



# **Defense Contract Audit Agency**

## **Strategic Plan FY 2024 – FY 2030**



## Director's Message

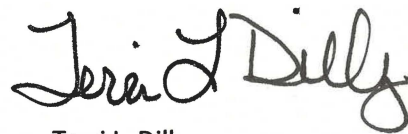


I am pleased and excited to share the Fiscal Year (FY) 2024-2030 Defense Contract Audit Agency (DCAA) Strategic Plan! Since 1965, the DCAA conducted its mission to ensure contractor oversight and taxpayer assurance while optimizing the Department of Defense's (DoD) use of taxpayer dollars to purchase essential weapons systems, services, and other requirements at reasonable and fair prices. With this strategic plan, the DCAA continues to emphasize these foundational principles while positioning ourselves for a future of continued support to the DoD and the warfighters who defend our Nation.

This Strategic Plan emphasizes the DCAA's support and commitment to the DoD mission of defending the Nation. Our vision to be the industry leader for contract auditing and advisory services by providing unparalleled value for the DoD, unwavering customer focus, agile methodologies, and data-driven insights in an ever-evolving business landscape drives us to excellence. To realize our vision, our plan emphasizes our strategic priorities: 1) Optimize Value and Customer Service, 2) Cultivate a Premier and Diverse Workforce, 3) Capitalize on Technological Innovations, and 4) Influence the Business Environment. Our priorities fully align with those in the National Defense Strategy, and the DoD Strategic Plans for Financial Management, and Acquisition and Sustainment.

Our strategy builds on our organizational culture of excellence, teamwork and data-driven decision making as an integrated business process. We leverage the power of data and our highly specialized expertise to provide relevant, real-time information to our customers, enabling them to make timely decisions regarding DoD acquisitions. Our strategic approach further leverages data to streamline internal processes optimizing customer support and ensuring our highly skilled workforce remains the preeminent audit workforce in the DoD, well postured to meet the challenges of today and tomorrow.

DCAA is honored to serve as a key component of the DoD's ability to provide warfighters with resources, systems, and tools to effectively defend the Nation.



Terri L. Dilly  
Director, DCAA



## Table of Contents

<b>Mission, Vision, and Values .....</b>	<b>4</b>
<b>DCAA at a Glance.....</b>	<b>6</b>
<b>Key Accomplishments 2020-2023 .....</b>	<b>7</b>
<b>Strategic Goals, Objectives, and Initiatives .....</b>	<b>9</b>
<b>Goal 1: Optimize Value and Customer Service .....</b>	<b>9</b>
<b>Goal 2: Cultivate a Premier and Diverse Workforce .....</b>	<b>10</b>
<b>Goal 3: Capitalize on Technological Innovations .....</b>	<b>11</b>
<b>Goal 4: Influence the Business Environment.....</b>	<b>12</b>
<b>Alignment to DoD Strategy .....</b>	<b>13</b>
<b>From Strategy to Success .....</b>	<b>13</b>



## Mission, Vision, and Values

**Mission** *DCAA delivers contract audit and advisory services that exceed our customers' expectations to promote timely acquisition decisions and maximize buying power so DoD has the necessary capabilities to deter current and emerging threats.*

For the past six decades, the DCAA has steadfastly pursued its mission. Our audits and advisory services consistently foster confidence, transparency, and accountability within the DoD. Our skilled workforce performs our mission with a relentless pursuit to incorporate adaptive solutions, technological innovation, and independent expertise that enhance the Departments' acquisition strategies. Our outstanding leaders partner within DoD and engage industry to promote trust, integrity, and fiscal accountability in the Defense acquisition process. Our mission statement is a commitment to strengthen the national defense strategy by ensuring the DoD receives unparalleled value for its acquisitions.



**Vision** *As the premier leader in DoD contract audit and advisory services, we deliver unparalleled value, agile solutions, and data driven insights in support of our nation's defense needs.*

Our vision statement serves as the guiding beacon keeping us on course to consistently deliver unparalleled value to the DoD. As the business landscape of the DoD evolves, we will embrace modernization, adaptation, and integration of new technologies to generate efficiencies. DCAA will remain at the forefront of these transformative efforts by maintaining our highly integrated, proactive approach to services that exceed customer expectations. We will cultivate a highly skilled, diverse workforce equipped to assist our customers by developing innovative solutions, fostering agile business processes, and promoting transparency. We will build and sustain relationships to influence the defense business environment consistent with our values, ultimately enhancing the overall value of defense acquisitions.

