



DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
2000 NAVY PENTAGON
WASHINGTON DC 20350-2000

IN REPLY REFER TO:

OPNAVINST 8015.2B
N4

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OPNAV INSTRUCTION 8015.2B

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 5530.13C, 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
(d) DoD Regulation 4140.1-R
(e) NAVORDSAFSECACTINST 8020.14 Series, Shore Station
Explosives Safety Inspection Program
(f) NAVSUP P-724, Conventional Ordnance Stockpile
Management Policies and Procedures

Encl: (1) Definitions

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 (IA) and Inventory Effectiveness (IE) performance objectives.
- d. To implement the provisions of Chapter 7, reference (a), and the requirements of references (b) through (f).

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

3. Background. The integrity of our ordnance stockpile and the accuracy of our inventory records are the basis for ordnance.

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positioning, Fleet support, readiness assessment, and ultimately requirements determination and ordnance acquisition programs. Effective ordnance inventory management is critical to mission success and personnel safety.

4. Scope and Applicability

a. Material Inclusions. This instruction applies to material in any condition held in naval inventory records or in contracted custody, and classified as explosive ordnance, inert ordnance 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. This instruction is applicable to all activities reporting naval ammunition into the Ordnance Information System (OIS). 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 (IA), Inventory Effectiveness (IE), asset visibility, and the supporting inventory management processes.

b. Define Inventory Accuracy, Inventory Effectiveness, and inventory management standards.

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c. Focus command attention on ordnance inventory management and stewardship as a primary element of successful mission accomplishment.

d. Describe the Navy's ordnance inventory management strategy which calls for a number of inventory taking approaches to be used in combination at each activity. Certain inventory taking approaches will be mandatory for all activities while others will be prescribed based on the types of ordnance material stored at an activity, the size and transaction volume at an activity or the activity's inventory management performance. Reference (f) provides details for implementing and executing the Navy's ordnance inventory management strategy.

6. Policy

a. Ordnance Inventory Accuracy and Inventory Effectiveness, 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 described in detail in reference (f), 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 or Inventory Effectiveness standards set forth in paragraph 8, will be specifically and separately identified in the formal results of command audits, Explosives Safety Inspections (ESIs), and external inventory accountability reviews.

b. Ordnance Information System - Wholesale (OIS-W) is the total item property record within the Navy. OIS-W 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 management policy described herein is intended to ensure the real time accuracy of OIS-W. All naval activities are required to use either the Ordnance Information System-Retail (OIS-R) or the Retail Ordnance Logistics Management System (ROLMS) to report to OIS-W.

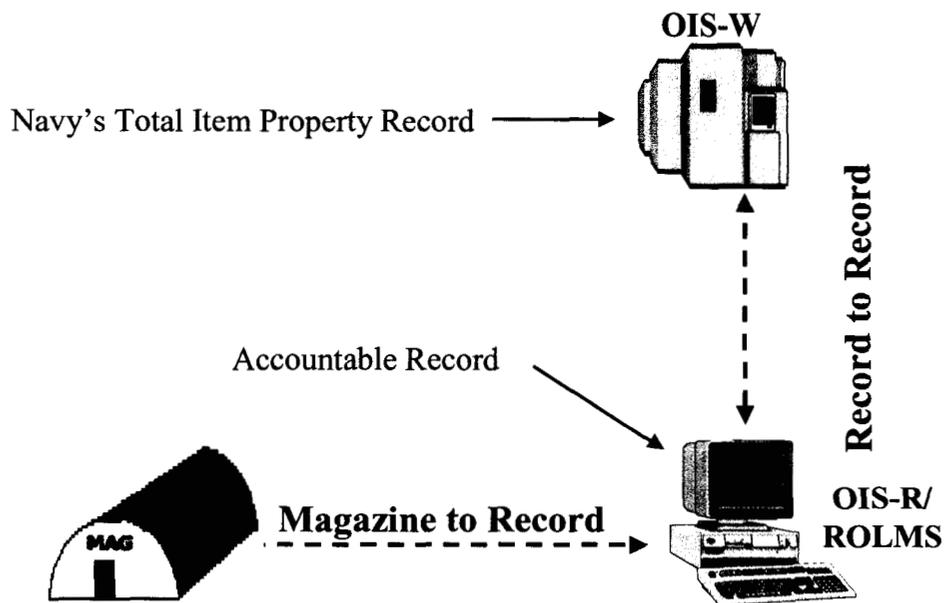
c. Security is the first line of defense for physical inventory control and accountability. All activities and units included in the scope of this instruction will comply with the physical security standards as set forth in reference (b).

