



April 2019

# GROUND COMBAT FORCES

The Marine Corps  
Should Take Actions  
to Track Training  
Funds and Link Them  
to Readiness

# GAO Highlights

Highlights of [GAO-19-233](#), a report to congressional committees

## Why GAO Did This Study

Training is key to building readiness—the military’s ability to fight and meet the demands of its missions. Through the Department of Defense (DOD) budget cycle, the Marine Corps estimates or programs its funding needs for training and spends funds to accomplish its training mission. Questions have been raised about whether the Marine Corps’ training budget estimates are sufficiently detailed to determine training costs at the unit level or the expected readiness generated by those costs.

House Report 115-200 included a provision for GAO to examine the military services’ budgeting processes to build unit-level training readiness. This report examines the extent to which the Marine Corps (1) tracks unit-level training funds for ground combat forces through the budget cycle, and (2) links ground combat forces’ unit-level training funds to readiness. GAO analyzed budget data and studies conducted by the Marine Corps and others, examined tools used by units to link training funds with readiness, and interviewed knowledgeable officials at various levels in the Marine Corps.

## What GAO Recommends

GAO recommends that the Marine Corps (1) tracks training funds through the budget cycle, (2) designates a single entity to oversee establishment of a process that links resources to readiness, and (3) conducts an assessment of C2RAM. DOD concurred, and based on its comments, GAO modified one recommendation.

View [GAO-19-233](#). For more information, contact Elizabeth Field at (202) 512-2775 or [fielde1@gao.gov](mailto:fielde1@gao.gov).

April 2019

## GROUND COMBAT FORCES

### The Marine Corps Should Take Actions to Track Training Funds and Link Them to Readiness

## What GAO Found

The Marine Corps cannot fully track all unit-level training funds for ground combat forces through the budget cycle. According to GAO’s analysis of data provided by the Marine Expeditionary Forces (MEFs), the principal warfighting organization for the Marine Corps, units can track some, but not all, funds for training exercises from the budget request through use of the funds. The Marine Corps cannot fully track all training funds through the budget cycle, in part, because it has not established the consistent use of fiscal codes. Two key fiscal codes that officials identified as relevant to track funds for unit-level training are the Marine Corps Programming Code (MCPC) and the Special Interest Code (SIC). The Marine Corps uses MCPCs to program funds, but GAO found that when the Marine Corps spends those funds, it uses a different set of fiscal codes. This makes it difficult to link the programmed intent of funds to the execution of those funds. The Marine Corps uses SICs to track funds associated with training exercises, but GAO found that units do not use SICs consistently. For example, officials at all three MEFs told GAO that units generate SICs for large-scale training exercises, but may not do so for small-scale exercises. The Marine Corps is taking steps to align fiscal codes across the budget cycle, but this effort is in its early stages and will not include MCPCs, and may not address the inconsistent use of SICs. Without the ability to track unit-level training funds through the budget cycle, the Marine Corps lacks readily available data to assess whether funds were obligated consistent with their programmed intent and to adequately forecast and defend budget requests for training.

Although internal Marine Corps assessments and guidance state that the Marine Corps needs an enterprise-wide process to link resources to readiness, the Marine Corps has made little progress establishing a link between training funds for ground combat forces and readiness. The Marine Corps identified challenges with linking funds to readiness in a series of reports from fiscal years 2009 through 2014, citing factors such as stove-piped efforts and limited data availability and quality. Guidance directed that the Deputy Commandant for Programs and Resources organize quality coordination events with key stakeholders to synchronize activities within major lines of effort, but officials from this office stated that they have not been given the authority to direct the various efforts. Therefore, challenges have persisted, in part, because the Marine Corps has not designated a single entity with authority to oversee and coordinate efforts to link training funds to readiness. In the absence of a single oversight entity, two separate and overlapping tools were developed—the Cost to Run a MEF (C2RAM) tool and the Predictive Readiness Model (PRM). Although each tool had its own particular use and design, both were intended to link resources to readiness. Moreover, both faced similar challenges, such as data quality limitations, and relied on some of the same data sources. The Marine Corps recently assessed and discontinued development of PRM, however, it has not assessed C2RAM and how it could support an enterprise wide performance management process linking resources to readiness. Without dedicating a single entity with authority, and conducting an assessment of C2RAM, the Marine Corps is unlikely to make headway in addressing the challenges posed by trying to link resources to readiness.

---

# Contents

---

---

Letter		1
	Background	3
	The Marine Corps Cannot Fully Track All Unit-Level Training Funds for Ground Combat Forces through the Budget Cycle	7
	The Marine Corps Has Made Limited Progress Establishing a Link between Training Funds for Ground Combat Forces and Readiness	11
	Conclusions	17
	Recommendations for Executive Action	18
	Agency Comments and Our Evaluation	19
Appendix I	Objectives, Scope, and Methodology	22
Appendix II	Comments from the Department of Defense	25
Appendix III	GAO Contact and Staff Acknowledgments	27
Tables		
	Table 1: Availability of Fiscal Year 2017 Data on Funding Amounts Requested, Allotted, and Obligated for Unit-Level Training Exercises by Type of Unit	7
	Table 2: Summary of Key Findings in the Marine Corps Strategic Health Assessments Related to Linking Unit-Level Training Funds to Readiness	12
Figure		
	Figure 1: Marine Corps Marine Air Ground Task Force Key Elements	4

---

---

---

## Abbreviations

C2RAM	Cost to Run a Marine Expeditionary Force
DOD	Department of Defense
MCPC	Marine Corps Programming Code
MCSHA	Marine Corps Strategic Health Assessment
MEF	Marine Expeditionary Force
O&M	Operation and Maintenance
PBIS	Program Budget Information System
POM	Program Objective Memorandum
PRM	Predictive Readiness Model
PPBE	Planning, Programming, Budgeting, and Execution
SABRS	Standard Accounting, Budgeting, and Reporting System
SIC	Special Interest Code

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.



April 8, 2019

Congressional Committees

Training is key to building mission readiness—the military’s ability to fight and meet the demands of assigned missions. To build readiness, the Marine Corps uses funds from its Operation and Maintenance (O&M) account to pay for training and education requirements for active Marine Corps forces, among other items.<sup>1</sup> To develop its budget requests and allocate resources to provide capabilities necessary to accomplish its missions, the Marine Corps follows the Planning, Programming, Budgeting, and Execution process, which we refer to as the budget cycle, for purposes of this report.<sup>2</sup> In fiscal year 2017, the Marine Corps obligated approximately \$1.4 billion for its operational forces to be able to rapidly deploy ready forces in support of combatant commanders.<sup>3</sup> In testimony before Congress in 2017, the Commandant of the Marine Corps stated that the instability of and the level of funding available adversely impacted readiness.<sup>4</sup> However, the House Armed Services Committee reported that the Marine Corps’ budget estimates for training are not sufficiently detailed to determine training costs at the unit level or the amount of readiness expected to be generated by those costs.<sup>5</sup>

---

<sup>1</sup>The Marine Corps uses amounts from its O&M account to fund missions, functions, activities, and facilities for active Marine Corps forces. The Marine Corps uses this appropriation for the operating forces’ sustainment requirements, depot maintenance, base operating support, training and education requirements, and headquarter’s administration and servicewide support requirements.

