

PROCEDURES FOR LONG SUPPLY ASSETS UTILIZATION SCREENING

In October 1967 we reported to the Secretary of Defense on the results of our examination into the effectiveness of the automated screening operation for matching material available at various locations in the Department of Defense with the needs at other locations.

Department of Defense officials generally agreed with our findings that the centralized screening system has not been fully effective because:

1. The inventory control points do not, in many instances, provide the Defense Logistics Services Center with the required information on needed or available material.

2. The information reported is not always accurate or current.

3. The lack of appropriate and timely decisions by the inventory control points has resulted in improper deletion of needed information in the screening process.

We have suggested that the Office of the Secretary of Defense look into the desirability of giving the Defense Supply Agency additional authority in order to facilitate improved management control over the materiel utilization program.

RETURN OF REPAIRABLE ITEMS FOR REPAIR AND REUSE

In our review of the Department of the Army procedures and practices for the return of unserviceable, repairable parts to the supply system we found that substantial quantities of these parts were not returned by the using installations. The two principal reasons for this were (1) improper recoverability coding in publications issued by the National Inventory Control Points, and (2) lack of adequate control and follow-up action by supply activities to assure the return of repairable items by the using organizations.

We suggested that the Secretary of the Army (1) instruct the National Inventory Control Points to design procedures which will insure the correctness of codings in their publications, and (2) direct a review, and strengthening as necessary, of procedures at Army installations to provide a more effective means of exercising control over the stockage and turn-in of unserviceable recoverable parts.

We are currently examining into the procedures and practices for the return of repairable items in the Departments of the Air Force and Navy.

DISTRIBUTION AND REDISTRIBUTION

In a recently completed review of the redistribution of base excess supply materials in the Department of the Air Force, we found that approximately 34 percent of the shipments of excess supply items from Air Force bases to depots were unnecessary or uneconomical. These items were either already Air Force-wide long supply or excess positions, or their value was less than the costs incurred for their return. We estimated that costs could be reduced by more than \$5 million annually if these types of items were not returned to the three depots included in our review.

Air Force officials have substantially agreed with our findings and have informed us that they have instituted actions that should correct this condition.

We have initiated a review of the procedures and practices for the return of excess supply materials in the Department of the Army. Although our work is not conclusive at this time, we do have indications that similar conditions are present in the Army.

MILITARY STANDARD REQUISITIONING AND ISSUE PROCEDURES (MILSTRIP)

During the first half of calendar year 1967 we performed a limited examination at various installations of the Departments of the Army, Navy and Air Force of the processing of requisitions under the Military Standard Requisitioning and Issue Procedures system.

We found that large numbers of requisitions prepared by military using units in the Far East could not be processed on data processing equipment in a normal manner because they contained erroneous or noncurrent information. This was caused primarily by (1) carelessness in the preparation of the requisitions, (2) inadequate editing of the requisitions before forwarding them to the next higher supply level, and (3) noncurrent catalog data at all levels of supply.

We plan to forward a draft report on our findings to the Secretary of Defense