under the control of the Naval headquarters Inspector General. The other 111 personnel answered to the commanders of 24 major commands or other activities. Because of the small full-time staff, the Navy relies extensively on temporary inspectors who help with an inspection and then return to their regular jobs.

During fiscal 1978, the estimated inspection costs were about \$5.9 million, including about \$3.6 million for full-time inspection and support personnel and about \$2.3 million for 3,184 temporary inspectors. (See app. IV.)

#### NAVAL INSPECTION SYSTEM DIFFERS FROM CIVIL AGENCY COUNTERPARTS

The Naval inspector general system differs basically from its civil agency counterparts established on October 12, 1978, by Public Law 95-452. The civil agency inspectors general were created primarily to prevent and detect fraud, waste, and abuse. They comprise centralized, independent organizations with combined audit and investigative capabilities. The civil agency inspectors general are appointed by the President, for unlimited terms. They report to and are under the general supervision of the agency head. They also periodically report results of their efforts to the Congress. The civil agency inspectors general can be removed from office only by the President who must communicate the reasons for such change to the Congress.

The Naval inspector general system is designed primarily to assess operational and administrative effectiveness rather

than to prevent and detect fraud, waste, and abuse. The Naval Audit Service and the Naval Investigative Service, which are separate organizations, carry out many of the functions performed by the civil agency inspectors general.

#### Inspectors General role in fraud, waste, and abuse in two different organizations

Although not specifically designed to detect fraud, waste, and abuse, two different Naval inspector general offices have been assigned roles in those areas. The Naval Inspector General receives copies of Naval Investigative Service reports dealing with significant cases of fraud, conflict of interest, and mismanagement as well as with dollar amounts which exceed \$20,000 and/or involve high-level officials. The significant cases are included in a semiannual report that is sent to the Secretary of the Navy.

The Naval Inspector General also serves as the Chairman of the Navy's Coordinating Group for Audit, Inspection, and Investigative Activities which is responsible for coordinating all Naval activities in these areas. As required by Public Law 95-452, his office is also responsible for preparing the Navy's input to DOD's semiannual report to the Congress on those activities. That report describes significant instances or patterns of fraud, waste, and abuse that have been disclosed by audit, investigation, and inspection activities, and summarizes matters referred for prosecution and the results thereof. The Naval Inspector General and his staff spend about 4 percent of their time on fraud, waste, and abuse matters.

The Chief of Naval Material's Inspector General acts as the central coordinating authority for the Department of the Navy for all reports and complaints or allegations of fraud or other irregularities involving Navy, contractor, or subcontractor personnel in connection with the procurement, acquisition, and disposal of Government property. He reports to the Chief of Naval Material, and fraud cases are referred to the Naval Investigative Service. This inspector general office has not conducted any fraud investigations but instead monitors the Naval Investigative Service's work in this area.

#### TYPES OF NAVAL INSPECTIONS

The Navy performs about 130 different types of inspections; the major one--the command inspection--is performed by inspectors general and unit commanders. The other types of inspections are specialized inspections of both shore activities and the operating forces in such areas as engineering, medicine, operational readiness, supply, combat/weapons

systems, and communications. These inspections are performed by lower organizational levels and are usually narrow in scope and designed to assess specific functions.

#### Naval Inspector General inspections

The Naval headquarters Inspector General performs only three types of inspections--command, occupational safety and health, and intelligence oversight. He is responsible for inspecting 18 major command headquarters triennially and the results are reported to the inspected activity, the Secretary of the Navy, and the Chief of Naval Operations. Thus, the Inspector General performs about six command inspections each year. The 24 major command inspectors general performed about 370 command inspections in fiscal 1978. These are broad inspections made to assess mission assignment, resource adequacy and management, organization and administration, and items of special interest to higher levels of command.

The occupational safety and health inspections are conducted by a team of technical experts from the Naval Environmental Health Center, but the team is directed by and reports to the Inspector General. These inspections are conducted as part of command inspections at major command headquarters, and separate inspections are conducted at lower level activities. These inspections are not conducted at any set frequency.

The Naval Inspector General also conducts intelligence oversight inspections, primarily to ensure that information is not collected or maintained on U.S. citizens. These inspections are conducted as part of the command inspection program at commands with intelligence missions and as separate inspections when needed. The Naval Inspector General conducts about 30 separate inspections each year. The information obtained is combined with information from other inspectors general, summarized, and reported quarterly to the President's Intelligence Oversight Board.

The Inspector General estimated that about 55 percent of his staffs' time was spent on inspections, with the balance of their time devoted to such things as special surveys and investigations, congressional inquiries, and administration. (See app. V.)

#### Lower level inspections by Naval commanders

Each Naval organization is responsible for inspecting its shore-based activities triennially and its operating forces

every 18 months. In addition, operational readiness and other types of specialized or technical inspections of the operating forces are conducted by operating force commanders and their subordinates. The Naval Inspector General requires that copies of 57 command inspection reports prepared by echelon-2 commands and Chief of Naval Operations staff offices be sent to him; but he does not normally receive copies of the command or technical inspection reports of the lower level organizations.

We reviewed a number of inspection reports conducted by headquarters and lower level inspectors general. The reports provide valuable information on such matters as safety programs, reserve components, management and accountability, material, and management effectiveness. Based on our review of these reports and discussions with headquarters personnel and individuals at the various installations visited, we recommend that (1) the effectiveness of inspections be improved and (2) the inspection system be strengthened.

## CHAPTER 2

### NAVAL INSPECTION SYSTEM CAN BE IMPROVED

The significance of the findings in inspection reports varies. Headquarters and some of the lower level reports contain significant mission-related findings that would be useful to DOD and congressional decisionmakers, but many of the findings at the lower levels are compliance oriented and the reports contain some minor findings. As with the other service inspector general systems, causes of problems are normally not identified in the inspection reports. We also found that the Navy has been effective in precluding duplication because of its tiered inspection approach. However, this approach can be disadvantageous because problems uncovered by lower levels may not surface through the decentralized inspection system to top management officials.

#### HEADQUARTERS AND SOME LOWER LEVEL REPORTS CONTAIN SIGNIFICANT INFORMATION

Officials we interviewed said both headquarters and lower level inspections were beneficial and brought problems to commanders' attention. Our review of reports and our observations of inspections tended to support this. Generally, our review showed that most activities were being inspected as required and that corrective action was being taken on most inspection recommendations.

Reports of the headquarters and some of the major command inspectors general contain information that would be valuable to congressional and DOD decisionmakers. For example:

- The Naval Inspector General reported that the entry levels for Naval physicians and dentists contributed to shortages. The report noted that the Army and Air Force offer permanent appointments to physicians and dentists to avoid entry-grade restrictions, whereas Naval policy allows only temporary appointments. As a result, Army and Air Force applicants can enter at the O-5 and O-6 levels (lieutenant colonel and colonel) while Naval applicants must enter at the O-3 and O-4 levels (lieutenant and lieutenant commander which are comparable to Army and Air Force captains and majors).
- The Naval Inspector General noted that many reservists were dropping out rather than accept assignments on reserve ships and that drill attendance on these ships was poor.

