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REPORT TO THE CONGRESS



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Incomplete Installation Of The
Management Accounting System
For Procurement Of
Equipment And Missiles

B-163074

Department of the Army

BY THE COMPTROLLER GENERAL
OF THE UNITED STATES

FEB. 18, 1972

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

B-163074

To the President of the Senate and the
Speaker of the House of Representatives

This is our report on the incomplete installation of the management accounting system for procurement of equipment and missiles in the Department of the Army.

Our review was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

Copies of this report are being sent to the Director, Office of Management and Budget; the Secretary of Defense; and the Secretary of the Army.

A handwritten signature in cursive script that reads "James B. Stacks".

Comptroller General
of the United States

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ABBREVIATIONS

ADP automatic data processing

ALPHA Army Materiel Command Logistics Program Hardcore
Automated

AMC Army Materiel Command

AVSCOM Army Aviation Systems Command

DOD Department of Defense

ECOM Army Electronics Command

GAO General Accounting Office

MECOM Army Mobility Equipment Command

MICOM Army Missile Command

MUCOM Army Munitions Command

PEMARS procurement of equipment and missiles accounting
and reporting system

TACOM Army Tank-Automotive Command

WECOM Army Weapons Command

5Y ADP AMC Five-Year ADP Program

D I G E S T

WHY THE REVIEW WAS MADE

In fiscal years 1970 and 1971, the Congress appropriated \$7.1 billion for the Department of the Army to buy equipment and missiles. The Army has developed an accounting and reporting system to keep track of these expenditures.

The General Accounting Office (GAO) wanted to know whether the system provided timely and reliable information about the procurement programs and whether this information was being used for decisionmaking.

FINDINGS AND CONCLUSIONS

In concept the accounting and reporting system has great potential as a management tool. In spite of 7 years' development and expenditures of \$18.5 million, however, the system has yet to be fully implemented.

Of the seven subordinate commands of the Army Materiel Command (AMC), only the Army Missile Command is using the complete system. The system is implemented, only partially in the headquarters of the Army and of AMC and in the six other AMC subordinate commands. Considerable work is required at these commands to fully install the system. Also the data in the system are incomplete and inaccurate. Consequently management does not use the data in making decisions. Rather, it relies on data produced by complementary systems, which would be unnecessary if the reporting system were implemented fully. The failure of the Army to implement the system on a timely basis was due to:

- Failure by the Army to make an adequate study to evaluate the size and complexity of the system implementation at each commodity command. Consequently unrealistic milestones were established. (See p. 9.)
- Lack of sufficient manpower and automatic data processing equipment. (See p. 12.)
- Delays by the contractor in completing the contract work to the satisfaction of the Army. (See p. 15.)
- Lack of adequate supervision and control over system implementation. (See p. 16.)

At present the Army plans to convert the incomplete reporting system to another system. GAO believes that the Army should take the necessary actions to preclude a recurrence of the above problems when converting to the new system.

RECOMMENDATIONS OR SUGGESTIONS

GAO made a number of suggestions to correct the above problems and to strengthen the control over future systems' implementations. (See p. 20.)

AGENCY ACTIONS AND UNRESOLVED ISSUES

The Army has agreed with GAO's findings and conclusions and has reported that, since the date of GAO's review, significant progress has been made to implement the system. The Army has taken actions to comply with GAO's suggestions. These actions should result in more effective control over systems' design and implementation.

MATTERS FOR CONSIDERATION BY THE CONGRESS

The Congress, in view of the interest of its members and committees in Department of Defense controls over procurement funds, may wish to follow up on the Army's progress in implementing its procurement accounting and reporting system.

CHAPTER 1INTRODUCTION

The General Accounting Office has reviewed the management accounting and reporting system of the Department of the Army for the procurement of equipment and missiles to evaluate how effective the system is in providing management with prompt and reliable data on which to appraise the status of the Army's procurement programs as well as to determine whether data from the system are used effectively to make decisions.

The evaluation (see p. 6) is not to be considered as an approval of the accounting principles and standards and of the general design of the system. The Office of the Secretary of Defense has not submitted the system to GAO for approval, nor has it prescribed a Defense-wide statement of principles and standards for the development of an accounting and reporting system applicable to procurement appropriations.

In our report¹ to the Congress, we stated that the Department of Defense (DOD) had not established an overall coordinated pattern of underlying principles and standards to serve as a basis for the development of accounting systems for its various entities. We recommended that DOD develop, and publish in a single document, a comprehensive statement of its accounting principles and standards.

In a memorandum to the Secretary of the Army, dated October 23, 1964, the Secretary of Defense pointed out the need for the Army to establish adequate procedures for identifying promptly funds which were not needed for specific programs and to report these funds to the Assistant Secretary of Defense (Comptroller) as they became available. This measure was considered necessary because the Army was not aware, until the close of fiscal year 1964, that it had

¹"Status, Progress, and Problems in Federal Agency Accounting, 1969 Annual Report" (B-115398, December 31, 1970).

procurement funds which were not committed to specific procurement programs and which could have been applied to finance other procurement programs. As a consequence some programs that could have been implemented during fiscal year 1964 were deferred.

The Army attributed its failure to use the \$400 million of unprogrammed funds during fiscal year 1964 to inadequate accounting and reporting systems. Its accounting system was designed to report obligations, limitations, and other data, as required by law. It did not provide management regularly with reports in terms of funds committed, whether obligated or not, to specific programs and funds not committed but available for other specific procurement programs. For this purpose separate memorandum records were maintained by various managers.

In December 1964 the Army Chief of Staff directed the Comptroller of the Army, together with the Deputy Chief of Staff for Logistics; the Special Assistant for Army Information; and the Commanding General, Army Materiel Command, to develop an adequate accounting and reporting system for the procurement appropriation, to serve the needs of program, procurement, fiscal, project, and commodity managers at all levels.

Descriptions of the system developed and its concepts are summarized below. The system is applicable Army-wide; however, AMC and its seven subordinate commands are most deeply involved in the system's implementation since they have responsibility for the major portion of the Army's procurement appropriation.

The Comptroller of the Army has overall responsibility for the design and implementation of the procurement of equipment and missiles accounting and reporting system (PEMARS).

PEMARS CONCEPTS

PEMARS is a uniform Army-wide procurement accounting and reporting system using standard equipment and procedures designed to serve management at all levels.

As a single-source data system, fully exploiting automatic data processing equipment capabilities, PEMARS has been designed to (1) account for the acquisition of capital items, such as aircraft, missiles, combat vehicles, weapons, ammunition, and communications equipment; major items for support of capital items when in use; industrial facilities necessary to produce the equipment; and major modification of equipment in inventory and (2) provide all managers of the procurement appropriation with information they need for efficient management.

