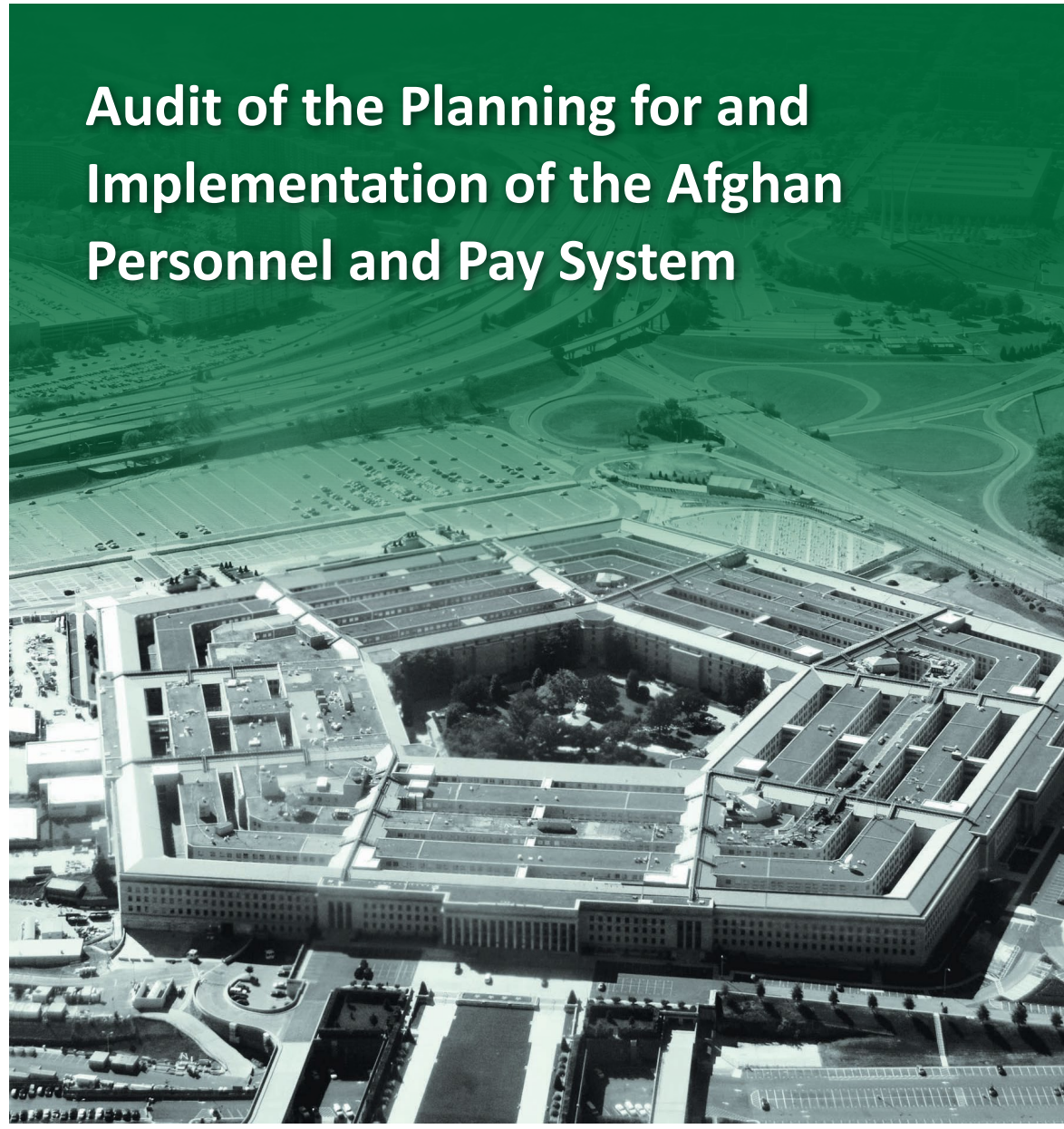


NATO/RS UNCLASSIFIED

INSPECTOR GENERAL

U.S. Department of Defense

AUGUST 15, 2019



Audit of the Planning for and Implementation of the Afghan Personnel and Pay System

INTEGRITY ★ INDEPENDENCE ★ EXCELLENCE

The document contains information that may be exempt from mandatory disclosure under the Freedom of Information Act.

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Results in Brief

Audit of the Planning for and Implementation of the Afghan Personnel and Pay System

August 15, 2019

Objective

The objective of this audit was to determine whether the DoD's planning for and implementation of the Afghan Personnel and Pay System (APPS) will result in a system that will accurately track and pay Afghan forces. Because APPS was not fully implemented as of the audit team's site visit to Afghanistan, our audit examined the planning and system capabilities as of July 2018. Subsequent engagements with Combined Security Transition Command-Afghanistan (CSTC-A) and Army Contracting Command-Afghanistan (ACC-A) officials between August and December 2018 confirmed that APPS still had incomplete and inaccurate personnel listings and was still missing system capabilities required by the contract.

Background

In January 2016, CSTC-A developed the requirements for the APPS software development contract to integrate existing Afghan human resource data with compensation and payroll data to process authorizations, record unit-level time and attendance data, and allow the Government of the Islamic Republic of Afghanistan (GIROA) to automatically generate payroll calculations and forms required to process salary payments. CSTC-A developed APPS to reduce the opportunity for corruption, such as fake personnel records, and improve the transparency, accountability, and auditability of the Afghan payroll process.

Finding

We determined that, as of December 2018, CSTC-A had not validated the accuracy of the personnel records for the Ministry of Defense (MoD) and the Ministry of Interior (MoI) personnel added to APPS and had not verified that the contractor developed the system in accordance with contract requirements.

This occurred because CSTC-A did not:

- develop a controlled data entry process to ensure that personnel records were created in APPS in a timely manner;
- document or communicate contractor non-performance related to the development of system interfaces between APPS and the Afghan biometric and financial systems or retirement of the previous human resource system; or
- maintain contract documentation, such as acceptance of APPS version one, or ensure receipt of required contract deliverables, such as the APPS system design documents or the system transition plan to gradually transfer APPS operation and sustainment to GIROA.

As a result, CSTC-A paid \$26.2 million, as of December 2018, to the APPS software development contractor for a system that cannot communicate directly with Afghan systems, relies on the same manually intensive human resource and payroll processes that the system was designed to streamline, and does not accomplish the stated objective of reducing the risk of inaccurate personnel records or fraudulent payments through the use of automated controls. In addition, the MoD and MoI were not using APPS to generate payroll data as of April 2019, even though CSTC-A officials stated that they would fund salaries based on APPS-generated payroll data when the system was designated fully operational for the MoD in July 2018 and MoI in November 2018.

Furthermore, because APPS does not have an interface with the Afghan biometric system and requires manual input of the biometric identification number, there is no link between the two systems to validate the authenticity of the biometric



Results in Brief

Audit of the Planning for and Implementation of the Afghan Personnel and Pay System

Finding (cont'd)

number recorded in APPS. Therefore, the DoD does not have definitive assurance that APPS personnel records are biometrically linked and is still at risk of funding payroll for fraudulent personnel records.

Recommendations

We recommend that the CSTC-A Commander require the APPS Project Management Office to develop and implement:

- procedures to audit the accuracy of biometric identification numbers and personnel data for APPS records to ensure personnel records have an authentic biometric identification number and are biometrically linked; and
- corrective action plans that include root cause analysis of, corrective actions, and timelines for (1) implementing the remaining APPS capabilities, (2) streamlining the data validation efforts, (3) increasing oversight and controls of the process for creating personnel records, (4) retiring the previous Afghan human resource system, and (5) executing the required interfaces with Afghan biometric and financial systems.

We recommend that the CSTC-A Commander, in coordination with GIRoA, develop and implement a plan to transition APPS to Afghan control. The plan should include benchmarks and timelines.

We recommend that the ACC-A Commander, in coordination with the APPS Project Management Office, develop a plan to identify all contract requirements not met on the software development contract and remedy contractor non-performance.

Management Actions Taken

According to the CSTC-A Deputy Commander's January 1, 2019, memorandum and subsequent DoD OIG inquiries and review regarding the status of planned actions, CSTC-A identified the following actions taken:

- CSTC-A created a Human Resource Branch, to streamline functional and technical teams under one leader to further enable APPS goals and objectives;
- CSTC-A officials standardized the manual data entry process;
- CSTC-A retired the previous human resource system on April 30, 2019, and proposed courses of action for transitioning APPS to GIRoA.

CSTC-A's actions taken address our recommendations to improve oversight and controls of the APPS record creation process, retire the previous human resource system, and develop a plan to transition APPS to GIRoA; therefore, these recommendations are resolved. The recommendations will remain open until we obtain and review documentation regarding the oversight and controls for creating personnel records directly in APPS, and the approved plan to transition APPS to GIRoA.

Management Comments and Our Response

The CSTC-A Chief of Staff, responding for the CSTC-A Commander, agreed with all of the recommendations in the report. To implement the recommendations, the Chief of Staff stated that CSTC-A will:

- conduct an audit of APPS biometric identification numbers and personnel data to ensure the records are accurate and biometrically linked;



Results in Brief

Audit of the Planning for and Implementation of the Afghan Personnel and Pay System

Management Comments (cont'd)

- validate and implement the remaining APPS capabilities and seek financial consideration or request development of interfaces from the APPS contractor;
- conduct sampling and physical inspection of personnel records to verify that soldiers and officers are entered into APPS and that APPS operators are sufficiently trained; and
- prepare a government cost estimate to support the ACC-A's demand for financial consideration for the development of the biometric personnel database and financial system interfaces.

Comments from the CSTC-A Chief of Staff addressed the recommendations to (1) develop procedures to audit the accuracy of APPS records, (2) develop and implement root cause analysis of, corrective actions, and timelines for implementing the remaining APPS capabilities, streamlining the data validation efforts, increasing oversight and controls of the process for creating personnel records, and executing the required interfaces with Afghan biometric and financial systems, and (3) develop and implement a plan to transition APPS to Afghan control. Therefore, the recommendations are resolved but will remain open until we verify that the planned management actions have been completed.

