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Accessible Version

February 5, 2019

The Honorable James M. Inhofe
Chairman
The Honorable Jack Reed
Ranking Member
Committee on Armed Services
United States Senate

The Honorable Adam Smith
Chairman
The Honorable Mac Thornberry
Ranking Member
Committee on Armed Services
House of Representatives

DEFENSE MANAGEMENT: Status of GAO Recommendations Made to the Department of Defense (Fiscal Years 2014-2017)

GAO’s mission is to support the Congress, and in accomplishing that mission we make recommendations to improve the accountability, operations, and services of government agencies. From 2002 through 2018, GAO’s work resulted in over \$895 billion in financial benefits and about 21,600 program and operational benefits that helped change laws, improved public safety and other services, and promoted better management throughout the government, including at the Department of Defense (DOD).

Conference Report 115-404 that accompanied the National Defense Authorization Act for Fiscal Year 2018 included a provision for us to submit to the Congressional Armed Services Committees a briefing on open recommendations made to DOD in fiscal years 2014 through 2017 that have not been fully implemented.¹ This report formally transmits our updated briefing and communicates the final results of our work. It describes DOD’s (1) progress in implementing unclassified, classified (SECRET), and sensitive but unclassified (SBU) GAO recommendations made in fiscal years 2014-2017; (2) initial response to our open recommendations; and (3) progress in implementing our priority recommendations.²

To identify the specific recommendations directed at DOD, we queried GAO’s Results Phase System (RPS) for unclassified recommendations and reviewed GAO records for classified and SBU recommendations. To determine the status of open recommendations, as of fiscal year 2018, we (1) contacted cognizant DOD officials to obtain information on DOD’s efforts to

¹H.R. No. 115-404, at 945-946 (2017) (Conf. Rep.).

²Priority recommendations are those recommendations that GAO believes warrant priority attention from heads of key departments and agencies.

implement the recommendations; (2) ascertained, if applicable and when available, DOD officials' rationale for partially implementing or not implementing recommendations or for closing recommendations that GAO considers open;³ and (3) determined the implementation status of each recommendation based on our review of the information collected. For unclassified recommendations, we summarized the status information for each recommendation and entered the information into RPS, which, once approved, is posted to GAO's external website, <https://www.gao.gov/recommendations>. For classified and SBU recommendations, we summarized the number of recommendations made, the number remaining open, the number that were implemented, and the number that we had closed but DOD had not implemented, as of fiscal year 2018. For priority recommendations, we queried GAO's RPS to identify all DOD priority recommendations made in reports issued in fiscal years 2014 through 2017, and to obtain the current status of these recommendations.

We conducted this performance audit from December 2017 to January 2019 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 audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In summary, as of November 2018, DOD's implementation of GAO's recommendations had improved in comparison with the prior year. In November 2017 DOD's implementation rate was 53 percent; 1 year later, it had increased to 67 percent.⁴ By comparison, in November 2018 we reported that on a government-wide basis, 77 percent of our recommendations made 4 years prior had been implemented.

For the time period we assessed (fiscal years 2014-2017), as of September 30, 2018, we found the following:

³DOD did not always respond to our requests for information. In these situations, we noted this in the recommendation status information provided on our website. (<https://www.gao.gov/recommendations>)

⁴GAO measures implementation of recommendations by calculating the percentage of recommendations implemented after 4 years. For example, the implementation rate for fiscal year (FY) 2018 is the percentage of recommendations made in FY 2014 that were implemented by the end of FY 2018. Recommendations made in classified products are not included in the calculations.

- Of the 1,122 unclassified, classified (SECRET), and SBU recommendations made to DOD:
 - 464 had been implemented (about 41 percent);
 - 63 had been closed by GAO as not implemented (about 6 percent);⁵ and
 - 595 remained open (about 53 percent).
- Of the 546 unclassified recommendations made to DOD that remained open, DOD had:
 - concurred with 359 (about 66 percent);
 - partially concurred with 137 (about 25 percent); and
 - non-concurred with 50 (about 9 percent).
- Of the 68 recommendations made to DOD that were designated by GAO as priority recommendations:
 - 18 (about 26 percent) had been implemented;
 - 2 (about 3 percent) had been closed by GAO as not implemented,⁶ and
 - 48 (about 71 percent) remained open.

Detailed information on the status of unclassified recommendations can be obtained at <https://www.gao.gov/recommendations>.

