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Defense Acquisitions: Additional Actions Needed to Implement Proposed Improvements to Congressional Reporting

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Abstract

GAO is in the midst of conducting its 20th annual assessment of DOD's major weapon acquisition programs. DOD's approach to acquisition has shifted during those 20 years, most recently with the introduction of the Adaptive Acquisition Framework (AAF) in January 2020, intended to, among other things, deliver solutions to the end user in a timely manner. However, many of the challenges GAO has observed with weapon programs' cost, schedule, and performance remain consistent. This presentation will draw primarily from GAO's 2021 and 2022 reports, which are the first annual reports to focus on changes associated with the AAF, including DOD's efforts to accelerate the acquisition process and progress in delivering capabilities more quickly. The presentation will offer observations on DOD's initial progress in implementing the AAF for weapon programs, including potential program oversight implications; the overall characteristics of DOD's major weapon system acquisitions, including changes in the pathways used to acquire weapon systems; and how these programs have performed with regard to selected cost, schedule, and knowledge attainment metrics.

Background

Adaptive Acquisition Framework

In January 2020, DOD reissued Department of Defense Instruction (DODI) 5000.02, Operation of the Adaptive Acquisition Framework. In the updated guidance, DOD established the AAF, which includes six acquisition pathways. Each pathway has different requirements for milestones, cost and schedule goals, and reporting. Figure 1 shows the six AAF pathways.



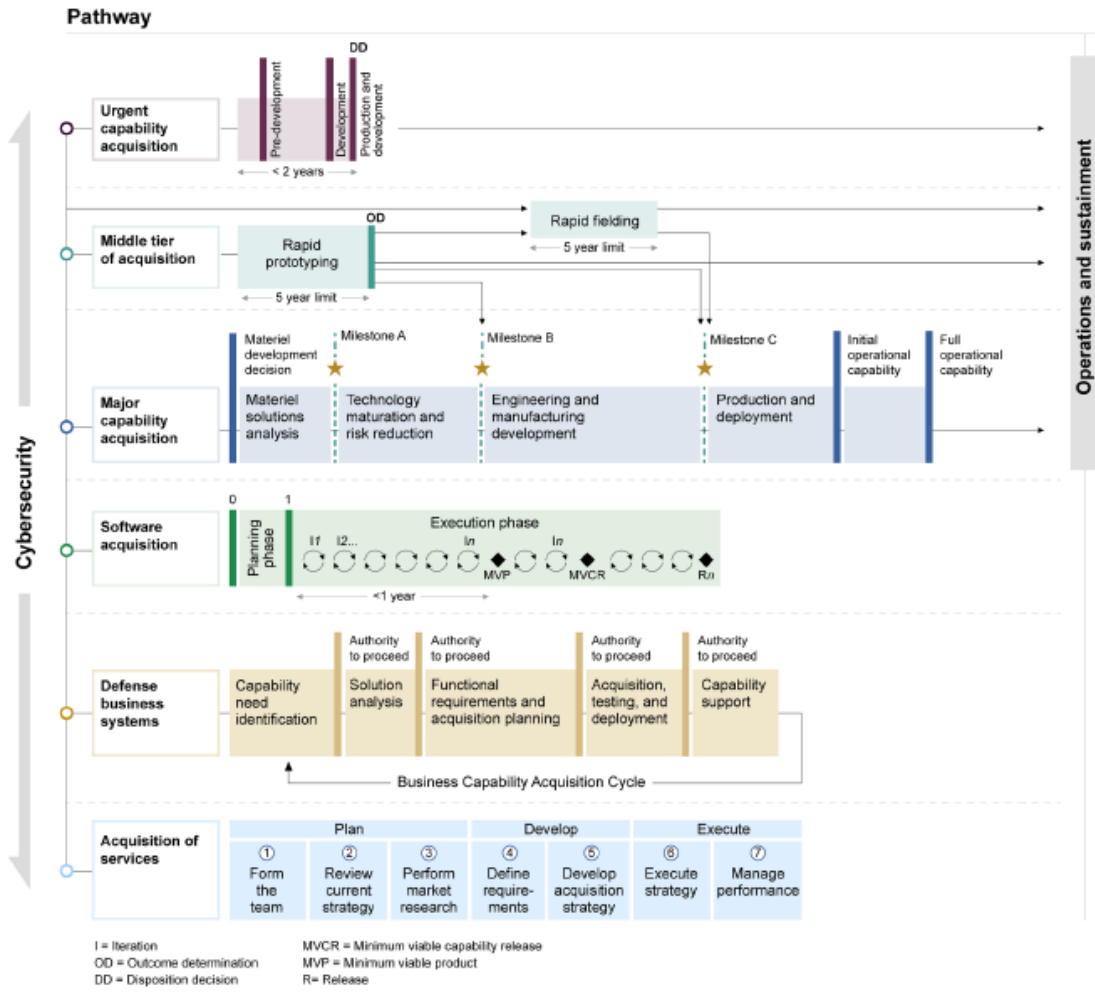


Figure 1. The Adaptive Acquisition Framework Uses Six Different Pathways

In a June 2021 report, we noted that the AAF introduces new considerations for program oversight.⁸ In addition to allowing program managers to use one or more of six acquisition pathways, program managers can tailor, combine, and transition between pathways based on program goals and risk associated with the weapon system being acquired. Figure 2 shows an example of how a program could use multiple efforts within a single pathway and multiple pathways to achieve operational capability.