## Guiding Principles

### Steward Taxpayer Dollars

Provide actionable, fiscally responsible advice to our acquisition and financial management partners.

### Lead by Example

Demonstrate values and expectations in every decision and action, and put the needs of the DoD first.

### Take Care of Our People

Support training, development, and well-being of the DCAA workforce.

### Be a Strategic Partner

Obtain resources and align efforts for the DoD's highest strategic mission priorities and enable effective decision-making.

### Focus on Outcomes

Optimize value through data-driven, customer centric solutions leading to fiscal responsibility and accountability.

### Be Curious

Focus on continual learning and improvement.

### Embrace Innovation

Accelerate outcomes by relentlessly pursuing new thinking and approaches.

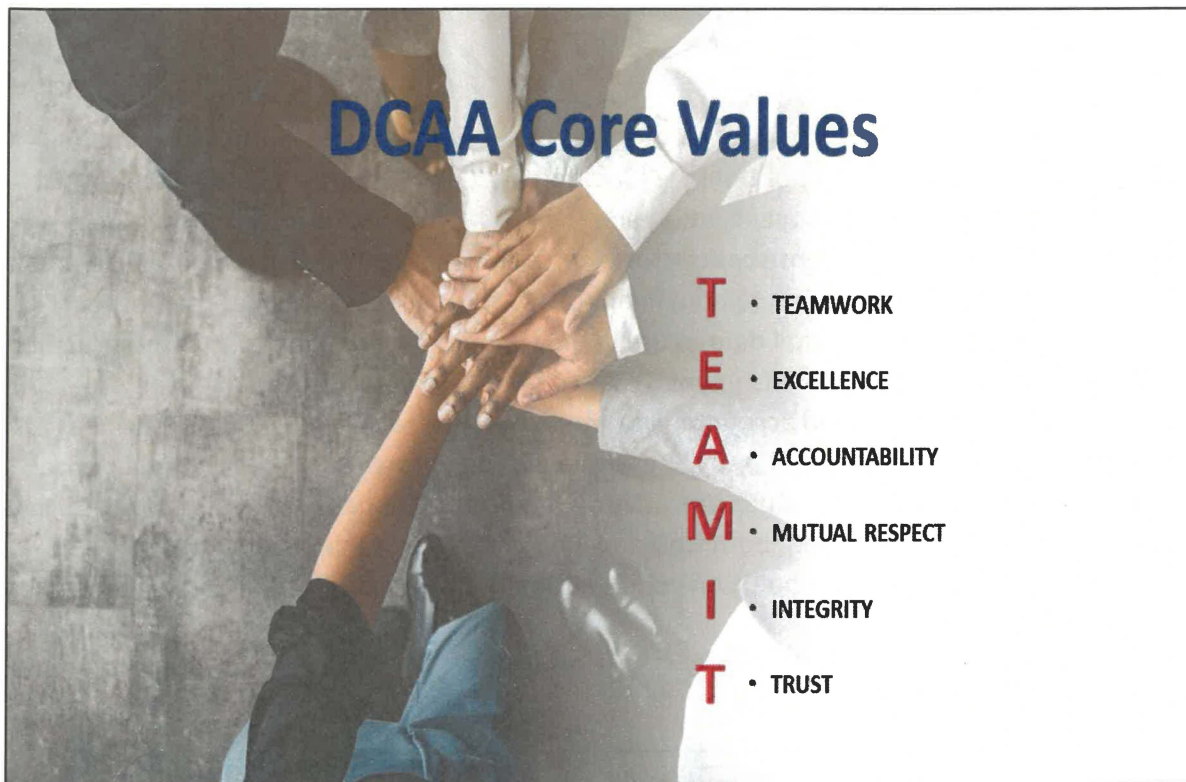
### Drive Change

Continuously seek efficiencies and enhancements through standardization, simplification of products and services, and remaining flexible to new and innovative solutions.

### Generate Insights

Use the power of enterprise data to generate better decisions.





**Teamwork** – We foster collaborative and inclusive environments where individuals work together effectively, efficiently, and accomplish more together than as individuals.