<sup>2</sup>DOD Directive 7045.14, *The Planning, Programming, Budgeting, and Execution (PPBE) Process* (Jan. 25, 2013) (incorporating change 1, Aug. 29, 2017), states that the heads of the Department of Defense (DOD) components shall develop and execute the programs and budgets necessary to achieve national objectives in accordance with this directive, and provide the day-to-day management of the resources under their control.

<sup>3</sup>This obligated amount does not include costs that may affect training such as field logistics and depot maintenance. It also does not include overseas contingency operations related obligations.

<sup>4</sup>*Review of the FY2018 Budget Request for the U.S. Navy & Marine Corps: Hearing Before the S. Comm. on Appropriations*, 115th Cong. (2017) (statement of Gen. Robert B. Neller, Commandant, U.S. Marine Corps).

<sup>5</sup>H.R. Rep. No. 115-200, at 109-110 (2017). Unit-level training refers to collective training that is accomplished during exercises; it does not include individual training that each Marine completes.

---

A House report accompanying a bill for the National Defense Authorization Act for Fiscal Year 2018 contained a provision for us to examine the military services' budgeting processes to build unit-level training readiness and their processes for evaluating the amount of readiness generated from unit-level training costs.<sup>6</sup> In this report, we focus on the Marine Corps. Specifically, we examined the extent to which the Marine Corps (1) tracks unit-level O&M training funds for ground combat forces through the budget cycle; and (2) links unit-level training funds for ground combat forces to readiness.

For objective one, we analyzed fiscal year 2017 budget data collected from the Marine Expeditionary Forces (MEFs).<sup>7</sup> We collected data for this fiscal year because it was the most recently completed fiscal year for which actual obligated amounts could be obtained. We discussed the systems used to provide these data with knowledgeable Marine Corps officials. We determined that the data were sufficiently reliable to assess the availability of fiscal year 2017 funding for unit-level training exercises; however, we identified issues with tracking unit-level O&M training fund data, as discussed later in this report. Further, we reviewed a series of reports issued by the Marine Corps from fiscal years 2009 through 2014, which evaluated the health of the Marine Corps, including its use of fiscal codes, through an enterprise-wide study of resource investments, organizational activities, and readiness outcomes. In addition, we reviewed documents and interviewed knowledgeable officials at Marine Corps headquarters, major command, and various unit levels, including MEF, division, and regiment, about the Marine Corps' annual O&M budget process for ground combat forces. This report focuses on ground combat forces, which conduct a myriad of training exercises at the MEFs.

For objective two, we reviewed reports and other documentation about Marine Corps efforts to evaluate readiness levels achieved from O&M obligations for training for ground combat forces. We also were briefed on and observed the operation of systems used to track training funds and readiness at Marine Forces Command, I MEF, II MEF, and III MEF.<sup>8</sup> This

---

<sup>6</sup>H.R. Rep. No. 115-200, at 109-110 (2017).

<sup>7</sup>The Marine Expeditionary Force (MEF) is the principal warfighting organization for the Marine Corps and is described in the following section. There are three MEFs in the active component of the Marine Corps.

<sup>8</sup>Marine Corps Forces Command executes Marine Corps force generation across the active and reserve components.

---

observation enhanced our understanding of the efforts taken by the Marine Corps to link training funds to readiness. Further, we reviewed documents and interviewed knowledgeable officials at Marine Corps headquarters, major command, and unit levels about the Marine Corps' efforts to evaluate the readiness levels achieved from O&M training funds for ground combat forces. We assessed this information against Marine Corps Order 5230.23, Performance Management Planning, which calls for the development and implementation of an enterprise-wide performance management process that links resources to institutional readiness via a robust analytic framework, as well as Standards for Internal Control in the Federal Government, which states that management should establish an organizational structure, assign responsibility, and delegate authority to achieve its objective. Further details on our scope and methodology can be found in appendix I.

We conducted this performance audit from August 2017 to April 2019 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 conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

---

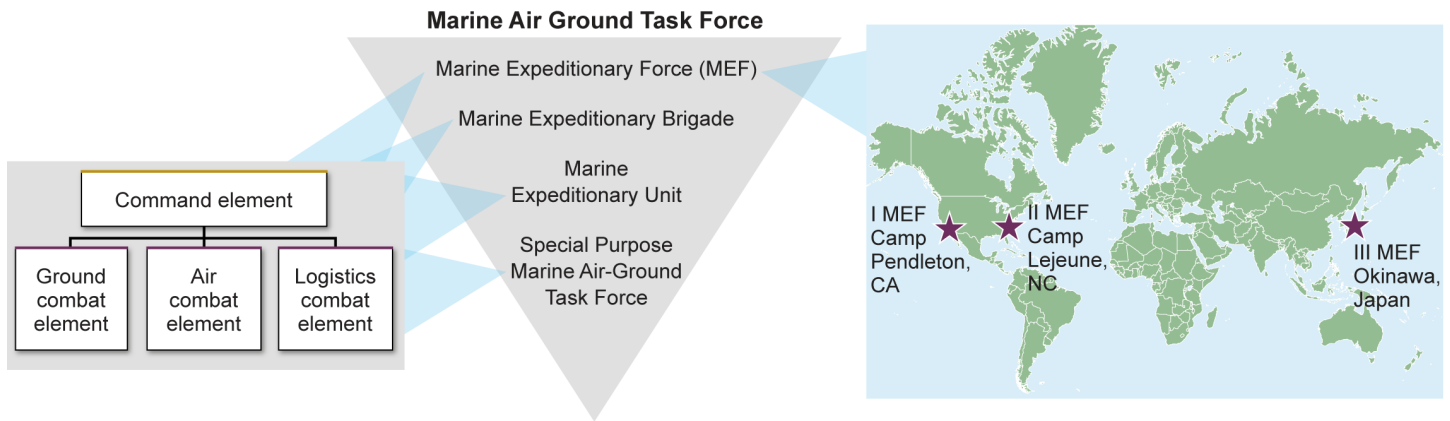
## Background

---

### Marine Corps Organizational Structure

The Marine Corps, within the Department of the Navy, organizes itself into different Marine Air Ground Task Forces. Each Marine Air Ground Task Force consists of a command element that includes a ground combat element, air combat element, and logistics combat element that can conduct operations across a broad range of crisis and conflict situations. As shown in figure 1, there are four types of Marine Air Ground Task Forces: Marine Expeditionary Forces (MEFs), Marine Expeditionary Brigades, Marine Expeditionary Units, and Special Purpose Marine Air Ground Task Forces. The MEF is the principal warfighting organization for the Marine Corps and consists of one or more divisions, including subordinate units such as regiments and battalions. There are three MEFs in the active component of the Marine Corps: I MEF—Camp Pendleton, California; II MEF—Camp Lejeune, North Carolina; and III MEF—Okinawa, Japan.

**Figure 1: Marine Corps Marine Air Ground Task Force Key Elements**



Source: GAO analysis of Marine Corps information. | GAO-19-233

Headquarters Marine Corps consists of the Commandant of the Marine Corps (Commandant) and the staff organizations, which are responsible for advising and assisting the Commandant to carry out duties. For example, the Deputy Commandant for Programs and Resources is responsible for developing, defending, and overseeing the Marine Corps' financial requirements and the Deputy Commandant for Plans, Policies, and Operations is responsible for establishing policy, procedures, training, and guidance on unit readiness reporting.