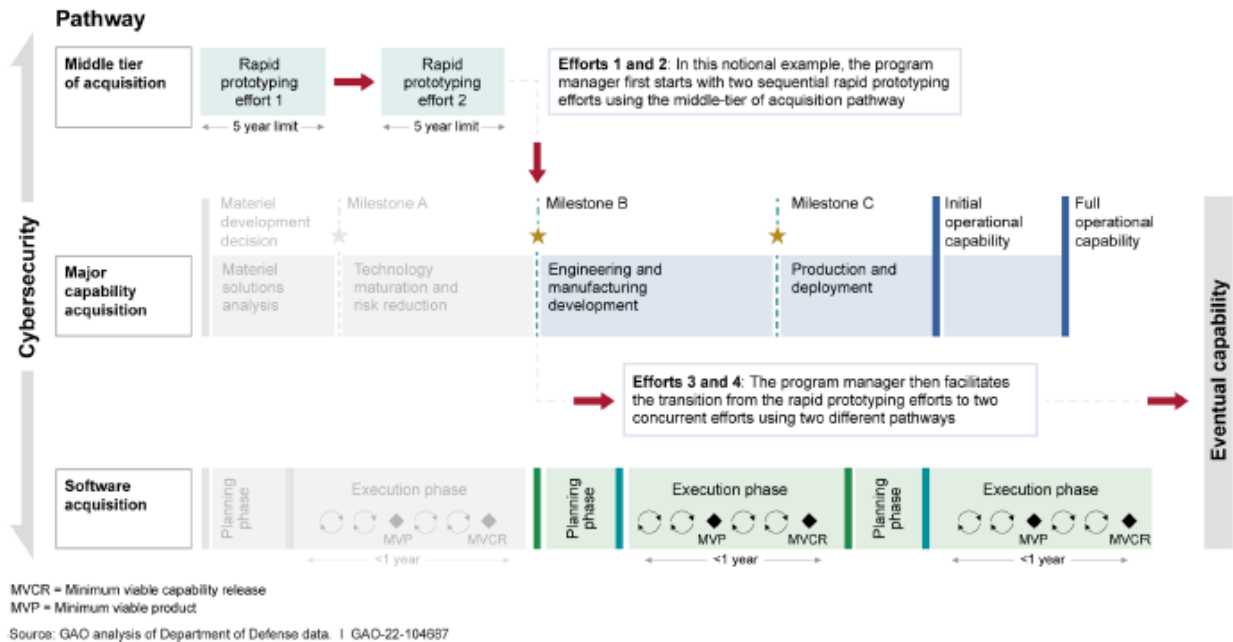


Figure 2. Notional Example of How Programs Can Use Multiple Efforts and Pathways in the Adaptive Acquisition Framework

In the June 2021 report, we reported that DOD had trouble tracking cumulative cost, schedule, and performance data for programs transitioning between acquisition pathways or conducting multiple efforts using the same pathway and had yet to develop an overarching data collection and reporting strategy. We recommended that DOD, among other things, report overall cost and schedule information for capabilities developed using multiple pathways. DOD concurred with our recommendation but has yet to address it.

In an additional report from June 2021, we noted the lack of data strategies for the software and business systems acquisition pathways and reported that DOD lacked a defined approach for automated data collection.¹⁰ We recommended that, among other things, DOD automate data collection efforts for the software acquisition pathway to allow stakeholders to monitor and assess acquisition performance. DOD agreed with the recommendation and reported that it is developing plans for automation of data collection for AAF pathways.

Roles and Responsibilities for DOD Acquisition Oversight

Acquisition oversight responsibilities for weapon programs are shared between the Office of the Secretary of Defense (OSD) and the military departments, with specific roles and responsibilities varying to some extent based on pathway and program size. Over the last several years, the decision authority for many MDAPs has largely shifted from OSD to the military departments.¹¹ Oversight roles for programs other than weapon programs vary depending on the pathway.

The Under Secretary of Defense for Acquisition and Sustainment is the Defense Acquisition Executive and has specific responsibilities for certain AAF pathways. For example, the Under Secretary:

- serves as the milestone decision authority for certain MDAPs,¹³



- approves the use of the middle tier of acquisition (MTA) pathway for programs that exceed the cost thresholds for designation as an MDAP,
- advises the decision authority on their MTA programs and maintains responsibility for prototyping activities within the MTA pathway, and
- serves as the decision authority for special interest programs in the software acquisition pathway on a by-exception basis.

The Office of the Under Secretary of Defense for Acquisition and Sustainment (OUSD(A&S)) is also responsible for establishing policies on and supervising all matters relating to:

- system design, development, and production;
- procurement of goods and services; and
- sustainment (including logistics, maintenance, and materiel readiness).

Several other entities also play a role in oversight, acquisition, and budgeting for DOD acquisition programs, efforts, and pathways. For example:

- The Director of the Office of Cost Assessment and Program Evaluation (CAPE) is responsible for conducting or approving independent cost analysis and issuing the policies for collection of cost data. At the direction of the Secretary of Defense, Deputy Secretary, or the CAPE Director, CAPE staff also conduct numerous special studies and offer advice in other areas, such as information technology and defense economics; and
- The Director, Operational Test and Evaluation, reports on operational and live fire tests and evaluations carried out on MDAPs, among other duties.

Selected Acquisition Reports

Before SARs were introduced, there were no summary recurring reports on DOD's major acquisitions that reported cost, schedule, and performance data for comparison with prior and subsequent estimates. In 1967, DOD began internally producing SARs to apprise the Assistant Secretary of Defense (Comptroller) of the progress of selected acquisitions. DOD's goal for these reports was to focus department leadership on programmatic performance and changes to acquisition plans. In 1969, DOD began providing these reports to Congress to help enable congressional oversight by providing summary level cost, schedule, and performance data on MDAPs, and more recently, other program types. The SAR became the key recurring summary report for Congress to obtain consistent, reliable data on MDAPs.

The content and the scope of SAR reporting evolved over time to meet the oversight needs of DOD leadership and Congress. Recently, in 2019, Congress broadened the reporting requirement beyond programs designated as MDAPs; specifically, the NDAA for Fiscal Year 2020 amended the SAR requirement to include programs estimated to require eventual total costs greater than the threshold for designation as an MDAP.¹⁴ In response, DOD submitted to Congress MTA program reports similar to MDAP reports. Also in 2019, Congress terminated the requirement for DOD to submit SARs after the final submission of reporting covering fiscal year 2021.¹⁵ However, the NDAA for Fiscal Year 2022 subsequently extended the requirement for 2 years, through fiscal year 2023.¹⁶ Figure 3 shows selected changes to SARs since the report was mandated by statute in 1975.