The system brings together, in a single record, commitments, obligations, expenditures, and other pertinent data related to specific programs released by the Secretary of Defense and identified to the budget line item of the President's budget. This permits frequent and prompt reporting of the current status of these items.

CHAPTER 2

EVALUATION AND STATUS OF PEMARS

In concept PEMARS has great potential as a management tool. It provides managers with the data needed to track the progress of the various procurement programs. When PEMARS is fully implemented, necessary data will be provided for prompt, effective, and economical management of the procurement appropriation.

PEMARS, however, has not been fully implemented. It has been in development almost 7 years. The cost of implementation has exceeded \$18.5 million, and additional costs are being incurred daily because of delays.

Although the system is designed to provide data to all managers concerned with the procurement appropriation, only one organization in the Army, the Army Missile Command (MICOM)--which is one of seven commodity commands of AMC--is obtaining the full benefit of the system. At the headquarters of the Army and of AMC and at the six other AMC commodity commands, PEMARS is in various stages of implementation. Management of these organizations does not always utilize data produced by PEMARS because management lacks confidence in the partially implemented PEMARS. Instead, it relies on data produced by complementary systems which would be unnecessary if PEMARS were implemented adequately.

Some of the problems, as of September 1970, which affected the PEMARS implementation at the AMC commodity commands, with the exception of MICOM, were as follows:

- All commands had experienced problems with computer programs.
- All commands required verification of data in data banks.
- All commands, although reporting PEMARS data to AMC in the required format, were relying on the data produced by independent program and appropriation accounting systems which were in effect prior to PEMARS.

--Two commands had not completed the PEMARS design.

--Two commands had discontinued the development and refinement of PEMARS.

In contrast MICOM has had PEMARS operating favorably for 4 years, and management has used PEMARS reports effectively in its management decision process. For example, PEMARS reports have enabled project and procurement managers to make continuous analyses of actual and planned obligations and thus ensure the timely disposition of funds which had been obligated and the release of excess funds. From September 1968 to June 1970, MICOM automatically returned \$82.8 million of excess funds to AMC as a direct result of disclosures made by PEMARS reports. In addition, the reports have proven to be ready sources of data for use in evaluating past performance, for cost analyses, and for planning.

The details relative to the status, as of September 1970, of PEMARS implementation at each of the AMC subordinate commands, except MICOM, are presented in appendix I. This information was furnished to us by AMC headquarters. Army headquarters subsequently determined the status of PEMARS implementation at these commands as of July 31, 1971, and the details are set forth in enclosure 2 of appendix II. The later status report shows that there was some improvement; however, MICOM still is the only command that has successfully implemented PEMARS.

The major factors that, we believe, contributed to the inability of the Army to implement PEMARS on a timely basis were:

--Failure to prepare an adequate study at each AMC commodity command to evaluate the magnitude and complexity of PEMARS implementation.

--Lack of sufficient manpower and automatic data processing equipment.

--Incomplete contractor performance.

--Lack of adequate supervision and control over PEMARS implementation.

These factors are discussed in the following sections.

ADEQUATE STUDY NOT MADE

The design and implementation of a new management system, such as PEMARS, should be initiated only after a thorough evaluation of requirements, correlated with related systems, and with the expectation that the new system will meet management needs at all levels for a reasonably long period after implementation. Further any implementation of such systems should be preceded by a thorough study of the operating function involved, including its relationship to other functions, and of the means of controlling the operations, the costs involved, and possible alternatives. We found no evidence, however, that such a study had been made; consequently management had failed to comprehend the magnitude and complexity of the effort required to implement PEMARS and therefore had established unrealistic target dates.

On the basis of the October 1964 memorandum from the Secretary of Defense (see p. 3), the Army made a study to identify weaknesses in existing systems and to recommend the best method to eliminate deficiencies. Its study report of December 3, 1964--which we do not consider to have been an in-depth study--was merely a summation of general knowledge about overall problems that had not been resolved over the years. The Army did not have sufficient time to identify and evaluate the specific details of the problems or the effort that would be required to correct them. The study report did note, however, the need for a detailed review and pilot tests. It proposed:

"*** To appoint a team to start with no predetermined objective or criteria other than the need for an adequate system; have the team make a detailed study in depth and recommend the most appropriate concept to explore; develop directives and conduct pilot operations based upon the study group's recommendation."

This proposal was ignored; instead, the following actions were taken.

- On December 10, 1964, the Army Chief of Staff directed that an adequate accounting and reporting system be developed for the procurement appropriation.
- In January 1965 a special group was designated to develop and test PEMARS at MICOM during the period May to December 1965.
- Approval was given in December 1965 to implement the system Army-wide. The implementation date was July 1, 1966.
- Each PEMARS-affected command was to conduct an impact study during the period January to March 1966 to determine whether implementation could be accomplished by July 1, 1966.

Some of the significant factors which surfaced during the period December 1964 to July 1966 and which were not taken seriously but which had a significant adverse effect on the PEMARS implementation are set forth below.

- The MICOM test was conducted with sufficient personnel resources and automatic data processing (ADP) equipment. Since MICOM did not have a complex organization, the test was not representative of the other AMC subordinate commands. Of special importance was the fact that MICOM was only slightly affected by the conflict in Southeast Asia. In addition to disclosing the problems the other commands would encounter by the lack of systems personnel and the lack of sufficient ADP equipment, the MICOM test disclosed that (1) the volume and complexity of PEMARS data made clear the need for a uniform system to facilitate effective communications, (2) the establishment of a data base for prior years' financial and program data was a difficult and time-consuming process, and (3) PEMARS depended on data from other systems which also were not fully implemented.
- The impact studies were conducted by utilizing, as a basis, data produced at MICOM. As previously noted MICOM was not representative of the other AMC

subordinate commands and was not a representative organization upon which to base--without sufficient study--a determination that the other subordinate commands could adequately implement the system within the prescribed time frame. Nevertheless the impact study concluded that (1) AMC could not implement PEMARS by July 1, 1966, (2) substantial manpower and ADP equipment would be required, and (3) the conflict in Southeast Asia took top priority, which required a significant amount of effort's being furnished by the various AMC subordinate commands.

In December 1967, almost 1-1/2 years after the scheduled implementation date, recommendations were being made to the Comptroller of the Army to defer or eliminate certain data because of the overwhelming volume or undisciplined sources which were consuming an inordinate amount of time that could be spent more profitably in the more critical areas of PEMARS. These same problems had been identified during the MICOM test.