--The Naval Material Command inspector general reported that late delivery or unavailable material were causing delays in the fleet modernization program.

--The Naval Material Command inspector general also noted that several Naval Sea Systems Command subsystems, which support major weapons systems, were not receiving adequate management attention and were in technical and financial difficulty, which could result in operationally uncoordinated programs, slippage in schedules, and increased costs.

Although inspection reports are distributed to various Naval organizations, they are not normally distributed outside the Navy.

INSPECTION REPORTS ALSO CONTAIN  
MANY COMPLIANCE FINDINGS AND  
SOME MINOR DEFICIENCIES

Both headquarters and lower level inspection reports contained many compliance-type findings where personnel were cited for not following specific regulations. Many of these findings would be of value to the inspected activity but would probably not be of much value to other Naval or outside groups.

Although Naval regulations state that minor findings should not be reported (just as we noted in the Air Force, Army, and Marine Corps Inspector General reviews), we found that some of the Navy's lower level inspection reports included what appeared to be relatively minor, non-mission-essential deficiencies such as:

--Numerous enlisted records and documents were on file on the left-hand side of a record and correspondence was not filed chronologically.

--Slides of stricken ships and ships not permanently assigned to the command were included in the command presentation.

--The latest changes to some publications were not entered.

--Several light bulbs in the air conditioning room need replacement.

As noted in our previous reports, reporting these minor findings is not a good practice and detracts from the effectiveness of an inspection system.

INSPECTOR GENERAL REPORTS DO  
NOT FULLY DEVELOP FINDINGS

Inspection regulations require that inspectors make recommendations for corrective action. A meaningful recommendation should address the cause of a problem to prevent its recurrence. Although we found a few cases where causes were identified, this is not normally done. Thus, in attempting corrections officials may waste resources by treating symptoms rather than causes.

For example, a Naval Inspector General inspection of a fleet command headquarters reported that one of the units had almost 80 percent more explosives and ammunition than storage capacity allowed. The report noted that this condition adversely affected safety, efficiency, and security of operations and recommended that the Fleet Commander request funding to remove the excess material. However, the report did not address why the activity had excess material. If the Inspector General had determined the cause, a larger systems problem may have been detected. Simply removing the excess explosives and ammunition would not necessarily preclude this condition from recurring.

Just as we reported on the other service inspection systems, we believe that findings are not always adequately developed because of the broad scope and short time frame of inspections. Headquarters command inspections normally last only about 2 weeks and cover numerous areas. Lower level command inspections also cover numerous areas and can be conducted in as few as 3 days. Therefore, even though as many as 60 to 70 inspectors conduct an inspection, they will probably not fully develop their findings and identify the causes of problems.

DUPLICATION IS NOT A PROBLEM

In each of our previous reports, we identified problems with overinspection and duplication between inspector general reviews, formal preinspections conducted as "dress-rehearsals" for inspector general visits, and other oversight group reviews. However, we identified very little duplication during our review of the Naval Inspector General system. We believe that this is primarily attributable to the Navy's concerted effort to eliminate duplication by reducing the number of inspections and providing guidance in this area to all levels.



Also, the Navy's tiered system for conducting command inspections helps preclude duplication between different inspection levels.

Naval regulations require that to prevent duplication, all or part of the inspection requirements can be waived if the activities have recently had special visits, technical reviews, training assist visits, or the like. The regulations also state that:

"\* \* \* inspections scheduled should be only those truly required for management control and should evaluate an activity's operations in normal day-to-day situations. Expenditure of manhours in "special" preparation for inspection must be eliminated\* \* \*"

In addition, the Navy has been reducing the number of separate inspections conducted and plans to make further reductions. In October 1974, the Chief of Naval Operations directed that a comprehensive review be made of the Naval inspection system to eliminate inspection duplication. At that time, 172 separate inspections of forces afloat were identified. As of July 1979, these had been reduced to 83. <sup>1/</sup> According to the Naval Inspector General, the ultimate goal is to reduce the number of these inspections to 41. Any new inspections require Naval Inspector General approval.

#### TIERED INSPECTION APPROACH PRECLUDES DUPLICATION BUT HAS DISADVANTAGE

Although the tiered approach of the Navy's command inspection program precludes duplication between various inspection levels, it has a disadvantage in that no one organization is performing systematic detailed inspections down through the various organizational levels. Thus, there is no assurance that problems at the lower levels will surface to top management officials through the inspection system, as is the case in the Army inspection system.

The Army headquarters Inspector General uses a sampling technique called a vertical slice approach whereby each year he inspects the major commands by starting at a lower level such as a brigade and works his way up the echelons to the major command headquarters. The Army Inspector General considers this a productive sampling technique that allows his inspectors to assess the state of the commands.

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<sup>1/</sup>About 50 shore-based inspections brings the total to about 130.

The Navy's inspection system is also different from the Air Force's. For example, the Air Force major command inspectors general conduct inspections at all levels within their commands. The Air Force headquarters Inspector General observes some of these inspections and receives copies of all inspection reports.

The Naval Inspector General is supposed to observe lower level command inspections but, because of staff limitations, has not. Also, while the Naval Inspector General receives copies of some lower level inspection reports, he does not receive copies of reports from most Naval activities. Furthermore, the Naval Inspector said until our review, his office was not checking to see that it had received any lower level inspection reports and that analysis of report findings was minimal because of staffing limitations. During our review, he established a system for monitoring receipt of and analyzing major command reports.

Although the Naval Inspector General does not use a vertical slice inspection approach, or observe lower level inspections, he and some of the lower level inspectors general and commanders perform area visits to quickly assess the state of lower level units. These limited inspections are conducted without regard to echelon. For example, the Naval Inspector General performs area visits of individual squadrons and ships down to echelon 6 throughout the various commands.

Area visits are conducted either concurrently with command inspections or during periods between inspections. From October 1, 1977, to March 31, 1978, the Naval Inspector General conducted 10 area visits involving 235 shore commands, 107 afloat commands and ships, and 74 aircraft squadrons. Area visit teams are usually limited to five or six people. Observations may be written up as a result of area visits and be included in the command inspection reports, or they may be reported separately. However, visits do not always result in written reports.

Area visits are usually conducted at many activities in a short time. For example, the Naval Inspector General and 5 staff members made an area visit to 28 Caribbean activities during a 6-day period. The purpose of the visit was to determine the status of readiness, morale, and management with emphasis on problem areas. Through discussions with officials and observations, the Naval Inspector General and his staff identified 18 problem areas which were reported to the Chief of Naval Operations via memorandum. Although this approach did provide some oversight and did disclose some problems that seemed significant, we doubt that all significant problems and their causes can be identified and reported in such a short time.

