

## **Appendix 6 Sample Reports**

**This tab illustrates how the Biennial Review results are displayed. A unique report is prepared for each business line, which is then published in Volume 2 of the Biennial Review report.**

**The first part of this appendix is Chapter A of the Biennial Review Report, which explains how the questionnaire content is mapped to the report and provides background information on the data collection methodology.**

**The final part of this appendix includes the report for the Defense Contract Audit Agency (DCAA) as well as the DCAA Director's response to the results.**

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**Defense Agencies and DoD Field Activities**  
**Overview of Survey Approach, Content and Sample Survey**

**I. Report Overview**

The main purpose of the Biennial Review is to evaluate the overall performance of Defense Agencies and DoD Field Activities using standard criteria that address the requirements from the Goldwater-Nichols DoD Reorganization Act.

For the 2003-2004 Biennial Review, key customers of all participating Defense Agencies and DoD Field Activities received surveys as representatives of their own organizations for each business line. The use of a set of standard questions in all surveys provides the opportunity to look at common measures of the key information required for the review. Annex A contains the findings reports specific to each separate business line, grouped by Defense Agency and DoD Field Activity. All the business line findings reports follow a common format. The information collected for the evaluation of each business line includes questions and ratings that directly address the Biennial Review requirements, as well as additional information of value to Defense Agencies and DoD Field Activities in addressing their performance results. Each participating Defense Agency and DoD Field Activity also had the option to include custom questions of their customers for their own internal performance management use. These questions and results are not included in the business line report. Each business line findings report includes the following sections:

**A. SUMMARY**

Defines the business line as rated by the organizational customers and provides a brief summary of each aspect of performance, including major themes of written comments.

**B. SURVEY BACKGROUND**

Provides information to clarify what business line is being reported and who the responding customers of that business are.

**1. Business Line Description**

Lists the full set of specific products and services that make up the business line.

**2. Participating Customers**

Gives a numeric overview of the survey effort and describes those who responded.

**2a. Survey Sample and Response Rate**

- Shows the total number of customers nominated to receive the survey, the number who responded, and the completion rate adjusted for address and

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nomination errors.

- Describes the quality of the data from the survey as it impacts reporting business line findings.

**2b. Type of Customer Organization**

- Reports the percentage of customers from Military, Other Defense Department, and Other Government customer groups.

**2c. Customer Role in Own Organization**

- Describes what the individual respondent's main role is in their organization (e.g., Command, Coordinator, Program or Resource Manager, Oversight, or Direct Customer)

**2d. Customer View of Organizational Relationship**

- Reports the customer's view of their organization's relationship with the Defense Agency or DoD Field Activity for this business line (e.g., Partner, Support Organization, Traditional Supplier, or Oversight Organization).

**C. SURVEY FINDINGS**

Provides the main body of findings from the survey, organized by what component of the evaluation is being addressed. The first two sections address the core Biennial Review requirements, and the following sections report additional information assessing the customer relationship and ratings of specific products and services.

**1. Continuing Need for the Products and Services**

Addresses the first Biennial Review question concerning the continuation of the business line.

**1a. Continuing Need and Importance**

- Reports on the percentage of customers who see a continuing need and the importance of the products and services to the customer organization.

**1b. Alternative Sources and Preference for the Defense Agency or DoD Field Activity as a Supplier**

- Provides additional information related to the continuing need issue by asking whether the products and services in the business line are available from another source, and if they are, whether the Defense Agency or DoD Field Activity being rated is a Preferred Supplier.

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**1c. Military Customers Providing Products and Services for Themselves**

- Provides additional information related to the continuing need issue by asking Military Customers (Military Departments, the Joint Staff, and Combatant Commands) if they could better provide for themselves.

**2. Effectiveness, Efficiency, and Economy**

Addresses the second Biennial Review question concerning the way in which the products and services are delivered by ratings that evaluate the quality of the overall business line.

**2a. Effectiveness**

- Reports the ratings of customer satisfaction with whether the business line Meets Requirements and is Free of Defects.

**2b. Efficiency**

- Reports the ratings of customer satisfaction with whether the business line is Easy to Use and is Available When Needed.

**2c. Economy**

- Reports the ratings of customer satisfaction with whether the business line is a Good Value; ratings here are reported only for those customers who indicate they Pay For or Influence Funding For the business line.

**3. Performance Standards**

Reports ratings on two questions about the Defense Agency or DoD Field Activity performance standards. The first asks if the customer is aware of performance standards, and the second asks whether the Defense Agency or DoD Field Activity meet the standards. Results for the second question are only reported for those customers indicating that they are aware of performance standards (i.e., a "Yes" to the previous question).

**4. Responsiveness to Customer Organizations**

Reports ratings on six aspects of the Defense Agency or DoD Field Activity responsiveness to the customer's organization:

- Considers Issues
- Resolves Issues
- Understands Priorities
- Follows Priorities
- Knows Requirements

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- Meets Requirements

These ratings help a Defense Agency or DoD Field Activity identify areas of their customer relations which contribute to their overall business line performance ratings.

### **5. Coordination with Customer Organizations**

Reports ratings on seven ways the Defense Agency or DoD Field Activity might coordinate with the customer's organization:

- Oversight Opportunities
- Feedback Opportunities
- Budget and Resource Input
- Customer Service Representatives
- Dedicated Liaisons
- Joint Exercises
- Joint Boards and Panels

These ratings help a Defense Agency or DoD Field Activity identify how specific customer coordination strategies contribute to their overall business line performance ratings. An eighth option that allows the respondent to indicate and rate some other approach to coordination is offered, but in practice there are too few responses to this option to report any findings.

### **6. Satisfaction with the Quality of Specific Products and Services**

Reports customer satisfaction ratings on all of the specific products and services included in the business line. These ratings help a Defense Agency or DoD Field Activity identify which components of the business line are performing well and which need attention for improvement. The list of products and services is unique for each business line.

### **7. Performance Trends**

The use of standard questions allows the computation of performance trends across Biennial Reviews. Data are reported in this section when a business line remained essentially the same from 2001-2002 to 2003-2004. Reports are based on having sufficient data for both years. The determination of whether a change is rated as being statistically significant is calculated by using the actual percentage for 2003-2004 and the number of respondents to calculate a 2-tailed confidence interval. If the 2001-2002 value falls within that confidence interval, the results are determined to be not statistically significant. When the 2001-2002 results fall below the confidence interval, the current results are described as an "Increase". When 2001-2002 results fall above the confidence interval, the current results are described as a "Decrease".

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This section also includes general summary ratings for Combined Need/Importance and Combined Performance, which are also described in detail in Section IV.6 of the main report. Combined Need/Importance averages those two individual measures. Combined Performance averages the weighted overall measures of the Overall Quality, Product/Service Satisfaction, Responsiveness to Customers, and Coordination with Customers ratings for the business line.

**8. Comments and explanations**

Reports written customer comments organized to address four distinct questions, as well as other comment topics:

- Customer organization's ability to provide the business line for itself.
- Customer organization's ability to provide the business line for all of DoD.
- Specific suggestions for improving particular products or services.
- Related products or services customers would like.
- Other comments/strengths and weaknesses noted.

**D. CONCLUSIONS**

Summarizes the findings, notes any issues concerning the Defense Agency or DoD Field Activity for this business line, and suggests areas of focus for improvement efforts.

**II. Report Approach**

In commenting on each business line findings report, the following conventions were used:

- With regards to the strength of the data for evaluation purposes, survey data was described as "strong" where at least 25 customers responded and the response rate was at least 50%. Survey data were described as "acceptable where at least 25 customers responded and the response rate was at least 30%, and as "minimally acceptable" if at least 11 customers responded.
- Error rates in customer lists supplied by Defense Agencies and DoD Field Activities were noted for improvement if they were above 10% of the original list.
- For continuing need questions, "very strong support" was indicated where the percentage of customers saying "yes" was 75% or greater, and "support" was indicated where the percentage of customers saying "yes" was between 50% and 75%.
- For the Supplier of Choice question, only ratings from those customers indicating the products and services were Available Elsewhere were

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reported.

