



Defense Contract Audit Agency



**Strategic Plan
2011- 2015**





To My DCAA Co-Workers,

This Strategic Plan is designed to serve as a road map for our use in working as one Agency team to achieve DCAA's long-term Vision and strategic Goals.

The success of this plan will ultimately be demonstrated by the value we place on each individual employee, and by the quality of the services we provide to the Department of Defense, as we carry out the important task entrusted to us by the American people.

This plan is also part of a broader planning cycle which aims to integrate our strategic and tactical plans with the budget formulation process and Agency performance measures.

I encourage every DCAA employee to become familiar with the Vision, Values, Goals, Objectives and Strategies set forth in this document. Your knowledge, experience and support are essential in achieving the plan's goals and objectives. Please join me in making DCAA a truly exceptional organization.

A handwritten signature in black ink that reads "Patrick J. Fitzgerald". The signature is written in a cursive, flowing style.

Patrick J. Fitzgerald
Director



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Defense Contract Audit Agency

Our Mission:

Defense Contract Audit Agency (DCAA), while serving the public interest as its primary customer, shall perform all necessary contract audits for the Department of Defense (DoD) and provide accounting and financial advisory services regarding contracts and subcontracts to all DoD components responsible for procurement and contract administration. These services shall be provided in connection with negotiation, administration, and settlement of contracts and subcontracts to ensure taxpayer dollars are spent on fair and reasonable contract prices. DCAA shall provide contract audit services to other Federal agencies as appropriate.

Our Vision:

Dedicated professionals working together to deliver top-quality audit services to support the Department and the warfighter, and to protect the taxpayer's interest.

Our Values:

- Teamwork
- Excellence
- Accountability
- Mutual Respect
- Integrity
- Trust

Strategic Plan Structure and Definitions

- Goal:** A statement of intended outcomes, stated as end points.
- Performance Measures:** Indicators of progress toward and accomplishment of Goals.
- Objective:** A specific sub-goal within a Goal.
- Strategies:** Broad approaches to accomplishing each Objective, stated as action-oriented phrases.
- Initiatives:** Distinct projects in an action plan which, when combined with other initiatives, help achieve the Objective.
- Champion:** A key executive who facilitates the achievement of an Objective.
- Tactical Plan:** A plan that facilitates the operational mission and links to the budget formulation and execution process (e.g., Human Capital Plan, Information Technology Plan).



Organizational Profile

The Defense Contract Audit Agency (DCAA) is a distinct Agency within the Department of Defense (DoD) and reports directly to the Under Secretary of Defense (Comptroller). The Agency is organized into five regions and a Field Detachment and has individual Field Audit Offices (FAOs) and suboffices throughout the United States and overseas. DCAA's main service is performing contract audits requested by representatives of the various military and civilian acquisition organizations and by the Defense Contract Management Agency. DCAA audits about 9,000 contractors each year and uses a risk-based approach to identify the highest priority audits. At the completion of an audit, an audit report is furnished to the requestor for use in negotiations and/or in determining current or future contractor costs. An audit report can also be used to determine compliance with existing regulations and contractual requirements.

At the start of FY 2011, DCAA had about 4,700 employees and 112 FAOs. The workforce has two components: auditors (85 percent) and the professional support staff (15 percent). Most of the auditors are assigned to an FAO or sub-office. About 28 percent of the auditors are Certified Public Accountants, and about 29 percent have advanced degrees. The professional support staff performs a variety of functions critical to the accomplishment of DCAA's operations and mission.

To help ensure audit quality and efficient audit operations, DCAA recently implemented several management improvements. These included revising the mission statement to increase focus on the taxpayer, modifying performance measures to make them more meaningful, establishing a new Directorate of Integrity and Quality Assurance, creating an Office of Internal Review, and initiating a Human Capital Plan.

Our aim is to continue to ensure that contracting officers are provided with high quality and timely audit reports, advice, and negotiation support to establish fair and reasonable contract prices. It is also to make sure that during contract performance, DCAA auditors continue to verify that results and outputs of contractor business systems comply with applicable rules, regulations, and contract terms and, as necessary, recommend recovery of contractor overbilling.



Goals

To address key challenges and fulfill its mission, DCAA has developed a strategic planning approach which aims to achieve DCAA's Vision through its pursuit of several goals to be accomplished within a 5-year time frame. DCAA's strategic Goals are:

Goal 1

"One Agency" with a culture of teamwork, excellence, accountability, mutual respect, integrity, and trust.

Goal 2

High-quality audits and other financial advisory services.

Goal 3

Highly skilled and motivated professionals dedicated to excellence in accomplishing our mission.

Goal 4

Effective working relationships with DCAA external stakeholders.

Goal 5

The workforce has the right space, the right equipment, and the right technology at the right time to successfully deliver on the mission.

Framework for Goal Accomplishment

The following pages describe Objectives and Strategies that cascade from these Goals. Each Objective has an executive Champion who is responsible for facilitating its accomplishment. A Strategic Plan Supplement will be developed and updated annually or as needed, to include action plans with initiatives under each Objective. Strategic performance measures will also be developed to assess progress on the Strategic Plan.

Workforce involvement is essential for the success of this plan. Employees will be active participants on ad hoc committees and focus groups; and provide feedback continually through meetings at local offices and Agency-wide surveys; plus other sources such as the suggestion program, anonymous website, and input to the Director.

Goal 1: "One Agency" with a culture of teamwork, excellence, accountability, mutual respect, integrity, and trust.

Objective 1A:

Ensure that the entire organization has a clear understanding of what is meant by "One Agency," teamwork, excellence, accountability, mutual respect, integrity, and trust.