NAVAL INSPECTOR GENERAL NOT APPRISED  
OF SIGNIFICANT LOWER LEVEL PROBLEMS

Navy inspection regulations require that any significant deficiencies disclosed by inspections at all levels and of probable interest to senior officials in the chain of command or the Chief of Naval Operations be reported to the appropriate official with a copy to the Naval Inspector General. However, over the past several years, the Naval Inspector General had not been notified of any significant deficiencies by lower levels.

We believe that some significant problems worthy of the Naval Inspector General's attention have been identified by lower level inspections. However, we believe they have not been reported to the Naval Inspector General because (1) the problems were reported through the chain of command and the reporting activity did not feel that the Naval Inspector General needed to know, (2) close relationships with the inspected activity might have made the inspector reluctant to report the problem to higher authority, or (3) the lower levels may not recognize the extent of the problems and top management's interest in the area.

During our review, we noted an instance where the Naval Inspector General should have been advised of a significant problem, but was not. Based on many complaints from reserve units, a major commander directed his inspector general to perform a special inspection of extensive reserve pay problems which developed when a new reserve unit reporting system was implemented. The command's inspector general fully investigated the extent of the pay problems and concluded that the Navy's Reserve Field Reporting System was not operating efficiently. Although the commander advised the Chief of Naval Operations of the system's problem, the command inspector general's July 1978 report was not provided to the Naval headquarters Inspector General. Instead, the commander contacted the involved commands and took action to solve the problem outside of the Naval Inspector General system.

We believe that the Naval headquarters Inspector General should have been apprised of this problem because it involved several commands, and one of the recommendations to correct the problem would require some time to implement. The Naval headquarters Inspector General could have monitored the status of corrective actions taken by those commands and looked into the possibility of similar problems existing at other Naval activities.

The benefits that might have been derived from alerting the Inspector General became apparent when we noted that problems with the Naval Reserve Field Reporting System were still ongoing nearly a year later. While observing a May 1979 inspection by a readiness command (echelon 3) inspector general of a reserve unit, we noted that the inspection team learned that a medical unit was uncertain of how many doctors were officially on its rolls. Reserve center and unit administrative personnel were unsuccessful in repeated attempts to get doctors and other personnel on unit rosters that were generated by the Reserve Field Reporting System.

In interviews with the activity personnel, the command inspector general team was informed that, in general, at least 2 months elapsed before a new name was shown on unit rosters. At the conclusion of the inspection, the inspector general team held a meeting to develop the unit's inspection grades. When the roster problem was being considered for mentioning in the report, the inspector general's commander said to delete any such comment because it was a longstanding problem that was not the unit's fault. We subsequently learned that this deficiency was part of the overall Naval Reserve Field Reporting System problems that had been reported by the major command Inspector General nearly a year before; however, system problems were still occurring.

A separate GAO review of this area also revealed major problems with the Navy's Reserve Field Reporting System. In a report issued in March 1979, 1/ GAO reported that (1) the Navy's reserve drill and personnel reporting system was inadequately designed and improperly tested, (2) personnel at all levels administering the program had not received enough training, and (3) the computer processing facilities had not adequately supported the system's demands. Hopefully, as a result of our recommendation that the Secretary of the Navy direct that improvements be made to the Reserve Field Reporting System, corrective actions will be taken. However, if the Naval headquarters Inspector General had been apprised of the problem in July 1978, he could have followed up on the status of corrective actions and the problems may have been addressed.

SUMMARY REPORTS SUBMITTED TO  
NAVAL INSPECTOR GENERAL GIVE  
MISLEADING IMPRESSIONS

At one of the activities we visited, we noted that the command-level inspector general was voluntarily sending copies

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1/"Naval Reserve Drill and Personnel Field Reporting System Needs Improvement," FPCD-79-12, Mar. 6, 1979.

of summaries of his reports to the Naval headquarters Inspector General. However, we found that two of those reports conflicted with the detailed reports, which were not provided to the headquarters Inspector General. As a result the summaries were misleading in discussing the results of the inspections in two areas that are of special interest to the Secretary of the Navy and the Chief of Naval Operations.

The Chief of Naval Operations requires that all command inspection reports address security and equal opportunity. Two summary reports stated that "Items of special interest \* \* \* were reviewed and no discrepancies were identified." However, comments in the body of the reports actually rated some items as unsatisfactory. For example, one of the inspection report's enclosures which discussed "special interest items" merely deferred on the subject of security to another enclosure entitled "physical security." This enclosure indicated that the activity had no physical security program and several "unsatisfactory" comments were made, including:

--Many ground floor windows were unlocked.

--Keys were not controlled.

--Records were not kept of physical security inspections.

The second report had an enclosure dealing with "special interest items," and both it and the report summary indicated that no problems existed in the area of equal opportunity. Another section of the report stated that no problems were uncovered in equal opportunity; however, it pointed out that an affirmative action plan, command data file, or command action plan did not exist. This report section further noted that the activity did not comply with applicable equal opportunity directives and had not even received them. The equal opportunity area was rated as unsatisfactory.

#### CONCLUSIONS

We believe that the headquarters and major command inspector general reports contain some valuable information that would benefit DOD and congressional decisionmakers and that this information should be made available to them. These reports, as well as those of lower level inspections, also provide commanders with useful information on how well subordinate units comply with regulations and directives. However, we believe that the effectiveness of these inspections could be improved by eliminating reporting of relatively minor deficiencies and identifying and reporting the underlying causes of significant problems.

While the Navy's decentralized inspection system provides some formalized oversight of subordinate activities without duplicating the work of other review groups, the Navy's system for referring significant problems to the Naval headquarters Inspector General has not been working. For various reasons, lower level units might be reluctant to report problems up the chain of command. We believe the Naval headquarters Inspector General should provide more specific guidance to lower level commanders on the types of problems their inspections disclose that should be referred to the Naval headquarters Inspector General.

Area visits provide some insight into lower level units and are good as far as they go. However, we believe that the number of activities to be visited is so large and the time available for each one so short, that the visits will probably not identify all major problems at the lower level activities. We believe that the Naval headquarters Inspector General should modify his command inspection approach by expanding area visits to allow more time and staff to review lower level activities in greater depth, like the Army's vertical slice approach.

We also believe that the Naval Inspector General, like the Air Force Inspector General, should observe some lower level inspections. This would give the Secretary of the Navy and the Chief of Naval Operations an evaluation of lower level units independent of the normal chain of command. We recognize that this approach will require coordination to prevent duplication and that it would probably require some increase in full-time staff, but we believe the benefits to be derived would justify the resource investment.

#### RECOMMENDATIONS

To improve the Naval Inspector General inspection system, we recommend that the Secretary of the Navy ensure compliance with existing directives requiring that command inspection reports

- identify causes of problems,
- do not address minor deficiencies, and
- refer significant problems disclosed by lower level inspections to the Naval headquarters Inspector General.

The Secretary should also expand inspections of lower level activities to allow more in-depth observations.