Even though Army headquarters and AMC headquarters had an inherent responsibility to carefully investigate the magnitude and complexity of the system proposed for installation, this investigation was not accomplished. We believe that, had an objective evaluation been made of the information developed during (1) the design stage, (2) the pilot test at MICOM, and (3) the impact study, prudent management would have concluded that accurate data were not available on which to base a decision to proceed with the PEMARS implementation. It should have been recognized that data developed during the MICOM test were not applicable to the other AMC subordinate commands, since each command had developed its own system and had different ADP equipment. Further MICOM was not affected, as were the other commands, by the conflict in Southeast Asia.

LACK OF SUFFICIENT MANPOWER AND ADP EQUIPMENT

Adequate resources--both men and equipment--required at the proper time to design and install a new management information system effectively and economically were not applied to the design and implementation of PEMARS; consequently the system was delayed.

Each major AMC subordinate command and activity prepared an impact statement of the effect of PEMARS implementation on manpower and computer use. Statistical data developed during the MICOM test were used by the commands to evaluate their needs, since PEMARS was considered to be applicable at the other commands. Such data included the volume of documents processed, the number of ADP programs required, and general knowledge about problems encountered. These data, however, were not relevant to the other commodity commands; therefore the test data developed at MICOM did not provide, without adequate analysis, a sound basis for determining specific personnel and ADP equipment requirements for each command.

It should be noted that each command had developed its own system peculiar to its own needs and had different types of ADP equipment; consequently their systems and resource requirements differed materially from MICOM's. In the short time allowed for submission of the impact analysis, the commands were unable to evaluate the peculiarities of each system and to adequately project their resource requirements.

Subsequent events showed that many activities had peculiar problems which had not been disclosed by the MICOM test. For example, the Army Munitions Command (MUCOM) depended heavily on the data supplied by its subordinate commands, which ultimately affected personnel and ADP equipment needs. This problem was not encountered during the MICOM test. Nevertheless the impact studies showed that significant amounts of additional manpower and ADP equipment were required to operate PEMARS.

In April 1966, 4 months after the Army concluded that implementation of PEMARS was practicable, AMC informed Army headquarters that it did not have adequate manpower or ADP

equipment to meet the July 1, 1966, date for an operational system. AMC requested 166 additional civilian spaces. It was granted interim spaces on October 17, 1966, and manpower was to be provided from systems to be phased down or replaced. The interim authorization expired on June 29, 1967, without additional personnel's having been provided. To alleviate the personnel shortage, AMC was authorized to procure contractual assistance (see p. 15), and the PEMARS implementation date was extended to July 1, 1967.

The impact studies prepared by the AMC subordinate commands indicated that requests for many of the major pieces of ADP equipment required already had been processed and that certain installations had requests for augmentation of such equipment pending from April 1965 with the Office of the Secretary of Defense and the Department of the Army. It was not known when the equipment would be available, since the requests were in process of approval and in various stages of the procurement process.

The unavailability of ADP equipment has been a continuous source of trouble throughout the PEMARS implementation stages, and we feel that the problem will not be resolved adequately until standard equipment that has been authorized for procurement is furnished to all locations. A lack of standardized ADP equipment among sites--an important factor contributing to slippage in the system design effort--prevented the development of uniform programs for use at all commands and necessitated procurement of computer time from three non-AMC sources and eight commercial sources. These arrangements proved to be most unsatisfactory.

The Army permitted the implementation of PEMARS to continue but never assigned the necessary number of personnel to design, implement, and operate the system. This was set forth quite clearly in a report dated March 28, 1969, from the AMC Acting Comptroller to the Chief of Staff, AMC.

"*** It will be recalled that the initial date for completion of PEMARS Phase I was July 1967. In retrospect, all concerned at that time should have recognized that attainment of this objective

was not feasible. It wasn't met and has repeatedly slipped until now we are at a point approximately two years later, still without an operable system. ***

"The implementing commands have had, and do now have, other priorities, which in balance are more important. Each command has applied considerable resources to PEMARS, but never in any depth in view of competing priorities. It has been observed that involvement has been relatively shallow, and the command participation has averaged four to six personnel at each site. At this stage of implementation, the involvement must be expanded or else the system will remain in a vacuum."

In our opinion it is doubtful whether, even with sufficient manpower and approval granted for ADP equipment, the equipment could have been acquired and installed, personnel could have been hired and trained, the system could have been designed, and the ADP programs could have been prepared and debugged by July 1, 1967. To date, the manpower resources have not been provided and the ADP equipment requirements have been fulfilled only partially. A more realistic target date would have permitted a more orderly systems implementation.

INCOMPLETE CONTRACTOR PERFORMANCE

A contractor was paid \$5.8 million to design and implement PEMARS at five AMC commodity commands, which included preparation of computer programs and training of personnel. Throughout the contract period the contractor's performance was delayed continually. This resulted, in part, because the size and complexity of the job had been underestimated by AMC as well as by the contractor. The contractor's staff required a lengthy learning period, and AMC made a change in its regulations requiring a major change in the PEMARS design.

The quality of the contractor's work appears to be questionable. We were informed that the individual systems as designed were not acceptable to the installation involved; consequently the systems were not operable. For example, at one major subordinate command, the system submitted by the contractor did not meet the command's requirements because it was unnecessarily complex and because the ADP programs contained many errors. The system still is in the design stage. This and similar cases are identified in appendix I.

The Deputy Assistant Secretary of the Army (Financial Management), in responding to questions we had asked about the contractor's performance, informed us that:

"*** The contractor did, within certain undefined degrees, formulate and provide the basic procedures and programs which were neither fully developed nor fully operational, hence not capable of implementation immediately upon receipt. In connection with this shortfall, the contractor was willing to complete the scope of the contract but the decision was made to terminate as of 30 June 1969, and complete the balance in-house. This balance includes revising, testing and debugging contractor programs, completing the development and reconciliation of opening balances and continuation of the training program."

LACK OF ADEQUATE SUPERVISION
AND CONTROL OVER IMPLEMENTATION

Agency officials displayed considerable interest and gave valuable assistance during the early PEMARS design and pilot-testing stages, but supervision and management of the program decreased over the years. Further we noted that leadership of the PEMARS implementation group had changed six times after its creation in 1966. This did not provide the necessary continuity of management.

AMC officials stated that each subordinate command had been given unlimited latitude but very little guidance in the development of its own system. Progress reports submitted by subordinate commands and trip reports prepared by AMC personnel were general in content and very seldom compared actual performance with established goals.

At the outset of our review, we attempted to determine the status of, and the problems involved in, the implementation of PEMARS. The AMC project officer did not have this information and had to request the subordinate commands to advise him regarding these matters. Information of this type is necessary to effectively control the project and should have been required on a regular basis.

We were advised that plans for monitoring the contract had proved to be extremely difficult to carry out because of the complexity of the subject matter and the resulting problem of preparing ADP programs. The fact that PEMARS crossed functional lines and the fact that no one person was familiar with all areas of PEMARS compounded the problems of an already-complex system design. The pressure to meet target dates and to get PEMARS operating as soon as possible further complicated the situation.