## Marine Corps Unit-Level Training

Marine Corps units train to their core missions—the fundamental missions a unit is organized or designed to perform—and their assigned missions—those missions which an organization or unit is tasked to carry out. Units train to a list of Mission Essential Tasks that are assigned based on the unit's required operational capabilities and projected operational environments.<sup>9</sup> For example, the Mission Essential Tasks for a Marine Corps infantry battalion include amphibious operations, offensive operations, defensive operations, and stability operations. Marine Corps Training and Readiness manuals describe the training events, frequency of training required to sustain skills, and the conditions

<sup>9</sup>Mission Essential Tasks provide the foundation for the establishment of training priorities and the reporting of unit readiness to support combatant commanders for joint operations. Mission Essential Tasks quantify the required outputs for the task, along with the resources, subordinate forces, and training required to produce those outputs.



---

and standards that a unit must accomplish to be certified in a Mission Essential Task.

---

## Marine Corps Readiness

Unit commanders are responsible for their units' readiness, including assessing and reporting their units' capabilities to accomplish Mission Essential Tasks to specified conditions and standards. Unit readiness assessments are tracked in the Defense Readiness Reporting System—Marine Corps. This information provides Marine Forces Command, Headquarters Marine Corps, the Office of the Secretary of Defense, Joint Staff, and Combatant Commands, among others, a means to assess ground combat forces' readiness trends and to assist with strategic and operational planning.

---

## Marine Corps O&M Budget

The Marine Corps' O&M budget funds a wide range of activities, including the recruiting, organizing, training, sustaining, and equipping of the service. The Department of Defense (DOD) uses the Planning, Programming, Budgeting, and Execution (PPBE) process to allocate resources to provide capabilities necessary to accomplish the department's missions. In this report, we refer to the PPBE process as the budget cycle. The budget cycle includes the following phases:

- The planning phase of the budget cycle examines the military role and defense posture of the United States and DOD in the world environment and considers enduring national security objectives, as well as the need for efficient management of defense resources.
- The programming phase of the budget cycle involves developing proposed programs consistent with planning, programming, and fiscal guidance, reflecting, among other things, the effective allocation of resources.
- The budgeting phase of the budget cycle refers to developing and submitting detailed budget estimates for programs.
- The execution phase of the budget cycle involves spending funds.<sup>10</sup>

The Marine Corps' Office of Programs and Resources has multiple divisions that support Program Objective Memorandum (POM)

---

<sup>10</sup>In the execution phase, DOD components are to conduct annual reviews to determine how well programs and financing have met joint warfighting needs. In this report, we do not discuss annual execution reviews.

---

development,<sup>11</sup> strategy, independent analysis, budget justification and legislative coordination, among others. Two key divisions that have responsibilities regarding Marine Corps resources are:

- The Budget and Execution Division is responsible for leading development and submission of the POM, providing quality control over programmatic and financial data, and allocating funds to major commands. According to a Marine Corps official, the division also assists with defending the Marine Corps' budget request to Congress and others.
- The Program Analysis and Evaluation Division is responsible for providing Marine Corps senior leaders with independent and objective analysis to inform resource allocation decisions and assessing institutional risk.

The Program Budget Information System (PBIS) is the primary information system used by the Navy and Marine Corps in the programming and budgeting phases of the budget cycle to develop and submit financial plans (i.e., the POM and the budget) to the Office of the Secretary of Defense. Once appropriated, funds are passed via allocation and allotment to subordinate units and executed via the Standard Accounting, Budgeting, and Reporting System (SABRS).<sup>12</sup> SABRS is used to (1) record and report financial information; (2) provide an accounting and reporting system for the execution of appropriations; and (3) record financial transactions that originate from source systems.

---

<sup>11</sup>The Components' POM is the final product of the programming process within DOD and displays the military departments' resource allocation decisions in response to and in accordance with Strategic Planning Guidance and Joint Programming Guidance.

<sup>12</sup>An allocation is a delegation, authorized in law, by one agency of its authority to obligate budget authority and outlay funds to another agency. An allotment is an authorization by either the agency head or another authorized employee to his/her subordinates to incur obligations within a specified amount. GAO, *A Glossary of Terms Used in the Federal Budget Process*, [GAO-05-734SP](#) (Washington, D.C.: September 2005).

## The Marine Corps Cannot Fully Track All Unit-Level Training Funds for Ground Combat Forces through the Budget Cycle

Our analysis of data from the three MEFs for fiscal year 2017 funds shows that the MEFs had some data available that could be used to track some training funds from budget request to obligation. According to the Marine Corps' Financial Guidebook for Commanders, as part of the budget cycle, commanders should determine the cost involved in meeting requirements, among other things.<sup>13</sup> To help develop a sound budget, commanders need to know what they were and were not able to accomplish as a result of funding in previous years. However, Marine Corps officials told us they faced limitations tracking training funds, as discussed below. Specifically, as shown in table 1, we found that I MEF and II MEF were able to provide data on their fiscal year 2017 budget request, allotment, and obligations for training exercises directed at the MEF and division level, but data on exercises at smaller unit levels, such as regiments and battalions, were not consistently available because officials at those levels do not always track funds for these exercises. We found that III MEF was able to provide obligations data for fiscal year 2017 training exercises at all unit levels, but was not able to provide data on funds requested and allotted by training exercise. Officials at III MEF stated that these data were not available because III MEF incurs several large one-time expenses that contribute to training, but allocating those costs across specific training exercises is difficult.

**Table 1: Availability of Fiscal Year 2017 Data on Funding Amounts Requested, Allotted, and Obligated for Unit-Level Training Exercises by Type of Unit**

Unit	MEF-level exercises	Division-level exercises	Below division-level exercises
I MEF	✓	✓	×
II MEF	✓	✓	×
III MEF	Obligation data only	Obligation data only	Obligation data only

MEF=Marine Expeditionary Force

✓=Data on funding amounts requested, allotted, and obligated could be obtained and provided in a timely manner.

×=Data on funding amounts requested, allotted, and obligated could be difficult or impossible to obtain and provide in a timely manner.

Source: GAO analysis of Marine Corps data. | GAO-19-233

Note: According to officials at I MEF, II MEF, and III MEF units develop training budget requests based on training they want to accomplish. The Marine Corps allots funds to commanders and units obligate these funds to accomplish their mission.

<sup>13</sup>Department of the Navy, United States Marine Corps, *USMC Financial Guidebook for Commanders* (Washington, DC: Apr. 3, 2009)

---

One of the primary reasons that the Marine Corps cannot fully track all training funds through the budget cycle is that the Office of Programs and Resources has not established the consistent use of fiscal codes to provide greater detail about the use of funds across the budget cycle phases, and the accuracy of these fiscal codes is sometimes questionable. The Marine Corps uses a variety of fiscal codes to track funds in the programming and execution phases of the budget cycle in the PBIS and SABRS systems, respectively. Some of these codes are used across DOD, while others are specific to the Marine Corps. Two key fiscal codes that officials identified as relevant to efforts to track funds for unit-level training are the Marine Corps Programming Code (MCPC) and the Special Interest Code (SIC).<sup>14</sup> However, we identified limitations with how these fiscal codes are applied, as detailed below.