- For the Cost Effective (Good Value) question, only ratings from those customers indicating that they Pay For or Influence Funding For the business line were reported.
- For the question on whether a customer organization could Provide Products and Services Better for Itself, only Military Customer ratings were reported.
- For the Meets Performance Standards question, only ratings from those customers indicating they were Aware of Performance Standards were reported.
- For all ratings of customer satisfaction, the primary findings were reported as the percentage of customers indicating they were satisfied, which includes satisfied and very satisfied ratings.
- For all comments characterizing performance levels in the business line findings reports, a level of satisfaction was described as "high" if it was at 75% or above, and as "low" if it was below 50%. Results between those two ranges were described as "acceptable" and in some instances the respondents were described as simply "satisfied".

**III. Agency Response**

Also included in the folder of each Defense Agency and DoD Field Activity is a response from the director or designated official concerning the findings for their business line(s) and their actions planned to address the findings. Each Defense Agency and DoD Field Activity was given a preliminary copy of the report for each of their business lines, along with any sharable comments and custom question responses.

**2003-2004 Biennial Review of  
Defense Agencies and DoD Field Activities  
Guide to Reports of Findings**

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## **Sample Customer Survey Questionnaire**

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The following pages show an actual survey form as was used for the single Defense Contract Audit Agency business line. Products and services specific to the business line are listed on the first page and rated in Section 5. Section 6 shows sample formats that could be used for questions submitted by Defense Agencies and DoD Field Activities for their own use. All other sections were common across all business lines.



**2003-2004 Biennial Review**  
of Defense Agencies and DoD Field Activities

DD-DA and M(BI)2025

ID: **DCAA0160246**

You have been nominated to help us with the Biennial Review of Defense Agencies and DoD Field Activities. With your help, we'll be able to determine how well the products and services provided by agencies and field activities meet the needs of the organizations they serve. Each agency and activity has organized their mission into one or more business lines. You have been nominated as a person knowledgeable about the following business line:

**Agency/Activity: Defense Contract Audit Agency**

**Business Line:** Contract audit services

**This business line includes these products and services:**

- Telephone rate requests
- Price proposal audits
- Other special audits (e.g., claims)
- Procurement Liaison and Financial Advisor Support
- Forward pricing rate audits (FPRA/FPRR)
- Final rates/incurred cost/closeout audits
- Estimating system audits
- Defective pricing audits
- Accounting system audits
- Source Evaluation Board Support

Please continue...

**Background Questions**

Choose one of the following that best describes your organization's relationship with the Defense Contract Audit Agency for this business line.

- Traditional**  
They produce and deliver the product or service with minimal input from us.
  - Support**  
We give them our requirements, then they produce and deliver the product or service to us.
  - Partner**  
We work together jointly in defining, producing and delivering the product or service.
  - Oversight**  
We provide guidance or direction to this organization about the products or services.
- 

What is your main role in your organization's use of these products or services?

- Command**  
One or more organizations under my control use products or services from this business line.
- Coordinator**  
I coordinate my organization's use of products or services in this business line with the Defense Contract Audit Agency.
- Program Manager**  
I manage missions or functions that use this product or service.
- Resource Manager**  
I manage the support of mission functions that use this product or service.
- Direct Customer**  
I work with a mission or mission support function that uses this product or service.
- Oversight**  
I provide guidance or direction to the agency or activity, or I review their performance.
- None**  
I have no relationship with my organization's use of this product or service.





**Section 5. How satisfied are you with these specific products and services in the business line?**

**Note - please rate only those products and services you are familiar with.**

	Very Satisfied	Satisfied	Neutral	Dissatisfied	Very Dissatisfied	Cannot Judge
5A. Telephone rate requests	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5B. Price proposal audits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5C. Other special audits (e.g., claims)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5D. Procurement Liaison and Financial Advisor Support	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5E. Forward pricing rate audits (FPRA/FPRR)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5F. Final rates/incurred cost/closeout audits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5G. Estimating system audits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5H. Defective pricing audits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5I. Accounting system audits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5J. Source Evaluation Board Support	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please continue...





Please give us your comments

Please elaborate if you said your organization could provide these products and services for itself:

Please elaborate on your organization's ability to provide these products and services for all of DoD:

Please elaborate if you can on any "very dissatisfied" answers:

Specific suggestions you have for improving particular products or services:

Related products or services that you would like to have provided:

Other comments:

Please continue...



Results of the survey are confidential. Your ratings will only be reported combined with other respondents' ratings. If you would like your comments shared directly with no editing, please check the appropriate alternative below. Otherwise, any identifying information will be edited out before the comments are shared.

- You may share my comments directly with no editing.
  - My comments contain no identifying information - they *do* not need to be edited.
  - Please edit any identifying information out of my comments before sharing it with Defense Contract Audit Agency.
- 

If you are not the person who this survey was addressed to, please tell us who you are. We will save your name and contact information but the original name will not change.

Full name: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

You may reply using the method that is most convenient for you.

- **Mail it in the enclosed envelope** (Send to Westat, Elizabeth Westin RA1191, 1650 Research Boulevard, Rockville, MD 20850)
- **Visit our Website at <https://www.osdreview.org>**  
Use the ID and Password on your notification letter to complete the survey online.

**Questions? Call us toll free: 1-888-806-8898**

**2003-2004 BIENNIAL REVIEW OF  
DEFENSE AGENCIES and DoD FIELD ACTIVITIES  
Survey Findings Report for  
Defense Contract Audit Agency**

**A. SUMMARY**

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**Business Line - Contract audit services**

**Participating Customers**

- Those responding include Military, Other Defense Department, and Other Government customer groups.
- The survey provides a strong base of customer feedback, including 168 completed surveys, yielding a 70% response rate.

**Continuing Need**

- The results show very strong support for DCAA to continue offering these products and services.
- 16% of the customers say these products and services are available from another source.
- For Military Customers, none say their own organization could provide these products and services better themselves.

**Effectiveness, Efficiency and Economy**

- Overall, customers report high satisfaction with these aspects of the products and services DCAA offers.

**Responsiveness to Customer Organizations**

- Overall, customers rate DCAA Responsiveness high.

**Coordination with Customer Organizations**

- Customers rate overall satisfaction with DCAA's Coordination acceptable.

**Satisfaction with Specific Products and Services**

- Overall customers give DCAA Products and Services in this business line high satisfaction ratings.

**Trends Compared with 2001-2002 Biennial Review**

- For the summary performance measures, 1 showed decreased performance from the 2001-2002 Biennial Review and 2 showed increased performance.

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**DCAA - Contract audit services**

**B. SURVEY BACKGROUND**

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**1. Business Line - Contract audit services**

This business line is the only one DCAA identified for the Biennial Review.

Specific products and services include:

- Telephone rate requests
- Price proposal audits
- Other special audits (e.g., claims)
- Procurement Liaison and Financial Advisor Support
- Forward pricing rate audits (FPRA/FPRR)
- Final rates/incurred cost/closeout audits
- Estimating system audits
- Defective pricing audits
- Accounting system audits
- Source Evaluation Board Support

**2. Participating DCAA Customers**

**2a. Survey Sample and Response Rate**

Customers initially nominated:	244
Mail returned postal non-deliverable:	5
Address error rate:	2%
Final survey sample:	239
Number of surveys completed:	168
Final response rate:	70%

- DCAA provided an initial list of 244 customers for the Biennial Review. Five were excluded from the survey sample because of returned mail and/or customer identification errors (a 2% error rate for the original list). The count of errors was subtracted from the number in the initial list provided by DCAA to obtain the final survey

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### DCAA - Contract audit services

sample (n=239). This was a significant decrease in errors compared to the 2001-2002 error rate of 12% for this business line.

