

Jul 09, 2021

Senate Armed Services Committee
Advance Policy Questions for Ms. Kathleen S. Miller
Nominee to be Deputy Under Secretary of Defense (Comptroller)

Department of Defense
OPERATION AND SECURITY REVIEW

Duties and Qualifications

- 1. In your view, what are the duties and functions of the Deputy Under Secretary of Defense (Comptroller) (DUSD(C)) most critical to the national defense at this time?**

The duties and functions of the Deputy Under Secretary of Defense Comptroller are to support the Under Secretary of Defense (Comptroller) as directed, and be prepared to assume the duties of that office as described in Section 135 of Title 10 and in Section 902 of the Chief Financial Officer (CFO) Act, should that ever be necessary.

The most critical duties to national defense at this time are preparing and executing budgets that support the Department's mission and using the financial statement audits to drive improvements in the Department's financial management activities, systems and reports.

- 2. If confirmed, what specific additional duties might you expect the Under Secretary of Defense (Comptroller) to prescribe for you?**

If confirmed, I would partner with the Under Secretary of Defense (Comptroller) to ensure the duties of our office are met. I would work with him to understand the specific duties and areas he would like to assign to me. Specifically, I would expect responsibility for aspects of the financial audit, performance improvement, financial systems oversight, and support of the financial management workforce. I would also expect to be assigned emerging projects and focus areas as mission needs and skill sets dictate.

- 3. If confirmed, specifically what would you do to ensure that your tenure as DUSD(C) fulfills the fundamental requirement for civilian control of the Armed Forces embedded in the U.S. Constitution and other laws?**

Civilian control of the military is a foundational principle of our American democracy and part of the reason our military is so capable and so widely respected, both at home and abroad. If confirmed, I will ensure this principle is adhered to both in departmental and in interagency decisions, and in engagements with the U.S. Congress. This includes ensuring all key budget decisions are made with the full knowledge and agreement of the responsible appointed official.

- 4. If confirmed, what innovative ideas would you consider providing to the Under Secretary of Defense (Comptroller) to enhance the efficiency and performance of the Office of the Under Secretary of Defense (Comptroller) (OUSD(C))?**

I am a team builder with long experience in financial systems and process improvements. If confirmed, I will work with the Under Secretary of Defense Comptroller and the broader comptroller community to identify additional areas for modernization and improvement. Data analytics, artificial intelligence and robotic process automation are areas that could potentially increase productivity and reduce workforce stress.

5. What significant experience and education do you possess in the domains of budget, financial management, and/or the audit of complex organizations?

I have deep roots in the financial management community with over 25 years of experience in the field – 8 of those at the career senior executive level. I have been the Associate CFO for Internal Finance and Acting Deputy CFO at the IRS focused on implementing a new accounting system. That system passed audit in its first year of operation. I have held executive positions in the US Army overseeing budget formulation and execution of working capital, military pay, and operations and maintenance appropriations. I've served as the Acting Director of the Army Budget.

I have excellent and enduring professional relationships with the financial management community and I believe my time as an SES in operational and support assignments provides me with added perspective and managerial experience.

I hold a Bachelor of Science from Cornell University, an MBA from the Defense Comptrollership (then Army Comptrollership) Program at Syracuse University, and a Masters in Strategic Studies from the US Army War College. I have been the President of the American Society of Military Comptrollers and have held certifications in government financial management.

6. Do you believe that there are any steps that you need to take to enhance your ability to perform the duties and execute the powers of the DUSD(C)?

I believe my previous experience and accomplishments will enable me to execute the duties and powers of this position. My career up to this point has been mostly with the Army. If confirmed, I will take steps to familiarize myself with the broader DOD and other Services financial practices, issues and challenges.

Major Challenges and Priorities

7. What are the most significant challenges you would face if confirmed as Deputy Under Secretary of Defense (Comptroller)?

The DUSD(Comptroller) organization faces several challenges, most of which are ongoing in nature. The primary challenge as the DUSD is to assist in developing budgets that are consistent with and support the Department's mission of defending the nation.

The second challenge is the financial audit and using the investment in the audit to drive meaningful change to the department's financial management practices – both increasing transparency and using audit information to drive better business decisions.

The third challenge is identifying and implementing process changes that improve the efficiency and effectiveness of the department and its workforce.

The fourth challenge is developing that workforce. The Department's success with budget, budget execution, financial audit, and process improvements all depend on a dedicated, professional workforce.

8. If confirmed, specifically what management actions would you take, and in what order of priority, to address each of these challenges?

If confirmed, I would work with the Under Secretary of Defense (Comptroller) and other defense leaders to take action on these challenges. Regarding the budget challenges, I would work to understand if any PPBE reform initiatives hold promise to increase the speed, agility or accuracy of our current budget processes.