- MCPCs are used to program funds for intended use, but are not clearly linked to executed funds. When the Marine Corps programs funds for intended use, it uses MCPCs to identify the funds; however, when it executes those funds, it uses a different set of fiscal codes to identify them. As a result, the Marine Corps cannot link the programmed intent of the funds to the execution of the funds, making it difficult to track funds through the budget cycle. In fiscal years 2011, 2012, and 2013, the Marine Corps found in a series of reports that it faced challenges tracking funds through the budget cycle, in part because MCPCs were used to program funds, but not to track them in the execution phase.<sup>15</sup> According to the fiscal year 2012 report, such

---

<sup>14</sup>Marine Corps Programming Codes (MCPCs) group like functions, regardless of appropriation, into a total resource prospective for funding decisions. MCPCs are the key identifying elements within the database used to program funds for the Marine Corps. Special Interest Codes (SICs) are used to track and collect all costs associated with high-interest programs, regardless of command, and identify specific functions within budgetary subdivisions such as Health Care or other programmed, highly visible issues (e.g., Iraqi Freedom, Hurricane Katrina, etc.). Officials at I MEF, II MEF and III MEF told us that they use SICs to track costs associated with specific training exercises.

<sup>15</sup>From fiscal years 2009-2014, Headquarters Marine Corps Programs and Resources and Programs Assessment and Evaluation offices issued a series of classified and unclassified reports, referred to as the *Marine Corps Strategic Health Assessments* (MCSHAs), on the health of the Marine Corps. The MCSHAs were provided to numerous agencies across the Marine Corps, including commanding generals. The Marine Corps discontinued the MCSHAs in fiscal year 2014. Headquarters Marine Corps, Programs and Resources, *Fiscal Year 2011 Marine Corps Strategic Health Assessment*, (Dec. 31, 2011); Headquarters Marine Corps, Programs and Resources, *Fiscal Year 2012 Marine Corps Strategic Health Assessment*, (Mar. 7, 2013); and Headquarters Marine Corps, Programs & Resources, *Fiscal Year 2013 Marine Corps Strategic Health Assessment*, (Apr. 26, 2014).

---

tracking would enable the Marine Corps to improve financial traceability and add consistently reliable program execution data that would promote an understanding of the current fiscal environment to Marine Corps financial managers, comptrollers and others.

In 2014, the Marine Corps implemented a process to include MCPCs in the execution phase of the budget cycle. The process enabled SABRS to automatically generate MCPCs for executed funds, based on the fiscal codes already used in the execution phase of the budget cycle. According to officials in the Office of Programs and Resources, this process increased the amount of executed funding that could be linked to an MCPC. However, Marine Corps officials told us that the mapping of MCPCs used in the programming phase to those used in the execution phase were not cleanly aligned, causing uncertainty about their linkage. The MCPCs associated with executed funds are estimates based on subject matter expert and working group mapping of fiscal codes to an MCPC and require continuous manual validation to ensure their accuracy.<sup>16</sup> Additionally, the data quality of the multiple execution fiscal codes that are used to generate MCPCs is questionable because the data quality of the various underlying systems that feed data into SABRS is poor, according to officials in the Office of Programs and Resources. Senior Marine Corps officials from the Office of Programs and Resources told us that due to these limitations, analysts cannot be certain that executed funds associated with an MCPC as reflected in SABRS correspond to the purpose for which the funds associated with the same MCPC were programmed in the Program Budget Information System. This limits the Marine Corps' ability to assess the extent to which funds were executed consistent with their programmed intent and track funds through the budget cycle.

- SICs are not used consistently across units. The Marine Corps uses SICs to track funds associated with individual training exercises. However, units, including the MEF and its subordinate units, do not consistently use SICs in identifying funds associated with all training exercises. Specifically, officials at all three MEFs told us that units generate SICs for large-scale training exercises directed at the MEF or division level, but may not generate SICs to track expenses for small-scale exercises at lower unit levels such as the regiment and battalion, making it difficult to track those funds. Officials at I MEF and

---

<sup>16</sup>The working groups included representatives from Headquarters Marine Corps and comptrollers at various unit levels, according to an official from the office of Program Analysis and Evaluation, a division of the Programs and Resources office.

---

II MEF stated that tracking costs associated with small-scale exercises is less consistent because units are not required to use SICs to track funds associated with exercises at those levels, and SICs associated with each exercise may change from year to year. Further, officials at I MEF and II MEF stated that supply officers are responsible for financial management at units below the division level, and they may not prioritize use of SICs. Officials at III MEF stated that tracking costs associated with specific exercises was difficult because officials could not attribute several large one-time training expenses to specific training exercises. Officials at all three MEFs stated that there is currently no systematic way to ensure that SICs are used accurately to associate funds executed with training exercises, which means they do not have complete or consistent data on costs associated with individual training exercises. As a result, commanders may lack accurate data for making resource decisions about training exercises needed to complete Mission Essential Tasks and improve units' training readiness.

In 2014, the Marine Corps issued Marine Corps Order 5230.23, Performance Management Planning, with the mission of linking resources to readiness and requiring the Deputy Commandant for the Office of Programs and Resources to ensure visibility and traceability of funds through the budget cycle and accounting systems for all organizational units and programs.<sup>17</sup>

Officials in the Office of Programs and Resources cited one effort to align inconsistent fiscal codes, but this effort will not directly address the challenges we have identified. According to officials in the Office of Programs and Resources, the Marine Corps is currently conducting a fiscal code alignment effort to address inconsistent use of fiscal codes, but this effort is in its early stages, and the Marine Corps has not yet developed clear guidance for implementation of the effort. Further, while the Marine Corps uses a variety of fiscal codes to track funds in the programming and execution phases of the budget cycle, an official from the Budget and Execution division told us that this effort will focus on fiscal codes that are used across DOD due to manpower limitations. However, MCPCs are unique to the Marine Corps and not recognized in larger DOD budgeting systems. As a result, the fiscal code alignment effort will not include aligning MCPCs across the programming and execution phases of the budget cycle, even though the Marine Corps will

---

<sup>17</sup>Marine Corps Order 5230.23, *Performance Management Planning* (Aug. 20, 2014).

---

continue to use MCPCs. Additionally, although an official told us that SIC codes will be a part of this effort, implementation guidance for the effort was still under development and as a result, it is unclear whether the effort will address the inconsistent use of SICs across unit-level training exercises. Without the ability to track unit-level training funds through the budget cycle, including aligning MCPCs and ensuring consistent use of SIC codes, the Marine Corps lacks data to assess the extent to which funds were obligated consistent with their programmed intent and to adequately forecast and defend budget requests for training. As a result, commanders may face challenges making informed resource decisions.

---

## The Marine Corps Has Made Limited Progress Establishing a Link between Training Funds for Ground Combat Forces and Readiness

---

### The Marine Corps Identified a Need to Link Training Funds to Readiness, but Did Not Designate Responsibility to Meet That Need

Although internal Marine Corps assessments and guidance state that the Marine Corps needs an enterprise-wide process to link resources to readiness, the Marine Corps has made little progress fulfilling this need. The Marine Corps has been aware for years of the challenges it faces in explaining its resource needs in its budget estimates to Congress. As stated in its 2009 Financial Guidebook for Commanders, “Many of the congressional cuts the Marine Corps receives are because of an inability to explain why we spent the money the way we did.”<sup>18</sup> From fiscal years 2009 through 2014, the Marine Corps Office of Programs and Resources issued a series of classified and unclassified reports—referred to as the Marine Corps Strategic Health Assessments—that evaluated the health of the Marine Corps. The reports cited a number of factors inhibiting the Marine Corps’ ability to link funding to readiness, including stove-piped

---

<sup>18</sup>Department of the Navy, United States Marine Corps, *USMC Financial Guidebook for Commanders* (Washington, DC: Apr. 3, 2009).

