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Basic Allowance for Subsistence Pay for Soldiers Participating in Field Training

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Audit Report: A-2012-0XXX-FMF

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Executive Summary

Audit Report **A-2012-0XXX-FMF**

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Basic Allowance for Subsistence Pay for Soldiers Participating in Field Training

Results

We performed the audit of basic allowance for subsistence (BAS) pay for Soldiers participating in field training to verify that Soldiers receiving BAS were properly charged for meals while conducting training in the field in accordance with DOD and Army Directives.

Our audit found the Army commands we reviewed had an overall lack of command emphasis for collecting BAS from their Soldiers. Specifically:

- Command leadership at the Army installations wasn't enforcing the requirement for unit commanders to collect the BAS from their Soldiers during field training.
- Command G-1s weren't providing necessary oversight to ensure their S-1s were processing and submitting the collection actions for the unit's Soldiers after the unit returned from field training.
- S-1s were generally unaware that they were responsible to initiate the personnel action to collect BAS from their unit's Soldiers.

Based on our review of selected units at Fort Carson, Colorado; and Fort Hood, Texas, the Army could potentially achieve about \$24 million in savings during FYs 12 through 17 by increased command emphasis to unit commanders on their responsibility to collect BAS from their Soldiers during periods of field training.

We originally reported problems associated with the collection of BAS from Soldiers in two prior audit reports:

- A-2005-0274-FFG, Soldier Allowances for the Active Component, dated 19 September 2005.
- A-2010-0095-FFF, Controls over Basic Allowance for Subsistence and Dining Facility Charges, dated 5 May 2010.

We concluded the problems associated with collections of BAS identified in the prior reports parallel the problems we found during this audit. Specifically, the Army isn't routinely charging Soldiers receiving BAS for government meals provided to them during field duty.

Key Recommendations

We recommend the Deputy Chief of Staff, G-1:

- Report the lack of BAS collections for Soldiers participating in field training to the Army as a material weakness.
- Require Command G-1s to ensure their S-1s are processing BAS collection actions when units complete field training.
- Require Command G-1s to update command leadership regularly on the status of BAS collections throughout the command.
- Require Command G-1s to develop and implement guidance for all S-1s to follow for collecting BAS from their unit's Soldiers.

We will include a general statement about the command position on the recommendations and any associated potential monetary benefits, and the official Army position upon receipt.



DEPARTMENT OF THE ARMY
U.S. ARMY AUDIT AGENCY
OFFICE OF THE DEPUTY AUDITOR GENERAL
FINANCIAL MANAGEMENT AND COMPTROLLER AUDITS
6000 6TH STREET, BUILDING 1464/MAIL STOP 5585
FT. BELVOIR, VA 22060

[Click here to enter a date](#)

Deputy Chief of Staff, G-1
Deputy Chief of Staff, G-4

This is the draft report on our audit of basic allowance for subsistence pay for Soldiers participating in field training. This audit was an internally generated, multilocation effort to verify that Soldiers receiving basic allowance for subsistence were properly charged for meals while conducting training in the field.

We conducted this audit in accordance with generally accepted government auditing standards.

This report addresses five recommendations to the Deputy Chief of Staff, G-1; and one recommendation to the Deputy Chief of Staff, G-4. If the recommendations in this report are carried out, there could be monetary benefits based on the estimates we could reasonably make at the time of the audit.

The Army's official position on the conclusions, recommendations, command comments, and potential monetary benefits will be in Annex D. For additional information about this report, contact the Financial Management Audits Division at 703-545-5861.

I appreciate the courtesies and cooperation extended to us during the audit.

FOR THE AUDITOR GENERAL:

JEFFERY H. FAY
Program Director
Financial Management Audits

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INTRODUCTION

WHAT WE AUDITED

This audit was an internally generated effort to verify that the Army is properly charging Soldiers who receive basic allowance for subsistence (BAS) for government meals provided to them during field duty. We performed work at selected units located at two installations – Fort Carson, Colorado; and Fort Hood, Texas.

BACKGROUND

According to the Office of the Secretary of Defense for Personnel and Readiness, BAS is intended to offset costs for a Servicemember's meals. This allowance is based in the historic origins of the military in which the military provided room and board (or rations) as part of a Servicemember's pay. This allowance is not intended to offset the costs of meals for family members.

37 U.S.C Section 402 (Basic Allowance for Subsistence) authorizes each member of a uniformed service who is entitled to basic pay to BAS. Additionally, Section 402 states that the Secretary of Defense shall prescribe regulations that include specific rates for BAS.

37 U.S.C. Section 1011 (Mess Operation: Reimbursement of Expenses) requires the Secretary of Defense to establish rates for meals sold at messes to officers, civilians, and enlisted members. Such rates shall be established at a level sufficient to provide reimbursement of operating expenses and food costs to the appropriations concerned. Payment for meals at the rates established may be made in cash or by deduction from pay.

