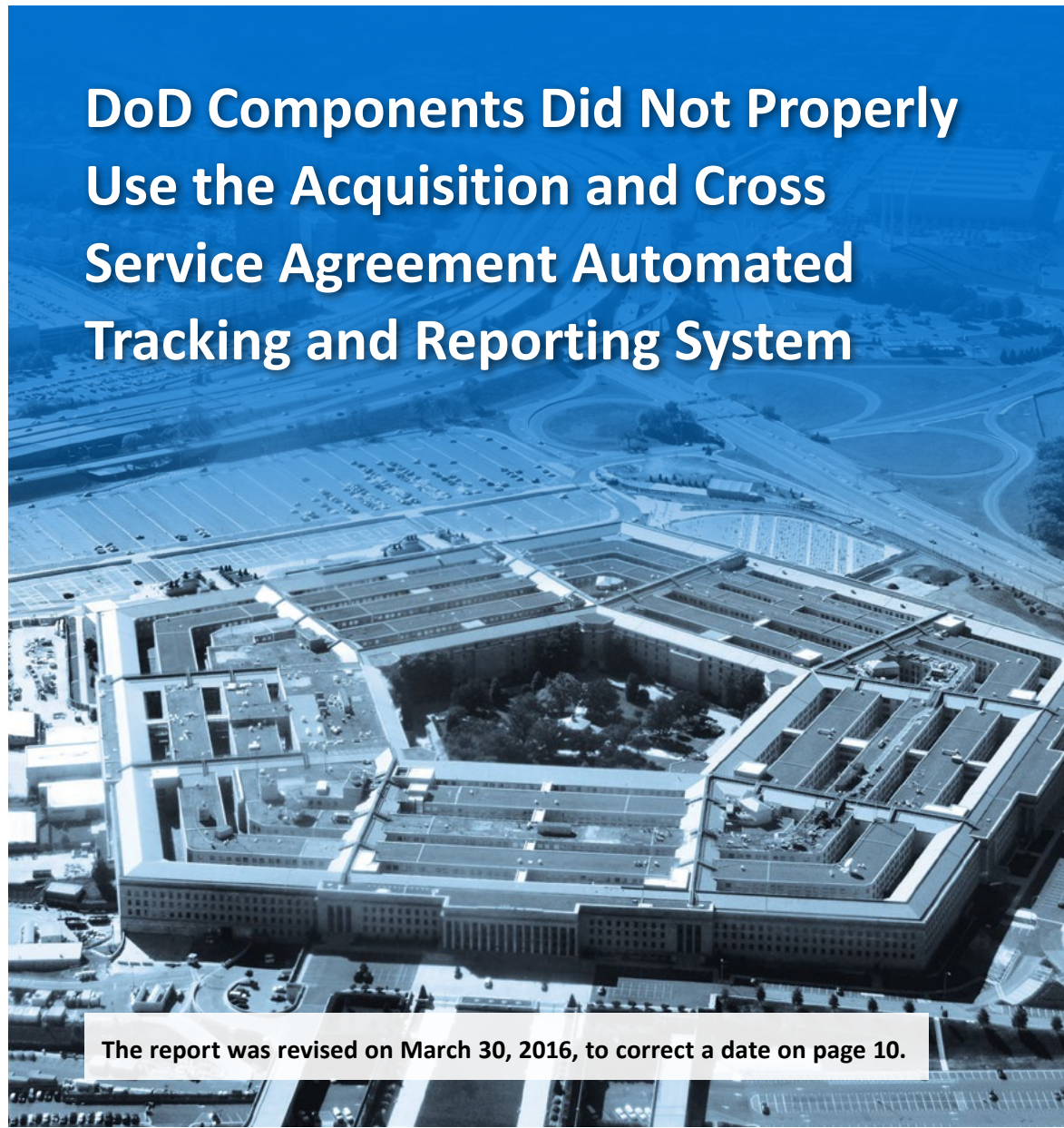




# INSPECTOR GENERAL

*U.S. Department of Defense*

MARCH 24, 2016



## DoD Components Did Not Properly Use the Acquisition and Cross Service Agreement Automated Tracking and Reporting System

The report was revised on March 30, 2016, to correct a date on page 10.

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# Results in Brief

## *DoD Components Did Not Properly Use the Acquisition and Cross Service Agreement Automated Tracking and Reporting System*

March 24, 2016

### Objective

We determined whether DoD Components used Acquisition and Cross-Service Agreement (ACSA) Global Automated Tracking and Reporting System (AGATRS) properly in support of Operation Inherent Resolve (OIR).