Additionally, CSTC-A provided evidence that it took action to retire the previous human resource system. Therefore, that recommendation is closed.

The Deputy Assistant Secretary of the Army (Procurement), responding for the ACC-A Commander, agreed with the recommendation that the ACC-A develop a plan to identify all contract requirements not met and remedy contractor nonperformance. The Deputy Assistant Secretary stated that the ACC-A is developing a plan to jointly review contractor performance and requirements to identify areas the Government considers non-performance and document corrective actions taken.

Comments from the Deputy Assistant Secretary of the Army (Procurement) addressed all elements of the recommendation. Therefore, the recommendation is resolved but will remain open until we obtain and review documentation showing the results of the ACC-A's review of contractor performance and corrective actions taken.

Please see the Recommendations Table on the next page for the status of recommendations.

Recommendations Table

| Management | Recommendations Unresolved | Recommendations Resolved | Recommendations Closed |
|--|-------------------------------|---------------------------------------|---------------------------|
| Commander, Combined Security Transition Command–Afghanistan | None | 1.a, 1.b.1, 1.b.2, 1.b.3, 1.b.5, 2 | 1.b.4 |
| Commander, Army Contracting Command–Afghanistan | None | 3 | None |

Note: The following categories are used to describe agency management’s comments to individual recommendations.

- **Unresolved** – Management has not agreed to implement the recommendation or has not proposed actions that will address the recommendation.
- **Resolved** – Management agreed to implement the recommendation or has proposed actions that will address the underlying finding that generated the recommendation.
- **Closed** – OIG verified that the agreed upon corrective actions were implemented.



**INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350-1500**

August 15, 2019

MEMORANDUM FOR COMMANDER, COMBINED SECURITY TRANSITION
COMMAND-AFGHANISTAN
AUDITOR GENERAL, DEPARTMENT OF THE ARMY

SUBJECT: Audit of the Planning for and Implementation of the Afghan Personnel and
Pay System (Report No. DODIG-2019-115)

This final report provides the results of the DoD Office of Inspector General's audit. We previously provided copies of the draft report and requested written comments on the recommendations. We considered management's comments on the draft report when preparing the final report. These comments are included in the report.

The CSTC-A Chief of Staff's comments and associated actions addressed Recommendation 1.b.4, and we consider that recommendation closed.

The CSTC-A Chief of Staff agreed to address Recommendations 1.a, 1.b.1, 1.b.2, 1.b.3, 1.b.5, and 2; and the Deputy Assistant Secretary of the Army (Procurement) agreed to address Recommendation 3; therefore, these recommendations are considered resolved and open. As described in the Recommendations, Management Comments, and Our Response section of this report, these recommendations may be closed when we receive adequate documentation showing that all agreed-upon actions to implement the recommendations have been completed. Therefore, please provide us within 90 days your response concerning specific actions in process or completed on these recommendations. Your response should be sent to either followup@dodig.mil if unclassified or rfunet@dodig.smil.mil if classified SECRET.

If you have any questions, please contact me at [REDACTED]

A handwritten signature in black ink, reading "Richard B. Vasquez".

Richard B. Vasquez
Assistant Inspector General for Audit
Readiness and Global Operations

CC: COMMANDING GENERAL, U.S. ARMY CONTRACTING COMMAND
COMMANDER, U.S. ARMY CONTRACTING COMMAND-AFGHANISTAN

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Acronyms and Abbreviations

Introduction

Objective

The objective of the audit was to determine whether the DoD's planning for and implementation of the Afghan Personnel and Pay System (APPS) will result in a system that will accurately track and pay Afghan forces. Because APPS was not fully implemented as of the audit team's site visit to Afghanistan, our audit examined the planning and system capabilities as of July 2018. Subsequent engagements with Combined Security Transition Command-Afghanistan (CSTC-A) and Army Contracting Command-Afghanistan (ACC-A) officials between August and December 2018 confirmed that APPS still had incomplete and inaccurate personnel listings and was still missing system capabilities required by the contract.

Background

Deficiencies in Payroll Accountability Led to APPS Development

Over the last 3 years, the DoD requested, on average, \$656 million to fund Afghan National Defense and Security Forces (ANDSF) salaries.¹ The DoD Office of Inspector General (DoD OIG) and the Special Inspector General for Afghanistan Reconstruction (SIGAR) issued four audit reports between 2014 and 2017 that identified problems with disorganized and manually intensive human resource and payroll processes for the ANDSF positions.² Collectively, these reports identified that the Ministry of Defense (MoD) and Ministry of Interior (MoI) documented personnel and paid salaries using manual transactions, and relied on information systems that did not communicate with each other. In addition, these reports concluded that the manually intensive and disconnected MoD and MoI processes lacked accountability and visibility of ANDSF personnel and resources, which contributed to inaccurate records of force strength and attendance, and limited the ability to accurately record and verify active personnel counts and salary payments to Afghan forces.

¹ The ANDSF consists of the Ministry of Defense's Afghan National Army and the Ministry of Interior's Afghan National Police. The average funding over the last 3 years, according to the FY 2017 to FY 2019 Afghan Security Forces Fund budget, was \$656 million.

² DoD OIG Report No. DODIG-2014-102, "Government of the Islamic Republic of Afghanistan Needs to Provide Better Accountability and Transparency Over Direct Contributions," issued in August 2014; SIGAR Audit Report No. 15-26, "Afghan National Police: More than \$300 Million in Annual, U.S.-funded Salary Payments Is Based on Partially Verified or Reconciled Data," issued in January 2015; Audit Report No. 15-54, "Afghan National Army: Millions of Dollars at Risk Due to Minimal Oversight of Personnel and Payroll Data," issued in April 2015; and Audit Report No. 16-3, "Afghan Local Police: A Critical Rural Security Initiative Lacks Adequate Logistics Support, Oversight, and Direction," issued in October 2015.

In addition, between 2015 and 2018, the Office of the Under Secretary of Defense for Policy (OUSD[P]) biannually issued the “Enhancing Security and Stability in Afghanistan” report to Congress. These reports identified control deficiencies within the Afghan Human Resource Information Management System (the previous human resource system), and problems with the transparency and accountability of U.S. Government funding. Specifically, the reports identified that the previous human resource system and payment process created opportunities for corruption to exist, such as the creation of ghost employees and the ability to divert salary payments through the use of trusted agents.³

To address the issues raised by the DoD OIG, SIGAR, and the OUSD(P), CSTC-A engaged the U.S. Army Program Executive Office Enterprise Information Systems to design a platform that would correct the deficiencies identified in the reports; reduce the opportunity for corruption, such as fake personnel records; and improve the transparency, accountability, and auditability of the Afghan payroll process. In August 2015, Program Executive Office Enterprise Information Systems deployed a team to Afghanistan to develop the enterprise resource planning and payroll system for the MoD and MoI, known as APPS.

The Afghan Personnel and Pay System

In January 2016, CSTC-A developed the requirements for the APPS software development contract to integrate existing Afghan human resource data with compensation and payroll data to process authorizations, record unit-level time and attendance data, and allow the Government of the Islamic Republic of Afghanistan (GIROA) to automatically generate payroll calculations and forms required to process salary payments. To develop APPS, CSTC-A coordinated with the Army Contracting Command–Afghanistan (ACC-A) to award the APPS software development and system integration contract (software development contract) in March 2016. According to the ACC-A’s February 2016 acquisition strategy, the APPS software development contract was a 3-year, firm-fixed-price contract with cost-type line items and an initial estimated contract value of \$22.2 million; however, the ACC-A awarded a firm-fixed-priced contract with time and materials line items with a total value of \$31.2 million.⁴ As of October 2018, the last year of the contract, the contract value was \$33.4 million. On April 30, 2019, the contract was extended for an additional 6 months to October 31, 2019, at an additional cost of \$4.6 million to address uncompleted work required under the contract, including

³ Ghost employees are fictional employees created to draw a salary that will then be claimed by one or more complicit individuals. A trusted agent is a government employee who picks up the payroll from a bank and is responsible for dispersing payroll to the ANDSF.

⁴ A firm-fixed-price contract provides for a price that is not subject to any adjustment based on the contractor’s cost experience in performing the contract. Time and materials line items acquire services based on fixed hourly rates that include direct labor and indirect expenses, such overhead, general and administrative expenses, and profit, and actual material costs.

APPS integration and support services, sustainment, data entry services, and training. See Table 1 for a comparison of the initial estimated and current contract value by year.

Table 1. Contract Value Comparison With Initial Estimate (\$ in millions)

| Contract Value | As of Date | Base Year (5/2016- 4/2017) | Option 1 (5/2017- 4/2018) | Option 2 (5/2018- 4/2019) | 6 Month Extension (5/2019- 10/2019) | Total |
|------------------|------------|----------------------------------|---------------------------------|---------------------------------|--|--------|
| Initial Estimate | Feb. 2016 | \$10.8 | \$9.4 | \$2.0 | – | \$22.2 |
| Contract Award | Mar. 2016 | \$14.1 | \$9.6 | \$7.5 | – | \$31.2 |
| Current Value | May 2019 | \$16.0 | \$9.8 | \$7.6 | \$4.6 | \$38.0 |

Source: The DoD OIG.

Contract Requirements

The APPS performance work statement required integrating existing systems and streamlining the documentation of the personnel and payroll process by incorporating the previous human resource system into the newly developed APPS, and developing an interface with:

- the MoD and MoI identification card systems;
- the Afghan Automated Biometric Information System (biometric system);
- the Afghan Financial Management Information System (financial system); and
- the Web-Enabled Payroll System (personnel pay system).⁵

The performance work statement also required the contractor to develop APPS with six modules.

- The Authorization Tashkil module helps the MoD and MoI design force structure and allocate resources.⁶
- The Recruitment module captures basic information about new recruits to be processed.
- The Personnel Management module captures all MoD and MoI personnel record information.
- The Compensation module helps the MoD and MoI design compensation structures.
- The Payroll Generation module helps the MoD and MoI create accurate and transparent payroll.