DOD Financial Management Regulation 7000.14-R, Volume 7A, Chapter 25 (Subsistence Allowances), dated June 2011, governs pay allowances and requires that Servicemembers receiving BAS pay for all meals or rations received from a government mess or provided on behalf of the government. The BAS entitlement is paid as a monthly rate, which effective 1 January 2011, is \$223.84 for officers and \$325.04 for enlisted members. Unless the Servicemember is receiving a per diem for subsistence, the collection will be at the discount meal rate (daily discount rates for calendar years 2010 through 2011, and 2012 were \$9.25 and \$9.90 respectively). Pay account collections will be 25 percent of the discounted meal rate for the first and last day of assignment in

situations requiring mandatory collection. Additionally, all members on field duty will be charged for all meals made available, whether eaten or not, subject to approved missed meals.

DOD Directive 1418.05 (Basic Allowance for Subsistence Policy), dated 23 April 2007, establishes DOD policy regarding BAS and states that all military members entitled to basic pay are also entitled to BAS except those:

- In basic training.
- On excess leave.
- Absent without leave.
- Serving a court martial sentence.
- On an approved educational leave of absence not exceeding 2 years.
- Without dependents and training for, attending, or participating in the Pan American games, Olympic Games, or other specifically authorized international amateur sport competitions in which the sponsoring agency provides subsistence to them during that period.

Additionally, the directive requires all Servicemembers to pay for any government-furnished meals while they are also entitled to BAS. The individual Servicemember may pay for meals or, in certain circumstances, have the amount deducted from their pay account or reduced from their travel per diem.

AR 600-38 (The Meal Card Management System), dated 11 March 1988, requires commanders to initiate action to effect all required reimbursements beginning when meals are available during field duty, to include preparation for deployment and travel to and from home station (if applicable). Reimbursement for all meals available, beginning with the first meal and ending with the last meal available, will be by Finance and Accounting Office action (BAS recoupment/suspension for enlisted Soldiers or payroll deduction for officers). DA Form 4187 (Personnel Action) will be used by the unit to effect BAS recoupment for individuals and will be prepared and forwarded to the Finance and Accounting Office within 3 workdays after completion of the field duty.

NOTEWORTHY ACTIONS

At the completion of our site visit, senior leadership at Fort Hood informed us that they were taking proactive collection measures by formulating compliance inspection teams. These teams are to ensure units follow previously distributed Headquarters, DA guidance for collecting BAS from their unit's Soldiers when the government provided meals to them during their field-training exercises.

Additionally, Fort Hood developed and issued Operation Order PW 12-04-292 (Basic Allowance for Subsistence Collections Program), dated 2 April 2012, that states:

Effective immediately, Commanders will enforce the law and Army Regulations required for collection of meals provided to Soldiers who are receiving full BAS while performing duty under field conditions, in order to comply with Army Regulations.

Lastly, Fort Hood's III Corps Inspector General published an article in their 23 February 2012 weekly newspaper, the Sentinel, discussing and explaining the BAS recoupment policy for their readership.

Fort Carson also informed us upon completion of our site visit, that their senior leadership had started game planning with the staff to provide and then continue command emphasis on BAS collection to the 4th Infantry Division's subordinate commands.

REPEAT CONDITION

The Army Audit Agency previously conducted two reviews on whether Soldiers receiving BAS were being charged for meals while conducting training in the field. Specifically:

- A-2005-0274-FFG (Soldiers Allowances for the Active Component), dated 19 September 2005, reported subsistence collections for government-provided meals weren't correct and lacked fairness and consistency. This occurred because unit commanders were confused about the requirements for processing collection actions and believed they had the discretion to waive the requirements for subsistence collection. That report recommended that the Office of the Deputy Chief of Staff (ODCS), G-4 enforce current policies and procedures to ensure collections for government-provided meals were fair and uniform for officers and enlisted members. However, ODCS, G-4 didn't implement the recommendation

because it was decided that ODCS, G-1 was responsible for developing policies for collections for government-provided meals during field training.