The ADP design logic and programming continued to outdistance documentation effort which, in turn, precluded a knowledgeable functional review and analysis of PEMARS' being created. In essence a tremendous amount of effort was being expended by the contractor to develop the computer system with few tangible results in the form of documentation understandable to the functional managers.

In meetings with the AMC Comptroller, we expressed our view that limited effort was being applied to the PEMARS project and that there was a need to identify problem aspects as well as to make suitable plans for systems implementation. The AMC Comptroller was concerned about the extended time required to implement PEMARS and directed his staff to determine the status of PEMARS at each location, to identify specific problems, and to develop a plan for immediate action. A review team was established immediately, and the status of the system was determined as of September 1970. The project officer's staff now has been augmented by additional full-time members, and they are assisting with the implementation of PEMARS.

CHAPTER 3

FURTHER ADP DEVELOPMENTS TO BE EFFECTED

PEMARS is an integral part of the AMC Five-Year ADP Program (5Y ADP), and plans call for inclusion of the system under the AMC Logistics Program Hardcore Automated (ALPHA) section of 5Y ADP.

The 5Y ADP encompasses the entire spectrum of the AMC ADP activities. Its primary objective is to achieve uniformity in the systems by which AMC accomplishes its mission and to standardize the ADP equipment which supports the systems.

All data for the 5Y ADP system will be located in one master system. There will be (1) a data-element dictionary, (2) standard files, (3) standard cycles for specific transactions, and (4) integrated data bases. To facilitate a phased implementation of the 5Y ADP, major AMC mission breakouts have been identified in six modules and have been divided into 18 functional cells. Within the cells are 100 subcells. PEMARS is considered a subcell.

The inclusion of PEMARS under the 5Y ADP, which started in October 1971 on a cyclical basis, will require that the PEMARS data banks be converted to the language set forth in the data-element dictionary. Also extensive personnel training will be required.

The extensive delays in implementing PEMARS has had an adverse effect on the development of the PEMARS portion of ALPHA. In a report issued in March 1969, AMC indicated that, because implementation of PEMARS had slipped grossly and because the new ALPHA system was scheduled for implementation, both efforts were suffering inasmuch as the same few key personnel involved with PEMARS were instrumental to the conversion of PEMARS to ALPHA.

We believe that inclusion of any portion of PEMARS under ALPHA at this time is premature. As previously noted, PEMARS has not been fully implemented throughout AMC. Consequently benefits from PEMARS have not been realized.

PEMARS should be an operational system at all levels for a reasonable period of time prior to conversion to ALPHA. Otherwise premature conversion to ALPHA may affect the reliability of data in the ALPHA system and render data unsuitable for use by managers. Further premature conversion to ALPHA could result in a repetition of problems the same as, or similar to, those encountered with PEMARS and conversion to ALPHA could prove to be a costly operation.

CHAPTER 4

AGENCY COMMENTS AND OUR EVALUATIONS

We brought our findings to the attention of the Secretary of Defense and proposed that appropriate action be taken by the Secretary of the Army:

- To provide necessary resources and establish controls to ensure that PEMARS is implemented and operable at the earliest practicable date.
- To delay the conversion of PEMARS to ALPHA until PEMARS has been operable, at all levels of management, for a reasonable period of time and until its effectiveness has been confirmed.
- To strengthen procedures to ensure that, in the future, adequate studies are made and documented so that management will have current, factual data concerning the time, cost, work load, and resources required for system changes.
- To require that major systems changes not be undertaken in the future unless resources are available or unless there is evidence that resources will be available when needed.
- To require an adequate reporting system with controls in systems implementations to ensure adequate disclosure of the progress of the implementation. The reports should be addressed to the specific level of management having responsibility for the assignment and, as a minimum, should include (1) a comparison of actual performance with planned performance, (2) identification of the delays and problems encountered with suitable recommendations for corrective action, and (3) final disposition of problem areas.
- To avoid procurement of contractual services for systems implementation unless the work is defined clearly and unless adequate technical personnel are available to supervise and evaluate the contractor's performance.

The Deputy Assistant Secretary of the Army (Financial Management), replying for the Secretary of Defense in a letter dated October 12, 1971 (see app. II), acknowledged that our findings and conclusions were accurate as of the time of our review.

The Army, however, informed us that we had not addressed sufficiently the actions taken and progress made to control and direct the Army's management systems efforts by the creation of central systems design agencies, such as the Army Logistics Management Systems Agency, and to provide for standard AMC commodity command organizations, ADP equipment, and management systems. The Army attributed most of the systems' problems and the wide differences in the status of PEMARS to the absence of a standard commodity command organization. These actions either were taken after our fieldwork was completed or were so recent that we did not have an opportunity to evaluate their effectiveness.

In commenting on our first proposal, the Army advised us that after September 1970 considerable progress had been made toward the implementation of PEMARS. The status of PEMARS implementation as of July 31, 1971, at each AMC subordinate command is included in enclosure 2 of appendix II. The progress is attributed to the standardization of the organizational structure of the commodity commands and to the increased resources' being applied to PEMARS, as a top-priority assignment. A PEMARS action committee was established to expedite the workable implementation of PEMARS, and special teams were established to work with the subordinate commands in the timely identification and solution of problem areas. We acknowledge the increased emphasis being given to PEMARS; however, even though progress has been reported, we note that MICOM still is the only commodity command having an operating system and that the systems at the other commands are at various stages of implementation. There must be a continuation of such emphasis to prevent any further delays in implementing PEMARS.

The Army has stated that it does not consider it to be advisable to comply with our second proposal. On October 1, 1971, the conversion of PEMARS at Army Aviation Systems Command (AVSCOM) was started. This conversion will be followed by the conversion of the MICOM system that has been

operational for several years. The Army has stated also that the other commodity commands should have operational PEMARSs before conversion of PEMARS to ALPHA.

The Army is of the opinion that the conversion of PEMARS to ALPHA at AVSCOM (1) is not expected to have any major impact on the effectiveness of PEMARS, since the basic concept and data elements are not being changed, and (2) will overcome the shortcomings identified by GAO.

We believe the Army's plans, outlined above, for converting PEMARS to ALPHA are reasonable and practical. Unless the system at each commodity command is operable and unless the validity of the data base is established prior to conversion, however, the ALPHA system, in our opinion, will produce reports not acceptable to management.

In responding to our third proposal, the Army advised us that corrective actions had been taken. Detailed and documented studies now are required to be made for proposed system changes. In addition, cost-benefit and related impact statements also are required to support requests for new management systems, changes to existing systems, and ADP budgets. These requirements were included in a revised Army regulation effective November 1, 1971. With proper enforcement the action taken by the Army should prevent a recurrence of problems similar to those experienced under PEMARS.