We are not making any recommendations in this report.

Agency Comments

We provided a draft of this report to DOD for review and comment. DOD's written comments are reprinted in enclosure II. DOD also provided technical comments separately, which we incorporated as appropriate.

We are sending copies of this report to appropriate congressional committees and the Acting Secretary of Defense. This report is also available at no charge on the GAO website at <http://www.gao.gov>.

⁵GAO closes a recommendation as not implemented when circumstances have changed and the recommendation is no longer valid or when, in our professional judgment, sufficient time has passed and the agency is unlikely to implement the recommendation.

⁶These two recommendations related to the acquisition of the Littoral Combat Ship. Subsequent DOD actions in this area made these recommendations no longer applicable, and therefore we closed the recommendations as unimplemented.

If you or your staff has any questions about this report, please contact me at (202) 512-2775 or FieldE1@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report include Alissa Czyz, Assistant Director; Mattias Fenton, Kevin Keith, Carter Stevens, and Mike Silver.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Elizabeth Field". The signature is fluid and cursive, with a large initial "E" and a long, sweeping underline.

Elizabeth Field
Acting Director, Defense Capability and Management Team

Enclosures – 2



Status of GAO Recommendations Made to the Department of Defense (Fiscal Years 2014-2017)

**Information Provided to the Armed Services
Committees**

November 28, 2018

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Introduction

- GAO's mission is to support the Congress in meeting its constitutional responsibilities. We make recommendations to improve the accountability, operations, and services of government agencies, so as to contribute to increasing the effectiveness of federal spending and enhancing the taxpayers' trust and confidence in their government.
- From 2002 to 2018, GAO's work throughout the government has resulted in over \$895 billion in financial benefits and about 21,600 program and operational benefits that helped change laws, improved public safety and other services, and promoted better management throughout the government, including at the Department of Defense (DOD).
- It is DOD's policy to cooperate fully with GAO and respond constructively to and take appropriate corrective actions on the basis of our reports.¹
- Since 2015 we have sent annual letters to a number of agencies, including DOD, highlighting priority recommendations that we believe require immediate attention.

¹Department of Defense Instruction 7650.02, *Government Accountability Office (GAO) Reviews and Reports* (November 20, 2006) (incorporating change 1, effective January 6, 2017).

Source of the Work and Objectives

- Conference Report 115-404 that accompanied the National Defense Authorization Act for Fiscal Year (FY) 2018 included a provision for GAO to submit to the Congressional Armed Services Committees a briefing summarizing an assessment of open recommendations made to DOD in FY 2014 through 2017 that have not been fully implemented.²
- This briefing summarizes information on
 - DOD's progress in implementing unclassified, classified, and sensitive but unclassified (SBU) GAO recommendations made in FYs 2014-2017;
 - DOD's initial response to our open recommendations; and
 - DOD's progress in implementing our priority recommendations.

²H.R. No. 115-404, at 945-946 (2017) (Conf. Rep.).

Scope and Methodology

- The scope of the engagement was
 - all recommendations made to DOD in unclassified, classified (SECRET), and SBU GAO reports issued in FYs 2014 through 2017.
- To identify the specific recommendations directed at DOD,
 - we queried GAO's Results Phase System (RPS)—the database GAO uses to house information about recommendation status—for unclassified recommendations; and
 - reviewed GAO records for classified and SBU reports with recommendations targeted at DOD.

Scope and Methodology (continued)

- We obtained DOD's initial response to our open recommendations from its written comments on the associated draft reports.
- To determine the status of open recommendations, as of FY 2018, we
 - interviewed or corresponded with cognizant DOD officials to obtain information on DOD's efforts to implement the recommendations, and we collected documentary evidence supporting these efforts;
 - ascertained from DOD officials, if applicable and when available, their rationale for partially implementing or not implementing recommendations or for closing recommendations that GAO considers open;³ and
 - determined the implementation status of each recommendation, based on information collected.
- For unclassified recommendations, we summarized the status information for each recommendation and entered it into RPS.

³DOD did not always respond to our requests for information. In these situations, we noted this in the recommendation status information provided on our website. (<https://www.gao.gov/recommendations>)

Scope and Methodology (continued)

- For the classified and SBU recommendations, we summarized the number of recommendations made, the number remaining open, the number implemented, and the number that we had closed but DOD had not implemented, as of the end of FY 2018. The results do not include the status of recommendations made in 18 classified and SBU reports that were also issued in unclassified versions of those reports. The status of those recommendations is reported as part of the information on unclassified reports.