- A-2010-0095-FFF (Controls over Basic Allowance for Subsistence and Dining Facility Charges), dated 5 May 2010, reported unit commanders at Fort Benning, Georgia; and Fort Bragg, North Carolina, didn't require Soldiers receiving BAS to pay for meals provided during field training. This occurred because some unit commanders didn't understand the process and some didn't want to offend the Soldiers by charging them for the meals. That report recommended ODCS, G-1 reinforce to unit commanders their responsibility to initiate actions to collect reimbursement for meals provided during field training to Soldiers receiving BAS, and develop controls to monitor these collections. Based on our recommendations, G-1 took the following actions:
 - Forwarded a general message to all Army activities (ALARACT) on 14 April 2010 (Subject: Basic Allowance for Subsistence (BAS) Collections). This message reinforced to commanders, G-1s, S-1s, and military pay offices that the law and Army Regulation require collection for meals provided to Soldiers who are receiving full BAS under field conditions. It stated that this requirement is not optional.
 - Forwarded a Memorandum to Major Commands, dated 11 May 2011 (Subject: Management Internal Control Program (MICP) Checklist for Army-Wide Compliance with Basic Allowance for Subsistence Meal Collections Policy). This memorandum provided a BAS MICP checklist to assist in standardizing internal controls for BAS collections as part of the FY 12 commanders' annual statement of assurance process and all future assurance processes.
 - Forwarded an ALARACT on 19 July 2011 (Subject: Authority for Army-Wide use of the Management Internal Control Program (MICP) Checklist for basic allowance for subsistence (BAS) meal collections for government provided meals during field duty). This message implemented Armywide guidance for use of the MICP checklist for BAS meal collections for government-provided meals. The expiration date of this message was 31 January 2012.
 - Forwarded an ALARACT on 21 February 2012 (Subject: (Corrected Copy) Authority for Army-Wide use of the Management Internal Control Program (MICP) Checklist for basic allowance for subsistence (BAS) meal collections for government provided meals during field duty) (Replaced ALARACT dated 19 July 11). This message implemented Armywide guidance for use of the MICP checklist for BAS meal collections for government-provided meals. The expiration date of this message cannot be determined.

- Additionally, the Vice Chief of Staff of the Army forwarded a memorandum to all 3- and 4-Star level commanders on 7 May 2010 requesting their assistance in ensuring that the Army charges Soldiers who receive full BAS for meals provided during field duty.

However, as identified in this report, the conditions found during the previous audits haven't been corrected and units are still not collecting BAS from their Soldiers when the government provided meals to them during field training exercises.

BAS COLLECTIONS

OBJECTIVE

To verify that Soldiers receiving basic allowance for subsistence were properly charged for meals while conducting training in the field.

CONCLUSION

Our audit verified that the Army isn't routinely charging Soldiers receiving BAS for government-provided meals during field duty. Specifically, we found that units at Forts Carson and Hood didn't initiate meal collections in FY 11 and the first part of FY 12. This condition occurred because:

- Command leadership at the Army installations wasn't enforcing the requirement for unit commanders to collect BAS from their Soldiers during field training, even though the leadership was generally aware of the BAS collection policy.
- S-1s generally weren't aware that they were responsible for initiating personnel action to collect BAS from the units' Soldiers receiving BAS when they were provided government-furnished meals.
- Command G-1s at the installations didn't provide necessary oversight to ensure their S-1s understood their duties and were initiating and processing the personnel actions to collect BAS from the units' Soldiers after the units completed field duty.
- Food Service Advisors weren't ensuring unit commanders were submitting reasonable estimates on their field-meal requests for the number of Soldiers receiving BAS.

As a result, we found the Army didn't collect about \$4.8 million from Soldiers receiving BAS that were provided government-furnished meals during field-training exercises at two installations during FY 11 and the first half of FY 12.

Our detailed discussion of these conditions begins on page 8. Our recommendations to correct them begin on page 17.

DISCUSSION

In this section, we discuss these five areas:

- Command emphasis on BAS collections.
- Personnel actions.
- Unit field-ration requests.
- Monetary loss from not collecting BAS.
- Reporting lack of BAS collections as a material weakness.

Command Emphasis on BAS Collections

Command leadership at the two installations we reviewed (Fort Carson, Colorado; and Fort Hood, Texas) didn't sufficiently emphasize the importance of collecting BAS from Soldiers who received government-furnished meals during periods of field training.

Before beginning our fieldwork at the two installations, we were informed by senior leadership that we would most likely find their units were not collecting BAS from Soldiers who received government-furnished meals during periods of field training.

Based on the above information, we focused our audit work on the magnitude of the problem and identifying why collections weren't taking place. To accomplish this, we interviewed key personnel involved in the subsistence process (Commanders, S-4s, Food Service Advisors, S-1s, and the Command's Principal Staff (G-1 and G-4)). We also interviewed senior noncommissioned officers to determine if their Soldiers were aware of their responsibility to pay for meals issued to them in the field. Lastly, we reviewed the supporting documentation for field-ration requests to determine the amount of dollars lost by each installation that didn't collect BAS from Soldiers who received government-furnished meals during periods of field training.

