

# GAO Highlights

Highlights of [GAO-14-182](#), a report to the Chairman, Committee on Homeland Security and Governmental Affairs, U.S. Senate

## Why GAO Did This Study

DOD manages nearly \$70 billion of conventional ammunition—which includes many types of items other than nuclear and special weapons—at eight Army depots. The military services use automated information systems to manage their inventory. They also compile annual reports that compare ammunition inventory levels against stated requirements. GAO was asked to evaluate DOD's management of conventional ammunition. This report addresses the extent to which (1) the services' information systems facilitate efficient management of the conventional ammunition inventory and (2) the services collect and share inventory data to help them meet their stated requirements. GAO reviewed DOD guidance on materiel management and logistics systems, reviewed the services' annual inventory reports for fiscal years 2009 to 2013, and discussed inventory management and related issues with service officials.

## What GAO Recommends

GAO is making seven recommendations to improve the efficiency of the services' systems for managing DOD's conventional ammunition inventory and to improve data sharing among the services, including implementing data exchange standards, developing a plan for improving the accuracy and timeliness of ammunition data in the Army's LMP, enhancing DOD's ability to provide total asset visibility over conventional ammunition, and incorporating additional items as part of the services' current stratification and redistribution process. DOD concurred with all of these recommendations.

View [GAO-14-182](#). For more information, contact Zina D. Merritt at (202) 512-5257 or [merrittz@gao.gov](mailto:merrittz@gao.gov).

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## DEFENSE LOGISTICS

### Actions Needed to Improve Department-Wide Management of Conventional Ammunition Inventory

#### What GAO Found

The military services use automated information systems to manage and maintain accountability for the Department of Defense (DOD) ammunition inventory, but the systems have some limitations that affect their ability to facilitate efficient management of conventional ammunition.

- The systems cannot directly exchange ammunition data because they use different data exchange formats. Only the Army's Logistics Modernization Program (LMP) system uses the standard DOD format. The other services have not adopted this format, although Air Force officials have said that they plan to by 2017. Without a common format for data exchange, the services will continue to devote extra time and resources to ensure efficient data exchange between their systems and LMP.
- LMP has some limitations in its ammunition-related functionality that can affect the accuracy and completeness of data for items stored at Army depots and require extra time and resources to confirm data or correct errors. The Army acknowledges there are limitations in LMP; however, it has not yet developed a comprehensive plan, with time frames and costs, for addressing the limitations. Such a plan could provide DOD reasonable assurance that its efforts to upgrade ammunition-related functionality in LMP are making progress.
- The Army developed the National Level Ammunition Capability (NLAC) as a DOD-wide repository of ammunition data, but NLAC has some limitations in providing ammunition visibility—that is, having complete and accurate information on items wherever they are in the supply system. The Army does not have reasonable assurance that NLAC collects complete and accurate data from service systems because it does not have checks and controls that federal internal control standards recommend to ensure source data is reliable. Without steps to ensure the quality of the data that flows into NLAC, DOD officials risk making decisions based on inaccurate and incomplete inventory information, or ammunition offices may have to devote extra staff and time to obtain accurate data of DOD-wide inventory.

To identify inventory owned by one service that may be available to meet the requirements of another service, the military services have a process for collecting and sharing ammunition data. Through a stratification and redistribution process, the services assess whether inventory can meet stated requirements and then may transfer available inventory, including inventory in excess of one service's requirement, to another service. This redistribution offsets procurements of ammunition items. To facilitate this process, each service develops and shares ammunition inventory data in annual reports. The Army's annual report, however, does not include information on certain missiles. Also, the Army's report does not include information on all available, usable ammunition that in a prior year was unclaimed by another service and placed in storage for disposal; DOD guidance does not require that such inventory be included in the reports. Without incorporating these items in the Army's report, DOD may lack full transparency about all available items and may miss opportunities to avoid procurement costs for certain usable items that may already be available in the Army's stockpile.