---

efforts, lack of an analytical framework, limited data availability, and poor data quality. For example, the fiscal year 2013 and 2014 reports found that the lack of a comprehensive model to connect the output of institutional processes to readiness measures hindered the Marine Corps' ability to link funding to readiness.<sup>19</sup> Table 2 below summarizes some of the key related findings in the reports.

---

**Table 2: Summary of Key Findings in the Marine Corps Strategic Health Assessments Related to Linking Unit-Level Training Funds to Readiness**

---

Fiscal Year 2011 Marine Corps Strategic Health Assessment

- Stakeholder data tracking is often done in an isolated, stove-piped fashion, limiting visibility across the Marine Corps.

---

Fiscal Year 2012 Marine Corps Strategic Health Assessment

- Measurable strategic goals must be established to enable assessment of Marine Corps health, readiness and capabilities.
- A unifying framework is needed to provide clear line of sight across capabilities, readiness, and financial communities:
  - Existing processes are stove-piped and often require integration at the senior leadership level to develop a comprehensive view of issues, such as the effect of dollars on readiness.
  - Multiple organizational constructs make it difficult for analysts to develop a comprehensive view.
- Sustainable reporting requires data from an integrated and automated process.

---

Fiscal Year 2013 Marine Corps Strategic Health Assessment

- Challenges of mapping resources to readiness:
  - Lack of a comprehensive model to connect the output of institutional processes to readiness measures.
  - Connection of resources to readiness is limited by current systems and processes, among others. The inability of manpower, force structure, equipment supply and maintenance, and training systems to connect with each other and to connect with PPBE, acquisition, and requirements generation processes create significant challenges in connecting funding resources with readiness.

---

<sup>19</sup>The findings in the *Marine Corps Strategic Health Assessments* are similar to those in other external studies. For example, a 2011 Congressional Budget Office report found it difficult to link DOD's O&M funds to readiness, largely because the information needed to determine the linkage was not available or did not exist. See Congressional Budget Office, *Linking the Readiness of the Armed Forces to DoD's Operation and Maintenance Spending* (Washington, D.C.: Apr. 25, 2011). In addition, a 2011 report by the Center for Navy Analysis and Solutions concluded that tying resources to readiness was a difficult proposition that requires long lead times and significant analytical effort to unravel the many complexities associated with unit readiness. See Center for Navy Analysis and Solutions, *USMC Resource-to-Readiness Study: Linking Infantry Battalion Spending to Unit Readiness* (Alexandria, VA: January 2011).



---

---

Fiscal Year 2014 Marine Corps Strategic Health Assessment

- Fundamental business processes such as data management had major shortfalls in consistency, which negatively affected the Marine Corps' ability to defend funding requests.
- The Marine Corps lacks a fully developed and comprehensive model to connect the output of institutional processes to readiness measures.
- Collection, storage, and transfer of data must adhere to consistent rules across major data systems in order to support decision making without stove-piped efforts. Analysts and subject matter experts are severely hampered by non-integrated systems and data that are not collected, contradictory, inaccessible, outdated or not trusted. As a result, individuals who are not analysts try to integrate data from various sources in order to respond to questions from leadership.

---

Source: GAO analysis of Marine Corps Strategic Health Assessment reports. | GAO-19-233

Note: Fiscal years 2009 and 2010 reports are classified, and their findings are not included in this table.

In fiscal year 2014, the Marine Corps stopped issuing the Marine Corps Strategic Health Assessments, in part, because the person responsible for preparing the analyses moved to another position. A senior Marine Corps official also told us that the reports were discontinued because producing them was no longer a priority for Marine Corps leadership. However, the Marine Corps also issued guidance in August 2014 calling for an enterprise-wide effort to link institutional resources to readiness. Specifically, Marine Corps Order 5230.23 called for the development and implementation of an enterprise-wide performance management process that links resources to institutional readiness via a robust analytic framework.<sup>20</sup> The order included requirements to, among other things, identify readiness goals, develop strategic performance indicators, and improve data and business processes to include ensuring the visibility and traceability of funds.

While implementing this order could address a number of the findings in the Marine Corps Strategic Health Assessments, Marine Corps officials told us that the service had not prioritized implementation of this order. Specifically, the Marine Corps did not designate a single oversight entity with the authority to enforce the order and directly oversee and coordinate efforts to link training funds to readiness. For example, although the order directed the Deputy Commandant for Programs and Resources to organize a quarterly coordination event of key stakeholders to

---

<sup>20</sup>Marine Corps Order 5230.23 directed the Marine Corps to establish a Performance Management Framework organized around four major lines of effort: institutional readiness goals, strategic performance indicators, foundational data and business process, and governance.

---

synchronize activities within each major line of effort, officials from this office told us that they have not been given the authority to direct the various efforts. As a result, problems identified in the Marine Corps Strategic Health Assessments have persisted, and the Marine Corps does not have a comprehensive model to connect the output of institutional processes to readiness measures, as called for in the fiscal year 2013 Marine Corps Strategic Health Assessment.

According to Standards for Internal Control in the Federal Government, management should establish an organizational structure, assign responsibility, and delegate authority to achieve its objective. Marine Corps officials told us the benefits of having a single entity to oversee efforts to tie funds to readiness include having one authority responsible for ensuring a consistent data architecture—how data will be collected, stored and transferred across the Marine Corps—and data quality. Further, having a single entity would help ensure a unified approach that would help analysts better answer questions about how funds affect readiness.

---

### Marine Corps Has Not Assessed Its Current Initiative to Link Dollars to Readiness

In the absence of a single entity responsible for overseeing the Marine Corps' efforts to link training funds to readiness, two different organizations within the Marine Corps developed separate and overlapping initiatives. First, in 2012, the Commanding General of II MEF directed the development of C2RAM, a tool that attempts to link funding to readiness for ground combat forces by capturing and correlating resources and requirements associated with specific unit-level training exercises. C2RAM was developed in response to our recommendation that the Marine Corps develop results-oriented performance metrics that can be used to evaluate the effectiveness of its training management initiatives.<sup>21</sup> The tool, a complex excel-based spreadsheet, is used to capture day-to-day operating costs for training exercises to meet a unit's core and assigned Mission Essential Tasks for training readiness requirements.<sup>22</sup> For example, unit operations and resource officials enter data on training exercise costs and the Mission Essential Tasks expected

---

<sup>21</sup>GAO, *Army and Marine Corps Training: Metrics Needed to Assess Initiatives on Training Management Skills*, [GAO-11-673](#) (Washington, D.C.: July 28, 2011).

<sup>22</sup>Mission Essential Tasks provide the foundation for the establishment of training priorities and the reporting of unit readiness to support combatant commanders for joint operations. Mission Essential Tasks quantify the required outputs for the task, along with the resources, subordinate forces and training required to produce those outputs.