### Finding

ACSAs are bilateral agreements between the United States and authorized foreign entities for the exchange of logistics support, supplies, and services. AGATRS is the DoD web based system of record that builds, tracks, and manages ACSA orders. Army Central Command (ARCENT) and Air Force Central Command (AFCENT) personnel did not properly use AGATRS in support of OIR, as required by DoD policy. Specifically, ARCENT and AFCENT personnel did not include all minimum essential data elements on ACSA orders, upload source documents supporting line items on orders into AGATRS, and close ACSA orders within AGATRS properly. This occurred because guidance from Military Departments and Combatant Command Service Components did not clearly define required ACSA and AGATRS procedures. As a result, The Chairman of the Joint Chiefs of Staff (CJCS) and Combatant Commanders had limited oversight of Logistics Support, Supplies, and Services transactions executed in support of OIR. For example, CJCS did not have assurance that 142 orders, valued at \$223 million, were accurate or had been reimbursed. We nonstatistically-selected and reviewed 175 of 576 ARCENT and AFCENT ACSA orders.

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### Management Actions Taken

We met with Army Deputy Chief of Staff G-4, Logistics personnel to discuss our concerns and suggested that the Deputy update ACSA procedures to comply with CJCS Instruction and the DoD Financial Management Regulation (FMR). The Army Deputy Chief of Staff G-4, Logistics, personnel agreed with our observations and initiated corrective actions.

We also met with Secretary of the Air Force Financial Management personnel and Air Force Deputy Chief of Staff for Logistics, Installation and Mission Support personnel to discuss our observations from our site visit. We suggested the Air Force Deputy Chief of Staff for Logistics, Installation and Mission Support, in conjunction with the Secretary of the Air Force Financial Management, update Air Force ACSA policy and processes to comply with the CJCS Instruction and the FMR. The Air Force Components agreed and began implementing our suggested corrective actions.

We informed the Director of Sustainment G4, ARCENT, that there were deficiencies in ARCENT ACSA orders in AGATRS. Specifically, we identified ACSA orders that did not meet the requirements outlined in the CJCS Instruction and the FMR. The Director agreed with our observations and began implementing our suggested corrective actions.

We advised the Director of Logistics, AFCENT, that there were deficiencies with AFCENT ACSA orders in AGATRS. Specifically, we identified ACSA orders that did not meet the requirements outlined in the CJCS Instruction and the FMR. The Director agreed with our observations and began implementing our suggested corrective actions.

The management actions taken during the audit addressed our suggestions; therefore, we are not making any additional recommendations. Additionally, we obtained and considered feedback on a discussion draft when preparing the final report.

## ***Recommendations Table***

<b>Management</b>	<b>Recommendations Requiring Comment</b>
Army Deputy Chief of Staff G-4	None
Secretary of the Air Force Financial Management	None
Air Force Deputy Chief of Staff for Logistics, Installation and Mission Support	None
ARCENT	None
AFCENT	None





**INSPECTOR GENERAL  
DEPARTMENT OF DEFENSE  
4800 MARK CENTER DRIVE  
ALEXANDRIA, VIRGINIA 22350-1500**

March 24, 2016

MEMORANDUM FOR DISTRIBUTION

**SUBJECT: DoD Components Did Not Properly Use the Acquisition and Cross Service Agreement Automated Tracking and Reporting System (Report No. DODIG-2016-067)**

We are providing this report for your information and use. This report relates to the overseas contingency operation, Operation Inherent Resolve. We conducted this audit in accordance with generally accepted government auditing standards.

The Army, Air Force, Army Central Command, and Air Force Central Command did not have effective controls for the Acquisition and Cross Service Agreement program and the Acquisition and Cross Service Agreement Automated Tracking and Reporting System. During the audit we notified responsible officials of our concerns. The Army, Air Force, Army Central Command and Air Force Central Command took prompt action to resolve each concern we identified; therefore, we did not make any recommendations in this report, but will follow up to ensure actions are completed as discussed. We obtained and considered feedback on a discussion draft when preparing the final report.

We appreciate the courtesies extended to the staff. Please direct questions to me at [Michael.Roark@dodig.mil](mailto:Michael.Roark@dodig.mil), (703) 604-9187 (DSN 664-9187).

A handwritten signature in black ink that reads "Michael J. Roark".

Michael J. Roark  
Assistant Inspector General  
Contract Management and Payments

***Distribution:***

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## Acronyms and Abbreviations





# Introduction

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## Objective

We determined whether DoD Components properly used the Acquisition and Cross-Service Agreement (ACSA) Global Automated Tracking and Reporting System (AGATRS) in support of Operation Inherent Resolve (OIR).

## Background

### ***Acquisition and Cross-Service Agreements***

ACSAs are bilateral agreements between the United States and authorized foreign entities for the exchange of logistics support, supplies, and services (LSSS). ACSAs allow logistical exchanges between the United States, the military forces of eligible countries, and international organizations of which the United States is a member. The ACSA program gives the on-scene contingency commander increased flexibility in addressing logistical shortfalls.