⁵ The Web-Enabled Payroll System is the MoI payroll system.

⁶ Tashkil is the official list of personnel and equipment requirements used by the MoD and MoI.

- The Pension/Retirement module calculates approved retirement withholdings for each pay cycle and maintains an individual retirement account for authorized personnel.

CSTC-A initially intended APPS to be fully operational and to merge existing fragmented human resource systems by April 2017. However, CSTC-A's project managers revised the system status and implementation dates throughout the life cycle of the APPS project due to problems in the operating environment, such as the slow pace of the Afghan-led data cleansing effort. According to CSTC-A officials, APPS is being implemented in two phases—payroll generation (phase one) and remaining personnel modules (phase two). In June 2018, CSTC-A officials stated that phase one would be fully implemented for the MoD in July 2018 and the MoI in November 2018; however, CSTC-A did not identify when phase two will be completed.⁷

The following figure depicts the APPS modules and their respective implementation phase, as of November 2018 when CSTC-A designated APPS full operational capability status for phase one. The figure also reflects the APPS modules implementation status as of April 2019.

Figure. Status of APPS Modules and Implementation Phase



Source: The DoD OIG.

⁷ CSTC-A's definition of full operational capability for phase one APPS implementation is the cutoff date for when CSTC-A will start funding MoD and MoI salaries based on APPS-generated payroll data. CSTC-A acknowledged full operational capability for phase two APPS implementation will be conditions based; however, CSTC-A has not identified a specific date or timeframe for completing phase two implementation.

Record Creation Process

To ensure information in APPS was accurate, CSTC-A officials developed a data cleansing effort in November 2016 to analyze existing personnel data before creating records in APPS. CSTC-A officials required GIRoA and contractor personnel to collect biometric and biographical information from ANDSF personnel, verify and manually input the collected data into the previous human resource system, and transfer the personnel records to APPS.⁸

APPS Roles and Responsibilities

Under Secretary of Defense for Policy

The OUSD(P) provides oversight and accountability of the Afghan Security Forces Fund program, including funding of ANDSF requirements that are consistent with the U.S. objectives in Afghanistan. In addition, the OUSD(P) is the Principal Staff Assistant to the Secretary of Defense for security cooperation. Duties of this position include issuing strategic and resource planning guidance, leading DoD efforts with interagency and international partners, and serving as a co-chair of the Afghanistan Resources Oversight Council. Consistent with these duties, the OUSD(P) coordinates with the Chairman of the Joint Chiefs of Staff, and relevant DoD Components, such as CSTC-A, on issues with operational implications.

Combined Security Transition Command–Afghanistan

CSTC-A executes the train, advise, and assist efforts of the Operation Freedom's Sentinel Resolute Support mission in Afghanistan. CSTC-A provides resources in accordance with the ANDSF requirements, while ensuring fiscal oversight and accountability of funds and materiel delivered to the ANDSF. CSTC-A's focus is helping Afghanistan make the ANDSF sustainable, effective, and affordable.

CSTC-A's APPS Project Management Office is responsible for developing, testing, deploying, and training of APPS for the MoD and MoI. As the requiring activity for the APPS software development contract, the APPS Project Management Office provides the contracting officer's representative (COR) responsible for conducting technical monitoring and surveillance of the contractor's performance. The APPS Project Management Office also provides technical and programmatic assistance to and coordinates with the three remaining requirements owners, within CSTC-A, responsible for APPS execution and implementation.

- The Force Development/Human Resource Management Directorate is the main stakeholder for APPS implementation and responsible for executing and overseeing the data cleansing initiative. In addition, the Force Development/Human Resource Management Directorate provides oversight of changes and updates to human resource policy.

⁸ Examples of biographical information collected during the data cleansing effort include name, gender, date of birth, rank, and unit.

- The Capabilities Development Directorate provides expertise in all aspects of Tashkil management related to the ANDSF.
- The Resource Management Directorate provides expertise in all aspects of finance, including payroll and compensation, and budgeting for ANDSF pay.

Army Contracting Command–Afghanistan

The ACC-A's Regional Contracting Center awarded the APPS software development contract in March 2016. The Regional Contracting Center provides the contracting officer responsible for ensuring the performance of all necessary actions for effective contracting and compliance with the terms of the contract. The contracting officer reviews COR reports, files, and other documentation for completeness and accomplishment of duties and provides feedback to the requiring activity regarding the COR's performance.

Review of Internal Controls

DoD Instruction 5010.40 requires DoD organizations to implement a comprehensive system of internal controls that provides reasonable assurance that programs are operating as intended and to evaluate the effectiveness of the controls.⁹ We identified internal control weaknesses related to CSTC-A's oversight of MoD and MoI personnel records created in APPS. In addition, we identified internal control weaknesses related to CSTC-A and the ACC-A's contractor surveillance and documentation of non-performance on the APPS software development contract. We will provide a copy of the report to the senior official responsible for internal controls in the offices of CSTC-A and the ACC-A.

⁹ DoD Instruction 5010.40, "Managers' Internal Control Program Procedures," May 30, 2013.

Finding

CSTC-A Should Reassess APPS Full Operational Capability Status

We determined that, as of December 2018, CSTC-A had not validated the accuracy of the personnel records for the MoD and MoI personnel added to APPS or that the contractor developed the system in accordance with contract requirements.

This occurred because CSTC-A did not:

- develop a controlled data entry process to ensure that personnel records were created in APPS in a timely manner;
- document or communicate contractor non-performance related to the development of system interfaces between APPS and the Afghan biometric and financial systems or retirement of the previous human resource system; or
- maintain contract documentation, such as acceptance of APPS version one, or ensure receipt of required contract deliverables, such as the APPS system design documents or the system transition plan to gradually transfer APPS operation and sustainment to GIRoA.

As a result, CSTC-A paid \$26.2 million, as of December 2018, to the APPS software development contractor for a system that cannot communicate directly with Afghan systems, relies on the same manually intensive human resource and payroll processes that the system was designed to streamline, and does not accomplish the stated objective of reducing the risk of inaccurate personnel records or fraudulent payments through the use of automated controls. Out of the \$26.2 million in payments, we identified \$15.2 million billed on multiple contract line items where the contractor's performance did not comply with contract requirements. In addition, the MoD and MoI were not using APPS to generate payroll data as of April 2019, even though CSTC-A officials stated that they would only fund salaries based on APPS-generated payroll data when the system was designated fully operational for MoD in July 2018 and MoI in November 2018.

Furthermore, because APPS does not have an interface with the Afghan biometric system and requires manual input of the biometric identification number, there is no link between the two systems to validate the authenticity of the biometric number recorded in APPS. Therefore, the DoD does not have definitive assurance that APPS personnel records are biometrically linked and is still at risk of funding payroll for fraudulent personnel records.

CSTC-A Did Not Validate APPS Records or Ensure Contract Requirements Were Met

CSTC-A officials did not validate the accuracy and completeness of the personnel records that MoD and MoI personnel manually added to APPS or ensure the contractor developed the system in accordance with contract requirements. CSTC-A officials planned to fund MoD and MoI payroll based on APPS-generated payroll data once CSTC-A designated the system fully operational for the MoD in July 2018 and the MoI in November 2018. However, as of April 2019, the MoD and MoI continued to use the manual payroll process CSTC-A designed APPS to replace. Although CSTC-A paid \$26.2 million to develop APPS and improve the accountability and transparency of the MoD and MoI payroll process, there are problems with the accuracy and completeness of the personnel records, the development of the system in accordance with the contract requirements, and implementation of the APPS payroll process within the MoD and MoI.¹⁰

Potential for Fake and Incomplete Personnel Record Listings

CSTC-A officials did not validate the accuracy and completeness of the ANDSF personnel records manually added to APPS. During our June 2018 system observation and interviews with CSTC-A officials in Afghanistan, we identified problems with the accuracy and completeness of personnel record listings in APPS and the accuracy of the individual data fields. Specifically, MoD and MoI personnel records created in APPS before November 2018 relied on data entry through the previous human resource system, which did not have set data field formats or input criteria, thereby circumventing the controls CSTC-A officials developed as part of APPS to resolve human errors, inefficiencies, unverifiable data, mismanagement, and corruption. CSTC-A officials acknowledged that they had access to MoD

CSTC-A officials stated that they do not review or validate the accuracy and completeness of personnel records manually entered by MoD and MoI personnel.

and MoI personnel records in APPS; however, CSTC-A officials stated that they do not review or validate the accuracy and completeness of personnel records manually entered by MoD and MoI personnel. Because CSTC-A officials have access to APPS

and the Afghan biometric system they could have verified the authenticity of the biometric identification numbers in APPS and compared the biographical data input in both systems in an effort to validate the accuracy and completeness of APPS records. In addition, CSTC-A personnel could have compared the source document required for APPS record creation, the paper forms collected during the data validation efforts, to the personnel records added to APPS.

¹⁰ Total amount paid as of December 2018.

(NATO/RS UNCLASSIFIED rel to GfRcA) In December 2018, CSTC-A officials confirmed the audit team's observation that a personnel record with a fake biometric identification number existed in APPS. CSTC-A officials stated [REDACTED] [REDACTED] thereby confirming the audit team's conclusion that APPS cannot detect or prevent fake biometric identification numbers from being manually added to the system. Additionally, as of December 2018, the MoD and MoI combined had [REDACTED] [REDACTED] however, the DoD's FY 2019 Afghan Security Forces Fund budget requested salary funding for the 382,000 MoD and MoI positions authorized in the Tashkil.¹¹ Unless the actual MoD and MoI personnel counts are significantly less than the authorized positions, the difference between the number of personnel records and authorized positions indicates APPS may not have complete and accurate personnel listings, even though CSTC-A considers the system fully operational.

