



# T104 - Supporting Value-Based Management with ERM

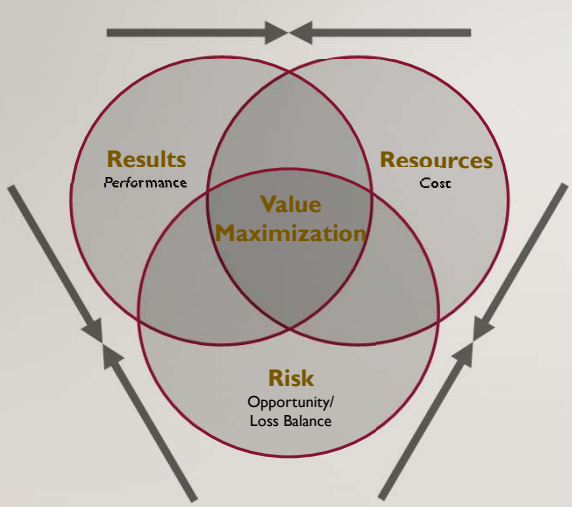
Panelists: Deb del mar (DoD) & Asif Khan (GAO)  
Moderator: Doug webster

**A FERM**  
Association for Federal  
Enterprise Risk Management

**AGIA**<sup>TM</sup>

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## MAXIMIZING VALUE



Every decision seeking to maximize value—individual and organizational—should balance:

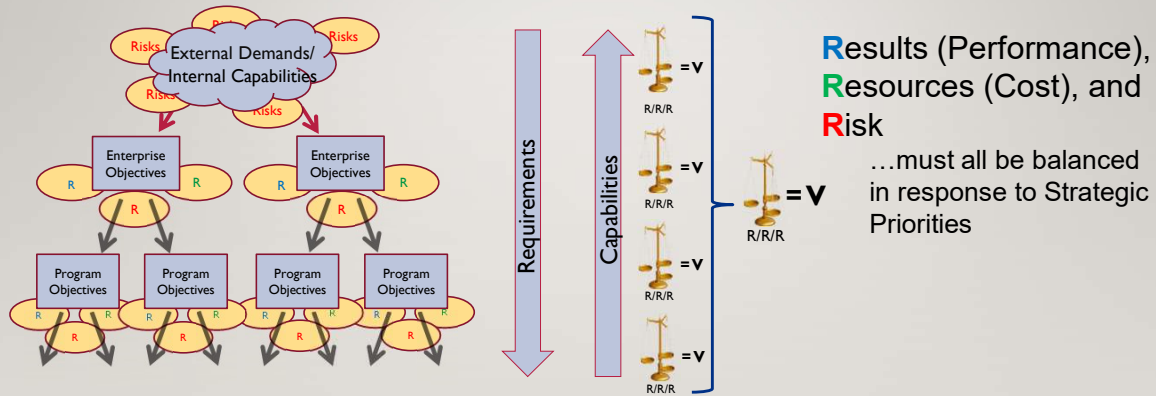
- Results
- Resources, and
- Risks

*“Life, business, everything you do, every decision you make – it’s all about risk and reward!”*

~ Bill Kaplan, founder /leader of the MIT Blackjack Team that won millions in Vegas; inspired the movie 21 and the national bestseller, *Bringing Down the House*.

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## STRATEGY, OBJECTIVES, RESULTS, RESOURCES AND RISK MUST ALL LINK



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## Using the DoD's FM Strategy FY22-26 and Execution Plan to Deliver Strategic Value to Warfighter

Debra Del Mar  
Senior FM Systems Advisor, OUSDC

AGA-AFERM ERM  
6 June 2024



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# Department of Defense Financial Management Strategy FY 22-26

The  
What and  
The  
Why!

The Department of Defense (DoD) Financial Management (FM) Strategy for Fiscal Year (FY) 2022-2026 was officially launched March 2022!

