



DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
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OPNAVINST 8015.2A
N411
15 May 01

OPNAV INSTRUCTION 8015.2A

From: Chief of Naval Operations

Subj: CONVENTIONAL ORDNANCE INVENTORY ACCOUNTABILITY

Ref: (a) DoD 4000.25-2-M, 1 May 87, (Chg 5 12/20/00)
Military Standard Transaction Reporting and
Accounting Procedures (MILSTRAP)
(b) OPNAVINST 5530.13B, Department of the Navy Physical
Security Instruction For Sensitive Conventional
Arms, Ammunition, and Explosives
(c) OPNAVINST 8020.14/MCO P8020.11, Department of the
Navy Explosives Safety Policy

Encl: (1) Definitions
(2) Ordnance Inventory Accountability Performance
Checklist
(3) Ordnance Inventory Statistical Process Control
Sampling Guidance
(4) Ordnance Inventory Accountability Reporting
Requirements

1. Purpose

a. To issue policy regarding the accountability for
conventional ordnance inventory.

b. To assign responsibilities for achieving and sustaining
ordnance inventory accuracy.

c. To establish ordnance inventory accuracy performance
objectives.

d. To establish reporting requirements for ordnance
inventory accountability statistics.

e. To implement provisions of Chapter 7, reference (a).

2. Cancellation. OPNAVINST 8015.2 and OPNAV Report Symbols
8015-1 and 8015-2.

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3. Background. The integrity of our stockpile and the accuracy of our inventory records are the basis for ordnance positioning, Fleet support, readiness assessment, and ultimately requirements determination and ordnance acquisition programs. It is essential that inventory accuracy and control processes are effectively and diligently employed to achieve ordnance inventory accountability, safety, and security.

4. Scope and Applicability

a. Materiel Inclusions. This instruction applies to material in any condition held in Navy inventory records or in contracted custody, and classified as ordnance, inert ordnance cognizance materiel and ordnance containers/packaging items designated as reusable. This instruction does not apply to nuclear weapons, ballistic missiles, or biological and chemical weapons.

b. Command and Activities. This instruction applies to all naval activities that store conventional ordnance, including sonobouys and Marine Corps Class (V) aviation ordnance. All government and contractor personnel involved with naval ordnance production, life cycle and operational logistics support, and information systems management are included in this instruction. All Claimants/Commands, Type Commanders, and Regional Commanders with subordinate commands and activities that handle or store naval ordnance are also included within the scope of this instruction for purposes of inventory accuracy oversight, corrective action, and training. Shore activities with large customer bases, high throughput, and/or large amount of stock under management are designated as primary stock points with special inventory requirements as stated within this instruction.

c. Enclosure (1) provides a list of definitions used within this instruction.

5. Objectives

a. Strengthen ordnance accountability by improving inventory accuracy, asset visibility, and the supporting inventory management processes.

- b. Define inventory accuracy and management standards.
- c. Focus command attention on ordnance inventory management and stewardship as a primary element of successful mission accomplishment.
- d. Introduce random statistical sampling as a means to more effectively measure inventory accuracy, per reference (a).

6. Policy

a. Ordnance inventory accuracy is a Chief of Naval Operations (CNO) special interest item. An Ordnance Inventory Accountability Program, based on the guidance in references (a) and (b), and this instruction, shall be established and monitored by each command/claimant whose subordinate activities hold ordnance. Activity or unit performance measured against ordnance inventory accuracy standards set forth in paragraph 9, will be specifically and separately identified in the formal results of command audits, Explosives Safety Inspections (ESIs), and external inventory accountability reviews.

b. Conventional Ammunition Integrated Management System (CAIMS) is the total item property record within the Navy. CAIMS provides the complete range of data supporting requirements determination, ordnance acquisition logistics, and operational logistics. This record is accessible and shared by all users of ordnance logistics data. Inventory accuracy policy described herein is intended to ensure the real time accuracy of CAIMS. All naval activities are required to use the Retail Ordnance Logistics Management System (ROLMS) to report to CAIMS as the official station accountability record for ordnance assets.