### ***Chairman of the Joint Chiefs of Staff Instruction***

The Chairman of the Joint Chiefs of Staff (CJCS) provides ACSA program implementation guidance. CJCS Instruction (CJCSI)<sup>1</sup> directs the use of ACSAs in accordance with United States Code.<sup>2</sup> CJCSI 2120.01D requires the use of AGATRS to fully document all transfers of LSSS between U.S. and foreign entities under ACSA authorities and states the program should be executed by designated ACSA officials at the lowest organizational level. Primarily, the program should be executed by the Combatant Command (CoCOM) Service component or subordinate command.

### ***ACSA Global Automated Tracking and Reporting System***

AGATRS is the DoD system of record for executing ACSA orders for the Office of the Secretary of Defense, Joint Staff, CoCOMs, and Services. It is an unclassified, web-based system that builds, tracks, and manages LSSS transactions, Implementing Agreements, and future orders<sup>3</sup> globally, throughout their life cycle. AGATRS is used to document all transfers of LSSS under ACSA authorities. To document a transfer of LSSS, a designated official uses an ACSA standard order form<sup>4</sup> or other documentation that contains the minimum essential data (see Appendix B).

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<sup>1</sup> CJCSI 2120.01D, "Acquisition and Cross Servicing Agreements," May 21, 2015. This policy replaced CJCSI 2120.01C, "Acquisition and Cross Servicing Agreements," February 13, 2013.

<sup>2</sup> Sections 2341-2350, title 10, United States Code.

<sup>3</sup> An ACSA order may contain one or more line item.

<sup>4</sup> AGATRS produces the Standard Order Form 1-3a "Acquisition and Cross-Service Agreement/Mutual Logistics Support Order Form," Revised June 24, 2014.

## ***ACSA Roles and Responsibilities***

The CJCS has assigned the following roles and responsibilities to the Joint Staff, CoCOMs, Direct Reporting Units, and Defense Agencies reporting to the Secretary of Defense through CJCS.

- The Joint Staff Director for Logistics is the Joint Staff office with primary responsibility for the use of ACSAs. The Director maintains and updates the CJCSI that provides ACSA program guidance, and serves as the Joint Staff advocate for AGATRS functionality and improvements.
- The Military Departments and Defense agencies maintain and update instructions for ACSA/AGATRS program guidance that are uniform and consistent with CoCOM, Joint Chiefs of Staff, and Office of the Secretary of Defense policies and guidance.
- CoCOMs ensure ACSA personnel enter all ACSA transactions into the AGATRS database and submit ACSA quarterly reports<sup>5</sup> identifying all ACSA transactions to the CJCS as required by DoD policies.
- CoCOM Service component and subordinate command officials manage and oversee the acquisition and transfer of LSSS under ACSA authority. In addition, the officials maintain and update the AGATRS database with all ACSA transactions and associated order documentation.

## ***ACSA Transactions for OIR***

U.S. Army Central Command (ARCENT), U.S. Navy Central Command, U.S. Air Force Central Command (AFCENT), and U.S. Marine Corps Central Command are Service component commands under U.S. Central Command (CENTCOM). ARCENT and AFCENT are the two Service component commands that most frequently posted ACSA transactions to AGATRS in support of OIR. Table 1 summarizes ACSA orders uploaded into AGATRS by CENTCOM subordinate commands in support of OIR from June 2014 through September 2015.

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<sup>5</sup> According to the Joint Staff, ACSA Logistics Program Manager, there was no longer a need for ACSA quarterly reports as AGATRS was developed to provide all pertinent ACSA information to ACSA users and managers and eliminate the need for manual reporting.

*Table 1. ACSA transactions in Support of OIR in AGATRS*

CENTCOM Service Component Commands	ACSA Orders in AGATRS
ARCENT	408 <sup>1</sup>
AFCENT	168 <sup>2</sup>
Marine Corps Central Command	21
U.S. Naval Forces Central Command	1
Special Operations Command Central	4
<b>Total</b>	<b>602</b>

<sup>1</sup> Of 408 ARCENT orders for OIR in AGATRS, we reviewed 105 orders.

<sup>2</sup> Of 168 AFCENT orders for OIR in AGATRS, we reviewed 70 orders.

## Review of Internal Controls

DoD Instruction 5010.40, “Manager’s Internal Control Program Procedures,” May 30, 2013, requires DoD organizations to implement a comprehensive system of internal controls that provides reasonable assurance that programs are operating as intended, and to evaluate the effectiveness of the controls. We identified internal control weaknesses with the Army, Air Force, ARCENT, and AFCENT procedures related to ACSAs and AGATRS. We will provide a copy of the final report to the senior official responsible for internal controls at the Army, Air Force, and Joint Staff.