The strategy is a call to action across our entire DoD FM community to unify around essential enterprise-wide priorities that support mission success

The FM Strategy has five strategic goals for the entire FM community of over 55,000 people:

1. Cultivate a skilled and inspired workforce
2. Optimize taxpayer dollars for the highest value outcomes
3. Increase the integrity of financial results
4. Simplify and optimize our end-to-end business environment
5. Empower data-driven, fiscally informed decision-making

## ***Be bold in business as in battle.***

*This motto captures the spirit of our strategy. We must act now to solve persistent challenges and overcome longstanding barriers in order to achieve breakthrough outcomes.*



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Presidential, Congressional and SECDEF priorities drive the DoD FM Strategy FY22 - FY26 and Execution Plan/Integrated Roadmap FY23-FY24

Presidential and Congressional Priorities  
National Defense Strategy  
SECDEF Priorities

The "All of FM" DoD FM Strategy FY22-FY26 was signed out February 2022 by USDC and DUSDC, with approval by all Service FMs, DFAS, JCS. OUSDC is a strategic value partner to deliver value for the mission through bold action and accelerated outcomes across budget, operations, audit, systems/processes, financial information, and workforce.

DoD FM Strategy FY22-FY26

**Game Changer:**  
DoD Component and key Service Provider FM Strategies (e.g., DFAS) are aligned with and nested under the DoD FM Strategy to deliver strategic value with speed

Army FM Strategy

DON FM Strategy

DAF FM Strategy

DFAS FM Strategy

The DoD FM Strategy Execution Plan is an integrated roadmap and shared plan of action to deliver critical shared results starting in EOFY24.

This is viewed as HIGH VALUE by GAO,OMB, Congress as the "What, When, Who."

DoD FM Strategy Implementation Plan & Integrated Roadmap  
FY23-FY25

Each Priority Initiative is driven by a OUSDC lead in partnership with OUSDC FM Strategy expert accountable for focused execution and delivery of results. DoD FM Strategy governance ensures execution oversight & accountability.

**Priority Initiative 1**  
Complete the DoD enterprise IoT in Advana and reduce non-authoritative data sources

**Priority Initiative 2**  
Produce Accurate FBWT via Self-Entitlement and TDO within FM ERPs

**Priority Initiative 3**  
Fully adopt Treasury G-Invoicing

**Priority Initiative 4**  
Accelerate IT access control compliance (starting with Enterprise ICAM)

**Priority Initiative 5**  
Accelerate shut-down of legacy FM systems & expand use of enduring FM systems via Single Authoritative FM IT Systems Roadmap

**Priority Initiative 6**  
Integrate Budget with Execution

Priority Initiatives 6-9 on DoD FM Workforce are handled separately

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# DoD FM FY22-26 Strategy Goals and Implementation Priority Initiatives

Integrated & Interdependent for **Impact & Value**



## DOD FM STRATEGY IMPLEMENTATION ROADMAP

The HOW

### DOD FM STRATEGY'S 5 STRATEGIC GOALS for Fiscal Year (FY) 22-26:

- Cultivate a skilled & inspired workforce
- Optimize taxpayer dollars for the highest value outcomes
- Increase the integrity of financial results
- Simplify and optimize our end-to-end business environment
- Empower data-driven, fiscally informed decision-making

### DoD OUTCOME-DRIVEN PRIORITIES with FY23 metrics

1. Complete the DoD enterprise Universe of Transactions (UoT) in Advana and reduce non-authoritative data sources – (FY23 all TI-97 NIPR GLs in Advana)
2. Produce Accurate Fund Balance with Treasury (FBwT) via Self-Entitlement and Treasury Direct (TDO) disbursing within FM Enterprise Resource Planning (ERPs) (FY23 new USMC contracts in DAI ERP vice legacy CAPS-W)
3. Fully adopt Treasury G-Invoicing (FY23 DAI live with G-Invoicing including USMC)
4. Accelerate Information Technology (IT) access control compliance (starting with Enterprise Identity, Credential, and Access Management (ICAM)) DAI successful pilot
5. Accelerate shut-down of legacy FM systems (11 in FY23) and expand use of enduring FM ERPs/systems via Single Authoritative FM IT Systems Roadmap
6. Integrate Planning, Programming, Budget with Execution/Cost (FY23 Standard BLI published)
7. Build and maintain a premier FM workforce
8. Optimize and evolve FM training solutions
9. Foster an FM community of practice