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d. The Commanding Officer (CO)/Officer-in-Charge (OIC) is responsible for and shall ensure that ordnance inventory recordkeeping, accountability control, reconciliation, and reports that update OIS-W are promptly and accurately recorded. These functions are critical for successful mission planning and accomplishment. OIS-R/ROLMS is the official stock record and will reflect activity/unit level accountability. Figure 1 depicts the record-to-record relationship between OIS-W and OIS-R/ROLMS and the OIS-R/ROLMS record-to-magazine relationship at the unit level.

Figure 1.

Data Terms Depicted



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. Commanders of individual activities shall remain cognizant of their inventory status by requiring periodic reports and personal inspection as appropriate. Reference (f) provides a sample monthly internal report which can be used for the purpose or modified to suit individual circumstances. Any report, however should be written,

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retained for three years, and contain the below listed minimal information.

- (1) Whether any inventories were required and their results
- (2) Gains and Losses by Inventory
- (3) Items undergoing reconciliation and causative research and the status of the investigations
- (4) In-transits- Material shipped but no activity receipt on file
- (5) Out-of-Balance Records- Quantity mismatches of local records with OIS-W database
- (6) Periodic Lot Report submission status (ROLMS users)
- (7) Status of missing/suspended ATRs (ROLMS users)
- (8) NARs received, their applicability, and whether recorded condition codes have been updated
- (9) Last connectivity to OIS-W database (OIS-R users)

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 until a receipt is posted to the OIS-W database. "In-transits", as they are called, affect a significant percentage of our most critical ordnance during Strike Group 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 and responsibility policies are invoked for in-transit ordnance and apply to all naval activities receiving/storing and/or shipping ammunition:

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(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:

(a) For in-transits between two CONUS activities:
10-days

(b) For in-transits between a CONUS and an OCONUS or between two OCONUS activities: **90 days**

(3) Receipts, issues, and status changes mandate document posting and processing into OIS-R/ROLMS. OIS-R/ROLMS will update the OIS-W database through a TIR (OIS-R/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.

(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 (e), will include an Inventory Management Critical Program, identified as a pillar. An Inventory Accuracy and Inventory Effectiveness Assessment will be a critical element of the pillar at primary stock points.

h. Inventory Accuracy and Inventory Effectiveness deficiencies, identified via a monthly checklist, 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.

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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. Scheduled Inventories. All OIS-W reporters shall prepare and maintain a local record of all physical inventories scheduled at the beginning of each fiscal year. Additionally, all activities shall conduct scheduled physical inventories on all items for which they are accountable as specified below. USCG units will follow inventory requirements in accordance with reference (d). For automated users, these inventories shall be entered into OIS-R/ROLMS to update the Date of Last Inventory (DOLI) within the database and to facilitate resolution of pre-adjustment and causative research issues. All inventory management and sampling program details are described in reference (f).

(1) Semi-Annual Inventories. All activities storing Category I ordnance [Controlled Inventory Item Codes (CIICs) 1, 5 & 6] will conduct a 100% physical inventory of those items semi-annually.

(2) Annual Inventories.

(a) All activities storing Category II Ordnance (CIICs 2, 8 & S) will conduct a 100% physical inventory of those items annually.

(b) All activities storing Depleted Uranium (DU) rounds will conduct a 100% physical inventory of those items annually.

(c) All activities storing any other ordnance material (Moderate/Low-risk) will conduct either an Annual Random Sample or a 100% physical inventory annually. Use of the Annual Random Sample is encouraged when done in accordance with reference (f). The results are statistically valid and can be obtained with less effort.

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b. Unscheduled Inventories. Unscheduled inventories are required by all activities when any of the following occur:

(1) Warehouse Denial (Refusal). When material is on record but is not found in the indicated location during material movements (i.e., issuing material), a complete inventory for that specific material will be conducted at all locations where records indicate the material is stored.

(2) Bounce Back. When a stock point rejects a requisition referred by Naval Operational Logistics Support Center, Ammunition Directorate (NOLSC AMMO) and transaction history analysis does not resolve the discrepancy, a complete inventory for that specific material will be conducted at all locations where records indicate the material is stored.

(3) Compromised Magazine. Anytime a location or magazine is compromised, a 100% physical inventory for the compromised location will be completed within 24 hours. A location/magazine is considered compromised anytime there is evidence of, or substantial opportunity for, an unauthorized entry (e.g., magazine left unlocked and unattended).

(4) Change in Accountable Officer or Change of Command. In the event of a change in accountable officer or change in command, all activities will conduct a physical inventory as described in paragraph 7(a)(1) and 7(a)(2)(a) above, regardless of the length of time since the most recent inventory(s).

