



DEFENSE CONTRACT AUDIT AGENCY
DEPARTMENT OF DEFENSE
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OFFICE OF THE DIRECTOR

October 1, 2008

MEMORANDUM FOR ALL DCAA EMPLOYEES

SUBJECT: Update on DCAA Action Plan to Findings in GAO Report GAO-08-857, DCAA Audits: Allegations that Certain Audits at Three Locations Did Not Meet Professional Standards Were Substantiated

On August 7th, I notified the workforce of our action plan in response to the subject GAO report. Since that time, we have completed a number of actions and have others in process that I would like to share with you.

1. Staff Assessment

We initiated a project to assess the staffing across the Agency. On September 10th, we provided the DoD Comptroller's office our initial request for additional staff. The request includes additional auditors, supervisors, managers, and other positions across the Agency. We are working with the Department on how best to address the staffing needs and do not have a timeframe at this point for the receipt of additional staff. We will notify the workforce once our staffing request is approved. The appropriate level of staffing will continue to be assessed throughout the year.

2. Performance Measure Assessment

We initiated a project to assess performance measures across the Agency. On September 30th, we issued a memorandum for the new performance measures for FY 2009. As discussed in the memorandum, we have made a number of improvements in the performance measure process including discontinued the use of 18 prior measures, discontinued the use of scorecards, disabled webmetrics, and provided several mechanisms for employee feedback. The next step in the project is to assess revisions to the job objectives/performance standards as a result of the new performance measures. The assessment is scheduled to be completed by the end of November.

3. Ceased Participation in Integrated Product Teams (IPTs)

On August 5th, we notified you that DCAA is no longer a team member of an IPT due to concerns with auditor independence. Since that time, Policy has issued several memorandums providing guidance on the audit services that may be provided during IPTs. To further emphasize DCAA's actions, I met with Mr. Shay Assad, Director, Defense Procurement, Acquisition Policy & Strategic Sourcing; Director, Defense Contract Management Agency; and acquisition officials with the Defense Logistics Agency, Army, Navy, and Air Force. All of these individuals understand and support DCAA's actions.

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4. Revised Signature Authority to FAO Manager for all Reports

On August 29th, we notified the workforce that we were required by the DoD Comptroller to raise the required signature authority for all audit reports to the FAO Manager. We continue to welcome feedback on the additional effort and elapsed days that are needed to accomplish this change in policy. Please provide feedback to the Headquarters Quality Assurance Directorate at dqa@dcaa.mil.

5. Organizational Assessment Survey

On September 29th, we notified all employees of an Agency-wide Organizational Assessment Survey that will be conducted by the Office of Personnel Management on behalf of DCAA. All employees are highly encouraged to participate in the survey which is scheduled to begin October 6th.

6. Realignment of Regional Quality Assurance Function to Headquarters

We are in the process of realigning the regional quality assurance function to Headquarters. We held a teleconference on September 26th with the Headquarters and regional quality assurance staff to discuss the position responsibilities and process for completing the realignment.

7. Organizational Assessment

We are in the process of planning an Agency-wide organizational assessment to be completed by the end of 2009. This is a comprehensive assessment that addresses improvements in a number of areas including the Strategic Plan, staffing allocations, ethics, and leadership. The organizational assessment will use the Criteria for Performance Excellence published by the Baldrige National Quality Program.

We will continue to keep you informed as we complete our initiatives. As I stated in my prior memorandum, I recognize the excellent work performed by DCAA employees and I am dedicated to ensuring that the Agency provides a quality work environment where each employee is proud to be a member of DCAA.

Thank you for your dedicated work.

/SIGNED/
April G. Stephenson
Director