Simple | Actionable | Focused on Material Fixes

Green = Secretary of Defense (SECDEF) Audit Priorities

Bolded Initiatives 1 - 6 = Initiatives that will significantly reduce current FM systems portfolio for audit benefit

As the DoD ERP Standard Setter DAI follows DoD FM Strategy Playbook for Mission & Audit

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## Six Critical Enablers ensure delivery of results from effective implementation of the DoD FM Strategy Execution and Implementation Plan



### 1. Strategy

"All of FM" DoD FM Strategy FY22-FY26

- Signed out 09 March 2022 by USDC and DUSDC
- Approved by all Service FMs, DFAS Director, JCS

### 6. Governance and Accountability - Results

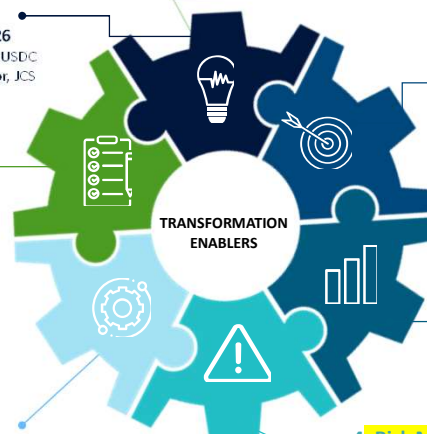
DoD FM Strategy governance and implementation leadership

- Governance forums to ensure oversight and accountability via OUSDC, FGB, DBSC, and DBC
- Executive engagement and partnering across Initiatives to address risks and pressurize for outcomes via the Fin Ops: FM Strategy Execution Update
- Focused execution, dependency identification, and risk escalation via Initiative Leads

### 5. Change Management

Compelling communications, outreach campaign to educate, engage, and endorse

- The FM Strategy Team will orchestrate the "All of FM" execution effort – "connecting the dots" via integration, communication, and education



### 2. Execution Plan and Resources

An integrated plan of action to execute the Strategy and achieve outcomes within 2 years

- FM Strategy Implementation Roadmap FY23-FY24 launched as a "living document" 01 October 2022
- Jointly developed by Initiative Leads, Component AOs and FM Strategy Team
- DELIVER RESULTS by EOFY25/26

### 3. Performance Management

DoD FM Strategy performance metrics

- aligned with DoD SMP, PII, under NDS
- Performance goals, metrics, and 2-year targets mapped to each Priority Initiative in the FM Strategy Implementation Roadmap

### 4. Risk Management

Proactive risk identification, assessment, and prioritized responses, consistent with the organization's risk appetite