Nonconformance With APPS Contract Requirements

CSTC-A officials did not ensure that the contractor developed APPS in accordance with contract requirements. During the audit, we identified undeveloped APPS capabilities such as modules and interfaces required by the contract. The contract required the development of all six modules within the first year of contract performance; however, APPS did not have a Compensation or Pension/Retirement module as of June 2018.¹² In addition, original planning documentation from 2015 and 2016, prepared by the first APPS project manager, identified the requirement for APPS to interface with the Afghan biometric and financial systems; however, the APPS project manager in June 2018 stated that APPS did not have interfaces with the biometric and financial systems because the Afghan systems were not capable of interfacing with APPS.¹³ Even though CSTC-A officials, including the COR, acknowledged that the contractor could not execute the interfaces, the COR's monthly surveillance checklists submitted to ACC-A officials stated the contractor was building and testing interfaces in accordance with the contract requirements. As of December 2018, the OUSD(P) report on "Enhancing Security and Stability in Afghanistan" still stated that the biometric system interface will occur as part of APPS development. In addition, the FY 2019 and FY 2020 Afghan Security Forces budget asserted that APPS would greatly reduce chances of fraudulent record creation through interoperability of APPS with the Afghan biometric system.

¹¹ Tashkil is the official list of personnel and equipment requirements used by the MoD and MoI.

¹² The first year of the APPS software development contract ended in April 2017.

¹³ The APPS project manager is part of CSTC-A's APPS project management office. The APPS project manager in June 2018 was the third on the project; the fourth project manager took over in July 2018, and the fifth project manager started in February 2019.

MoD and MoI personnel continued to use the previous Afghan human resource system to create personnel records and the manual payroll process after APPS implementation.

Even though the contract required the retirement of the previous Afghan human resource system upon the U.S. Government's acceptance of APPS, we determined that MoD and MoI personnel continued to use the previous Afghan human resource system to create

personnel records and the manual payroll process after APPS implementation. According to CSTC-A officials, APPS version one was accepted in 2017; however, CSTC-A and ACC-A officials could not locate evidence of receipt and acceptance of APPS version one in the official contract files. Furthermore, CSTC-A declared APPS fully operational for the MoD in July 2018 and the MoI in November 2018; however, CSTC-A officials acknowledged that the fully operational status applied to the date CSTC-A would fund MoD and MoI payroll based on APPS-generated data and not the system's status as a whole. As of April 2019, the MoD and MoI did not use APPS to process payroll and instead continued to use the manual process for calculating and preparing payroll forms, even though CSTC-A had paid \$26.2 million for developing APPS, stated that they implemented the system at both MoD and MoI, and established APPS-generated payroll forms as a requirement for funding salaries.

CSTC-A Did Not Develop a Controlled Record Creation Process or Communicate Contractor Non-Performance

CSTC-A did not validate the accuracy and completeness of personnel records manually added to the system or ensure that the contractor developed the system in accordance with contract requirements. This occurred because CSTC-A officials did not develop an efficient and controlled method for populating APPS. Instead, CSTC-A relied on MoD and MoI personnel to manually collect and add personnel records through the previous human resource system to APPS, which caused significant processing delays, and circumvented APPS data entry controls designed to mitigate the occurrence of human error.

In addition, CSTC-A officials acknowledged that the contractor could not perform certain contract requirements, such as system interfaces, or that certain contract deliverables or documentation did not exist; however, CSTC-A did not communicate these problems to ACC-A officials. Instead, CSTC-A's COR responsible for submitting monthly contractor surveillance reports to contracting officials

between April and June 2018, reported the contractor's satisfactory performance of contract requirements, including the testing and executing of system interfaces and delivery and maintenance of APPS design documents.¹⁴

Inefficient and Ineffective Controls for Creating APPS Records

CSTC-A did not validate the accuracy of the personnel records for the MoD and MoI personnel added to the system. Specifically, CSTC-A officials did not develop an efficient and controlled method for populating APPS and instead relied on MoD and MoI personnel, with limited government oversight, to manually collect and add personnel records to APPS using the previous human resource system, which did not have set data field formats or input criteria. According to CSTC-A officials, MoD and MoI personnel records were incomplete and contained errors before the implementation of APPS. To address these problems, CSTC-A officials initiated a data collection effort as part of APPS implementation that relied on MoD and MoI personnel to obtain and verify the accuracy and completeness of personnel records.¹⁵ As part of the data collection effort, GIRoA and contractor personnel traveled to MoD and MoI locations throughout Afghanistan to obtain and upload biometric information into an isolated system and manually collected personally identifiable information on a paper form.¹⁶ According to CSTC-A officials, MoD and MoI personnel would then return completed forms 4 to 6 weeks later to Kabul and manually input the data into the previous human resource system and subsequently transfer the personnel records to APPS.

(NATO/RS UNCLASSIFIED rel to GIRoA) CSTC-A officials acknowledged that personnel data added through the previous human resource system, which does not have data field formats or controls to prevent improper data entry, created problems with the accuracy of personnel records in APPS. For example, CSTC-A identified that the date of birth field did not have a date format requirement; therefore, the system would accept all question marks. CSTC-A officials also

██
██ APPS accepted the fake biometric identification number because the system does not have an interface with the biometric system to automatically transmit personnel data to APPS or validate the accuracy of the data manually entered in the biometric identification number field, which is one of the seven required data fields for a personnel record to generate payroll data.

¹⁴ The COR did not submit monthly surveillance checklists to contracting officials between July and September 2018 before returning to the United States.

¹⁵ CSTC-A's data collection efforts, known as the Personnel Asset Inventory, involve a manual collection of personnel data and manual data entry into the previous human resource system.

¹⁶ Examples of biographical information collected during the data cleansing effort include name, gender, date of birth, rank, and unit.

Furthermore, CSTC-A officials acknowledged that they had a limited role in the data validation efforts and that they did not have procedures in place to review or validate APPS personnel records.

Furthermore, CSTC-A officials acknowledged that they had a limited role in the data validation efforts and that they did not have procedures in place to review or validate APPS personnel records. Because CSTC-A officials have not validated personnel records, they do not have

reasonable assurance that APPS personnel records are biometrically linked or that APPS-generated payroll data, which CSTC-A planned to use for disbursing U.S. funding for MoD and MoI salaries, is accurate and complete. Therefore, CSTC-A should develop and implement procedures to audit the accuracy of the biometric identification numbers and personnel data for APPS records to ensure APPS records are biometrically linked. In addition, CSTC-A should develop and implement a corrective action plan to implement the remaining system capabilities, streamline the data validation process and increase oversight and controls of the APPS record creation process.

CSTC-A Did Not Communicate Contractor Non-Performance or Maintain Contract Documentation

CSTC-A officials did not communicate the contractor's non-performance of certain contract requirements to ACC-A officials or maintain technical contract documentation. According to the APPS contract's performance work statement, the purpose of the software development contract was to provide automated controls in the form of electronic paper trails and interfaces with other Afghan systems to reduce the opportunity for corruption and mismanagement of MoD and MoI salary payments. However, CSTC-A officials identified that the contractor could not execute certain contract requirements in accordance with the performance work statement, such as the required interfaces between APPS and the Afghan biometric and financial systems. CSTC-A officials identified obstacles within the operating environment, such as incompatibility with Afghan systems, as the reason the contractor could not execute the interfaces. Although CSTC-A officials identified these differences between contract requirements and actual performance, they did not engage ACC-A officials or document the contractor's non-performance of interface requirements in the monthly surveillance reports. Instead,

Although CSTC-A officials identified these differences between contract requirements and actual performance, they did not engage ACC-A officials or document the contractor's non-performance of interface requirements in the monthly surveillance reports.

the audit team's review of monthly surveillance reports found that CSTC-A's COR incorrectly reported to ACC-A officials that the contractor was performing interface development and testing requirements in accordance with contract requirements.

In addition, the contract's description of services required the retirement of the previous human resource system upon the U.S. Government's acceptance of APPS, which occurred in 2017. However, according to CSTC-A officials the previous human resource system was still the primary method for creating personnel records in APPS as of July 2018. CSTC-A officials identified obstacles in the operating environment and outside of their control, such as the slow pace of MoD and MoI personnel manually adding personnel records to APPS and assigning these records to authorized positions, as the reason why CSTC-A did not enforce the contract requirement to retire the previous human resource system. However, in response to the audit findings, CSTC-A officials stated that they initiated the retirement of the previous human resource system in January 2019. Therefore, CSTC-A should develop and implement a corrective action plan to address the non-performance of required biometric and financial system interfaces and retirement of the previous human resource system. Although we did not make a recommendation to modify the contract because the period of performance was scheduled to end in April 2019, the ACC-A, in coordination with CSTC-A, should develop a plan to identify all APPS software development contract requirements not met and remedy contractor non-performance.

CSTC-A and ACC-A Did Not Maintain Documentation of APPS Acceptance or Contract Deliverables

CSTC-A and ACC-A officials did not maintain contract documentation for the APPS software development contract throughout the implementation of the system, such as the acceptance of APPS version one or contract deliverables. Although CSTC-A officials stated that they accepted APPS version one in 2017, CSTC-A officials could not identify the date or provide evidence of the system's acceptance. In addition, the ACC-A's contracting officer assigned to the APPS software development contract in July 2018 stated that the ACC-A did not maintain the technical contract documentation, such as deliverables in the APPS contract file. The contracting officer also stated that CSTC-A's COR maintained the technical contract documents, such as APPS system design documents and the transition plan to gradually transfer APPS operation and sustainment to GIRoA. In response to our request for APPS system design documents and a transition plan to transfer APPS to GIRoA, CSTC-A officials stated that the documents did not exist, even though the contract deliverables were due within the first 4 months of contract performance.¹⁷

¹⁷ The APPS design document deliverables were due 20 days after contract award and the transition plan due 120 days after contract award in March 2016.

Even though the objective of the APPS software development contract was to transition APPS operations and sustainment to GIRoA by the end of the contract, CSTC-A officials acknowledged that the transition would not occur by April 2019.

Even though the objective of the APPS software development contract was to transition APPS operations and sustainment to GIRoA by the end of the contract, CSTC-A officials acknowledged that the transition would not occur by April 2019. Therefore, CSTC-A, in coordination

with GIRoA, should develop and implement a transition plan to transfer the operation and sustainment of APPS to GIRoA.