The Army has concurred with the basic concept described in our fourth proposal. It advised us that a strong, centralized control over all systems changes has been established within AMC headquarters to control the utilization of systems and scarce ADP skills. Further the Army has revised its appropriate regulation, effective November 1, 1971, requiring that adequate consideration be given to the resources required for all systems to be changed.

We were advised that the condition identified in our fifth proposal no longer existed since controls had been established to continually disclose the progress of the design and implementation of the PEMARS and ALPHA systems. We have examined these prescribed controls which, if aggressively followed, should provide management with timely reports showing the status of the implementation, the delays and problems encountered, and suitable recommendations for corrective actions.

The Department of the Army, in addition to ensuring that it will continue an aggressive monitorship over the implementation of systems within the Army, has revised its appropriate regulation to provide for milestone reporting on major systems.

These reports provide for comparing actual work with planned performance and require in-depth management reviews when costs incurred between milestones exceed by 25 percent the forecast cost or when slippage of more than 120 days occurs for a key milestone.

The Army concurs with the concept of our sixth proposal. We believe that the corrective measures cited in this report and the requirements of the various procurement regulations, if enforced, should provide adequate control over contractor performance in the systems area.

CHAPTER 5

CONCLUSIONS

Major systems changes should be preceded by adequate studies to ensure that management has current factual data concerning the magnitude and complexity of the systems requirements and to ensure that the new system will meet management needs at all levels for a reasonable period after installation. Even though Army and AMC headquarters had an inherent responsibility to prepare and document such studies, we found no evidence that adequate studies had been made.

In the absence of information derived from such studies, management did not have current factual data to properly evaluate the effort required to implement PEMARS and therefore established unrealistic target dates. We believe that, had proper studies been made, many of the problems that were identified by the MICOM test and that were encountered during the subsequent implementation at the other commands could have been foreseen. With such information prudent management could have concluded that sound data were not available on which to base a valid decision to proceed with the implementation, particularly since it was known that adequate resources were not available and that considerable work was required to support the conflict in Southeast Asia.

We believe that the actions taken by the Army should result in more effective control over systems design and implementation.

CHAPTER 6

SCOPE OF REVIEW

Our review of PEMARS was made to determine its effectiveness in providing management with timely and reliable data on which to base decisions.

We examined into the policies, practices, and regulations related to PEMARS, including available records, and interviewed officials and operating personnel directly concerned with the design, installation, and operations of PEMARS.

We performed our review at headquarters of the Department of the Army and of the Army Materiel Command, Washington, D.C.; Army Aviation Systems Command, St. Louis, Missouri; Army Missile Command, Huntsville, Alabama; and Army Mobility Equipment Command, St. Louis, Missouri.

SUMMARY STATUS OF PEMARS IMPLEMENTATIONAT MAJOR SUBORDINATE COMMANDSOF ARMY MATERIEL COMMAND--SEPTEMBER 1970⁽¹⁾ARMY AVIATION SYSTEMS COMMAND (AVSCOM)

PEMARS was designed for AVSCOM by the contractor; however, AVSCOM personnel have been required to complete the design because the contractor's system was only 80-percent complete. ADP programs have been developed, data banks have been established for each fiscal year, and PEMARS reports are being made. The data in the reports are not the output of a single system but are a combination of several systems. Managers do not depend on the reports when making management decisions because the reports are not timely and because managers lack confidence in the quality of the data.

Emphasis at this time is upon implementation of ALPHA, since PEMARS at AVSCOM is the first system scheduled for conversion to ALPHA.

ARMY MUNITIONS COMMAND (MUCOM)

At MUCOM, PEMARS is still under development and is not operational. The system was designed by the contractor, and MUCOM officials concluded that the delivered system did not meet MUCOM's unique requirements. The system:

1. Was unnecessarily complex and inefficient.
2. Contained many errors in its ADP programs.
3. Lacked sufficient machine control to ensure that data are processed without being lost or distorted.
4. Required extensive manual intervention.

¹Taken from the reports prepared by the subordinate commands and the report of the AMC review teams dated June 5, 1970.

APPENDIX I

MUCOM's staff has expended considerable resources to develop an off-line capability to supplement the contractor's system to meet the staff's reporting responsibilities. As a consequence, the reports are products of dual systems and manual operations rather than of an integrated management accounting and reporting system. This state of affairs engenders little confidence in the reports; consequently the staff does not use the reports as support for making decisions.

MUCOM has a requirement for 45 programs, of which 41 have been developed and 25 are considered operational. Data banks have been established for all years from 1963 to 1970. The systems for MUCOM's subordinate commands were developed in-house, except for the Ammunition Procurement and Supply Agency which was developed by the contractor. The Agency had problems similar to MUCOM with the contractor-developed system.

ARMY MOBILITY EQUIPMENT COMMAND (MECOM)

The system at MECOM is in the design stage. The basic system was developed by the contractor, but MECOM officials considered the delivered system unacceptable. There are 81 ADP programs identified to date as being required; however, MECOM officials have stated that other programs will be required and that changes will be made to some existing programs. Only 68 of the 81 programs have been developed, and eight of these programs are being revised. The data base has been established for all fiscal years from 1963 to 1970, and the command is meeting the PEMARS reporting requirements. Reporting is being accomplished because dual systems and manual records are being maintained. The reports produced are not being used by program managers, who are using data from manual records instead. The elements of the data base require verification, and it is not expected that this will occur soon.

ARMY ELECTRONICS COMMAND (ECOM)

The officials at this command have reported that the contractor's designed system was inadequate for their needs. Only 87 of the 96 ADP programs identified for the system have been developed, and five of these programs are being

revised. Data banks have been established only for fiscal years 1968 to 1970. For years 1964 to 1967, ECOM personnel stated that it was impossible to establish opening balances.

ECOM is maintaining dual systems and is reporting only program transactions for fiscal years 1968 to 1970. Here again functional managers do not use the PEMARS reports but depend on sources other than PEMARS to furnish data when making management decisions.

ARMY WEAPONS COMMAND (WECOM)

This command designed its own ADP system, but the contractor developed the ADP programs to support the system. Substantially all ADP programs, 59 out of 61, have been prepared. There are both system and data problems to be resolved, and numerous ADP programs require refinements to make them usable or acceptable to managers.

WECOM is operating a dual system and is reporting PEMARS data for fiscal years 1963 to 1970. Program managers use data produced from manual records when making decisions because the data in PEMARS reports cannot be used by them with confidence.