(5) Special Inventories. Whenever an activity detects adverse IA/IE conditions (i.e., not meeting the minimum performance standards described in paragraph 8 below), targeted inventories may be required. These investigative inventories seek to fully understand the scope and cause of any process failures and to ensure accountable records are corrected for ordnance items that were negatively impacted. The activity Inventory Accuracy Officer (IAO) should coordinate inventory monitoring and subsequent investigation and use of special inventories. The NOLSC AMMO IAO can also be consulted to assist in developing an investigative approach that uses Special Inventories.

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c. Statistical Process Control (SPC) Monthly Sampling. The NOLSC IAO will specifically designate SPC Monthly Sampling activities each year. Only those activities specifically designated are required to perform SPC Monthly Sampling and these activities will receive special training on the implementation of SPC Monthly Sampling and reporting. Non-designated activities that believe they may benefit by using SPC Monthly Sampling to monitor and improve their processes should contact the NOLSC IAO to receive the necessary training to use SPC Monthly Sampling effectively. SPC Monthly Sampling activities will still perform all of the required inventories specified in section 7(a)(1) and 7(a)(2) above, except that the requirement to perform an Annual Random Sample may be waived depending on IA/IE performance history. The SPC Monthly Sampling program details are described in reference (f).

d. Location Survey. A location survey must be conducted once per fiscal year by all Naval activities storing ordnance and can be conducted concurrently with other physical inventories or processes that require entry into magazines or storage locations to the maximum extent practicable. Details for conducting a Location Survey program are described in reference (f).

e. Location Reconciliation. This is an annual reconciliation performed by all OIS-R/ROLMS activities and is required to ensure that the local OIS-R/ROLMS record matches the master OIS-W database. Details for conducting Location Reconciliations are described in reference (f). Location Reconciliations will be conducted by all activities under the following conditions:

(1) Annually. Designated SPC Monthly Sampling activities will perform their annual Location Reconciliation according to a schedule provided by the NOLSC AMMO IAO. All other activities will submit their Location Reconciliation annually.

(2) All activities will perform an asset/NIIN specific Location Reconciliation upon notification by NOLSC AMMO of an Out-Of-Balance (OOB) transaction.

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(3) All activities will perform a complete Location Reconciliation whenever OOB records exceed the established standard of <0.5% as a percentage of total records [number of OOB records divided by the total activity records (obtained from OIS-W)].

f. OPNAVINST 3100.6(series) 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.

8. Inventory Accuracy Standards

a. Standards. The following minimum standards are established based on security risk.

Table 8-1: Ordnance Inventory Management and Reconciliation Standards

Risk Group		IA	IF	Custodial	Location Survey	Location Reconciliation
I	HIGH RISK CIICs: 1, 2, 5, 6, 8, S	100%	85%	100%	98%	99.5%
II	MODERATE RISK CIICs: 3, 4, 9, A, B, C, D, P, 7, U ~ all explosives not in High Risk group	95%	85%	95%	98%	99.5%
III	LOW RISK CIICs: J, 7, U Blank ~ all inert other than C or S	95%	85%	95%	98%	99.5%

b. Standards Flexibility. Currently inventory management standards are assigned based on security risk group assigned to each ordnance item. The minimum standards for Moderate Risk and Low Risk are identical but are displayed separately because OIS-R/ROLMS is currently programmed to only be able to establish inventory samples by security risk group. In the future, the flexibility to assess ordnance inventory management by other risk factors such as operational risk, financial risk and transaction volume/frequency of handling risk will be

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incorporated as the Navy's inventory management and supporting AIT strategy evolves.

9. 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 and Inventory Effectiveness statistics and trends.

(1) Develop and issue ordnance accountability procedures for naval cognizance material 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 Management Forums to discuss ordnance accountability related matters for major claimants/commands and interested activities.

(5) Coordinate with Commander Naval Education and Training Command (NETC) 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 (IA) and Inventory Effectiveness (IE) 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.

(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 OIS-R/ROLMS and AIT training and support directly to Fleet units as coordinated with Fleet Commanders (CFFC/CPF/CNE)/Marine Forces (MARFORs).

(13) Schedule and conduct AMARs requested by Major Claimants, Type Commanders, Regional Commanders and Commanding Officers.

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(14) Establish a list of primary ordnance stock points designated to perform Statistical Process Control (SPC) Monthly Sampling. Update the list annually.