Regarding the audit challenges, if confirmed, I would assess the current status of the audit and audit plans, and make recommendations, if necessary, to the audit process.

Regarding process improvements, if confirmed, I would work to understand how systems, like Advana, could help drive faster data-informed decision processes. I would also work with other offices in Department of Defense (DoD) to identify and implement process improvements.

Regarding the DoD financial management workforce, if confirmed, I would ask for an assessment of the current workforce and review any existing succession planning documents. I would work to determine, in concert with the Under Secretary of Defense Comptroller, and the Assistant Secretaries for Financial Management and Comptroller, the best path forward to support this critical capability.

Relationships

9. Describe the relationships you would foster, if confirmed as the DUSD(C), with the Military Department Assistant Secretaries for Financial Management and the Military Department and Fourth Estate Budget Directors.

I am a collaborative leader and problem solver. If confirmed, I will work very closely with the Assistant Secretaries for Financial Management of the military departments and the Fourth Estate Budget Directors to solve issues around the development and execution of budgetary matters, fiscal policy, and initiatives of the President and the Secretary of Defense.

10. On what projects would you expect to collaborate with these officials?

If confirmed, I plan to work closely with the Assistant Secretaries and Fourth Estate Budget Directors successfully developing and implementing effective DoD policies and programs. Specifically, I would expect to collaborate on the defense budget, budget execution reviews, reprogramming requests, internal controls, financial audit, and programs developing the financial management workforce.

11. Describe the relationship you would foster, if confirmed as the DUSD(C), with the Director of the Office of Management and Budget.

If confirmed, I intend to establish a collaborative and transparent relationship with the staff of the Office of Management and Budget (OMB) to include the Director, the Deputy Directors for budget and management, and the Program Associate Director for National Security. Where appropriate, I will work in coordination with the Secretary of Defense, Deputy Secretary of Defense, and the Under Secretary of Defense (Comptroller/CFO) to foster teamwork and cooperation with OMB.

12. If confirmed, on what projects would you expect to collaborate with the Director?

If confirmed, I will work with the Secretary, Deputy Secretary, and the Under Secretary of Defense (Comptroller/CFO) to identify key projects between DoD and the Director of the Office of Management and Budget. These projects can include the preparation and execution of the Department's budget, reprogramming requests, the financial audit, federal financial management issues, or legislative requests.

13. If confirmed, what actions would you take to develop and sustain an open, transparent, and productive relationship between Congress—the Senate Armed Services and Senate Appropriations Committees, in particular—and the OUSD(C) and the Defense Agencies subject to your authority, direction, and control?

I have a deep respect for the prerogatives of the Department's oversight committees. In my past positions I have worked closely and productively with the professional staff of these committees. If confirmed, I will continue to build those relationships, working with the Armed Services and Appropriations committees to resolve matters relating to the authorization or appropriation of the Department's activities through open and honest communication.

2018 National Defense Strategy (NDS)

The 2018 NDS outlines that the United States faces a rising China, an aggressive Russia, and the continued threat from rogue regimes and global terrorism.

14. Are the programs and resources required to generate the capabilities necessary to implement the NDS properly prioritized in the Department of Defense (DoD) budget?

As the Secretary of Defense has consistently stated, the President's budget request represents his commitment to matching resources to strategy, strategy to policy and policy to the will of the American people. If confirmed, I will work with the Secretary, the Deputy Secretary, and the Comptroller to ensure all programs and resources are properly prioritized to support the President's strategy and manage advanced and persistent threats.

15. Are there areas in which the budget is not aligned with the NDS?

It is my understanding that the FY 2022 budget is aligned with the President's Interim National Security Strategic Guidance. If confirmed, I will work to ensure the alignment of the budget with the President's strategy and any new strategic guidance documents produced by the Administration.

16. If confirmed, how would you realign or refocus DoD programs and funding, if at all?

It is my understanding that the Department has initiated a National Defense Strategy review to ensure DoD's strategic priorities are properly aligned to the President's interim National Security Strategic Guidance. If confirmed, I intend to play an active role in the review and implementation of any necessary realignment of DoD resources.

17. Are we properly resourcing those capabilities that have been established since the release of the 2018 NDS (e.g., the U.S. Space Force)?

It is my understanding that the FY 2022 budget is aligned with the President's Interim National Security Strategic Guidance, which speaks to investments in emerging technologies, ensuring the security of space activities, and other capabilities to counter the pacing threat of China and other nation states. If confirmed, I will work with the Secretary, Deputy Secretary, and Comptroller to ensure proper resourcing of the capabilities that will determine our military and national security advantage in the future.

18. If confirmed, what revisions or adjustments would you recommend to the USD(C) regarding DoD's resourcing and implementation of the 2018 NDS?