Scope and Methodology (continued)

- We queried GAO's RPS to identify DOD priority recommendations made in reports issued from FY 2014 to FY 2017 and to obtain the current status of those recommendations.
- We assessed the reliability of the RPS and the Engagement Results Phase data by (1) reviewing related documentation, (2) interviewing GAO staff knowledgeable about the data, and (3) reviewing the results of any testing performed on data reliability.⁴ We determined that the data were sufficiently reliable for the purposes of our work.
- We received technical comments on a draft of this briefing from DOD and incorporated the comments, as appropriate. In providing technical comments, DOD noted that, in recent years, it has made significant improvements in its process for closing GAO recommendations.

⁴In March 2018, GAO's RPS replaced a legacy database that housed recommendation statuses, called the Engagement Results Phase system. We conducted a data reliability assessment of both systems because the data used by RPS were collected and compiled by the Engagement Results Phase system.

Background

- In GAO's recommendation follow-up process,
 - GAO follows up with the audited entity to determine the extent to which it has implemented GAO's recommendations and whether benefits attributable to GAO's work have been realized. To keep the information current, GAO engagement teams are encouraged to update the status of open recommendations at least twice a year. At a minimum, teams update the information by September 30 of each fiscal year.
 - GAO analysts follow up by discussing the status of recommendations with cognizant agency officials; obtaining copies of agency documents supporting the recommendations' implementation; and performing sufficient work to verify that the recommended actions were taken.
 - Based on a review of all available agency information, GAO analysts and managers determine whether a recommendation should remain open, be closed as implemented, or be closed as not implemented.

Background (continued)

- After GAO analysts update the status of unclassified recommendations, the updated status information is reviewed by GAO management and GAO's Audit Policy and Quality Assurance office. Once approved, the recommendation status is then posted to GAO's external website, <https://www.gao.gov/recommendations>.
- GAO analysts follow up on classified and SBU recommendations in a similar manner; however, the status of these recommendations is not reported on GAO's website.

Background (continued)

- Within DOD, the Washington Headquarters Service (WHS) is GAO's primary point of contact for recommendation follow-up. WHS assumed this role from DOD's Office of Inspector General in October 2016.
- Recently, WHS has taken steps to encourage and help DOD components close recommendations. For example, WHS
 - required cognizant DOD offices to submit detailed Corrective Action Plans (CAP) in response to GAO recommendations. The CAPs are to include (1) key corrective actions/milestones; (2) estimated completion dates; and (3) measures to capture demonstrated results. The CAPs are approved by an Assistant Secretary of Defense (ASD), ASD equivalent, or higher authority.
 - established Senior Leadership Reviews (SLR) in July 2017. SLRs are meetings at which DOD senior leaders responsible for implementing GAO recommendations provide information on CAPs and implementation status to the Assistant Deputy Chief Management Officer.
 - required DOD offices to include in their responses to GAO draft reports (1) a point of contact—person or office—responsible for implementing recommendations; and (2) a time frame for implementing recommendations.

Background (continued)

- WHS plans to make the following additional improvements:
 - WHS will institute a quality assurance process for reviewing draft CAPs before submission to GAO, to better ensure that DOD's response addresses the intent of GAO recommendations.
 - WHS will invite GAO to have a representative attend future SLRs.
 - WHS will in the future initiate follow-up meetings between GAO and DOD responsible parties to address recommendations on which GAO and DOD differ regarding status.

Summary Information on All Recommendations

- DOD's implementation of GAO's recommendations has improved since November 2017, when its implementation rate was 53 percent.⁵ As shown in table 1, 66 percent of all FY 2014 classified (SECRET), SBU, and unclassified recommendations were implemented as of September 30, 2018.
- By comparison, in November 2018, we reported that on a government-wide basis 77 percent of our recommendations made 4 years prior had been implemented.
- We recognize that it takes time for an agency to implement recommendations. Thus, we would anticipate more recommendations made in fiscal year 2014 to be closed by September 2018 (over a roughly 4-year period) than those issued in fiscal year 2016 (over a roughly 2-year period). Table 1 reflects this, showing that 66 percent of recommendations made in fiscal 2014 were closed by September 30, 2018 versus 36 percent of recommendations made in fiscal year 2016.