## Finding

### ARCENT and AFCENT Did Not Properly Use the Acquisition and Cross-Service AGATRS

ARCENT and AFCENT personnel did not properly use AGATRS in support of OIR as required by DoD policy. Specifically, ARCENT and AFCENT personnel did not:

- include all minimum essential data elements<sup>6</sup> on ACSA orders;
- upload source documents supporting line items on ACSA orders into AGATRS; or
- close ACSA orders within AGATRS properly.

This occurred because guidance from the Military Departments and CoCOM Service Components did not clearly define required ACSA and AGATRS procedures.

As a result, the CJCS and Combatant Commanders had a limited ability to maintain oversight of LSSS transactions executed in support of the OIR mission. For example, CJCS did not have assurance that 142 orders, valued at \$223 million, were accurate or reimbursed. We nonstatistically-selected and reviewed 175 of 576 ARCENT and AFCENT ACSA orders.

### ARCENT and AFCENT Did Not Complete Required ACSA Order Information

ARCENT and AFCENT personnel did not include all minimum essential data elements on ACSA orders for OIR in AGATRS. CJCSI 2120.01D and the DoD Financial Management Regulation (FMR)<sup>7</sup> list 25 minimum essential data elements required for an ACSA order. Examples of essential data elements include name and mailing address of the issuing and receiving organization, signatures, and the date and place of original transfer.

Of 408 ARCENT orders for OIR in AGATRS, we reviewed 105 orders, valued at \$219 million. Of 168 AFCENT orders for OIR in AGATRS, we reviewed 70 orders, valued at \$21 million. None of the ACSA orders we reviewed contained all the minimum essential data elements. For example, there were four ARCENT and six AFCENT ACSA orders that did not contain the signatures of officials from the military organizations transferring LSSS or the signatures of officials from the foreign entity that received the LSSS. Without appropriate signatures, there was no assurance that a binding international commitment existed or that the LSSS order was completed, reviewed, and ready to be processed for billing and collection.

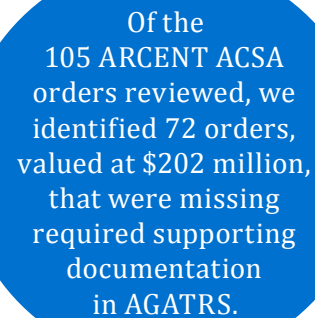
<sup>6</sup> See Appendix B for a list of the minimum essential data elements and their definitions.

<sup>7</sup> DoD Regulation 7000.14-R, "DoD Financial Management Regulation," volume 11A, chapter 8, "International Acquisition and Cross-Servicing Agreements."

## ARCENT and AFCENT Did Not Upload Supporting Documentation for ACSA Orders

ARCENT and AFCENT did not upload source documents supporting transactions on ACSA orders into AGATRS. CJCSI 2120.01D requires Secretaries of the Military Departments, or their designees, to keep and maintain financial and program records of all ACSA transactions. According to CJCS officials, AGATRS was designed to be auditable and include supporting documentation as the audit trail; therefore, support documentation should be uploaded into AGATRS. The use of supporting documentation establishes auditability and accountability of ACSA transactions at the execution level.

Of the 105 ARCENT ACSA orders reviewed, we identified 72 orders, valued at \$202 million, that were missing required supporting documentation in AGATRS. For example, one ACSA order was an equal-value exchange for land between ARCENT and Iraq that had a different dollar value listed on the signed order than the dollar value that was posted to AGATRS. The land value posted to AGATRS was \$1 million more than the signed order form. Because no supporting documentation for the value of the transferred land was uploaded into AGATRS, there was no way to determine the correct value of the land transferred between Iraq and the United States. Furthermore, this order appeared in AGATRS as completed, however, there was no evidence that ARCENT transferred goods of equal value to Iraq for the land. ARCENT personnel began taking immediate action to correct identified deficiencies by uploading the supporting documentation for the ACSA transactions.



Of the 105 ARCENT ACSA orders reviewed, we identified 72 orders, valued at \$202 million, that were missing required supporting documentation in AGATRS.

Of the 70 AFCENT orders reviewed, we identified 69 orders, valued at \$19 million, which were missing required supporting documentation in AGATRS. In addition, the orders were inputted into AGATRS by HQ AFCENT officials who did not have access to the source documents that should have been used to support the ACSA transactions.

