

# DCAA

# STRATEGIC PLAN

FY 2021 – FY 2025







## Director's Message

I am pleased to introduce the Defense Contract Audit Agency's Strategic Plan for FY 2021–FY 2025. Over the past nine months, senior leaders have assessed the Agency's competencies and mission requirements with an eye toward creating the ideal audit environment for the 21st Century. Those assessments, combined with the accomplishments and recommendations from past employee strategic action teams, have steered us toward the new strategic plan and additional Agency improvements through FY 2025.

As a key member of the government acquisition team, we deliver contract audits and advisory services to ensure that warfighters get goods and services at fair and reasonable prices. We depend on an outstanding workforce of auditors and support professionals to deliver the products and services our customers need, and one of my top priorities is to make sure our employees have the right support, training, and tools to be successful. But DCAA doesn't operate in a vacuum, and we rely on professional, cooperative relationships with our acquisition partners, customers, and industry to execute our mission and achieve the broader aims of the Department. I believe that the goals and objectives laid out in this strategic plan will enable DCAA to continue on our path of excellence and provide even more value to all our stakeholders.

Executing the plan will take the efforts of the entire workforce, and our employees will be active participants on our strategic initiatives. This list of initiatives is not static—just as the Department of Defense is constantly adjusting to meet new threats and realize opportunities, we too will refine and add new initiatives to address emergent issues over the next five years. We will publish annual updates that capture our accomplishments and reflect any changes.

DCAA is honored to serve the acquisition community, protect the taxpayers, and support our service members in uniform. I look forward to our future success and new ways to enrich the outstanding support our partners have come to depend on.

Anita Bales  
Director







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## Vision

*Every audit or service we deliver is on time, on point, and highly valued.*

Our vision is to provide products and services that are indispensable to the acquisition process. We aspire to always deliver services and products when we promise them and in time to meet acquisition requirements. We strive to deliver the right service, at the right time, to provide the most value throughout the contracting cycle.



## Mission

*Together with our acquisition partners, we increase warfighter capabilities by delivering high quality audits and financial services to achieve fair and reasonable prices that protect taxpayer dollars.*

Our mission statement clarifies our commitment to getting the most value for every dollar spent on defense contracts. We operate as a member of the acquisition community that works together to equip and serve our service members in uniform. As stewards who look out for taxpayers' interests, we conduct high quality contract audit services to ensure that the government is paying fair prices for what it buys.



## Values (TEAM IT)



### **Teamwork**

We are most effective when we work together, exchange ideas, share knowledge, and listen to each other.



### **Excellence**

We get outstanding results when we take pride in our work, go beyond the norm, and continually improve.



### **Accountability**

We have the courage to take ownership of results, learn from our mistakes, and communicate openly.



### **Mutual Respect**

We respect differences, encourage inclusion, manage conflict well, and create win/win outcomes.



### **Integrity**

We act ethically, exhibit professional courtesy, promote fairness, respect confidentiality, and lead by example.



### **Trust**

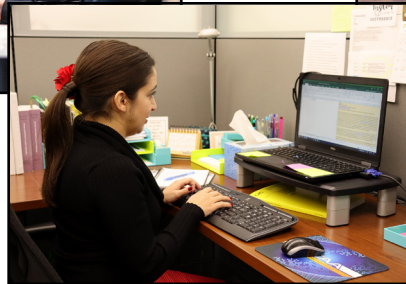
We keep commitments, demonstrate transparency, honor contributions, and view mistakes as opportunities.



## DCAA Background

The Defense Contract Audit Agency (DCAA) operates under the authority, direction, and control of the Under Secretary of Defense (Comptroller)/Chief Financial Officer. DCAA has about 300 offices located in the United States, Europe, and the Middle East.

The Agency's primary function is to conduct contract audits and related financial services for the Department of Defense and other federal entities responsible for acquisition and contract administration. Specifically, DCAA helps determine whether costs are allowable, allocable, and reasonable. DCAA provides recommendations to government officials on contractor cost assertions for specific products and services. With these recommendations, contracting officers are better able to negotiate prices and settle contracts for major weapons systems, services, and supplies.