### CHAPTER 3

#### INSPECTOR GENERAL RELIES ON

#### TEMPORARY INSPECTORS AND CIVILIANS

Staffing of the Navy's inspection function differs significantly from the Air Force's and Army's because the Navy has a very small full-time inspection force and relies extensively on temporary inspectors who take part in an inspection and then return to their regular jobs. As noted in our reports on the Army and Marine Corps inspection systems, this can cause problems, although it does provide some degree of formalized oversight by higher level commands without requiring a large investment. We also found that although the Navy is employing a larger percentage of civilians in its inspection system than the other services, even more military positions could be filled by civilians.

#### EVALUATION OF INDEPENDENCE AND OBJECTIVITY OF INSPECTORS

As in the Air Force, Army, and Marine Corps, Naval inspector general personnel are not independent in the sense that internal auditors are, primarily because they are not permanently assigned to the inspection function. The full-time inspection personnel are selected for a 2- to 3-year tour of duty and are then reassigned. This allows inspectors to be influenced by former ties or anticipated relationships with their commands. In addition, the lower level inspectors are not independent, as internal auditors are, because they are under the control of their commanders.

As mentioned in chapters 1 and 2, the Naval inspection system is basically a self-inspection system whereby the bulk of the inspection function is carried out by group, activity, or unit commanders who do not have designated inspectors general. This, coupled with the fact that the Navy relies extensively on temporary inspectors, makes the Naval inspection system appear even less independent than the Air Force, Army, and Marine Corps systems we reported on previously.

#### NAVY RELIES EXTENSIVELY ON TEMPORARY INSPECTORS

As of March 1979, 139 inspector general and support personnel were assigned to the headquarters and 24 lower level inspector general offices. The chart on the following page shows military and civilian inspection personnel by command.

Navy Designated  
Inspector General Personnel  
Fiscal 1978

	<u>Military</u>		<u>Civilians</u>	<u>Total</u>
	<u>Officers</u>	<u>Enlisted</u>		
<u>Headquarters (Echelon I)</u>				
Office of the Naval Inspector General	18	2	8	28
<u>Major commands (Echelon II)</u>				
Naval Material Command	1	-	7	8
U.S. Pacific Fleet	3	1	3	7
U.S. Atlantic Fleet	5	3	2	10
U.S. Naval Forces Europe	1	-	1	2
Bureau of Medicine and Surgery	6	1	2	9
Chief of Naval Education and Training	1	1	2	4
Chief of Naval Reserve	2	-	1	3
Naval Security Group Command	1	-	1	2
Naval Telecommunications Command	1	-	1	2
Naval Intelligence Command	1	1	-	2
Oceanographer of the Navy	1	1	-	a/ 2
Sixth Naval District	1	1	1	a/ 3
Thirteenth Naval District	1	1	-	2
Military Sealift Command	<u>1</u>	<u>1</u>	-	a/ <u>2</u>
Total major commands	26	11	21	58
<u>Other commands (Echelon III)</u>				
Naval Sea Systems Command	2	-	5	7
Naval Facilities Engineering Command	1	-	1	2
Naval Air Systems Command	-	1	2	3
Naval Supply Systems Command	7	-	2	9
Naval Electronic Systems Command	1	-	2	3
Chief of Naval Technical Training	1	-	1	2
Naval recruiting commands	6	14	-	20
Military Sealift Command, Pacific	2	1	-	3
Military Sealift Command, Atlantic	1	-	1	2
Naval Air Force, U.S. Atlantic Fleet	<u>1</u>	-	<u>1</u>	<u>2</u>
Total other commands	<u>22</u>	<u>16</u>	<u>15</u>	<u>53</u>
<b>TOTAL</b>	<u><u>66</u></u>	<u><u>29</u></u>	<u><u>44</u></u>	b/ <u><u>139</u></u>

a/These personnel perform inspector general duties part time.

b/This figure includes 41 support/clerical staff (26 civilians and 15 enlisted personnel).



The Navy's fiscal 1978 designated inspection force of 139 personnel is very small compared to the Air Force and Army which employed 1,503 and 1,458 full-time personnel, respectively. The Vice Chief of Naval Operations and the Under Secretary of the Navy said that the Navy has decided to rely extensively on temporary inspectors rather than to devote a large number of full-time staff to the inspection function. The size of the full-time Naval Inspector General staff has always been small, and the Navy has always relied on temporary inspectors.

Advantages and disadvantages  
of using temporary inspectors

There are advantages and disadvantages associated with using temporary inspectors. The major advantages are that they allow a command to maintain a smaller, full-time inspection staff, and the temporary inspectors provide expertise in specialized areas. However, because temporary inspectors are regularly involved in the inspected area, they may be unwilling to report or unable to recognize problems, a predicament that creates the greatest disadvantage in using them.

In our reports on the Army and Marine Corps inspection systems, we identified problems that occurred when temporary inspectors inspected units they worked with regularly as part of their full-time jobs. In essence, the potential for the same problems exists in the Naval inspection system.

The Navy's temporary inspectors are generally taken from the headquarters staff offices of the activity conducting the inspection. As part of their full-time jobs, the temporary inspectors could have regular contact with the activities they inspect. For example, they may make assistance visits to informally evaluate the effectiveness of subordinate activities or provide assistance when needed. The relationships the temporary inspectors establish with personnel at these activities could make them reluctant to report on problems observed during inspections. The appearance of a lack of objectivity is inherent in this type of inspection system.

While their lack of independence creates a potentially unobjective environment for conducting inspections, we noted only one instance where a Naval official inspecting a subordinate unit was not objective. Rather than give a medical unit an unsatisfactory rating, a readiness command (echelon 3) inspector declared the inspection an "assist visit," and planned to conduct another inspection 6 months later. The inspection reports we reviewed listed many deficiencies, some of them significant. This would indicate that temporary inspectors

are reporting on problem areas and that they can be effective if they maintain an objective outlook.

The Naval Inspector General, in an effort to improve the objectivity of temporary inspectors, conducts preinspection briefings where the temporary inspectors are reminded that they are inspecting for and reporting to the Inspector General for the duration of the inspection. Also, the findings prepared by temporary inspectors are reviewed by the full-time inspection staff.

#### INSPECTORS APPEARED QUALIFIED

Both the full-time and temporary inspectors we observed appeared to be well qualified. For example, the full-time inspectors selected by the Naval Inspector General are selected based on their experience in specific functional areas. Our review showed that they generally conduct inspections in their specialty areas, and most of the full-time inspectors are officers or high-ranking civilians. Temporary inspectors are also selected to inspect within their specialty area and about 50 percent of the Naval Inspector General's temporary inspectors are high-ranking civilian (general schedule 14 and 15) and military (commanders and captains) personnel. Personnel performing inspections at lower level activities normally only inspect those functional areas for which they are responsible as part of their regular jobs.