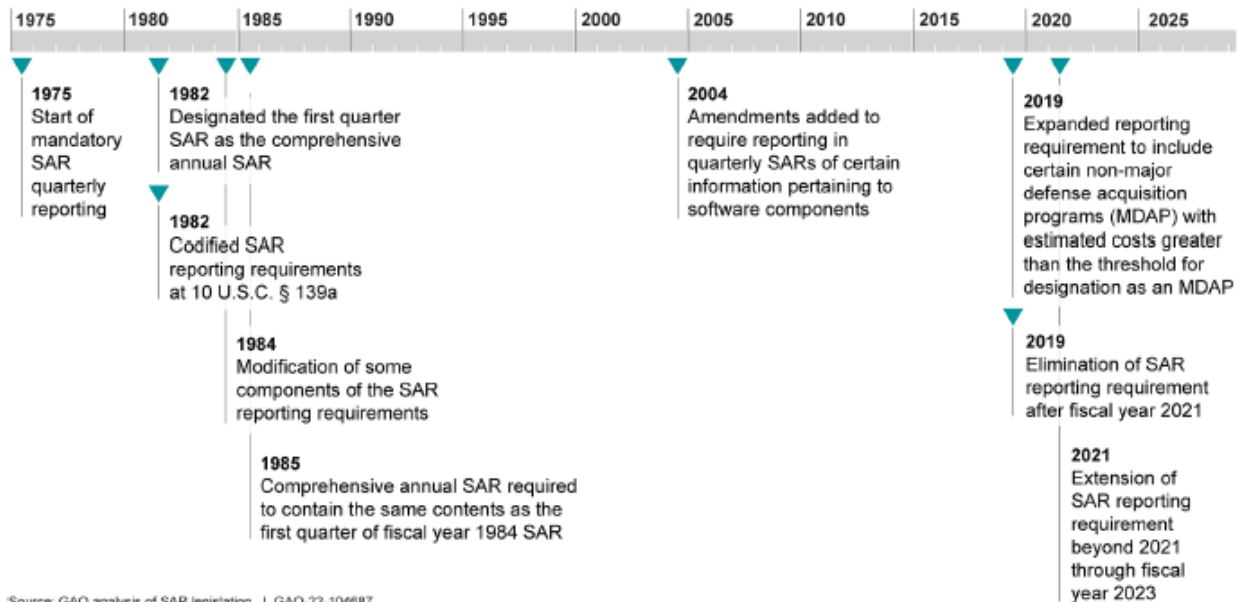


Figure 3. Examples of Changes to Selected Acquisition Report (SAR) Statutory Requirements for the Department of Defense (DOD)

SARs generally include data on total program cost, schedule, and performance, as well as other information such as program unit cost and life-cycle cost analysis of the program and its subprograms that reflect the President’s Budget submission. Figure 4 depicts types of information SARs typically include.

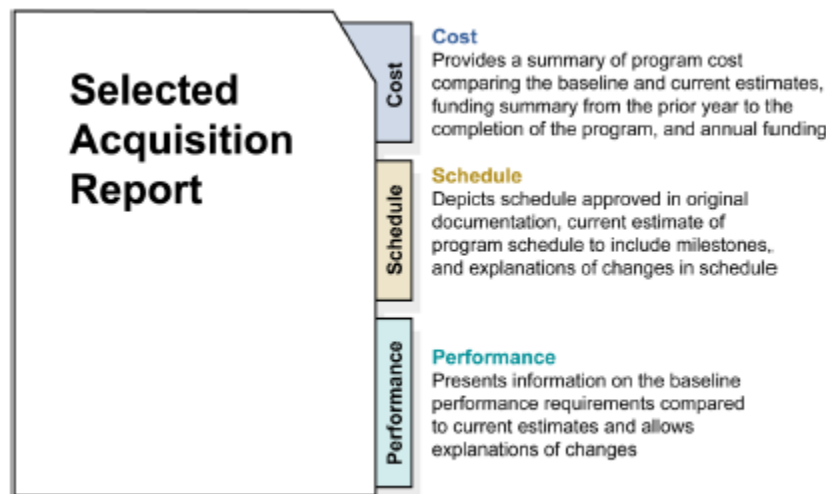


Figure 4. Examples of Data Points Presented in the Selected Acquisition Report

Responsibility for developing and submitting SARs to Congress is shared between the military departments and OUSD(A&S). Military departments are responsible for entering and approving data on their acquisition programs in acquisition data collection systems. After each military department certifies its acquisition data, data are submitted to OUSD(A&S). OUSD(A&S) then verifies the submitted data, compiles them, and transmits them to Congress.



Acquisition Data Collection and Analysis Systems

DOD uses multiple systems at the OSD and military department level to store, analyze, and report acquisition data of the type reported to Congress in SARs.

- In September 2021, DOD began using its Defense Acquisition Visibility Environment (DAVE) system as a collection point for selected acquisition program data. DOD intends for DAVE to eventually serve as a centralized hub that provides convenient access to acquisition data from several disparate data repositories. DAVE is envisioned to be the collection point for core data for all AAF pathways when fully functional. As of November 2021, DOD officials told us that DAVE has limited functionality and that the department's efforts to develop the system's full capability are ongoing.
- Advana (derived from the term Advanced Analytics), the common enterprise data repository for DOD, is a centralized data and analytics platform that provides DOD users with common business data, decision support analytics, and data tools. Advana was developed and is maintained by DOD's Comptroller.
- The Air Force and Army use the Project Resource Management Tool to manage acquisition data, while the Navy uses its Research, Development and Acquisition Information System to maintain, report, and disseminate acquisition data. According to OUSD(A&S) and military department officials, the department plans to determine how each of the individual military department acquisition systems will interface with OSD-level systems, such as DAVE or Advana, in the future.

