

# **Fiscal Year (FY) 2023 Budget Estimates**

## **Overseas Operations Costs Appendix**

**Defense Contract Audit Agency**



**April 2022**

**Defense Contract Audit Agency  
Overseas Operations Costs  
Operation and Maintenance, Defense-Wide  
Budget Activity 04: Administrative and Service-Wide Activities**

**I. Description of Operations Financed:**

The Defense Contract Audit Agency (DCAA) is responsible for providing audit services and financial advice to all Department of Defense (DoD) acquisition officials involved in Operation INHERENT RESOLVE (OIR), as well as reconstruction in Kuwait.

The DCAA assists in achieving fair and reasonable contract prices and assuring compliance with contractual terms and conditions by responding to requests from acquisition officials for specific services across the entire spectrum of contract financial and business matters. The DCAA's workload originates primarily from the effort required to audit and monitor DoD and civilian agency (USAID and State Department) acquisitions of equipment, materials, and/or services. The DCAA's workload is also impacted by Congressional interest in the costs charged to Kuwait and requests for contract audit support from the Defense Procurement Fraud Unit and U.S. attorneys during the conduct of investigations and prosecution of perpetrators of contract fraud.

There are few audit matters within DCAA more sensitive and significant than the support provided to the OIR-related contracts. The DCAA has established priorities to ensure audit support in Kuwait and related field offices is timely, comprehensively accomplished and promptly reported to its customers. The DCAA audits of cost-reimbursable contracts represent a continuous effort from evaluation of proposed prices to final closeout and payment. The DCAA performs initial audits of contractor business system internal controls and testing of contract costs to provide a basis for provisional approval of contractor interim payments and early detection of deficiencies. The DCAA also performs comprehensive contract cost audits throughout the life of the contract and the contracting activity uses the audits to adjust provisionally approved interim payments and ultimately negotiate final payment to the contractor. The audit and financial advisory services provided in support of OIR military operations will be subject to the same performance measurement as other DCAA audit activities.

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**III. Financial Summary (\$ in Thousands):**

<b>BA Subactivities</b>	<b>FY 2021 Actuals</b>	<b>Budget Request</b>	<b>FY 2022 Congressional Action</b>			<b>Current Enacted</b>	<b>FY 2023 Request</b>
			<b>Amount</b>	<b>Percent</b>	<b>Appropriated</b>		
<b>OFS</b>	<b>\$675</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00%</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
1.0 - Personnel Compensation	\$664	\$0	\$0	0.00%	\$0	\$0	\$0
2.0 - Personnel Support	\$11	\$0	\$0	0.00%	\$0	\$0	\$0
3.0 - Operating Support	\$0	\$0	\$0	0.00%	\$0	\$0	\$0
<b>OIR</b>	<b>\$156</b>	<b>\$600</b>	<b>\$0</b>	<b>0.00%</b>	<b>\$600</b>	<b>\$600</b>	<b>\$93</b>
1.0 - Personnel Compensation	\$144	\$504	\$0	0.00%	\$504	\$504	\$72
2.0 - Personnel Support	\$5	\$72	\$0	0.00%	\$72	\$72	\$12
3.0 - Operating Support	<u>\$7</u>	<u>\$24</u>	<u>\$0</u>	<u>0.00%</u>	<u>\$24</u>	<u>\$24</u>	<u>\$9</u>
<b>SUBACTIVITY GROUP TOTAL</b>	<b>\$831</b>	<b>\$600</b>	<b>\$0</b>	<b>0.00%</b>	<b>\$600</b>	<b>\$600</b>	<b>\$93</b>

<b><u>Summary by Operation</u></b>	<b>FY 2021 Actuals</b>	<b>FY 2022 Enacted</b>	<b>FY 2023 Request</b>
Operation FREEDOM'S SENTINEL (OFS)	\$675	\$0	\$0
Operation INHERENT RESOLVE (OIR)	\$156	\$600	\$93
European Deterrence Initiative (EDI)	\$0	\$0	\$0
Other Theater Requirements and Related Missions	\$0	\$0	\$0
<b>Operation Totals</b>	<b>\$831</b>	<b>\$600</b>	<b>\$93</b>

\*Overseas Operations costs accounted for in the base budget: \$93 thousand.