**Accountability** – We take responsibility for actions, decisions, and outcomes, and commit to learning and improving from our experiences.

**Integrity** – We uphold the highest ethical standards and maintain honesty and transparency in all activities and interactions to build creditability and trust.

**Excellence** – We strive to achieve the highest standards in everything we do, achieving superior quality and innovative outcomes by continuously seeking improvement in processes, outcomes, and ourselves.

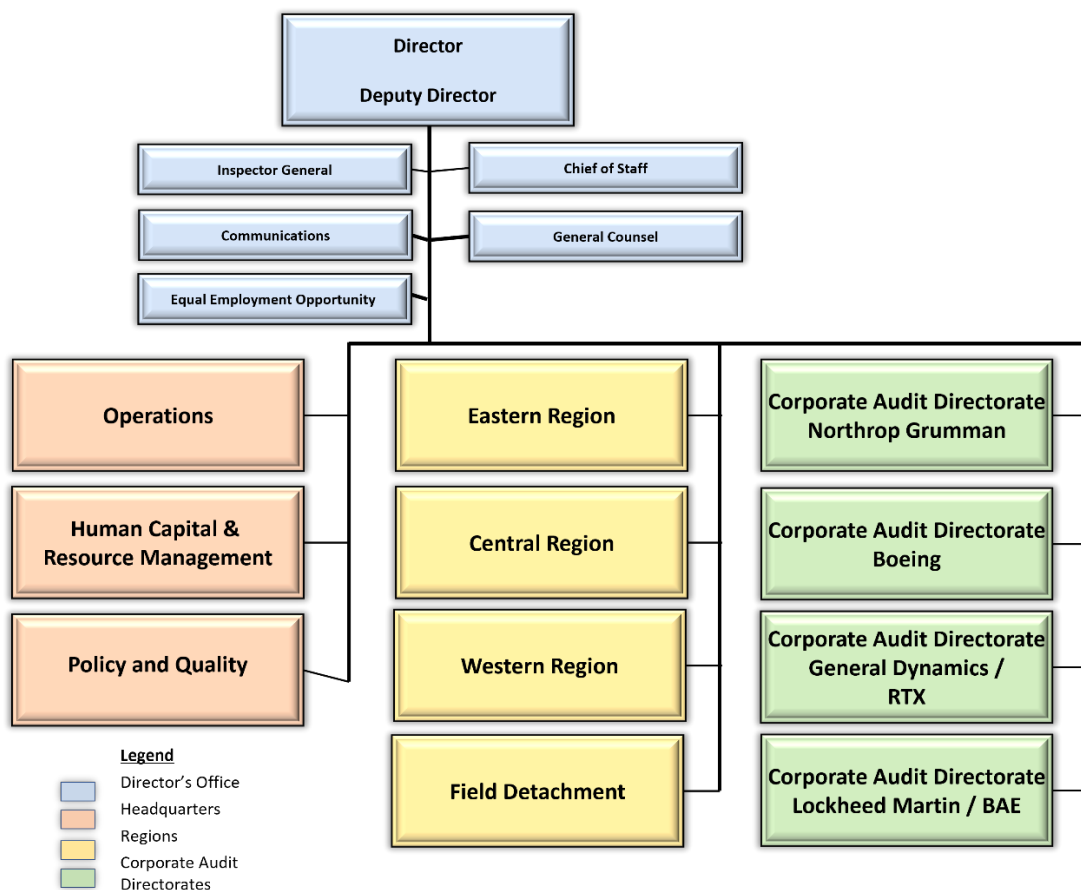
**Mutual Respect** – We recognize and honor the unique perspectives, backgrounds, and contributions of every individual, leveraging diversity to achieve excellence and accomplish shared goals.

**Trust** – We consistently deliver on promises and commitments, and foster individual and organizational confidence in our ability to meet expectations.

## DCAA at a Glance

The DCAA has a rich history spanning six decades. Operating under the authority, direction, and control of the Under Secretary of Defense (Comptroller/Chief Financial Officer), the DCAA is, first and foremost, a financial oversight organization that protects the government's best interests by ensuring the defense contractors properly spend DoD funds. Our DoD-wide mission to perform contract auditing and related financial advisory services furnishes the DoD acquisition community with vital data to use in the negotiation, administration, and settlement of DoD contracts. Since its establishment, DCAA has been a pivotal force in fortifying confidence, transparency, and accountability within Defense acquisitions. While much has changed over the years, DCAA's legacy of unwavering commitment to delivering exceptional value to the DoD through our audits and advisory services continues to propel us forward. In an ever-changing landscape, where both DoD and industry embrace modernization and technological advancements, the DCAA stands at the forefront, poised to be a catalyst for transformative change.