DOD Proposed a Web-based Reporting Process

DOD's proposed alternative approach to acquisition reporting focused on transitioning to web-based reporting on acquisition programs starting with the fiscal year 2022 reporting cycle, which began in October 2021. As envisioned by DOD, the proposed process would provide Congress and others with access to real-time cost, schedule, and performance data on DOD acquisition programs. The proposal includes the following key elements:

- DOD plans to use Advana to allow Congress to extract cost, schedule, and performance data on all reporting programs, portfolios, and pathways within the AAF. This data extraction is an alternative to producing a separate, stand-alone report for each program, as has been done historically. The proposal notes that the use of Advana for congressional acquisition reporting is part of a long-standing partnership plan between OUSD(A&S) and the DOD Comptroller for data automation and extraction. The department has already used this approach to support financial audits and senior leadership meetings.
- DOD plans for each AAF pathway to have its own data strategy and reporting metrics. The proposal notes that DOD is reviewing the feasibility of including expanded program risk data and that it plans to continue to report unit cost data for MDAPs in the same way that it had previously reported the information in SARs.
- DOD plans to transition from a process that required manual data input by the military departments, to an automated process that extracts data from existing



acquisition data collection systems from the military departments and populates the information into either DAVE or Advana.

Table 1 provides additional detail about statutory requirements for DOD’s proposal on an alternative reporting approach and DOD’s response.

Table 1. Statutory Requirements and DOD’s Proposal for an Alternative Acquisition Reporting Approach

Statutory requirements for proposal on alternative acquisition reporting	Summary of DOD’s October 2020 proposal
Align acquisition reporting to Congress with recent acquisition policy changes ^a	<ul style="list-style-type: none"> The Office of the Under Secretary of Defense for Acquisition and Sustainment (OUSD(A&S)) developed a plan that will provide overarching guidance on data reporting for all six acquisition pathways identified in the Adaptive Acquisition Framework (AAF). Each pathway will have its own data strategy and reporting metrics. To improve the transparency of acquisition data, DOD will automate data transfer from existing acquisition data systems to a web-based platform that will allow Congress to extract cost, schedule, and performance data on all reporting programs, portfolios, and pathways.
Address reporting requirements related to Selected Acquisition Reports (SAR)	<ul style="list-style-type: none"> OUSD(A&S) and the DOD Comptroller have a long-term plan for data automation and extraction through the Comptroller-managed Advanced Analytics (Advana) system, which DOD uses for data analytics. OUSD(A&S) generally intends to report information on cost, schedule, and performance through Advana, similar to what was previously reported in SARs. OUSD(A&S) is studying whether a classified risk assessment reporting portal in Advana would be beneficial to respond to congressional interest in receiving additional information on program risk.
Address reporting requirements related to unit cost ^b	<ul style="list-style-type: none"> Unit cost reporting is collected through an existing internal reporting process and, according to the proposal, could easily be automated and reported to Congress through Advana. DOD recommended no change to the statutory requirements for unit cost reporting.
Address reporting requirements for acquisition programs that use alternative acquisition pathways or tailored acquisition approaches	<ul style="list-style-type: none"> DOD plans to provide automated acquisition data through Advana for all AAF pathways beginning with the fiscal year 2022 reporting cycle. DOD expects Advana, when mature, will provide Congress on-demand, real-time information on thousands of acquisition programs across the AAF pathways. The proposal does not provide a date for when DOD anticipates that Advana will be mature.

Source: GAO analysis of Section 630(b) of the National Defense Authorization Act for Fiscal Year 2020 and Department of Defense (DOD) documentation. | GAO-22-104687

OUSD(A&S) officials cited a number of potential benefits expected to result from their proposed approach.

- Improved data transparency. The proposal states that automated data transfer through Advana is designed to improve data transparency and facilitate DOD-wide analysis and management of business operations. This effort to improve transparency of congressional acquisition reporting aligns with the department’s overall priority to improve data transparency throughout the department. DOD expects that this greater data transparency will enable it to assess the progress of its recent acquisition policy changes, promote monitoring of the defense acquisition system, and inform program and portfolio decisions.¹⁹
- Delivery of timelier information. The proposal states that an automated data extraction process would provide Congress with more current information and would facilitate DOD’s ability to adapt to changing reporting requirements. According to OUSD(A&S) and military department acquisition officials, the process of gathering data and preparing SARs has historically been cumbersome, sometimes taking months to complete. As a result, they stated



that the approval process coupled with the manual data entry process resulted in out of date information being presented to Congress.

- Reduced DOD resources required to vet and release information. Once the military departments input their acquisition data, OUSD(A&S) officials manually check the data submitted by the programs to verify accuracy and completeness. According to OUSD(A&S) officials, this process of manual data entry and verification requires resources from an already small group of personnel. When using Advana, OUSD(A&S) officials anticipate less manual data entry and checking of data.

