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Comptroller General
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Accessible Version

May 16, 2023

The Honorable Lloyd Austin
Secretary of Defense
U.S. Department of Defense
1000 Defense Pentagon
Washington, D.C. 20301-1000

The Honorable Kathleen Hicks
Deputy Secretary of Defense
U.S. Department of Defense
1010 Defense Pentagon
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**Revised June 8, 2023 to correct page 4, Rebuilding Readiness and Force Structure bullet. The corrected section should read:
“Implementing the 18 recommendations in this area would help DOD rebuild and maintain readiness as well as develop the joint force structure needed to execute defense missions.”**

Priority Open Recommendations: Department of Defense

The purpose of this letter is to provide an update on the overall status of the Department of Defense’s (DOD) implementation of GAO’s recommendations and to call your continued personal attention to areas where open recommendations should be given high priority.¹ In November 2022, we reported that, on a government-wide basis, 77 percent of our recommendations made 4 years ago were implemented.² For the same time period, DOD’s recommendation implementation rate was 63 percent. As of May 2023, DOD had 1,245 open recommendations. Fully implementing these open recommendations could significantly improve DOD’s operations.

In addition to focusing on implementing GAO’s recommendations, I want to call your attention to our review assessing DOD’s timeliness in reviewing our draft reports. The James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 included a provision requiring GAO to report periodically to Congress on the extent to which DOD has provided agency comments and sensitivity and security reviews in a timely manner and in accordance with our protocols.³ I ask for your continued support in addressing this issue moving forward, as some GAO teams have continued to experience significant delays obtaining the department’s official comments on and

¹Priority recommendations are those that GAO believes warrant priority attention from heads of key departments or agencies. They are highlighted because, upon implementation, they may significantly improve government operations, for example, by realizing large dollar savings; eliminating mismanagement, fraud, and abuse; or making progress toward addressing a high-risk or duplication issue.

²GAO, *Performance and Accountability Report: Fiscal Year 2022*, [GAO-23-900398](#) (Washington, D.C.: Nov. 15, 2022).

³The statute also requires DOD to identify factors that contributed to any delays and to describe plans for improvement in follow-on reports to Congress. See Pub. L. No. 117–263, § 1064 (2022).

sensitivity reviews of our draft reports, thus impeding our delivery of key information to Congress.

Since our August 2022 letter, DOD has implemented 10 of our 84 open priority recommendations.⁴

- In response to a recommendation we made in a 2016 report, the Navy made improvements to both its policy and its data collection with respect to warranties and guarantees and costs associated with corrected defects in shipbuilding.⁵ Specifically, the Navy issued guidance that addressed when and how to use a warranty or guaranty in shipbuilding contracts, created standard language for new contracts that would require a contractor to collect data on certain defects, and also reported adding this language in contracts for three of its newest shipbuilding programs. Consequently, the Navy can use the data it plans to collect to better protect the government from paying for shipbuilder defects. The implementation of this recommendation and others from this report will likely result in tens of millions in potential financial benefits.
- During fiscal year 2022, the Navy conducted additional inspections of every newly delivered ship with significant unresolved deficiencies before introducing those ships into the fleet. These inspections could, in turn, reduce the likelihood that systems and equipment break down shortly after ships are provided to the fleet.⁶
- DOD published guidance to establish policy and assign responsibilities to identify and address threats posed by vendors that oppose U.S. allies or partners interests or that pose a threat to national security, as we recommended in a 2015 report.⁷
- DOD has implemented the recommendation from our 2017 report assessing the Army's weapon systems requirements development workforce.⁸ The Army Futures Command completed a comprehensive assessment to better understand the resources necessary for the requirements development process and identified actions to take in response.
- In response to our recommendation in a 2018 report, the Air Force established business practices to require monitoring of its processes used for recording all required real property information to address accuracy and completeness.⁹ Specifically, the Air Force published revised guidance and standard operating

⁴We recognize that we published our last letter in August 2022 and DOD has had limited time to make improvements since then.

⁵GAO, *Navy and Coast Guard Shipbuilding: Navy Should Reconsider Approach to Warranties for Correcting Construction Defects*, [GAO-16-71](#) (Washington, D.C.: Mar. 3, 2016).

⁶GAO, *Navy Shipbuilding: Policy Changes Needed to Improve the Post-Delivery Process and Ship Quality*, [GAO-17-418](#) (Washington, D.C.: July 13, 2017).

⁷GAO, *Operational Contract Support: Additional Actions Needed to Manage, Account for, and Vet Defense Contractors in Africa*, [GAO-16-105](#) (Washington, D.C.: Dec. 17, 2015).

⁸GAO, *Army Weapon System Requirements: Need to Address Workforce Shortfalls to Make Necessary Improvements*, [GAO-17-568](#) (Washington, D.C.: June 22, 2017).

⁹GAO, *Defense Real Property: DOD Needs to Take Additional Actions to Improve Management of Its Inventory Data*, [GAO-19-73](#) (Washington, D.C.: Nov. 13, 2018).

procedures on performing and monitoring existence and completeness validation of property.

- DOD has taken a number of actions to institutionalize and sustain reform and efficiency collaboration efforts. These actions include (1) establishing a charter for the Defense Business Council; (2) publishing a *Performance Improvement Framework* for reporting on existing and planned opportunities for, among other things, reform across the department; and (3) issuing guidance instructing DOD components to use common definitions when reporting on their efficiency improvement initiatives. Collectively, these actions met the intent of our recommendation from a 2020 report assessing department reform efforts.¹⁰
- DOD has implemented a recommendation from our 2021 report about improving suspense account transactions for financial reporting.¹¹ Specifically, the department revised the DOD Financial Management Regulation to clarify the correct use of suspense and deposit accounts.
- In response to two of our recommendations from a 2021 report, the Navy issued an instruction in September 2022 directing systemic collection of quality and timely sailor fatigue data to support decision-making.¹² It also began calculating its future personnel needs by using the more accurate measure of crew requirements over funded positions.
- DOD has implemented a recommendation from our 2020 report about the main factors causing maintenance delays at Navy shipyards.¹³ Specifically, through an external study, the Navy fully analyzed its use of overtime among the shipyards. Based on the study results, the Navy took action to better match the amount of workload being completed at the shipyards with the capacity of the shipyards which can reduce the excessive use of overtime.

We ask for your continued attention to the remaining 74 priority recommendations. We are also adding 15 new recommendations related to the defense industrial base, readiness, accident prevention and safety, cybersecurity and the information environment, and financial management. This brings the total number of priority recommendations to 89. (See the enclosure for the list of recommendations and actions needed to implement them.)

DOD's 89 priority recommendations fall into the following nine areas.

- **Acquisitions and Contract Management.** Fourteen of the 18 recommendations in this area, if implemented, would help DOD improve management of its costliest weapon acquisition programs. DOD expects these programs will cost more than \$1.9 trillion to acquire, but many of these programs continue to fall short of cost, schedule, and

¹⁰GAO, *Defense Reform: DOD Has Made Progress, but Needs to Further Refine and Formalize Its Reform Efforts*, [GAO-21-74](#) (Washington, D.C.: Nov. 5, 2020).

¹¹GAO, *Department of Defense: Additional Actions to Improve Suspense Account Transactions Would Strengthen Financial Reporting*, [GAO-21-132](#) (Washington, D.C.: Mar. 15, 2021).

¹²GAO, *Navy Readiness: Additional Efforts Are Needed to Manage Fatigue, Reduce Crewing Shortfalls, and Implement Training*, [GAO-21-366](#) (Washington, D.C.: May 27, 2021).

¹³GAO, *Navy Shipyards: Actions Needed to Address the Main Factors Causing Maintenance Delays for Aircraft Carriers and Submarines*, [GAO-20-588](#). (Washington, D.C.: Aug. 20, 2020).

performance goals.¹⁴ As a result, DOD faces challenges delivering innovative technologies to the warfighter to achieve competitive advantage with potential adversaries.

To address this, we recommended, for example, that DOD define a science and technology management framework that includes emphasizing greater use of existing flexibilities to more quickly initiate and discontinue projects to respond to the rapid pace of innovation. We also recommended that DOD revise its Capability Portfolio Management directive in accordance with best practices and promote the development of better tools to enable more integrated portfolio reviews and analyses of weapon system investments. Implementing the remaining six recommendations in this area, including having the Army, Navy, and Air Force use a balanced set of performance metrics, including outcome-oriented metrics, to manage their departments' procurement organizations would help to address risks involving contract management as well as potentially realizing a financial benefit of a billion or more by helping DOD identify improvement opportunities, set priorities, and better allocate resources.

- **Rebuilding Readiness and Force Structure.** Implementing the 18 recommendations in this area would help DOD rebuild and maintain readiness as well as develop the joint force structure needed to execute defense missions. The National Defense Strategy identifies building a resilient joint force and defense ecosystem as one of four defense priorities. Further, it states that the department will effectively provide logistics and sustainment for continuing operations.¹⁵ We have made recommendations, among others, about Navy readiness and actions needed to manage sailor fatigue and improve the retention rates of Surface Warfare Officers. We have also recommended that, to sustain the F-35 program, DOD should clearly define the strategy by which it will manage the F-35 supply chain and update key strategy documents accordingly to include any additional actions and investments necessary to support that strategy. By implementing this recommendation, DOD could have more certainty and unity of effort needed to meaningfully improve supply chain performance and reduce costs.
- **Accident Prevention and Safety.** Implementing the eight recommendations in this area would help the department ensure the safety of service members. For example, we recommended that DOD take steps to help ensure that standardized aviation mishap data elements are collected by the military services' safety centers. We also recommended that DOD take steps to ensure aviation risk management worksheets for National Guard helicopter units reflect relevant safety information such as accident data and hazard reporting. By implementing these risk management recommendations, DOD can better ensure its helicopter units have cyclical feedback and are continuously updating a key risk management process consistent with guidance.
- **Cybersecurity and the Information Environment.** Implementing these 12 recommendations would assist DOD in addressing weapon system cybersecurity and electromagnetic spectrum threats to U.S. national and economic security, which are increasing in frequency, scale, sophistication, and severity of impact. In particular, they would drive improvements in work roles, cyber hygiene, personnel vetting,

¹⁴GAO, *High-Risk Series: Efforts Made to Achieve Progress Need to Be Maintained and Expanded to Fully Address All Areas*, [GAO-23-106203](#) (Washington, D.C.: Apr. 20, 2023).

¹⁵Department of Defense, *2022 National Defense Strategy* (Oct. 27, 2022).

electromagnetic spectrum operations, and privacy programs. We recommended, for example, that DOD direct a component to monitor the extent to which practices are implemented to protect the department's network from key cyberattack techniques. By implementing this recommendation, DOD could address the monitoring gap. Additionally, we recommended that DOD make revisions to the development schedule for a key IT system, the National Background Investigation Services system, to meet all the characteristics as defined in best practice guides for scheduling and Agile software development. By implementing this recommendation, DOD could have greater confidence in the system's on-time completion and improved decision-making over the remaining years of development of IT services for the government-wide personnel vetting process.

- **Financial Management.** Implementing the 21 recommendations in this area would move the department closer to its objective of an unmodified (“clean”) financial audit opinion. DOD stated that financial audits act as a catalyst for business process and business systems reform, and ultimately result in better support for the warfighter and preservation of military advantage, as well as greater financial data integrity, enhanced demonstration of stewardship, and increased transparency for Congress and the American people. As DOD continues to improve its financial management, it has identified a number of resultant financial benefits in areas such as inventory management and the budgeting process. Specifically, by addressing weaknesses in its record keeping of inventory, DOD identified several billion dollars of usable - but previously untracked - inventory that was available to meet immediate mission need and avoided expending funds to procure duplicative materials. Additionally, by better managing budgetary obligations, DOD has identified available funds that could be used for immediate mission-support and mission-critical needs. Among the recommendations in this letter that we consider a priority for DOD to address, are recommendations that also align with DOD’s fiscal year 2023 audit priority areas. These critical audit remediation efforts include improving internal controls over financial reporting for the completeness and accuracy of Fund Balance with Treasury, and having a universe of transactions.
- **Driving Enterprise-Wide Business Reform.** Implementing the three recommendations in this area would help DOD reform its business operations to achieve greater performance and efficiencies. For example, we recommended that DOD routinely and comprehensively monitor and evaluate ongoing efficiency initiatives within the department to include establishing baselines from which to measure progress, periodically reviewing progress made, and evaluating results. By implementing this recommendation, DOD could ensure that desired outcomes of its performance improvement initiatives are being achieved.
- **Health Care.** By implementing the five recommendations in this area, DOD would be better positioned to reduce or manage duplication, improve efficiencies, and reduce improper payments dispensed through its health program, TRICARE. In its *Fiscal Year 2022 Agency Financial Report*, DOD identified preventing and recovering improper payments as among the department’s top priorities and reported that the TRICARE program will undergo a risk assessment to determine susceptibility to improper and unknown payments above a certain threshold. To address improper payments, we recommended that DOD implement a more comprehensive methodology to measure them that includes medical record reviews, and to develop more robust corrective action plans that address the underlying causes of these improper payments. By implementing

these recommendations, DOD could identify root causes and take steps to address them.

- **Preventing Sexual Harassment.** Implementing the two recommendations in this area would help DOD address the weaknesses we found in the department’s approach to instituting effective policies and programs on sexual harassment. Unwanted sexual behaviors in the military undermine core values, unit cohesion, combat readiness, and public goodwill. These behaviors include sexual harassment, sexual assault, and domestic violence involving sexual assault. We recommended that DOD develop a strategy for holding individuals in positions of leadership accountable for promoting, supporting, and enforcing the department’s sexual harassment policies and programs. We also recommended that the department develop and aggressively implement an oversight framework to help guide the department’s efforts. By implementing this recommendation, DOD could improve its’ response to incidents of sexual harassment.
- **Strengthening Diversity, Equity, and Inclusion within DOD.** Implementing the two recommendations in this area would strengthen the department’s diversity, equality, and inclusion programs. For example, we recommended that DOD ensure the military services receive guidance on recruitment and retention efforts of female active-duty service members and that DOD conduct an evaluation to identify and take steps to address the causes of any racial and gender disparities in the military justice system. By implementing these recommendations, DOD could ensure it is maintaining a ready force and that there is fairness in the military justice system.

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In April 2023, we issued our biennial update to our [High-Risk List](#). This list identifies government operations with greater vulnerabilities to fraud, waste, abuse, and mismanagement. It also identifies the need for transformation to address economy, efficiency, or effectiveness challenges.¹⁶ DOD bears primary responsibility for five of our high-risk areas: [DOD Weapon Systems Acquisition](#), [DOD Financial Management](#), [DOD Business Systems Modernization](#), [DOD Approach to Business Transformation](#), and [DOD Contract Management](#). Further, DOD has key responsibilities under the [government-wide personnel security clearance process](#) high-risk area.