⁵GAO measures implementation of recommendations by calculating the percentage of recommendations implemented after 4 years. For example, the implementation rate for FY 2018 is the percentage of recommendations made in FY 2014 that were implemented by the end of FY 2018. Recommendations made in classified products are not included in the calculations, but those recommendations made in SBU reports are included.

Summary Information on All Recommendations

Table 1: Number of Department of Defense Recommendations Made in Fiscal Years (FY) 2014-2017 That GAO Considered Open, Closed and Not Implemented, or Closed and Implemented, as of September 30, 2018

Category	FY 2014	FY 2015	FY 2016	FY 2017	Total	Percent of total
Recommendations made	272	273	309	268	1,122	100%
Recommendations open	64	135	188	208	595	53%
Recommendations closed - not implemented	28	21	9	5	63	6%
Recommendations closed - implemented	180	117	112	55	464	41%
Percentage implemented	66%	43%	36%	21%	41%	

Source: GAO analysis of GAO Results Phase System data. | GAO-19-245R

Note: This table reports the status of all recommendations made to the Department of Defense from FY 2014 through FY 2017. It includes recommendations from unclassified reports, sensitive but unclassified reports, and classified reports at the SECRET level or below.

Summary Information on Unclassified Recommendations

Table 2: Status of Recommendations Made to the Department of Defense in Unclassified Reports Issued in Fiscal Years (FY) 2014 through 2017, as of September 30, 2018

Category	FY 2014	FY 2015	FY 2016	FY 2017	Total	Percent of total
Recommendations made	252	257	289	246	1,044	100%
Recommendations open	59	129	171	188	547	52%
Recommendations closed - not implemented	28	16	9	5	58	6%
Recommendations closed - implemented	165	112	109	53	439	42%
Percentage implemented	65%	44%	38%	22%	42%	

Source: GAO analysis of GAO Results Phase System data. | GAO-19-245R

DOD Response to Unclassified Open Recommendations

Table 3: Number of Department of Defense (DOD) Open Recommendations in Unclassified Reports Issued in Fiscal Years (FY) 2014 through 2017, by DOD’s Initial Response, as of September 30, 2018

DOD initial response	FY 2014	FY 2015	FY 2016	FY 2017	Total	Percent of total
Concur	39	93	109	118	359	66%
Partially concur	14	32	44	47	137	25%
Non-concur	6	4	17	23	50	9%
Total	59	129	170	188	546	

Source: GAO analysis of GAO Results Phase System data. | GAO-19-245R

Note: DOD did not provide an initial response to one recommendation made in FY 2016, presented in GAO, *Military Personnel: Oversight Framework and Evaluations Needed for DOD and the Coast Guard to Help Increase the Number of Female Officer Applicants*, GAO-16-55 (Washington D.C.; Nov. 13, 2015).

Unclassified Recommendations (GAO Database)

- More details on the current status of DOD open unclassified recommendations can be found on <https://www.gao.gov/recommendations>. The information includes
 - DOD's initial response to the recommendation;
 - what actions, if any, DOD has taken to implement the recommendation; and
 - if applicable and when available, DOD's rationale for not implementing or partially implementing a recommendation, or for closing a recommendation we consider open.⁶

⁶DOD did not always respond to our requests for information. In these situations, we noted this in the recommendation status information provided on our website.

Unclassified Recommendations (Differences between WHS and GAO Data)

- DOD's WHS and GAO differ as to how many unclassified recommendations remain open.
- For example, on September 25, 2018, WHS reported that, according to its records, the total number of open unclassified recommendations issued in FYs 2014 through 2017 was 407. On that same day, GAO had 550 open unclassified recommendations from reports issued during the same period.
- WHS officials have attributed this difference to the existence of recommendations they consider “closed unresolved”—that is, recommendations that they have closed but that they know we consider open. They identified two situations in which they close a recommendation as unresolved:
 - when DOD senior leadership non-concurs with a recommendation and thereby has no planned actions for implementing the recommendation or a suitable alternative; and
 - when DOD senior leadership determines that the planned corrective actions have been completed and meet the intent of the recommendation.
- WHS officials stated that they change a recommendation status from “closed unresolved” to “closed” when they are notified that GAO has closed the recommendation.