The DoD Spent \$26.2 Million on APPS but Continues to Rely on Manual Processes for Salary Payments

CSTC-A paid \$26.2 million to the APPS software development contractor for a system that cannot communicate directly with Afghan systems, relies on the same manually intensive human resource and payroll processes that the system was designed to streamline, and does not accomplish the stated objective of reducing the risk of inaccurate personnel records or fraudulent payments through the use of automated controls. In addition, the MoD and MoI were not using APPS to generate payroll data as of April 2019, even though CSTC-A officials stated that they would only fund salaries based on APPS-generated payroll data when the system was designated fully operational for the MoD in July 2018 and the MoI in November 2018.

Out of the \$26.2 million in payments, we identified \$15.2 million billed on multiple contract line items where the contractor’s performance did not comply with contract requirements. Table 2 identifies the total cost billed on contract line items for the APPS software development contract where the contractor did not comply with contract requirements.

Out of the \$26.2 million in payments, we identified \$15.2 million billed on multiple contract line items where the contractor’s performance did not comply with contract requirements.

Table 2. Costs Billed on Contract Line Items With Identified Non-Performance

| Contract Cost Description | Total Payments |
|-------------------------------------|----------------|
| 1. Integration & Support Services | \$6,174,638 |
| 2. Materials | \$5,524,625 |
| 3. Data Entry & Validation Services | \$3,269,481 |
| 4. Travel | \$196,828 |
| Total | \$15,165,572 |

Source: The DoD OIG.

Furthermore, because APPS does not have an interface with the Afghan biometric system and cannot validate the authenticity of biometric identification numbers manually added to APPS personnel records, the DoD does not have assurance that APPS personnel records are biometrically linked. Therefore, the DoD is still at risk of funding payroll for fraudulent personnel records because CSTC-A implemented APPS without system capabilities required in the contract.

Management Actions Taken to Address Manual Data Entry and Contractor Non-Performance

During the audit, CSTC-A implemented the following corrective actions:

- CSTC-A created a Human Resource Branch, which incorporates the former APPS branch and brings together functional and technical teams under one leader in an effort to further enable APPS goals and objectives.
- CSTC-A officials standardized the manual data entry process by defining input criteria in the previous human resource system for select personnel data fields before initiating the retirement of the previous human resource system and testing the implementation of the remaining modules and system capabilities in January 2019.
- CSTC-A completed the retirement of the previous human resource system for both the MoD and MoI as of April 30, 2019, and proposed three potential courses of action for transitioning APPS to GIRA.

Recommendations, Management Comments, and Our Response

Revised Recommendations

As a result of information received during the audit, we revised the direction of Recommendation 3 to the Commander of the ACC-A instead of the Principal Assistant Responsible for Contracting to accurately reflect a change in the title of the responsible official within the organization.

Recommendation 1

We recommend that the Commander of Combined Security Transition Command-Afghanistan require the Afghan Personnel and Pay System Project Management Office to develop and implement:

- a. **procedures to audit the accuracy of biometric identification numbers and personnel data for Afghan Personnel and Pay System records to ensure personnel records have an authentic biometric identification number and are biometrically linked; and**

CSTC-A Comments

The CSTC-A Chief of Staff, responding for the CSTC-A Commander, agreed with the recommendation to develop and implement procedures to audit the accuracy of biometric identification numbers and personnel data for APPS records. CSTC-A provided draft audit procedures, including an objective, scope, and methodology for the audit and indicated the estimated timeframe for completion of the audit to be 6 to 9 months.

Our Response

Comments from the CSTC-A Chief of Staff addressed the recommendation. Therefore, the recommendation is resolved but will remain open until we verify that the audit procedures include detailed testing methodologies, data analyses, and sampling (statistical vs. nonstatistical), such as the methodology CSTC-A officials used to identify a fake biometric identification number during the course of the audit.

b. corrective action plans that include root cause analysis of, corrective actions, and timelines for:

1. implementing the remaining Afghan Personnel and Pay System capabilities;

CSTC-A Comments

The CSTC-A Chief of Staff, responding for the CSTC-A Commander, agreed with the recommendation and stated that the APPS Project Management Office has received and released all six APPS modules to the CSTC-A human resources management staff for validation and implementation. CSTC-A outlined the APPS Phase III implementation process that includes the integration of the APPS recruitment module for daily recruit processing, enabling initial APPS modular usage for unit administrators in Kabul, and fully integrating the APPS system for the entire MoD. The Chief of Staff estimated that Phase III implementation would be completed in October 2019 and noted that the APPS Project Management Office has deployed five two-person data entry teams to assist with updating records and enrollments at MoD locations. The Chief of Staff further stated that the MoD and MoI will use the APPS payroll process beginning on June 21, 2019, including 100-percent completion and validation of time and attendance data as well as unit and batch pay slips.

Our Response

Comments from CSTC-A Chief of Staff and action taken to develop and implement a corrective action plan addressed the recommendation. CSTC-A provided a plan that outlined the corrective action steps necessary and timeframe for implementation of the remaining APPS modules. We reviewed the CSTC-A implementation plan and confirmed that it contained the elements identified in the recommendation and that it would result in the implementation of the remaining APPS modules. Therefore, the recommendation is resolved, but open. We will close the recommendation once CSTC-A provides documentation showing the modules were implemented.

2. streamlining the data validation efforts;

CSTC-A Comments

The CSTC-A Chief of Staff, responding for the CSTC-A Commander, agreed with the recommendation and stated that once data entry for a personnel record is complete, the record is reviewed at the commissioning board for a second level of approval and validation before being moved from the recruitment module to the training module within APPS. The Chief of Staff also stated that as of June 1, 2019, all un-validated personnel records (those that do not contain the mandatory critical identification fields) are being reviewed and will be marked inactive in APPS. He further stated that between July and August 2019, the APPS Project Management Office plans to conduct spot checks and physical inspections at three MoD and MoI locations to verify that the soldiers and officers are entered into APPS and that APPS operators are sufficiently trained. Finally, the Chief of Staff noted that the APPS Project Management Office will continue and increase these inspections as force protection permits.

Our Response

Comments from the Chief of Staff addressed the recommendation because CSTC-A established a process to ensure only valid personnel records are added to APPS. The new process implemented by CSTC-A eliminates the need to input the data into the previous human resources system (which has been shut down) and has a verification check to ensure a record is valid. The new CSTC-A process replaces the previous process where CSTC-A officials required GIRoA and contractor personnel to travel to MoD and MoI locations throughout Afghanistan to obtain and upload biometric information into an isolated system and manually collected personally identifiable information on a paper form. According to CSTC-A officials, MoD and MoI personnel would then return completed forms 4 to 6 weeks later to Kabul and manually input the data into the previous human resource system.

and subsequently transfer the personnel records to APPS. Therefore, the recommendation is resolved but will remain open until we verify that the commissioning board process and spot check verifications have been implemented.

3. increasing oversight and controls of the process for creating personnel records;

CSTC-A Comments

The CSTC-A Chief of Staff, responding for the CSTC-A Commander, agreed with the recommendation and stated that the APPS Project Management Office and CSTC-A human resources management have established policies and procedures to ensure that the process for record creation has sufficient oversight and controls. The Chief of Staff stated that only one specific unit has the authorization to create records in APPS and that the recruitment module contains controls to prevent unauthorized record creation.

Our Response

Comments from the Chief of Staff addressed the recommendation; therefore, the recommendation is resolved but will remain open. We will close the recommendation once we verify CSTC-A has implemented the controls in the APPS recruitment module.

4. retiring the previous Afghan human resource system; and

CSTC-A Comments

The CSTC-A Chief of Staff, responding for the CSTC-A Commander, agreed with the recommendation and stated that in May 2019, the APPS Project Management Office directed the contractor to place an informative screen on the website for the MoD and MoI versions of the previous human resources system stating that the system had been shut down. The Chief of Staff also stated that the contractor is currently moving remaining files from the previous human resources system into APPS in an inactive status.

Our Response

Comments from the Chief of Staff and actions taken to retire the previous human resource system addressed the recommendation. CSTC-A provided a screenshot of the message that appears when trying to access the previous human resources system to demonstrate it has been shut down. We reviewed the screenshot and confirmed the message indicates that the system has been completely shut

down. In addition, CSTC-A stated that APPS would be used to generate payroll forms as of June 21, 2019. According to the July 2019 semiannual report to Congress on “Enhancing Security and Stability in Afghanistan,” CSTC-A only pays salaries based on validated personnel in the APPS database. Therefore the recommendation is closed.

5. executing the required interfaces with Afghan biometric and financial systems.

CSTC-A Comments

The CSTC-A Chief of Staff, responding for the CSTC-A Commander, agreed with the recommendation and stated that the APPS Project Management Office, in coordination with the ACC-A Commander, is working to resolve the non-performance regarding the development of the required biometrics and Afghan financial systems interfaces with the contractor. The Chief of Staff also stated that the Project Management Office is preparing a government cost estimate to support the ACC-A's demand for consideration from the contractor and will continue to report on contractor non-performance.

Our Response

Comments from the Chief of Staff addressed the recommendation; therefore the recommendation is resolved but will remain open. We will close the recommendation once we obtain and review documentation that CSTC-A has developed corrective action plans to ensure the required interfaces are executed.

Recommendation 2

We recommend that the Commander of Combined Security Transition Command-Afghanistan, in coordination with the Government of the Islamic Republic of Afghanistan, develop and implement a plan to transition the Afghan Personnel and Pay System to Afghan control. The plan should include benchmarks and timelines.

CSTC-A Comments

The CSTC-A Chief of Staff, responding for the CSTC-A Commander, agreed with the recommendation and stated that the APPS Project Management Office has developed a transition plan that will enable the transfer of APPS management to GIRoA in 2020. The Chief of Staff also stated that the transition plan will provide targeted train, advise, assist efforts and program oversight until the transition is complete.

Our Response

Comments from the Chief of Staff addressed the recommendation; therefore, the recommendation is resolved but will remain open. We will close this recommendation once we obtain and review the transition plan CSTC-A implemented.