Further, our review found that the majority of commanders at both the company and battalion level were generally aware of the requirement to collect BAS from their Soldiers who received the full subsistence allowance during their period of field training. However, they weren't collecting from Soldiers who received BAS. The primary reasons given were:

- Commanders felt it was unfair for them to initiate the BAS collection action from their Soldiers when they knew other commanders weren't collecting from their Soldiers.
- Commanders believed the BAS collection policy poses a financial hardship on their junior enlisted Soldiers. They stated that most of these Soldiers are living from payday to payday and can't afford to have a reduction in their monthly pay without it negatively impacting their overall financial situation.
- Commanders stated collecting BAS was at the discretion of the commander. Some commanders weren't aware that the BAS collection policy was a regulatory requirement, whether or not the meals were consumed.

We determined that lack of command emphasis from command leadership at the installations was the fundamental cause of unit commanders not collecting BAS from Soldiers who received government-furnished meals during periods of field training. Specifically, emphasis wasn't sufficient to ensure commanders knew that both Army and DOD Directives require that they initiate actions for collecting for all meals provided to their Soldiers. We also found a lack of emphasis over the battalion and brigade S-1s. The majority of the S-1s we interviewed were generally unfamiliar with the BAS collection policy and didn't possess the procedural knowledge to process and submit the collection actions for the units they served. As a result, the units we reviewed at Fort Hood and Fort Carson weren't processing BAS collections from Soldiers who received government-furnished meals during periods of field training.

Command leadership needs to emphasize to their commanders their responsibility to collect BAS from Soldiers who received government-furnished meals during periods of field training. During our interviews, we learned commanders in garrison were confused on their obligation to initiate collections because when their Soldiers are deployed, they are entitled to receive their BAS and are provided government-furnished meals during their deployments. We informed commanders that current DOD and Army Directives place deployed Soldiers in either a temporary change of station or duty status. As such, they are entitled to their full military pay and benefits, which includes BAS, and per diem. However, they receive only the incidental rate of per diem, currently \$3.50 per day, not the full per diem rate for meals and lodging because the government provides both meals and housing to them during their deployment.

Commanders acknowledged that confusion among the ranks is often the outcome of being in a deployment mode for so long and away from routine garrison operations. Even when units are back in garrison, commanders mentioned that as long as the war-effort continues their focus is on tasks that prepare Soldiers for upcoming deployment,

which may consequently affect administrative programs that don't contribute to their wartime mission.

In interviews with senior noncommissioned officers, we were also informed that to maintain Soldier morale, it's essential that commanders accurately communicate to Soldiers the Army's BAS policy and inform them that collections are mandatory, not discretionary. Communicating this policy will prevent commanders from being perceived as not doing what's best for their Soldiers when collections are initiated in the future. In addition, this will help Soldiers prepare for their financial obligations when collections are enforced.

The Deputy Chief of Staff, G-1 needs to develop and implement procedures requiring Command G-1s to issue a command policy for unit commanders outlining the command's requirement that BAS collections will take place in accordance with Army and DOD Directives. Additionally, Command G-1s need to keep command leadership informed of whether their units were collecting BAS from Soldiers after they completed field training by including this information in their regular briefing package to command. This will ensure unit commanders are aware that they are responsible for collecting BAS from their Soldiers after completion of field training and that they keep command leadership informed on whether they are complying with the BAS collection policy.

Further, the Deputy Chief of Staff, G-1 needs to require that Command G-1s issue a policy requiring unit commanders to inform their Soldiers that they are required to collect BAS from them before field-training exercises. This will ensure Soldiers are aware of the policy and can plan for the reduction in their paycheck.

We address actions needed to provide the additional command emphasis needed to ensure commanders comply with the BAS collection policy in Recommendations 2 and 3.

Personnel Actions

The units we reviewed at Forts Hood and Carson weren't collecting BAS from Soldiers who received government-furnished meals during periods of field training.

AR 600-38 requires unit commanders or servicing personnel administration centers to effect reimbursement of BAS through Finance Accounting Office action, whether the meals are consumed or not. The unit or personnel administration center will use DA Form 4187 (Personnel Action) to effect the BAS recoupment for individuals. It will

be prepared within 3 workdays after completion of the field duty and forwarded to the Finance Accounting Office for action.

During our site visits, we requested copies of DA Form 4187s (Personnel Action) for the period 1 October 2010 to March 2012 from 37 brigade, battalion, or company personnel to determine the extent of their units BAS collections from their soldiers after they completed field training. None of these personnel were able to provide the DA Form 4187s because their units didn't submit the form to initiate collection actions.

Additionally, we interviewed personnel from the Defense Military Pay Office (DMPO) at Fort Hood, Texas and Fort Carson, Colorado to determine if they were receiving any personnel actions to collect BAS from units. The DMPO at Fort Hood, Texas stated they hadn't processed any BAS collections and the DMPO at Fort Carson stated that they processed very few meal collections during the past year and a half.