ARMY TANK-AUTOMOTIVE COMMAND (TACOM)

This installation developed its PEMARS system without contractor assistance. Only 68 of 96 ADP programs have been developed, and 17 are being revised extensively. Data bases have been established for fiscal years 1963-70 programs. Dual systems are used for accumulating and reporting PEMARS data. The quality of the reports is questionable, and considerable work is required before data can be reconciled with similar data from other financial reports.

The system does not provide PEMARS reports to program managers for use as a management tool, and there are no plans to provide the reports until the conversion of PEMARS to ALPHA.

TACOM has discontinued its efforts to implement PEMARS. Current resources have now been applied to ALPHA.



DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
WASHINGTON D.C. 20310

12 OCT 1971

Mr. Chester S. Daniels
Assistant Director, Accounting Systems Review Group
United States General Accounting Office
Washington, D. C. 20548

Dear Mr. Daniels:

Reference is made to your letter of 28 July 1971 forwarding to the Honorable Secretary of Defense copies of a draft report on the evaluation and status of the implementation of the Procurement of Equipment and Missiles Management Accounting and Reporting System, Department of the Army. (OSD Case #3319)

Pursuant to the request in the referenced letter, the following comments are forwarded for your consideration:

a. The findings and conclusions appear to be accurate as of September 1970. The report does not address sufficiently the actions taken and progress made since that date. The draft does not reflect the actions that the Army has taken to control and direct its management systems efforts by the creation of Central Systems Design Agencies, such as the U. S. Army Logistics Management Systems Agency (ALMSA), and to provide for standard commodity command organizations, ADP equipment and management systems. The Commodity Command organizations have been standardized under General Orders issued by Headquarters, U. S. Army Materiel Command (AMC). The lack of such standardization was the cause of most of the systems problems reflected in the draft report and accounted to a large extent for the wide differences noted in the status of Procurement of Equipment and Missiles Management Accounting and Reporting System (PEMARS) among the commodity commands.

b. The balance of these comments is devoted to the recommendations in the draft report at page 3.

Mr. Chester S. Daniels

(1) Recommendation Number 1.

"...provide necessary resources and establish controls to assure that PEMARS is implemented and operable at the earliest practical date."

(a) The reported condition no longer exists, as explained below.

(b) During the past year many actions have been taken by Headquarters, U. S. Army Materiel Command (AMC) and the major subordinate commands (MSC's) to assign resources and priorities to PEMARS to expedite implementation.

1 At HQ, AMC, a PEMARS Control Group was established and staffed within the Finance and Accounting Division of the Comptroller's Office. Individual members of this group have been assigned to work with personnel of specific MSC's, to assist in the identification and solution of problem areas, to establish realistic milestones and to take follow-up action to assure that targets are met.

2 A PEMARS Action Committee (PAC) was established in accordance with AMC Memorandum 15-2 dated 1 April 1971 to expedite the workable implementation of PEMARS (copy attached at Inclosure 1). The Director of Requirements and Procurement is chairman and the other members include the Comptroller, and the Director of Management Information Systems, each of whom personally and actively participates in the activities of the PAC. The PAC committee has been meeting at least monthly to review actions that have been accomplished; to evaluate the current position; to evaluate plans, including milestones where applicable; and to give guidance and establish priorities.

3 The HQ AMC PEMARS data bank is scheduled to be transferred to the Logistics Systems Support Agency (LSSA) as of 1 October 1971. The purpose of this move is to provide more timely and accurate PEMARS reports by utilization of the capabilities of CDC 3300 equipment at LSSA rather than continuing to be limited by the capacity of the Honeywell 200 equipment presently being used at HQ, AMC.

4 As a result of the emphasis placed upon PEMARS implementation by HQ, AMC, the Commanders of the MSC's (except MICOM and AVSCOM) have realigned their priorities and are currently devoting increased resources to PEMARS. The 31 July 1971 status of implementation at each MSC is attached (Inclosure 2). MICOM has a fully operational PEMARS so no additional resources are needed and AVSCOM has severely limited changes to existing systems in preparation for ALPHA implementation scheduled for 1 October 1971.

APPENDIX II

Mr. Chester S. Daniels

5 The timeliness of PEMARS reports has improved to the extent that it is now planned to provide the DA and AMC managers with the year-end reports for FY 1971 by the end of August 1971 which is one month earlier than last year and three months earlier than 1969. Although the reports have improved, continuing effort will be given to improving their accuracy and timeliness.

(2) Recommendation Number 2.

"...delay the merger of PEMARS under ALPHA until the system has been operable, at all levels of management, for a reasonable period of time and its effectiveness confirmed."

(a) A delay of the merger of PEMARS under ALPHA as recommended is not considered advisable.

(b) ALPHA is AMC's program for standardizing management systems, equipment, and programs at the MSC's.

1 It is a system which integrates supply, procurement and financial transaction processing. Phase A, encompassing Cataloging and Provisioning, and Phase B, encompassing Maintenance and Financial Inventory Accounting, have already been implemented at AVSCOM. Phase C, encompassing Supply Management, Procurement and Production, Stock Control; and Financial Management, including Procurement of Equipment and Missiles Army and the Army Stock Fund (Wholesale), is scheduled for implementation on 1 October 1971. Since the basic concepts and data elements of PEMARS are not being changed, the transfer to new equipment with new programs under ALPHA should not have a major impact on PEMARS at AVSCOM. In addition this transfer will overcome the shortcomings of the current AVSCOM PEMARS as reflected in the APPENDIX of the GAO draft report.

2 It should be noted that the system will not be extended to other commodity commands until thoroughly tested and validated at the prototype site (AVSCOM).

3 The next MSC scheduled to implement ALPHA is MICOM where PEMARS has been operational for several years. The balance of the MSC's should have an operational PEMARS before they go under ALPHA.

(3) Recommendation Number 3.

"...strengthen procedures to assure that in the future adequate studies are made and documented so that management will have current

Mr. Chester S. Daniels

factual data concerning the time, cost, workload and resources required for system changes."

(a) The reported condition no longer exists, as explained below.

(b) Detailed and documented studies are required to be made for proposed system changes. Cost-benefit and related impact statements are now required to support requests for new management systems, changes to existing systems and ADPE budgets.

(4) Recommendation Number 4.

"...require that major systems changes not be undertaken in the future unless resources are available, or there is evidence that resources will be available when needed."

(a) The reported condition no longer exists, as explained below.

(b) The approach used under ALPHA to secure equipment approval is evidence of support for this concept. The manpower costs of all systems improvements are evaluated. These and other relevant factors are considered in the studies referenced in paragraph b(3)(b) above. Further a strong, centralized, control over systems changes has been established within HQ, AMC to control the utilization of systems and scarce ADP skills.

(5) Recommendation Number 5.