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## 2016–2020 Key Accomplishments

### Mission efficiency

- **Incurred Cost.** In FY 2011, DCAA faced a backlog of roughly 21,000 incurred cost years because of significant workload increases from military efforts following 9/11. Through innovative efficiency measures and a highly dedicated workforce, DCAA eliminated that backlog by 2018. That same year, the 2018 NDAA set up a new requirement for DCAA to complete all incurred cost audits within one year of receiving an adequate submission. The NDAA deadline for compliance was the end of FY2020, but DCAA met the requirement in FY2019, a year early.
- **Meeting Forward Pricing Agreed-to Dates.** The acquisition community relies on us to meet our agreed-to dates and help keep the contract award process on track. We meet early with the contracting officer to come to a mutual agreement on an audit due date, a timeline we don't alter even when conditions change. Between FY 2015 and FY 2020, we increased our on-time success rate from 64% to 92%, a 44% improvement in the timeliness of our Forward Pricing assignments.
- **CaseWare Audit Management System.** DCAA's audit work paper software (APPS) and many of the add-ins for Excel software were outdated, difficult to update, and weren't meeting auditors' current needs. Beginning in FY 2015, DCAA formed a team to research alternative systems that would increase audit efficiency, reduce workarounds, and improve the audit process. After Beta testing several software solutions, DCAA chose CaseWare. By early FY2020, we had completed training for all personnel and deployed the platform Agency-wide. We continue to improve Caseware's capabilities to optimize audit efficiencies.
- **Centralized Support Functions.** In FY 2016, DCAA centralized the support functions in our Information Technology, Human Capital, and Resources Management (HCRM) support functions to increase customer service, reduce redundancy, and increase efficiency. Centralizing support function freed our Regions and Corporate Audit Directorates to focus on the audit mission while enabling the HCRM Director and Chief Information Officer (CIO) to efficiently provide resources and support, streamline business processes, and leverage technology to effectively meet mission needs. Throughout FYs 2017 and 2018, we evaluated our new structure and made adjustments to improve customer service and refine centralized business processes, an effort that resulted in a new position, Resource Liaison, as a single point of contact for HCRM functions to support operations at regions and CADs.



## Stakeholder Satisfaction, Alignment, and Engagement

- **Customer Feedback Initiative Results.** Since 2016, DCAA has received positive results on our Customer Feedback Initiative (CFI) surveys, demonstrating improvements across the board on all key reporting elements.

### CFI Survey Average Results (5.0 scale)

	FY 2016	FY 2020
Overall Communication	4.6	5.0
Overall Satisfaction	4.5	4.8
Accuracy/Completeness	4.6	4.9
Timeliness	4.0	4.9

- **Agency Realignment.** Effective October 1, FY 2016, DCAA reorganized to bring all of our largest, multi-segment contractors under Corporate Audit Directorates (CADs)—each led by an executive Corporate Audit Director—to improve efficiency, communication, collaboration, and customer service. Our new organizational structure consisted of four Regions and four CADs. In FY 2017, the CADs developed corporate-wide audit procedures, resulting in improved key audit performance indicators. In FY 2020, we assessed the balance of CAD workload and, effective October 1, FY 2021, readjusted the mix of contractors under each CAD as follows: (1) Northrop Grumman, (2) Lockheed Martin/BAE, (3) Boeing, and (4) Raytheon Technologies/General Dynamics.
- **Industry Engagement.** In FY 2018, a Strategic Action Team reviewed DCAA's relationships with industry and found that while DCAA has existing relationships and ongoing communication with various industry groups, improving these relationships would promote even greater understanding between DCAA and the contracting community. Efforts in FY 2018 established a process for regular engagement with two industry groups—the Aerospace Industry Association (AIA) and the Professional Services Council (PSC)—and recommended engagement with several others. Policy is now working with AIA on incurred cost audit issues and is a regular participant in AIA's meetings. Our engagement has been productive. For example, FY 2020 meetings with AIA have identified two areas for improvement: reduction in schedules for the Incurred Cost Electronically (ICE) model and reprioritization of updates to chapters in the Select Areas of Cost Guidebook.