We subsequently interviewed the brigade and battalion S-1s at both installations and found they weren't initiating and submitting the collection actions primarily because they were unaware that it was their responsibility. The majority of them stated that S-4 personnel were ultimately responsible for all meal collections and, therefore, they didn't initiate the BAS recoupment actions. Additionally, they stated they didn't have any standing operating procedures from their higher headquarters outlining this requirement and the process for them to follow.

Some of the S-1s informed us they were familiar with the S-1 certification statement that appears on the unit's memorandums requesting field meals which states:

The S-1 Adjutant has certified that BAS recoupment and/or payroll deduction has been or will be submitted for personnel participating in the field training process.

However, despite being aware of the certification and signing the statement, the S-1 personnel stated they have never initiated or submitted the personnel action to recoup BAS from the unit Soldiers, nor were they trained on the procedures for initiating these collection actions.

We also found the Command G-1s at both installations didn't provide any oversight over the S-1s to ensure they were collecting from their unit Soldiers because they didn't feel it was part of their responsibility. They informed us that this oversight responsibility belonged to either the G-4 or DMPO. We agree that G-4 has responsibility for overseeing the field-ration request process and that the DMPO processes pay transactions; however, G-1 needs to provide the necessary oversight to ensure the brigade and battalion S-1s are initiating and submitting the required personnel actions. Additionally, they need to ensure the S-1s are aware of the

procedures for processing the requests and ensure DPMO completes the actions. Without this oversight, command has no assurance BAS collections are taking place.

Command G-1s need to provide oversight of and training to the brigade and battalion S-1s. Specifically, the Command G-1s should:

- Include BAS collections as part of their overall command inspection program to evaluate the brigade and battalion S-1s to ensure BAS collections from Soldiers receiving BAS are being initiated and submitted after units complete field-training exercises.
- Develop and issue guidance to the brigade and battalion S-1s outlining their responsibility and the procedures to follow to initiate the collection action for BAS after completion of a unit's field-training exercises.
- Provide appropriate training to newly assigned brigade and battalion S-1s on the requirements and procedures for submitting BAS collection actions.

These actions will ensure that brigade and battalion S-1s are aware of their overall responsibilities to initiate BAS collections from unit Soldiers upon completion of field-training exercises.

We address actions needed to improve G-1's oversight of BAS collections in Recommendations 4 and 5.

Unit's Field-Ration Requests.

Unit commanders weren't submitting reasonable estimates on their field-ration requests of the number of government-furnished meals to be provided to Soldiers with a meal card and the number that are receiving BAS and will require subsequent collection action for their meals.

AR 30-22 and DA Pamphlet 30-22 contain the policies and procedures for requesting, receiving, issuing, and accounting for subsistence during field training. The guidance requires commanders to submit their field-ration requests through their command channels to the supporting subsistence activity or dining facility. Additionally, the troop issue subsistence activities and dining facilities required the commanders to provide an estimate of the number of unit Soldiers that will be participating in the field exercise and identify whether they have a meal card or are receiving BAS.

We reviewed the requests that were submitted to either the troop issue subsistence activities or dining facilities at Fort Hood and Fort Carson during FY 11 and the first half of FY 12. We found that the units weren't providing reasonable estimates of Soldiers that had meal cards or that were receiving BAS. We reviewed 684 requests for field rations from the units at Fort Hood and Fort Carson during this period and found the majority of these requests (over 60 percent of the requests) identified the majority of their Soldiers as being on meal cards. However, during our interviews with selected units, we were provided support showing the majority of their Soldiers (approximately 75 to 80 percent) were receiving BAS.

Despite this evidence of a significantly high number of Soldiers being on BAS, our review of field-ration requests showed that the units were seriously understating this figure. Here are some examples of what our review of the 684 field-ration requests for the units at Fort Hood and Fort Carson found:

- 217, or 32 percent, requests showed that none of the unit's Soldiers were receiving BAS.
- 206, or 30 percent, requests showed that less than 50 percent of the unit's Soldiers were receiving BAS.

It appears that unit commanders weren't submitting reasonable estimates of Soldiers receiving BAS on their ration requests. These requests were forwarded through the battalion or brigade S-1s for certification that they will initiate the personnel actions to collect for the government-furnished meals provided to the Soldiers that are receiving BAS. However, without accurate estimates, the S-1s don't have the necessary support to process the collection actions from the Soldiers receiving BAS who received government-furnished meals during periods of field training.

The Deputy Chief of Staff, G-4 needs to implement procedures for the food advisors to ensure commanders reasonably estimate the number of Soldiers receiving BAS on their field-ration requests. During the command's approval process of the unit's field-ration requests, the food service advisors should review the requests and determine if the number of unit Soldiers with either a meal card or receiving BAS are reasonable. If the number of Soldiers with meal cards on the request appears overstated compared with the number of Soldiers receiving BAS, then the food service advisor will be required to confirm the reasonableness of these categories of Soldiers with the unit before the ration request is approved.