Several other government-wide, high-risk areas also have direct implications for DOD and its operations. These include (1) [improving the management of IT acquisitions and operations](#), (2) [improving strategic human capital management](#), (3) [managing federal real property](#), and (4) [ensuring the cybersecurity of the nation](#).¹⁷ We urge your attention to the DOD and other government-wide, high-risk issues as they relate to DOD. Progress on high-risk issues has been possible through the concerted actions and efforts of Congress, the Office of Management and Budget (OMB), and the leadership and staff in agencies, including within DOD. In March 2022,

¹⁶GAO, *High-Risk Series: Efforts Made to Achieve Progress Need to be Maintained and Expanded to Fully Address All Areas*, [GAO-23-106203](#) (Washington, D.C.: Apr, 20, 2023).

¹⁷With regard to cybersecurity, we also urge you to use foundational information and communications technology supply chain risk management practices set forth in our December 2020 report: *GAO, Information Technology: Federal Agencies Need to Take Urgent Action to Manage Supply Chain Risks*, [GAO-21-171](#) (Washington, D.C.: Dec. 15, 2020).

we issued a report on key practices to successfully address high-risk areas, which can be a helpful resource as your agency continues to make progress to address high-risk issues.¹⁸

In addition to your continued attention on these issues, Congress plays a key role in providing oversight and maintaining focus on our recommendations to ensure they are implemented and produce their desired results. Legislation enacted in December 2022 includes a provision for GAO to identify any additional congressional oversight actions that can help agencies implement priority recommendations and address any underlying issues relating to such implementation.¹⁹

There are various strategies Congress can use in addressing our recommendations, such as incorporating them into legislation. Congress can also use its budget, appropriations, and oversight processes to incentivize executive branch agencies to act on our recommendations and monitor their progress. For example, Congress can hold hearings focused on VA's progress in implementing GAO's priority recommendations, withhold funds when appropriate, or take other actions to provide incentives for agencies to act. Moreover, Congress could follow up during the appropriations process and request periodic updates. Congress also plays a key role in addressing any underlying issues related to the implementation of these recommendations. For example, Congress could pass legislation providing an agency explicit authority to implement a recommendation or requiring an agency to take certain actions to implement a recommendation.

Copies of this report are being sent to the Director of OMB and the appropriate congressional committees. In addition, the report will be available on the GAO website at <http://www.gao.gov>.

I appreciate DOD's continued commitment to these important issues. If you have any questions or would like to discuss any of the issues outlined in this letter, please do not hesitate to contact me or Cathleen A. Berrick, Managing Director, Defense Capabilities and Management, at (202) 512-3404 or BerrickC@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Our teams will continue to coordinate with your staff on all of the 1,245 open recommendations, as well as those additional recommendations in the high-risk areas for which DOD has a leading role. Thank you for your attention to these matters.



Gene L. Dodaro
Comptroller General
of the United States

Enclosure - 1

cc: The Honorable Shalanda Young, Director, Office of Management and Budget

¹⁸GAO, *High-Risk Series: Key Practices to Successfully Address High-Risk Areas and Remove Them from the List*, [GAO-22-105184](https://www.gao.gov/products/GAO-22-105184) (Washington, D.C.: Mar. 3, 2022).

¹⁹James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, Pub. L. No. 117-263, § 7211(a)(2), 136 Stat. 2395, 3668 (2022); H.R. Rep. No. 117-389 (2022) (accompanying Legislative Branch Appropriations Act, H.R. 8237, 117th Cong. (2022)).

The Honorable Christine E. Wormuth, Secretary of the Army
The Honorable Frank Kendall, Secretary of the Air Force
The Honorable Carlos Del Toro, Secretary of the Navy
General James C. McConville, Chief of Staff of the Army
General Charles Q. Brown, Jr., Chief of Staff of the Air Force
Admiral Michael Gilday, Chief of Naval Operations
General David H. Berger, Commandant of the Marine Corps
The Honorable William A. LaPlante, Under Secretary of Defense for Acquisition and Sustainment
The Honorable Heidi Shyu, Under Secretary of Defense for Research and Engineering
The Honorable Gilbert R. Cisneros Jr., Under Secretary of Defense for Personnel and Readiness
The Honorable Michael J. McCord, Under Secretary of Defense, Comptroller
The Honorable Colin H. Kahl, Under Secretary of Defense for Policy
Michael B. Donley, Director, Administration and Management
The Honorable Susanna V. Blume, Director, Cost Assessment and Program Evaluation
The Honorable Dr. Lester Martinez-Lopez, Assistant Secretary of Defense for Health Affairs
The Honorable Carol Spangler, Assistant Secretary of the Army, Financial Management and Comptroller
Vice Admiral Jon A. Hill, Director, Missile Defense Agency
James A. Hursch, Director, Defense Security Cooperation Agency
Sean J. Burke, Executive Director, F-35 Lightning II Joint Program Office and Lieutenant
General Michael J. Schmidt, Program Executive Officer, F-35 Joint Program Office

Enclosure

Priority Open Recommendations to Department of Defense (DOD)

Acquisitions and Contract Management

Army Modernization: Steps Needed to Ensure Army Futures Command Fully Applies Leading Practices. [GAO-19-132](#). Washington, D.C.: January 23, 2019.

Year Recommendation Made: 2019

Recommendation: The Secretary of the Army should ensure that the Commanding General of Army Futures Command applies leading practices as they relate to technology development, particularly that of demonstrating technology in an operational environment, prior to starting system development.

Actions Needed: The Army agreed with this recommendation. Army officials acknowledged the importance of the recommendation and said they have taken actions to identify and remove infeasible or immature technologies consistent with leading practices for acquisition. However, in February 2023, Army officials stated that this can only be achieved with advanced component development and prototype funding, which the Army Futures Command no longer manages. In 2022, the Secretary of the Army tasked the Assistant Secretary of the Army for Acquisition, Logistics and Technology with oversight of Army research and development, including associated resourcing decisions.

We acknowledge that circumstances have changed since the report was issued in January 2019 but note that the Army Futures Command can still partially address the recommendation by providing a list of technologies that are at, or past, system development and by identifying the technology readiness level they achieved prior to entering system development. The Army has agreed to provide this information by September 2023. To fully implement this recommendation, the Army will need to demonstrate that the technologies it is developing are matured in accordance with leading practices. By doing so, the Army will be better able to reduce the risk that technologies will not operate as intended or desired.

High-Risk Area: [DOD Weapon Systems Acquisition](#)

Director: Jon Ludwigson, Contracting and National Security Acquisitions

Contact Information: ludwigsonj@gao.gov or (303) 572-7309

Defense Science and Technology: Adopting Best Practices Can Improve Innovation Investments and Management. [GAO-17-499](#). Washington, D.C.: June 29, 2017.

Year Recommendations Made: 2017

Recommendations:

1. To ensure that DOD is positioned to counter both near- and far-term threats, consistent with its science and technology framework, the Secretary of Defense should direct the new Under Secretary of Defense for Research and Engineering to

annually define the mix of incremental and disruptive innovation investments for each military department.

2. To ensure that DOD is positioned to counter both near- and far-term threats, consistent with its science and technology framework, the Secretary of Defense should direct the new Under Secretary of Defense for Research and Engineering to annually assess whether that mix is achieved.
3. To ensure that DOD is positioned to more comprehensively implement leading practices for managing science and technology programs, the Secretary of Defense should direct the new Under Secretary of Defense for Research and Engineering to define, in policy or guidance, a science and technology management framework that includes emphasizing greater use of existing flexibilities to more quickly initiate and discontinue projects to respond to the rapid pace of innovation.

Actions Needed: As of January 2023, DOD continues to disagree with these three recommendations. In 2017 when our report was published, DOD stated that implementing them would be premature, since the Secretary of Defense had not made final decisions on the role of the new Under Secretary of Defense for Research and Engineering. In July 2018, DOD finalized the organizational structures, roles, and responsibilities for the new Under Secretary. Since then, the department's rationale for disagreeing with these recommendations has shifted. DOD now questions the merit of these recommendations, rather than just their timing. Specifically, DOD maintains that its existing structures provide the information that these recommendations seek to furnish, despite our findings to the contrary.

In the December 2022 Joint Explanatory Statement accompanying the National Defense Authorization Act for Fiscal Year 2023, the congressional armed services committees summarized their views regarding risk information in DOD's research portfolio. Among other things, the Statement noted that DOD does not group research and development activities into incremental and disruptive efforts. Absent this practice, the Statement noted that DOD lacks visibility into the balance of risk versus payoff in its research and development portfolio, especially with regard to the potential to provide the cutting-edge technology needed to combat future and emerging threats. The Statement directed the Under Secretary of Defense for Research and Engineering to provide a briefing to the congressional armed services committees by July 31, 2023, on how DOD assesses, manages, and balances risk within its research and development portfolio. According to the Statement, the briefing is to include an update on how DOD is implementing the recommendations in the 2017 report, including the three highlighted in this letter.

We maintain that DOD's implementation of these three recommendations would improve its science and technology investments and management, and will continue to track DOD's and Congress' actions on these recommendations.

High-Risk Area: [DOD Weapon Systems Acquisition](#)

Director: Shelby S. Oakley, Contracting and National Security Acquisitions

Contact Information: oakleys@gao.gov or (202) 512-7052

Navy Shipbuilding: Increasing Focus on Sustainment Early in the Acquisition Process Could Save Billions. [GAO-20-2](#). Washington, D.C.: March 24, 2020.

Year Recommendations Made: 2020

Recommendations:

1. The Secretary of Defense should change its definition for setting operational availability for ships in its Joint Capabilities Integration and Development System policy by adding information that defines the operational availability requirement by mission area in addition to the ship level and includes all equipment failures that affect the ability of a ship to perform primary missions.
2. The Secretary of the Navy should direct the Assistant Secretary of the Navy for Research, Development and Acquisition to ensure that all shipbuilding programs develop and update life-cycle sustainment plans (LCSP) in accordance with DOD policy, that demonstrate how a ship class can be affordably operated and maintained while meeting sustainment requirements, including associated business case analyses and identifying sustainment risk.

Actions Needed: DOD partially agreed with our first recommendation. In January 2023, officials stated that they planned to include revisions to the operational availability requirement in a forthcoming update to the Joint Capabilities Integration and Development System policy, which is expected to be completed in 2024. In the meantime, the Vice Chairman of the Joint Chiefs of Staff issued interim guidance in January 2023 directing the Navy to rely on factors other than category 4 casualty reports when establishing the basis for shipbuilding programs' operational availability requirements. In our March 2020 report, we found that the use of such casualty reports was one of the reasons the Navy's operational availability requirements did not effectively account for all equipment failures that could affect a ship's ability to perform primary missions.

To fully implement this recommendation, DOD should ensure that its forthcoming policy updates require that shipbuilding programs' operational availability requirements be defined at the mission level and account for all mission-degrading equipment failures.

The Navy agreed with our second recommendation. In April 2022, the Navy updated its acquisition policy to reiterate that all large acquisition programs—such as those for shipbuilding—be required to develop and regularly update a LCSP. The updated policy also clarified which Navy officials were responsible for drafting and approving the LCSP. Additionally, according to existing DOD policy and guidance, LCSPs should include business case analyses and discussions of sustainment risks. In March 2023, officials stated that the Navy plans to update the LCSPs for all of its shipbuilding programs and ensure they include all required elements, as we recommended. However, given the number of LCSPs that need to be updated, Navy officials estimate it could take several years to complete this effort.

Implementing our recommendations would help the Navy make decisions that ensure it acquires ships that it can affordably sustain.

High-Risk Area: [DOD Weapon Systems Acquisition](#)

Director: Shelby S. Oakley, Contracting and National Security Acquisitions

Contact Information: oakleys@gao.gov or (202) 512-7052

Navy Shipbuilding: Policy Changes Needed to Improve the Post-Delivery Process and Ship Quality. [GAO-17-418](#). Washington, D.C.: July 13, 2017.

Year Recommendation Made: 2017

Recommendation: The Secretary of Defense should direct the Secretary of the Navy to revise the Navy's ship delivery policy to clarify what types of deficiencies need to be corrected and what mission capability (including the levels of quality and capability) must be achieved (1) at delivery and (2) when the ship is provided to the fleet (at the obligation work limiting date). In doing so, the Navy should clearly define what constitutes a complete ship and when that should be achieved.

Actions Needed: DOD did not initially agree with our recommendation; however, in December 2022, the Office of the Secretary of Defense stated that the Navy plans to review and update its ship delivery policy to improve its clarity. Officials stated that these would consider our recommendation, as well as feedback from Navy users of the policy. However, officials noted that the Navy believes it would be impractical to fully define in its ship delivery policy what constitutes a complete ship and when ship completion should be achieved, as GAO recommended. We maintain that the Navy's ship delivery policy is a key instruction for ensuring that the fleet receives complete, mission-capable ships. Fully implementing our recommendation would increase the likelihood of identifying and correcting deficiencies before fleet introduction and reduce the risk of the Navy providing incomplete and deficient ships to the fleet.

High-Risk Area: [DOD Weapon Systems Acquisition](#)

Director: Shelby S. Oakley, Contracting and National Security Acquisitions

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Weapon System Acquisitions: Opportunities Exist to Improve the Department of Defense's Portfolio Management. [GAO-15-466](#). Washington, D.C.: August 27, 2015.

Year Recommendation Made: 2015

Recommendation: To improve DOD's use of portfolio management for its weapon system investments and ensure that its investment plans are affordable, strategy-driven, balance near- and long-term needs, and leverage efforts across the military services, as well as to provide a solid foundation for future portfolio management efforts at the enterprise-level, the Secretary of Defense should revise DOD Directive 7045.20 on Capability Portfolio Management in accordance with best practices and promote the development of better tools to enable more integrated portfolio reviews and analyses of weapon system investments.

Key elements of this recommendation would include (1) designating the Deputy Secretary of Defense or some appropriate delegate responsibility for implementing the policy and overseeing portfolio management in DOD; (2) requiring annual enterprise-level portfolio reviews that incorporate key portfolio review elements, including

information from the requirements, acquisition, and budget processes; (3) directing the Joint Staff, the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics and the Office of Cost Assessment and Program Evaluation to collaborate on their data needs and develop a formal implementation plan for meeting those needs either by building on the database the Joint Staff is developing for its analysis or investing in new analytical tools; and (4) incorporating lessons learned from military service portfolio reviews and portfolio management activities, such as using multiple risk and funding scenarios to assess needs and re-evaluate priorities.

Actions Needed: DOD partially agreed with our recommendation. DOD agreed with the need to further develop portfolio management tools, ensure access to authoritative data, and incorporate lessons learned by others performing portfolio management. However, it stated that other aspects of our recommendation were redundant to, and would conflict with, other processes and activities in place to perform portfolio management. Nevertheless, as of April 2022, DOD is continuing its efforts to implement this recommendation. The Office of the Under Secretary of Defense for Acquisition and Sustainment—one of two offices that assumed responsibilities from the former office of the Under Secretary of Defense for Acquisition, Technology, and Logistics in 2018—began revising DOD Directive 7045.20 in summer 2019.