## Workforce Satisfaction, Development, and Hiring

- **Federal Employee Viewpoint Survey (FEVS) and Best Places to Work Index.** DCAA's rating on the FEVS and its ranking in the Best Places to Work Index have continued to increase. Our FEVS ratings have climbed steadily in the last four years across all six FEVS categories—Work experience, Work unit, My agency, My supervisor, and Leadership. Likewise, the ranking in the Best Places to Work index have also increased since FY 2009 with FY 2019 results ranking DCAA in the top 16% of government workplaces (69 of 420).
- **Succession Planning.** In FY 2017, DCAA formalized and implemented a succession planning program to identify internal personnel with the potential to fill key leadership positions in the Agency. The plan consisted of several parts, including an assessment tool for use by supervisors to rate their interested employees based on potential and performance, along with a list of key positions and supporting competencies. This plan was formalized in DCAA Instruction 1400.46 and is now an active component of our professional development strategy. We also launched a mentoring program in FY 2018 that, along with our coaching program, bolsters succession planning efforts and workforce development.
- **Optimized Hiring Processes.** During FY 2017, we undertook an in-depth analysis of our current hiring practices to identify where we could make improvements immediately and over the long term. Improvements included centralizing entry level recruitment, expanding use of USA hire assessments, implementing the Pathways Intern Program, using the Financial Management Direct Hire Authority and the Expedited Hiring Authority. We also hired a social media specialist to improve the Agency's presence on social media and connect with potential hires. In FY 2020, an external marketing company will assess and recommend improvements to DCAA's brand identity, messaging, and recruitment strategy. We are continuing to assess the hiring process and make improvements.





# 2021–2025 Strategic Goals, Objectives, and Initiatives

## Goal 1: Better Serve the Department by Strengthening Strategic Alliances.

Working together with our government partners is a critical element of our strategy today and into the future. Equipping our warfighters with the goods and services they need at the right cost is the core of our mission and a commitment we share with the entire acquisition community. The ever changing, budgetary and security landscape demands that we operate at peak efficiency to reduce the cost of acquisition while ensuring our warfighters get what they need when they need it. We will extend our reach and continue to build stronger relationships with our customers and strategic partners throughout the next five years. These alliances are critical for supporting the Department's national defense strategy to increase lethality and deliver performance at the speed of relevance. Communication is the cornerstone to harmonizing efforts with our acquisition allies, and we will achieve this goal by engaging with our partners to better understand their needs, ensuring they understand how our core competencies can help them succeed, and building a sustainable program for regular dialogue to meet challenges today and into the future.

### **Objective 1.1: *Create and execute customer engagement strategy.***

The purpose of our customer engagement strategy is to strengthen strategic alliances by deepening our understanding of customer missions, products, needs, goals, and constraints. We will build a comprehensive strategy to identify customer groups and, within those groups, specify subgroup characteristics to help us better meet the specific needs associated with different positions, roles, responsibilities, points of interaction with DCAA, and others. Once identified, we will develop and execute a comprehensive engagement plan for each customer or customer group to understand their goals, needs, challenges, and constraints. Finally, we will create an action plan to integrate what we learn into Agency operations and ensure regular, ongoing customer dialogue and feedback.

### **Objective 1.2: *Increase awareness and understanding of DCAA's services, ethos, value, and service commitment to customers.***

DCAA is an essential acquisition partner whose services support contracting officers and ensure the Government pays fair and reasonable prices for what it buys. To maximize our impact on the defense of our nation, we must ensure that everyone in the acquisition community is aware of what we can do to help them achieve their goals. To broaden awareness, we must clearly articulate who we are, what we stand for, what we do, and how we bring value to customers throughout the acquisition cycle at appropriate organizational levels or points of interaction. To accomplish that awareness, we need effective messaging and efficient delivery methods. We must continually assess customer perceptions and remain responsive to new or emerging customer needs.