AFCENT personnel in theater supporting OIR operations should have created ACSA orders in AGATRS and uploaded the source documentation. Instead, the ACSA orders were created in AGATRS by HQ AFCENT personnel at Shaw Air Force Base, South Carolina. HQ AFCENT personnel believed that supporting documentation for ACSA transactions was kept at the deployed locations where the ACSA transactions took place. However, the ACSA coordinator at Al Udeid Air Base, Qatar, had not obtained source documents for the LSSS transactions that took place there, nor

did she have access to AGATRS. CJCSI 2120.01D states the ACSA program should be executed at the lowest organizational level. AFCENT is taking action to ensure ACSA transactions are recorded by in-theater personnel who have access to source documents. This will allow AFCENT HQ Logistics and Finance Program Managers to focus on oversight. AFCENT corrective actions are detailed in the Management Actions Taken section of the report below.

### ***ARCENT Personnel Did Not Maintain Required Documentation for Open-Ended ACSA Transactions***

ARCENT personnel did not upload documentation for open-ended transactions<sup>8</sup> that showed both parties accepted their respective responsibilities and liabilities. According to CJCSI 2120.01D open-ended, or continuing ACSA transactions, are allowed as long as both parties understand and accept their respective responsibilities and liabilities. The ACSA standard order form contains signature blocks for the authorized official of the country requesting the acquisition and for the authorized official fulfilling the request. Once signatures from both individuals are obtained, the United States and foreign entity have entered into a binding international commitment.

Of the 21 ARCENT open-ended ACSA transactions in AGATRS we reviewed, 20 transactions did not contain documentation showing both parties understood and accepted their respective responsibilities and liabilities. We notified the ARCENT Director of Sustainment G4 that these orders were missing the required support in AGATRS. On October 21, 2015, ARCENT personnel took immediate action and uploaded the signed agreements into AGATRS.

### **DoD Components Did Not Properly Close ASCA Orders in AGATRS**

ARCENT and AFCENT personnel did not properly close ACSA orders in AGATRS. CJCSI 2120.01D requires the responsible component to use financial clearing documents to close orders in AGATRS. Of the 29 completed ARCENT orders we reviewed in AGATRS, 27 orders were not properly closed out. Specifically, Defense Finance and Accounting Service personnel closed orders in AGATRS instead of the responsible components. ARCENT personnel should have used Defense Finance and Accounting Service clearing documents from the Army's finance system as supporting documentation to close AGATRS orders. When we notified ARCENT personnel of these errors, they took immediate action to modify their process. In addition, AFCENT personnel had not closed any ACSA orders in AGATRS even

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<sup>8</sup> Open-ended ACSA transactions are ACSA orders in which LSSS information, such as quantities or timeframes cannot be determined up front.



though the command considered most of the ACSA orders to be completed.<sup>9</sup> Completing AGATRS orders after payment is validated for liabilities, or collection is confirmed for credits, finishes the audit trail and enables accurate reporting.

## DoD Component Guidance Did Not Clearly Address Required AGATRS Procedures

Army and Air Force ACSA guidance did not align with DoD policy.<sup>10</sup> According to CJCSI 2120.01D, military departments must appoint ACSA program managers to maintain and update Service instructions on ACSA program guidance in accordance with Office of the Secretary of Defense policy and guidance. Policies and procedures serve as controls over program operations and provide reasonable assurance that the program will meet its objectives. However, Army and Air Force guidance<sup>11</sup> did not comply with CJCSI 2120.01D.

For example, neither the Army Directive nor the Air Force Instruction required components to upload source documents into AGATRS. We suggested the Army Deputy Chief of Staff G-4, Logistics; and Air Force Deputy Chief of Staff for Logistics, Installation and Mission Support, in conjunction with the Secretary of the Air Force Financial Management (SAF/FM), should update their Service instructions to comply with CJCSI 2120.01D to ensure effective controls are in place for the ACSA program and AGATRS use.

Additionally, current ARCENT and AFCENT guidance does not clearly address DoD procedural requirements. ARCENT draft guidance does not:

- require minimum essential data elements on all ACSA orders;
- require supporting source documents for line items on ACSA orders and open-ended transactions be uploaded into AGATRS; or
- include a process for closing ACSA orders in AGATRS.

AFCENT guidance did not explicitly:

- require minimum essential data elements on all ACSA orders;
- require supporting source documents for line items on ACSA orders be uploaded into AGATRS;
- include a process for closing ACSA orders in AGATRS; or
- require that the ACSA program be executed at the lowest organizational level.

<sup>9</sup> We were unable to determine how many orders AFCENT personnel closed in the financial system.

<sup>10</sup> CJCSI 2120.01D and FMR DoD 7000.14-R, Volume 11A, chapter 8.

<sup>11</sup> Army Directive 2012-12, "Interim Army Acquisition and Cross-Servicing Agreements, Lift and Sustain, and Foreign Assistance Act Authorities," April 30, 2012; Air Force Instruction 25-301, "Acquisition and Cross-Servicing Agreements," May 5, 2011.