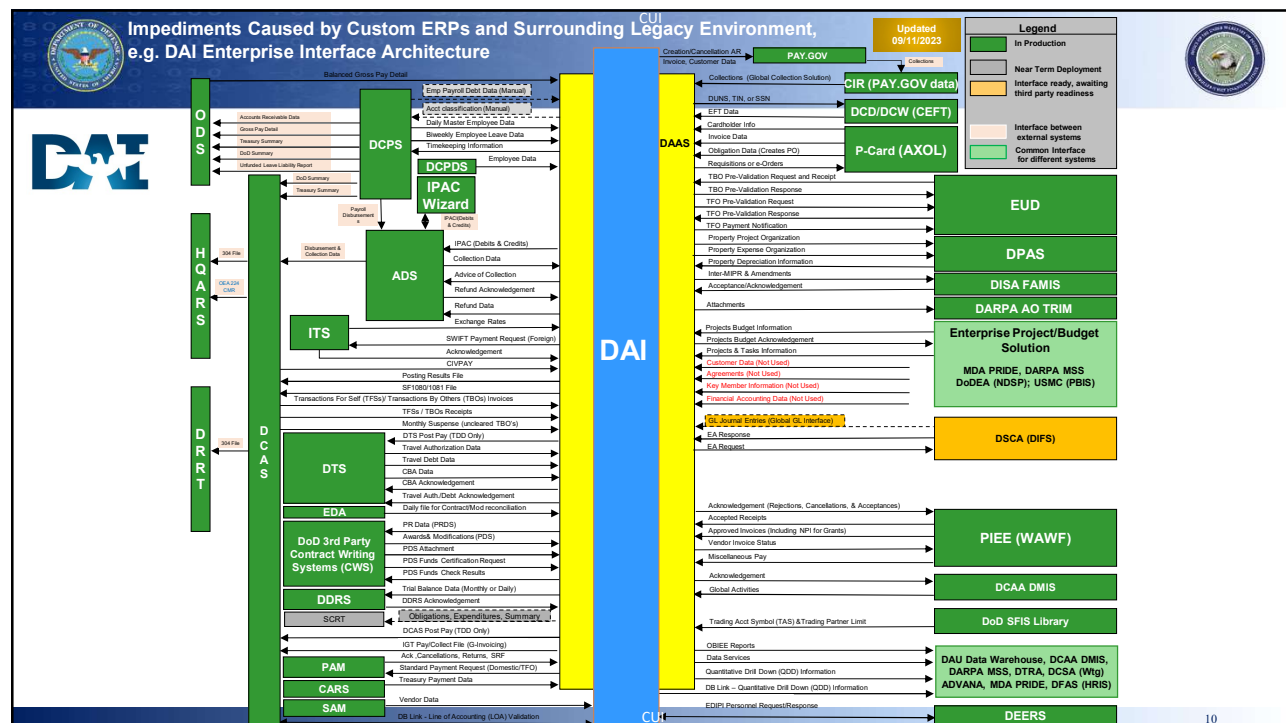
- Most significant risks associated with each Priority Initiative highlighted in the FM Strategy Implementation Roadmap