## DCAA Organization





## Key Accomplishments 2020-2023

### Optimize Value and Customer Service

- Achieved net savings over \$3 billion per year.
- Mitigated backlog and sustained on-time completion of incurred cost audits since 2018, facilitating timely contract close-out.
- Increased advisory services performed to facilitate and generate efficiencies in real-time, upfront savings which permitted direct investment to other DoD priorities without additional recoupment costs or efforts.
- Emphasized small business engagements, increasing small business participation in DCAA-centered events over 90 percent. Partnered with government organizations, such as the Small Business Administration, Defense Acquisition University, and others to create training, webinars, and other content which facilitates small business competitiveness, compliance, and audit readiness.

### Cultivate a Premier and Diverse Workforce

- Expanded virtual course offering at the Defense Contract Audit Institute to ensure employee development was minimally impacted by the pandemic.
- Rebranded recruiting materials and expanded DCAA presence on campuses, bringing in over 50 percent of new hires who are recent graduates and meeting recruiting goals.
- Established the Diversity, Equity, Inclusion, and Accessibility council to focus efforts in this area.
- Instituted a fitness program as the first of several workforce focused initiatives.

### Capitalize on Technological Innovation

- Developed the Contractor Submission Portal, increasing efficiency of incurred cost submission and reducing redundant, manual steps.
- Developed enterprise-wide data analytics models, an audit leveraging tool, and a web-based variable sampling application to increase efficiency of audits saving thousands of hours.
- Established the Chief Digital and Artificial Intelligence Office, underscoring our commitment to identifying and implementing technological advancements, artificial intelligence, and machine learning.
- Contracted for replacement system for DMIS. EPIC is now being configured to meet requirements of both workforce and management.
- Leveraged lessons learned during the pandemic and revised guidance for mandatory annual audit requirements (MAAR) 6 and 13 allowing for virtual techniques and changing annual requirement to risk-based, freeing auditors and contractor staff for higher priority work.

### Influence the Business Environment

- Issued guidance in coordination with Defense Pricing and Contracting (DPC) for contractors on COVID related legislation such as the CARES Act, FFCRA, and PPP loans ensuring contractors understood how this legislation impacted costs and audits.
- Prioritized conducting business systems audits in FY2019. By FY2023, exceeded our goal by completing over 288 major contractor business systems audits, which generates confidence in procurements, creates efficiencies and enhances future audits and engagements.
- Concurrently issued new guidance with DCMA on the methods to determine increased cost to the government, in the aggregate, for unilateral cost accounting practice (CAP) changes. Guidance resolves a long standing issue and avoids duplication of costs and windfall profits.



## Strategic Goals, Objectives, and Initiatives



### Goal 1: Optimize Value and Customer Service



The DCAA aims to emphasize our value in the Defense acquisition process by developing and implementing strategies and services which align to the evolving needs of the DoD. We strive to provide exceptional value through proactive customer engagements; reliable, efficient, and customer-centric services; continuous improvements in audit practices to foster trust and long-term partnerships; and focusing on customer satisfaction.

**Outcomes:** By 2030, DCAA will:

- A. Measure and articulate our full value to the DoD and taxpayers through data-driven, tailored work products and services. Align DCAA's resources and workforce to administer new products efficiently and effectively.
- B. Evolve beyond traditional audit services by proactively supporting defense strategic financial management and acquisition initiatives and by developing future innovative solutions and services for our customers.
- C. Prioritize customer service excellence by implementing strategic initiatives to enhance proactive communications; tailoring and streamlining products and services to meet the needs of our stakeholders; and enhancing our agility and responsiveness to address emerging defense priorities.

## Goal 2: Cultivate a Premier and Diverse Workforce



We aim to be the employer of choice by cultivating and leveraging our human capital to its fullest potential. We will enhance our workforce capabilities by implementing targeted training programs, fostering a culture of innovation, promoting cross-functional collaboration, and leveraging and embracing diversity, equity, inclusion, and accessibility principles, concepts, and best practices. This approach seeks to enhance expertise, adaptability, and employee satisfaction, ultimately driving organizational excellence, client satisfaction, and employee retention.