DOD completed a draft of the directive but awaited confirmation of the new Under Secretary, which occurred in April 2022, to finalize it. In January 2023, DOD officials told us they expect to finalize the directive by the end of June 2023.

In the interim, the Deputy Secretary of Defense and the Joint Requirements Oversight Council each issued a memorandum establishing portfolio reviews. The stated goal of Integrated Acquisition Portfolio Reviews is to identify acquisition portfolio interdependencies and critical risks. The Capability Portfolio Management Review established by the Joint Requirements Oversight Council intends to identify key findings and recommendations related to priority capability gaps, redundancies, trade-offs, opportunities, and effects of recent budgetary decisions. Implementing this recommendation would provide DOD with the foundation for improved weapon system investment planning and management.

High-Risk Area: [DOD Weapon Systems Acquisition](#)

Director: Shelby S. Oakley, Contracting and National Security Acquisitions

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Missile Defense: Opportunity to Refocus on Strengthening Acquisition Management. [GAO-13-432](#). Washington, D.C.: April 26, 2013.

Year Recommendations Made: 2013

Recommendations:

- 1. In order to strengthen investment decisions, place the chosen investments on a sound acquisition footing, provide a better means of tracking investment progress, and improve the management and transparency of the U.S. missile defense approach in Europe, the Secretary of Defense should direct the Missile Defense Agency's (MDA) new Director to include in its resource baseline cost estimates all life cycle**

costs, specifically the operations and support costs, from the military services in order to provide decision makers with the full costs of ballistic missile defense systems.

- 2. In order to strengthen investment decisions, place the chosen investments on a sound acquisition footing, provide a better means of tracking investment progress, and improve the management and transparency of the U.S. missile defense approach in Europe, the Secretary of Defense should direct MDA's new Director to stabilize the acquisition baselines, so that meaningful comparisons can be made over time that support oversight of those acquisitions.**

Actions Needed: DOD partially agreed with our first recommendation and noted that both MDA and the military services have operations and sustainment costs for the weapon systems that are part of the Missile Defense System. In 2020, DOD requested closure of this recommendation as implemented, citing MDA's preparation of joint cost estimates (JCE) with the military services to capture their respective operations and sustainment costs.

In February 2022, however, we found that not all applicable weapon systems had a JCE as required by policy, some existing JCEs were outdated, and none of the JCEs were independently verified by DOD's Office of Cost Assessment and Program Evaluation, as advised by policy. We also found that the operations and sustainment costs for weapon systems without a JCE were captured in multiple and disparate sources. As such, it was difficult or, in some instances, impossible for us to quantify the full life-cycle costs for certain weapon systems. Accordingly, we advised MDA to add citations to the JCEs or other source(s) for the operations and sustainment costs in its annual baseline reporting; MDA's baselining statute was subsequently amended to include a similar requirement. In February 2023, MDA officials told us they added some initial information in the 2022 annual baseline reporting. However, more information is needed to fully comply with law and meet the intent of our recommendation. MDA officials also told us that they are coordinating with the military services to gain access to their cost estimates, which will also need to be cited in the baseline reporting.

DOD agreed with our second recommendation, but noted that MDA has the authority to adjust program baselines to remain responsive to evolving requirements and threats. We acknowledged MDA's authority to adjust program baselines and explained that our recommendation did not intend to limit such authority, but rather address issues we found, such as shifting content between baselines. In 2020, DOD requested closure of this recommendation as implemented, citing MDA's addition of a list of significant changes to its annual baseline reporting that MDA officials say can be collated to reflect a program's performance over time.

In February 2022, however, we found that MDA continues to make adjustments to its program baselines that are not captured in its list of significant changes, complicating or preventing the collation of adjustments to understand a program's performance. For example, MDA shifted costs (1) from one program baseline to another, (2) to an effort that had not yet been baselined, and (3) outside the agency's cost estimates entirely. Thus, we advised MDA to explore and take appropriate corrective actions to rectify the continued traceability issues with its program baselines and ensure they are a useful oversight tool for Congress. In February 2023, MDA officials told us they recognize the importance of this traceability and are continuing to work on reconciling program

baselines to when they were first established and intend for any adjustments moving forward to be clear and traceable. However, MDA officials expect these planned actions to take a year or more to complete

High-Risk Area: [DOD Weapon Systems Acquisition](#)

Director: Jon Ludwigson, Contracting and National Security Acquisitions

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DOD Service Acquisition: Improved Use of Available Data Needed to Better Manage and Forecast Service Contract Requirements. [GAO-16-119](#). Washington, D.C.: February 18, 2016.

Year Recommendations Made: 2016

Recommendations:

- 1. To ensure that senior leadership within the Office of the Secretary of Defense and the military departments are better positioned to make informed decisions regarding the volume and type of services that should be acquired over the future year defense program, the Secretary of the Air Force should revise their programming guidance to collect information on how contracted services will be used to meet requirements beyond the budget year.**
- 2. To ensure that senior leadership within the Office of the Secretary of Defense and the military departments are better positioned to make informed decisions regarding the volume and type of services that should be acquired over the future year defense program, the Secretary of the Navy should revise its programming guidance to collect information on how contracted services will be used to meet its requirements beyond the budget year.**
- 3. To ensure the military departments' efforts to integrate services into the programming process and senior service managers' efforts to develop forecasts on service contract spending provide the department with consistent data, the Secretary of Defense should establish a mechanism, such as a working group of key stakeholders—which could include officials from the programming, budgeting, and requirements communities as well as the military departments' senior services managers—to coordinate these efforts.**

Actions Needed: DOD partially agreed with our first two recommendations and noted that, while its guidance will continue to direct the efficient use of contracted services, the volatility of requirements and each budget cycle constrain the department's ability to accurately quantify service contract requirements beyond the budget year. DOD also partially agreed with our third recommendation, but did not indicate any actions the department planned to take to implement it.

In February 2021, we reported that the Air Force and the Navy had not revised their programming guidance and that DOD had not identified steps to develop forecasts on

service contract spending.²⁰ Subsequently, the Joint Explanatory Statement accompanying the National Defense Authorization Act for Fiscal Year 2022 directed the Secretary of Defense to submit to the congressional defense committees a plan by June 1, 2022, that

1. assigns responsibilities to specific offices;
2. identifies what changes, if any, are needed to military department and defense agency programming guidance; and
3. establishes milestones to track progress to ensure that projected spending on services is integrated into and clearly identified in DOD's Future Years Defense Program.

As of March 2023, DOD had not submitted this plan, but officials stated in January 2023 that they have developed an initial draft that they intend to finalize after the release of the fiscal year 2024 budget submission.

DOD issued department-wide guidance to begin forecasting budget needs for service acquisitions in its fiscal year 2024 budget submission. DOD officials told us they formed a working group in January 2023 to discuss the different methodologies used by the services under this guidance and next steps to address inconsistencies in the data. According to these officials, further details on the role and timeline for this working group will be contained in the implementation plan. Once the Secretary of Defense submits the plan to the congressional defense committees, we will assess the extent to which these actions address the three recommendations. Without implementing these recommendations, DOD may risk having inconsistent data that will hinder it from moving forward on an enterprise-wide basis.

High-Risk Area: [DOD Contract Management](#)

Director: W. William Russell, Contracting and National Security Acquisitions

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Federal Contracting: Senior Leaders Should Use Leading Companies' Key Practices to Improve Performance. [GAO-21-491](#). Washington, D.C.: July 27, 2021.

Year Recommendations Made: 2021

Recommendations:

1. The Secretary of the Navy should ensure the Deputy Assistant Secretary of the Navy (Procurement) uses a balanced set of performance metrics to manage the department's procurement organizations, including outcome-oriented metrics to measure (a) cost savings/avoidance, (b) timeliness of deliveries, (c) quality of deliverables, and (d) end-user satisfaction.
2. The Secretary of the Army should ensure the Deputy Assistant Secretary of

²⁰ GAO, *Service Acquisitions: DOD's Report to Congress Identifies Steps Taken to Improve Management, But Does Not Address Some Key Planning Issues*, [GAO-21-267R](#) (Washington, D.C.: Feb. 22, 2021).

the Army (Procurement) uses a balanced set of performance metrics to manage the department's procurement organizations, including outcome-oriented metrics to measure (a) cost savings/avoidance, (b) timeliness of deliveries, (c) quality of deliverables, and (d) end-user satisfaction.

3. The Secretary of the Air Force should ensure the Deputy Assistant Secretary of the Air Force (Contracting) uses a balanced set of performance metrics to manage the department's procurement organizations, including outcome-oriented metrics to measure (a) timeliness of deliveries, (b) quality of deliverables, and (c) end-user satisfaction.

Actions Needed: The Navy and Army agreed with our recommendations. In January 2022, DOD communicated that the Navy was developing tools, such as dashboards, that would provide the Deputy Assistant Secretary of the Navy (Procurement) greater visibility and real-time access to existing metrics and data and an ability to create new metrics as needed. In January 2023, DOD estimated that the Navy would complete this effort by September 2025.

In January 2022, DOD communicated that the Deputy Assistant Secretary of the Army (Procurement) was establishing metrics for cost, schedule, and performance outcomes, with a focus on customer service. In January 2023, DOD stated that the Army was aiming to implement the metrics by the third quarter of 2023.

The Air Force disagreed with our third recommendation. However, in January 2022, DOD communicated that the Air Force had established teams to review existing contracting metrics and develop new contracting metrics. In February 2023, DOD officials stated that the Air Force had made significant progress in developing metrics to measure success, and that DOD planned to submit documentation of the metrics. This action has the potential to address the recommendation if the new contracting metrics assess (a) timeliness of deliveries, (b) quality of deliverables, and (c) end-user satisfaction.

Implementing our recommendations would assist the agencies' senior leaders in setting priorities and allocating resources intended to improve their organizations' performance.

Potential Financial Benefit if Implemented: A billion or more

High-Risk Area: [DOD Contract Management](#)

Director: W. William Russell, Contracting and National Security Acquisitions

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Defense Industrial Base: DOD Should Take Actions to Strengthen Its Risk Mitigation Approach. [GAO-22-104154](#). Washington, D.C.: July 7, 2022.

Year Recommendations Made: 2022

Recommendations:

1. The Secretary of Defense should ensure that the National Technology and

Industrial Base strategy is in a consolidated document and comprehensive, such as by including required resources and an implementation plan.

2. The Secretary of Defense should ensure that the Assistant Secretary of Defense for Industrial Base Policy, in coordination with the Industrial Base Council, develops and uses performance measures to monitor the aggregate effectiveness of mitigation efforts for DOD-wide industrial base risks.

Actions Needed: DOD partially agreed with our first recommendation, stating that it agrees with the importance of a comprehensive National Technology and Industrial Base strategy that includes, among other things, resourcing and an implementation plan. Particularly, DOD stated that it will evaluate ways to streamline similar reports that cover aspects of the National Technology and Industrial Base strategy into other industrial base analytical products for a cohesive picture of the problem and strategy. DOD noted, however, that a separate strategy document is not necessary as the department already provides information in other required reports and that developing a new strategy document would unnecessarily divert limited resources. We have been monitoring DOD's efforts to implement this recommendation.

According to information DOD officials provided in March 2023, the department plans to publish a report about industrial capabilities and drafting strategies across specific sectors by July 2026. To implement this recommendation fully, DOD should develop a consolidated strategy that clearly identifies the goals of its industrial base efforts, resources needed to achieve those goals, and organizational responsibilities. Without implementing our recommendation, DOD cannot ensure that all appropriate DOD organizations are working toward the same priorities, promoting supply chain resiliency, and supporting national security objectives.

DOD agreed with our second recommendation, stating that it is aware of the need for performance measures to monitor the aggregate effectiveness of mitigation efforts for DOD-wide industrial base risks and that it is actively developing metrics aligned to the five focus areas in Executive Order 14017. According to information DOD officials provided in March 2023, the department estimates developing these metrics by July 2026.

To fully implement this recommendation, DOD should have mechanisms in place to develop, collect, and use performance measures to monitor the aggregate effectiveness of mitigation efforts for these five focus areas and for future DOD-wide industrial base mitigation efforts. Without implementing our recommendation, DOD will continue to have limited insight into the department's progress in mitigating industrial base risks. The department will also be at risk of investing billions of dollars in risk mitigation efforts without an accurate understanding of whether these investments successfully addressed risks or what additional actions and resources may be needed.

High-Risk Area: [DOD Weapon Systems Acquisition](#)

Director: W. William Russell, Contracting and National Security Acquisitions

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Rebuilding Readiness and Force Structure

Navy Ship Maintenance: Actions Needed to Monitor and Address the Performance of Intermediate Maintenance Periods. [GAO-22-104510](#). Washington, D.C.: February 8, 2022.

Year Recommendation Made: 2022

Recommendation: The Secretary of the Navy should ensure that the Navy's maintenance-related strategic planning and initiatives, such as the Navy's Performance to Plan efforts, include issues associated with the performance of intermediate maintenance periods.

Actions Needed: The Navy agreed with our recommendation, stating that it will leverage the Performance to Plan and Naval Sustainment System forums to drive improvements to maintenance as a whole, encompassing both intermediate and depot-level maintenance. As of January 2023, the Navy stated that it had no updates to provide on efforts to address our recommendation. To implement this recommendation fully, the Navy should ensure it includes in strategic documentation the issues associated with intermediate maintenance periods. Without implementing our recommendation, the Navy risks negatively affecting the readiness of the fleet, and intermediate maintenance periods may continue to result in thousands of days of maintenance delay for the Navy's submarines, surface ships, and aircraft carriers.

Director: Diana Maurer, Defense Capabilities and Management

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Navy Shipyards: Actions Needed to Address the Main Factors Causing Maintenance Delays for Aircraft Carriers and Submarines. [GAO-20-588](#). Washington, D.C.: August 20, 2020.

Year Recommendation Made: 2020

Recommendation: The Secretary of the Navy should ensure that the Naval Sea Systems Command develops and implements goals, action plans, milestones, and a monitoring process for its Shipyard Performance to Plan initiative to address the main factors contributing to maintenance delays and improving the timely completion of ship maintenance at Navy shipyards.

Actions Needed: The Navy agreed with our recommendation. Naval Sea Systems Command stated in December 2020 that to address our second recommendation, the command had developed metrics for the identified drivers of maintenance delays and was working to identify levers that it can use to facilitate improvements. As of February 2023, the Navy has developed goals, milestones, and monitoring for the top-tier performance metrics it has identified. The Navy should fully develop action plans to address the main factors contributing to maintenance delays. Implementing our recommendation could increase the overall availability of aircraft carriers and submarines to perform needed training and operations in support of their various missions and improve readiness.

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Naval Shipyards: Actions Needed to Improve Poor Conditions that Affect Operations. [GAO-17-548](#). Washington, D.C.: September 12, 2017.

Year Recommendation Made: 2017

Recommendation: The Secretary of the Navy should develop a comprehensive plan for shipyard capital investment that establishes the desired goal for the shipyards' condition and capabilities; an estimate of the full costs to implement the plan, addressing all relevant requirements, external risk factors, and associated planning costs; and metrics for assessing progress toward meeting the goal that include measuring the effectiveness of capital investments.

