

Highlights of [GAO-05-329](#), a report to congressional committees

## Why GAO Did This Study

Section 3611 of the National Defense Authorization Act for Fiscal Year 2004 mandates that GAO assess the Department of Defense's (DOD) internal controls for the Cooperative Threat Reduction (CTR) program and their effect on the program's execution. In addressing the mandate, we assessed DOD's management and internal controls over implementing CTR projects since 2003 by using the control standards for the federal government as criteria. In response to the mandate, we focused on those management and internal control areas considered most relevant to CTR project implementation: (1) building a management structure, (2) risk assessments, (3) performance measures, (4) program reviews, (5) communications, and (6) project monitoring. The Congress also mandated that GAO describe the status of DOD's implementation of legislative mandates covering the CTR program.

## What GAO Recommends

GAO recommends that the Secretary of Defense conduct performance reviews of CTR projects upon their completion. Such reviews would provide a mechanism to document lessons learned and apply them to future project planning and implementation. DOD concurred with our recommendation.

[www.gao.gov/cgi-bin/getrpt?GAO-05-329](http://www.gao.gov/cgi-bin/getrpt?GAO-05-329).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Joseph Christoff at (202) 512-8979 or [christoffj@gao.gov](mailto:christoffj@gao.gov).

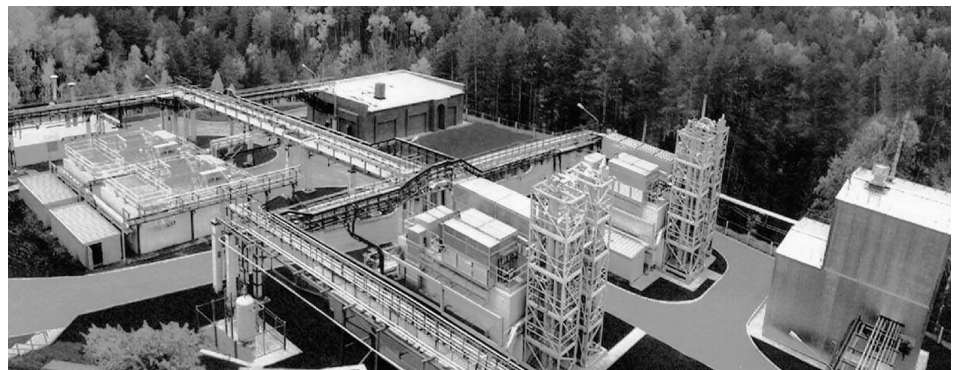
# COOPERATIVE THREAT REDUCTION

## DOD Has Improved Its Management and Internal Controls, but Challenges Remain

### What GAO Found

Through the CTR program, DOD provides assistance to help the former states of the Soviet Union secure and eliminate their weapons of mass destruction. Since 2003, DOD has improved its management and internal controls over the CTR program. Prior to 2003, DOD had problems managing the program and ensuring that the program was meeting its objectives. These inadequacies became apparent in 2003 following two project failures in Russia that cost the CTR program almost \$200 million, including the never used liquid rocket fuel disposition facility. Following these incidents, DOD implemented a more structured approach to managing the CTR program. In July 2003, DOD filled vacancies in the office responsible for managing the program, providing a level of leadership and oversight that did not previously exist. Once in place the new leadership made important improvements to the program's internal controls in the areas of organizational structure, risk assessments, performance measures, program reviews, and communication. For example, DOD now assesses and balances risks with project requirements and measures project performance at each phase. DOD also conducts semi-annual meetings to review commitments and responsibilities of CTR-recipient governments and to minimize risk. Although enhancing its internal controls helps mitigate the risks that stem from having to rely on the cooperation of CTR-recipient governments, DOD can never fully eliminate the project risks associated with recipient governments' cooperation. Furthermore, while DOD's enhancements are an improvement over previous internal controls, current mechanisms do not include a separate review of CTR projects upon their completion. As such, DOD lacks a system for evaluating projects upon their completion and applying lessons learned to future projects.

### Facility to Destroy Liquid Rocket Fuel Cost \$95 Million but Was Never Used



Source: Department of Defense.