---

to be accomplished by each exercise, and the tool uses this data to project the unit's expected training readiness levels. Further, commanders can use the tool to project the expected effect of decreases in funding on training readiness levels.<sup>23</sup> According to Marine Corps officials, they spent approximately \$11 million on the C2RAM initiative from fiscal years 2012 through 2017.<sup>24</sup>

Second, in 2015, the Headquarters Marine Corps Office of Programs and Resources adopted and made adjustments for Marine Corps purposes to the Air Force's Predictive Readiness Assessment system and test-piloted it with Marine Corps units.<sup>25</sup> The Marine Corps' system was known as the Predictive Readiness Model (PRM). PRM was designed to evaluate the complex interactions between resources and readiness to help inform decisions about resource allocations and readiness outcomes. According to Headquarters Marine Corps officials, PRM attempted to map approximately 500 causal factors related to readiness ratings. The effort involved input from more than 70 subject matter experts from multiple Marine Corps organizations. In addition, data input into PRM was obtained from various authoritative sources, including readiness, financial, and training systems of record, as well as other unauthoritative sources, including C2RAM. According to Marine Corps officials, as of June 2018, the Corps had spent approximately \$4 million to develop PRM. In March 2019, while responding to a draft of this report, the Marine Corps stated that it decided to discontinue development of PRM because the model did not meet its objectives.

While these initiatives were both designed to help the Marine Corps link dollars to readiness, each had its own particular use and design. For example, unlike C2RAM, which focuses only on the training pillar of readiness for ground combat forces, PRM focused on all pillars of readiness tracked by the Marine Corps for ground combat forces and air

---

<sup>23</sup>C2RAM is not used consistently at all three MEFs. According to officials, I MEF and III MEF use C2RAM more than II MEF.

<sup>24</sup>This cost includes costs to develop a new web-based version of C2RAM, called C2RAMNEXT, which is expected to be deployed around January 2019.

<sup>25</sup>According to an Air Force official, the Air Force's Predictive Readiness Assessment System is now called Air Force Predictive Readiness Analysis Support because of how it has evolved since its development in 2001. This classified system is designed to forecast readiness levels and the effect of policy and budgetary changes on readiness. It provides decision makers with key insights that help inform resource allocation decisions based on various funding scenarios.

---

combat forces. In addition, while PRM attempted to capture all training data, C2RAM does not. For example, it does not capture data on individual training. Moreover, while C2RAM is primarily used at the MEF level and below to help inform commanders' decisions about how much training funding to request and identify the effect of funding on readiness, PRM was designed to help officials in Marine Corps Headquarters make service-wide decisions about budget development and resource allocation.

During our review, we found data quality and classification challenges faced by both PRM and C2RAM, as discussed below.

- **Data quality limitations.** Some Headquarters Marine Corps officials questioned the accuracy and reliability of some of the data planned for use in PRM because the data had to be aggregated from multiple sources that have varying degrees of internal control.<sup>26</sup> In addition, officials told us that existing data were insufficient or are not currently collected, so, in some cases, PRM had to rely on the opinion of subject matter experts to determine how causal factors affect readiness. According to Marine Corps officials at various levels, C2RAM data quality is questionable because data is manually input by various sources with varying degrees of expertise. This is exacerbated by weak processes for conducting quality checks of the data. Moreover, officials stated that cost data may be inaccurate because units may neglect to update cost estimates with actual costs after a training event is completed.<sup>27</sup> Further, C2RAM is not consistently used across all three MEFs. For example, when we visited II MEF, we learned that their resource management officials do

---

<sup>26</sup>This concern is reflected more broadly in our DOD Financial Management High Risk Area in which we have stated, among other things, that DOD cannot demonstrate its ability to accurately account for and reliably report its spending or assets. Long-standing, uncorrected deficiencies with DOD's financial management systems, business processes, financial manager qualifications, and material internal control and financial reporting weaknesses continue to negatively affect DOD's ability to manage the department and make sound decisions on mission and operations. See GAO, *Progress on Many High-Risk Areas, While Substantial Efforts Needed on Others*, [GAO-17-317](#) (Washington, D.C.: Feb. 15, 2017)

<sup>27</sup>According to a Marine Corps official, efforts are currently underway to incorporate C2RAM into the Marine Corps' training system of record—Marine Corps Training Information Management System (MCTIMS). The official stated that incorporating C2RAM into MCTIMS will eliminate some of the duplicative elements in the data entry required at the individual unit level. At the time of our review, the Marine Corps did not know when these efforts would be completed.

---

not use C2RAM to build their budgets because of concerns about data quality.

- **Classification of Data.** Another challenge that both efforts faced is the classification of aggregated data. Readiness data are classified; budget data are generally not. When these data are combined, the resulting data are classified, potentially making the tool less useful and available to officials seeking to make informed decisions about resource allocation. For example, C2RAM is currently an unclassified system that captures fiscal and training data, but not readiness data. However, officials at I Marine Expeditionary Force told us that if readiness data were incorporated into the tool, it could become classified, which would limit its availability and usefulness to lower unit levels.

As the Marine Corps found in its Fiscal Year 2012 Strategic Health Assessment, its stove-piped processes often require integration at the senior leadership level to develop a comprehensive view of issues, including the effect of dollars on readiness. Development of C2RAM and PRM, however, was not integrated, resulting in two separate systems—each devoted to tackling the same problem, but in different ways and with similar weaknesses, such as data quality limitations. Moreover, there was some overlap between the two systems. For example, C2RAM was one of the many data sources for PRM. In addition, both PRM and C2RAM used some of the same data sources. For instance, both systems relied on information captured in the Marine Corps Training Information Management System as well as on data captured in SABRS.

The Marine Corps assessed the feasibility of moving forward with the PRM tool and, in March 2019, while responding to a draft of this report, the Marine Corps stated that they decided to discontinue its development. However, the Marine Corps has not assessed C2RAM as part of an enterprise wide performance management process that links resources to readiness. For example, the Marine Corps could learn from the experience of commanders at the MEF level who find C2RAM useful and consider the extent to which those usability considerations could and should be brought into a service-wide model. Without conducting this analysis, the Marine Corps is unlikely to make headway in tackling the challenges posed by trying to link resources to readiness.

---

## Conclusions

To meet the demands of its missions, the future security environment will require military forces to train across the full range of military operations, according to DOD. While the Marine Corps continues to ask for increased

---

funding, according to a congressional report, the Marine Corps is unable to provide sufficient detail in its O&M budget estimates for training that would allow Congress to determine the benefits gained from additional funding. The Marine Corps has been aware for many years of the importance of providing accurate budget justifications to Congress. A number of factors have made it challenging for the Marine Corps to provide Congress the information it needs. First, the Marine Corps cannot fully track training funds through the budget cycle, making it difficult for the Marine Corps to, among other things, show that training funds were spent as planned. Second, the Marine Corps has not prioritized tackling the longstanding problem of how to link training resources to readiness. Although the Marine Corps has a standing order to develop an enterprise-wide performance management framework that links resources to readiness via a robust analytical framework, no single entity has been assigned the authority to enforce this order. In the absence of that leadership, certain components of the Marine Corps have developed their own, independent initiatives that were designed to achieve the same objective of linking funding to readiness, but had their own specific approaches and intended uses. Moreover, the Marine Corps has not assessed whether C2RAM provides an enterprise-wide performance management process linking resources to readiness. Until the Marine Corps assigns the authority needed to oversee development and implementation of a methodologically sound approach and assesses the degree to which C2RAM could be used, it will continue to face challenges making fully informed decisions about how much money it needs for training purposes and what it can reasonably expect to deliver for that money in terms of readiness gains.