Actions Needed: The Navy agreed with this recommendation and produced a Shipyard Infrastructure Optimization Plan in February 2018 to guide the improvement of the naval shipyards. The plan includes some goals for the desired shipyard condition and capabilities including to: gain about 70 maintenance periods in the future, modernize capital equipment to industry standards, optimize facilities, and reduce travel time and movement for personnel and materiel during the maintenance process. Also, the plan includes a preliminary cost estimate, but work is underway to determine the full costs to address all relevant requirements, risk factors, and planning costs. Further, the plan identifies risks that could increase costs, but does not identify solutions to address those risks. According to Navy officials, they will develop plans to address the risks in subsequent phases of the planning effort. In February 2023, Navy officials shared that they have developed a number of metrics which they used to develop the infrastructure plan at one shipyard. Officials have stated they intend to use the same metrics in future shipyard plans.

To fully implement our recommendation the Navy needs to consistently use metrics to gauge progress in planning and implementing the Shipyard Infrastructure Optimization Plan. Implementing our recommendation by developing a more comprehensive cost estimate and metrics for assessing progress would help ensure that key decision makers and Congress have the information they need to assess the effectiveness of the Navy's capital investment program at the shipyards.

Director: Diana Maurer, Defense Capabilities and Management

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Navy Force Structure: Sustainable Plan and Comprehensive Assessment Needed to Mitigate Long-Term Risks to Ships Assigned to Overseas Homeports. [GAO-15-329](#). Washington, D.C.: May 29, 2015.

Year Recommendation Made: 2015

Recommendation: To balance combatant commanders' demands for forward presence with the Navy's needs to sustain a ready force over the long term and identify and mitigate risks consistent with Federal Standards for Internal Control, the Secretary of Defense should direct the Secretary of the Navy to, to fully implement its optimized fleet response plan, develop and implement a sustainable operational schedule for all ships homeported overseas.

Actions Needed: DOD agreed with our recommendation. As of October 2020, the Navy approved a change to the operational schedule for ships homeported in Japan and other overseas homeports and included this change in Navy guidance. The Navy also established a working group named the Naval Surface Group Western Pacific to oversee surface ship maintenance, training, and certification for ships based in Japan.

To fully implement this recommendation, the Navy will need to adhere to the revised schedules. As of January 2023, a Navy official told us that ships based overseas were adhering to the Optimized Fleet Response Plan schedule, but did not maintain historical documentation to demonstrate adherence. Without an operational schedule that balances presence demands and long-term sustainability for ships homeported overseas, the Navy risks continuing the pattern of deferred ship maintenance, which leads to higher maintenance costs over the long term and threatens achievement of full ship service lives.

Director: Diana Maurer, Defense Capabilities and Management

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Navy Readiness: Additional Efforts Are Needed to Manage Fatigue, Reduce Crewing Shortfalls, and Implement Training. [GAO-21-366](#). Washington, D.C.: May 27, 2021.

Year Recommendations Made: 2021

Recommendations:

1. The Secretary of the Navy should ensure that the Office of Chief of Naval Operations and the Commander, U.S. Fleet Forces Command and Commander, U.S. Pacific Fleet use collected data on sailor fatigue to identify, monitor, and evaluate factors that contribute to fatigue and inadequate sleep such as the effects of crew shortfalls, work requirements, administrative requirements, and collateral duties.
2. The Secretary of the Navy should ensure that the Office of Chief of Naval Operations and the Commander, U.S. Fleet Forces Command and Commander, U.S. Pacific Fleet take actions to address the factors causing sailor fatigue and inadequate sleep.
3. The Secretary of the Navy should ensure that the Office of Chief of Naval Operations and the Commander, U.S. Fleet Forces Command and Commander, U.S. Pacific Fleet establish a process for identifying and assisting units that have not implemented its fatigue management policy.

Actions Needed: DOD agreed with these recommendations and has several efforts underway to address them. These efforts include collecting biometric sleep data to aid scheduling watch periods and analyzing fatigue information from existing systems and those in development to identify and assist crews experiencing fatigue issues. The Navy stated in November 2022 that it expects to complete these efforts over the next 2 years. In January 2023, DOD officials confirmed there was no change to the Navy's planned actions. Implementation of our recommendations would help address the Navy's acute readiness challenges.

Director: Cary Russell, Defense Capabilities and Management

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Navy Readiness: Actions Needed to Evaluate and Improve Surface Warfare Officer Career Path. [GAO-21-168](#). Washington, D.C.: June 17, 2021.

Year Recommendations Made: 2021

Recommendations:

1. The Secretary of the Navy should ensure the Commander, Naval Surface Forces, uses information gathered on Surface Warfare Officer separation rates to develop a plan with clearly defined goals; performance measures that identify specific retention rates or determine if initiatives to improve retention are working as planned; and timelines to improve Surface Warfare Officer retention rates.
2. The Secretary of the Navy should ensure the Commander, Naval Surface Forces, establishes and implements regular evaluations of the effectiveness of the current Surface Warfare Officer career path, training, and policies in successfully developing and retaining proficient Surface Warfare Officers. The initial evaluation should include at a minimum: (a) an evaluation of the Navy's approach against other career path and proficiency models of other navies and maritime communities, such as specialized career tracks and ship command requirements, identified in our review and (b) input from Surface Warfare Officers at all levels.

Actions Needed: DOD agreed with these two recommendations. In January 2023, Navy officials reported that they were reviewing the current Surface Warfare Officer retention and separation model in order to develop a new model by the end of April 2023. The new model will include a timeline for implementation and tracking of the desired retention and separation rates of Surface Warfare Officers.

In addition, in April 2022 the Navy established a task force to review surface Navy-wide policies affecting the possible transition to a specialized career path model for the Surface Warfare Officer community. In January 2023, Navy officials reported that the task force had completed its work and the Navy was reviewing its recommendations. Navy officials reported that the Navy will determine any career path changes by the end of December 2023. The Navy also reported that it was holding Senior Officer focus groups to understand their perspectives and generate ideas for future Surface Warfare Officer career path initiatives.

To fully implement these recommendations, the Navy should finalize and implement its plans to improve Surface Warfare Officer retention rates and establish how it will regularly evaluate and make any necessary changes to the Surface Warfare Officer career path. Implementing our recommendation would better position the Navy to retain a diverse and combat-ready community of Surface Warfare Officers.

Potential Financial Benefit if Implemented: Hundreds of millions.

Director: Cary Russell, Defense Capabilities and Management

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F-35 Aircraft Sustainment: DOD Needs to Address Substantial Supply Chain Management Challenges. [GAO-19-321](#). Washington, D.C.: April 25, 2019.

Year Recommendation Made: 2019

Recommendation: The Secretary of Defense should ensure that the Under Secretary of Defense for Acquisition and Sustainment, together with the F-35 Program Executive Officer, the Secretaries of the Air Force and Navy, and the Commandant of the Marine Corps, clearly defines the strategy by which DOD will manage the F-35 supply chain in the future and update key strategy documents accordingly, to include any additional actions and investments necessary to support that strategy.

Actions Needed: DOD agreed with this recommendation. As of January 2023, DOD officials told us the department has completed a number of steps to document the F-35 program's future supply chain strategy. In January 2023, the department provided a plan on transferring planning, management, and execution of F-35 sustainment (and acquisition) from the F-35 Joint Program Office to the military departments, as required by the National Defense Authorization Act for Fiscal Year 2022. DOD's report emphasizes the importance of (1) the military departments having a greater degree of ownership and accountability in planning, managing, and executing the sustainment functions for the F-35, (2) the military departments leveraging their existing expertise, capability, and capacity in the sustainment of the F-35, and (3) the department normalizing F-35 sustainment through reinforcing departmental best practices and integrating them with established departmental processes. However, DOD's plan provides no additional details regarding the military departments' plans to manage or resource supply support and the F-35 supply chain.

To fully implement this recommendation, DOD should clearly define the strategy by which it will manage the F-35 supply chain in the future and update key strategy documents accordingly. This definition should include determining the roles of both the prime contractor and DOD in managing the supply chain and the investments in technical data needed to support DOD-led management. Until DOD implements our recommendation and clearly defines its strategy for managing the F-35 supply chain in the future—to include any additional actions and investments necessary to support that strategy—the F-35 program will lack the certainty and unity of effort needed to meaningfully improve supply chain performance and reduce costs.

Director: Diana Maurer, Defense Capabilities and Management

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F-35 Aircraft Sustainment: DOD Needs to Address Challenges Affecting Readiness and Cost Transparency. [GAO-18-75](#). Washington, D.C.: October 26, 2017.

Year Recommendations Made: 2018

Recommendations: The Under Secretary of Defense for Acquisition, Technology, and Logistics²¹, in coordination with the F-35 Program Executive Officer, should take the following actions:

1. Re-examine the metrics that it will use to hold the contractor accountable under the fixed-price, performance-based contracts to ensure that such metrics are objectively measurable, are fully reflective of processes over which the contractor has control, and drive desired behaviors by all stakeholders.
2. Prior to entering into multi-year, fixed-price, performance-based contracts, ensure that DOD has sufficient knowledge of the actual costs of sustainment and technical characteristics of the aircraft after baseline development is complete and the system reaches maturity.

Actions Needed: DOD agreed with these two recommendations. According to DOD officials, as of January 2023, DOD is working on a fixed price, performance-based logistics contract with the F-35 program's prime contractor. The program's current goal is to award the performance-based logistics contract by the end of calendar year 2023. The National Defense Authorization Act for Fiscal Year 2022 bars award of any F-35 performance-based logistics contract until the Secretary of Defense certifies that the contract will either increase readiness or reduce sustainment costs. According to DOD officials, the Office of the Under Secretary of Defense for Acquisition and Sustainment is currently working with the F-35 program's prime contractor to gain access to the data needed to perform the cost and readiness certifications required in the fiscal year 2022 National Defense Authorization Act. DOD's actions are in alignment with our recommendations; however, they remain in progress with the end result to be determined.

To fully implement these recommendations, DOD should ensure, prior to entering into performance-based contracts, that the key metrics it will use to hold the contractor accountable are objectively measurable and fully reflective of the processes over which the contractor has control. In addition, DOD must have sufficient knowledge of the actual costs of sustainment and technical characteristics of the aircraft after baseline development is complete and the system reaches maturity. Without implementing our recommendations, DOD risks overpaying the contractor for sustainment support that does not meet warfighter requirements.

Director: Diana Maurer, Defense Capabilities and Management

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F-35 Sustainment: Need for Affordable Strategy, Greater Attention to Risks, and Improved Cost Estimates. [GAO-14-778](#). Washington, D.C.: September 23, 2014.

Year Recommendations Made: 2014

²¹The priority recommendations from this report were directed to the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics (USD(AT&L)). Pursuant to the National Defense Authorization Act for Fiscal Year 2017, effective February 1, 2018, DOD restructured the USD(AT&L). Pub. L. No. 114-328, § 901 (2016) (codified at 10 U.S.C. §§ 133a and 133b). The position has been divided into the Under Secretary of Defense for Acquisition and Sustainment and the Under Secretary of Defense for Research and Engineering.

Recommendations:

1. To help DOD address key risks to F-35 affordability and operational readiness, and to improve the reliability of its Operating and Support (O&S) cost estimates for the life cycle of the program, the Secretary of Defense should direct the F-35 Program Executive Officer, to enable DOD to better identify, address, and mitigate performance issues with the Autonomic Logistics Information System (ALIS) that could have an effect on affordability, as well as readiness, to establish a performance-measurement process for ALIS that includes, but is not limited to, performance metrics and targets that (1) are based on intended behavior of the system in actual operations and (2) tie system performance to user requirements.
2. To help DOD address key risks to F-35 affordability and operational readiness, and to improve the reliability of its O&S cost estimates for the life cycle of the program, the Secretary of Defense should direct the F-35 Program Executive Officer, to promote competition, address affordability, and inform its overarching sustainment strategy, to develop a long-term Intellectual Property (IP) Strategy to include, but not be limited to, the identification of (1) current levels of technical data rights ownership by the federal government and (2) all critical technical data needs and their associated costs.

Actions Needed: DOD agreed with these two recommendations. According to DOD officials, as of January 2023, the department had not developed a performance-measurement process for ALIS. However, DOD plans to modernize ALIS's hardware and software to create a new system called the Operational Data Integrated Network (ODIN). The department has already created the foundation of a performance-measurement process for the network that includes performance metrics and targets, and a transition plan from ALIS to ODIN; however, DOD officials do not anticipate implementing the ODIN capability before mid-to-late 2024. Additionally, as of January 2023, DOD had not completed an IP Strategy for the F-35 program. According to DOD officials, the completion of an IP Strategy depends on knowing the future of the F-35 enterprise, including the division of government and contractor F-35 sustainment responsibilities, which has yet to be fully determined. Until then, an IP Strategy will not be completed.

To fully implement these recommendations, DOD should develop a performance-measurement process for ALIS because the system is and will continue to be, the logistics system of record for the F-35 program for the foreseeable future. Until DOD implements our recommendations and develops an IP Strategy for the F-35 program, the department will not know the critical aspects of technical data ownership, needs, and associated costs that could help shape the future of sustainment for the aircraft.

Director: Diana Maurer, Defense Capabilities and Management

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Southwest Border Security: Actions Are Needed to Address the Cost and Readiness Implications of Continued DOD Support to U.S. Customs and Border Protection. [GAO-21-356](#). Washington, D.C.: February 23, 2021.

Year Recommendation Made: 2021

Recommendation: The Secretary of Defense, together with the Secretary of Homeland Security, should define a common outcome for DOD's support to the Department of Homeland Security (DHS), consistent with best practices for interagency collaboration, and articulate how that support will enable DHS to achieve its southwest border security mission in fiscal year 2021 and beyond.

Actions Needed: DOD disagreed with our recommendation when we issued our report in 2021 and expressed concern that developing a common outcome with DHS for DOD support beyond fiscal year 2021 could create an impression that DOD has a border security mission, among other things. We agree that DOD is not responsible for the border security mission, and we stated this point throughout our report. However, given DOD's continued support to DHS on the southwest border and the continuing disagreement between the two agencies regarding the intended outcome of that support, we maintain that establishing a common outcome for DOD's support, consistent with best practices for interagency collaboration, is needed.

As of February 2023, DOD continued to disagree with this recommendation on the basis that it does not commit to Defense Support of Civil Authorities missions for multiple years. Nonetheless, DOD officials also reported taking actions with DHS officials that may be consistent with our recommendation. Specifically, DOD and DHS formed a joint working group in June 2021, which developed a draft border security mitigation plan in August 2021. In addition, DOD approved DHS's fiscal year 2023 request for assistance under the condition that DHS engage with the Executive Office of the President and its congressional oversight committees to develop a plan and implement solutions for addressing staffing and funding shortfalls within DHS. DOD officials noted that the goal of DHS's engagement would be to maintain border security absent DOD personnel and resources starting in fiscal year 2024. DOD officials said that National Security Council staff subsequently led a small group meeting and tasked DHS to develop such a plan.