We suggested Director of Sustainment G4, ARCENT; and Director of Logistics, AFCENT, update their procedures to implement the ACSA program efficiently and effectively.

## Joint Staff and U.S. Central Command Had Limited Visibility Over ACSA Program

CJCS and CENTCOM personnel did not have assurance that 142 ARCENT and AFCENT ACSA orders for OIR were accurate or reimbursed. Specifically, we were unable to verify the accuracy of 72 ARCENT ACSA orders, valued at over \$202 million, due to a lack of supporting documentation. In addition, the accuracy and status of 70 AFCENT ACSA orders, valued at over \$21 million, was unknown because of incorrect or incomplete methods used to post transactions.

AGATRS is the mandatory system of record for all DoD agencies to record ACSA transactions. AGATRS provides logisticians, financial personnel, and senior leadership worldwide LSSS visibility, as well as a database of potential logistics support agreements. By properly using AGATRS, the CJCS and Combatant Commanders can maintain control and visibility of LSSS transactions with foreign entities. Without accurate AGATRS entries, these Commanders do not have assurance that deployed forces are obtaining the LSSS necessary to effectively and efficiently sustain U.S. and coalition forces during contingencies and operations.

We did not make recommendations regarding the correction of existing records because in many cases, documentation does not exist to verify the transactions. However, policy and procedure modifications will ensure accurate accounting of LSSS for future contingency operations.



We did not make recommendations regarding the correction of existing records because in many cases, documentation does not exist to verify the transactions.

## Corrective Actions Taken by Management

### *Department of the Army Actions*

We met with Army Deputy Chief of Staff G-4, Logistics, personnel to discuss the concerns we identified during our site visits to HQ ARCENT, Shaw Air Force Base, and Camp Arifjan, Kuwait. We suggested the Army Deputy Chief of Staff G-4, Logistics, update Army ACSA procedures to align with CJCSI 2120.01D and DoD guidance.<sup>12</sup>

<sup>12</sup> DoD 7000.14-R, Volume 11A, chapter 8.

Army Deputy Chief of Staff G-4, Logistics, personnel agreed with our observations and began implementing our suggested corrective actions. The Army started developing an Army ACSA regulation. The regulation includes the following elements:

- ACSA orders must contain all minimum essential data elements;
- supporting documents applicable to the ACSA order must be uploaded into AGATRS;
- financial representatives must receive and upload clearing documents from the Army's financial system, and the Army Service Component must ensure ACSA orders have been closed properly; and
- documentation showing both parties' acceptance of their respective responsibilities and liabilities for open-ended transactions must be posted to AGATRS.

The Army intends to issue this updated policy by the first quarter of FY 2017. The management actions taken during the audit addressed our suggestions; therefore, we are not making any additional recommendations. However, we will take follow up action to verify that the Army issues the draft policy.

### ***Department of the Air Force Actions***

We met with SAF/FM personnel and Air Force Deputy Chief of Staff for Logistics, Installation and Mission Support personnel to discuss the concerns we identified at HQ AFCENT, Shaw Air Force Base, and Al Udiid, Qatar. We suggested the Air Force Deputy Chief of Staff for Logistics, Installation and Mission Support, in conjunction with SAF/FM, update ACSA policies and procedures to align with CJCSI 2120.01D and DoD guidance.<sup>13</sup>

The Air Force Components agreed with our observations and began implementing our suggested corrective actions. Air Force Deputy Chief of Staff for Logistics, Installation and Mission Support personnel, in conjunction SAF/FM personnel, began rewriting Air Force Instruction 25-301. The instruction includes the following guidance:

- ACSA orders must contain all minimum essential data elements;
- supporting documents applicable to each ACSA order must be uploaded into AGATRS;

<sup>13</sup> DoD 7000.14-R, Volume 11A, chapter 8.

- financial managers must follow FMR<sup>14</sup> guidance for payment and pricing of ACSA transactions and include invoice and payment documentation into AGATRS; and
- all U.S. Air Force units must use AGATRS as directed by the Combatant Command Service Component.

The Air Force intends to issue this updated policy by June 20, 2016. Additionally, Air Force personnel worked with CJCS personnel to begin modifying FMR guidance<sup>15</sup> to explain the use of AGATRS in the financial process to the DoD financial community. The management actions taken during the audit addressed our suggestions; therefore, we are not making any additional recommendations.

### ***Army Central Command Actions***

We informed the Director of Sustainment G4, ARCENT that there were deficiencies in ACSA orders posted by ARCENT personnel. Specifically, we identified ACSA orders that did not meet the requirements outlined in CJCSI 2120.01D and DoD guidance.<sup>16</sup> We identified orders that:

- lacked source documents supporting transactions recorded in the system;
- lacked the minimum essential data elements;
- remained open in AGATRS; and
- lacked documentation of both parties accepting their respective responsibilities and liabilities.