#### NAVY USES MORE CIVILIANS THAN OTHER SERVICE INSPECTORS GENERAL

About 32 percent of the Navy's full-time inspection staff are civilians, which is a greater proportion than the Air Force, Army, or Marine Corps inspector general systems we reviewed. About 18 percent of the full-time professional staff and about 63 percent of the support staff are civilians. In addition, the Navy also uses civilians as temporary inspectors. A Naval Inspector General official estimated that about 40 percent of his temporary inspectors were civilians. As a result, the Navy is more in line with DOD's policy of filling each position with a civilian unless it can be proven that a military person is required.

There are advantages and disadvantages associated with using civilians in military inspection systems. The major advantages are (1) potential cost savings because costs are less than for military personnel of comparable grade levels, (2) greater continuity than with military personnel who are reassigned every 2 or 3 years, and (3) the possibility of freeing military personnel to offset shortages in key military

positions. The major disadvantages are that civilians may not have expertise in military areas, can play only a limited role in a combat environment, and may lack credibility with troops. In our reports on the Air Force, Army, and Marine Corps, we concluded that their inspection systems should consist predominantly of military personnel, although we recommended that some of the positions be filled by civilians.

We believe that the Naval inspection system also should consist largely of military personnel; however, we identified five professional positions in the Naval Inspector General's office currently filled by military personnel that we believe could be filled by civilians. We reviewed the position descriptions of the following positions and determined that they require management and administrative skills in areas not strictly associated with military operations, and we believe they could be filled by civilians.

--Assistant for Occupational Safety and Health

--Assistant for Inspection Coordination

--Assistant for Supply Financial Management

--Assistant for Administration and Manpower

--Assistant for Personnel Programs

A Naval Inspector General official acknowledged that the Assistants for Occupational Safety and Health and for Supply Financial Management could be filled by civilians. However, he felt that the other three positions should continue to be filled by military personnel because they had frequent contact with military personnel at inspected activities and they dealt primarily with military programs.

## CONCLUSIONS

The Naval Inspector General inspection system employs a very small full-time staff and relies extensively on individual commanders and temporary inspectors to perform the inspections. This type of inspection system provides some degree of formal oversight of subordinate activities by their immediate superiors while requiring a relatively small resource investment when compared to the Air Force and Army Inspector General systems.

However, this type of system is not an independent one and the potential for a lack of objectivity clearly exists; possibly even more so than with the other service inspection

systems, although we identified only one example during our review. The Navy would probably have to significantly increase the size of its full-time inspection staff if it were to try to eliminate temporary inspectors and still provide current coverage. Based on our review, we do not believe this is warranted to improve the appearance of independence.

If the Navy adopts the recommendations we made in chapter 2 of this report, the appearance of independence will improve somewhat. We also believe that the Navy should continue to monitor the work of its temporary inspectors and, whenever possible, use temporary inspectors that do not have a close working relationship with the unit to be inspected.

We believe that the Navy's inspection system should consist predominantly of military personnel. However, more civilians could be used in some professional positions.

#### RECOMMENDATION

We recommend that the Secretary of the Navy require that more civilians be used in professional positions whenever possible.

## CHAPTER 4

### GAINING ACCESS TO INSPECTION REPORTS

#### NOT A PROBLEM DURING THIS REVIEW

Historically, DOD's policy has been that inspector general reports shall not be furnished to GAO except upon approval of the Secretary of the military department concerned. However, on November 6, 1978, DOD adopted a new policy for releasing inspector general reports to GAO which provides that:

"Every effort should be made to accommodate the specific needs of GAO on a case-by-case basis--including, as appropriate, release of reports and records, or access without releasing physical custody of the files or reports.

"Each DOD component is authorized to delegate the authority for access to and release of Inspector General reports.

"In those instances where mutual accommodation cannot be worked out, the issue should be forwarded to the Secretary of the Military Department or head of the Defense agency for decision. The Comptroller General has indicated that he will be personally available for discussions to determine whether the needed information can be supplied in some other manner."

The Secretary of the Navy's instructions have been revised to reflect the new DOD policy.

#### GAO RECEIVED COMPLETE ACCESS TO REPORTS DURING THIS REVIEW

We received excellent cooperation from the Navy during this review. We requested and received copies of 83 reports. To expedite our review, the Naval Inspector General sent a message to Navy commands stating that we should be granted immediate visual access to inspection reports and records and, upon receiving a letter from us requesting copies of the reports, the command was to contact him for authorization to release the reports to GAO. The Naval Inspector General promptly authorized release of the inspection reports.

#### CONCLUSIONS

DOD's new policy for releasing inspector general reports and records to GAO as implemented by the Navy for this review is a workable solution to GAO obtaining access to these reports.

## CHAPTER 5

### SCOPE OF REVIEW

The review was conducted at the Inspector General headquarters, Washington, D.C., and various Naval commands including the Naval Material Command, Arlington, Virginia; the U.S. Atlantic Fleet, Norfolk, Virginia; the U.S. Pacific Fleet, Pearl Harbor, Hawaii; the Naval Reserve, New Orleans, Louisiana; and the U.S. Naval Forces Europe, London, England. Headquarters and command inspection personnel assigned to the activities reviewed represented 60 percent of the Navy's full-time detailed inspection force.

As agreed with representatives of the Subcommittee on Legislation and National Security, House Committee on Government Operations, we concentrated on the inspection function, and generally limited our work involving the functions dealing with assistance, complaints, and investigations to gathering information on these functions.

Within the Naval Material Command, we visited the Naval Supply Systems Command, the Naval Sea Systems Command, the Naval Electronic Systems Command, and the Naval Air Systems Command, Arlington, Virginia, and 2 of their lower level activities located in Southern California; the Naval Facilities Engineering Command, Alexandria, Virginia; and various other commands and activities located in the Washington, D.C. area.

Under the U.S. Atlantic Fleet, we visited 11 lower level commands including submarine, surface ship, and air force group commands, squadrons, and individual ships. Within the U.S. Pacific Fleet, we visited 7 lower level activities including the logistics command, the submarine force, the anti-submarine warfare wing, and the helicopter anti-submarine squadron. We visited 4 lower level activities within the Naval Reserve and one U.S. Naval Forces Europe lower level activity.

We reviewed inspection reports, or parts thereof, and obtained copies of 83 reports. We accompanied inspectors on scheduled inspections and observed portions of the inspections to determine the approach and manner in which inspections were conducted.

We interviewed the Under Secretary of the Navy and the Vice Chief of Naval Operations and other headquarters and lower level officials to obtain their views about the inspection system. We also interviewed appropriate management personnel to ascertain whether report recommendations were being complied with or referred to higher levels.

We contacted personnel with the Naval Audit Service, Naval Investigative Service, and internal review group to determine the extent of coordination between them and inspection groups. In addition, we interviewed members of two DOD task forces whose evaluations were concerned with the inspection systems. One task force was initiated by DOD while the other was required by the Inspector General Act of 1978, Public Law 95-452, of October 12, 1978.