While these efforts indicate progress in implementing our recommendation, DHS has been unsuccessful in significantly reducing or eliminating the need for DOD support. In addition, according to a DOD official, DHS plans to request DOD assistance in fiscal year 2024. DOD officials further told us that DHS reliance on DOD's support presents a national security risk, should DOD forces, capabilities, and resources need to be committed to a major overseas contingency. As such, implementation of our recommendation remains a high priority, as it could enable DOD to more effectively plan for the resources it will need to support DHS, enable DHS to plan to manage its border security mission more effectively with its own assets, and minimize the risks posed by DOD's continued operations on the southern border.

Director: Elizabeth A. Field, Defense Capabilities and Management

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Littoral Combat Ship: Actions Needed to Address Significant Operational Challenges and Implement Planned Sustainment Approach. [GAO-22-105387](#). Washington, D.C.: February 24, 2022.

Year Recommendations Made: 2022

Recommendations: The Secretary of the Navy should ensure that:

1. The Littoral Combat Ship (LCS) program office, in coordination with the Chief of Naval Operations, develops a comprehensive plan, including estimated costs and time frames, for addressing deficiencies in the seaframes, performing adequate testing of mission modules, and implementing lessons learned from completed deployments.
2. The Chief of Naval Operations, to the extent practicable, makes future operational deployments contingent on demonstrated progress in addressing gaps between desired and demonstrated capabilities.

Actions Needed: DOD agreed with our recommendations. In January 2022, the Navy reported that it had merged the LCS Strike Team into the newly established Task Force LCS to identify reliability issues with both LCS variants. The Navy also reported that the surface warfare mission package has completed operational testing and achieved initial operational capability.

The Navy planned to complete formal testing aboard the LCS and achieve initial operational capability for the anti-submarine warfare and mine countermeasures mission packages by the end of fiscal year 2022. Further, the Navy planned to conduct additional testing of the anti-submarine warfare and mine countermeasure mission packages based in part on the Director, Operational Test and Evaluation's Integrated Evaluation Framework Process. Navy officials said that lessons learned from these testing efforts, as well as Task Force LCS's efforts to identify reliability issues, should inform the development of a comprehensive plan to address deficiencies in the seaframes and implement lessons learned from completed deployments.

In addition, in January 2022, Navy officials stated that some planned operational deployments had been paused, pending correction of performance challenges. Navy officials told us that Navy Commanders began conducting recurring readiness briefs to address and resolve identified issues prior to operational deployments. Navy officials stated that they plan to complete actions to address our second recommendation by the first quarter of fiscal year 2024.

As of February 2023, the Navy had not provided an update on actions taken to implement these recommendations. As the Navy identifies and takes corrective actions to address performance challenges and resolve issues prior to operational deployments, it will begin to address gaps between desired and demonstrated capabilities for the LCS.

Director: Diana Maurer, Defense Capabilities and Management

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Northern Triangle: DOD and State Need Improved Policies to Address Equipment Misuse. [GAO-23-105856](#). Washington, D.C.: November 2, 2022.

Year Recommendation Made: 2023

Recommendation: The Secretary of Defense, in consultation with the Secretary of State, should evaluate DOD's Golden Sentry program to identify whether the program provides reasonable assurance, to the extent practicable, that DOD-provided

equipment is only used for its intended purpose and develop a plan to address any deficiencies identified in the evaluation.

Actions Needed: DOD agreed with our recommendation. To fully implement it, DOD should evaluate the current design of the Golden Sentry program to determine whether it responds to a legal requirement that the program provides, to the extent practicable, a reasonable assurance that recipients of equipment provided by DOD under the Arms Export Control Act or the Foreign Assistance Act are using the equipment for its intended purposes. If DOD determines that the program is not providing such reasonable assurance, the department should develop a plan to address any identified gaps in the program. Taking these actions would help DOD (1) ensure that such equipment is only used for authorized purposes and (2) consistently identify incidents of potential misuse.

Director: Chelsa Kenney, International Affairs and Trade

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Accident Prevention and Safety

Military Aviation Mishaps: DOD Needs to Improve Its Approach for Collecting and Analyzing Data to Manage Risks. [GAO-18-586R](#). Washington, D.C.: August 15, 2018.

Year Recommendation Made: 2018

Recommendation: The Secretary of Defense should ensure that the Offices of the Under Secretary of Defense for Personnel and Readiness and Under Secretary of Defense for Acquisition and Sustainment in coordination with the Secretaries of the Army, Navy, and Air Force take interim steps to help ensure that standardized aviation mishap data elements are collected by the safety centers.

Actions Needed: DOD agreed with this recommendation. According to DOD documentation provided in April 2023, the department has taken some actions to implement this recommendation. Specifically, the Defense Safety Oversight Council's DOD Safety Information Management Working Group has completed a safety management business process reengineering effort. This effort included standardizing aviation mishap data elements in all of the department's safety information management systems. Further, DOD reported that this working group has standardized the procedures for collecting this data. DOD's safety information management systems are scheduled to implement the safety data standards by February 2024.

To fully implement this recommendation, DOD should ensure that each of the service safety centers implements a set of standardized aviation mishap data elements within the safety information management system each uses for mishap data collection and storage. By ensuring that DOD's safety centers collect standardized aviation mishap data, the department can minimize the inefficient, time-consuming effort related to aligning data that are provided in different formats, and thereby improve the timeliness of providing critical information to decision makers to inform risk-management decisions.

Director: Cary Russell, Defense Capabilities and Management

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Military Vehicles: Army and Marine Corps Should Take Additional Actions to Mitigate and Prevent Training Accidents. [GAO-21-361](#). Washington, D.C.: July 7, 2021.

Year Recommendations Made: 2021

Recommendations:

1. The Secretary of the Army, in consultation with the Chief of Staff of the Army, should ensure that tactical vehicle driver training programs—to include licensing, unit, and follow-on training—have a well-defined process with specific performance criteria and measurable standards to identify driver skills and experience under diverse conditions.
2. The Secretary of the Navy, in consultation with the Commandant of the Marine Corps, should ensure that tactical vehicle driver training programs—to include licensing, unit, and follow-on training—have a well-defined process with specific performance criteria and measurable standards to identify driver skills and experience under diverse conditions.

Actions Needed: DOD agreed with the first recommendation. According to DOD documentation provided in April 2023, the Army plans to clarify and improve the implementation of existing guidance to address our recommendation, which it expects will culminate in a progressive drivers' training model to be implemented by the end of fiscal year 2024. To fully implement this recommendation, the Army should ensure that its tactical vehicle driver training programs have clearly defined performance criteria and standards to build and evaluate the skills of the driver-in-training in operating tactical vehicles under a variety of conditions, to include off-road and at night.

DOD agreed with the second recommendation. According to DOD documentation provided in April 2023, the Marine Corps has already taken a number of actions to address this recommendation, including holding several meetings to specifically discuss new initiatives. The Marine Corps identified that it is also creating a new Tactical Vehicle Off-Road Instructor Military Occupational Specialty to help manage commands' licensing requirements and driver training needs. The Marine Corps estimates that this action will be completed in June 2023. To fully implement this recommendation, the Marine Corps should ensure that its tactical vehicle driver training programs have clearly defined performance criteria and standards to build and evaluate of the driver-in-training in operating tactical vehicles under a variety of conditions, to include off-road and at night.

Developing performance criteria and measurable standards for training would better assure that Army and Marine Corps drivers have the skills to operate tactical vehicles safely and effectively.

Director: Cary Russell, Defense Capabilities and Management

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National Guard Helicopters: Additional Actions Needed to Prevent Accidents and Improve Safety. [GAO-23-105219](#). Washington, D.C.: March 14, 2023.

Year Recommendations Made: 2023

Recommendations:

1. The Secretary of the Army should ensure the Chief of Staff of the Army, in coordination with

the Director of the Army National Guard, updates safety or operational guidance to establish a process to continuously evaluate and update operational risk management worksheets for Army National Guard helicopter units to reflect relevant safety information such as accident data, hazard reporting, and unit culture surveys.

2. The Secretary of the Air Force, in coordination with the Chief of Staff of the Air Force and the Director of the Air National Guard, should incorporate an evaluation of unit processes for updating risk management worksheets as a component of the Air Force's unit inspection program or other means to ensure that the worksheets reflect relevant safety information such as accident data, hazard reporting, and unit culture surveys.
3. The Secretary of the Army should ensure the Army Training and Doctrine Command's Army Aviation Center of Excellence, in coordination with the Director of the Army National Guard, develops a coordinated plan and identifies the resources necessary for conducting in-flight aviation standardization program evaluations of Army National Guard helicopter unit aircrews on a regular and recurring basis.
4. The Secretary of the Army should ensure that the Chief of Staff of the Army, in coordination with the Director of the Army National Guard, develops a comprehensive strategy that includes goals, priorities, and performance measures to address the challenges that hinder Army National Guard helicopter pilot training.
5. The Secretary of the Air Force should ensure that the Chief of Staff of the Air Force, in coordination with the Director of the Air National Guard, develops a comprehensive strategy that includes goals, priorities, and performance measures to address the challenges that hinder Air National Guard helicopter pilot training.

Actions Needed: DOD agreed with our first recommendation, stating that Army aviation unit commanders have the flexibility to add guidance related to continuous evaluation and modification of operational risk management processes. We agree that Army guidance provides certain operational risk management responsibilities to unit commanders. However, we found that reevaluation of these processes, particularly unit risk management worksheets, was not occurring on a continuous basis. Instead, these worksheets were updated in an ad-hoc manner, such as following an accident.

To fully implement this recommendation, the Army should implement a process by which the Army National Guard's operational risk management worksheets for helicopter units are reviewed and updated on a regular basis using information from accident and hazard reporting, unit culture surveys, and other sources, as needed. By implementing our recommendation, the Army can better ensure its National Guard helicopter units have cyclical feedback and evaluation of a key operational risk management process.

DOD partially agreed with our second recommendation. In its comments, DOD stated that the Air Force could better meet the intention of our recommendation by updating its inspection checklists with a specific item to verify compliance with the Air National Guard helicopter unit's existing helicopter risk management operations directives. We agree that the Air Force should ensure that Air National Guard helicopter units continually evaluate risk management processes for compliance, to include risk management worksheets that are informed by safety trends such as mishap data, hazard reporting, and unit culture surveys.

To fully implement this recommendation, the Air Force should implement a process by which the

Air National Guard's operational risk management worksheets for helicopter units are reviewed and updated on a regular basis using information from accident and hazard reporting, unit culture surveys, and other sources, as needed. By implementing our recommendation, the Air Force would better ensure its National Guard helicopter units are continuously updating a key risk management process consistent with Air Force guidance.

DOD agreed with our third recommendation. To fully implement this recommendation, the Army should develop and implement a process by which the Army Directorate of Evaluation and Standardization performs periodic inspections of Army National Guard helicopter unit aircrews on a regular and recurring basis. By implementing our recommendation, the Army could conduct more consistent aviation standardization program evaluations for Army National Guard aviation units. Further, regular and recurring in-flight assessments would give greater assurance that Army National Guard helicopter unit aircrews are performing training to standards before a potential accident occurs.

DOD agreed with our fourth and fifth recommendations. To fully implement these recommendations, the Army and Air Force should address the challenges that hinder National Guard helicopter pilots in achieving established training goals. The Army and Air Force should also each develop a comprehensive strategy with goals, priorities, and performance measures to assess progress and efficiently align resources to address the identified challenges. By implementing these recommendations, the Army and Air Force would be better positioned to address the complex and interrelated challenges that have hindered National Guard helicopter pilots from achieving their training objectives.

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Cybersecurity and the Information Environment

Weapon Systems Cybersecurity: Guidance Would Help DOD Programs Better Communicate Requirements to Contractors. [GAO-21-179](#). Washington, D.C.: March 4, 2021.

Year Recommendations Made: 2021

Recommendations:

1. The Secretary of the Navy should develop guidance for acquisition programs on how to incorporate tailored weapon systems cybersecurity requirements, acceptance criteria, and verification processes into contracts.
2. The Secretary of the Navy should take steps to ensure the Marine Corps develops guidance for acquisition programs on how to incorporate tailored weapon systems cybersecurity requirements, acceptance criteria, and verification processes into contracts.

Actions Needed: The Navy agreed with our recommendation to develop guidance for Navy acquisition programs and partially agreed with our recommendation to develop Marine Corps guidance, stating that a separate recommendation to the Marine Corps was unnecessary given that the Navy and Marine Corps operate under a single acquisition construct.

We determined that separate recommendations to each component were appropriate because each maintains independent policies and guidance relevant to cybersecurity. In April 2022, the

Navy issued an updated instruction governing the Department's program acquisition and sustainment policies and procedures. The instruction includes a new enclosure on cybersecurity requirements, which reinforces the importance of cybersecurity as a design and systems engineering consideration throughout the program lifecycle. However, the instruction does not address contracting for cybersecurity requirements, as called for by our recommendations.

In February 2023, Navy officials stated that they were developing a new instruction on technology and program protection management, which will include more specific language related to contracting for cybersecurity requirements. Officials stated that they expect to finalize the new instruction by December 2023. By implementing our recommendations, DOD will be better able to both communicate cybersecurity requirements to the contractors developing weapon systems and verify that such contractors met the requirements.

High-Risk Area: DOD Weapon Systems Acquisition

Director: W. William Russell, Contracting and National Security Acquisitions

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Cybersecurity: DOD Needs to Take Decisive Actions to Improve Cyber Hygiene. [GAO-20-241](#). Washington, D.C.: April 13, 2020.

Year Recommendations Made: 2020

Recommendations: The Secretary of Defense should:

1. Ensure that the DOD Chief Information Officer (CIO) takes appropriate steps to ensure implementation of the DOD Cybersecurity Culture and Compliance Initiative tasks.
2. Ensure that DOD components develop plans with scheduled completion dates to implement four tasks in the department's Cybersecurity Discipline Implementation Plan that are overseen by the DOD CIO.
3. Ensure that the Deputy Secretary of Defense identifies a DOD component to oversee the implementation of the seven tasks in the Cybersecurity Discipline Implementation Plan that are not overseen by the DOD CIO and report on progress implementing them.
4. Direct a component to monitor the extent to which practices are implemented to protect the department's network from key cyberattack techniques.
5. Ensure that the DOD CIO assesses the extent to which senior leaders' have more complete information to make risk-based decisions—and revise the recurring reports (or develop a new report) accordingly. Such information could include DOD's progress on implementing (a) cybersecurity practices identified in cyber hygiene initiatives and (b) cyber hygiene practices to protect DOD networks from key cyberattack techniques.

Actions Needed: DOD partially agreed with our first recommendation. In its comments on our report, the department agreed that two of the seven tasks should be implemented but that the remaining five tasks were either implemented or have been overcome by events. However the department did not provide information demonstrating how tasks encouraging a cybersecurity culture had become overcome by events.