The above action taken during the approval process for field-ration requests will ensure that the advisors are assisting the unit commanders in carrying out their responsibilities for the Army Food Program, both in garrison and in the field.

We address actions needed to improve oversight of field-ration requests in Recommendation 6.

Monetary Loss From Not Collecting BAS.

The Army lost about \$4.8 million during FY 11 and the first half of FY 12 for providing government-furnished meals to Soldiers participating in field duty at Fort Carson and Fort Hood because unit commanders didn't collect the Soldiers' BAS to reimburse the Army for their meals.

We reviewed the supporting documentation for government meals provided to Soldiers conducting field training at Forts Carson and Hood for FY 11 and part of FY 12. For each field-training exercise requiring subsistence, a unit's S-4 personnel prepared the field-ration request and a DA Form 5913 (Strength and Feeder Report). These documents identify the training dates, the type of meals requested, and a headcount of Soldiers to be fed. The headcount consists of the number of Soldiers on subsistence-in-kind – or meal cards – and the number of Soldiers needing Finance Accounting Office action – or Soldiers receiving BAS. The unit submitted these documents to either a dining facility or the troop issue subsistence activity, which provided the field meals directly to the unit.

We analyzed the field-ration requests and calculated the amount that units should have collected from Soldiers receiving BAS. DOD Financial Management Regulation 7000.14-R, Volume 7A, Chapter 25 (Subsistence Allowances) requires Soldiers receiving BAS to be charged the discounted rate during field duty. We also took into account that Soldiers should only be charged 25 percent of the discounted rate on the first and last day of the field-training exercise. The following table summarizes the results of our analysis.

	Collections for Field Meals Provided to Soldiers Receiving BAS					
	Fort Carson		Fort Hood		Total	
	FY 11	FY 12*	FY 11	FY 12*	FY 11	FY 12
Total Meals Requested	977,281	164,764	805,491	168,905	1,782,772	333,669
Meals for BAS Soldiers	452,589	94,140	203,177	65,519	655,766	159,659
Collection Amount for BAS Soldiers per Unit's Field Meal Requests	\$1,360,115	\$290,840	\$611,499	\$192,224	\$1,971,614	\$483,064
Estimated Collection Amount based on 75% of Unit Soldiers on BAS	\$2,197,602	\$379,541	\$1,818,888	\$386,831	\$4,016,490	\$766,372

* As of 16 February 2012 for Fort Carson and 20 March 2012 for Fort Hood.

Note: We only included meal requests for field training lasting 2 or more days.

In addition to calculating the amount that units should have collected based on the number of BAS Soldiers reported on their field-ration requests, we also calculated the collection amount as if 75 percent of the unit's Soldiers received BAS. We did so because the information submitted on field-ration requests was often not reasonable. As discussed previously in this report, units frequently indicated that very few – or in numerous cases, none – of their Soldiers were receiving BAS. We chose 75 percent as the average number of Soldiers on BAS because it was the lowest BAS percentage identified by units we reviewed. Using this ratio, we estimated that units at Forts Carson and Hood should have collected more than \$3.9 million from Soldiers receiving BAS in FY 11.

As suspected by the Vice Chief of Staff of the Army in a memorandum on 7 May 2010, the lack of BAS collections is likely an Armywide problem. We found that by not complying with DOD and Army regulations requiring BAS collections, units were costing the Army millions of dollars annually. For example, within the past 2 years, we've reported that units at four Army installations didn't collect from Soldiers receiving BAS during field training. Specifically:

- Our audit report issued in May 2010 found that the Army wasn't reimbursed about \$3.1 million at Forts Benning and Bragg during field training from October 2007 to March 2009.
- In this report, we estimated that the Army lost about \$4.7 million at Forts Carson and Hood for field training conducted from October 2010 to March 2012.

If this same condition exists at over 40 Army CONUS installations and all OCONUS locations, the total monetary impact to the Army is significant. However, with increased command emphasis for unit commanders to collect the BAS from their Soldiers upon completion of field-training exercises, the Army can avoid the continual loss of money and have the funds available for other worthwhile initiatives.

Reporting Lack of BAS Collections as a Material Weakness

The Army needs to report this long-standing weakness as a material weakness that requires the attention of senior Army leadership to ensure that prompt and effective corrective actions are taken to enforce BAS collections when the government provides meals during field training to Soldiers receiving the full BAS entitlement.