JACK BRINKS, TEX. (CHAIRMAN)  
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225-8147

NINETY-FIFTH CONGRESS  
**Congress of the United States**  
**House of Representatives**  
 LEGISLATION AND NATIONAL SECURITY SUBCOMMITTEE  
 OF THE  
 COMMITTEE ON GOVERNMENT OPERATIONS  
 RAYBURN HOUSE OFFICE BUILDING, ROOM B-373  
 WASHINGTON, D.C. 20515

November 13, 1978

Honorable Elmer B. Staats  
 Comptroller General of the U.S.  
 General Accounting Office  
 441 G Street, N.W.  
 Washington, D.C. 20548

Dear General:

As you know, through the efforts of Assistant Secretary Fred P. Wacker the Department of Defense adopted on November 6, 1978 a new policy for releasing Inspector General reports to GAO. While I remain concerned over past refusals of the Department of Defense to provide GAO necessary information, I am hopeful that this will mean GAO will have access to all the information it needs to be able to effectively carry out its work.

I believe it is in order, therefore, for GAO to immediately determine whether or not this new policy will in fact prove to be a workable solution to this long-standing problem. This can be best accomplished by a GAO review of the Inspector General functions of the Departments of the Army, Navy, Air Force and Marine Corps and of the Defense Logistics Agency. Such a review will be timely in light of the study mandated in the Inspector General legislation and will assist the Subcommittee in its ongoing review of DoD internal management control activities. Such a study should encompass an evaluation of the organization, role, staffing, independence, quality of work and effectiveness of these agencies.

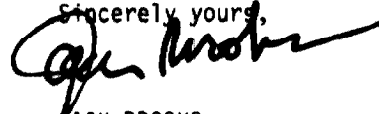
Because of the importance of this review, it will be necessary to have it completed as expeditiously as possible. I would expect to receive a final report on the Department of the Air Force Inspector General not later than May 31, 1979, final reports on the Navy and Marine Corps Inspectors General not later than July 31, 1979, and final reports on the Army and Defense Logistics Agency Inspectors General not later than September 30, 1979. While these are tight deadlines, they can be met if sufficient resources are devoted to this project. And, as usual, I request that GAO not provide draft reports to the affected agencies for official comment, which should also enable you to meet these deadlines.



I would appreciate it if the GAO staff members who will be assigned to this review would meet as soon as possible with members of my staff to discuss in detail the questions the Subcommittee desires to have dealt with by the review.

With best wishes I am

Sincerely yours,

A handwritten signature in black ink, appearing to read "Jack Brooks", written in a cursive style.

JACK BROOKS  
Chairman

JACK BROOKS, TEX., CHAIRMAN  
 DON FURMAN, FLA.  
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 225-3147

NINETY-SIXTH CONGRESS  
**Congress of the United States**  
**House of Representatives**  
 LEGISLATION AND NATIONAL SECURITY SUBCOMMITTEE  
 OF THE  
 COMMITTEE ON GOVERNMENT OPERATIONS  
 RAYBURN HOUSE OFFICE BUILDING, ROOM B-373  
 WASHINGTON, D.C. 20515

March 28, 1979

Honorable Elmer B. Staats  
 Comptroller General of the U. S.  
 General Accounting Office  
 441 G Street, N. W.  
 Washington, D. C. 20548

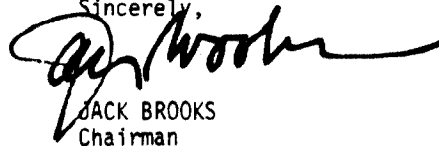
Dear General:

Last November I asked GAO to conduct comprehensive reviews of the Inspector General functions of the Departments of Air Force, Army, Navy, Marine Corps, and the Defense Logistics Agency. Since it is important to have the results of these reviews prior to the completion of the Department of Defense's own Task Force review of the operations of its audit, inspection and investigative components, I asked for early completion dates with the latest report being submitted to the Subcommittee no later than September 30, 1979.

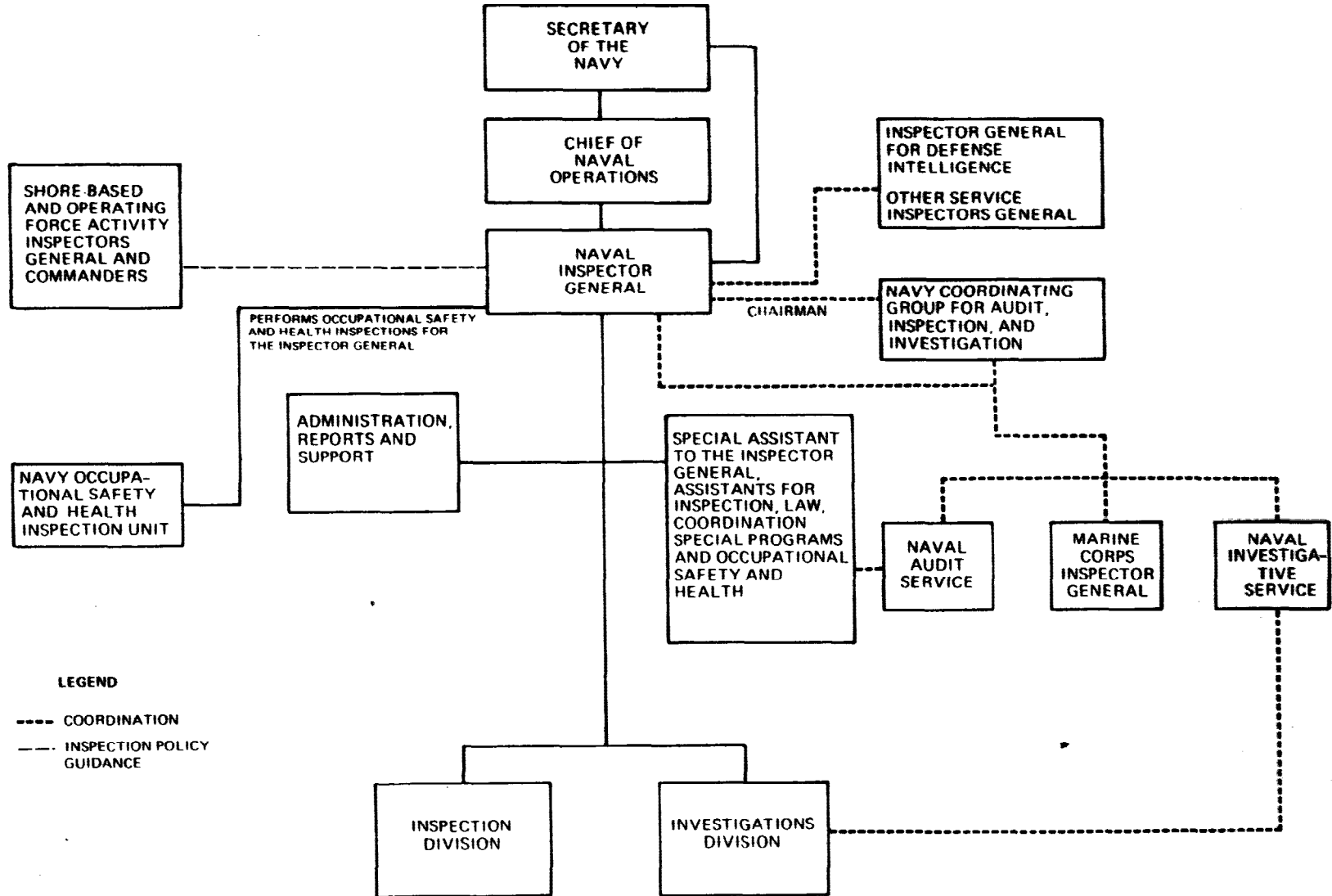
It is now my understanding that GAO, after beginning work on these reviews, feels that more time than originally planned will be needed because of the sizes and differing organizational structures of these offices. This being the case, I am agreeable to allowing some additional time but must continue to stress the importance of the reviews being timely. It is, therefore, my hope that the Air Force report will be available no later than August 31, 1979, the Army report no later than October 31, 1979, and the Navy and Marine Corps and Defense Logistics Agency reports no later than December 31, 1979.