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**Objective 1.3: Increase DCAA presence at forums and meetings of strategic partners.**

An important component of our customer outreach is increasing our presence in appropriate forums and venues attended by our customers and other stakeholders. While we will use all appropriate communication channels to gain customer insights and share our value, we must maximize opportunities for face-to-face interactions. To do that, we must work with our strategic partners to identify additional venues for customer engagement, identify the right DCAA representatives for each venue, ensure a common message, and create a systematic process for capturing, sharing, and incorporating knowledge back into the organization.





## Goal 2: Align our Products and Services to be Flexible and Responsive to Customer Needs.

Our work is critical to the Department, and DCAA has a significant responsibility to ensure that we are providing top quality audits and audit services that meet professional standards. In addition, defense acquisition is dynamic and responsive to emerging issues and changes within the national security environment. These changes affect our customers and therefore affect us. To ensure that our work has the appropriate impact on defense acquisition, our customers must be able to use it to meet their specific needs. We must be responsive to customer requirements and flexible about how and what we deliver to meet them. Quality work remains paramount. How we deliver quality work—what form it takes, what parts of a proposal we examine, how we characterize what we’re providing—in no way compromises the quality of our products and services. We can ensure alignment by assessing the fit between our products and customer needs as a normal part of doing business; responding to customer feedback by adjusting audit processes and internal support processes; and continuing to shape our internal structure and systems for optimal service, responsiveness, and flexibility.

### **Objective 2.1: Continually assess how effectively our products and services align with customer needs.**

To institutionalize a customer-centric approach to how we deliver products and services, we must create and execute a service/need alignment plan that clarifies expectations, guides audit practice, and ensures process accountability for acting on what we find.

### **Objective 2.2: Tailor audit processes to effectively and efficiently support the delivery of our products and services.**

Our audit processes directly impact our products and services, and we must be alert to how those processes support or impede our goals to deliver efficient, effective audits and services. As One Agency, we must also strive to implement processes consistently across the organization, speaking with one voice to deliver a common customer experience.



**Objective 2.3: Ensure our internal support functions, processes, and systems support the effective and efficient delivery of audits and services.**

Everything we do relates to our ability to deliver audits and services that serve the Department and the warfighter. Our internal support functions play a major operational role for all employees and have a significant impact on the success of our mission. We must deliver effective support, efficient employee services, timely reporting, and accurate data for decision making. To that end, we must also identify impediments to employee services and adjust our internal processes and systems to effectively execute our mission.

**Objective 2.4: Ensure our organizational structure and systems support effective and efficient delivery of products and services.**

Our organizational structure and systems affect those we serve, and we will continue to seek opportunities to better align with our customers and their needs, maximize audit efficiencies, and effectively harness institutional knowledge.





### Goal 3: Recruit, Cultivate, and Retain a Highly Skilled, Flexible, and Empowered Workforce.

Our success as an Agency is dependent on our workforce, a high performing group of professionals who work together to provide audit products and services to support the Department of Defense. The strength and effectiveness of that workforce depends on having engaged, highly qualified employees who can thrive in dynamic environments, embrace new challenges, remain flexible in the face of new and emerging requirements, and continue to develop and hone their skills to meet current and future mission demands. We will build and maintain an effective workforce through a robust recruiting and retention strategy, a rigorous workload planning process, and an outstanding training and development program.

#### **Objective 3.1. Recruit and retain employees with the right skills at the right locations.**

Hiring the right people, engaging employees, and meeting the staffing needs across the agency are critical to building and maintaining an effective workforce. We will continue to assess the skills we need in our employees, our effectiveness in meeting employee needs, and the processes that ensure our workforce is prepared and well-positioned to meet customer requirements.