**Outcomes:** By 2030, DCAA will:

- A. Recruit and retain a diverse, empowered, technologically-savvy, and functionally skilled workforce of integrated, cross-functional, and collaborative teams to drive operational and organizational excellence.
- B. Align organizational structures, policies, and best practices to ensure our workforce is well positioned and flexible to provide high quality, value-added services and products to our customers at the time of need.
- C. Enhance our workforce's core knowledge in essential functions, leadership, and critical thinking to improve our capability and agility to address current and future requirements.



### Goal 3: Capitalize on Technological Innovations



The DCAA will adopt cutting edge technology to enable effective data-driven decision making and drive excellence in work outcomes. Across the DoD enterprise, our data and analysis provide real-time ability to predict pricing and other trends, and identify threats that enable DoD to make timely, efficient, and cost-effective acquisitions.

**Outcomes:** By 2030, DCAA will:

- A. Support defense strategic financial management and acquisition initiatives by implementing appropriate defense enterprise-based decision support tools, support enterprise data analysis, and drive strategic data-driven decision-making to improve understanding of the acquisition business environment.
- B. Invest in and continually enhance our technological capabilities to remain at the forefront of emerging technologies. Integrate artificial intelligence and machine learning into our processes to proactively identify actionable risks, insights, solutions, and opportunities.
- C. Foster a data-driven culture by training and challenging the staff to use data in everyday decision-making and processes, and by rewarding ideas and innovations that effectively leverage data to improve outcomes and efficiencies.
- D. Adopt and implement rigorous data governance standards to ensure data integrity.
- E. Develop integrated tools and resources that enable easy access to and feed relevant DoD-enterprise data systems that enable DoD-wide data-driven solutions.

## Goal 4: Influence the Business Environment




DCAA must be viewed as a trusted advocate and technical resource with policymakers, defense acquisition and financial management partners, and industry leaders. We will increase our promotion of, and coordination on, defense acquisition and financial management priorities, foster mutually beneficial relationships, and promote fiscal accountability and public assurance through effective legislative, regulatory, and professional practice changes.

**Outcomes:** By 2030, DCAA will:

- A. Strengthen existing and forge new strategic partnerships with key defense stakeholders to educate and promote use of DCAA services, leverage shared resources and information, and identify opportunities for collaboration to enhance the efficiency and effectiveness of defense acquisitions.
- B. Reinforce DCAA's valued partnership with regulatory and oversight agencies through collaboration, open communications, and transparency to develop mutually beneficial and effective regulations, policies, and standards.
- C. Enhance DCAA's strategic engagement with industry by fostering communications, transparency, and improving understanding of defense audit, acquisition, and financial management regulations, requirements, and practices. Develop and maintain strong relationships with industry leaders to stay abreast of emerging financial and technological trends which could affect our ability to effectively provide oversight, fiscal accountability, and assurance to the DoD and taxpayers.

## Alignment to DoD Strategy

This strategy fully aligns and supports the National Defense Strategy (NDS), the DoD Financial Management Strategy (FMS), and the DoD Acquisition and Sustainment (A&S) strategic priorities.

<b>Linkage to Key Departmental Strategic Priorities</b>			
<b>National Defense and Building a Resilient Joint Force and Defense Ecosystem</b>	<b>Cultivating a Skilled and Inspired Workforce</b>	<b>Drive Efficiencies and Reduce Costs</b>	<b>Simplify Business Processes and Enhance Data-Driven Solutions</b>
			
<b>DCAA Strategic Priorities</b>			

## From Strategy to Success

The DCAA is committed to achieving our strategic goals. To accomplish these goals, the DCAA will identify specific initiatives, milestones, and measures ensuring our path to success through actionable, tangible results. These initiatives will be championed by our Executive Steering Committee, facilitated by the DCAA's Strategic Initiatives Group (SIG), and achieved by our workforce.

Our senior executives and SIG will meet regularly to discuss and measure our progress. Each year, we will revalidate our strategy to ensure DCAA remains well aligned with the strategic objectives of the DoD, and that our initiatives are properly aligned and resourced to attain our goals and the intended strategic outcomes.