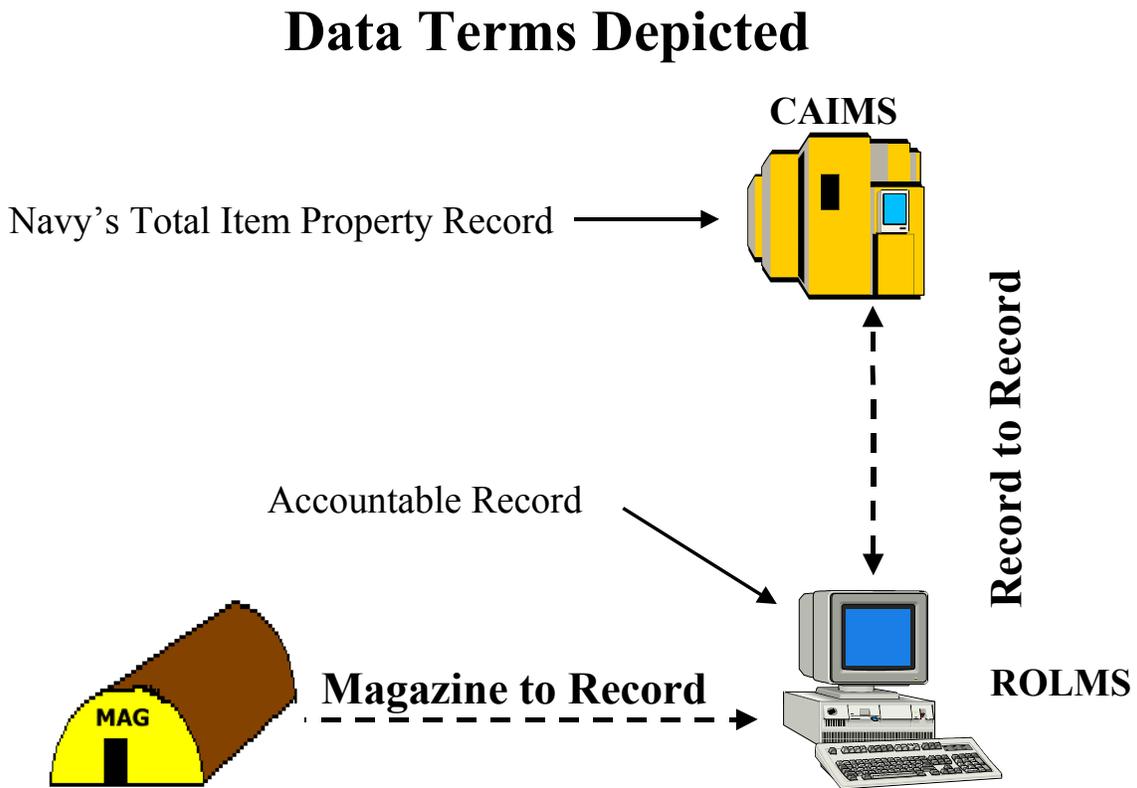
c. Security is the first line of defense for physical inventory control and accountability. All activities and units included in the scope of this instruction will comply with the physical security standards as set forth in reference (b).

d. The Commanding Officer (CO)/Officer-in-Charge (OIC) is responsible for and shall ensure that ordnance inventory recordkeeping, accountability control, reconciliation, and

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reports that update CAIMS are promptly and accurately recorded. These functions are critical for successful mission planning and accomplishment. ROLMS is the official stock record and will reflect activity/unit level accountability. Ordnance accountability is defined in enclosure (1). Figure 1 depicts the record-to-record relationship between CAIMS and ROLMS and the ROLMS record-to-magazine relationship at the unit level.

Figure 1.



e. Inventory accountability is a fundamental responsibility of command. Accordingly, staffing and funding for Inventory Accountability Program functions shall be the responsibility of individual commands/claimants. Enclosure (2) is provided as an inventory accountability management tool. All naval activities shall prepare this checklist monthly and retain for a period of three years. This checklist provides COs with a snapshot assessment of processes affecting inventory accountability.

f. One of the primary factors negatively impacting ordnance inventory accountability/accuracy is tracking ordnance while in-transit. Ordnance that has been shipped is reported in an "in-transit" status until the receiving activity submits a receipt Ammunition Transaction Report (ATR) or Transaction Item Report (TIR). This is true whether the shipper is an inland depot or the ammunition ship alongside during underway replenishment. The true status and location of the in-transit ordnance is not readily accessible. In-transits affect a significant percentage of our most critical ordnance during major Battlegroup uploads and downloads and can disable efforts to respond to a contingency deployment. Accordingly, special management attention and discipline is required to ensure that in-transit ordnance is closely monitored and controlled. The following custody/responsibility policies are invoked for in-transit ordnance and apply to all naval activities receiving/storing and/or shipping ammunition:

(1) Ordnance in-transit is accountable to shipping activity/unit until confirmation of receipt by consignee (receiving activity).