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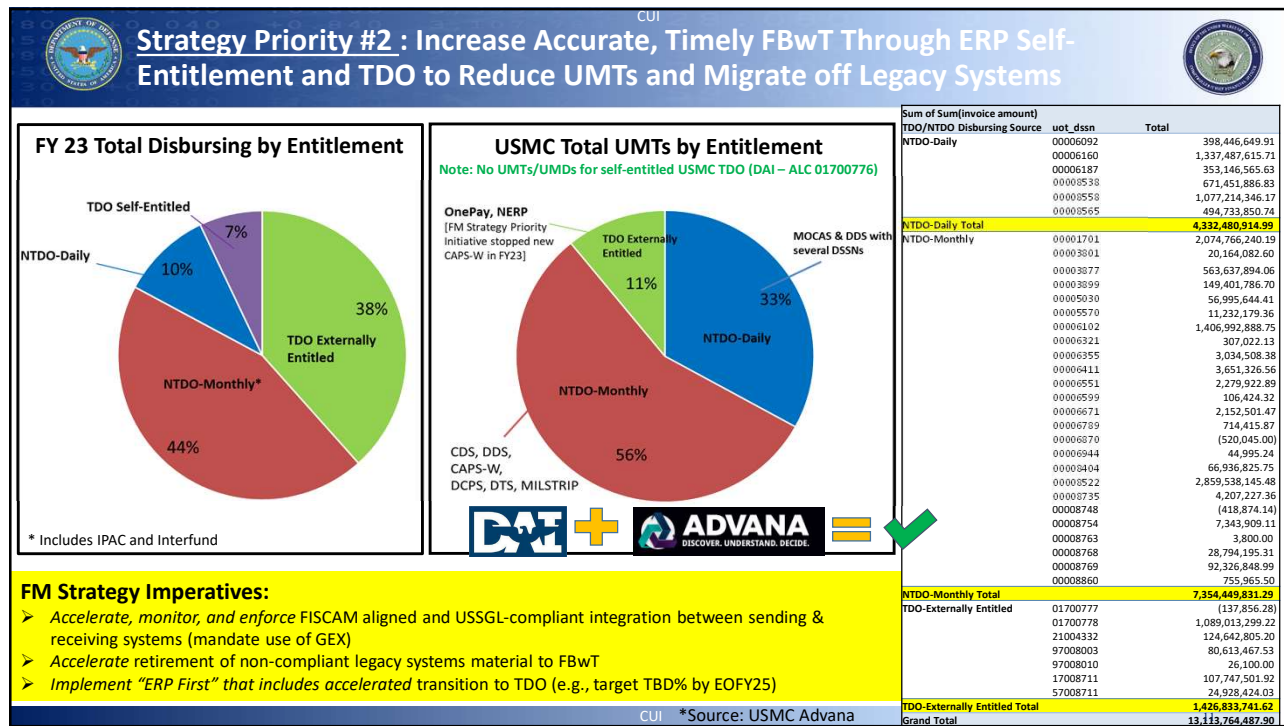
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