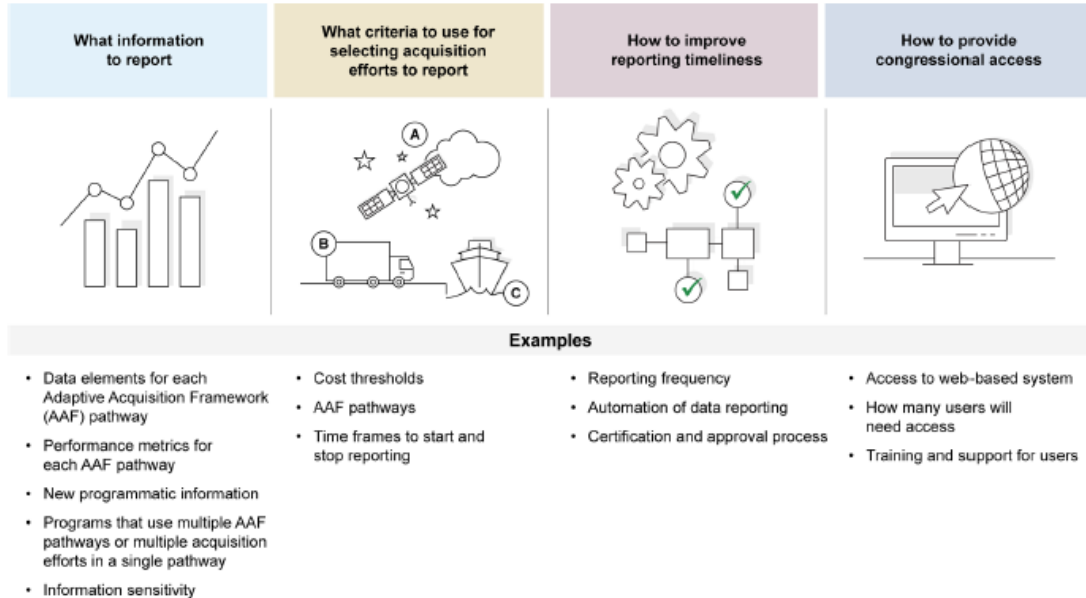
DOD's Preparation to Implement Its Proposal Has Been Limited

Although the proposal states that DOD planned to begin using its proposed approach in the fiscal year 2022 reporting cycle, DOD's preparation to implement the proposed approach has been limited to date. Many open questions remain about how the approach would be implemented, including questions on fundamental issues such as which programs the department will report on and how it will provide Congress access to data. We found that DOD's initial planning for its proposed approach did not fully address the leading practices that our past work has shown support successful agency reforms, including practices associated with implementation planning. The NDAA for Fiscal Year 2022, enacted in December 2021, requires DOD to develop plans and demonstrations related to the reporting system that will replace SAR requirements. As DOD moves forward with addressing these new requirements, fully implementing leading practices would improve the department's preparation to effectively transform congressional acquisition reporting in a timely manner.

DOD Has Yet to Determine Fundamental Aspects of Implementation

DOD has made progress improving its management of the acquisition information that could be reported to Congress, but its preparation to implement its proposed reporting approach has been limited. Although the proposal states that DOD planned to begin implementing its proposed approach for the fiscal year 2022 reporting cycle, which began in October 2021, many questions remain about how and when DOD's proposed web-based reporting process will be implemented. Figure 5 shows key questions and decisions for implementing the proposal that DOD has yet to address.





Source: GAO analysis of Department of Defense (DOD) documentation and interviews with DOD officials. | GAO-22-104887

Figure 5. DOD Has Yet to Address Open Questions Related to Its Proposed Reporting Approach

DOD has yet to finalize what information to provide to Congress in future reporting. The introduction of the AAF and its six accompanying pathways introduced new considerations for program oversight, including what data elements DOD should collect for acquisition efforts using each pathway and what performance metrics would allow it to best measure the performance of those efforts. These considerations are particularly significant for acquisition efforts in pathways—such as the MTA or software pathways—for which data elements and performance metrics collected and reported for MDAPs are not necessarily applicable. As part of the department’s work to fully implement the AAF, OUSD(A&S) has been engaged in broader ongoing work to implement foundational data governance initiatives, including some ongoing prior to the AAF. DOD intends these data governance initiatives to improve its acquisition data management and to establish internal data needs and performance metrics for AAF pathways.

OUSD(A&S)’s data governance initiatives are directly related to DOD’s ability to transform congressional acquisition reporting. OUSD(A&S) officials described these initiatives as a significant, multiyear undertaking (see appendix III for additional details about DOD’s initiatives). They stated that they have already spent several years working to move the department forward in this area and years of work remain to fully implement effective data governance for acquisition data. In the meantime, we found that DOD has made progress in identifying data elements collected for the AAF pathways and improvements in the collection process for acquisition data. For example:

- Data standards for AAF pathways. Between October 2020 and August 2021, DOD established data standards for five of the six AAF pathways and is currently in the process of implementing them.²⁰ Data standards are intended to provide common data definitions to align military department and OSD acquisition data systems. OUSD(A&S) officials expect the data standards to enable consistent, department-wide collection and analysis of data. In 2021, for example, at the direction of the Deputy Secretary of Defense, DOD began using its acquisition data to conduct analysis of acquisition portfolios.



- Acquisition Visibility Data Framework. In October 2020, OUSD(A&S) established the Acquisition Visibility Data Framework to be the common data framework for all AAF pathways in the future. The framework categorizes and defines acquisition data elements as well as trusted data sources, among other things. OUSD(A&S) plans for this framework to be the mechanism for documenting and providing department-wide data standards for the AAF pathways as they mature.

Despite this progress, OUSD(A&S) has yet to finalize performance metrics and decide what new information it will report to Congress for all pathways. Officials we spoke with in DOD told us that including certain additional information could improve the utility of reporting. For example, CAPE officials stated it would be useful to add data on sustainment; officials from DOD’s Office of the Director, Operational Test and Evaluation stated it would be useful to add additional metrics not traditionally reported on testing and schedule. In August 2021, OUSD(A&S) officials told us that an initiative to identify additional available information to potentially include in acquisition reporting was postponed and would not be completed until after the Senate confirms a new Under Secretary of Defense for Acquisition and Sustainment. Table 2 provides additional detail about open questions related to what information DOD intends to report to Congress.

