

## DCAA Reorganizes to Rebalance its Workload

Written by Nick Sanders

Wednesday, 03 February 2016 00:00

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Much has been written, here and elsewhere, about recent changes to DCAA's workload. If you don't know what we're talking about, please visit the News Archive over there on the left side of our website's front page, and take a look through the recent articles on the topic.

Suffice to say, DCAA leadership has a lot to deal with these days—and to deal with it they have decided to *significantly reorganize* the audit agency.

More than one source provided us with purported internal communications on the topic, including maps and org charts – so we're going with this story as being confirmed and accurate. If you know anything different, send us an email and we'll correct any mistakes.

From those internal communications, we learned that DCAA is embracing the "CAC Network" concept at all of the largest defense contractors. The "CAC Network" approach is not new: it was first introduced by then-Director Pat Fitzgerald in 2011. The concept envisions a coordinated and communicative network of auditors, all of whom focus on one single contractor and all of whom are under the direction of a single audit leader. It was first piloted at Raytheon, where it seemingly worked well for DCAA and DCMA. Challenges included negotiating with the union to break auditors out of local union siloes and negotiating with Field Detachment regarding its proper role within the CAC Network. DCAA overcame those challenges and is moving the concept to other contractors, including General Dynamics, BAE, Northrop Grumman, Lockheed Martin, Boeing, and Honeywell. All auditors associated with each of those contractors will report into the CAC Network, which will be managed in single offices. (As a side note, L-3 Communications is going to have its own CAC Network, managed entirely by Field Detachment. *Good luck with that.*)

The thing of it is, the CAC Network concept is not particularly new news and most of the contractors listed above have been identified before as being candidates for implementation. Indeed, in the 2012 Annual Report, Northrop Grumman was identified as being next in line after Raytheon. That was literally four years ago. That said, the more widespread implementation of the CAC Network is the official reason for the workload "rebalancing" that requires such a significant agency reorganization.

And what is that reorganization?

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In the words of Ms. Bales—

The result [of the reorganization] is 3 regions—Eastern in Atlanta, Central in Dallas, and Western in Los Angeles. The physical size of the regions has increased significantly, and the boundaries may appear awkward compared to our current regional structure. While we now have a more evenly balanced workload among the regions, the workload distribution does not fall neatly along geographical lines. ... Our customers will get the benefits of the new structure without being affected by the physical regional boundaries.

Ms. Bales wasn't kidding when she stated that the three new regions look "awkward" when compared to the way it used to be. For example, the new Western Region stretches from Alaska and Hawaii to Arkansas—and apparently includes South Asia as well. The new Western Region encompasses 24 of the 50 states. In contrast, the new Eastern Region stretches from Maine to Georgia and seems to include Europe and North Asia. And the new Central Region encompasses 13 states (including Florida), and also includes Puerto Rico. So yeah, *awkward*. But it must make sense to the folks in Ft. Belvoir.

Regional Audit Manager (RAM) assignments may be a more telling indication of the workload/audit volume between the three Regions. There are eight (8) RAM assignments in the Western Region, ten (10) RAM assignments in the Eastern Region, and eight (8) in the Central Region. (FD has 5 RAM assignments.) Interestingly, two of the eight Western Region RAM positions are shown as being vacant, meaning there are promotion opportunities available.

What happened to the Mid-Atlantic Region? It's gone. *Disappeared*. It no longer exists. And that means the Mid-Atlantic Compensation Team no longer exists as well. Our understanding is that at least one other Region is standing up its own Compensation Team to meet the needs of the Incurred Cost audit teams.

Importantly, the new CAC Network leaders (Directors?) report directly to Ms. Bales and not to the Regional Directors (with the possible exception of the L-3 CAC Network leader, who may report directly to Ms. Cash, Field Detachment Director). There are three RAMS in the GD/Raytheon/BAE CAC Network (reporting to Lowell, MA). There are three RAMS in the Lockheed Martin CAC Network (reporting to Fort Worth, TX). There are three RAMS in the Boeing/Honeywell Network (reporting to St. Louis, MO). And there are two RAMS in the

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Northrop Grumman Network (reporting to Falls Church, VA).

For those readers who may be wondering which Region their cognizant Field Audit Office (FAO) reports into, DCAA prepared several slides to answer that question. Basically, it's as you would expect. If you are in one of Western Region states, your FAO very likely reports into the Western Region (even if it previously reported into the Central Region). Ditto for the Central and Eastern Regions.

We have asked our technologist and web master to post the documents we received to our website. They should go up soon. If you are a member, you can access them. If you are not a member, you are out of luck.

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Will the reorganization help DCAA with its perceived productivity problems? We'll have to wait to see. But one thing is for sure: it's the biggest shakeup to impact DCAA in quite a while.