"...require an adequate reporting system in systems implementations with controls to assure adequate disclosure of the progress of the work. The reports should be addressed to a specific level of management having responsibility for the assignment and should include as a minimum (i) a comparison of actual work with planned performance, (ii) identification of the delays and problems encountered with suitable recommendations for corrective action, and (iii) final disposition of problem areas."

(a) The reported condition no longer exists, as explained below.

(b) Controls have been established under PEMARS and ALPHA to continually disclose the progress of systems design and implementation.

APPENDIX II

Mr. Chester S. Daniels

1 For PEMARS, action officers at HQ, AMC have been assigned to work with specific MSC's as outlined in paragraph b(1)(b)1 above. Their duties include assisting in the development of realistic milestones for the actions necessary to bring each MSC to a fully operational PEMARS status and monitoring accomplishments by visits, contacts and/or reports. Periodically the status is reported to the PAC (see paragraph b(1)(b)2 above).

2 For ALPHA, Conversion Control Officers have been designated at each MSC. In addition, Conversion Audit Teams were established at HQ, AMC to review the status of conversion planning and accomplishments at the MSC's. The AMC Comptroller has established a Field Functional Coordination Group with representatives from all MSC's to review the financial management portion of ALPHA and to make recommendations as to the best way to resolve problems encountered.

3 The PEMARS action officers continually monitor the Commodity Commands' progress against planned milestones, reporting their findings to the AMC PAC. In addition, individual Commodity Commands are required to submit, upon request, PEMARS implementation progress reports.

4 DA has an ALPHA Steering Group which reviews the status of development and provides guidance when appropriate, and both DA and Office, Secretary of Defense (OSD) have review teams that have been periodically visiting ALMSA and AVSCOM to verify status and accomplishments of management systems efforts.

(6) Recommendation Number 6.

"...not procure contractual services for systems implementation unless the work is clearly defined and adequate technical personnel are available to supervise and evaluate the contractor's performance."

(a) The recommended prerequisite is concurred in. However, it is pointed out that although the initial PEMA effort under ALPHA was secured by contract no contractor has been involved since 1969.

(b) There are no plans at present for utilization of contractual services for any of the follow-on ALPHA systems to be developed for the financial management area.

Mr. Chester S. Daniels

c. The Headquarters Department of the Army staff will continue an aggressive monitorship over the implementation of the systems within the Department of the Army.

In addition to specific measures represented above, which are directed toward PEMARS, the Department of the Army has instituted broader control measures. These include:

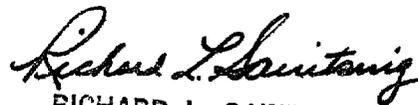
(1) The development and publication of a revised AR 18-1 which requires more detailed documentation for the control of design, development, test, installation, and maintenance of automated systems, and provides procedures and controls for selection, acquisition, and management of automatic data processing equipment. The revised regulation requires submission of data concerning the time, cost, workload and resources and alternative courses of action.

(2) The establishment of reviews of major systems by the Army Secretariat as each system reached key milestones during the development phase, and quarterly reviews of those systems after implementation. Each milestone review is accompanied by a cost benefit analysis. These reviews enable the Secretariat to compare progress achieved with planned activity in terms of both time and cost.

(3) The implementation of milestone reporting on major systems, which facilitates the management and monitoring of the development of automated data systems. This report provides a comparison of actual work with planned performance and requires in-depth management reviews when costs incurred between a key milestone and its successor exceed by 25% the forecast cost or when a slippage of more than 120 days occurs for a key milestone.

[See GAO note.]

Sincerely yours,



RICHARD L. SAINTSING
Dep Asst Secy Army (FM)

- 2 Incl
1. USAMC Memo No. 15-2
2. PEMARS Status of
Implementation

GAO note: The deleted comments relate to matters which were discussed in the draft report but omitted from this final report.

HEADQUARTERS
 UNITED STATES ARMY MATERIEL COMMAND
 WASHINGTON, D.C. 20315

AMC MEMORANDUM
 No. 15-2

1 April 1971

BOARDS, COMMISSIONS, AND COMMITTEES

PEMARS ACTION COMMITTEE

	Paragraph
Purpose -----	1
Scope -----	2
Objective -----	3
Establishment and membership -----	4
Meetings -----	5
Responsibilities -----	6
References -----	7

1. Purpose. This memorandum establishes the U.S. Army Materiel Command (AMC) Procurement of Equipment and Missiles, Army (PEMA), Management and Accounting Reporting System (PEMARS) Action Committee (PAC), and delineates responsibilities for expediting PEMARS implementation.

2. Scope. This memorandum applies to Headquarters, AMC.

3. Objective. The objective of the AMCPAC is to expedite the workable implementation of PEMARS.

4. Establishment and membership. The AMCPAC is established as a committee in Headquarters, AMC.

a. Membership. Membership will consist of the incumbent of each of the following positions, together with an action officer for each member.

- (1) Director of Requirements and Procurement.
- (2) Director of Management Information Systems.
- (3) Comptroller.

b. Chairman. The Director of Requirements and Procurement will serve as the chairman of the committee.

c. Administrative support. The Comptroller will provide a secretary (stenographer) to prepare minutes of meetings and other necessary papers.

5. Meetings. Meetings will be held monthly, with the time and place to be designated by the chairman.

6. Responsibilities. The AMCPAC, in fulfilling its collective responsibilities for implementation of PEMARS, will take action to assure that positive actions and controls are maintained. This will be accomplished by:

BEST DOCUMENT AVAILABLE

AMCM 15-2

- a. Reviewing actions that have been accomplished.
 - b. Evaluating current position.
 - c. Evaluating plans, including milestones where applicable, and establishing priorities.
7. References. a. AR 37-120.
- b. AMCR 37-33.

(AMCCP-FA)

FOR THE COMMANDER:

OFFICIAL:

CHARLES T. HORNER, JR.
Major General, USA
Chief of Staff


W. J. PHILLIPS
Colonel, GS
Chief, HQ Admin Mgt Ofc

DISTRIBUTION:
A

PEMARS
Status of Implementation
31 July 1971

1. MUCOM - U. S. Army Munitions Command

a. A comprehensive review of MUCOM's PEMARS resulted in the responsibility for implementing PEMARS being transferred from HQ, MUCOM, Dover, New Jersey to the Deputy Commanding General of MUCOM at APSA, Joliet, Illinois. The transfer of responsibility was made in January 1971 and the Deputy Commanding General immediately established a PEMARS implementation group at Joliet.

b. The MUCOM Headquarters PEMARS computer operation at Dover, N. J., was transferred to Joliet and a complete re-evaluation of the PEMARS status was made. Based upon the re-evaluation, work was begun on the revision to computer programs and the related data problems.

c. The approach taken by MUCOM was to solve the problems with FY 70 and FY 71 data and work back through FY 69 and prior years. This approach has proved successful. During the last 3 months of FY 71 all data elements for FY 70 and FY 71 were reported and all data elements for all years were included in the timely year-end submission.

d. The major problem remaining is the correction of old data now included in the data base at MUCOM and HQ AMC.

e. In addition to the purification of the data in the system, refinements to computer programs, data controls and local management reports will be made. It is expected that this period of refinement and correction of data and reports will continue into the last quarter of FY 72.