- Some errors in address lists are expected due to personnel changes, organizational moves, and other difficulties encountered in mail delivery during the Biennial Review survey period. The error rate for DCAA is lower than the average error rate for all surveyed Defense Agencies and DoD Field Activities. The average error rate for 2003-2004 across all major business lines was 9%.

#### 2b. Type of Customer Organization

Names and addresses provided by DCAA were identified by type of customer organization. For reporting purposes, customers were grouped as follows:

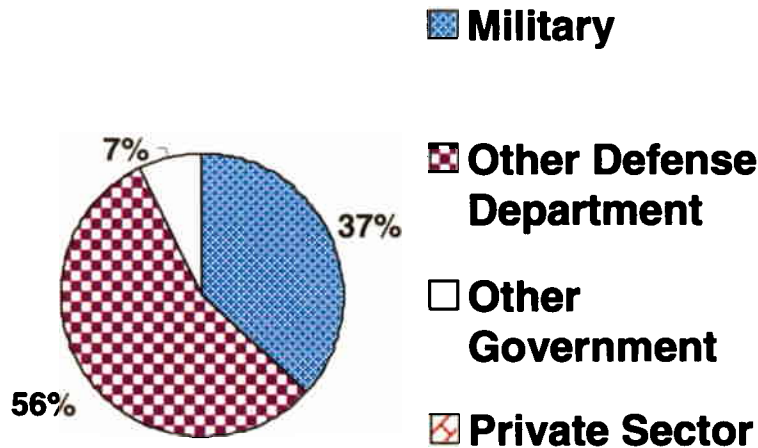
<b><i>Military</i></b>	Military Departments, the Joint Staff, and Combatant Commands.
<b><i>Other Defense Department</i></b>	Office of the Secretary of Defense, Defense Agencies, DoD Field Activities, and other major DoD organizations.
<b><i>Other Government</i></b>	Federal civilian agencies and other government customers.
<b><i>Private Sector</i></b>	Businesses, organizations, and individual citizens.

Results are reported in Figure 1.

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**DCAA - Contract audit services**

**Figure 1. Types of Customer Organizations**



- Other Defense Department is the largest group of customers.

**2c. Customer Role in Own Organization**

Customers were asked: "What is your main role in your organization's use of these products and services?"

The response options included:

<b>Command -</b>	One or more organizations under my control use products or services from this business line.
<b>Coordinator -</b>	I coordinate my organization's use of products or services in this business line.
<b>Program Manager -</b>	I manage missions or functions that use this product or service.
<b>Resource Manager -</b>	I manage the support of mission functions that use this product or service.
<b>Oversight -</b>	I work with a mission or mission support function that uses this product or service.

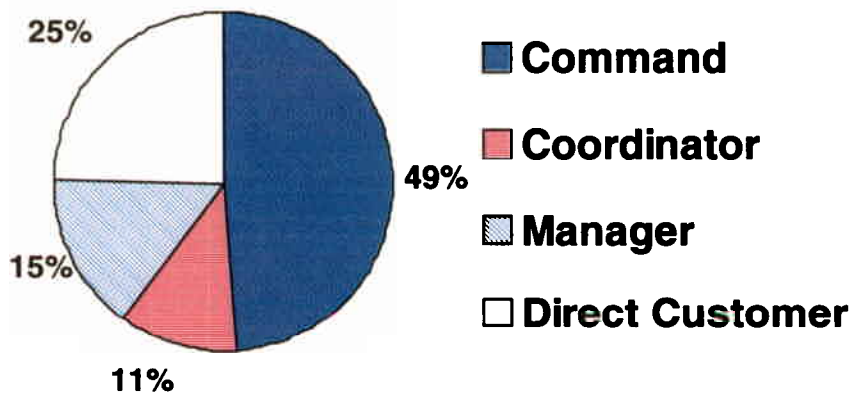
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**DCAA - Contract audit services**

<b>Direct Customer -</b>	I provide guidance or direction to the agency or activity, or I review their performance.
<b>None -</b>	I have no relationship with my organization's use of this product or service.

Results are reported in Figure 2. To simplify the presentation, Program Managers, Resource Managers, and Oversight Personnel were combined into a single category. The results for respondents indicating they have no relationship are reported only in the Data Indicate comments.

**Figure 2. Customer Role in Own Organization**



**Data indicate:**

- Customers who Command their organization make up the largest group.
- 25% of respondents identified themselves as Direct Customers.
- A total of 2 (1%) of those responding indicated they have no role in their organization's involvement with this business line. These cases were removed from analysis throughout the report.

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**DCAA - Contract audit services**

**2d. Customer View of Organizational Relationship**

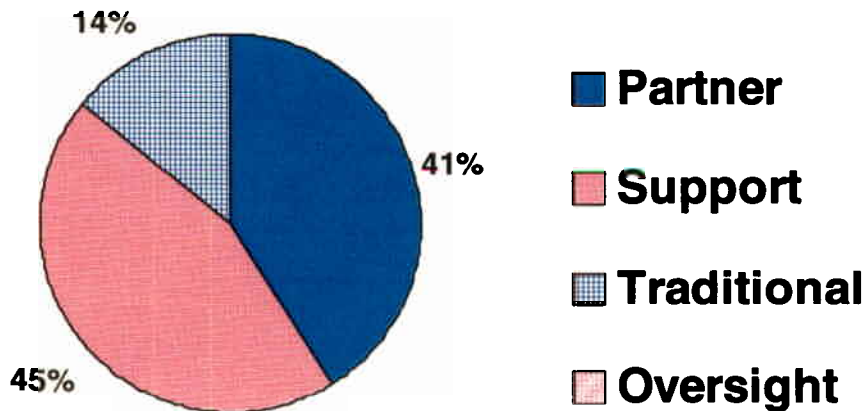
Customers were asked: "Choose one of the following that best describes your organization's relationship with this business line."

The response options included:

<b>Traditional</b> -	They produce and deliver products or services with minimal input from us.
<b>Support</b> -	We give them our requirements; they produce and deliver the products or services.
<b>Partner</b> -	We work together in defining, producing, and delivering products and services.
<b>Oversight</b> -	We provide guidance or direction to this organization about the products or services.

Results are reported in Figure 3.

**Figure 3. Customer View of Organizational Relationship**



- The largest group of customers considers DCAA as a support organization.



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DoD Field Activities**

**DCAA - Contract audit services**

**C. SURVEY FINDINGS**

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**1. Continuing Need for DCAA Products and Services**

A series of five questions addressed the customer organizations' continuing need for these products and services and their availability from alternative sources.

**1a. Continuing Need and Importance**

Two questions assessed continuing need and importance directly:

- *How strong is your organization's continuing need for the products or services in this business line?*
- *How important is this product or service to your organization?*

Figure 4 displays the results.



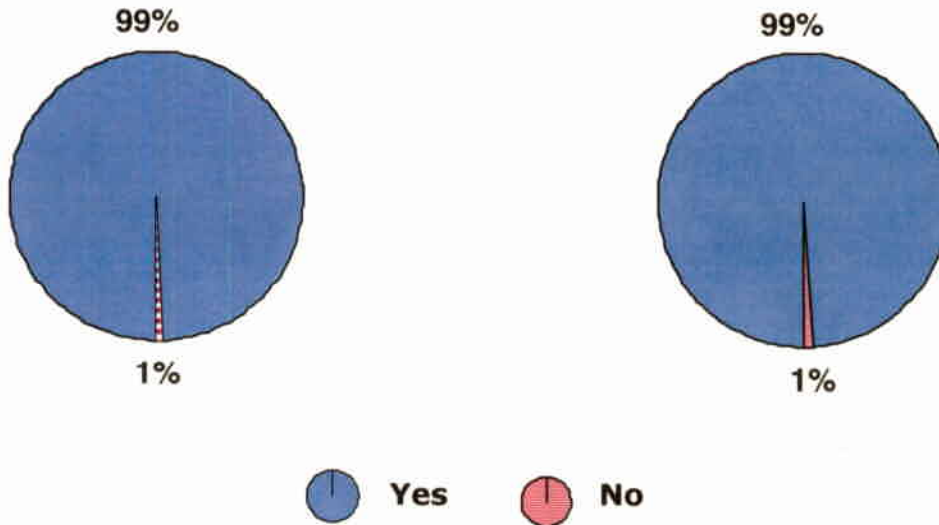
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**DCAA - Contract audit services**

**Figure 4. Continuing Need and Importance**

**Continuing need?**

**Important to organization?**



**Data indicate:**

- A strong majority of Customers see a Continuing need for these products and services.
- DCAA products and services are highly Important to its customers.