Figure 2. DOD Has Yet to Decide What Information to Include in Acquisition Reports to Congress

Issue	Explanation and examples
Data elements for each Adaptive Acquisition Framework (AAF) pathway	<ul style="list-style-type: none"> • The Office of the Under Secretary of Defense for Acquisition and Sustainment (OUSD(A&S)), in coordination with the military departments, identified data elements to be collected for five of the six AAF pathways and is determining the data elements to be reported to Congress under its new acquisition reporting approach. OUSD(A&S) has yet to finalize data elements that will be collected for the acquisition of services pathway.
Performance metrics for each AAF pathway	<ul style="list-style-type: none"> • OUSD(A&S) officials stated they expect to report largely the same metrics as they have previously for major defense acquisition programs (MDAP). For example, they would continue to report on programs’ progress in meeting specific schedule milestones for MDAPs. However, these performance metrics may not be applicable to all AAF pathways. For example, programs using DOD’s software pathway track different metrics than those used for programs using other pathways. • OUSD(A&S) officials stated that DOD needs more time to fully implement the new AAF pathways before they know which performance metrics are most useful both internally for oversight and for reporting to Congress. • In March 2021, a Federally Funded Research and Development Center began a 15-month study to assist OUSD(A&S) with developing performance metrics for each AAF pathway and across pathways.
New programmatic information to report	<ul style="list-style-type: none"> • OUSD(A&S) officials said they had yet to finalize new information to be included in reporting. The National Defense Authorization Act for Fiscal Year 2022 requires the Director of Cost Assessment and Program Evaluation to include information on software development and cybersecurity risks, among other data elements, in the plan they must submit to Congress. • DOD also acknowledged in its October 2020 proposal for an alternative acquisition reporting methodology that there is a desire for the department to report additional information on risk that was not included in Selected Acquisition Reports (SAR). DOD noted, however, that risk assessments are sometimes classified. SARs are required by statute to be unclassified.³
Reporting for programs that use multiple AAF pathways or multiple acquisition efforts in a single pathway	<ul style="list-style-type: none"> • Under the AAF, capabilities may be developed and fielded using a single pathway or multiple pathways. In addition to using multiple pathways, a program manager can also undertake multiple distinct efforts using the same pathway—such as two or more software efforts using the software acquisition pathway. • OUSD(A&S) officials stated that they have yet to determine how information will be combined across pathways or for multiple acquisition efforts within the same pathway to provide insight into the overall cost and schedule for achieving a capability. • In June 2021, we recommended that DOD address this issue. DOD concurred with our recommendation but has yet to determine how to address it.⁹
Information sensitivity	<ul style="list-style-type: none"> • OUSD(A&S) and military department officials stated that reporting to Congress in the proposed web-based format raises concerns about the sensitivity of acquisition program data that have yet to be resolved. • For example, the officials stated that they have yet to determine the extent to which sharing data through Advana—potentially allowing users to aggregate performance data on multiple programs—creates information sensitivity concerns beyond those that would exist in creating a separate report for each program.

Source: GAO analysis of Department of Defense (DOD) documentation, the National Defense Authorization Act for Fiscal Year 2022, and interviews with DOD officials. | GAO-22-104687



Determining What Criteria to Use for Selecting Acquisition Efforts to Report

DOD has yet to determine which acquisition efforts it will include in congressional acquisition reporting. The proposal states that DOD plans to provide data to Congress through Advana for all pathways beginning in the fiscal year 2022 reporting cycle and that, when mature, Advana would provide information on thousands of programs. However, OUSD(A&S) and military department officials subsequently told us that they were not certain which AAF pathways or acquisition efforts would be included in reporting. The proposal does not address specific criteria that would define which acquisition efforts should be included in congressional acquisition reporting.

In the short term, OUSD(A&S) officials said they expect to continue to use the same criteria they previously used for SARs—which requires DOD to report on MDAPs and other acquisition programs over the MDAP cost thresholds—to identify acquisitions to include in reporting.²¹ These criteria also specify when during the acquisition process an MDAP is required to be included in congressional acquisition reporting.²² However, the same criteria may not be applicable for acquisition efforts using pathways other than the major capability acquisition pathway or for those acquisitions using a combination of AAF pathways. For example, for programs using the software pathway, cost estimating methodology and criteria related to acquisition phases are not the same as they are for MDAPs. Table 3 provides additional detail on open questions related to which acquisition efforts to include in reporting.

Table 3. DOD Has Yet to Determine What Criteria to Use for Selecting Acquisition Efforts to Report

Issue	Explanation and examples
Cost thresholds	<ul style="list-style-type: none"> DOD's October 2020 proposal to Congress for an alternative acquisition reporting methodology did not specify a cost threshold for reporting. Not all Adaptive Acquisition Framework (AAF) pathways use the same approach to cost estimating, so it may be challenging to apply the same cost threshold across each pathway. For example, the statutory reporting threshold for Selected Acquisition Reports (SAR) is based on eventual total expenditure. However, in most cases middle tier of acquisition (MTA) prototype estimates do not reflect any future investment that DOD will need, if it decides to further develop and field the capabilities being prototyped.
AAF pathways	<ul style="list-style-type: none"> DOD has previously only provided SARs or similar reporting to Congress on major defense acquisition programs (MDAP) and programs using the MTA pathway. Office of the Under Secretary of Defense for Acquisition and Sustainment officials told us they are primarily focused on reporting on these two pathways at this point and are not certain which, if any, additional pathways they will report on in the future.
Time frames to start and stop reporting	<ul style="list-style-type: none"> SAR requirements for MDAPs generally apply from the time funds are appropriated for the program and the Secretary of Defense decides to proceed to system development and program demonstration, until a program delivers 90 percent of its items or made 90 percent of planned expenditures.³ However, because each pathway in the AAF has different acquisition phases, it is unlikely that a single set of criteria for determining when programs should report would work. For example, our past work has shown that key schedule events for programs using the MTA pathway can vary widely from program to program.