(2) Unmatched issue or disputed receipt transactions will be reconciled from in-transit status within 90 days.

(3) Receipts, issues, and status changes mandate document posting and processing into ROLMS. ROLMS will update the CAIMS database through a TIR (ROLMS Full-level users only) or ATR. TIRs/ATRs are required to be submitted within the following time frames:

(a) All transactions involving High Risk Categories I and II (CAT I and CAT II): 24 hours (1 working day).

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(b) Major ammunition load/offloads or at sea evolutions by ammunition ships, large deck amphibious ships (i.e. AE, T-AE, AOE, LHA and LHD), and aircraft carriers shall be reported within 72 hours of the respective evolution.

(c) All other transactions: 48 hours (2 working days).

g. ESIs required by reference (c), will include an Inventory Management Critical Program, identified as a pillar. An Inventory Accuracy Assessment will be a critical element of the pillar at primary stock points.

h. Inventory accuracy deficiencies, identified via the monthly checklist [enclosure (2)], an ESI finding, station sampling or inventory results, shall require Claimant/CO to determine if an Ammunition Management and Accountability Review (AMAR) or other remedial action requiring off-station assistance is required.

i. The Navy Inspector General and Director, Naval Audit Service may include ordnance inventory accountability reviews in their scheduled command inspections and/or audits.

j. All subordinate directives concerned with ordnance inventory accountability procedures must comply with this instruction.

7. Physical Inventory/Sampling Requirements

a. All naval activities with ordnance accounts shall conduct scheduled physical inventories on all items for which they are accountable as specified below:

(1) Category I (Controlled Inventory Item Codes (CIIC) 1, 5, and 6): 100 percent physical inventory conducted semi-annually.

(2) Category II (CIICs 2, 8, and S): 100 percent physical inventory conducted annually.

(3) All other ordnance inventory: Either 100 percent physical inventory conducted annually or an annual statistical estimation sampling process that provides a reasonable assurance that the property accountable records meet the standards of this instruction with a 95 percent level of confidence (maximum margin of error of 2 percent).

b. Naval shore activities identified as primary stock points by Naval Ammunition Logistics Center (NAVAMMOLOGCEN) shall conduct weekly random Statistical Process Control (SPC) sampling of the activity's total ordnance inventory other than CAT I and CAT II (High Risk) materiel. Enclosure (3) provides guidance on the use of a SPC sampling program.

c. Sampling results shall be reported monthly to NAVAMMOLOGCEN in accordance with enclosure (4). NAVAMMOLOGCEN will consolidate and generate inventory accuracy statistics for dissemination via the NAVAMMOLOGCEN Ordnance Assessment Portfolio (OAP).

d. Wall-to-wall inventories are optional for activities conducting sampling on Moderate and Low Risk materiel described in 7a(3) above.

e. All naval activities will perform periodic magazine-to-record location surveys in accordance with reference (a) requirements. Materiel-to-record checks must be accomplished as a separately evaluated process through either random sampling or as part of a wall-to-wall inventory.

f. In the event of a change of accountable officer or change of command, activities will conduct a physical inventory required by 7a(1) and (2), regardless of the length of time since the most recent inventory(ies). The incoming CO/Accountable Officer shall also review the latest station sampling statistics and monthly CO report [enclosure (2)] and indicate the results in his/her relieving letter.

g. OPNAVINST 3100.6G and reference (a) provide guidance for reporting Navy-owned ordnance that cannot be accounted for. Prior to reporting missing, lost, stolen, or recovered ordnance, the activity shall make every effort to verify inventory stock records to ensure asset counts are both accurate and complete.

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8. Location Reconciliation (ROLMS to CAIMS Record-to-Record Comparison). Periodic location reconciliation (ROLMS to CAIMS record-to-record comparison) is required to ensure local records match the master CAIMS database. Activities will send Balance Transactions ("B&T" transactions for ATR reporters and "DZH" transactions for TIR reporters) to NAVAMMOLOGCEN for all records to allow a comparison between ROLMS on-hand balances and the CAIMS database. NAVAMMOLOGCEN and the respective activity will coordinate completion of the required record reconciliation. Location reconciliation is required under the following conditions:

a. Annually. Primary stock points will balance records according to the schedule provided by NAVAMMOLOGCEN. All other activities will schedule their individual annual record-to-record comparison.

b. Upon notification by NAVAMMOLOGCEN of an out-of-balance (OOB) transaction.

c. When the Ordnance Inventory Accountability Performance Checklist item for OOB records indicate CAIMS to ROLMS record to record accuracy is less than the established standard.