**1b. Alternative Sources and Preference for DCAA as a Supplier**

Two questions addressed whether customers have alternative sources for obtaining the products and services:

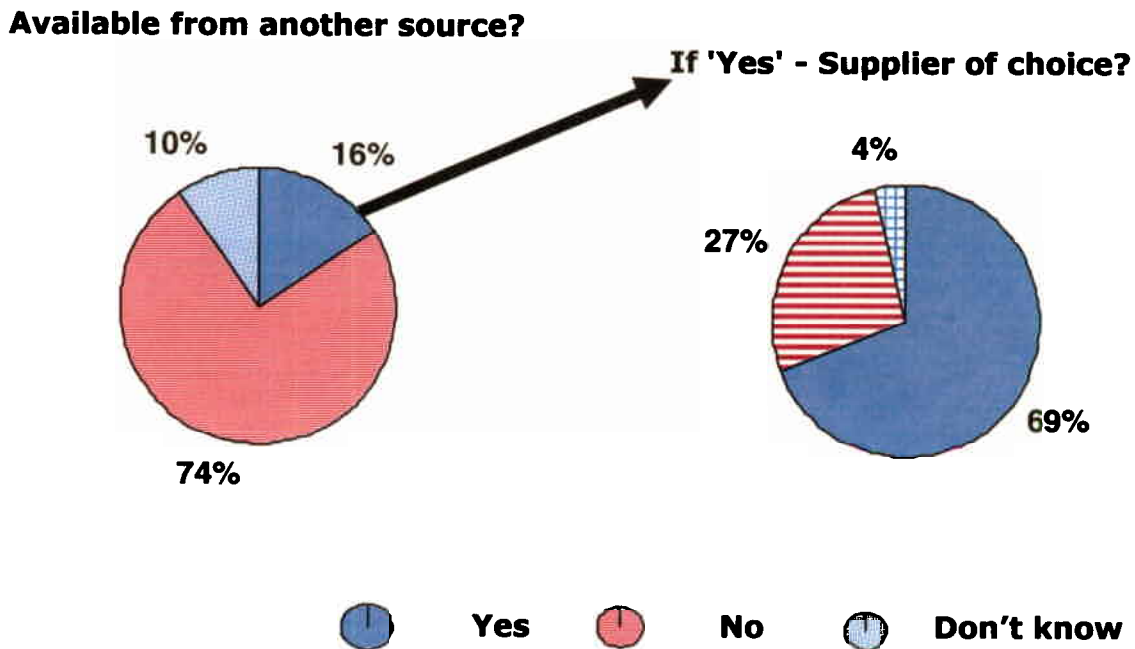
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**DCAA - Contract audit services**

- Are these products and services available from another source?
- If these products and services are available elsewhere, is this agency/ activity your supplier of choice?

Figure 5 displays the percentage of customers who believe the products and services are available elsewhere, and whether DCAA is the preferred supplier of these products and services.

**Figure 5. Alternative Sources and Preference for DCAA as a Supplier of Choice**



**Data indicate:**

- Of the 16% of customers who reported there are alternative sources for these products and services, 69% indicated that DCAA is the preferred supplier.

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**DCAA - Contract audit services**

**1c. Military Customers Providing Products and Services for Themselves**

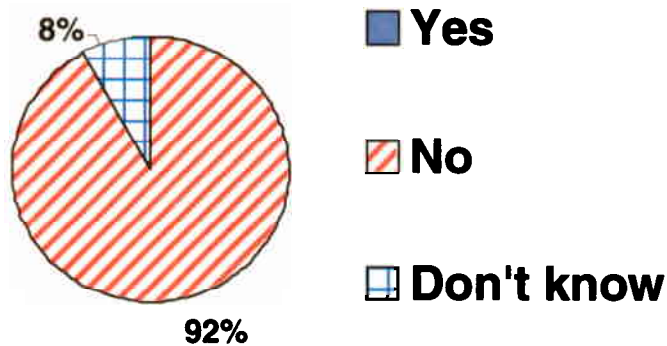
The survey included one additional question related to the Continuing Need issue:

*- Are these products or services something that your organization could do better itself?*

The reported results were limited to Military Customers for this question.

Figure 6 displays the results below:

**Figure 6. Could Your Organization Provide the Products/Services Better for Itself?**  
(Military Customers only)



**Data indicate:**

- No Military customers felt their own organization would be better equipped to provide the products and services than DCAA.

**2. Effectiveness, Efficiency, and Economy**

The Biennial Review evaluates Defense Agencies and DoD Field Activities as providers of products and services as an alternative to Military Customers

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**DCAA - Contract audit services**

providing the products and services for themselves. The review addresses the relative Effectiveness, Efficiency, and Economy of the products and services in this business line. Customers answered the question:

*- How satisfied are you with the overall quality of the products and services in this business line?*

The individual measures of quality included the following:

<b><u>Evaluation Category</u></b>	<b><u>Issue</u></b>	<b><u>Definition</u></b>
<b><i>Effectiveness (see 2a)</i></b>	<b><i>Effectiveness</i></b>	<i>Meets Requirements</i>
<b><i>Effectiveness (see 2a)</i></b>	<b><i>Quality</i></b>	<i>Free of Defects</i>
<b><i>Efficiency (see 2b)</i></b>	<b><i>Efficiency</i></b>	<i>Ease of Use</i>
<b><i>Efficiency (see 2b)</i></b>	<b><i>Timeliness</i></b>	<i>Available When Needed</i>
<b><i>Economy (see 2c)</i></b>	<b><i>Cost Effectiveness</i></b>	<i>Good Value</i>

**2a. Effectiveness**

Effectiveness was measured by satisfaction with two aspects of quality:

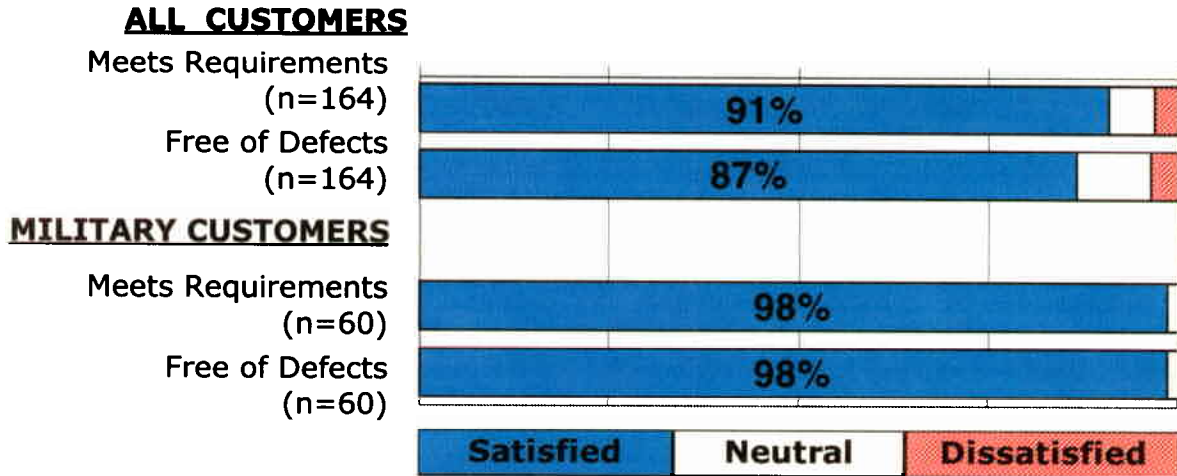
<b><i>Effectiveness -</i></b>	<i>Meets Requirements</i>
<b><i>Quality -</i></b>	<i>Free of Defects</i>

Results are reported in Figure 7. The satisfaction ratings for all customers are reported first, followed by a breakout of military customers.