Subsequently, between 2020 and 2023, the department issued three issuances that the DOD CIO's office believes implements one of the seven outstanding tasks—including DOD Directive 8140.01, DOD Instruction 8140.02, and DOD Manual 8140.03. With regard to the remaining tasks associated with this recommendation, the DOD CIO's office stated that it requested input about actions taken from U.S. Cyber Command, Joint Forces Headquarters—DOD Information Network, and the Joint Staff, but had not received a response in time for this report. We continue to believe that implementation of this recommendation is important. To fully implement this recommendation, DOD should complete the remaining tasks in the Cybersecurity Culture and Compliance Initiative.

In 2020, DOD partially agreed with our second recommendation. However, in January 2023, DOD CIO officials stated that the office no longer agrees with the recommendation and does not intend on taking any further action to implement it. As we stated in our 2020 report, we believe DOD should be taking action to implement the four tasks, as doing so would better position DOD to meet the Deputy Secretary of Defense's goal of removing preventable vulnerabilities from DOD's network. Such vulnerabilities could allow adversaries to compromise information and information systems.

DOD did not agree with our third recommendation when we issued our report, and the department reiterated this position in January 2023. We continue to believe that implementation of this recommendation is important, as several of these tasks are the same or similar to the cybersecurity standards that DOD plans to apply to certain defense contractors in future contract awards to protect DOD information that is stored or transits through their networks as a part of the Cybersecurity Maturity Model Certification framework. To fully implement this recommendation, DOD should identify a DOD component to oversee the seven tasks in the Cybersecurity Discipline Implementation Plan that are not overseen by the CIO and report on their progress. If the department implements this recommendation, it will have more assurance that it addresses cybersecurity vulnerabilities promptly and securely configures systems.

DOD also did not agree with our fourth recommendation in its comments on our report, but the department revised its position in January 2023 and agreed with our recommendation. The office of the DOD CIO acknowledged that U.S. Cyber Command and one of its subordinate commands has operational responsibilities associated with DOD networks. We acknowledge that U.S. Cyber Command and its subordinate command have operational responsibilities (to include defensive cyber operations). We are also aware that the DOD CIO is responsible for all matters relating to cybersecurity. DOD CIO officials did not clarify whether any DOD official or component is monitoring the extent to which the department is implementing protective key cyberattack techniques.

To implement this recommendation, DOD should direct a component to monitor the extent to which the department implements practices to protect the department's network from cyberattack techniques. Taking action to implement our recommendation would help address that gap.

DOD partially agreed with our fifth recommendation, but in January 2023, it did not report taking any further action to implement it. To provide an update for our 2023 priority recommendation letter, DOD reported that the services, agencies, field activities, and combatant commands are required to provide input to one scorecard that measures cybersecurity across the department. However, the CIO's office did not discuss any efforts to assess whether senior leaders receive information to make risk-based decisions about the cyber hygiene issues we reported in 2020. To implement this recommendation, the CIO should assess the extent that senior leaders have

information on DOD's progress implementing cyber hygiene initiatives and practices to protect DOD networks from key cyberattack techniques.

Director: Joseph W. Kirschbaum, Defense Capabilities and Management

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Cybersecurity Workforce: Agencies Need to Accurately Categorize Positions to Effectively Identify Critical Staffing Needs. GAO-19-144. Washington, D.C.: March 12, 2019.

Year Recommendation Made: 2019

Recommendation: The Secretary of Defense should take steps to review the assignment of the "000" code to any positions in the department in the 2210 Information Technology management occupational series, assign the appropriate National Initiative for Cybersecurity Education framework work role codes, and assess the accuracy of position descriptions.

Actions Needed: DOD agreed with our recommendation and reported in September 2020 that it had taken steps to decrease the number of positions that were assigned inappropriate codes. However, as of February 2023, DOD had not adequately demonstrated that appropriate and accurate work role codes had been assigned. To fully implement this recommendation, DOD will need to provide evidence that it has assigned appropriate National Initiative for Cybersecurity Education framework work role codes to its positions in the 2210 Information Technology management occupational series and assessed the accuracy of position descriptions. Without implementation of our recommendation, DOD is diminishing the reliability of the information it will need to identify workforce roles of critical need.

Director: Dave Hinchman, Information Technology and Cybersecurity

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Electromagnetic Spectrum Operations: DOD Needs to Address Governance and Oversight Issues to Help Ensure Superiority. GAO-21-64. Washington, D.C.: December 10, 2020.

Year Recommendations Made: 2021

Recommendations: The Secretary of Defense should:

1. Ensure that the Vice Chairman of the Joint Chiefs of Staff as Senior Designated Official of the Electromagnetic Spectrum Operations Cross-Functional Team proposes Electromagnetic Spectrum (EMS) governance, management, organizational, and operational reforms to the Secretary.
2. Assign clear responsibility to a senior official with authority and resources necessary to compel action for the long-term implementation of the 2020 strategy in time to oversee the execution of the 2020 strategy implementation plan.

Actions Needed: DOD partially agreed with the first recommendation and agreed with the second recommendation. DOD agreed that successful implementation of the 2020 Electromagnetic Spectrum Superiority Strategy requires clear authorities and proper resourcing. DOD also stated that it is developing organizational reform recommendations, which will provide the Secretary of Defense options for EMS organization and governance.

At the time of our report, DOD stated that the Vice Chairman of the Joint Chiefs of Staff, as Senior Designated Official, had been given the responsibility to propose governance, management, organizational, and operational reforms to the Secretary after review and comment by the Electronic Warfare Executive Committee. In November 2022, DOD transferred this responsibility to the Chief Information Officer. As of April 2023, DOD has not provided additional information we requested to clarify draft policy changes that might serve as governance, management, organizational, or operational reforms. In addition, we also requested clarifying information about any changes to authorities or resources that might have accompanied the transition of responsibility to DOD Chief Information Officer.

To fully implement these recommendations, DOD should demonstrate that the needed authority and resources have been provided to a senior official to support implementation of the strategy and that the department has proposed reforms in areas such as governance and operations. By doing so, DOD could capitalize on progress already made, such as the creation of a steering group to coordinate action, and better support ensuring EMS superiority.

Director: Joseph W. Kirschbaum, Defense Capabilities and Management

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Personnel Vetting: Actions Needed to Implement Reforms, Address Challenges, and Improve Planning. [GAO-22-104093](#). Washington, D.C.: December 9, 2021.

Year Recommendation Made: 2021

Recommendation: The Secretary of Defense should ensure that the Director of the Defense Counterintelligence and Security Agency revises the National Background Investigation Services (NBIS) system schedule to meet all the characteristics of a reliable schedule as defined in GAO's best practice guides for scheduling and Agile software development.

Actions Needed: DOD agreed with our recommendation. In June 2022, the department stated that the NBIS Executive Program Manager had incorporated several best practices and estimated that the NBIS schedule would substantially meet all characteristics of a reliable schedule by April 2022. However, in reviewing the NBIS program schedule again, we found that the program had not substantially met any of the characteristics of a reliable schedule, as of February 2023. Implementation of our recommendation could give DOD and Congress greater confidence in the system's schedule, including the likelihood of on-time completion and improved decision-making over the remaining years of development of these IT services for the government-wide personnel vetting process.

Director: Alissa H. Czyz, Defense Capabilities and Management

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Privacy: Dedicated Leadership Can Improve Programs and Address Challenges. [GAO-22-105065](#). Washington, D.C.: September 22, 2022.

Year Recommendation Made: 2022

Recommendation: The Secretary of Defense should establish a time frame for fully defining a process to ensure that the senior agency official for privacy or other designated senior privacy official is involved in assessing and addressing the hiring, training, and professional

development needs of the agency with respect to privacy, and document this process.

Actions Needed: DOD agreed with our recommendation, stating that it will fully define a process to ensure the senior agency official for privacy (or other designated officials) are involved in assessing and addressing the hiring, training, and professional development needs of the agency with respect to privacy, and document this process. As of January 2023, DOD further stated that it planned to complete these actions by the end of April 2024.

To fully implement this recommendation, DOD should determine how the senior agency official for privacy, or other designated privacy officials, will be involved in workforce management activities and document these roles in departmental policies and processes. Without implementation of our recommendation, DOD could continue to struggle to fully implement key privacy practices and address challenges the department has identified.

Director: Jennifer R. Franks, Information Technology and Cybersecurity

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Financial Management

Department of Defense: Actions Needed to Improve Accounting of Intradepartmental Transactions. [GAO-21-84](#). Washington, D.C.: January 14, 2021.

Year Recommendation Made: 2021

Recommendation: The Under Secretary of Defense (Comptroller) should develop a strategy to identify short-term solutions that can be implemented in advance of the full implementation of the Government Invoicing system to address the intradepartmental eliminations material weakness. Such solutions should include documented procedures to (1) identify the causes for intradepartmental differences, (2) monitor the results of action plans prepared by components, and (3) measure whether implemented action plans are effective in addressing the causes for intradepartmental differences.

Actions Needed: DOD agreed with this recommendation. In its response, DOD stated the department (1) had established a working group to identify and develop procedures to reduce interdepartmental differences; (2) would request its components provide an action plan for reducing intradepartmental differences; and (3) would develop a dash-boarding tool to track the status of reconciliations and eliminations. In April 2022, DOD updated its corrective action plan, which included actions for analyzing on a quarterly basis the journal voucher action plans database in Advanced Analytics and assessing progress in resolving interdepartmental variances. As of November 2022, the estimated completion date for this action is October 2025. In March 2023, DOD officials confirmed there is no change to the department's planned actions.

To fully implement this recommendation, DOD should ensure that the working group identifies and develops procedures to reduce interdepartmental differences, and that its components properly implement these procedures. Without implementing our recommendation, DOD may miss the opportunity to resolve some root causes of intradepartmental differences before the Government-Invoicing system is fully implemented. This may result in an increased risk that DOD will not achieve measurable progress in addressing its intradepartmental eliminations material weakness and that long-term efforts will not fully address the underlying causes.

High-Risk Area: [DOD Financial Management](#)

Director: Kristen A. Kociolek

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DOD Financial Management: Continued Efforts Needed to Correct Material Weaknesses Identified in Financial Statement Audits. [GAO-21-157](#). Washington, D.C.: October 13, 2020.

Year Recommendations Made: 2021

Recommendations:

1. The Office of the Deputy Chief Financial Officer should incorporate appropriate steps to improve its corrective action plan (CAP) review process, including ensuring that (a) data elements not included in corrective action plans are appropriately identified and communicated to components and resolved, (b) Notice of Findings and Recommendations (NFRs) are appropriately linked to the correct corrective action plans to address them, and (c) components document their rationale for accepting the risk associated with certain deficiencies and appropriately identify such instances in the Notice of Findings and Recommendations Database.
2. The Office of the Deputy Chief Financial Officer should update DOD guidance to instruct DOD and components to document root-cause analysis when needed to address deficiencies auditors identified.

Actions Needed: DOD partially agreed with the first recommendation and agreed with the second recommendation. With respect to the first recommendation, DOD stated that it ensures financial statement audit findings are appropriately linked to CAPs and that it identifies and communicates to components the data elements missing from action plans through its CAP quality and monthly data control review processes. However, our review of a generalizable sample of NFRs found that findings and recommendations were not always accurately linked to CAPs in the NFR database. We also found that the CAPs for more than half of our sample did not include at least one required data element.

DOD stated that its quality review process ensures that components document their (1) rationale for accepting risk, (2) risk response, and (3) risk identification for deferring remediation associated with low-impact deficiencies. However, we found that DOD components did not prepare CAPs for 16 of the 98 NFRs in our sample. Moreover, the components did not document their rationale for accepting risks or a clear risk-mitigation strategy for three of the 16 NFRs.

To fully implement this recommendation, DOD's Office of the Deputy Chief Financial Officer should (1) improve DOD's review process to ensure that CAPs include all required data elements, (2) update its review checklist, (3) and review the components' risk acceptance rationale for reasonableness and appropriateness. As of January 2023, DOD had not provided us with documents to show that it has added appropriate steps to improve the monthly data controls review process to ensure risk acceptance rationale documentation is included in the NFR Database. Without implementing this recommendation, DOD and its components may lack the assurance that appropriate corrective actions are being taken to address identified deficiencies in a timely manner.

With respect to the second recommendation, DOD stated that the department will update the appropriate DOD guidance to instruct that each CAP include documented evidence that a root-

cause analysis was conducted and describe how such analysis was conducted. However, as of January 2023, DOD had not provided us with updated DOD guidance specifically instructing that CAPs meet this requirement. To implement the recommendation, DOD should update the *Department of Defense Internal Control Over Financial Reporting Guide* to instruct the department and its components to document root-cause analyses. Without implementing this recommendation, DOD lacks assurance that its components are taking appropriate actions to resolve underlying causes associated with the NFRs and related material weaknesses that collectively prevent the auditability of its financial statements.

High-Risk Area: [DOD Financial Management](#)

Director: Asif A. Khan

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DOD Financial Management: Significant Improvements Needed in Efforts to Address Improper Payment Requirements. [GAO-13-227](#). Washington, D.C.: May 13, 2013.

Year Recommendation Made: 2013

Recommendation: The Secretary of Defense should direct the Under Secretary of Defense (Comptroller) to establish and implement key quality assurance procedures, such as reconciliations, to ensure the completeness and accuracy of the sampled populations.

Actions Needed: DOD agreed with this recommendation. The Office of the Under Secretary of Defense (Comptroller) developed an inventory of approximately 80 DOD systems related to disbursing functions. As of December 2022, DOD estimated that by July 2023, the inventory listings will be linked to the improper payment sampling plans to ensure that all disbursements or systems are reviewed and tested for improper payments. In addition, DOD estimated that by July 2023, the Defense Finance and Accounting Service and DOD components will have established financial management system agreements for improper payments testing. These signed agreements will require DOD components to affirm the completeness of the payments in each financial management system to ensure the completeness and accuracy of the sampled populations.

Moreover, as of December 2022, DOD's objective is to deliver formal, documented end-to-end packages for each of its payment programs. DOD officials confirmed there was no change to the department's planned actions as of March 2023.

To implement this recommendation, DOD should resolve material weaknesses in its department-wide universe of transactions. Specifically, it should resolve weaknesses that preclude it from performing the quality assurance procedures needed to ensure that the populations from which the samples are drawn to estimate improper payments are complete and accurate. Without implementing this recommendation, DOD remains at risk of producing incomplete and unreliable improper payment estimates.

High-Risk Area: [DOD Financial Management](#)

Director: Asif A. Khan

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Year Recommendations Made: 2021

Recommendations:

1. The Under Secretary of Defense (Comptroller) should establish a process to provide specific implementing guidance to Defense Finance and Accounting Service (DFAS) and DOD components, including field submitters, when new suspense account policy memorandums are issued.
2. The Under Secretary of Defense (Comptroller), in conjunction with the Director of DFAS, should provide guidance on suspense account transactions to DOD components and the DFAS sites to help ensure that they develop consistent policies and procedures that are accurate and up-to-date.
3. The Under Secretary of Defense (Comptroller), in conjunction with the Director of DFAS, should develop and implement DOD-wide guidance, applicable to both DFAS sites and DOD components, for assessing, identifying, and remediating the root causes of control deficiencies in DOD's suspense account processes.