According to Army Regulation 11-2 (Manager's Internal Control Program), dated 26 March 2012, the absence or ineffectiveness of internal controls constitutes a

deficiency, weakness, or material weakness that must be corrected. Whether the weakness is serious enough to be considered material and reported to the next level of command is a management judgment that must be made based on the following criteria:

- It must involve a weakness in internal controls.
- It must warrant the attention of the next level of command, either because the next level must take action or because it must be aware of the problem. This requires management judgment, particularly in determining whether the next level of command must be aware of a weakness. The fact a weakness can be corrected at one level does not exclude it from being reported to the next level because the sharing of important management information is one of the primary reasons for reporting a material weakness.

Based upon our findings in this report and previous Army Audit reports, we determined the Army hasn't sufficiently strengthened internal controls to ensure collections are being made from Soldiers receiving BAS who also receive government-provided meals in the field. For example, we originally reported in our audit report A-2005-0274-FFG (Soldiers Allowances for the Active Component), dated 19 September 2005, that subsistence collections for government-provided meals weren't correct and lacked fairness and consistency. This occurred because unit commanders were confused about the requirements for processing collection actions and believed they had the discretion to waive the requirements for subsistence collection. That report recommended ODCS, G-4 enforce current policies and procedures to ensure collections for government-provided meals were fair and uniform for officers and enlisted members. However, ODCS, G-4 didn't implement the recommendation because it was decided that ODCS, G-1 was responsible for developing policies for collecting for meals provided during field training.

We also reported in our audit report A-2010-0095-FFF (Controls over Basic Allowance for Subsistence and Dining Facility Charges), dated 5 May 2010, that unit commanders at two of the three installations we reviewed didn't require Soldiers receiving BAS to pay for meals provided during field training. This occurred because some unit commanders didn't understand the process, while others didn't want to offend the Soldiers by charging them for the meals. That report recommended ODCS, G-1 reinforce to unit commanders their responsibility to initiate actions to collect reimbursement for meals provided during field training to Soldiers receiving BAS and develop controls to monitor these collections. We listed the actions ODCS, G-1 subsequently took to reinforce to unit commanders their responsibility to initiate the collection actions in the Repeat Condition section of this report.

However, as stated in this report, BAS collections are still a problem because unit commanders aren't collecting from their Soldiers when the government provides meals during field-training exercises. Therefore, we feel the Deputy Chief of Staff G-1, needs to report the Army's lack of collecting BAS from their Soldiers when they perform field training to the Secretary of the Army as a material weakness. Without elevating this continued weakness, the lack of BAS collections will continue to be a problem and the Army will continue to lose millions of dollars annually.

We address actions needed to report lack of BAS Collections to the Secretary of the Army as a material weakness in Recommendation 1.

RECOMMENDATIONS AND COMMENTS

This section has specific recommendations and will contain a summary of command comments for each recommendation. The official Army position and verbatim command comments will be in Annex D.

For the Deputy Chief of Staff, G-1

Recommendation 1

Report the lack of collecting BAS to the Secretary of the Army as a material weakness so that it receives the Armywide attention it needs for commanders at all levels to initiate and process collection actions for all Soldiers receiving BAS and government-provided meals during field-training exercises.

Command Comments

We will insert command comments upon receipt.

Recommendation 2

Develop and implement procedures requiring Command G-1s to issue command policy for commanders to follow outlining the command's requirement that BAS collections will take place in accordance with Army and DOD Directives. The policy should also state that the status of BAS collections for all units performing field training will be briefed on a regular basis to the command's senior leadership.

Command Comments

We will insert command comments upon receipt.

Recommendation 3

Require Command G-1s issue a requirement that all unit commanders brief their Soldiers before field-training exercises to outline the BAS collection policy and to explain that collections will be made from all Soldiers receiving BAS for all government-provided meals during the exercise. This will ensure Soldiers are aware of the policy and can plan for the reduction in their paycheck.

Command Comments

We will insert command comments upon receipt.

Recommendation 4

Require all Command G-1s include the BAS collection policy in their command inspection program to ensure all of their subordinate S-1s are processing and submitting the collection actions for Soldiers receiving BAS and government-furnished meals during field-training exercises.

Command Comments

We will insert command comments upon receipt.

Recommendation 5

Require all Command G-1s develop and implement guidance for their S-1s to ensure they have the appropriate training on procedures to submit BAS collection actions for their units.

Command Comments

We will insert command comments upon receipt.

For the Deputy Chief of Staff, G-4

Recommendation 6

Require installation food service advisors to verify the accuracy of the number of Soldiers receiving BAS and the number of Soldiers on meal cards on field-ration requests that identify less than 50 percent of Soldiers for Finance and Accounting Office action before approving the requests.

Command Comments

We will insert command comments upon receipt.