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**DCAA - Contract audit services**

**Figure 7. Effectiveness Ratings**



**Data indicate:**

- Overall, customers reported high satisfaction with Effectiveness and high satisfaction with Quality.
- Military customers indicated high satisfaction with Effectiveness and high satisfaction with Quality.

**2b. Efficiency**

Efficiency was measured by satisfaction with these two aspects of quality:

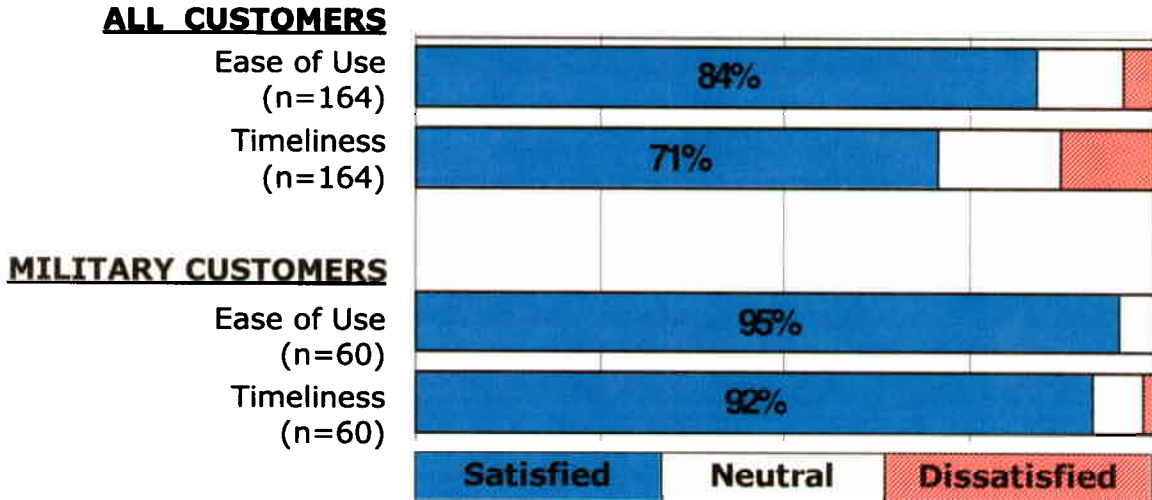
<b>Efficiency -</b>	<i>Ease of Use</i>
<b>Timeliness -</b>	<i>Available When Needed</i>

Results are reported in Figure 8.

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**DCAA - Contract audit services**

**Figure 8. Efficiency Ratings**



**Data indicate:**

- Overall, customers indicated high satisfaction with Ease of use and satisfaction with Timeliness.
- Military customers showed high satisfaction with Ease of use and high satisfaction with Timeliness.

**2c. Economy**

Economy was measured by satisfaction with this aspect of quality:

**Cost effectiveness - Good Value**

In order to appropriately measure cost effectiveness, customers were presented with the following two questions:

- *Does your organization pay for the products or services received from this business line?*
- *Does your organization influence the level of funding for this business line?*

Only customers who answered yes to either of these two questions were included in the results for the cost effectiveness of DCAA's products and

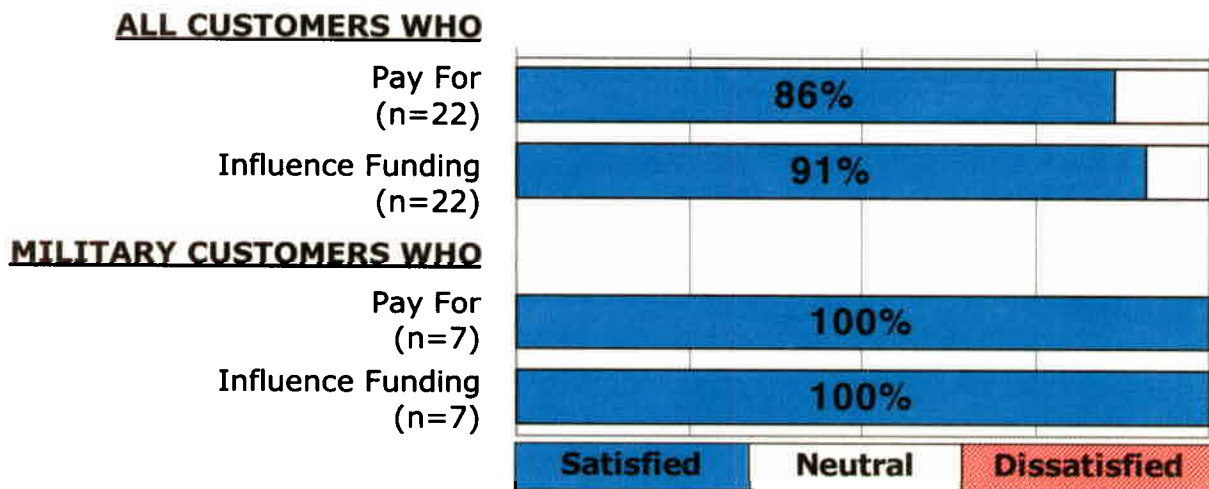


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services (see Figure 9). In addition to reporting military customers separately, satisfaction ratings are broken out for customers paying for products and services, and customers who influence the business line’s level of funding.

**Figure 9. Economy Ratings - Cost Effective**



**Data indicate:**

- Customers who pay for the products and services reported high satisfaction with Cost Effectiveness and/or customers who influence funding indicated high satisfaction with Cost Effectiveness.
- Military Customers who pay for the products and services reported high satisfaction with Cost Effectiveness and/or who influence funding indicated high satisfaction with Cost Effectiveness.

**3. Performance Standards**

Customer knowledge of the agency’s performance standards was evaluated using the following questions:

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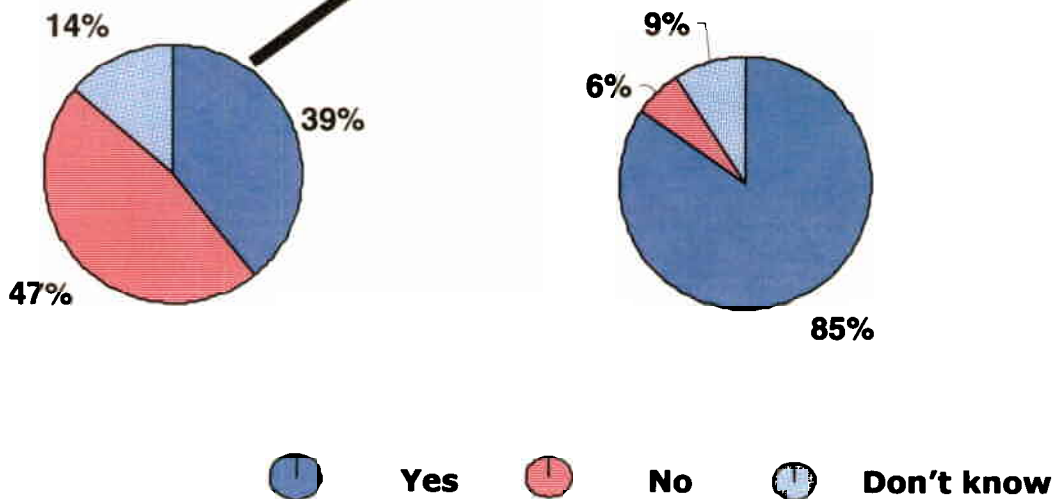
- Are you aware of performance standards this agency or activity has for this business line?  
- If Yes, have the performance standards been met?

