

Why GAO Did This Study

The Defense Centers of Excellence for Psychological Health and Traumatic Brain Injury (DCOE) was established to lead DOD's effort to develop excellence in DOD prevention, outreach, and care for those with psychological health and traumatic brain injury conditions. GAO was asked to report on (1) challenges DCOE has faced in its development; (2) the extent to which DCOE's strategic plan aligns with key practices used by leading public-sector organizations; and (3) the extent to which internal controls provide reasonable assurance that DCOE information on financial obligations is reliable for management decision making. GAO reviewed documentation and interviewed DCOE officials about DCOE development challenges, evaluated DCOE's strategic plan against practices used by leading public-sector organizations, assessed the design of internal controls for recording obligations, and tested fiscal year 2009 DCOE obligations to supporting documentation to determine if the obligations were properly classified.

What GAO Recommends

GAO recommends that DCOE take steps to improve its strategic plan, and that TMA develop, implement, and maintain written procedures for proper classification and recording of DCOE obligations. While DOD said it concurred with GAO's five recommendations, GAO believes that its stated actions do not fully address the intent of two of the recommended actions.

View [GAO-11-219](#) or key components. For more information, contact Randall A. Williamson at (202) 512-7114 or williamsonr@gao.gov or Asif A. Khan at (202) 512-9869 or khana@gao.gov.

DEFENSE HEALTH

Management Weaknesses at Defense Centers of Excellence for Psychological Health and Traumatic Brain Injury Require Attention

What GAO Found

DCOE's development has been challenged by a mission that lacks clarity and by time-consuming hiring processes. GAO found that DCOE's strategic plan does not reflect a clear mission because it does not indicate whether statutory responsibilities—in the form of the plan's subgoals that support the mission—are designated a higher completion priority than other subgoals. Some DCOE officials told GAO that DCOE leadership has not focused or prioritized DCOE's mission, and told GAO that the lack of clarity in DCOE's mission hampered DCOE's ability to move forward. GAO has found that defining a clear mission that brings the organization into focus is a step commonly taken by organizations seeking to become more results-oriented. Further, DCOE officials cited administrative processes that slowed the hiring of DCOE personnel and resulted in DCOE's heavy reliance on contractors. DCOE has taken steps to shorten the hiring process, but is still hindered by DOD-managed hiring processes that took on average 119 days through July 2010.

DCOE's strategic plan aligns with some key practices for strategic planning and results-oriented management used by leading public-sector organizations, but the plan has two areas of weakness in which it does not align with key practices. Specifically, the plan's management reviews, intended to align activities, resources, and goals, are insufficient to ensure that its daily activities are aligned with its mission and goals, and the plan does not fully describe how meeting its performance measures would help DCOE assess attainment of its goals. These gaps in DCOE's strategic planning may hinder DCOE's effort to execute its activities to meet its goals, measure its progress toward fulfilling its goals, and deliver results for its programs.

TRICARE Management Activity (TMA), which obligates funds for DCOE, had not developed written policies and procedures to ensure proper recording of obligations, and GAO found that TMA had not properly classified most of DCOE's fiscal year 2009 contract obligations. *Internal Control Standards* require written documentation of internal control. GAO's tests of DCOE obligations showed that while TMA properly recorded the date and amount of the obligations, it did not properly classify \$102.7 million (91 percent) of DCOE's advisory and assistance contract obligations. The Office of Management and Budget (OMB) provides guidance for properly classifying obligations to object class—a uniform system for identifying government transactions by the nature of the goods or services purchased. DOD's *Financial Management Regulation* requires compliance with OMB guidance. However, TMA relied on guidance issued by another DOD agency that was inconsistent with OMB guidance. Improper classification of obligations could have significant consequences, particularly in light of Defense Efficiency Initiatives, which are intended to cut \$100 billion in DOD spending, including spending on advisory and assistance services contracts, over the next 5 years. While steps have been taken to align object classification procedures with OMB guidance for fiscal year 2011, TMA has not yet developed written procedures for reviewing obligation data, nor has it established formal responsibility for updating procedural guidance and system codes.