Strategies:

- Explore options to improve unity.
- Train employees on the behaviors and expectations.
- Assess the performance management system to ensure consistency with the goal.
- Analyze best methods for reinforcing the message.
- Assess rewards program to ensure that the desired behaviors are recognized.

Objective 1B:

Provide opportunities that help the employees demonstrate and use the core values in their career development.

Strategies:

- Provide training on interpersonal skills.
- Identify and document the various career paths of the Agency.
- Establish a career support program.
- Develop a process to allow employees to "apprentice" other jobs.

Goal 2: High-quality audits and other financial advisory services.

Objective 2A:

Identify and perform the right audits and other financial advisory services that best serve the public interest.

Strategies:

- Analyze audits and services provided by DCAA and determine the most high-risk audits and services.
- Identify the most high-risk programs to the Department and DCAA services required to support those programs.
- Analyze DoD requirements placed on DCAA to determine that the appropriate engagement (audit vs. advisory service) is being performed and to ensure the requirement is satisfied in a cost-effective manner.

Objective 2B:

Improve the process to perform quality audits and other financial advisory services.

Strategies:

- Develop an improved process and the roles of team members for performing quality audits.
- Develop an improved process and the roles of team members for performing other financial advisory services.
- Improve communications during all phases of audit planning, performance, reporting, and follow-up.
- Improve policy formulation and deployment (i.e., timely and understandable).
- Improve DCAA's process for providing negotiation support and financial advisory services, including the process for supporting negotiation of audit exceptions in accordance with Defense Procurement and Acquisition Policy's (DPAP's) December 4, 2009, guidance.
- Analyze and improve techniques for managing workload priorities and resource allocation, including office processes for managing audit requests, audit report dates, contractor submission adequacy reviews, etc.

GOAL 3: Highly skilled and motivated professionals dedicated to excellence in accomplishing our mission.

Objective 3A:

Provide for the training needs of our employees and promote a continuous learning environment.

Strategies:

- Use the recent Life-Cycle-Training Ad Hoc Committees' analyses of competencies to identify the training and delivery method needed to close high-priority gaps.
- Develop and deploy training to fill identified high-priority gaps.
- Reassess the training needs for the career paths and continue to close the highest-priority gaps.

Objective 3B:

Provide a well-timed blend of challenging work experience combined with training to continually advance the proficiency of our workforce.

Strategies:

- Design a time-phased career progression plan, including suggested tasks/assignments, along with training that will ensure the opportunity for continuous growth throughout each participant's career.
- Create opportunities that will prepare employees for the next step on his or her career path.
- Develop an Agency-wide program that assists the employee in developing skills needed for the job (i.e., a new form of mentoring or coaching).

GOAL 3: (Continued)

Objective 3C:

Uphold a healthy balance between work and family life.

Strategies:

- Ensure employees' workload is reasonable.
- Promote the use of workplace flexibilities.
- Periodically reassess the availability and effectiveness of our work-life balance initiatives.

Objective 3D:

Recruit and retain a high-quality workforce.

Strategies:

- Improve the DCAA hiring process.
- Develop DCAA initiatives to improve retention where appropriate.
- Evaluate and update positions to better reflect work required to accomplish the mission.

Objective 3E:

Foster a diverse and inclusive workforce.

Strategies:

- Identify, recruit, hire, and retain individuals with targeted disabilities; with other disabilities; minorities; women; and veterans.
- Improve diversity and inclusion at all levels.

Goal 4: Effective working relationships with DCAA external stakeholders.

Objective 4A:

Increase coordination and communication with the acquisition community to gain a better understanding of each other's requirements.

Strategies:

- Establish action plans that require regular and recurring briefing sessions with the acquisition community.
- Determine through an annual survey the requirements of the acquisition community, level of knowledge about DCAA initiatives/products/services, degree of satisfaction with these services, and develop a follow-up action plan to address areas that require additional improvement based on survey results.
- Identify communication processes that can be used to:
 - Promptly identify inadequate contractor submission/assertions.
 - Reinforce benefits of open and constant communication with the acquisition community during the audit in order to deal with ongoing issues.
 - Inform auditors of results of leadership meetings and surveys so they understand customer requirements, concerns, and priorities.
- Convene an Agency-wide Quality/External Stakeholder Conference to highlight the coordination and improvement of DCAA external stakeholder relationships, showcase DCAA's organizational vision, goals, and mission, and obtain feedback on attendees' experience with DCAA.

Goal 4: (Continued)

Objective 4B:

Enhance professional relationship with external oversight organizations.

Strategies:

- Establish and conduct regular and recurring briefing sessions that include Headquarters/Regional Management with external oversight organizations to:
 - Provide insight and understanding of DCAA audit services.
 - Discuss major DCAA audit initiatives that highlight audit quality and audit approaches that have saved taxpayer dollars.
 - Provide status of actions taken to address prior, current, and emerging quality issues.
 - Obtain feedback on emerging quality issues.
 - Obtain annual feedback as to the usefulness of briefings.
- Invite external oversight organizations to make presentations at conferences and meetings.
- Establish infrastructure and dedicate resources to be fully responsive to oversight organization requests for data and information.

Goal 5: The workforce has the right space, the right equipment, and the right technology at the right time to successfully deliver on the mission.

Objective 5A:

Improve efficiency in processes used to manage Agency resources.

Strategies:

- Improve DCAA budget formulation and execution.
- Identify best practices to manage Agency resources.
- Improve the staff allocation process and associated resource planning based on Agency audit priorities.

Objective 5B

DCAA's Information Technology (IT) most effectively supports the Agency mission.

Strategies:

- Enhance IT tools to enable teamwork across the Agency.
- Increase network speed.
- Create an Agency-wide knowledge-based management system.