2. WECOM - U. S. Army Weapons Command

WECOM has improved PEMARS during the last half of FY 1971. Operation of dual systems was discontinued and refinements were made to the ADP programs. Only minor ADP problems remain and are being resolved. Program management and financial reports are being prepared from PEMARS and improvements to the reports are being made.

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3. TACOM - U. S. Army Tank-Automotive Command

a. The conversion to ALPHA at TACOM was deferred to a later date and, as a result, a "Pre ALPHA-PEMARS Plan" was developed in an effort to achieve an effective and operational (single source) PEMARS before going on ALPHA.

b. A task group was formed September 1970 to implement this plan. The plan was a major systems change and has received excellent support by the assignment of an adequate number of qualified personnel and the availability of machine time.

c. The task group has reconciled PEMARS records with other financial records and has been running parallel systems, not dual systems, since the last quarter of FY 71 and will continue into FY 72.

d. Several management reports have been developed and 26 remote video units have been installed and are being used by management to query the PEMARS data bank.

4. MECOM - U. S. Army Mobility Equipment Command

a. The ADP programs (exclusive of the ICAR reporting) have been completed and tested.

b. The program for automatic adjustments of obligations requires a correction which will be accomplished by 31 August 1971.

c. The ICAR reporting from PEMARS should be effective by 31 Dec 71.

d. The reports to HQ, AMC (as occurs and net monthly) for program data are currently being produced by PEMARS and by 30 September 1971 will be expanded to include fund data.

e. By 1 October 1971 reliable and valid local management reports can be produced from PEMARS.

f. Verification of data elements has been completed except for an out of balance condition in Program Issued on 1300 PRONS (out of 20,000) due to input duplication. This will be cleared up by 1 October 1971.

5. AVSCOM - U. S. Army Aviation Systems Command

a. Currently, the regular PEMARS reports to HQ AMC (i. e. as occurs and net monthly) are being made through PEMARS.

APPENDIX II

b. The local management reports are produced partly from the PEMARS master file and partly from a manual system.

c. The ICAR report is prepared from the ICAR system which prepares the ICAR reports for all appropriations. However, all the above systems have a single source; i. e., one document updates all systems.

d. Additional programming efforts would be required to pull all local management reports from the PEMARS master file.

e. Efforts currently are being expended on implementation of ALPHA; therefore, PEMARS status will remain about the same.

6. ECOM - U. S. Army Electronics Command

a. In September 1970, ECOM management began a comprehensive review of its PEMARS. From this review a status report was developed as of 1 December 1970. The Commanding General approved a PEMARS Improvement Plan on 30 December which established milestones necessary to secure full implementation of PEMARS and assigned areas of responsibilities to the concerned command elements.

b. The PEMARS Improvement Plan provided for the full implementation of Phase I of PEMARS by 30 November 1971. The ECOM status report as of 30 June 1971 indicates that the plan will be accomplished with the possible exceptions of finalizing local management reports and some minor computer program testing and debugging. A firm date has not been established for the phasing out of other management systems but it is expected that this will be accomplished during the latter part of FY 72.

c. ECOM is currently submitting, in accordance with the monthly closing schedules, Program, Obligation, Commitment, Deobligation, and Disbursement data. Problems are being experienced with the submission of Funding and Reimbursement data and the correction of rejected data. It is expected that the problems concerning Funding and the correction of rejected data will be solved later in FY 72.

7. MICOM - U. S. Army Missile Command

MICOM has a fully operational PEMARS.

DEPT DOCUMENTS

PRINCIPAL OFFICIALS OF THE DEPARTMENT OF DEFENSE
AND THE DEPARTMENT OF THE ARMY
RESPONSIBLE FOR ADMINISTRATION OF ACTIVITIES
DISCUSSED IN THIS REPORT

	Tenure of office	
	From	To
<u>DEPARTMENT OF DEFENSE</u>		
SECRETARY OF DEFENSE:		
Melvin R. Laird	Jan. 1969	Present
Clark M. Clifford	Mar. 1968	Jan. 1969
Robert S. McNamara	Jan. 1961	Feb. 1968
DEPUTY SECRETARY OF DEFENSE:		
Vacant	Dec. 1971	Present
David Packard	Jan. 1969	Dec. 1971
Paul H. Nitze	July 1967	Jan. 1969
Cyrus R. Vance	Jan. 1964	June 1967
ASSISTANT SECRETARY OF DEFENSE (INSTALLATIONS AND LOGISTICS):		
Barry J. Shillito	Feb. 1969	Present
Thomas D. Morris	Sept. 1967	Jan. 1969
Paul R. Ignatius	Dec. 1964	Aug. 1967
ASSISTANT SECRETARY OF DEFENSE (COMPTROLLER):		
Robert C. Moot	Aug. 1968	Present
Robert N. Anthony	Sept. 1965	July 1968
Charles J. Hitch	Feb. 1961	Aug. 1965

DEPARTMENT OF THE ARMY

SECRETARY OF THE ARMY:		
Stanley R. Resor	July 1965	Present
Stephen Ailes	Jan. 1964	July 1965

APPENDIX III

Tenure of office

From To

DEPARTMENT OF THE ARMY (continued)

ASSISTANT SECRETARY OF THE ARMY
(FINANCIAL MANAGEMENT):

Eugene M. Becker	July 1967	Present
W. Brewster Kopp	June 1965	June 1967
J. H. Fitch (acting)	Nov. 1964	June 1965
Edmund T. Pratt, Jr.	Jan. 1963	Nov. 1964

COMPTROLLER OF THE ARMY:

Lt. Gen. J. M. Wright, Jr.	Sept. 1970	Present
Lt. Gen. F. J. Sackton	Aug. 1967	Aug. 1970
Lt. Gen. F. J. Chesarek	Aug. 1966	July 1967
Lt. Gen. C. D. Hackett	Aug. 1963	Aug. 1966

COMMANDING GENERAL, UNITED STATES

ARMY MATERIEL COMMAND:

Gen. H. A. Miley	Nov. 1970	Present
Gen. F. J. Chesarek	Mar. 1969	Oct. 1970
Gen. F. S. Besson, Jr.	July 1962	Mar. 1969

Copies of this report are available from the U. S. General Accounting Office, Room 6417, 441 G Street, N W., Washington, D.C., 20548.

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