Recommendation 3

We recommend that the Commander, Army Contracting Command–Afghanistan, in coordination with the Afghan Personnel and Pay System Project Management Office, develop a plan to identify all contract requirements not met on the software development contract and remedy contractor non-performance.

Department of the Army Comments

The Deputy Assistant Secretary of the Army (Procurement), responding for the ACC-A Commander, agreed with the recommendation and stated that the ACC-A will develop a plan, in coordination with CSTC-A's Afghan Personnel and Pay System Project Management Office, to identify contract requirements not met and remedy contractor non-performance. The Deputy Assistant Secretary of the Army (Procurement) stated that the ACC-A, in coordination with CSTC-A, is developing a plan to jointly review contractor performance and requirements to identify areas the Government considers non-performance and document corrective actions taken. The Deputy Assistant projected that the plan to remedy contractor non-performance will be finalized by July 31, 2019, and continuously executed throughout the contract period of performance.

Our Response

Comments from the Deputy Assistant Secretary of the Army (Procurement) addressed all elements of the recommendation; therefore, the recommendation is resolved but will remain open. We will close the recommendation once we obtain and review documentation showing the results of the ACC-A's joint review of contractor performance and corrective actions taken.

Appendix A

Scope and Methodology

We conducted this performance audit from May 2018 through May 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.

We conducted this performance audit with CSTC-A at Resolute Support Headquarters located in Kabul, Afghanistan, and at the ACC-A headquarters at Bagram Airfield, Afghanistan. We limited our review to all planning and implementation efforts related to the APPS development, source data inputs, system performance, and system outputs, because APPS was not fully implemented at the time of the review (July 2018). In addition, the scope of our audit included the APPS software development contract and DoD personnel's efforts related to the APPS project, planning, and implementation.

During the audit, we interviewed CSTC-A officials from the APPS Project Management Office, Force Development, Resource Management, and Capability Development Directorate and the ACC-A contracting officers and supporting specialists to determine roles, responsibilities, and the status of APPS implementation. In addition, we interviewed the APPS software development contractor to observe a system demonstration and identify system controls and capabilities. We reviewed historical and current APPS documentation provided by APPS stakeholders, including the APPS acquisition strategy, briefings, and key system deliverables. We reviewed the APPS software development contract sole source award documentation, contract modifications, performance work statements, monthly surveillance checklists, and invoices. Additionally, we reviewed and analyzed the APPS implementation milestones and status reported to Congress in the OUSD(P)'s "Enhancing Security and Stability in Afghanistan" between June 2015 and June 2018.

Use of Computer-Processed Data

We did not use computer-processed data to perform this audit.

Prior Coverage

During the last 5 years, the DoD OIG and SIGAR issued five reports discussing the control deficiencies within the Afghan Human Resource Information Management System (previous human resource system), as well as the transparency and accountability of U.S. Government funding. Unrestricted DoD OIG reports can be accessed at <http://www.dodig.mil/reports>. In addition, unrestricted SIGAR reports can be accessed at <https://www.sigar.mil/allreports>.

DoD OIG

Report No. DODIG-2017-027, “The Combined Security Transition Command–Afghanistan Needs to Strengthen the Controls Over U.S. Direct Assistance Funding” December 1, 2016

GIRoA and CSTC-A need to implement additional controls to improve continuing shortfalls in GIRoA’s contracting process. Provincial leaders entered into informal agreements with contractors to provide goods and services without the authority to obligate the ministry, which put the contractors at risk of not being paid for goods and services provided. As a result, U.S. direct assistance funding continues to be vulnerable to fraud waste, and abuse. In addition, GIRoA may not be able to fulfill integral requirements reliably. For example, in April 2016, GIRoA submitted a requirement for 195,000 ANDSF uniforms to be funded through an on budget contract.

Report No. DODIG-2014-102, “Government of the Islamic Republic of Afghanistan Needs to Provide Better Accountability and Transparency Over Direct Contributions” August 29, 2014

GIRoA lacked the basic controls to provide reasonable assurance that it appropriately spent \$3.3 billion of Afghan Security Forces Fund direct contributions. These controls are key aspects of a transparent and accountable fiscal process. As a result, CSTC-A could not verify that GIRoA used Afghan Security Forces Fund direct contributions properly or for their intended purposes. In addition, the \$13 billion in additional direct contributions the DoD plans to provide to the ANDSF between FY 2015 and FY 2019 may be subject to wasteful spending and abuse.

SIGAR

Report No. 16-3, "Afghan Local Police: A Critical Rural Security Initiative Lacks Adequate Logistics Support, Oversight, and Direction" October 2015

Since 2010, the DoD has supported the creation, training, equipping, and sustainment of the Afghan Local Police. However, despite hundreds of millions of dollars invested in the program over the last 5 years, the Afghan Local Police lacks adequate logistics support, oversight, and a plan for either disbanding the force or incorporating it into the Afghan National Police. In addition, Afghan Local Police payroll documentation revealed several irregularities, primarily with the data collected and the forms used to facilitate the salary disbursement process. As a result, there are no assurances that unit commanders are accurately reporting subordinate personnel attendance.

Report No. 15-54, "Afghan National Army: Millions of Dollars at Risk Due to Minimal Oversight of Personnel and Payroll Data" April 2015

CSTC-A relies on the MoD and Afghan National Army to collect and accurately report Afghan National Army personnel and payroll data. However, the Afghan National Army's process for collecting unit-level attendance data, upon which all Afghan National Army personnel and payroll data is based, has limited oversight and weak controls, and is not consistently applied across Afghan National Army locations. There are no requirements that supervisory Afghan National Army officials observe attendance data collection at lower-level units. CSTC-A officials are not present during the attendance process, and command officials told SIGAR that they have limited knowledge of and influence over the process. As a result, the U.S. Government will become even more reliant on the MoD's ability to verify the accuracy of the Afghan National Army personnel and payroll data it collects. Unless the MoD develops the capability to ensure and verify the accuracy of this data, there is a significant risk that U.S. funding for Afghan National Army salaries will be wasted or abused.

Report No. 15-26, "Afghan National Police: More than \$300 Million in Annual, U.S.-funded Salary Payments Is Based on Partially Verified or Reconciled Data" January 2015

Despite 13 years and several billions of dollars in salary assistance to the Afghan government for the Afghan National Police, there is still no assurance that personnel and payroll data are accurate. CSTC-A and the United Nations Development Program rely on the MoI and the Afghan National Police to collect and accurately report personnel and payroll data. However, the Afghan National Police's process for collecting attendance data, which forms the basis of all Afghan National Police personnel and payroll data, has weak controls and limited oversight. As a result, there is a significant risk that a large portion of the more than \$300 million in annual U.S. Government funding for Afghan National Police salaries will be wasted or abused.

Appendix B

Potential Monetary Benefits

Table 3 identifies the total cost of the APPS software development contract line items for system development efforts for which we identified contractor non-performance.

Table 3. Summary of Costs Billed on Contract Line Items With Contractor Non-Performance

| Recommendation | Type of Benefit | Amount of Benefit | Account |
|----------------|------------------|-------------------|---|
| 3 | Questioned Costs | \$15,165,572 | Multiple Contract Line Items Will Be Impacted |

Source: The DoD OIG.

Management Comments

Department of the Army



DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY
ACQUISITION LOGISTICS AND TECHNOLOGY
103 ARMY PENTAGON
WASHINGTON DC 20310-0103

SAAL-ZP

MEMORANDUM FOR DEPARTMENT OF DEFENSE INSPECTOR GENERAL,
ATTN: [REDACTED], PROGRAM DIRECTOR, AUDIT READINESS
AND GLOBAL OPERATIONS, 4800 MARK CENTER DRIVE, ALEXANDRIA, VA
22350-1500

SUBJECT: DoDIG Draft Report, Audit of the Planning for and Implementation of the
Afghan Personnel Pay System, Project D2018-D000RJ-0135.000

1. On behalf of the Assistant Secretary of the Army (Acquisition, Logistics and Technology), the Office of the Deputy Assistant Secretary of the Army (Procurement) reviewed the subject draft report and I am providing the official Army position on the subject report.
2. After reviewing the audit draft report, I concur with Recommendation 3 and the Army's response. The enclosure provides the Army's detailed response.
3. The point of contact is [REDACTED], or e-mail:
[REDACTED].

Encl

HAZLETT.STUAR Digitally signed by
T.A. [REDACTED] HAZLETT.STUART.A

Stuart A. Hazlett
Deputy Assistant Secretary
of the Army (Procurement)

Department of the Army (cont'd)



AMCIR

DEPARTMENT OF THE ARMY
HEADQUARTERS, U.S. ARMY MATERIEL COMMAND
4400 MARTIN ROAD
REDSTONE ARSENAL, AL 35898-5000


01 JUL 2019

MEMORANDUM FOR Department of Defense Inspector General [REDACTED]
[REDACTED] Program Director, Audit Readiness and Global Operations, 4800 Mark
Center Drive, Alexandria, VA 22350-1500

SUBJECT: Command Comments on DoDIG Draft Report: Audit of the Planning for
and Implementation of the Afghan Personnel Pay System, Project D2018-D000RJ-
0135.000.

1. The U.S. Army Materiel Command has reviewed and endorses the subject draft report and responses from the U.S. Army Contracting Command.
2. The U.S. Army Materiel Command point of contact is [REDACTED]

Encls
1. ACC Comments
2. DoDIG Report


LISHA H. ADAMS
Executive Deputy to the
Commanding General

Department of the Army (cont'd)



DEPARTMENT OF THE ARMY
U.S. ARMY CONTRACTING COMMAND
4505 MARTIN ROAD
REDSTONE ARSENAL, AL 35898-5000

31 MAY 2019


ASCC-IR

MEMORANDUM FOR [REDACTED] Internal Review and Audit Compliance Office,
Headquarters, U.S. Army Materiel Command, 4400 Martin Road, Redstone Arsenal,
35898

SUBJECT: Department of Defense – Inspector General (DoDIG) Audit Draft Report,
Project No. D2018-D000RJ-0135.000

1. Reference DoDIG Audit Draft Report, Project No. D2018-D000RJ-0135.000, 15 May 2019, subject: Audit of the Planning for and Implementation of the Afghan Personnel Pay System.
2. The Army Contracting Command (ACC) provides the enclosed comments in response to the reference document.
3. The point of contact for this memorandum is [REDACTED] Internal Review and Audit Compliance Office, at [REDACTED]

Encl


KEVIN M. NASH
COL, AR
Chief of Staff

Department of the Army (cont'd)

COMMAND COMMENTS

In Response to May 17, 2019 Request for Comments
On OIG Draft Audit Report

Following, quoted from the audit report, is the OIG recommendation and the Army Contracting Command-Afghanistan (ACC-A) response to the recommendation.