Unclassified Recommendations (Differences between WHS and GAO Data), continued

- We close a recommendation as implemented when
 - we obtain information and supporting documentation indicating that the recommendation has been implemented or actions have been taken that essentially meet the recommendation's intent.
- We close a recommendation as not implemented when
 - circumstances have changed and the recommendation is no longer valid; or
 - in our professional judgment, sufficient time has passed and the agency is unlikely to implement the recommendation.

Classified Recommendations

Table 4: Status of Recommendations Made to the Department of Defense in Classified (SECRET) Reports Issued in Fiscal Years (FY) 2014 through 2017, as of September 30, 2018

Category	FY 2014	FY 2015	FY 2016	FY 2017	Total	Percent of total
Recommendations made	8	12	9	16	45	100%
Recommendations open	4	6	8	14	32	71%
Recommendations closed - not implemented	0	1	0	0	1	2%
Recommendations closed - implemented	4	5	1	2	12	27%
Percentage implemented	50%	42%	11%	13%	27%	

Source: GAO data. | GAO-19-245R

Note: The table does not include the status of 37 recommendations made in 11 classified reports that were also issued in unclassified or sensitive but unclassified (SBU) versions of the reports. The status of these recommendations is included in the data on unclassified and SBU recommendations.

SBU Recommendations

Table 5: Status of Recommendations Made to the Department of Defense in Sensitive but Unclassified (SBU) Reports Issued in Fiscal Years (FY) 2014 through 2017, as of September 30, 2018

Category	FY 2014	FY 2015	FY 2016	FY 2017	Total	Percent of total
Recommendations made	12	4	11	6	33	100%
Recommendations open	1	0	9	6	16	48%
Recommendations closed - not implemented	0	4	0	0	4	12%
Recommendations closed - implemented	11	0	2	0	13	39%
Percentage implemented	92%	0%	18%	0%	39%	

Source: GAO analysis of GAO Results Phase System data. | GAO-19-245R

Note: The table does not include the status of 28 recommendations made in 9 SBU reports that were also issued in unclassified versions of the reports. The status of these recommendations is included in the data on unclassified recommendations.



DOD's Progress in Implementing Priority GAO Recommendations

We designated 68 recommendations to DOD as priority recommendations. These recommendations were presented in reports issued from FY 2014 through FY 2017.

Table 6: Status of Priority Recommendations Made to the Department of Defense in Reports Issued in Fiscal Years (FY) 2014 through 2017, as of September 30, 2018

Topic area	Open	Closed - implemented	Closed – not implemented	Total	Percent of total
Acquisition and contract management	17	6	2 ^a	25	37%
Readiness	14	0	0	14	21%
Financial management	7	4	0	11	16%
Health care	5	2	0	7	10%
Cybersecurity	1	4	0	5	7%
Headquarters management	2	1	0	3	4%
Support infrastructure	2	0	0	2	3%
Information technology	0	1	0	1	1%
Total	48	18	2	68	
Percentage of total	71%	26%	3%		

Source: GAO analysis of GAO Results Phase System data. | GAO-19-245R

Note: Priority recommendations are those that GAO believes warrant priority attention from the heads of key departments and agencies.

^aThese two recommendations related to the acquisition of the Littoral Combat Ship. Subsequent DOD actions in this area made these recommendations no longer applicable, and therefore we closed the recommendations as unimplemented.

Enclosure II

Comments from the Department of Defense

January 25, 2019

Ms. Elizabeth Field
Acting Director, Defense Capabilities and Management
U.S. Government Accountability Office
441 G Street, NW
Washington DC 20548

Dear Ms. Field,

This is the Department of Defense (DoD) response to the GAO Draft Report, "DEFENSE MANAGEMENT: Status of GAO Recommendations Made to the Department of Defense (Fiscal Years 2014-2017)," dated December 19, 2018 (GAO Code 102516/ GAO-19-245R).

The Department appreciates GAO's acknowledgment of the significant improvements made to DoD's follow-up process and implementation efforts on GAO recommendations. We look forward to working collaboratively with our GAO counterparts to continue to aggressively implement GAO recommendations.

The Department appreciates the opportunity to comment on the draft report. Comments or questions should be addressed to me at karen.f.meyers.civ@mail.mil and phone (703) 692-7186.

Sincerely,

Karen Finnegan Meyers
Director
Executive Services Directorate
Washington Headquarters Services