---

## Recommendations for Executive Action

We are making the following three recommendations:

The Secretary of the Navy should ensure that the Deputy Commandant for the Office of Programs and Resources oversee development and implementation of an approach to enable tracking of unit-level training funds through the budget cycle. This approach should include aligning MPCs across the Marine Corps and ensuring consistent use of SIC codes. (Recommendation 1)

The Secretary of the Navy should ensure that the Commandant of the Marine Corps designates a single entity responsible for directing, overseeing, and coordinating efforts to achieve the objective of establishing an enterprise-wide performance management process that links resources to readiness. (Recommendation 2)

---

The Secretary of the Navy should ensure that the Commandant of the Marine Corps assesses C2RAM to determine the extent to which this system, or elements of this system, should be adapted for use in an enterprise-wide performance management process linking resources to readiness. (Recommendation 3)

---

## Agency Comments and Our Evaluation

We provided a draft of this report to DOD for review and comment. In written comments, DOD concurred with all three of the recommendations in the draft report and stated that the Marine Corps would take actions to track unit-level training funds, link resources to readiness, and examine C2RAM, as discussed below. DOD's comments are reprinted in appendix II. DOD also provided technical comments, which we incorporated as appropriate.

DOD concurred with the third recommendation in the draft report that the Secretary of the Navy should ensure that the Commandant of the Marine Corps assesses C2RAM and PRM and determine the extent to which these systems or elements of these systems could and should be adapted for use in the enterprise-wide performance management process linking resources to readiness. In its comments, the Marine Corps stated that work to develop PRM had been discontinued because the model did not satisfy the Marine Corps objectives. Given that the Marine Corps' decision to stop development of PRM mitigates the potential for overlapping initiatives moving forward, we revised the report and recommendation to focus on the Marine Corps assessing C2RAM for use in the enterprise-wide performance management process linking resources to readiness. The Marine Corps stated in its written response that C2RAM has potential utility for supporting an understanding of resources to readiness and it will examine the system further.

---

We are sending copies of this report to the appropriate congressional committees, the Acting Secretary of Defense, the Secretary of the Navy, and the Commandant of the Marine Corps. In addition, the report is available at no charge on our website at <http://www.gao.gov>.

---

If you or your staff have any questions about this report, please contact me at (202) 512-2775 or [FieldE1@gao.gov](mailto:FieldE1@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix III.

A handwritten signature in black ink, appearing to read "Elizabeth Field". The signature is fluid and cursive, with the first name being more prominent.

Elizabeth Field  
Acting Director  
Defense Capabilities and Management



---

*List of Committees*

The Honorable James M. Inhofe  
Chairman  
The Honorable Jack Reed  
Ranking Member  
Committee on Armed Services  
United States Senate

The Honorable Richard Shelby  
Chairman  
The Honorable Richard Durbin  
Ranking Member  
Subcommittee on Defense  
Committee on Appropriations  
United States Senate

The Honorable Adam Smith  
Chairman  
The Honorable Mac Thornberry  
Ranking Member  
Committee on Armed Services  
House of Representatives

The Honorable Pete Visclosky  
Chairman  
The Honorable Ken Calvert  
Ranking Member  
Subcommittee on Defense  
Committee on Appropriations  
House of Representatives

---

# Appendix I: Objectives, Scope, and Methodology

---

This report evaluates the extent to which the Marine Corps (1) tracks unit-level Operations and Maintenance (O&M)<sup>1</sup> training funds for ground combat forces through the budget cycle; and (2) links unit-level training funds for ground combat forces to readiness. This report focuses on ground combat forces which conduct a myriad of training at the Marine Expeditionary Forces (MEF).

For our first objective, we requested and analyzed budget request, allocation, and obligations training exercise data for fiscal year 2017 from I Marine Expeditionary Force (MEF), II MEF, and III MEF.<sup>2</sup> We collected data for this fiscal year because it was the most recently completed fiscal year for which actual obligated amounts could be obtained. We used this data request to determine the Marine Corps' ability to provide the data as well as determine the source or sources they used to provide the data. We discussed the systems—Cost to Run a Marine Expeditionary Force (C2RAM) and Standard Accounting, Reporting, and Budgeting System (SABRS)—used to provide this data with knowledgeable Marine Corps officials, including discussion of the data reliability concerns with these systems which are identified in this report. We interviewed knowledgeable officials about the systems, reviewed the user guide for one of the systems, and observed how data was input and extracted to form reports. Although we found the data to be insufficient to consistently identify and fully track unit-level O&M training funding data through the budget cycle, we determined that the data we obtained were sufficiently reliable to provide information about the availability of fiscal year 2017 funding amounts requested, allotted, and obligated for unit-level training exercises, as discussed in this report.

We also reviewed and analyzed data from a series of classified and unclassified reports that were issued by the Marine Corps from fiscal year 2009 through fiscal year 2014. These reports, known as the Marine Corps Strategic Health Assessment (MCSHA), evaluated the health of the

---

<sup>1</sup>The Marine Corps' Operation and Maintenance appropriation provides funding for active Marine Corps Forces' missions, functions, activities, and facilities. It finances the operating forces sustainment requirements, depot maintenance, base operating support, training and education requirements, headquarter' s administration and service-wide support requirements.

<sup>2</sup>The MEF is the principal warfighting organization for the Marine Corps and consists of one or more divisions, including subordinate units such as regiments and battalions. There are three MEFs in the active component of the Marine Corps: I MEF—Camp Pendleton, CA; II MEF—Camp Lejeune, NC; and III MEF—Okinawa, Japan.

Marine Corps, including its use of fiscal codes, through an enterprise-wide study of resource investments, organizational activities, and readiness outcomes. We also reviewed data about Marine Corps Programming Codes (MCPC) and Special Interest Codes (SIC) in Marine Corps documents such as the MCSHAs as well as the Standard Accounting, Budgeting, and Reporting System (SABRS) Customer Handbook. We assessed this information against Marine Corps Order 5230.23, Performance Management Planning, which requires the Deputy Commandant for Programs and Resources to ensure visibility and traceability of funds through the budget cycle and accounting systems for all organizational units and programs, as well as Standards for Internal Control in the Federal Government, which states that management should design an entity's information system to ensure, among other things, that data is readily available to users when needed.

For our second objective, we reviewed reports and supporting documentation on Marine Corps efforts to evaluate readiness levels achieved from O&M obligations for ground combat forces training and observed the operation of systems used to track training funds and readiness. Specifically, we reviewed and analyzed the MCSHAs to identify challenges that the Marine Corps reported facing in attempting to link training funds to readiness. As a part of our review of supporting documentation, we reviewed and analyzed the MCSHAs from fiscal years 2011 through 2014 issued by the Marine Corps Office of Program Analysis and Evaluation to summarize some of the key findings identified by the Marine Corps related to linking training funds to readiness. We reviewed these reports because they intended to provide a comprehensive overview of the health of the Marine Corps. From these reports, we identified and summarized key findings related to our review. Specifically, one GAO analyst reviewed the four reports to identify reported findings that prevent the Marine Corps from linking resources to readiness, such as stove-piped processes and inconsistent data management processes, while a second analyst confirmed the summary from this review. We shared our summary of key findings with Marine Corps officials and they concurred.