Results are reported in Figure 10.

**Figure 10. Performance Standards**

**Aware of Performance Standards?**

**If 'Yes' - Standards Met?**



**Data indicate:**

- Of the 39% of customers who indicated they are aware of DCAA performance standards, 85% indicated that the performance standards have been met.

**4. Responsiveness to Customer Organizations**

Satisfaction with the agency's responsiveness to the needs of customer organizations was measured by asking the following question:



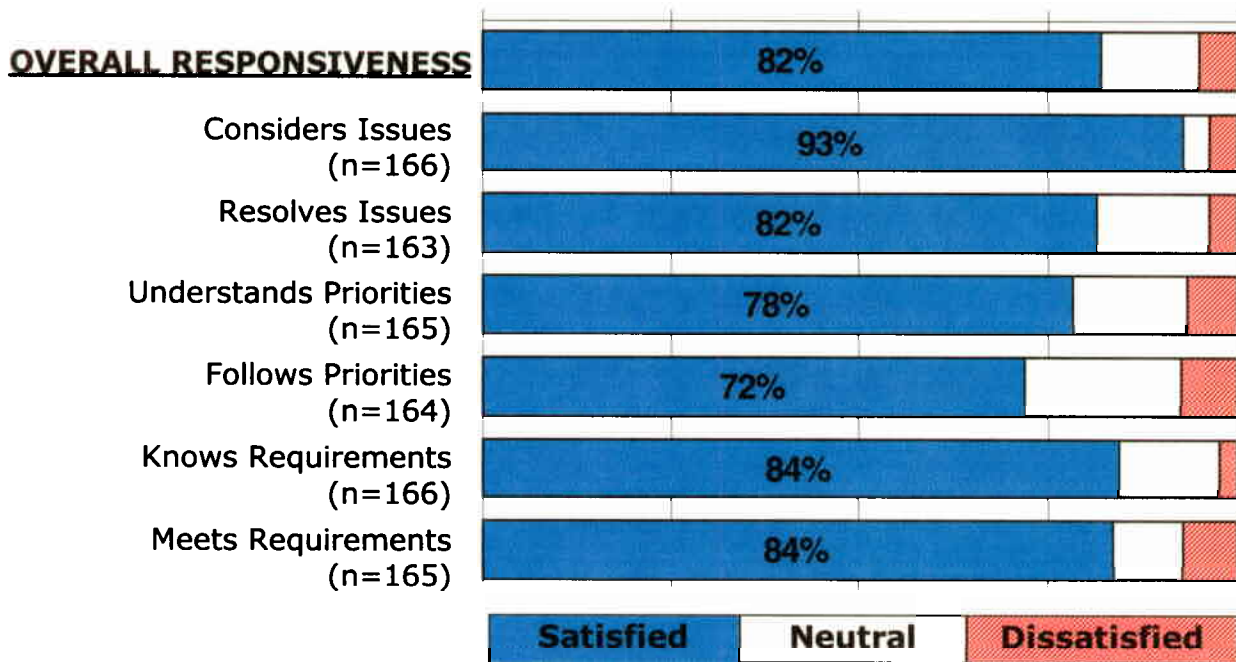
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- *How satisfied are you with how the agency or activity responds in providing products and services in this business line?*

Six specific aspects of customer responsiveness are rated in response to this question. Results for overall responsiveness (the aggregate level of satisfaction), in addition to each individual measure, are reported in Figure 11.

**Figure 11. Responsiveness**



**Data indicate:**

- Overall, customers rate DCAA Responsiveness high.
- Of the individual measures of responsiveness, specific aspects receiving high ratings include Considers Issues, Resolves Issues, Understands Priorities, Knows Requirements, and Meets Requirements, while no specific aspects receive low satisfaction ratings.

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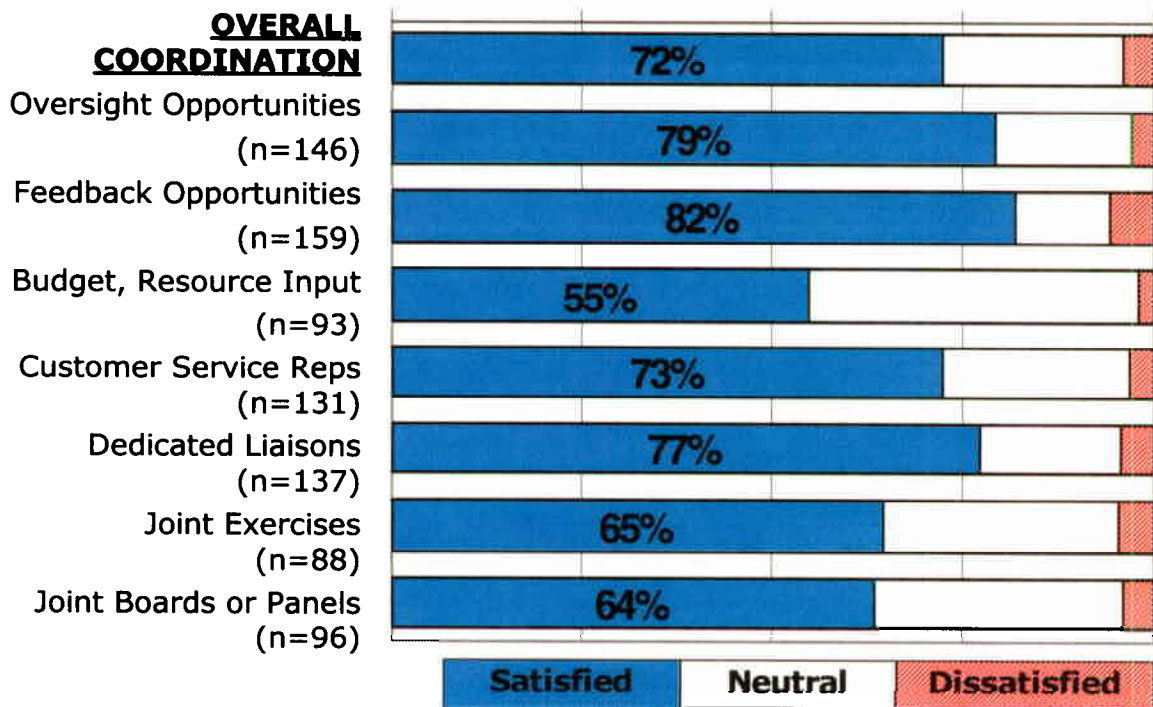
**5. Coordination with Customer Organizations**

Satisfaction with the agency’s coordination with customer organizations was measured by asking the following question:

*- How satisfied are you with how the agency or activity coordinates with your organization?*

Seven coordination activities were rated in response to this question. Results for overall coordination (the aggregate level of satisfaction), in addition to each individual measure, are reported in Figure 12.