The Director agreed with our observations and initiated steps to implement our suggested corrective actions. ARCENT was in the process of developing a SOP and included suggested language in the draft SOP stating that:

- supporting documentation must be posted to and maintained in AGATRS;
- ACSA orders in AGATRS must contain the minimum essential data elements;
- the responsible component must close ACSA orders in AGATRS; and
- supporting documentation showing both parties accept their respective responsibilities and liabilities must be uploaded into AGATRS.

ARCENT intends to issue the SOP by April 1, 2016. The management actions taken during the audit addressed our suggestions; therefore, we are not making any additional recommendations.

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<sup>14</sup> FMR 7000.14-R, volume 11A, chapter 8.

<sup>15</sup> FMR 7000.14-R, volume 11A, chapter 8.

<sup>16</sup> DoD 7000.14-R, volume 11A, chapter 8.

### ***Air Force Central Command Actions***

We informed the Director of Logistics, AFCENT, of deficiencies in ACSA orders posted by AFCENT personnel. Specifically, we identified ACSA orders that did not meet the requirements outlined in CJCSI 2120.01D and DoD guidance.<sup>17</sup>

We identified:

- orders that lacked source documents supporting data input for transactions in the system;
- orders that lacked the minimum essential data elements;
- officials in the field who were not using AGATRS; and
- transactions in AGATRS that were not being closed out.

The Director agreed with our observations and began implementing our suggested corrective actions. AFCENT was in the process of updating their SOP and modified the ACSA program procedures to state that:

- supporting documentation must be posted to, and maintained in, AGATRS;
- ACSA orders in AGATRS must include the minimum essential-data elements;
- ACSA officials in the field must use AGATRS; and
- the responsible component must close out ACSA orders in AGATRS.

AFCENT issued the SOP on February 3, 2016. The management actions taken during the audit addressed our suggestions; therefore, we are not making any additional recommendations.

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<sup>17</sup> DoD 7000.14-R, volume 11A, chapter 8.

## Appendix A

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### Scope and Methodology

We conducted this performance audit from August 2015 through January 2016 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

We reviewed DoD, Army, Air Force, and CENTCOM criteria to understand the requirements for the ACSA program and use of AGATRS. We reviewed the following criteria:

- DoD 7000.14-R, Financial Management Regulation, volume 11A, chapter 8: “International Acquisition and Cross-Servicing Agreements” July 2010;
- DoD Directive 2010.9, “Acquisition and Cross-Servicing Agreements,” April 28, 2003;
- Chairman of the Joint Chiefs of Staff Instruction 2120.01D, “Acquisition and Cross-Servicing Agreements,” May 21, 2015;
- Army Directive 2012-12, “Interim Army Acquisition and Cross-Servicing Agreements, Lift and Sustain, and Foreign Assistance Act Authorities,” April 30, 2012;
- Air Force Instruction 25-301, “Acquisition and Cross-Servicing Agreements,” May 5, 2011; and
- Central Command Regulation 700-1, “Multinational Logistics Support Between the United States and Governments of Countries Within the USCENTCOM Area of Responsibility,” May 16, 2013.

We interviewed CJCS, Defense Logistics Agency, CENTCOM, Army, Air Force, ARCENT, and AFCENT personnel to obtain background information on ACSA and AGATRS. We conducted site visits to Shaw Air Force Base, South Carolina, to interview ARCENT and AFCENT HQ personnel to determine roles and responsibilities as they relate to the ACSA program and the use of AGATRS. We conducted site visits to ARCENT, Camp Airfjan, Kuwait; and AFCENT, Al Udeid, Qatar, to review the implementation of the ACSA program and operational use of AGATRS.

We used AGATRS to obtain ACSA orders and documentation to verify whether ARCENT and AFCENT personnel accurately captured, billed, and recorded LSSS provided through ACSA orders for OIR. We nonstatistically sampled 105 of 408 ARCENT orders and 70 of 168 AFCENT orders in AGATRS to review.



## Use of Computer-Processed Data

We used computer-processed data to perform this audit. We used AGATRS to obtain ACSA orders and any uploaded supporting documentation. We reviewed the information input in AGATRS for ACSA orders and compared it to source documentation. We concluded that the data was sufficiently reliable for developing our findings and conclusions.

## Use of Technical Assistance

We used Quantitative Methods Division personnel to determine the best sampling method for ARCENT and AFCENT ACSA orders.

## Prior Coverage

During the last 5 years, the Army Audit Agency issued four reports on ACSAs relating to our objective. Unrestricted Army Audit Agency reports can be accessed at <https://www.aaa.army.mil/reports.htm.mil>.

