

~~15709~~

114007



UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

ACCOUNTING AND FINANCIAL
MANAGEMENT DIVISION

B-201196

DECEMBER 19, 1980

The Honorable Harold Brown
The Secretary of Defense



114007

Dear Mr. Secretary:

Subject: [Survey of the Standard Army Intermediate
Level Supply System](AFMD-81-19)

We have surveyed the Standard Army Intermediate Level Supply System at selected locations and are pleased to inform you that, at the locations surveyed, the financial inventory accounting system was operating satisfactorily. Because the Army has made major changes to this accounting system since its approval we could not compare the current system design to the approved system design. However, we found that the Army had made the improvements requested at the time this accounting system was approved.

This report provides information on system changes since the accounting system was approved in 1975 and details on the scope of our survey. As no significant accounting system deficiencies were disclosed during our survey, the report does not contain any recommendations.

The Standard Army Intermediate Level Supply System was originally designed with two distinct modules. The two modules of this system are supply accounting and stock fund/financial inventory accounting. The Army uses this system to process supply transactions for quantitative accounting purposes. This system also processes the same supply transactions for financial purposes and provides for reconciling financial data with supply data.

This standard system was originally intended for use in installations in the continental United States, but was later set up at overseas locations. Also, the system was expanded to include data on war reserve materials and medical supplies. The expanded financial module has been implemented at all installations and, as of June 1980, the expanded supply module had been installed at 19 locations and was to be implemented at about 30 additional locations.

713766

(903013)

This expanded use of the accounting system resulted in many system changes since the approval by the Comptroller General. In addition to changes necessitated by system expansion, other changes resulted from a need for system optimizations, technical corrections, and enhancements. According to data processing personnel at the installations we visited, less computer time was required to process the expanded financial module than the prior financial module. Users were experiencing no problems with the accuracy, timeliness, and format of financial information which could be attributed to accounting system problems inherent in the financial module.

The logistical concept and requirements for the system are the responsibility of the U.S. Army Logistics Center, while the financial concept and requirements are the responsibility of the U.S. Army Finance and Accounting Center. The U.S. Army Computer Systems Command is responsible for designing, testing, installing, and maintaining Standard Army Intermediate Level Supply System data processing applications.

SCOPE OF REVIEW

We reviewed Department of the Army regulations, interviewed officials, performed test checks, traced transaction flows, and performed other audit routines to accomplish our objectives. We also interviewed Army headquarters officials to discuss policies and procedures and other related matters.

We made our survey at the following Virginia locations:

- U.S. Army Training and Doctrine Command.
- U.S. Army Logistics Center.
- U.S. Army Computer Systems Command.
- U.S. Army Quartermaster Center and Fort Lee.
- U.S. Army Transportation Center and Fort Eustis.

Our methodology was to obtain documentation of system changes and discuss these changes and the present system with officials responsible for establishing requirements and with officials responsible for implementing automatic data processing system requirements. We interviewed users of the system to determine whether the system was meeting their needs and identified reconciliation procedures and controls to ensure reliable system output. In addition, we followed up on our recommendations made at the time the system was approved.

B-201196

Because the information obtained in our survey indicates the needs of the system users are being met, we are not planning additional work at this time. However, we will review the changes to the approved accounting system when they are submitted for the Comptroller General's approval. Also, as you know, our Logistics and Communications Division is completing a review of the functioning of selected aspects of the supply module of this standard system.

We appreciate the courtesies and cooperation extended to us at each location visited.

Sincerely yours,



D. L. Scantlebury
Division Director and
Chief Accountant of GAO