**Figure 12. Coordination Activities**



**Data indicate:**

- Customers rate overall satisfaction with DCAA's Coordination acceptable.
- Of the individual measures of coordination, Oversight Opportunities, Feedback Opportunities, and Dedicated Liaisons

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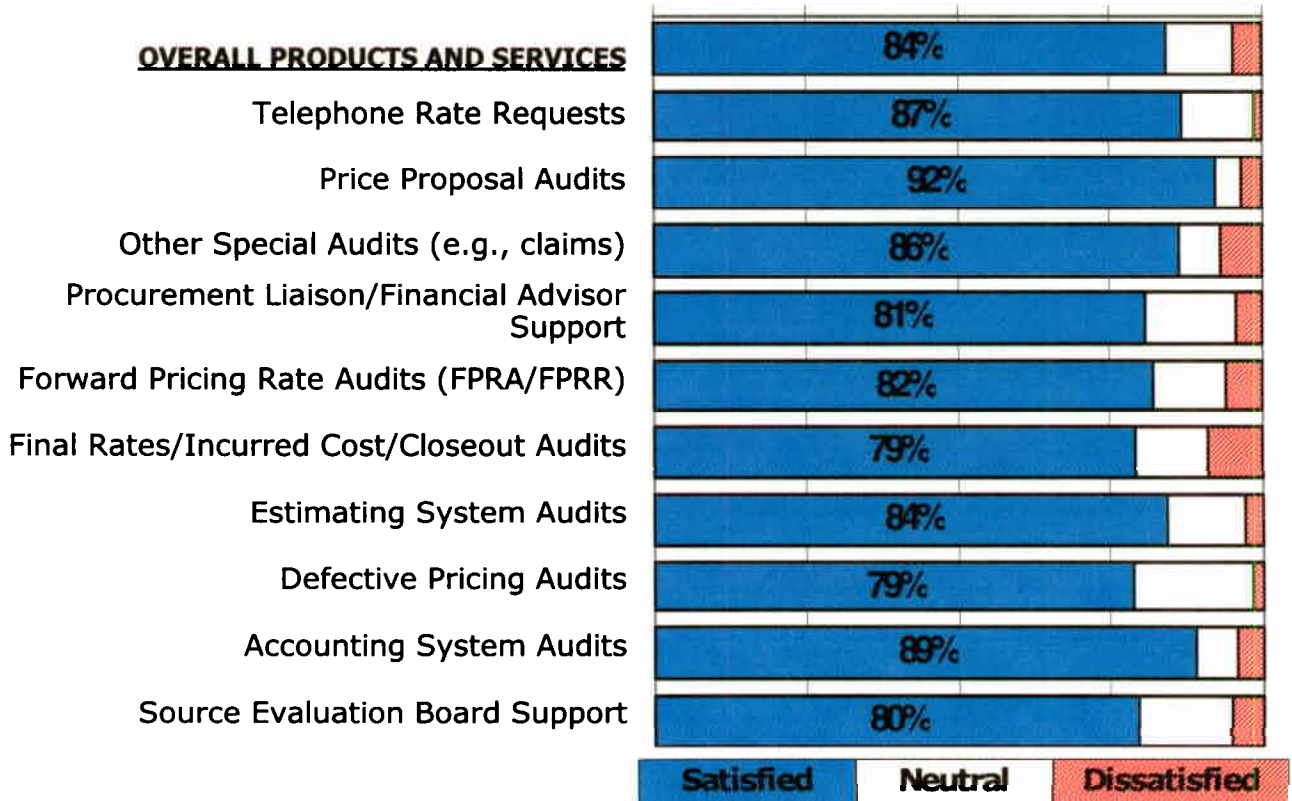
were rated at high levels of satisfaction.

- No specific Coordination activities are rated at low levels of satisfaction.

**6. Satisfaction Ratings of Specific Products and Services**

Customers were asked to rate their satisfaction with the specific products and services provided in this business line. Satisfaction ratings are reported below in Figure 13, while the number of customers rating each product and/or service is reported in Table 1.

**Figure 13. Satisfaction with Products and Services**



**Data indicate:**

- Overall customers give DCAA Products and Services in this business line high satisfaction ratings.

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- Of the specific products and services, all received high satisfaction ratings.

**Table 1. Number of Customers Rating Each Product or Service**

Telephone Rate Requests	(n=83)
Price Proposal Audits	(n=146)
Other Special Audits (e.g., claims)	(n=131)
Procurement Liaison/Financial Advisor Support	(n=114)
Forward Pricing Rate Audits (FPRA/FPRR)	(n=133)
Final Rates/Incurred Cost/Closeout Audits	(n=144)
Estimating System Audits	(n=127)
Defective Pricing Audits	(n=113)
Accounting System Audits	(n=143)
Source Evaluation Board Support	(n=79)

## **7. Performance Trends**

The use of a standard performance measurement process allows the computation of performance trends across Biennial Reviews. Data are reported in this section when a business line remained essentially the same from 2001-2002 to 2003-2004. Reports are based on having sufficient data for both years. Results are reported in Table 2.

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**Table 2. Performance Trends  
2001-2002 versus 2003-2004**

<b>Category</b>	<b>2001-2002</b>	<b>2003-2004</b>	<b>Change</b>
Continuing Need/Importance	97%	99%	Increase
Continuing Need (% Yes)	96%	99%	Increase
Importance (% Yes)	97%	99%	Increase
Combined Performance Measure	85%	81%	NSS
Overall Quality (Economy, Effectiveness, & Efficiency) (% Satisfied)	91%	84%	Decrease
Responsiveness to Customers (% Satisfied)	86%	82%	NSS
Product/Service Satisfaction (% Satisfied)	87%	84%	NSS
Coordination with Customers (% Satisfied)	77%	72%	NSS
Number of Completed Surveys	122	168	
Response Rate	61%	70%	Increase
Address error Rate	12%	2%	Decrease

All percentages reported increase as performance increases. Only changes significant at  $p < .05$  are noted. NSS indicates the difference is not statistically significant, i.e., the difference is more likely due to chance variation than to a real difference between Biennial Review surveys. The number of responses and how close the 2003-2004 value is to 50% are both combined to calculate significance, so the same percentage difference will count as a change in some situations, but will be labeled NSS in others. Comparison values used for trend analysis came from Table 2 in the corresponding business line report for the 2001-2002 Biennial Review.

## **8. Comments and Explanations**



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At the end of the survey, customers had the opportunity to make written comments on specific topics or to elaborate on earlier answers. Specific comments are shared with the Director of DCAA after they are edited to preserve the anonymity of customers not wishing to be identified. A summary of the comments is provided below:

**Customer organization's ability to provide the business line for itself (n=16):**

- Several customers stated that given proper budgetary and staffing resources, their organizations would be able to provide certain DCAA services themselves (examples included audits, pricing, and financial analysis.)
- A few customers noted that while their organization employs pricing specialists, the services received from DCAA are invaluable.

**Customer organization's ability to provide the business line for all of DoD (n=13):**

- A few customers stated that DCMA is in a better position to provide some of the services currently handled by DCAA to all of DoD, such as financial analysis, contract management services and financial pre-award surveys.
- A number of customers stated their organization could not provide these products and services to all of DoD.

**Elaboration on any "very dissatisfied" answers (n=15):**

- Several customers stated that the timeliness of audits and report delivery is problematic. Customers also indicated that DCAA should do more to communicate with their customers and accommodate their customers' needs.

**Specific suggestions for improving particular products or services (n=36):**

- Many customers stated that DCAA's audit reports are based on boilerplate information, and do little to address specific customer issues and needs. Respondents suggested that DCAA improve communication with their customers and provide auditors with

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greater flexibility when writing reports, in order to tailor these reports to individual customers.

- Several customers felt the review cycle negatively impacted the timeliness of reporting. Customers suggested that DCAA focus effort on speeding up report production.
- Some customers requested expansion of DCAA's services, including increased support from Financial Advisors and more joint initiatives.

**Related products or services customers would like provided in this business line (n=12):**

- Some customers commented on the format of DCAA products; one customer asked that DCAA begin issuing Form 1s, while a second customer suggested that audit spreadsheets should be provided in the same format as the contractor proposal. Customers also requested additional forms of analysis, including claims analysis and financial analysis with a focus on the increased competitive/source selection process.
- One customer requested the appointment of an on-site Financial Advisor, while a second customer requested DCAA provide more advisors in the field.