9. Inventory Accuracy Standards

a. The ordnance inventory standard for record-to-record accuracy is the number of accurate CAIMS line items compared to total population, based on quantity/count, and expressed as a percentage.

b. Standards established at the station/ship or record-to-magazine level are based on the following ROLMS station line item attributes: Quantity/count, Material Identification (Cognizance, National Stock Number, Ownership/Purpose/Activity Classification Code, Condition Code, and Serial/Lot Numbers), and Material Stowage (building/grid).

c. Inventory accuracy standards are established for each of three risk-based inventory groups of the conventional ordnance inventory and described in the following matrix:

Inventory Accuracy Standards					
Risk Based Inventory Groups		Location Reconciliation	Station Line Item Record Accuracy		
No.	Elements	Record-to-Record	Count	Material ID (Cog, C/C, Lot, Ser #, NSN, NALC)	Material Stowage (Bldg/Grid)
I	<u>HIGH RISK</u> CIICs: 1, 2, 5, 6, 8, S	99.5%	100%	100%	100%
II	<u>MODERATE RISK</u> CIICs: 3, 4, 9, A, B, C, D, P, 7, U - all explosives not in High Risk group	99.5%	95%	95%	95%
III	<u>LOW RISK</u> CIICs: J, 7, U, Blank - all inert other than C or S,	99.5%	92%	92%	92%

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d. Although the inventory accuracy standards established above are different for each risk group, the overall inventory accuracy goal is 95% in conformance with paragraph C7.2.12.4 of reference (a). Overall inventory accuracy is computed by dividing the number of correct attributes (count, material identification, and stowage location) by the sample size in each risk group, multiplying the result of that calculation by the percent each risk group weighs to total sample population, and adding the three resultant sums.

e. The magazine-to-record location survey accuracy standard is 98%.

10. Actions and Responsibilities

a. Chief of Naval Operations (CNO). CNO (N41) will:

(1) Establish ordnance accountability policy, objectives, and standards, including periodic updating of this instruction.

(2) Serve as resource and functional sponsor for ordnance accountability functions and activities.

(3) Review Navy-wide ordnance inventory accountability performance trends.

b. Commander, Naval Supply Systems Command (COMNAVSUPSYSCOM). COMNAVSUPSYSCOM shall assist CNO (N41) in monitoring and reporting inventory accuracy statistics and trends.

(1) Develop and issue ordnance accountability procedures for naval cognizance materiel as prescribed in reference (a).

(2) Include Accountability Program resource requirements in headquarters/field organization annual Program Objective Memorandum (POM) budget submissions.

(3) Define requirements and coordinate development of Automated Information Systems (AIS) and Automated Identification

Technology (AIT) hardware, database, and applications to support ordnance inventory accountability. Develop and coordinate maintenance support for all ordnance inventory management related AIS, AIT, and software packages.

(4) Conduct periodic Inventory Accuracy Forums to discuss ordnance accountability related matters for major claimants/commands and interested activities.

(5) Coordinate with Chief of Naval Education and Training (CNET) to develop and implement formal Ordnance Accountability and Inventory Management Training for proficiency certification of officer, enlisted, and civilian personnel within the naval ordnance community.

(6) Monitor ordnance-related course materials/curricula for currency and adequacy of subject matter taught and course materials provided to ensure continued applicability and accuracy.

(7) Coordinate with Chief of Naval Personnel (CHNAVPERS) and the respective claimants to define training requirements for ordnance inventory accountability billets.

(8) Coordinate with the Single Manager for Conventional Ammunition (SMCA) and other service stock points where Navy-owned ordnance is positioned to ensure naval ordnance in SMCA/other service custody meets inventory accuracy requirements delineated in this instruction.

(9) Conduct Ordnance Inventory Accountability Assessment in support of ESIs.

(10) Monitor and continually provide inventory accuracy statistics via the OAP for individual units/stations/claimants to include:

(a) Monitor compliance with physical inventory, random sampling location audit, and location reconciliation scheduling and performance requirements.

(b) In-transits and reconciliation of aged unmatched issue and disputed receipt transactions.

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(11) Develop, compile, and maintain a corporate information system to include naval ordnance accountability performance statistics for trend and comparative analysis of the primary and secondary stock points.

(12) Provide ROLMS and AIT training and support directly to Fleet units as coordinated with Fleet Commander-in-Chiefs (CINCs)/Marine Forces (MARFORs).