#### **Objective 3.2. Enhance our workforce skills and knowledge.**

DCAA must stay ahead of the skills curve. We can't focus only on the skills employees need today; we must anticipate the technical and leadership competencies they will need in the future. We must continually assess our training institute—its course offerings, materials, and delivery formats—to ensure our employees are prepared to meet the demands of their positions, each of which is critical for accomplishing the mission. As a vital component of our workforce development strategy, we will identify opportunities for new skills, assess existing curricula, make necessary adjustments, add new courses, and develop an actionable training plan that keeps our employees at the forefront of their career fields.



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## Appendix A: Strategic Initiatives

### Goal 1: Better Serve the Department by Strengthening Strategic Alliances.

#### **Objective 1.1:** *Create and execute Customer engagement strategy.*

- Initiative 1.1.1.** Define customer groups and refine understanding of expectations, needs, operations, requirements, and products.
- Initiative 1.1.2.** Develop and execute targeted engagement plans and communication strategies for each customer group.
- Initiative 1.1.3.** Refine and broaden our customer feedback initiative (CFI) to include a sustainable process for a continuous feedback loop: customer feedback→ operations→ actions→ results of feedback back to customer.

#### **Objective 1.2:** *Increase awareness and understanding of DCAA's services, ethos, value, and service commitment to customers.*

- Initiative 1.2.1.** Clarify, articulate, and communicate DCAA's customer value proposition.
- Initiative 1.2.2.** Assess customer awareness, understanding, and perception of DCAA's value proposition.

#### **Objective 1.3:** *Increase DCAA Presence at forums and meetings of strategic partners.*

- Initiative 1.3.1.** Identify and prioritize all relevant forums for DCAA participation and appropriate participants.
- Initiative 1.3.2.** Create processes to develop and distribute Agency talking points.





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## Goal 2: Align our Products and Services to be Flexible and Responsive to Customer Needs.

**Objective 2.1:** *Continually assess how effectively our products and services align with customer needs.*

**Initiative 2.1.1.** Develop a customer needs/audit service alignment plan for regularly assessing DCAA offerings and addressing areas of misalignment.

**Objective 2.2:** *Tailor audit processes to effectively and efficiently support the delivery of our products and services.*

**Initiative 2.2.1.** Assess how we execute audits to determine whether changes are necessary.

**Initiative 2.2.2.** Explore methods, software, and other tools to streamline audit processes.

**Initiative 2.2.3.** Develop strategies to better integrate internal processes and optimize resources on classified contracts.

**Objective 2.3:** *Ensure our internal support functions, processes, and systems support the effective and efficient delivery of audits and services.*

**Initiative 2.3.1.** Review, assess, and improve effectiveness of business processes to better serve employees and optimize efficiencies to support our mission.

**Initiative 2.3.2.** Develop and deliver timely, accurate reports and information to facilitate decision making.

**Initiative 2.3.3.** Establish, publish, and create baseline measures for service delivery standards.

**Objective 2.4:** *Ensure our organizational structure and systems support effective and efficient delivery of products and services.*

**Initiative 2.4.1.** Ensure management information systems are adequately responsive for meeting customer needs.

**Initiative 2.4.2.** Explore opportunities for, and barriers to, instituting different organizational structures that will enhance effectiveness of products and services.

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## Goal 3: Recruit, Cultivate, and Retain a Highly Skilled, Flexible, and Empowered Workforce.

**Objective 3.1.** *Recruit and retain employees with the right skills at the right locations.*

**Initiative 3.1.1.** Identify technical skills needed to efficiently and effectively execute mission requirements and inform hiring decisions.

**Initiative 3.1.2.** Align strategic workload requirements with staffing strategy.

**Initiative 3.1.3.** Develop engagement plan to assess and improve employee engagement.

**Objective 3.2.** *Enhance our workforce skills and knowledge.*

**Initiative 3.2.1.** Conduct Agency competency analysis and identify opportunities to develop our workforce in new and emerging areas.

**Initiative 3.2.2.** Conduct a training needs assessment.

**Initiative 3.3.3.** Develop training plan to address training needs.