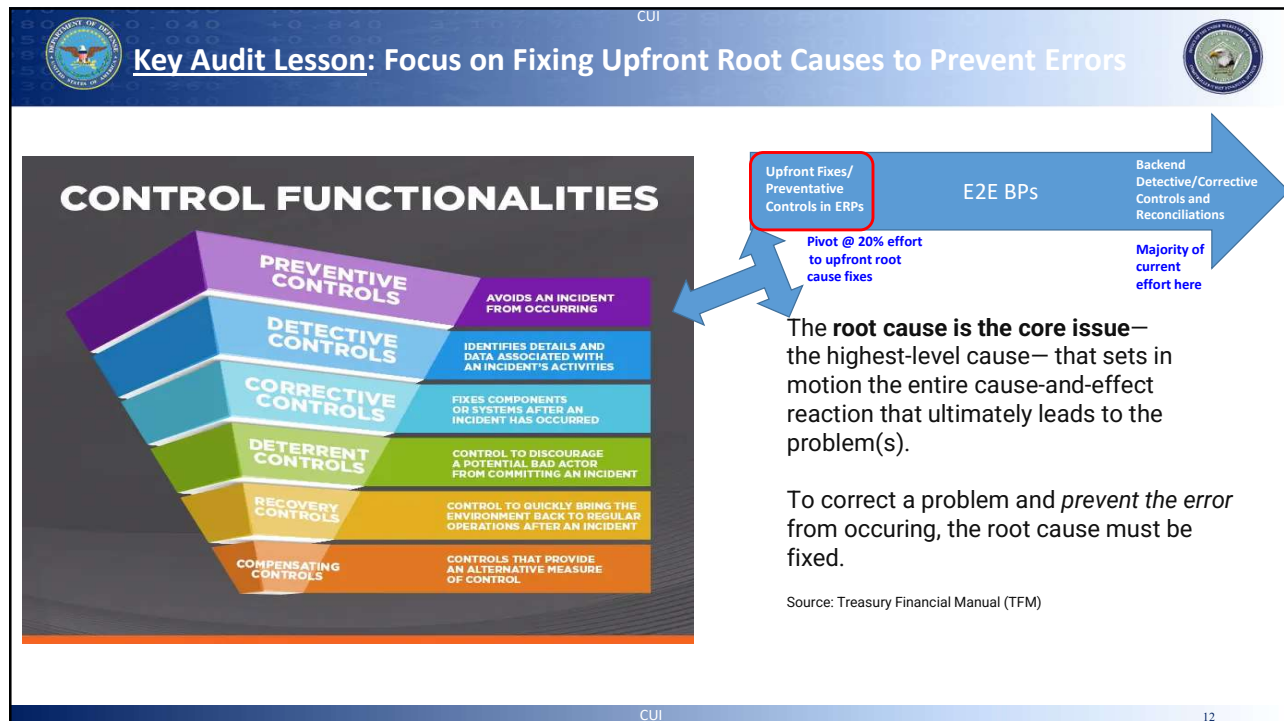
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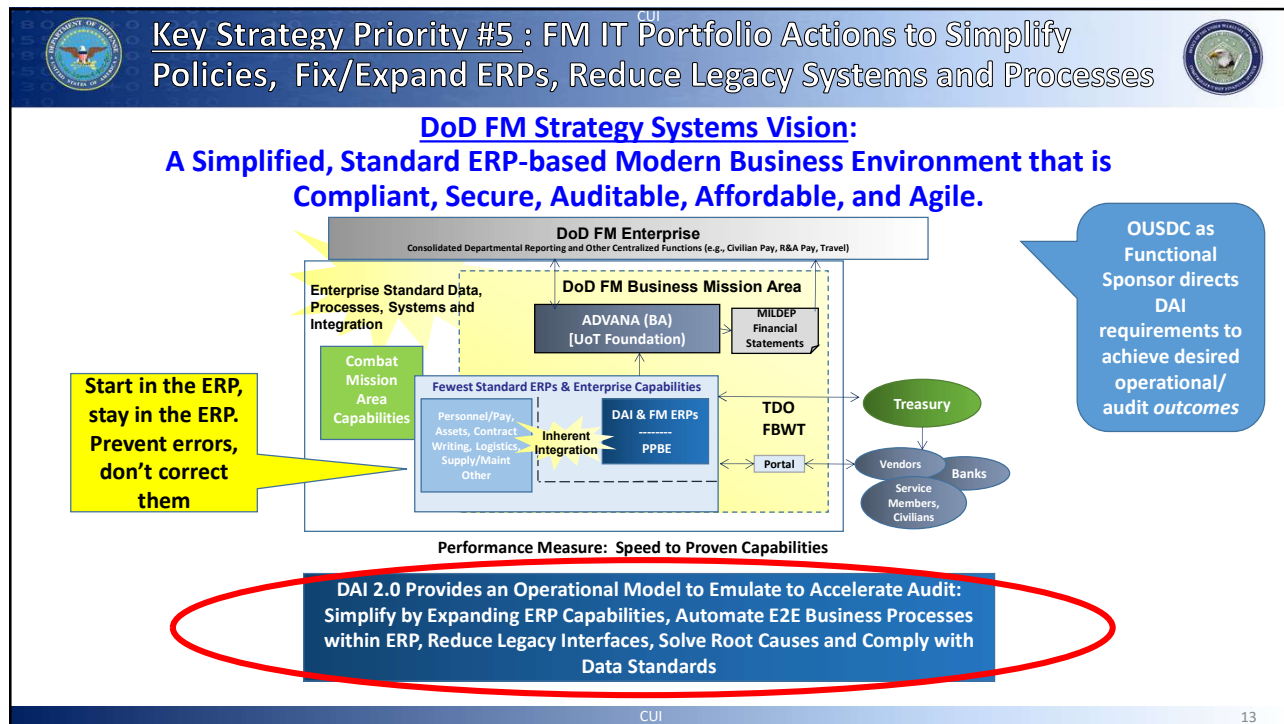