Actions Needed: DOD partially agreed with the first two recommendations and did not agree with the third recommendation.

Regarding the first recommendation, DOD stated that the Office of the Under Secretary of Defense (Comptroller) provides implementing guidance to DFAS and DOD components, when appropriate, based on professional judgment. In December 2022, DOD stated that it does not plan to establish a process to provide specific implementing guidance and reiterated previous statements that it provides such guidance as needed based on its professional judgement.

Regarding the second recommendation, DOD stated that it plans to update its policy related to certain suspense accounts to ensure that it uses them consistently across the department for recording Intra-Governmental Payment and Collection and interfund transactions. In December 2022, DOD stated that the department issued a policy to ensure the consistent use of certain suspense accounts across DOD for recording Intra-Governmental Payment and Collection and interfund transactions. However, the policy only reiterated the definitions established by the Department of Treasury for suspense accounts; it did not provide guidance to DOD components and the DFAS sites to help ensure that they develop consistent suspense account policies and procedures that are consistent and up-to-date. Also, it surveyed its components and DFAS sites to determine if the current use of suspense accounts to record Intra-Governmental Payment and Collection and interfund transactions were in accordance with its Financial Management Regulations.

Regarding the third recommendation, in December 2022, DOD reiterated that the department does not agree with it and does not plan to address it. DOD reiterated that the department has an internal control guide for financial reporting that provides guidance on root-cause and the remediation of root cause at DOD. However, none of the guidance is specific to suspense account processes. Given the complexity of suspense account processes, this established general guidance is not sufficient to enable identification of root causes and development of comprehensive corrective action plans. DOD's initiatives have resulted in suspense account balances that are considerably smaller than they were in previous fiscal years.

To fully implement these recommendations, DOD should establish a process for updating and providing guidance that results in consistent implementation of complex suspense account policies department-wide. DOD also needs guidance that requires periodic reviews of DOD and DFAS policies and procedures to ensure that the department has complete and up-to-date policies and procedures that are consistently followed. Once fully implemented, these recommendations will help ensure that DOD's suspense account transactions are being accurately recorded, reconciled, and removed from suspense account balances. Fully implementing these recommendations will also ensure that these transactions are documented in a consistent and timely manner.

High-Risk Area: [DOD Financial Management](#)

Director: Kristen A. Kociolek

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Financial Management: DOD Needs to Implement Comprehensive Plans to Improve its System Environment. [GAO-20-252](#). Washington, D.C.: September 30, 2020.

Year Recommendation Made: 2020

Recommendation: The Secretary of Defense should direct the Chief Management Officer and other entities, as appropriate, to ensure that the department limits investments in financial management systems to only what is essential to maintain functioning systems and help ensure system security until it implements the other recommendations in this report.

Actions Needed: DOD agreed with this recommendation. The National Defense Authorization Act for Fiscal Year 2021 eliminated the DOD Chief Management Officer (CMO) position, which previously had broad oversight responsibilities for DOD business systems. In September 2021, the Deputy Secretary of Defense directed a broad realignment of the responsibilities previously assigned to the CMO. As part of this reassignment, the Deputy Secretary assigned responsibility for guidance associated with this recommendation to the DOD Chief Information Officer (CIO) and the Under Secretary of Defense (Comptroller).

In December 2022, the department stated that DOD plans to address this recommendation in its 2023 investment certification guide, which the DOD CIO plans to issue in conjunction with the Office of the Under Secretary of Defense (Comptroller) by the end of August 2023. In January 2023, DOD officials confirmed these plans.

To implement this recommendation, the department should ensure that its updated guidance clearly specifies how DOD will ensure investments in financial management systems are limited to maintaining functional systems and system security. Once it does this, DOD will have better assurance that it is not wasting funds on short-term fixes that might not effectively and efficiently support longer-term department goals.

High-Risk Area: [DOD Financial Management](#)

Potential Financial Benefit if Implemented: Millions

Director: Kevin Walsh, Information Technology and Cybersecurity

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Defense Real Property: DOD-Wide Strategy Needed to Address Control Issues and Improve Reliability of Records. [GAO-20-615](#). Washington, D.C.: September 9, 2020.

Year Recommendations Made: 2020

Recommendations:

1. The Under Secretary of Defense (Comptroller) should, in collaboration with the Under Secretary of Defense (Acquisition and Sustainment), develop and implement a DOD-wide strategy to remediate real property asset control issues.
2. The Under Secretary of Defense (Comptroller) should, in collaboration with the Under Secretary of Defense (Acquisition and Sustainment), develop department-wide instructions for performing the existence and completeness verifications.

Actions Needed: DOD agreed with our two recommendations. In January 2023, DOD stated that the department is reviewing and updating policies and procedures to include the necessary controls to ensure that real property is accounted for accurately throughout the real property asset lifecycle. However, DOD also stated that the process of updating these documents is not yet complete. To fully implement the first recommendation, DOD should develop and implement a department-wide real property strategy to enable the department to identify those common control issues and then develop solutions that are not limited to an individual military service.

Regarding the second recommendation, DOD officials stated that they are committed to placing increased leadership emphasis on real property asset policies and instructions to ensure, among other things, that field teams perform consistent and repeatable existence and completeness verifications. In January 2023, DOD estimated that by September 2023, the department would have a working group in place to monitor progress of key corrective actions related to real property existence and completeness verifications. We will monitor this working group, once it is established, to assess the degree to which it supports department implementation of our recommendation.

Implementing both recommendations would better position DOD to develop sustainable, routine processes that help ensure accurate real property records and, ultimately, auditable information for financial reporting for the department. In addition, implementation would help DOD achieve an auditable real property baseline and, ultimately, its objective of achieving an unmodified (“clean”) audit opinion.

High-Risk Area: [DOD Financial Management](#)

Director: Kristen A. Kociolek

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Defense Real Property: DOD Needs to Take Additional Actions to Improve Management of Its Inventory Data. [GAO-19-73](#). Washington, D.C.: November 13, 2018.

Year Recommendations Made: 2019

Recommendations:

1. The Secretary of the Army should require monitoring of its processes used for recording all required real property information—to include evaluating on an ongoing basis whether or to what extent these activities are being carried out—and remediating any identified deficiencies.
2. The Secretary of the Navy should require monitoring of Navy and Marine Corps processes used for recording all required real property information—to include evaluating on an ongoing basis whether or to what extent these activities are being carried out—and remediating any identified deficiencies.
3. The Secretary of Defense should ensure that the Undersecretary of Defense for Acquisition and Sustainment, in collaboration with the military services, defines and documents which data elements within the Real Property Assets Database submissions are most significant for decision-making.
4. The Secretary of Defense should ensure that the Undersecretary of Defense for Acquisition and Sustainment, in collaboration with the military services, coordinates on corrective action plans to remediate discrepancies in significant data elements in its real property data system that are identified by the Office of the Secretary of Defense's verification and validation tool.
5. The Secretary of Defense should ensure that the Undersecretary of Defense for Acquisition and Sustainment, in collaboration with the military services, develops a strategy that identifies and addresses risks to data quality and information accessibility. At a minimum, this strategy should establish time frames and performance metrics for addressing risks related to (1) unfilled real property positions, (2) a lack of a department-wide approach to improving its data, and (3) implementation of the Office of the Secretary of Defense's expanded data platform.

Actions Needed: DOD agreed with the first four recommendations and partially agreed with the fifth recommendation.

As of June 2022, the Army and the Navy reported taking action to improve the monitoring of real property records, including developing plans to increase their accuracy and completeness. Further, the Office of the Under Secretary of Defense for Acquisition and Sustainment reported having prioritized the development of a common automated real property data platform, which should help correct the discrepancies in DOD's real property reporting. However, as of January 2023, DOD had not provided documentation of these efforts, so we are unable to determine if they meet the intent of our recommendations.

To fully implement the first two recommendations, the Army and the Navy should to require monitoring—such as by issuing new or updating existing guidance—of their processes for recording all required data in the Real Property Assets Database and remediating any identified deficiencies. To fully implement the third and fourth recommendations, the Under Secretary of Defense for Acquisition and Sustainment should identify data elements most significant for decision-making and work with the military services to develop corrective action plans to remediate identified discrepancies in data.

With respect to the fifth recommendation, DOD stated that the department plans to collaborate with the military services on separate service strategies that reflect each military

service's operating environment. To fully implement this recommendation, DOD should develop a single department-wide strategy to improve data quality and information accessibility.

Unless it implements our recommendations, DOD may not be able to reasonably ensure that the information the department, Congress, and other federal agencies need to make effective decisions is available to meet real property accountability and reporting objectives.

High-Risk Area: [DOD Financial Management](#)

Director: Elizabeth A. Field, Defense Capabilities and Management

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Foreign Military Sales: Financial Oversight of the Use of Overhead Funds Needs Strengthening. [GAO-18-553](#). Washington, D.C.: July 30, 2018.

Year Recommendations Made: 2018

Recommendations: The Secretary of Defense should ensure that the Director of the Defense Security Cooperation Agency takes steps to work with the Defense Finance and Accounting Service (DFAS)—the Defense Security Cooperation Agency's financial service provider—and other DOD components, as appropriate, to improve the reliability of the data that the Defense Security Cooperation Agency obtains on all DOD components' use of:

1. Foreign Military Sales administrative funds, including actual execution data, at an appropriate level of detail, such as by object class.
2. Contract administration services funds, including actual execution data, at an appropriate level of detail, such as by object class.

Actions Needed: DOD agreed with both recommendations. In May 2019, Defense Security Cooperation Agency officials told us that the agency had established an interface with some DOD components' accounting systems that provides daily information on those components' expenditures of Foreign Military Sales administrative and contract administration services funds. Further, agency officials told us they were working to establish automatic interfaces for the other components that receive these funds. As of February 2023, DOD officials had not provided an update on any recent actions taken to implement these recommendations.

To fully implement these two recommendations, DOD should ensure that the Defense Security Cooperation Agency takes steps to work with DFAS and the DOD components to collect reliable data on all DOD components' use of Foreign Military Sales administrative and contract administration services funds, including execution data. Implementing these recommendations would diminish the risk of unallowable or unapproved payments that could lead to fraud, waste, or abuse of funds.

High-Risk Area: [DOD Financial Management](#)

Director: Chelsa Kenney, International Affairs and Trade

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DOD Financial Management: Air Force Needs to Improve Its System Migration Efforts. [GAO-22-103636](#). Washington, D.C.: February 28, 2022.

Year Recommendation Made: 2022

Recommendation: The Assistant Secretary of the Air Force (Financial Management and Comptroller) should develop a systems migration plan based on leading migration practices to more timely transition from the Air Force's General Accounting and Finance System—Reengineered (GAFS-R) environment to the Defense Enterprise Accounting and Management System (DEAMS).

Actions Needed: DOD agreed with this recommendation. In its response, DOD stated that the department is developing a systems migration plan to transition transactions from GAFS-R to the target general ledger systems, including DEAMS and the Maintenance Repair and Overhaul initiative. DOD further stated that the plan includes identifying dependencies on personnel, logistics, and other business area management applications necessary to transition to a modern system environment. As of January 2023, DOD stated that the department had completed additional steps related to the development of its systems migration plan. For example, it had established a migration planning team and developed a team charter. In addition, DOD stated that the department had created a risk register to identify dependencies, assumptions, and risks.

To fully implement this recommendation, DOD plans to document the key capabilities currently existing in all GAFS-R modules and evaluate potential enduring systems for subsuming GAFS-R capabilities. DOD provided an estimated completion date of September 2023 for this recommendation. Implementing this recommendation could enable more timely resolution of issues plaguing the GAFS-R environment.

High-Risk Area: [DOD Financial Management](#)

Director: Asif A. Khan

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DOD Financial Management: Additional Actions Would Improve Reporting of Joint Strike Fighter Assets. [GAO-22-105002](#). Washington, D.C.: May 5, 2022.

Year Recommendations Made: 2022

Recommendations:

1. The Under Secretary of Defense for Acquisition and Sustainment together with the F-35 Program Executive Officer, and in coordination with the Under Secretary of Defense (Comptroller), should develop and document a comprehensive strategy to address the Joint Strike Fighter (JSF) material weakness. The strategy should include (1) complete, detailed procedures; (2) time frames based on an analysis of the time needed to accomplish the procedures; and (3) resources required to design and implement the procedures.
2. The Under Secretary of Defense for Acquisition and Sustainment together with the F-35 Program Executive Officer should develop and document a plan for verifying the

completeness of JSF assets recorded in its accountable property system of record, including conducting an analysis and documenting the results on the feasibility of performing a wall-to-wall inventory to capture all JSF assets.

3. The Under Secretary of Defense for Acquisition and Sustainment together with the F-35 Program Executive Officer should develop procedures that outline the steps to periodically capture and verify the accuracy and completeness of JSF asset data from contractors and other DOD sources to be recorded in the Defense Property Accountability System (DPAS) until a direct interface with the prime contractors' systems has been established.

Actions Needed: DOD agreed with all three recommendations.

In its response to the first recommendation, DOD stated that the F-35 Joint Program Office (JPO) has been coordinating with the Office of the Under Secretary of Defense for Acquisition and Sustainment and the Office of the Under Secretary of Defense (Comptroller) since fiscal year 2019 to execute a documented strategy for addressing the JSF material weakness. The Office of the Under Secretary of Defense (Comptroller) approved corrective action plans with applicable milestones and estimated completion dates to address identified gaps and known challenges with F-35 property accountability and financial reporting for program assets. According to DOD, JPO will continue to coordinate with the Office of the Under Secretary of Defense for Acquisition and Sustainment and Office of the Under Secretary of Defense (Comptroller), along with internal and external stakeholders, to add detail and fidelity to time frames, procedures, and resource requirements as needed.

Regarding the second recommendation, DOD stated that under the guidance of the Office of the Under Secretary of Defense for Acquisition and Sustainment, the F-35 JPO is currently developing policies and procedures for both regularly scheduled inventory verification and record completeness checks in the JPO accountable property system of record to ensure capture and tracking of all JSF assets. The JPO Inventory Management Plan will incorporate analysis of feasibility for wall-to-wall inventory versus alternate inventory procedures, taking consideration to minimize disruptions to F-35 production manufacturing operations and movement of critical parts in the sustainment supply chain supporting F-35 flight operations.

Regarding the third recommendation, DOD stated that the F-35 JPO has been coordinating with the Office of the Under Secretary of Defense for Acquisition and Sustainment and the Defense Logistics Agency since fiscal year 2019 to implement the program's accountable property system of record, DPAS. With guidance from the Office of the Under Secretary of Defense for Acquisition and Sustainment, the JPO is in the process of developing procedures for periodic capture, validation, and upload into DPAS of property data from contractor and DOD sources. The periodic data management processes will support F-35 property accountability until a direct IT system interface, or other DOD-approved solutions are established.