I appreciate the amount of resources and talent you are devoting to these important projects.

Sincerely,

  
 JACK BROOKS  
 Chairman

NAVY INSPECTOR GENERAL ORGANIZATIONAL RELATIONSHIPS



**NAVAL ESTIMATED FISCAL 1978 INSPECTION  
COSTS FOR COMMANDS WITH  
DESIGNATED INSPECTORS GENERAL (note a)**

	Personnel (note b)		Travel, per diem, and other	Total
	Full-time	Temporary		
<b>Headquarters (Echelon I)</b>				
Office of the Naval Inspector General	\$777,000	\$137,376	\$116,632	\$1,031,008
<b>Major Commands (Echelon II)</b>				
Naval Material Command	108,494	366,638	44,707	519,839
U.S. Pacific Fleet	189,239	147,407	14,354	351,000
U.S. Atlantic Fleet	244,514	28,308	7,234	280,056
U.S. Naval Forces Europe	42,130	19,740	5,844	67,714
Bureau of Medicine and Surgery	230,906	2,411	56,129	289,446
Chief of Naval Education and Training	65,800	31,125	7,435	104,360
Chief of Naval Reserve	68,843	147,420	42,515	258,778
Naval Security Group Command	49,269	11,041	7,624	67,934
Naval Telecommunications Command	43,909	55,079	41,915	140,903
Naval Intelligence Command	88,000	33,583	-	121,583
Oceanographer of the Navy	65,650	8,049	16,215	89,914
Sixth Naval District	76,795	3,200	901	80,896
Thirteenth Naval District	41,028	6,120	3,839	50,987
Military Sealift Command	7,676	9,355	3,766	20,797
<b>Total major commands</b>	<b>1,322,253</b>	<b>869,476</b>	<b>252,478</b>	<b>2,444,207</b>
<b>Other commands (Echelon III)</b>				
Naval Sea Systems Command	161,149	414,000	21,847	596,996
Naval Facilities Engineering Command	54,066	25,768	23,542	103,376
Naval Air Systems Command	62,008	25,939	18,985	106,932
Naval Supply Systems Command	268,000	200,000	135,000	603,000
Naval Electronic Systems Command	61,172	25,290	18,093	104,555
Chief of Naval Technical Training	49,500	56,558	14,388	120,446
Naval recruiting commands	286,289	-	137,500	423,789
Military Sealift Command, Pacific	72,385	37,763	37,321	147,469
Military Sealift Command, Atlantic	47,790	48,900	40,400	137,090
Naval Air Force, U.S. Atlantic Fleet	44,500	12,984	4,128	61,612
<b>Total other commands</b>	<b>1,106,859</b>	<b>847,202</b>	<b>451,204</b>	<b>2,405,265</b>
<b>TOTAL</b>	<b>c/\$3,206,112</b>	<b>c/\$1,854,054</b>	<b>\$820,314</b>	<b>d/\$5,880,480</b>

a/The Navy does not maintain records on all of the costs of inspection, therefore, these figures are their estimated costs.

b/These cost estimates include both civilian and military personnel.

c/A Naval official stated that these costs generally include both salaries and benefits

d/Including travel, per diem, and other costs, the full-time staff cost \$3.6 million and the temporaries cost \$2.3 million.

FUNCTIONS CONTROLLEDBY THE INSPECTOR GENERAL

The Naval Inspector General is a Rear Admiral appointed by the Secretary of the Navy and the Chief of Naval Operations to provide them with information independent of the normal chain of command on effectiveness, efficiency, morale, and other aspects of Naval organizations. Besides conducting inspections of 18 major command headquarters and area visits to lower level activities, the inspector general is responsible for establishing objectives for coordinating and monitoring the command inspection program which is implemented by commanders at various organizational levels throughout the Navy.

The Inspector General is also responsible for (1) minimizing duplication by coordinating the efforts of all Naval organizations involved in evaluations and audits and (2) reviewing Board of Inspection and Survey reports which assess the material condition of all Naval ships, both under construction and in service.

INSPECTOR GENERAL NONINSPECTION FUNCTIONS

In addition to inspection, inspectors general conduct investigations and special studies and respond to requests for assistance from the Congress or individuals.

Investigations/special studies

During fiscal 1978, the Naval Inspector General conducted eight investigations and special studies for the Secretary of the Navy and the Chief of Naval Operations which he estimated consumed about 25 percent of his professional staff's time. These investigations and studies included such topics as unlawful command influence, construction project funding, recruiting practices, and survey of school training.

Some of the lower level inspectors general also conduct investigations and studies for their respective commanders and one of the activities we reviewed estimated that these functions accounted for about 30 percent of the inspection staff's time. Other activities with designated inspector general staffs conducted limited or no investigations or special studies.

Requests for assistance

The Naval Inspector General responds to congressional inquiries concerning conditions on a ship or at an activity by forwarding the request to the appropriate commander for

investigation, reviewing the commander's response, and preparing a reply to the inquiry. The Naval Inspector General also receives complaints from individuals concerning pay problems, living conditions, etc. which he either investigates or refers back to the normal chain of command. The headquarters Naval Inspector General staff estimated that about 10 percent of their time was devoted to handling congressional inquiries and complaints. The lower level inspectors general also receive and respond to complaints.

GAO'S OBSERVATIONS OF INSPECTIONS

Inspectors are not required to prepare formal working papers to support their work and findings, so documented evidence of the quality of their work is scarce. Instead of working papers, inspectors verify their findings by briefing inspected officials and reaching an agreement with them on the facts. To determine the quality of their work, we interviewed inspected officials, followed up on selected inspection findings, and observed portions of ongoing inspections conducted by the Naval Inspector General and by three major command inspectors general. We were not able to observe entire inspections because of the large number of inspectors involved and the simultaneous coverage of many areas. A brief overview of the inspection process is presented below followed by descriptions of some of the inspections we observed.