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## Framework for Federal Programs Performance Management

**Asif Khan**  
Director,  
Financial Management &  
Assurance  
GAO

2024 AFERM Conference  
June 6, 2024



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## PERFORMANCE FRAMEWORK

The federal government faces a range of critical challenges that require effective management and collaboration among federal agencies. These include

- improving food safety oversight,
- ensuring the nation's cybersecurity, and
- addressing drug misuse, strategic human capital, and IT management.

Several of these challenges are included in GAO High Risk List.

Source: GAO-23-106354 Government Performance Management

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## Planning and Reporting

The performance planning and reporting framework originally put into place by the Government Performance Results Act of 1993 (GPRA) and enhanced by the GPRA Modernization Act of 2010 (GPRAMA), provides important tools that can help decision makers address challenges facing the federal government.

- Enacted in 2010, the Modernization Act provides the foundation by which Federal agencies are held accountable for establishing management processes and setting performance goals and objectives that deliver results for the American taxpayer.
- Designed to help focus agencies on their highest priorities and create a culture where data and empirical evidence plays a greater role in policy, budget, and management decisions, the law also created transparent roles and responsibilities for ensuring leadership engagement – one of the most important aspects of any effective performance management system.

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## Tools

Tools include cross-agency priority (CAP) goals.

- GPRAMA requires the Office of Management and Budget (OMB) to coordinate with agencies to develop the CAP goals.
- Under GPRAMA, CAP goals are to be 4-year outcome-oriented goals covering several crosscutting mission areas—as well as goals to improve management across the federal government.
- The President's Management Agenda (PMA), which is typically released by each administration, serves to communicate and organize CAP goals, objectives, and implementation strategies

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## Tools Continued

GPRAMA requires OMB to develop two types of CAP goals:

- (1) outcome-oriented goals covering a limited number of crosscutting policy areas, and
- (2) goals for management improvements needed across the federal government in the areas of financial, human capital, IT, procurement and acquisition, and federal real property management

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## Key Considerations to Facilitate the Implementation of Cross-Agency Priority Goals

### Actions to implement cross-agency priority (CAP) goals



#### Establish the goal



#### Identify goal leaders and contributors



#### Identify resources to support implementation



#### Use performance information



#### Report results

### Key considerations

- Establish a balanced set of outcome-oriented mission and management-focused goals that reflect the government's highest policy priorities.
- Engage goal teams and key stakeholders in early development of outcome-oriented goals and performance measures.
- Identify co-leaders and subgoal leaders to facilitate leadership, continuity, and agency buy-in.
- Clarify and agree on roles, responsibilities, and decision-making processes for goal teams.
- Dedicate resources to goal implementation, including funding, staffing, and technology.
- Create a repository of lessons learned to share across goal teams.
- Focus on improving the quality and use of data to routinely assess goal progress and a shared commitment to continuous improvement.
- Report on actions taken to develop performance measures and other progress measures.
- Assess and report progress on goal achievement at the end of the goal periods.
- Develop communications strategies.

Source: GAO analysis of focus group results, agency documents, Performance.gov, GAO reports, and GAO (icons). | GAO-23-106354

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## CAP Goals

### Priority Area 1: Strengthening and Empowering the Federal Workforce

#### Cross-Agency Priority (CAP) Goals



Attract and hire the most qualified employees, who reflect the diversity of our country, in the right roles across the federal government.



Make every Federal job a good job, where all employees are engaged, supported, heard, and empowered, with opportunities to learn, grow, join a union, and have an effective voice in their workplaces through their union, and thrive throughout their careers.



Reimagine and build a roadmap to the future of Federal work informed by the lessons from the pandemic and nationwide workforce and workplace trends.

Source: Performance.gov. and GAO (icons). | GAO-23-106354

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## CAP Goals Continued

### Priority Area 2: Delivering Excellent, Equitable, and Secure Federal Services and Customer Experience

#### Cross-Agency Priority (CAP) Goals



Improve the service design, digital products, and customer experience management of Federal High-Impact Service Providers by reducing customer burden, addressing inequities, and streamlining processes.



Design, build, and manage Government service delivery for key life experiences that cut across Federal Agencies.

Source: Performance.gov. and GAO (icons). | GAO-23-106354

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## CAP Goals Continued

### Priority Area 3: Managing the Business of Government

#### Cross-Agency Priority (CAP) Goals



Foster lasting improvements in the Federal acquisition system to strengthen the U.S. domestic manufacturing base, support American workers, lead by example toward sustainable climate solutions, and create opportunities for underserved communities.



Build capacity in Federal financial management, including through Federal financial assistance, to catalyze American industrial strategy, address climate-related risks, and deliver equitable results.

Source: Performance.gov. and GAO (icons). | GAO-23-106354

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## Conclusions

Though there are gaps, the PMA and its CAP goals address several critical challenges

facing the federal government, including

- Strengthening federal workforce,
- improving service delivery, and
- building capacity in federal financial management and the acquisition systems.

Much of the information related to how federal agencies will achieve the PMA and related CAP goals is included on Performance.gov.

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