In addition, we reviewed guidance and other related documents on the Predictive Readiness Model (PRM) and Cost to Run a Marine Expeditionary Force (C2RAM). We were briefed on and observed data being input into the C2RAM model and queries being run from that data. We were able observe the summary reports that resulted from the queries which helped to enhance our understanding of the Marine Corps efforts to link training funds to readiness. In addition, we reviewed previously

issued GAO reports related to the issue. We assessed this information against Marine Corps Order 5230.23, Performance Management Planning, which calls for the development and implementation of an enterprise-wide performance management process that links resources to institutional readiness via a robust analytic framework, as well as Standards for Internal Control in the Federal Government, which states that management should establish an organizational structure, assign responsibility, and delegate authority to achieve its objective.

To answer the two objectives for this review, we interviewed knowledgeable officials from the following offices:

- Office of the Secretary of Defense
  - Cost Assessment and Program Evaluation
  - Personnel and Readiness, Force Readiness
- Headquarters Marine Corps, Washington, D.C.
  - Office of Programs and Resources
    - Budget and Execution Division
    - Program Analysis and Evaluation Division
  - Command, Control, Communications, and Computers
- Marine Forces Command – Norfolk, Virginia
- Marine Corps Training and Education Command – Quantico, Virginia
- I Marine Expeditionary Force – Camp Pendleton, California
- II Marine Expeditionary Force – Camp Lejeune, North Carolina
- III Marine Expeditionary Force – Okinawa, Japan.

We conducted this performance audit from August 2017 to April 2019 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 conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

# Appendix II: Comments from the Department of Defense



THE SECRETARY OF THE NAVY  
WASHINGTON DC 20350-1000

March 19, 2019

Ms. Elizabeth Field  
Acting Director  
Defense Capabilities and Management  
U.S. Government Accountability Office  
441 G Street NW  
Washington, DC 20548

Dear Ms. Field:

This is the Department of Defense response to the Government Accountability office (GAO) Draft Report GAO-19-233, "Ground Combat Forces: The Marine Corps Should Take Actions to Track Training Funds and Link Them to Readiness," dated January 16, 2019 (GAO Code 102256).

Enclosed are our responses to the GAO recommendations. We appreciate the opportunity to review and comment on the GAO draft audit report.

My point of contact for this audit is Mr. Charles K. Dove, who can be reached at (703) 693-9724/(571) 289-7082, [charles.dove@usmc.mil](mailto:charles.dove@usmc.mil) or [HQMCAuditLiaisons@usmc.mil](mailto:HQMCAuditLiaisons@usmc.mil).

Sincerely,

A handwritten signature in blue ink, appearing to read "R. Spencer", with a horizontal line extending to the right.

Richard V. Spencer

Enclosure:  
As stated

GAO DRAFT REPORT DATED JANUARY 16, 2019  
GAO-19-233 (GAO CODE 102256)

“GROUND COMBAT FORCES: THE MARINE CORPS SHOULD TAKE ACTIONS TO  
TRACK TRAINING FUNDS AND LINK THEM TO READINESS”

DEPARTMENT OF THE NAVY COMMENTS  
TO THE GAO RECOMMENDATIONS

**RECOMMENDATION 1:** The Secretary of the Navy should ensure that the Deputy Commandant for Programs and Resources oversee development and implementation of an approach to enable tracking of unit-level training funds through the budget cycle. This approach should include aligning MCPCs across the Marine Corps and ensuring consistent use of SIC codes.

**USMC RESPONSE:** We concur with GAO recommendations to ensure tracking of unit level training expenditures and association of these expenditures with readiness. Instead of prescribing only Marine Corps Programming Codes (MCPCs) and Special Interest Codes (SICs) as the solution / methodology, the Marine Corps plans to ensure its data architecture and method of data capture are aligned with an integrated readiness, resources, and risk-based approach as described in the response to Recommendation 2.

**RECOMMENDATION 2:** The Secretary of the Navy should ensure that the Commandant of the Marine Corps designates a senior-level entity responsible for directing, overseeing and coordinating efforts to achieve the objective of establishing an enterprise-wide performance management process that links resources to readiness.

**USMC RESPONSE:** We concur with the need to implement a robust performance / risk management process and are exploring the best way for the Marine Corps to conduct a forward-looking and comprehensive assessment of performance / risk. This process will be a top-down driven approach to assess requirements and risk coupled with tighter readiness reporting language and implementation / enforcement of internal controls / compliance. Headquarters, U.S. Marine Corps (HQMC) Programs and Resources (P&R) is actively partnering with HQMC Plans, Policies, and Operations (PP&O) to ensure the Marine Corps has an integrated approach to readiness, resources, and risk.

**RECOMMENDATION 3:** The Secretary of the Navy should ensure that the Commandant of the Marine Corps assesses C2RAM and PRM and determines the extent to which these systems or elements of these systems could and should be adapted for use in the enterprise-wide performance management process linking resources to readiness.

**USMC RESPONSE:** We concur that the Cost to Run a MEF (C2RAM) tool has potential utility for supporting an understanding of resources to readiness and we will examine it further as we move forward. The Marine Corps has discontinued work on the Predictive Readiness Model (PRM), and will not be using the methodology of the Strategic Health Assessment. These products did not satisfy our objectives.

Enclosure

---

# Appendix III: GAO Contact and Staff Acknowledgments

---

---

## GAO Contact

Elizabeth Field, (202) 512-2775 or [fielde1@gao.gov](mailto:fielde1@gao.gov)

---

## Staff Acknowledgments

In addition to the contact name above, Margaret Best, Assistant Director; William J. Cordrey; Pamela Davidson; Angela Kaylor; Amie Lesser; Tamiya Lunsford; Samuel Moore, III; Shahrzad Nikoo; Clarice Ransom; Cary Russell; Matthew Ullengren; and Sonja Ware made key contributions to this report.

---

---

## GAO's Mission

The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

---

## Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's website (<https://www.gao.gov>). Each weekday afternoon, GAO posts on its website newly released reports, testimony, and correspondence. To have GAO e-mail you a list of newly posted products, go to <https://www.gao.gov> and select "E-mail Updates."

---

## Order by Phone

The price of each GAO publication reflects GAO's actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO's website, <https://www.gao.gov/ordering.htm>.

Place orders by calling (202) 512-6000, toll free (866) 801-7077, or TDD (202) 512-2537.

Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.

---

## Connect with GAO

Connect with GAO on [Facebook](#), [Flickr](#), [Twitter](#), and [YouTube](#).  
Subscribe to our [RSS Feeds](#) or [E-mail Updates](#). Listen to our [Podcasts](#).  
Visit GAO on the web at <https://www.gao.gov>.

---

## To Report Fraud, Waste, and Abuse in Federal Programs

Contact FraudNet:

Website: <https://www.gao.gov/fraudnet/fraudnet.htm>

Automated answering system: (800) 424-5454 or (202) 512-7700

---

## Congressional Relations

Orice Williams Brown, Managing Director, [WilliamsO@gao.gov](mailto:WilliamsO@gao.gov), (202) 512-4400, U.S. Government Accountability Office, 441 G Street NW, Room 7125, Washington, DC 20548

---

## Public Affairs

Chuck Young, Managing Director, [youngc1@gao.gov](mailto:youngc1@gao.gov), (202) 512-4800, U.S. Government Accountability Office, 441 G Street NW, Room 7149, Washington, DC 20548

---

## Strategic Planning and External Liaison

James-Christian Blockwood, Managing Director, [spel@gao.gov](mailto:spel@gao.gov), (202) 512-4707, U.S. Government Accountability Office, 441 G Street NW, Room 7814, Washington, DC 20548



Please Print on Recycled Paper.