OVERVIEW OF THE INSPECTION PROCESS

The command inspection process in the Navy involves scheduling, planning, inspecting, reporting, and followup. Although the processes vary somewhat depending on the activity conducting the inspection, the following generally describes what occurs.

- Inspections are normally scheduled 1 to 3 years in advance and the schedules are generally published so that activities know when they are scheduled for an inspection.
- Inspection planning consists of assigning an inspection coordinator/project officer to plan and oversee the inspection. Areas to be inspected are identified by receiving input from the inspected activity and reviewing prior inspection reports and audit reports issued by us, the Defense Audit Service, and the Naval Audit Service. Sometimes preliminary visits are made to the inspected activity to collect general information and solicit problem areas to be reviewed.
- At the beginning of the inspection, teams are briefed on what is expected of them and given broad guidelines. Opening briefings are held with inspected officials to describe the purpose of the inspection. The inspectors set their own priorities during the inspection based on their knowledge and experience in the areas they are reviewing, and team leaders review their work during the inspection. The Inspector General, or person heading the inspection, briefs the activity commander on the results.

- The formal reporting of inspection findings varies but generally inspection reports are completed and sent to the inspected activity within about 30 days after the inspection. During this time, the report is reviewed and clarified.
- Recommendations in inspection reports are followed up by requiring the inspected activity to submit periodic progress reports until all action has been completed. Sometimes reinspections are done to substantiate that corrective action has been taken.

NAVAL INSPECTOR GENERAL INSPECTION OF  
THE NAVAL MATERIAL COMMAND

The Naval Inspector General inspected the Naval Material Command headquarters March 19 to 30, 1979. We attended the preliminary visit, accompanied inspectors on their inspections, and attended the exit briefings for that inspection. The inspection was conducted by 18 full-time staff including the Inspector General and 55 temporary inspectors.

The preliminary visit was general and designed to familiarize the inspectors with the functions of the Naval Material Command and the relationships between various offices. Discussions were candid and several problem areas, such as staff shortages, surfaced. Those attending the briefing appeared to be experienced and the questions indicated their familiarity with the organization.

We observed part of the inspection of the Naval Material Command's inspector general function. The inspection was performed by a member of the Naval Inspector General's full-time inspection staff, the Assistant for Inspection Coordination. The inspector worked from a guide which he had developed and his inspection involved analyzing schedules, reviewing inspection reports, and interviewing officials.

The Naval Inspector General conducted a short closing briefing with the Chief and Vice Chief, Naval Material Command to apprise them of the results of the inspection.

U.S. ATLANTIC FLEET  
INSPECTOR GENERAL INSPECTION

The U.S. Atlantic Fleet Inspector General inspected a construction battalion June 4 to 6, 1979. We observed part of this inspection. The battalion employs 44 personnel and is a staff organization providing direction and support to lower level construction units.



The inspection team consisted of 16 people--the Inspector General, the project officer, and 14 inspectors. Ten of the fourteen were temporary inspectors and four were full-time inspector general staff members. Each of the 14 inspectors was responsible for inspecting specific functional areas.

The temporary inspectors were informed by May 18, 1979, that they would be assigned as inspectors in particular functional areas. However, it was not until the inspector briefing on May 30, that they were told which activity. It was at this briefing that each inspector received an inspection handbook containing the inspection schedule, assignments, special interest items, reference material, and instructions on the conduct of inspections. They received no verbal instructions about the inspection process; however, they were given a presentation on the mission of the activity.

Each inspector was responsible for preparing inspection guides but was not required to submit them to the project officer for review. According to the project officer, all but one of the temporary inspectors were experienced, and therefore, were not required to submit the guides.

After a personnel inspection by the Inspector General, the inspectors worked independently. As needed, they discussed such things with the project officer as whether to include a deficiency as a finding. For the most part, the inspectors followed the guides they had developed. Although detailed workpapers were not generated, the inspectors were required, in their writeups of individual findings to (1) state the discrepancy, (2) discuss the circumstances surrounding the finding, (3) cite applicable Naval regulations, and (4) recommend corrective action. Their findings were then incorporated into the final report.

Each inspector orally presented his or her findings to the Inspector General before the exit briefing with the inspected command. Although the Inspector General had the final say as to whether a finding would be included in the report, he accepted most findings and recommendations presented by the inspectors. In one case, he disagreed with the inspector's recommendation and substituted another that he felt would better eliminate the deficiency. The findings and recommendations were then orally presented to the activity commander.

Following the inspection, we discussed the inspection process and results with the inspected personnel. Their comments concerning the validity of the findings were favorable, and they did not take exception with any of the findings or recommendations.

U.S. NAVAL FORCES EUROPE  
INSPECTOR GENERAL VISIT

During our review of the U.S. Naval Forces Europe Inspector General operations, we were able to accompany an inspection team during a 3-day visit to a lower level activity. The team consisted of the Inspector General and 12 temporary inspectors who were each assigned a functional area to inspect.

The inspection process consisted essentially of an entrance briefing, interviews, observations, team meetings, write-ups of findings, and an exit briefing. The temporary inspectors that we observed operated rather independently. They decided how much time to spend inspecting a given area. The Inspector General did not prepare any schedule which allocated how much time the temporaries were to spend inspecting. He stated that each one knew the length of the visit and it was their responsibility to ensure their area was fully inspected.

We noted that the temporary inspectors were very familiar with the operations they inspected. They attempted to focus on significant problems and did not look for minor deficiencies of a compliance nature. In addition, a cooperative atmosphere existed between them and the individuals being inspected. As a result, the inspected officials were not reluctant to inform the inspectors about major problems they faced in performing their jobs.

At the end of each day a team meeting was held to discuss areas of mutual concern and to present findings. During these meetings the Inspector General asked each inspector if he or she

- had found any item of interest concerning the general areas of safety, retention, quality of life, and equal opportunity;
- had come across items that may be of use to other team members during their inspections;
- would discuss their inspection areas and any potential findings so that he and other team members could provide input.

During these discussions the Inspector General commented on whether (1) he thought the findings were significant and would have to be addressed at higher command levels, (2) the findings were of only local concern, or (3) the findings were minor problems and should not even be mentioned in the report. He also encouraged the inspectors to write up any areas in which the activity personnel were doing an outstanding job.

At the conclusion of the visit, the Inspector General gave the commander and selected staff an exit briefing. Each finding and recommendation was discussed and the activity personnel were asked to comment on any finding they disagreed with. There was no disagreement.

Workpapers in the traditional auditing sense were nonexistent. Inspectors were not required to generate documentation in support of findings, and according to individual preference, they made notes or recorded findings on notepaper and/or an inspection checklist.

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