Source: GAO analysis of Department of Defense (DOD) documentation, 10 U.S.C. § 4351, GAO-20-439, and interviews with DOD officials. | GAO-22-104687

Determining How to Improve Reporting Timeliness

While one of the intended benefits of DOD's proposed approach is the ability to provide more timely information, the department has yet to determine the specific process improvements needed to achieve this benefit. DOD officials expressed dissatisfaction with the timeliness of SAR reporting, which is affected by several factors including the (1) frequency of reporting, (2) automation of data collection, and (3) approval process. For example, OUSD(A&S) officials told us that the certification of SAR data by the military departments, a part of the approval process, tended to cause the longest delays in reporting. For the fiscal year 2020 reporting period—the last time that annual SARs were



submitted to Congress—program offices were required to submit data by February 2020. The SARs were scheduled to be provided to Congress in March 2020, but they were not released until May 26, 2020. However, OUSD(A&S) officials stated that they anticipate that the certification process would remain the same and that it would only change if associated statutory requirements also changed.²³ Table 4 includes additional information on open questions related to the timeliness of congressional acquisition reporting.

Table 4: DOD Has Yet to Determine How to Improve Reporting Timeliness

Issue	Explanation and examples
Reporting frequency	<ul style="list-style-type: none"> Although DOD’s October 2020 proposal for an alternative acquisition reporting methodology states that data eventually would be provided in real time, officials from the Office of the Under Secretary of Defense for Acquisition and Sustainment (OUSD(A&S)) told us that information will not be updated in Advanced Analytics (Advana) continuously. Rather, they expect to provide Congress the latest official information available, which differs by metric. OUSD(A&S) officials told us that information on funding, for example, will be tied to the President’s Budget, which is updated annually.
Automation of data reporting	<ul style="list-style-type: none"> DOD plans for Advana to be used for automated reporting and analysis of acquisition data. The proposal states that automation would provide Congress with more current information. The source data in Advana is planned to come from the Defense Acquisition Visibility Environment (DAVE), military department-specific acquisition data systems, and other legacy systems. While OUSD(A&S) intends for DAVE to be a central source of acquisition data, officials stated that they are in the early stages of aligning several disparate data systems. DOD officials stated that much work remains to implement data automation improvements. For example, programs using the software pathway manually submit data to OUSD(A&S) because DAVE does not yet capture the pathway’s required data elements.
Certification and approval process	<ul style="list-style-type: none"> The approval process for Selected Acquisition Reports includes certification by senior military department officials as well as reviews at lower levels in each military department. While OUSD(A&S) officials stated that the certification process was one of the most time-consuming elements of the reporting process, they were not able to describe any planned changes that would result in providing Congress timelier information.

Source: GAO analysis of Department of Defense (DOD) documentation and interviews with DOD officials. | GAO-22-104687

Determining How to Provide Congressional Access

DOD has yet to determine how to provide Congress access to acquisition data in Advana. To implement its proposed approach, DOD would need to provide access to acquisition data in Advana for users outside of DOD, including congressional staff. However, OUSD(A&S) and DOD Comptroller officials told us in November 2021 they have yet to put in place a plan to grant access to Advana to users outside of DOD. Officials said there are cost implications regarding the number of users since they must be provided an approved computer and access to the DOD network. Table 5 provides additional information on open questions related to access.

Table 5: DOD Has Yet to Determine How to Provide Congressional Access

Issue	Explanation and examples
Access to web-based system	<ul style="list-style-type: none"> DOD cannot currently provide access to Advanced Analytics (Advana) for individuals outside of the DOD network due to information security concerns. The Office of the Under Secretary of Defense for Acquisition and Sustainment (OUSD(A&S)) and DOD Comptroller officials stated that they discussed different options for providing access. They are considering providing DOD-furnished computers and credentials to those who need access to the system to allow them to get on the department’s network. However, as of November 2021, a solution to provide access has yet to be determined.
How many users will need access	<ul style="list-style-type: none"> OUSD(A&S) and DOD Comptroller officials said that they did not know how many users outside DOD would require access to Advana, which may affect their proposed solution for providing access.
Training and support for users	<ul style="list-style-type: none"> OUSD(A&S) and DOD Comptroller officials stated they have technical support and office hours in place for Advana to help answer questions from the DOD user community, which could also support congressional users. However, they added that, at this point, they do not know the level of expertise of potential users or how much support they would require.

Source: GAO analysis of Department of Defense (DOD) documentation and interviews with DOD officials. | GAO-22-104687



DOD Has Not Fully Implemented Leading Agency Reform Practices in Preparing for Reporting Transformation

DOD's planning to date has been limited in part because it has yet to fully implement two leading practices associated with successful reforms. Specifically, our prior work has shown that following leading reform practices such as those related to (1) leadership focus and attention and (2) managing and monitoring the implementation of reforms, improves the likelihood of successful reforms.²⁴ In planning for the implementation of its proposed approach, DOD addressed some but not all elements of these practices.

Leadership focus and attention. DOD is following some aspects of this practice, but has yet to follow other aspects that could help address related challenges OUSD(A&S) officials identified. DOD's planning documentation broadly establishes ongoing leadership for the new reporting approach by OUSD(A&S) in partnership with the DOD Comptroller. Senior DOD leadership also defined and articulated a compelling reason for DOD's reform of how it collects and uses all data, including for acquisitions, in the department. However, DOD has yet to take other actions that would facilitate addressing certain aspects of this practice.