**Other comments/strengths and weaknesses noted (n=53):**

- Many customers expressed satisfaction with DCAA's customer service. These respondents indicated that DCAA employees are generally very helpful and supportive. Several customers noted the placement of on-site Financial Advisors has been very beneficial to their organization.
- As mentioned previously, the most frequent complaints among DCAA customers were the timeliness with which DCAA products and services are provided, and the difficulties encountered in using DCAA reports.

**D. CONCLUSIONS**

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For the 2003-2004 Biennial Review, the evaluation of this DCAA business line is based on a strong number of customer responses. The response rate is

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above average and shows a significant increase from the 2001-2002 Biennial Review. The address error rate is well below the average for business lines in the 2003-2004 Biennial Review and shows a significant decrease from the 2001-2002 Biennial Review. The largest group of the customers responding is the Other Defense Department customer group. Half of those responding indicate that they are in a Command role in their own organization. Nearly equal numbers of customers see DCAA in a Support role to their organization as feel they are a Partner with DCAA for this business line, with the two groups together accounting for most customers responding. The findings show this to be a business line that nearly all customers feel meets a Continuing Need and is Important to their organizations. Both do show a significant increase from the 2001-2002 Biennial Review. A few of the customers indicate that these products and services are available elsewhere. Two fifths of the customers are aware of performance standards. No Military customers indicate their own organizations could provide these products and services better for themselves. Ratings of Overall Quality (Effectiveness, Efficiency, and Economy), Responsiveness, and Product and Service Satisfaction fall in the high range. Coordination falls in the acceptable range. Overall Quality (Effectiveness, Efficiency, and Economy) shows a significant decrease from the 2001-2002 Biennial Review. Some comments indicated concern about communications with customers, timeliness, and report formats, but a large number of customers commented on their satisfaction with DCAA customer service.





**DEFENSE CONTRACT AUDIT AGENCY  
DEPARTMENT OF DEFENSE  
8725 JOHN J. KINGMAN ROAD, SUITE 2135  
PORT BELVOIR, VA 22060-6219**

**OFFICE OF THE DIRECTOR**

December 21, 2004

**MEMORANDUM FOR DIRECTOR, ORGANIZATIONAL AND MANAGEMENT  
PLANNING, OFFICE OF THE DIRECTOR OF  
ADMINISTRATION AND MANAGEMENT, OFFICE OF THE  
SECRETARY OF DEFENSE**

**SUBJECT: Biennial Review of Defense Agencies and DoD Field Activities**

As requested in your August 4, 2004 memorandum, we reviewed the 2003-2004 Biennial Review Findings Report for the Defense Contract Audit Agency (DCAA) attached to your memorandum, and determined that DCAA's Military Customers were not included in the initial survey conducted. As a result, WESTAT extended the survey to obtain feedback from our Military Customers during the month of September 2004, and provided an updated 2003-2004 Biennial Findings Report for our review and comment. The following comments are provided in response to that Report.

We continue to be pleased with excellent customer survey response rate and the high customer satisfaction rating; however, based on the detailed findings and customer comments provided, we recognize that there is room for improvement in the timeliness and quality of DCAA's products and services. I can assure you, and all of DCAA's customers, that we will use the results of this survey to further enhance our contract audit and financial advisory services; increase responsiveness; and contribute to the Department's overall efforts to improve the acquisition process.

In reply to your memorandum, we submit the following comments relating to the specific areas that you requested.

**Initiatives Implemented since the 2001-2002 Biennial Review.**

Since the last biennial review, we have taken a number of actions that we believe contribute to the positive feedback provided in the survey findings. DCAA Regional and Headquarters executives continue to routinely conduct management visits to our customer locations to share DCAA initiatives and to gather feedback on the services DCAA provides. To meet the needs of our customers, we have also continued to enhance the onsite DCAA liaison and financial advisory services at major customer locations. In addition, as we have for the past decade, DCAA continues to use strategic planning as a means to set organizational goals, monitor progress, and achieve results. In particular our Strategic Plan Goal 2 is "to assure customer satisfaction by providing timely and responsive audits and financial services that meet or exceed customer requirements and expectations

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Each year we, as an organization, look for new ways to improve our processes and establish objectives to improve our services. For example, since 2001, we have added six objectives under our Strategic Plan Goal 2 to improve services to our customers. These objectives include initiatives to improve the presentation and resolution of audit findings; increase the number of electronic contractor submissions received; and enhance our incurred cost audit and contract closeout processes. DCAA is also an active participant in the development and application of all e-invoicing products (such as Wide Area Work Flow – (WAWF)) used for electronically approving public vouchers. These are all areas that have been identified by our customers, and we take pride in our ability to act quickly and be responsive to our customers' comments and requests.

*Plans for Addressing Problems or Issues.*

Since receiving the 2003-2004 updated Biennial Review findings report, we have obtained additional survey details from WESTAT over the past two months to assist us in analyzing the results. This additional breakdown of customer information and specific comments from our customers are currently being analyzed and will be used to establish action plans at all organizational levels within DCAA to ensure that customer concerns and suggestions are specifically addressed.

*How the survey findings relate to DCAA's transformation and strategic planning efforts.*

DCAA is a single mission, service-oriented Agency tasked with providing contract audit and financial advisory support throughout the Department of Defense. While the survey results continue to show very strong support from our customers regarding the continuing need for and importance of DCAA's products and services, the customer responses provide valuable feedback regarding the transformation efforts that we have undertaken and the need for DCAA to continue our aggressive program of business process improvements and streamlining of our organizational structure and procedures. DCAA has continually strived to manage its operations to provide the best services at the lowest cost. As in the past, the findings and feedback of this survey will be considered as we identify additional areas and objectives that we will focus on during future updates to our Strategic Plan.

*How the survey relates to the Core Competencies of your organization.*

Section 5 of the survey specifically asked the respondents to rate the nine Specific Products and Contract Audit Services that DCAA provides. This particular section has been included in past surveys conducted by DCAA, and at our request, were included in this and the previous biennial survey. This is an important section of the survey that gives us the greatest insight, by specific type of service, on how well we are meeting our customers' needs. Although we are pleased that the overall product and service rating is 84 percent, this data and the individual ratings for the nine audit areas and narrative comments will be used to determine any specific action or goals that need to be established to address concerns raised by our customers.

**SUBJECT: Biennial Review of Defense Agencies and DoD Field Activities**

*Special Circumstances that should be used in Evaluating the Findings.*


We noted that several elements included in Section 3, "Coordination with Customers," may be adversely affecting our overall coordination rating. Contrary to what is implied by the survey questions, these are areas that our customers do not have direct input or control of due to the source of Agency funding or nature of the activity. The elements we are specifically concerned about are: (a) Budget, Resource Input, (b) Joint Exercises, and (c) Joint Boards or Panels. Our DoD customers do not specifically pay for the services we provide; nor do they have a direct impact on Agency funding. In addition, although DCAA participates with our customers in joint conferences, source selection evaluation boards, and Integrated Product Teams (IPTs), the majority of DCAA auditors seldom participate in Joint Exercises, Boards or Panels due to auditor independence requirements. These are areas that we will further discuss with our customers; but if these items were excluded from the survey results, the overall coordination rating would have been closer to 77 percent instead of 72 percent.

The survey results clearly show that our Army, Air Force and Navy customers consistently rated us much higher than our Other DoD customers. The overall rating for the Military customers was 92 percent, while the Other-DoD customer rating was 78 percent. Our analysis of the survey results and action plans will focus on this significant difference among our customer satisfaction ratings.

*Recommendation for improving the process for the 2005-2006 Biennial Review*

We do not have any specific recommendations at this time for improving the 2005-2006 Biennial Review process; however, some suggestions may be identified as we continue to analyze the survey data and follow through on our action plans.

If you have any questions or comments regarding this matter, please do not hesitate to call me at (703) 767-3200, or Earl J. Newman, Assistant Director, Operations at (703) 767-2236.

  
William H. Reed  
Director