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**III. Financial Summary (\$ in Thousands): (Cont.)**

<b><u>B. Reconciliation Summary</u></b>	<b><u>Change FY 2022/FY 2022</u></b>	<b><u>Change FY 2022/FY 2023</u></b>
<b>Overseas Operations Funding</b>	<b>\$600</b>	<b>\$600</b>
Congressional Adjustments (Distributed)	0	
Congressional Adjustments (Undistributed)	0	
Adjustments to Meet Congressional Intent	0	
Congressional Adjustments (General Provisions)	0	
Carryover	0	
<b>SUBTOTAL APPROPRIATED AMOUNT</b>	<b>600</b>	
Fact-of-Life Changes (2022 to 2022 Only)	0	
<b>SUBTOTAL Overseas Operations Funding</b>	<b>600</b>	
Baseline Appropriation	0	
Reprogrammings	0	
Price Changes		23
Functional Transfers		0
Program Changes		-530
<b>CURRENT ESTIMATE</b>	<b>600</b>	<b>93</b>
Less: Baseline Appropriation	0	
<b>NORMALIZED CURRENT ESTIMATE</b>	<b>\$600</b>	<b>\$93</b>

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**III. Financial Summary (\$ in Thousands): (Cont.)**

<b>FY 2022 President's Budget Request (Amended, if applicable)</b> .....	<b>\$600</b>
1. Congressional Adjustments .....	\$0
a) Distributed Adjustments.....	\$0
b) Undistributed Adjustments .....	\$0
c) Adjustments to Meet Congressional Intent.....	\$0
d) General Provisions .....	\$0
e) Carryover.....	\$0
<b>FY 2022 Appropriated Amount</b> .....	<b>\$600</b>
2. Baseline Appropriations .....	\$0
a) Baseline Appropriation .....	\$0
3. Fact-of-Life Changes.....	\$0
a) Functional Transfers.....	\$0
b) Technical Adjustments .....	\$0
c) Emergent Requirements.....	\$0
<b>FY 2022 Overseas Operations Funding</b> .....	<b>\$600</b>
4. Reprogrammings (Requiring 1415 Actions).....	\$0

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**III. Financial Summary (\$ in Thousands): (Cont.)**

a) Increases .....	\$0
b) Decreases .....	\$0
<b>Revised FY 2022 Estimate.....</b>	<b>\$600</b>
5. Less: Baseline Appropriations .....	\$0
a) Less: Baseline Appropriations .....	\$0
<b>FY 2022 Normalized Current Estimate .....</b>	<b>\$600</b>
6. Price Change .....	\$23
7. Functional Transfers .....	\$0
a) Transfers In .....	\$0
b) Transfers Out.....	\$0
8. Program Increases.....	\$20,555
a) Annualization of New FY 2022 Program .....	\$0
b) One-Time FY 2023 Increases .....	\$0
c) Program Growth in FY 2023.....	\$20,555
9. Program Decreases .....	\$-4,376
a) Annualization of FY 2022 Program Decreases .....	\$0

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**III. Financial Summary (\$ in Thousands): (Cont.)**

b) One-Time FY 2022 Costs.....\$0

c) Program Decreases in FY 2023 ..... \$-4,376

1) Operation INHERENT RESOLVE (OIR) ..... \$-530  
 As DCAA continues to close-out contracts for overseas operations, the DCAA anticipates less premium pay and travel. Additionally, the number of support agreements will be reduced.  
 (FY 2022 Baseline: \$600 thousand)

**FY 2023 Budget Request..... \$16,802**

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**IV. Performance Criteria and Evaluation Summary:**

N/A



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**V. Personnel Summary:**

N/A

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**VI. OP-32 Line Items:**

	FY 2021 <u>Program</u>	<u>Change from FY 2021 to FY 2022</u>		FY 2022 <u>Program</u>	<u>Change from FY 2022 to FY 2023</u>		FY 2023 <u>Program</u>
		<u>Price Growth</u>	<u>Program Growth</u>		<u>Price Growth</u>	<u>Program Growth</u>	
101 EXEC, GEN'L & SPEC SCHEDS	808	18	-322	504	21	-453	72
<b>TOTAL CIVILIAN PERSONNEL COMPENSATION</b>	<b>808</b>	<b>18</b>	<b>-322</b>	<b>504</b>	<b>21</b>	<b>-453</b>	<b>72</b>
308 TRAVEL OF PERSONS	15	0	57	72	2	-62	12
<b>TOTAL TRAVEL</b>	<b>15</b>	<b>0</b>	<b>57</b>	<b>72</b>	<b>2</b>	<b>-62</b>	<b>12</b>
914 PURCHASED COMMUNICATIONS (NON-FUND)	0	0	1	1	0	-1	0
920 SUPPLIES & MATERIALS (NON-FUND)	0	0	0	0	0	1	1
987 OTHER INTRA-GOVT PURCH	8	0	15	23	0	-15	8
<b>TOTAL OTHER PURCHASES</b>	<b>8</b>	<b>0</b>	<b>16</b>	<b>24</b>	<b>0</b>	<b>-15</b>	<b>9</b>
<b>GRAND TOTAL</b>	<b>831</b>	<b>18</b>	<b>-249</b>	<b>600</b>	<b>23</b>	<b>-530</b>	<b>93</b>

**Footnote:**

EXEC, GEN'L & SPEC SCHEDS: The DCAA only utilizes Overseas Operations funding for premium pay associated with OIR related work.