- Although leadership is broadly assigned, DOD's planning documentation does not address the specific responsibilities of offices with leadership roles, or of the military departments or other organizations that will need to provide the information necessary to enable effective congressional acquisition reporting. OUSD(A&S) officials told us that significant coordination is needed between their office, other OSD organizations, and the military departments to support efficient implementation of the proposal. For example, OUSD(A&S) officials stated that the DOD Comptroller—not OUSD(A&S)—determines the order of development priorities for Advana. Officials noted that the DOD Comptroller is currently focused on developing non-acquisition related capabilities in Advana to support departmental decision-making and leadership. Further, the military departments are responsible for providing data for congressional acquisition reporting, and their willingness to transparently share data about their acquisition programs is critical to DOD's proposed approach. We previously reported that they and OSD have had disagreements about the level of data that the military departments should be required to provide on some acquisitions, which, if not resolved, could hinder DOD's ability to implement the proposal.
- DOD officials told us they have yet to determine the resources necessary to implement the proposal, such as the funding that will be required or the number of government and contractor staff needed to help execute the approach. Our previous work has emphasized the importance of establishing a dedicated implementation team that has the capacity—including staffing and resources—to manage the reform process. Without determining needed resources, DOD is not well positioned to form an effective implementation team to ensure progress. OUSD(A&S) officials stated they have no dedicated funding for acquisition reporting initiatives, and that the OSD-level offices working on this effort are short-staffed and relied upon contractor support to make initial changes to Advana to support acquisition reporting. An OUSD(A&S) official noted that his office had a directed cut to staffing levels, so finding resources to get work done on Advana was a challenge. Military department officials also expressed concerns about resources. For example, Army acquisition officials



said the Army may not have the resources to report on more programs than it currently does, as smaller programs are not typically staffed to support congressional acquisition reporting. Further, they said that staff would need training on a new methodology for congressional acquisition reporting, which could be significant if reporting requirements were extended to additional programs.

Managing and monitoring implementation. DOD has focused on continued delivery of services during reform implementation, but has yet to address other aspects of planning related to managing and monitoring implementation. Specifically, DOD officials indicated the department has an interim approach to ensure the continued delivery of SAR information while it is trying to implement a new form of acquisition reporting. OUSD(A&S) officials said they are preparing to use Advana to produce SARs for MDAPs. They noted that the acquisition reports produced with Advana will only include information currently required by statute and that some data previously included in SARs, but not statutorily required, will be removed. As of November 2021, officials said the department was on track to be ready to provide portable document format (PDF) reports for upcoming SAR submissions reflecting fiscal year 2021 as required.²⁶ OUSD(A&S) officials also told us they plan to continue to provide Congress with reports for programs using the MTA pathway that are similar to what they submitted to Congress for these programs in 2020. However, DOD officials have yet to develop an implementation plan with key milestones and deliverables to track implementation progress for the proposal. During our review, they told us that they had a notional, high-level schedule and did not see the value in developing additional detailed planning. DOD officials also have yet to develop a plan to measure congressional satisfaction with changes resulting from implementing the proposed plan.

OUSD(A&S) officials also described a number of other factors that limited implementation planning to date. For example, they explained that developing the capabilities needed to implement the proposal is only one of a large number of priorities awaiting decisions once senior OUSD(A&S) leadership is in place following the 2021 change in presidential administration.²⁷ They stated that, as a result, they were not able to provide a more definitive time frame to complete the work. An OUSD(A&S) official also noted that given the substantial changes to the acquisition process related to the AAF, the office needs more time to determine how it would fully implement the proposal. Further, OUSD(A&S) officials added that for some of the implementation details, they were not certain how congressional staff and other stakeholders would prefer for them to be addressed and were waiting for further legislative direction.

Congress recently provided DOD with additional direction on acquisition reporting. The NDAA for Fiscal Year 2022, enacted in December 2021, requires DOD to develop plans and demonstrations concerning certain aspects of the reporting system that will replace the SAR requirements. Specifically, it requires:

- DOD to provide to the congressional defense committees a demonstration of the capability improvements needed to achieve full operational capability for its proposed reporting system on a recurring basis starting not later than March 1, 2022.
- The Director of CAPE to prepare a plan for identifying and gathering the data required for effective decision-making not later than March 1, 2022; and
- The Under Secretary of Defense for Acquisition and Sustainment to submit to the congressional defense committees, not later than July 1, 2022, a plan for



the new reporting system that includes information related to some of the practices our past work has found can help government agencies improve the likelihood of effective reforms, such as the implementation schedule and milestones for DOD's proposed reporting system, among other things.

Following leading practices associated with effective reforms while addressing these new requirements will help DOD lay out steps, such as how it will answer outstanding questions, to make the transition to its proposed congressional acquisition reporting approach more achievable.

Conclusion

DOD outlined an ambitious yet high-level approach to modernize its congressional acquisition reporting to align with significant reforms in recent years, including the introduction of the AAF. The proposal will likely require sustained leadership commitment and take DOD many years and potentially significant resources to implement. Yet, DOD's planning to date leaves fundamental questions unanswered about how the proposed approach will work in practice, in part, because DOD has not fully followed leading reform practices in the areas of leadership focus and attention and managing and monitoring reforms.

Given that execution is well underway for programs using the AAF, aligning acquisition reporting with this new framework in a timely manner is essential to ensure that Congress has relevant information to assess whether DOD's acquisition programs meet warfighter needs and invest taxpayer dollars wisely. The new requirement in the NDAA for Fiscal Year 2022 that DOD take certain steps towards developing a reporting system that will replace SAR requirements underscores the importance of DOD conducting effective planning for this effort. By taking actions associated with leading reform practices—such as ensuring that the agency has the staffing and resources it needs for implementation and developing an implementation plan with key milestones and deliverables—DOD can help ensure that Congress and other key stakeholders have a better understanding of how the open questions that remain will be addressed and assurance that this critical effort will be executed successfully in a timely fashion.

Recommendations for Executive Action

We are making the following two recommendations to the Department of Defense:

- The Secretary of Defense should ensure the Under Secretary of Defense for Acquisition and Sustainment fully implements leading reform practices in the area of leadership focus and attention while developing the reporting system that will replace the Selected Acquisition Report requirements, such as by creating a dedicated implementation team that has the capacity, including staffing and resources, to manage the reform process. (Recommendation 1)
- The Secretary of Defense should ensure the Under Secretary of Defense for Acquisition and Sustainment fully implements leading reform practices in the area of managing and monitoring reforms while developing the reporting system that will replace the Selected Acquisition Report requirements, such as by developing an implementation plan with key milestones and deliverables. (Recommendation 2)





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