(13) Schedule and conduct AMARs requested by Major Claimants/Commanders/COs.

(14) Establish a list of primary ordnance stock points and post on the NAVAMMOLOGCEN OAP. Update the list annually.

c. Commander, Naval Sea Systems Command (COMNAVSEASYSKOM):

(1) Incorporate random statistically valid inventory accuracy samplings as a component of the ESI Program.

(2) Establish inventory management as a pillar of the ESI Program.

(3) With NAVAMMOLOGCEN input, schedule activities for random statistical inventory accuracy samplings to be conducted during their ESI.

d. Chief of Naval Education:

(1) In conjunction with COMNAVSUPSYSCOM, develop and provide training courses, curricula and training materials in support of ordnance inventory accountability related training requirements.

(2) Include resource requirements to support Ordnance Inventory Accountability Training in CNET POM budget submissions.

(3) Include Ordnance Inventory Accountability Training in "A" and "C" schools for ordnance ratings.

(4) Include ordnance inventory accountability subjects in advancement examinations for ordnance related ratings.

(5) Include Ordnance Inventory Accountability Training in Prospective CO/Prospective Executive Officer shore and sea pipeline training.

(6) Include Ordnance Inventory Accountability Training in Ordnance Officers' Career Progression Courses.

e. Chief of Naval Personnel (CHNAVPERS). Ensure Ordnance Inventory Accountability Training identified by COMNAVSUPSYSCOM is provided in inventory accountability billet pipelines and that training requirements and skills for these billets are identified to allow assignment of properly trained and experienced personnel.

f. Major Claimants/Commands

(1) Establish and monitor Inventory Accountability Programs within subordinate commands, and issue implementing guidance to ensure compliance with key inventory accountability events and performance standards. Include at a minimum:

(a) Compliance with physical inventory, location audit and location reconciliation scheduling, and performance requirements.

(b) Reconciliation of aged unmatched issue and disputed receipt transactions.

(c) Timely and accurate transaction reporting, ROLMS/CAIMS OOB reconciliation, receipt and issue processing times, PLR, suspended ATRs, and situation reports as may be required for missing munitions.

(2) Include ordnance inventory accuracy and accountability assessments as part of command inspection and internal review checklists.

(3) Include sufficient funding in POM budget submissions to support ordnance accountability objectives as an inherent part of the command's military mission.

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(4) Ensure ordnance accountability and ordnance inventory accuracy performance indicators are identified as appropriate in officer fitness reports for subordinate commanding officers/officers in charge of activities primarily involved in ordnance inventory management functions. (USN only)

(5) Monitor station compliance with Inventory Accuracy Officer assignments and responsibilities.

(6) Monitor OAP status and ensure remedial action is taken to ensure positive performance trends are maintained.

(7) Request AMARs, as required, to provide assessment, corrective action and remedial training to activities with substandard inventory accuracy performance.

g. COs and OICs

(1) Establish and conduct an Internal Command Inventory Accuracy and Accountability Performance Monitoring Program. Periodically review:

(a) Ordnance Inventory Accountability Performance Checklist, [enclosure (2)].

(b) Ordnance-related Navy training course participation (percentage of required training completed).

(c) On-the-job training in basic skills and local procedures (percentage of required training completed).

(2) Assign well-qualified and trained officers or equivalent grade level civilians to the inventory accuracy officer billet at primary stock points.

(3) Conduct local training programs and utilize formal training courses to ensure that local magazine custodians, record keepers, and managers have the proper skills and knowledge for maintaining local inventory accuracy and accountability of ordnance assets.

(4) Include, as appropriate, ordnance inventory accuracy performance and accountability achievements in

officer/enlisted/civilian performance appraisals for individuals whose assigned duties are primarily ordnance management and stowage. (USN only)

h. Acquisition/In-Service Managers

(1) Include contractual provisions for 2D bar coding and vendor submissions of ATRs in all contracts for new production and/or repair of ordnance materiel.

(2) Ensure administrative contracting officers monitor the execution of vendor ATR submission requirements included in contracts.

(3) Provide listings of all current contracts involving ordnance production and repair identifying those with contract provisions requiring vendor ATR submissions to NAVAMMOLOGCEN.

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United States Transportation Command

OPNAV (N4, N41, N7, N86, N87, N88)

Definitions

Ammunition Management Accountability Review (AMAR):

On-site reviews, conducted by the NAVAMMOLOGCEN, and targeted primarily at activities whose performance trends are suspect. Trends are determined by review of accountability performance statistics. AMARs may also be specifically requested by Claimants/Commands, Type Commanders, Regional Commanders, Commanding Officers, or scheduled as a result of an inspection report.