Recommendation 3:

We recommend that the Army Contracting Command – Afghanistan Senior Contracting Official in Coordination with the Afghan Personnel and Pay System (APPS) Project Management Office (PMO):

Develop a plan to identify all contract requirements not met on the software development contract and remedy contractor non-performance.

Command Comments: Concur, with comments

ACC-Afghanistan (ACC-A), in coordination with the Combined Security Transition Command - Afghanistan (CSTC-A), is developing a plan to remedy contractor non-performance. The plan entails jointly reviewing performance against contract requirements, identifying areas the Government considers non-performance, correcting the non-performance in accordance with Federal Acquisition Regulation (FAR) authorities, and documenting performance and actions taken. These collaborative efforts are projected to be finalized NLT 31 July 2019. The plan will be continuously executed throughout the contract period of performance.

Regarding the potential monetary benefit with regard to questioned costs identified by the report, ACC-A is not in position to agree or disagree at this time. If the contractor is able to remedy identified non-conformances, those actions would have a potentially substantial impact to lessen the amount of potential damage to the Government. We will continue to work with the APPS PMO office to determine potential consideration due to non-performance as we concurrently work remedies.

ACC-A has not identified any FOIA concerns in the draft report.

Combined Security Transition Command-Afghanistan



UNCLASSIFIED

HEADQUARTERS RESOLUTE SUPPORT
COMBINED SECURITY TRANSITION COMMAND-AFGHANISTAN
KABUL, AFGHANISTAN
APOAE 09320

DCOS SA/CSTC-A

15 June 2019

MEMORANDUM THRU

United States Forces – Afghanistan DCDR-S, APO AE 09356
United States Central Command (CCIG), MacDill Air Force Base, FL 33621

FOR Department of Defense Inspector General, 4800 Mark Center Drive, Alexandria, VA
22350-1500

SUBJECT: Audit of the Planning for and Implementation of the Afghan Personnel and Pay System Draft Report (Project No. D2018-D000RJ-0135.000)

1. The purpose of this memorandum is to provide the Management Response to the Audit of the Planning for and Implementation of the Afghan Personnel and Pay System Draft Report (Project No. D2018-D000RJ-0135.000).

2. CSTC-A agrees with the below recommendations:

a. CSTC-A Commander require the APPS Project Management Office to develop and implement:

(1) **Recommendation 1a** – Procedures to audit the accuracy of biometric identification numbers and personnel data for APPS records to ensure personnel records have an authentic biometric identification number and are biometrically linked.

(2) **Recommendation 1b** – Corrective action plans that include root cause analysis of, corrective actions, and timelines for (1) implementing the remaining APPS capabilities, (2) streamlining the data validation efforts, (3) increasing oversight and controls of the process for creating personnel records, (4) retiring the previous Afghan human resource system, and (5) executing the required interfaces with Afghan biometric and financial systems.

b. **Recommendation 2** – CSTC-A Commander, in coordination with GIRoA, develop and implement a plan to transition APPS to Afghan control. The plan should include benchmarks and timelines

3. Below are the actions CSTC-A has taken or plan to take to accomplish the recommendations:

UNCLASSIFIED

Combined Security Transition Command-Afghanistan (cont'd)

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a. Recommendation 1a – APPS Program Management Office (APPS PMO), in coordination with the CSTC-A Internal Audit Team, has developed procedures to audit the accuracy of biometric identification numbers and personnel data for APPS records to ensure personnel records have an authentic biometric identification number and are biometrically linked. The CSTC-A draft audit plan and projected timeline are outlined in Enclosure 1. The audit findings and recommendations will be provided to DoDIG when finalized.

b. Recommendation 1b –

(1) Implementation of the Remaining APPS Capabilities:

(a) APPS PMO has received and released all six APPS Modules to the CSTC-A Human Resources Management (HRM) staff for validation and implementation. In addition, the APPS PMO, in coordination with the Commander, Army Contracting Command-Afghanistan (ACC-A) has informed the contractor that the Government will seek consideration or request development of interfaces 5.1.29.1.3. (MOI Biometric Personnel Database), 5.1.29.1.4. (NDS Crime Database), 5.1.29.1.5. (Afghan Financial Management Information System (AFMIS)), 5.1.29.1.6. (National Identification Card Systems, Afghan Passport System, and MOI and MOD Logistics System), 5.1.29.1.7. (Electronic Payroll System) and 5.1.29.1.8. (Web-enabled Payroll System (WEPS)). ACC-A actions to resolve recommendation 3 are outlined in Enclosure 2.

(b) Per DODIG Draft Report comments (page 4), CSTC-A completed Phase II 30 September 2018.

(c) APPS Phase III implementation (October 2018 - October 2019) consists of (3) Test phase plans with the following schedules and details:

(1) APPS Test Phase I (01 Oct 18 – 31 Dec 18). GSG1, ANAREC (Prep administrative responsibilities via APPS Unit Trained user, reviewer, and approver). This test phase focused on the integration of the APPS Recruitment Module for daily recruit processing operational usage at Afghan National Army Recruiting Command (ANAREC) and established the departmental structure for the APPS actions by GSG1 administrators. The additional added units consisted of Afghan National Army Special Operations Command (ANASOC) and Ministry of Defense General Staff (MODGS).

(2) APPS Test Phase II (01 Jan 19 – 31 Mar 19). Prep administrative responsibilities via APPS Unit Trained user, reviewer, and approver. This test phase focused on allowing initial APPS modular usage for the unit administrator which included: Modules-Retirement, Pension, Assignment, Re-contract, Separations, Transfers, Dropped From Roll (DFR), Killed In Action (KIA), Wounded In Action (WIA), Punishment, Promotions, Demotions. Phase II consisted of the following Kabul cluster units: Special Mission Wing (SMW), Unified Training, Education and Doctrine Command (UTED-C), Kabul Military Training

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Center (KMTC), 11th Division, Afghan National Army Special Operations Command, Afghan Air Force (AAF), MODGS, Marshal Fahim National Defense University (MFNDU), and Logistics Command (LOGCMD).

(3) APPS Test Phase III (01 Apr- 31 Oct 19). Prep administrative responsibilities via APPS Unit Trained user, reviewer, and approver. This test phase focused on fully integrating the APPS system for the entire ANA to include the final Corps units. Each phase enabled the identification of operational discrepancies and training deficiencies before allowing full operational usage to the larger capacity units (Corps). Phase III further allowed access to the remaining APPS Modules which includes; Awards, Hospitals, Leave, Temporary Duty (TDY), International Military Training (IMET), Absent Without Leave (AWOL), Missing In Action (MIA), Personnel Status (PERSTA), and Retiree. The final Phase III units: Military Police Guard Command (MP Com), Medical Command (MED Com), Kabul Joint Garrison Command (KGC), Headquarters Service Support Brigade (HSSB), National Engineer Battalion (NEB), 201st Corps, 203rd Corps, 205th Corps, 207th Corps, 209th Corps, and 215th Corps.

(d) MOD-Implementation Phase III pilot began for three units (Recruiting Command, MOD GSG1, and Special Operations Command) on 1 January 2019 and ended on 28 February 2019. The remaining units not included with the pilot, began their Phase III implementation on 1 March 2019. Phase III is continuing to be implemented within the ministry and is scheduled to be completed 1st quarter FY20. The APPS PMO has deployed five two-person data entry teams (ten personnel total) to assist with updating records and enrollments at the Corps locations. As of 2 March 2019, all MOD units were converted to Read Only Access to Afghanistan Human Resource Information Management System (AHRIMS). As of 30 April 2019, Read Access was halted and AHRIMS was discontinued in MOD. To further implement APPS, the MOD will use the payroll process via APPS ONLY. Beginning 21 June 2019, MOD is scheduled to complete the following actions using APPS, 100% completion of Time and Attendance (T&A); 100% completion of consolidation and validation of M41s (unit pay slip that specifies the salary amount for each individual in the unit); and 100% validation of M16s (batch pay slip that combines all the M41s). The APPS PMO is currently conducting reconciliation, using various unit identification codes (UICs), between the manual process and the APPS process in order ensure ANA units are using the correct figures reported in APPS.

(e) MOI-Implementation for Phase III began on 25 February 2019 and is expected to be completed 1st quarter FY 20. This implementation includes validating system workflows, key leader engagements, training, updating user permissions, workshops and organizing system demonstrations to senior leadership. Currently, the MOI's General Directorate of Personnel (GDoP) is reporting about 70% of their personnel enrolled. This is an increase of 25% since December 2018. The Minister of Interior is pressing to have remaining personnel enrolled no later than 15 June 2019. The APPS PMO has deployed five two-person data entry teams (ten personnel total) to assist with updating records and enrollments at the Provincial Headquarters locations. GDoP's focus area is accurate data

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input using the correct process and payroll reconciliation. As of 1 April 2019, all MOI units were converted to Read Only Access to AHRIMS. As of 30 April 2019, all access to AHRIMS was discontinued in MOI. Beginning 21 June 2019, MOI is scheduled to pay the Afghan Local Police (ALP) through APPS only. CSTC-A is continuing to work with the Law and Order Trust Fund of Afghanistan donors and the United Nations Development Program to facilitate the use of APPS Human Resource data to drive the Web-based Electronic Payroll System (WEPS).