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A – GENERAL AUDIT INFORMATION

SCOPE AND METHODOLOGY

We conducted this audit from December 2011 through May 2012 under project A-2012-FFM-0214.000. Our review primarily included work at selected units located at Fort Carson and Fort Hood. A complete list of activities included in the audit is in Annex B.

We conducted this performance audit 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 conclusion based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusion based on our audit objective.

The audit covered transactions current at the time of the audit. We reviewed transactions for the period October 2010 through March 2012. We didn't rely on any computer-processed data to answer the audit objective. We derived our findings and conclusion from analysis of source documents and interviews with key personnel.

To verify Soldiers receiving BAS were properly charged for government-furnished meals while conducting training in the field, we:

- Reviewed previous audit reports A-2010-0095-FFF (Controls Over Basic Allowance for Subsistence and Dining Facility Charges, dated 5 May 2010) and A-2005-0274-FFB (Soldier Allowances for the Active Component, dated 19 September 2005) to identify reported conditions relating to whether the Army properly charged Soldiers receiving BAS for government-furnished meals during field training, and whether the Army implemented the related recommendations.
- Reviewed relevant Public Laws, DOD regulations, and Army regulations and guidance to determine policies and procedures addressing BAS collections for government-furnished meals served to Soldiers during field training.
- Interviewed key personnel at military payroll offices, dining facilities, troop issue subsistence activities, and selected units (including Commanders, and S-1 and S-4 personnel) to determine local procedures for charging for meals and their role in such action.

- Interviewed command food service advisors, and Command G-1 and G-4 personnel to determine their responsibilities relating to ensuring units initiate BAS collection actions for meals served to Soldiers during field training.
- Obtained and reviewed field-ration requests from eight dining facilities and each troop issue subsistence activity at Fort Carson and Fort Hood.
- Calculated the amount that units at Forts Carson and Hood should have collected from Soldiers receiving BAS who were provided meals during field training from October 2010 to March 2012.
- Discussed the lack of collections for field meals with personnel from the Offices of the Deputy Chiefs of Staff, G-1 and G-4; and U.S. Army Forces Command.

RESPONSIBILITIES

The Deputy Chief of Staff, G-1 serves as the principal adviser on matters pertaining to plans, policies, and programs for Army personnel, to include establishing policies for enlisted Soldiers' subsistence entitlements.

The Deputy Chief of Staff, G-4 serves as the proponent for AR 30-22 and the principal adviser for the Army food service program to the Secretary of the Army and the Army Staff. The Deputy Chief of Staff also develops plans, policies, programs, doctrine, and standards for the Army Subsistence and Food Service Program. The Deputy Chief of Staff, G-4 also provides guidance to the Director, Army Center of Excellence, Subsistence on worldwide Army food service policy.

The Installation Management Command provides input to the Deputy Chief of Staff, G-4 for garrison and troop issue subsistence activity operational policy changes. However, this responsibility is in the process of being transferred to the Army Materiel Command.

Installation commanders supervise, manage, and promote the operational efficiency of all appropriated fund food service activities on the installation.

Unit commanders are responsible for designating separate personnel to requisition and receive subsistence. They are also responsible for ensuring that documents affecting pay are accurate and forwarded to the DMPO promptly.

The Defense Finance and Accounting Service-Indianapolis develops procedures, implements policies, and maintains military pay accounts and systems related to the Army's Active and Reserve Components. The DMPOs, field activities of the Defense Finance and Accounting

Service located throughout the Army's installations, provide timely and accurate pay services to the Army's Active and Reserve Components.

ACKNOWLEDGMENTS

These personnel contributed to the report: Chuck Brownfield (Audit Manager); Dia Fields and Tom Wybierala (Auditors-in-Charge); Bill Boehm, Bryan Jones, and Cole Thomas (Auditors); and Jessica Heil (Editor).

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Commanding General, 4th Infantry Division
Commander, U.S. Army Garrison Fort Carson
Commander, U.S. Army Garrison Fort Hood

We will also make copies available to others upon request.

B – ACTIVITIES INCLUDED IN THE AUDIT

Headquarters, DA

Office of the Deputy Chief of Staff, G-1
Office of the Deputy Chief of Staff, G-4

U.S. Army Forces Command

III Corps, Fort Hood
1st Cavalry Division, Fort Hood
4th Infantry Division, Fort Carson

U.S. Army Installation Management Command

U.S. Army Garrison Fort Carson
U.S. Army Garrison Fort Hood

C – ABBREVIATIONS USED IN THIS REPORT

ALARACT	All Army Activities
BAS	Basic Allowance for Subsistence
DMPO	Defense Military Pay Office
MICP	Management Internal Control Program
ODCS	Office of the Deputy Chief of Staff

D – OFFICIAL ARMY POSITION AND VERBATIM COMMENTS BY COMMAND

The official Army position and verbatim comments by command will be included here upon receipt.

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