Attributes. The following criteria will be evaluated in determining if the condition and markings of ordnance materiel is accurate when compared with its respective station line item inventory record:

- 1) COG
- 2) NSN
- 3) OWNERSHIP Code
- 4) PURPOSE Code
- 5) ACTIVITY Classification Code (ACC)
- 6) CONDITION Code
- 7) SERIAL/LOT NUMBERS
- 8) LOCATION (BLDG/GRID)
- 9) QUANTITY

CAIMS Line Item. The inventory record within CAIMS uniquely identified by a combination of: quantity, cognizance symbol, NSN/NALC, condition code, owner/purpose/ACC.

Common Variance. Revealed in the scattering of data (points) within the control chart bounds of the upper and lower control limits. Such variance is common to "in-control" processes, and is typically caused by factors that can be difficult to isolate/change: procedures, equipment limitations, workers' aptitude, etc.

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Control Chart. A chart that depicts process data plotted over a period of time. Imposed on the chart are upper and lower (control) limits drawn on either side of the process (data) average which may also be labeled as the "centerline", or mean.

Control Limits. Statistical bounds above (upper control limit) and below (lower control limit) the centerline, used to differentiate between common and extraordinary variance, warranting separate and distinct actions.

Extraordinary Variance. Revealed in the plotting of data (points) outside of the control chart bounds of the upper and lower control limits. Such variance is usually easy to eliminate, and is generally caused by special circumstances: equipment failure, the addition of a new worker, receipt of bad materiel, etc.

In-Control Data. Control chart data points which plot inside the area bounded by the upper and lower control limits.

In-Control Process. A control chart that contains data points, all of which plot inside the area bounded by the upper and lower control limits.

Inventory Accuracy Indicators. Sample or reported statistical indicators of the estimated degree to which local stock records adequately portray the actual quantities, purpose, and conditions of ordnance assets on hand at selected sites. Accuracy can be evaluated for total stock or by selected ordnance stock strata (such as Controlled Inventory Items Code (CIIC) risk category, cognizance symbol, commodity group, or magazine/stowage site). Indicator definitions are:

(1) **Station Line Item (SLI) Record Accuracy.** Measured by comparing physical inventory counts to posted Retail Ordnance Logistics Management System (ROLMS) stock record data at the cognizance, national stock number (NSN), ownership/purpose/activity classification code (ACC), condition code, quantity, location (bldg/grid), lot/serial number level.

Enclosure (1)

Differences in any of the seven data elements are recorded. The number of SLIs without errors divided by the total number of SLIs reviewed multiplied by 100 equals the accuracy percent. Example: 482 SLIs with NO errors/500 SLIs reviewed X 100 = 96.4%.

(2) **Location Reconciliation/Record-to-Record Accuracy:** Comparison of ROLMS asset and serial lot data to the corresponding Conventional Ammunition Integrated Management System (CAIMS) record. If the records do not agree they are considered to be "Out of Balance" (OOB) and must be corrected by the activity with the assistance of NAVAMMOLOGCEN.

Inventory Groups. Three separate segments, or groups, of the ordnance inventory will be assessed. Each of the groups will be considered an individual lot, subject to separate inspection samplings.

<u>Inventory Group</u>	<u>Line Item Composition by CIIC</u>
High Risk - (CAT I/II)	CIICs 1,2,5,6,8,S,
Moderate Risk - (CAT III/IV)	CIICs 3,4,9,A,B,C,D,P, 7 (explosive) and U (explosive)
Low Risk - (Other)	Blank CIIC, J,7 (inert) and U (inert)

Ordnance. Explosives, chemicals, pyrotechnic and similar stores, e.g., bombs, guns and ammunition, flares, smoke, napalm. For purposes of this instruction, ordnance includes materiel assigned cognizance symbol 2D, 2E, 2T, 4E, 4T, 6T, 8E, 8T, 8S, 8U.

Ordnance Accountability. The duty of accounting for materiel that is or has been in the custody of an activity. Accountability includes:

- (1) Responsibility for ordnance custody, care, receipt, storage, and issue.
- (2) Safeguarding and re-warehousing.

Enclosure (1)

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- (3) Physical inventory and research.
- (4) Location survey/reconciliation.
- (5) Quality control checks.
- (6) Discrepancy report initiation, research, and resolution.
- (7) Investigation and assessment of financial liability for loss, damage, and destruction of government property.
- (8) Appropriate actions to ensure that the physical on hand quantity and the total item property record are in agreement.