### **Army**

Report No.A-2014-0110-IEX, “Acquisition and Cross-Servicing Agreements in Europe, U.S. Army Europe,” September 24, 2014.

Report No. A-2013-0110-MTE, “Cost Sharing: Logistics Support, Services, and Supplies, U.S. Forces–Afghanistan,” June 13, 2013.

Report No. A-2012-0002-ALS, “Issuing Ammunition to Coalition Forces: Controls Over Transactions, U.S. Army Central,” October 6, 2011.

Report No. A-2011-0197-ALS: “Audit of Issuing Ammunition to Coalition Forces: Reporting Procedures, U.S. Army Central,” September 2, 2011.

## Appendix B

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### Minimum Essential Data Elements

DoD FMR, volume 11A, chapter 8, and CJCSI 2120.01D identifies and defines the minimum essential data elements required for ACSA orders. The essential data elements are:

- A. Source Document Control Number: Establish a control number similar to a DoD requisition number; e.g., a number containing a code for Military Service, a code for requisitioner, a date, and a document serial number.
- B. Unit of Issue: Unit of issue refers to the quantity of an item such as each, dozen, gallon, pound, ream, yard, etc.
- C. Quantity: Show the number of units of issue that were issued or received, as applicable.
- D. Description of Materiel/Services Requested: Identify the materiel and services requested.
- E. Unit Price: Show the price, based on unit of issue in the currency of the billing country. For DoD, this is usually when the item is dropped from inventory.
- F. Extended Dollar Value: Show the dollar value resulting from a combination of items subparagraphs 080501.B., C., and E. above.
- G. Name and Mailing Address of the Organization to Be Billed: This information may be obtained from the country-to-country or multinational agreement.
- H. Name and Mailing Address of Receiving Organization: This information may be obtained in the country-to-country or multinational agreement.
- I. Signature of Receiver: Obtain and show the signature and title of authorized ordering or requisitioning representative.
- J. Name and Mailing Address of Issuing Organization: This information may be obtained from the country-to-country or multinational agreement.
- K. Date (Year, Month, Day): Show the date services were performed or materiel delivered.
- L. National Stock Number of Materiel or Abbreviated Description of Services Provided. Show the National Stock Number: The National Stock Number is a number assigned under the Federal Cataloging System and/or the North Atlantic Treaty Organization Codification of Equipment System to each approved item identification. This number provides a unique identification of an item of supply within a specified Federal supply classification.

- M. Payee to Be Designated on Remittance: Show the designated payee.
- N. Designation and Address Office to Receive Remittance: Show the office to receive payment.
- O. Recipient's Signature Acknowledging Service or Supplies Received on the Order or Requisition or a Separate Supplementary Document: Obtain and show the signature of the recipient of the materiel or services.
- P. Transaction Type: Indicate whether the transaction is reimbursable or an exchange.
- Q. Fund Citation or Certification of Availability of Funds When Applicable Under Parties' Procedures: Show the funding source when advance payments are to be provided or if funding is not to be paid in advance, include a certification that funds are available.
- R. Date and Place of Original Transfer in the Case of an Exchange Transaction, a Replacement Schedule Including Time and Place of Replenishment Transfer: Provide date and place or estimated date and place as appropriate.
- S. Name, Signature and Title of Authorized Acceptance Official of the Order: Obtain and show the name, title, and signature of the authorized accepting official.
- T. Additional Special Requirements, if any, Such as Transportation, Packaging, Etc: Show any additional needs of the receiving organization, if applicable.
- U. Limitation of Government Liability: Show the maximum liability of the ordering/receiving organization.
- V. Name, Signature, Date and Title of Supplying Party Official Who Actually Issues Supplies or Services: Obtain and show name, title, signature and date of the authorized issuing official.

## Acronyms and Abbreviations

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<b>ACSA</b>	Acquisition and Cross-Service Agreements
<b>AFCENT</b>	U.S. Air Force Central Command
<b>ARCENT</b>	U.S. Army Central Command
<b>AGATRS</b>	ACSA Global Automated Tracking and Reporting System
<b>CENTCOM</b>	U.S. Central Command
<b>CJCS</b>	Chairman of the Joint Chiefs of Staff
<b>CJCSI</b>	Chairman of the Joint Chiefs of Staff Instruction
<b>CoCOM</b>	Combatant Command
<b>FMR</b>	Financial Management Regulation
<b>IA</b>	Implementing Agreements
<b>LSSS</b>	Logistics Support, Supplies, and Services
<b>OIG</b>	Office of Inspector General
<b>OIR</b>	Operation Inherent Resolve

# **Whistleblower Protection**

## **U.S. DEPARTMENT OF DEFENSE**

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