

11. PERFORMANCE PLAN AND ANNUAL PERFORMANCE REPORT

Introduction and Executive Summary

In FY 2020, the Department was successful in meeting or exceeding many of the Annual Performance Plan (APP) performance targets, including those related to achieving efficiency, effectiveness, and cost savings; audit remediation; and reforming the Department’s business operations. Notable accomplishments and updates are summarized below, and additional detail can be found in the 2020 Annual Performance Report (APR). The website for the 2020 APR is <https://cmo.defense.gov/Publications/Annual-Performance-Plan-and-Performance-Report/>.

Looking Back: A Selection of Our Recent Accomplishments and Updates

DoD Financial Audit

The DoD financial statement audit continues to include a focus on reforming the Department for greater performance and accountability. The audit includes 24 standalone audits and one consolidated audit conducted by the Department of Defense Office of Inspector General (DoD OIG). So far, 8 organizations received unmodified (clean) opinions, the highest grade; and one received a qualified (modified) opinion, which means that data is right with some exceptions. All other reporting entities received a disclaimer of opinion, which means the auditors did not have enough evidence to provide an opinion. The Defense Information Systems Agency (DISA) Working Capital Fund progressed from a disclaimer for FY 2019 to an unmodified opinion for FY 2020.

Key Audit Take Aways:

- The audit is helping to galvanize change that advances cybersecurity, property management, inventory control, and readiness.
- It enables faster insights to develop focused, sustainable solutions for the Department’s complex business data problems.
- It results in better data that supports management, decision-making, and the warfighter.

Furthermore, every Component that achieved an unmodified opinion in FY 2019 sustained a clean opinion in FY 2020. Components representing 44.5 percent of DoD’s more than \$3.1 trillion in total assets and 12.3 percent of DoD’s \$1.3 trillion in total budgetary resources received unmodified or qualified opinions. Our FY 2020 consolidated Departmental financial statement audit also improved over FY 2019, with the downgrading of two DoD material weaknesses and no new identified issues.

IT & Business Systems

The Military Departments (MILDEPs) and the Office of the Deputy Chief Financial Officer (ODCFO) recently worked together to develop a General Ledger (GL) system consolidation plan. This plan showed the DoD’s commitment to improving, standardizing, and simplifying our business systems environment by providing a complete inventory and timeline for consolidation across DoD. The end result was a plan that will reduce the number of GLs within DoD from 31 to 14 by FY 2028.

In FY 2021, the Deputy Secretary of Defense (DSD) named Advana as the “single enterprise authoritative data analytics and visualization platform used by the Secretary of Defense, DSD, and the Principal Staff Assistants (PSAs).” By continuing to increase the number of systems providing data to Advana and improving data access and quality, the DoD is building a single source of truth to optimize IT portfolio management, improve financial management, capture lost buying power, and provide enterprise wide visibility that drives to action.

Overview – FY 2022 Defense Budget

A major IT reform effort DoD has underway is the Fourth Estate Cloud and Data Center Optimization Initiative, which is migrating Defense Agencies and DoD Field Activities (DAFA) applications and systems to alternate cloud and data center hosting environments to enable the closure of legacy data centers and facilitate the transition to a cloud-enabled future. In FY 2020, the DoD migrated or decommissioned 201 systems totaling 552 over the lifespan of the initiative. Additionally, the enterprise-wide Data Center Optimization Initiative (DCOI) continued making strides towards efficiencies by closing 187 data centers and saving \$178.5 million during FY 2020. The effort received the DoD's first A within the Federal DCOI, under the Federal Information Technology and Acquisition Regulation Act Scorecard for Q4 FY 2020.

Contracting and Category Management

Financial savings achieved, demonstrated, and validated for all DoD Components, in accordance with Services Requirements Review Board (SRRB) Senior Review Panels, amounted to \$441 million for FY 2020. The annual SRRB review cycle focused on evaluation of bridge contracts, which resulted in a significant reduction in bridge contracts in the DoD Services arena. Organizations have active plans for reductions and are implementing them successfully.

The FY 2019 – FY 2020 category management pilot initiatives evaluated over \$77 billion of spend with over 394,000 contracts impacted. These reviews pointed to substantial benefits that can be obtained by improving processes, opportunity cost avoidance, and finding savings across the Department in all 19 Government Services Agency (GSA) defined subcategories.

Travel

In FY 2020, more than 2,000 users were added onto the Defense Travel Modernization Prototype and over 800 trips were completed. Quarterly reports identified a 4.3 percent improvement in improper payment rates as well as increased customer satisfaction rates. Despite delays in deployment as a result of the DoD travel ban in response to the COVID-19 pandemic, reforms related to this effort saved \$119 million in FY 2020.

Regulatory Reform

Executive Order 13777 required each agency to establish a Regulatory Reform Task Force (RRTF) to review existing agency regulations for retention, repeal, replacement, or modification, as appropriate. As of January 20, 2021, 518 of the 716 RRTF recommendations were completed, resulting in approximately \$121 million of regulatory cost savings to the public.

Human Resources

The Department has made tremendous strides to improve both the timeliness and quality of its hires into the civilian workforce. Since FY 2018, the overall civilian time to hire (TTH) has decreased 17 days, ending FY 2020 with an average TTH of 83 days; in FY 2020 alone TTH was reduced by 11 days. FY 2020 is also the first time the Department has promoted and reported hiring managers' customer satisfaction, achieving the goal of 75 percent satisfaction. This score is up from 69 percent in FY 2019. As the quantity of completed surveys continues to increase across the Department quarter after quarter, the satisfaction score is expected to continue to increase in the next fiscal year.

Additionally, continued efforts to configure the Defense Civilian Human Resource Management System (DCHRMS), a cloud-based human resources personnel system that is integrating six different databases into one. In FY 2020, thousands of business processes and rules were reengineered, reducing system roles by 30 percent, decreasing the number of data fields by 45 percent, and reducing the number of interfaces down to 36 from 42 in FY 2019.

Overview – FY 2022 Defense Budget

Looking Ahead: Where We Are Heading

As stated in Secretary Austin’s “*Message to the Force*” on March 4, 2021, our future performance focus areas will align to three priorities: defending the nation, taking care of our people, and succeeding through teamwork. The strategic goals supporting these priorities are in the process of being developed and fully operationalized, and will be influenced by initiatives in the President’s Management Agenda (PMA), and recommendations from the Government Accountability Office (GAO) and the DoD Inspector General (IG), among others. A performance management framework and approach is forthcoming pursuant to the requirements of all applicable laws and policies.

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