Ordnance Assessment Profile. A NAVAMMOLOGCEN-maintained suite of information products, activity specific ordnance accountability, metrics included, which can be referenced at the NAVAMMOLOGCEN website.

Out-of-Control Data. Control chart data points which plot outside the area bounded by the upper and lower control limits.

Physical Inventory. The physical count of ordnance in storage at a stock point for the purpose of verifying the balance reflected in the accountable recorded stock balance. A physical inventory consists of physical counts, post-count validation, pre-adjustment research, and causative research.

Magazine-to-Record: The physical inventory of an entire storage location against an activity's accountable record (generally referred to as a wall to wall). For example, an entire magazine may be inventoried and compared to ROLMS.

Record-to-Magazine: The comparison of ROLMS asset records to actual magazine assets by verifying one or more SLIs from an activity's accountable record. For example, a sample of SLIs within ROLMS is selected and verified by physical count.

Record-to-Record Accuracy: This is a comparison of ROLMS asset and serial lot data to the corresponding CAIMS record. If the records do not agree, they are considered to be "OOB" and must be corrected by the activity with the assistance of NAVAMMOLOGCEN.

Enclosure (1)

Sampling Methodology. Statistical process control (SPC) refers to the use of control charts to analyze processes.

Self-Assessment. As defined within the context of this enclosure, the use of SPC methodology to self-monitor the accuracy of inventory management processes.

Standards. The standards identified in paragraph 9 of the basic instruction are applicable.

Station Line Item. The accountable record within ROLMS uniquely identified by a combination of cognizance symbol, NSN/NALC, condition code, owner/purpose/ACC, lot/serial number, quantity and location (building/grid).

Variance. The amount of variability, or degree of difference, among data. Every process has some variance. For SPC purposes, variability is separated into two distinct categories: common and extraordinary.

Ordnance Inventory Accountability Performance Checklist

For the Month of: _____ Prepared: _____ (Date)

Station Line Items Inventoried and/or Sampled
(Wall-to-wall and Self-assessment data combined if/as necessary)

High Risk (CAT I & II)	This Month	Year to Date
SLI Inventoried or Sampled	_____	_____
SLI with errors	_____	_____
Accuracy Percentage	_____	_____ [Goal 100%]

Medium Risk (CAT III & IV)	This Month	Year to Date
SLI Inventoried/Sampled	_____	_____
SLI with errors	_____	_____
Accuracy Percentage	_____	_____ [Goal 95%]

Low Risk (CAT Other)	This Month	Year to Date
SLI Inventoried/Sampled	_____	_____
SLI with errors	_____	_____
Accuracy Percentage	_____	_____ [Goal 92%]

Inventory Adjustments (Materiel Gains & Losses)

	CAT I & II	CAT III & IV	Other
# of adjustments:	_____	_____	_____
[# of documents processed during the month: ATR reporters, # of GANPI/LOSPI; TIR reporters, # of D8A/D9A]			
# items being reconciled:	_____	_____	_____

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In-transits - Materiel Shipped, but Activity Receipt Not on File

Total # of DA/DF records: _____ Dollar Value: _____

DA/DF records > 90 days old: _____ Dollar Value: _____

[Goal for > 90 days = 0]

Out-of-Balance Records
(Quantity Mismatch, ROLMS to CAIMS Total Asset Visibility)

of OOB records: _____ % of total activity records: _____
[Goal < 0.5%]

Date of latest ROLMS to CAIMS reconciliation: _____
(TIR activities, annual DZH/A; ATR activities, yearly B&T) [Goal = annually]

Periodic Lot Reporting
(Quality control/ammo reclassification tracking capability)

Monthly transmittal completed: YES / NO Msg DTG: _____
(Due between the 1st - 8th of each month)

Ammunition Transaction Reporting

Has a notification of missing/suspended ATRs
been received (by e-mail/FAX/NavMsg): YES / NO
ECD: _____

Last ATR submitted: ATR# _____ Msg DTG: _____

Remarks:

Ordnance Officer's Signature/Date

Enclosure (2)

Ordnance Inventory Statistical Process Control Sampling Guidance

I. Sampling and Statistical Process Control Guidance

a. Purpose. The purpose of sampling and Statistical Process Control (SPC) and its application to ordnance inventory management is to:

(1) Provide a more efficient and revealing depiction of station inventory accuracy.