(a) Command, Naval Sea Systems Command
(COMNAVSEASYSKOM):

1. Incorporate random statistically valid Inventory Accuracy and Inventory Effectiveness samplings as a component of the ESI Program.
2. Establish inventory management as a pillar of the ESI Program.
3. With NOLSC AMMO input, schedule activities for random statistical IA/IE samplings to be conducted during their ESI.

(b) Commander Naval Education and Training Command:

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 Commanding Officer/Prospective Executive Officer shore and sea pipeline training.
6. Include Ordnance Inventory Accountability Training in Ordnance Officers' Career Progression Courses.

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(c) 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.

(d) 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, OIS-R/ROLMS/OIS-W 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 Inventory Effectiveness 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.

4. Monitor station compliance with Inventory Accuracy Officer assignments and responsibilities.

5. Monitor Ordnance Accountability Program (OAP) status and ensure remedial action is taken to ensure positive performance trends are maintained.

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

(e) COs and OICs

1. Shall establish and conduct an Internal Command Inventory Accuracy and Inventory Effectiveness and Accountability Performance Monitoring Program. In doing so they shall:

a. Require and review periodic reports per paragraph 6E.

b. Monitor ordnance-related Navy training course participation).

c. Monitor on-the-job training in basic skills and local procedures.

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

3. Shall 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.

(f) 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.

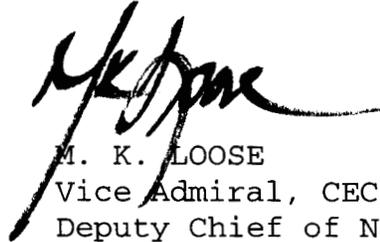
2. Ensure administrative contracting officers monitor the execution of vendor ATR submission requirements included in contracts.

3. Provide listings of all current contracts involving ordnance production and repair identifying those with

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contract provisions requiring vendor ATR submissions to NOLSC
AMMO.



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Definitions

Ammunition Management Accountability Review (AMAR). On-site reviews and technical assistance conducted by NOLSC AMMO, and scheduled on an exception basis. AMARs are targeted primarily at activities whose inventory management processes are suspect or for activities receiving an unsatisfactory rating in Program 15 on an ESI. AMARs may also be specifically requested by Major Claimants, Type Commanders, Regional Commanders, or Commanding Officers.

Annual Random Sample. A sample that can be used once each fiscal year in lieu of conducting a 100% physical inventory. The purpose of the Annual Random Sample is to provide activities an option to avoid a labor intensive 100% physical inventory effort for Moderate-risk and Low-risk material while still complying with minimum DoD inventory directives. IA, IE and Custodial Accuracy scoring applies.

Custodial Accuracy. The quantity matching exactly on OIS-R/ROLMS, on the Material Condition Code Tag (129 Tag) if used, on the Bar Code and on any stenciling.

Custodial Accuracy Scoring. The Custodial Accuracy score will be calculated as the number of sampled items with zero quantity errors divided by the total number of items sampled times 100%.

Explosives Safety Inspection (ESI) Sampling. During an ESI, all activities will receive an assessment of their inventory management and ordnance accountability processes. Those activities specifically designated by the NOLSC AMMO IAO as SPC Monthly Sampling activities will receive sampling assessment as well. The sampling assessment will use a random sample taken from the SPC Monthly Sampling activity, using standard IA/IE attributes and scoring, to quantitatively assess the IA/IE health of the activity. Pass/fail criteria are discussed in reference (e) and (f).

Inventory Accuracy (IA). Those attributes that allow an activity to maintain accountability of ordnance assets. IA attributes are:

**NIIN Quantity Condition Code Location (Magazine
Level)**

Inventory Accuracy (IA) Scoring. An overall IA score will be calculated as follows: For each item sampled during an inventory, the NIIN, quantity, condition code and location (magazine level) must exactly match on OIS-R/ROLMS, on the Material Condition Code Tag (129 Tag) if used, and on the bar code. The NIIN and quantity must also exactly match any stenciling on the ordnance or container. Partially filled containers must be marked as "light boxes" and if not, will be considered a quantity stenciling error. Any mismatches for these four attributes on either OIS-R/ROLMS, the Material Condition Code Tag (129 Tag), the bar code or stenciling will cause the sampled item to be considered an IA error. Each sampled item, for overall IA purposes, will either be correct or in error. Multiple mismatches for a single item will be recorded as one overall IA error for that item. The overall IA score will be calculated as the number of sampled items with zero errors divided by the total number of items sampled times 100%.