As of January 2023 and according to a DOD official, the expected date of completion for the actions listed in these three recommendations is June 30, 2023. Until DOD fully implements our recommendations, it may continue to struggle to meet milestone target dates and will be at an increased risk that its efforts to remediate the JSF program material weakness will be ineffective. Further, DOD will continue to be at risk of having inaccurate property records, with the potential result of misstatements of amounts reported on its financial statements.

High-Risk Area: [DOD Financial Management](#)

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Driving Enterprise-Wide Business Reform

Defense Infrastructure: DOD Should Better Manage Risks Posed by Deferred Facility Maintenance. [GAO-22-104481](#). Washington, D.C.: January 31, 2022.

Year Recommendations Made: 2022

Recommendations:

1. The Secretary of Defense should ensure that the Under Secretary of Defense for Acquisition & Sustainment, in coordination with the DOD components, sets milestones and holds component leadership accountable for implementing the Sustainment Management System (SMS).
2. The Secretary of Defense should ensure that the Under Secretary of Defense for Acquisition & Sustainment, in coordination with the DOD components, conducts an assessment of the SMS implementing guidance to determine which elements of SMS should be applied consistently across the components, and uses the results of that assessment to update the guidance for SMS condition assessments to ensure that facility condition data are comparable across the department.

Actions Needed: DOD agreed with these two recommendations and has taken steps to address both. DOD's initial corrective action plan stated that the Under Secretary of Defense for Acquisition and Sustainment, in collaboration with the U.S. Army Corps of Engineers, would identify relevant milestones and completion dates for implementing SMS, periodically brief senior leaders on the status of these milestones to enhance accountability, and issue policy that sets out DOD components' responsibilities for implementing SMS. These steps would meet the intent of our first recommendation but, as of January 2023, had not been completed.

DOD's corrective action plan also specifies steps the department is taking to determine which elements of SMS should be standardized and consistently applied by all DOD components. DOD stated that it would issue policy detailing the degree of standardization DOD components are to use in SMS, which would meet the intent of our recommendation. The corrective action plan stated that these remaining steps would be completed by the fall of 2023, and they had not been completed as of January 2023.

Implementation of our recommendations will better position DOD officials to formulate, evaluate, and communicate their strategic investment decisions, including managing risks associated with DOD's \$137 billion facility maintenance backlog (as of fiscal year 2020).

High-Risk Area: [DOD Approach to Business Transformation](#)

Director: Elizabeth A. Field, Defense Capabilities and Management

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Defense Management: DOD Needs to Address Inefficiencies and Implement Reform across Its Defense Agencies and DOD Field Activities. [GAO-18-592](#). Washington, D.C.: September 6, 2018.

Year Recommendation Made: 2018

Recommendation: The Secretary of Defense should ensure that the Chief Management Officer (CMO) routinely and comprehensively monitors and evaluates ongoing efficiency initiatives within the department, including those related to the reform teams. This monitoring should include establishing baselines from which to measure progress, periodically reviewing progress made, and evaluating results.

Actions Needed: DOD agreed with our recommendation and has taken important steps toward implementing it. In January 2021, the CMO position was disestablished; DOD transferred responsibilities for the department's reform efforts to the Performance Improvement Directorate within the Office of the Director of Administration and Management. In 2022, it issued a new *Performance Improvement Framework*, which provides a consistent methodology to define, identify, track, and report on existing and planned opportunities for performance improvement across DOD. It also began building an authoritative repository of Performance Improvement Initiatives, including establishing a baseline to document current and prior year initiatives that had been overseen by the CMO. Further, DOD established an authoritative performance management executive analytics platform, known as Pulse, to monitor the implementation of these initiatives. According to Office of the Director of Administration and Management officials, as of March 2023, DOD has been analyzing initial data submitted by the components to populate the Pulse platform.

To fully demonstrate implementation, DOD should document baselines and demonstrate progress made on performance improvement initiatives once the data have been analyzed. Doing so will enable the department to ensure that desired outcomes of its performance improvement initiatives are being achieved.

High-Risk Area: [DOD Approach to Business Transformation](#)

Director: Elizabeth A. Field, Defense Capabilities and Management

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Health Care

Improper Payments: TRICARE Measurement and Reduction Efforts Could Benefit from Adopting Medical Record Reviews. [GAO-15-269](#). Washington, D.C.: February 18, 2015.

Year Recommendations Made: 2015

Recommendations: The Secretary of Defense should direct the Assistant Secretary of Defense for Health Affairs to:

1. Implement a more comprehensive TRICARE improper payment measurement methodology that includes medical record reviews, as done in other parts of its existing post-payment claims review programs.

2. Once a more comprehensive improper payment methodology is implemented, develop more robust corrective action plans that address underlying causes of improper payments, as determined by the medical record reviews.

Actions Needed: DOD agreed with our two recommendations. With regard to our first recommendation, as of January 2023, the Defense Health Agency (DHA) had taken some actions to incorporate medical record reviews in its improper payment estimate. For example, DHA reported that it had completed 2 years of medical record reviews. However, it did not incorporate the reviews into its fiscal year 2020 or 2021 improper payment rate estimates, due to challenges. Specifically, according to DHA, it experienced a low-response rate on its requests for medical records from TRICARE providers. As a result, DHA officials told us they determined that medical record reviews would artificially increase the agency's improper payments rates, due to documentation errors, and that, instead of reporting these rates, they would conduct focused studies based on claim type or other criteria. However, lack of documentation is an error to be counted as an unknown payment, according to Office of Management and Budget guidance.

With regard to the second recommendation, DHA reported in 2022 that its medical record reviews did not uncover identifiable root causes or trends to warrant corrective action plans. However, the reviews had significant documentation problems that could be addressed. Of the TRICARE claims that DHA sampled for medical record review in fiscal year 2021, 28 percent in the east TRICARE region and 67 percent in the west region had no or insufficient documentation—something that could and should be rectified.

To fully implement these recommendations, DHA will need to continue to conduct medical record reviews and publicly note the results as part of its reporting of the TRICARE improper payment estimate. In addition, the agency should take corrective action to address the causes of documentation and other errors identified by the reviews. Without implementation of our recommendations, DHA cannot effectively identify root causes and take steps to address practices that contribute to improper payments.

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Defense Health Care: DOD Should Demonstrate How Its Plan to Transfer the Administration of Military Treatment Facilities Will Improve Efficiency. [GAO-19-53](#). Washington, D.C.: October 30, 2018.

Year Recommendations Made: 2019

Recommendations: The Secretary of Defense should ensure that:

1. The Assistant Secretary of Defense for Health Affairs, in coordination with the Director of the Defense Health Agency (DHA) and the Surgeons General of the military departments, define and analyze the 16 operational readiness and installation-specific medical functions currently excluded from transfer to the DHA to determine whether opportunities exist to reduce or better manage duplicative functions and improve efficiencies in the administration of the military treatment

facilities.

2. The Assistant Secretary of Defense for Health Affairs, in coordination with DHA Assistant Director for Health Care Administration and the Secretaries of the military departments, validate headquarters-level personnel requirements to determine that they are established at the minimum levels necessary—per DOD guidance—to accomplish missions and achieve objectives before transferring authority, direction, and control of the military treatment facilities to the DHA for the third phase.
3. The Assistant Secretary of Defense for Health Affairs, in coordination with DHA Assistant Director for Health Care Administration and the Secretaries of the military departments, conduct a comprehensive review to identify the least costly mix—per DOD guidance—of military, civilian, and contractors needed to meet validated requirements—that is, to perform the functions identified at the DHA headquarters and intermediate management organizations and at the military departments' headquarters and intermediate commands. Additionally, this comprehensive review should be completed before transferring authority, direction, and control of the military treatment facilities to the DHA for the third phase.

Actions Needed: DOD agreed with all three of our recommendations. For our first recommendation, we noted in 2020 that DOD had issued a March 2019 memorandum regarding the alignment of the operational and installation-specific medical functions, but further detail was needed regarding what analysis DOD completed to assess the 16 functions for duplication. In March 2021, DOD officials stated that the Assistant Secretary of Defense for Health Affairs, DHA, and the military departments had conducted an assessment that included some of the 16 functions, such as occupational and environmental health. However, in January 2023, DOD officials stated that the analysis was still ongoing. According to officials, the estimated completion date for the assessment is December 2023.

For the second recommendation, DOD officials told us in February 2022 that DOD's study to define functions and personnel requirements was ongoing. Officials also acknowledged that their 2018 review of DHA personnel requirements did not provide a complete assessment because it did not assess the military departments' headquarters and intermediate commands. In January 2023, officials stated that DOD had completed a 9 month, zero-based review of medical headquarters' personnel requirements in September 2022. However, the officials did not provide documentation of the review or details regarding the extent to which the review validated personnel requirements. They indicated that such details would be forthcoming.

DOD officials stated in February 2022 that the department was still working to implement our third recommendation. In January 2023, DOD officials stated that the validation of requirements depended on the zero-based review completed in September 2022. Further, officials said that DOD planned to complete a comprehensive review after the Military Health System transition and validate requirements sometime in June 2023.

To fully implement these recommendations, DOD should analyze all 16 operational readiness and installation-specific medical functions for duplication, validate headquarters-level personnel requirements, and identify the least costly mix of personnel. Without implementation of our recommendations, DOD and congressional decision makers are not positioned to know whether, to what extent, and how

undertaking this significant reform effort will improve effectiveness and efficiency in the administration of the military treatment facilities.

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Preventing Sexual Harassment

Preventing Sexual Harassment: DOD Needs Greater Leadership Commitment and an Oversight Framework. [GAO-11-809](#). Washington, D.C.: September 21, 2011.

Year Recommendations Made: 2011

Recommendations: The Under Secretary of Defense for Personnel and Readiness should take the following actions:

1. Develop a strategy for holding individuals in positions of leadership accountable for promoting, supporting, and enforcing the department's sexual harassment policies and programs.
2. Ensure that the Office of Diversity Management and Equal Opportunity develops and aggressively implements an oversight framework to help guide the department's efforts.²² At a minimum, such a framework should contain long-term goals, objectives, and milestones; strategies to accomplish goals; criteria for measuring progress; and results-oriented performance measures to assess the effectiveness of the department's sexual harassment policies and programs. Such a framework should also identify and include a plan for ensuring that adequate resources are available to carry out the office's oversight responsibilities.

Actions Needed: DOD agreed with both recommendations. In May 2021, the department issued a *Harassment Prevention Strategy for the Armed Forces, Fiscal Years 2021–2026*, which it said would address the leadership accountability strategy and oversight framework we recommended that DOD develop. In reviewing the strategy, we found that it includes the strategic planning element of long-term goals needed to implement the leadership accountability strategy and oversight framework. However, it does not include other key elements of strategic planning needed to help ensure the successful implementation of both efforts, such as milestones, strategies to accomplish goals, and performance measures. Further, the harassment prevention strategy is not a formal tasking or directive; thus, the offices responsible for holding leaders accountable and implementing the oversight framework may not carry out these efforts.

As of January 2023, DOD was in the process of revising the strategy to include the missing elements needed to fully implement our recommendations. DOD expects to complete its work by the end of June 2023. In addition to finalizing the revised strategy, DOD should provide documentation that the military services have been

²²This priority recommendation was directed to the Office of Diversity Management and Equal Opportunity. This office has since been renamed to the Office of Diversity, Equity, and Inclusion.

formally tasked to implement the leadership accountability strategy and the oversight framework. Full implementation of our recommendations would improve DOD's response to incidents of sexual harassment.

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Strengthening Diversity, Equity, and Inclusion within DOD

Female Active-Duty Personnel: Guidance and Plans Needed for Recruitment and Retention Efforts. [GAO-20-61](#). Washington, D.C.: May 19, 2020.

Year Recommendation Made: 2020

Recommendation: The Secretary of Defense should ensure that the Under Secretary of Defense for Personnel and Readiness provides guidance to the services, for example, in its forthcoming diversity and inclusion strategic plan, to develop plans, with clearly defined goals, performance measures, and time frames, to guide and monitor recruitment and retention efforts of female active-duty service members in the military.

Actions Needed: DOD agreed with our recommendation. DOD officials said that the department would provide guidance to the military services, in the department's forthcoming diversity and inclusion instruction and strategic plan, to develop and implement plans to guide and monitor efforts to recruit and retain female service members. In September 2020, DOD issued DOD Instruction 1020.05, *DOD Diversity and Inclusion Management Program*. In addition, in September 2022, it issued its new strategic plan, *Department of Defense Diversity, Equity, Inclusion, and Accessibility Strategic Plan: Fiscal Years 2022-2023*,—following the release of the *Government-wide Strategic Plan to Advance Diversity, Equity, Inclusion, and Accessibility in the Federal Workforce* in November 2021. DOD stated in February 2023 that its strategic plan will mitigate barriers that exist for underrepresented groups by ensuring tighter integration between diversity, equity, inclusion, and accessibility goals and initiatives and the various offices that handle aspects of the employee experience. However, given this broad emphasis on all underrepresented groups, neither document included guidance to the military services to specifically address recruitment and retention challenges of female active-duty service members. Therefore, as of February 2023, DOD has not provided sufficient documentation to demonstrate that it has implemented this recommendation.

To fully implement this recommendation, DOD should provide guidance to the military services to develop plans with clearly defined goals, performance measures, and time frames that would guide and monitor their efforts to recruit and retain female active-duty service members. Implementing our recommendation would assist DOD with achieving its goals of maintaining a ready force that includes the best and the brightest and is representative of the population it serves.

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Military Justice: DOD and the Coast Guard Need to Improve Their Capabilities to Assess Racial and Gender Disparities. [GAO-19-344](#). Washington, D.C.: May 30, 2019.

Year Recommendation Made: 2019

Recommendation: The Secretary of Defense, in collaboration with the Secretaries of the military services and the Secretary of Homeland Security, should conduct an evaluation to identify the causes of any disparities in the military justice system, and take steps to address the causes of these disparities as appropriate.

Actions Needed: DOD partially agreed with this recommendation. DOD's Office for Diversity, Equity, and Inclusion (ODEI) contracted with a federally funded research and development center to conduct a study, which ODEI officials said was completed in July 2022. According to ODEI officials, the multidisciplinary study team used a combination of qualitative and quantitative research methods to develop a comprehensive picture of military justice outcomes and make recommendations for data collection and policy formulation. ODEI officials said that they plan to use the findings and recommendations from this study to identify the causes of any disparities and the steps to take to address those causes, as noted in our recommendation. As of February 2023, ODEI officials said that the Secretaries of the military departments expect to collaborate with the Department of Homeland Security to explore solutions to these disparities by June 2025.

To fully implement our recommendation, DOD should use the results of the study to take actions to address the causes of any disparities in the military justice system that have been identified, so that DOD, DHS, and the military services can help ensure that the military justice system is fair and just.

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