(2) Provide a diagnostic tool to help managers identify the need for process refinement and make better decisions, regarding the use of limited ordnance handling and storage resources.

(3) Enhance awareness throughout the workforce of the importance for quality control initiatives and promote participation in inventory management practices.

b. Tools. The following automated products are provided for station/activity use, the coordinating office for these products is Naval Ammunition Logistics Center (NAVAMMOLOGCEN) (Code 093):

(1) The Sampling application in the Retail Ordnance Logistics Management System (ROLMS) will randomly select Station Line Item (SLI) records for each/any of the ordnance inventory groups that need to be sampled. Samples from any non-ROLMS activities will be selected by other means, ensuring the integrity of the randomness of the draw. For purposes of reducing workload, a sample may be bounded by location to the level of magazine or building. However, if this is done, the locations must be scheduled so that each asset or SLI is subject to a similar probability of inspection on an annual basis.

(2) An Excel-based SPC spreadsheet application will be distributed by NAVAMMOLOGCEN to those activities that desire to conduct sampling by this methodology. The application processes

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user-input inventory audit results and automatically calculates all of the necessary statistical parameters to produce summary statistics and control chart graphics.

Note: The use of this specific product is highly recommended, but not mandatory. Commercial products, or locally developed applications may be used instead. Whatever product is used must produce a statistically accurate, reportable process average, as well as associated control limit values.

c. Process. At the start of the sampling process, for activities with more than 2400 Station Line Items (SLI), a minimum of 20 (moderate risk) and 20 (low risk) items will be sampled each week. For activities with less than 2400 SLI, a minimum of 10 (moderate risk) and 10 (low risk) items will be sampled each week. The sampling process will only include a record-to-materiel check. Each randomly selected SLI will be checked for accuracy against the SLI record accuracy attributes identified in paragraph 9 of the basic instruction.

In the event that the displacement between the centerline (average process value) and either control limit exceeds 15 percentage points, additional samples will be taken until the offset attained is less than 15 percent.

In the event that the process average (centerline value) is calculated to be below 85 percent, the activity will perform an analysis of the sample data to determine whether the deficiencies are generalized across the entire risk group or whether trends are discernable in the data which point to specific root causes or specific characteristics of the locations sampled. Results of the analysis will be provided with the next scheduled sampling report and corrective actions initiated as follows:

(1) If the failure is determined to be generalized, or if specific areas of vulnerability cannot be isolated, sampling for the respective risk group will be curtailed and a wall-to-wall inventory will be completed no later than 180 days

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following the month for which the less than 85% average was reported.

(2) If the analysis indicates a discernable pattern of deficiencies, sampling will be continued and a corrective action plan developed and executed to address the specific vulnerabilities identified. The corrective action plan will be reported in the next scheduled sample report and actions associated with it in subsequent reports until acceptable levels of accuracy are achieved.

In either case, all corrective actions will be completed within 180 days of the month in which the less than 85 percent average was reported, or until an accuracy mark of 90 percent or above is achieved.

Note: The Excel-based SPC software will produce control chart statistics over a variety of optional time periods.

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Ordnance Inventory Accountability Reporting Requirements

I. Reporting Requirements

a. Primary stock points are shore activities characterized by a combination of high transaction count, large customer base, and/or large inventory sufficient to justify increased reporting and in aggregate, provide required Navy accuracy figures to CNO and DOD.

b. CAIMS data, using a cutoff date of 30 September, will be used to determine which activities are to be designated as primary stock points for the upcoming fiscal year. Activities added or deleted as a result of this process will be notified via naval message. The primary stock point list will be updated annually.

c. NAVAMMOLOGCEN will establish and maintain a list of primary stock points. The list will be posted on the NAVAMMOLOGCEN OAP. If an activity disagrees with the decision designating it as a primary stock point, an oral or written appeal may be made to NAVAMMOLOGCEN providing logical explanation of why the activity should be removed from the list. If the matter is not resolved through this effort, an appeal may be made to CNO (N411) for final decision.

d. All primary stock points will submit their sampling results to NAVAMMOLOGCEN on a monthly basis by the 5th day of the following month. The report will be submitted electronically as an Excel file attachment in the format provided by NAVAMMOLOGCEN. The report will include summary statistics on the most recent High Risk wall-to-wall inventory results and the monthly sampling results for Moderate and Low Risk ordnance.

e. All self-assessment sampling documentation will be maintained by the Inventory Accuracy Officer in station files, subject to audit by internal and external command inspections/audits/reviews for a minimum of 3 years.