(2) Streamlining the Data Validation Efforts:

(a) There are currently seven (7) MOI mandatory critical identification fields with input validation and duplication checks to manually add personnel/recruit records in APPS:

- (1) Name (Dari/Pashto/English).
- (2) Father's Name (Dari/Pashto/English).
- (3) TCN (40 character biometric code).
- (4) Date of Birth.
- (5) Gender.
- (6) Rank (proof required for each rank).
- (7) Enrollment Date (NCOs/Soldiers require a contract).

(b) There are currently seven (8) MOD mandatory critical identification fields with input validation and duplication checks to manually add personnel/recruit records in APPS:

- (1) Name (Dari/Pashto/English).
- (2) Father's Name (Dari/Pashto/English).
- (3) TCN (40 character biometric code).
- (4) Date of Birth.
- (5) Gender.
- (6) Rank (proof required for each rank).
- (7) Personnel Type (existing personnel/new recruits).

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(8) Enrollment Date (NCOs/Soldiers require a contract).

(c) There are also a number of artifacts and additional information required (system level controls) to move the record forward to the Recruitment Module for approval. This process is outlined in the APPS MOD Recruitment, Personnel & Pension Modules Operators User Manual version 1.3.13 dated September 2018 (Enclosure 5). Per Chapter II, Sections 1.1.1 – 1.1.12 (pages 24-50), the below system level controls, submitted by a recruit, must be validated in order for the recruit's APPS record to be approved by the recruitment commissioning board:

(1) Medical Screening (18 fields/artifacts).

(2) Skill Aptitude Test (11 fields).

(3) Guarantor/Sponsor (14 fields).

(4) Relatives (8 fields).

(5) Languages (7 fields).

(6) Education (11 fields).

(7) Beneficiaries (11 fields).

(8) Travel History (6 fields per travel record).

(9) Previous Occupation (10 fields per position).

(10) Children Information (5 fields per child).

(11) Bank EFT Information (4 for account).

(12) Training (1 artifact per training completed).

(d) Once these fields are complete, the record is reviewed at the commissioning board for a second level of approval and authenticity validation at which time the record may then be moved from the Recruitment Module to the Training Module.

(e) As of 1 June 2019, all un-validated personnel records are being reviewed and will be marked inactive in APPS. An un-validated personnel record is one which does not contain the above listed mandatory critical identification fields. Between July and August 2019, the APPS PMO plans to conduct spot checks/physical inspections at three Corps Headquarters and Provincial Headquarters to verify that the soldiers and officers are entered into APPS and APPS operators are sufficiently trained. APPS PMO will increase

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spot checks/physical inspections as force protection permits.

(f) TCN Duplication:

(1) APPS MOD Recruitment, Personnel & Pension Modules Operators User Manual version 1.3.13, Chapter II, page 31 outlines the process to input TCN input into APPS (Enclosure 5). The system allows an APPS operator to check the TCN number after entering the TCN. By checking the "TCN Button"; the system will run a match against all TCNs recorded in the system. If the TCN does not match with a TCN of an existing MOD personnel or recruitment record, the system will accept the entered TCN. If the entered TCN matches with TCN of a MOD active personnel record, the system will not allow the operator to process the record and will display a Warning Message – "An active personnel record with the same TCN is found". The operator will be informed of the active ministry employee record and will not be allowed to enter the recruit.

(g) Streamlining the Pay Process: CSTC-A's current streamlining plan, transitions the MOD from the manual payroll process to the APPS payroll process. During the solar months of HAMAL (21 March – 20 April) and SAWAR (21 April – 21 May), MOD was authorized to use the manual forms to process payroll documents for acceptance in AFMIS. However, for both HAMAL and SAWAR, MOD was required to complete the APPS payroll process, to include 100% completion of Time and Attendance (T&A), consolidation and validation of M41s, and validation of M16s in APPS. The APPS PMO is currently conducting reconciliation, using various unit identification codes (UICs), between the manual process and the APPS process in order ensure ANA units are using the correct figures reported in APPS. The purpose of this reconciliation is to verify APPS pay data is correct for individual soldiers, payroll documents are correct when produced in APPS and users are trained and capable of executing payroll functions in APPS (Enclosure 4).

(1) Beginning in the solar month of JAWZA (22 May – 21 June), MOD is required to complete the payroll process in APPS ONLY, culminating in APPS-generated M41s and M16s. THE MANUAL PROCESS WILL NO LONGER BE ACCEPTED. If any unit in MOD fails to complete the process in APPS, the pay shortage will be reflected in the final CSTC-A disbursement.

(2) For soldiers who do not receive the accurate pay disbursement (base pay and incentives), APPS has a back-pay feature that enables the Ministry to request back-pay for ANA personnel whose salaries and incentives were incorrect. The Ministry must properly submit for back-pay in APPS and have all required documentation prepared prior to processing back-pay.

(3) Currently, budgetary units (Corps and specified units) bring all manual payroll documents (M41s & M16s) to the Ministry of Finance for input into AFMIS. Beginning in SAWAR (21 April – 21 May), MOD implemented a new payroll workflow in the Ministry. Budgetary units (to include Corps Commanders) are no longer authorized to submit their

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payroll documents directly to AFMIS. Upon verification that all APPS electronic M41s and M16s are validated, Corps and Provincial budgetary units must submit these documents electronically directly to the MOD-Finance Payroll Directorate for final processing and input into AFMIS. The MOD-Finance Payroll Directorate serves as the single point of contact for pay in the MOD and the MOD APPS PMO, in coordination with CSTC-A HRM, ensures the electronic APPS payroll process are completed.

(h) Within the MOI, CSTC-A is the funding source for Afghan Local Police (ALP) while international donors fund the Afghan National Police (ANP) through the Law and Order Trust Fund for Afghanistan (LOTFA) that is managed by United Nations Development Program (UNDP). CSTC-A's current plan for ALP will follow the same timelines as MOD for transitioning the ALP from the manual payroll process to the APPS payroll process. Beginning in the solar month JAWZA (22 May – 21 June), ALP must complete the payroll process in APPS ONLY, culminating in APPS-generated M41s and M16s.

(i) The ANP currently receives pay from UNDP's WEPS. WEPS bases the payroll workflow off of non-biometric HR data. CSTC-A is continuing to work with LOTF-A donors and the UNDP to facilitate the use APPS HR data to drive the WEPS payroll.

(3) Increasing Oversight and Controls of the Process for Creating Personnel Records: The APPS PMO in conjunction with CSTC-A HRM, has established policies and procedures to ensure that the process for record creation has sufficient oversight and controls. For oversight, ANAREC is only unit that can create a record in APPS. For controls, ANAREC uses the Recruitment Module to create a record. The Recruitment Module is the only module where a record can be created. Excerpt from the Recruitment, Personnel & Pension – MOD Operator Manual, Chapter II, 1.0 Recruitment are outlined in Enclosure 5.

(4) Retiring the Previous Afghan Human Resource System: APPS PMO transitioned AHRIMS from Read/Write to Read Only for MOD on 1 March 2019 and for MOI on 1 April 2019. MOD lost Read Only access on 1 April 2019 and MOI lost Read Only access on 30 April 2019. On 11 May 2019, the APPS PMO directed the contractor (Netlinks) to place informative screen on both IP addresses for MOD & MOI AHRIMS (Enclosure 6). Currently Netlinks is moving the remaining files from AHRIMS MOD (~2,000) and MOI (~23,000) to APPS in an "INACTIVE" status. Backups will be made and kept in safes at MOD, MOI, Netlinks and Resolute Support. As of 1 June 2019, AHRIMS was officially retired and powered down. The equipment (servers) will be sanitized and placed into the APPS suite for utilization.

(5) Executing the required Interfaces with Afghan Biometrics and Financial Systems: APPS PMO, in coordination with Commander, ACC-A is working 5.1.29.1.3. (MOD Biometric Personnel Database interface) and 5.1.29.1.5 (AFMIS interface) issues with the prime contractor. APPS PMO is preparing a Government Cost Estimate (GCE) to support ACC-A's demand for consideration and will continue to

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report noted contractor non-conformance.

c. Recommendation 2 – APPS PMO has developed a transition plan which will enable the transfer of APPS management to GIRoA in 2020. However, to mitigate risk, if the Afghan Program Management Office is not ready to manage/fund APPS and if GIRoA has not forecasted for an APPS contract, CSTC-A will provide targeted TAA and program oversight until transition is complete. Additionally, while CSTA-C funds ANA salaries and provides APPS numbers for WEPS, disbursement of LOTFA funds for ANP salaries, CSTC-A remains chair of the APPS Configuration Control Board.

d. Recommendation 3 – CSTC-A strongly supports the actions Commander, ACC-A is taking to resolve the contractor deliverable failures listed in Enclosure 1. APPS PMO is enabling this action through the preparation of a GCE and continued reporting of noted contractor non-conformance.


4. CSTC-A appreciates DODIG's audit to determine whether the DoD's planning and system capabilities of APPS will result in a system that will accurately track and pay Afghan forces and strongly recommend closure of recommendations 1 and 2.

5. Additional CSTC-A comments are embedded in Enclosure 7, DODIG APPS Audit Draft Report.

6. Points of contact [REDACTED]

7 Encls

1. CSTC-A Draft Audit Plan
2. ACC-A Memo dtd 22 May 19
3. APPS MOD and MOI Phase III Master Schedule
4. APPS MOD Streamline Payroll Process
5. APPS MOD Operators Recruitment Module Manual
6. AHRIMS Shutdown Placard
7. DODIG APPS Audit Draft Report w/embedded comments


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Acronyms and Abbreviations

| | |
|---------------|--|
| ACC-A | Army Contracting Command–Afghanistan |
| ANDSF | Afghan National Defense and Security Forces |
| APPS | Afghan Personnel and Pay System |
| COR | Contracting Officer’s Representative |
| CSTC-A | Combined Security Transition Command–Afghanistan |
| GIROA | Government of the Islamic Republic of Afghanistan |
| MoD | Ministry of Defense |
| Moi | Ministry of Interior |
| OUSDP | Office of the Under Secretary of Defense for Policy |
| SIGAR | Special Inspector General for Afghanistan Reconstruction |

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