Inventory Effectiveness (IE). Those attributes that allow an activity to more effectively manage ordnance assets. IE attributes are:

Serial Number/Lot Number Ownership Code

Inventory Effectiveness (IE) Scoring. An overall IE score will be calculated as follows: For each item sampled during an inventory, the serial number/lot number and ownership code must exactly match on OIS-R/ROLMS, on the Material Condition Code Tag (129 Tag) if used, and on the bar code. The serial number/lot number must also exactly match any stenciling on the ordnance/container. Any mismatches for these two attributes on either OIS-R/ROLMS, the Material Condition Code Tag (129 Tag), the bar code or stenciling will cause the sampled item to be considered an IE error. The item must be in the exact location to the level used by the activity (grid, stack height). Each sampled item, for overall IE purposes, will either be correct or in error. Multiple mismatches for a single item will be recorded as one overall IE error for that item.

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The overall IE score will be calculated as the number of sampled items with zero errors divided by the total number of items sampled times 100%.

Location. Location can be considered to various levels of granularity (i.e., magazine/BLDG, grid level or stack level. Basic IA measurement includes location to the BLDG/MAG level. IE takes into account finer measurements within buildings and magazines.

Location Reconciliation (Record-to-Record). This is an annual reconciliation performed by all OIS-R/ROLMS activities and is required to ensure that the local OIS-R/ROLMS record matches the master OIS-W database. OIS-R/ROLMS activities will send Balance Transactions ("B and T" transactions for ATR reporters and "DZH" transactions for TIR reporters to NOLSC AMMO for all records. NOLSC AMMO will compare OIS-R/ROLMS on-hand balances with the OIS-W database.

Location Reconciliation Scoring. The Location Reconciliation score is calculated as the number of records/asset line items where OIS-R/ROLMS and OIS-W quantities matched divided by the number of OIS-W records/asset line items held for the activity, expressed as a percentage.

Location Survey. A location survey must be conducted once per fiscal year by all Naval activities storing ordnance and can be conducted concurrently with other physical inventories or processes that require entry into magazines or storage locations to the maximum extent practicable. The purpose of a location survey is to identify material that resides in ordnance storage locations but which is not found on accountable records. If the material is not on record, it is a location survey hit. If the material is on record but has any number of errors in other IA/IE attributes (location, quantity, etc.) this is not a location survey hit (although the activity will resolve all IA/IE discrepancies). Reference (f) provides details for managing a location survey program.

Location Survey Scoring. High-risk storage locations already receive 100% wall-wall inventories on a periodic basis. Since location surveys are a by-product of a properly conducted wall-wall inventory, location surveys are excluded as a separate

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requirement for High-risk material. Additionally, all empty magazines/BLDGs will be checked for residual material at the beginning of each fiscal year. Essentially then, the Location Survey program is focused on Moderate/Low-risk material in occupied magazines. A representative sample of occupied locations will be determined and that number of locations will be randomly investigated during the year. The number of locations sampled without a location survey hit divided by the total number of sampled locations (X 100%) will be the Location Survey accuracy for the year.

OIS-W Line Item. The inventory record within OIS-W uniquely identified by a combination of: quantity, NIIN/NALC, condition code, owner/purpose/ACC.

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.
- (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.

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.

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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 OIS-R/ROLMS.

Record-to-Magazine: The comparison of OIS-R/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 OIS-R/ROLMS is selected and verified by physical count.

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

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

Statistical Process Control (SPC) Monthly Sample. A sample that is conducted on a recurring basis (High, Moderate and Low-risk material) and which is primarily used to evaluate the effectiveness of ordnance accounting processes at the activity level and to provide management indicators of process errors requiring attention. SPC Monthly sampling can also serve to meet the required Inventory Accuracy (IA) and Inventory Effectiveness (IE) sampling requirements under certain circumstances, accomplishing both a process control and IA/IE monitoring function, thereby saving resources. Only those activities specifically designated by the NOLSC Inventory Accuracy Officer (IAO) are required to use the SPC monthly sampling methodology. IA, IE and Custodial Accuracy scoring applies. Additional scoring criteria and inventory sampling requirements are imposed when minimum IA/IE standards are not met. Reference (f) provides detailed SPC Monthly Sampling program procedures.

Wall-Wall Physical Inventory. A 100% sample of all items in all designated locations. Wall-Wall Physical Inventories are

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specified for High-risk (CAT I/II) material and DU rounds either annually or semi-annually, upon relief of the accountable officer or Commanding Officer and anytime a location/magazine is compromised. Wall-Wall Physical Inventories can also be performed at the end of each fiscal year for all other materials (Moderate and Low-risk) as an option to performing an Annual Random Sample. IA, IE and Custodial Accuracy scoring applies.