If confirmed, I intend to work closely with the Comptroller in reviewing and recommending any necessary resource revisions or adjustments required to implement the President's strategy.

In its 2018 report, the National Defense Strategy Commission recommended that Congress increase the base defense budget at an average rate of three to five percent above inflation through the Future Years Defense Program (FYDP).

19. Do you believe that 3-5% real budgetary growth through the FYDP is required to implement the 2018 NDS effectively? Please explain your answer.

As the commission stated, that resource level was illustrative of what was needed for the 2018 NDS. Secretary Austin is required by law to update that strategy in the coming months. Under any resourcing level, the Department must balance readiness, force structure, and modernization while pursuing savings through critical reviews of ongoing missions and activities, and the phasing out of systems and approaches developed for an earlier era. If confirmed, I will work with the Comptroller to prioritize the Department's resources to both realize the strategic aims of the Department as identified in Secretary Austin's review, and ensure the nation has the military technologies and capabilities to compete and win.

20. Under the funding levels specified in the President's budget request for Fiscal Year (FY) 2022, does DoD have adequate resources to implement the 2018 NDS and other national defense priorities? Please explain your answer.

I understand the budget request for FY 2022 matches resources to the key enabling strategies in the President's Interim National Security Strategic Guidance. Given this strategic focus and based on the Secretary and the Chairman's testimony and my initial review of the President's Budget materials, I believe the Department can carry out its missions with a properly balanced program at the announced funding levels absent any unforeseen new missions.

If confirmed, I will work with the Secretary, Deputy Secretary, and Comptroller to ensure future budgets clearly align with the President's National Security priorities and provide the resources our fighting men and women need to deter conflict and strengthen our competitive military edge.

21. Looking forward, what types of resource shortfalls are likely to hamper DoD's execution of the 2018 NDS and other national defense priorities, in your view? How would you address or mitigate these shortfalls, if confirmed?

Balancing investments to achieve a ready joint force requires trade-offs between modernization, readiness, and structure and often it is difficult to get those trade-offs exactly right in the face of a changing threat environment. Fortunately, the reprogramming process, worked collaboratively with the congressional defense committees, allows adjustments to the budget for unforeseen events in the year of execution. This flexibility is a very important part of fine-tuning resource prioritization since fiscal constraints will always be in play. If confirmed, I pledge to stay abreast of the changing operational environment and suggest ways to fiscally re-balance as conditions change.

22. In your opinion, in what areas of the implementation of the 2018 NDS is the Department taking the most risk in terms of resources allocated?

I have not participated in a risk review of the current budget against the 2018 NDS. If confirmed, I will work with other senior DoD leaders to review the allocation of resources to help the Secretary, the Deputy Secretary, and the Comptroller ensure that resources are matched to strategic national priorities and will work with Congress to identify and mitigate risk.

23. If confirmed, by what standards would you measure the adequacy of DoD funding going forward?

If confirmed, I would measure the adequacy of the Department's funding by our ability to defend this nation – to execute our chosen strategy, maintain the nation's technological edge, preserve the health of the joint force, and provide options to the President that support his foreign policy and national defense goals.

Post-Budget Control Act and the Overseas Contingency Operations (OCO) Account

The FY 2022 budget request is the first to be unconstrained by the statutory caps of the Budget Control Act (BCA) of 2011. The use of the Overseas Contingency Operations (OCO) account has been debated for several years, primarily because OCO dollars were exempt from the caps of the BCA and some charged that DoD was using OCO as a “slush fund” for base budget requirements. The FY 2022 budget request does not include OCO, but rather includes such funds in the base budget as Direct War and Enduring Costs.

24. What are your views about the use of the OCO account in the Department of Defense's annual budgeting?

It is imperative that adequate resources are available to support U.S. troops deployed to combat or combat support locations around the world. The Overseas Contingency Operations (OCO) budget has been a useful tool for the Department of Defense, and the Congress, to provide this critical funding in a transparent manner.

25. Should DoD continue to use the OCO account?

As announced in the President's Budget, the FY 2022 request discontinues requests for OCO as a separate funding category and funds direct war and enduring operations costs in the DoD base budget. I believe that this is appropriate, assuming an appropriate transfer of funding for enduring programs into the base budget. With the drawdown in troops from Afghanistan, the vast majority of remaining efforts will be enduring requirements and should fold into the base budget for better long-term planning.

26. How should the Department seek to account for its supplemental or emergency budgetary needs and how should the Department identify and account for conflict-related funding?

It is important that the DoD retain budget flexibility to deal with unforeseen or emergent needs, especially given the uncertainty of world events. If confirmed, I will work with the Comptroller, the Office of Management and Budget, and the congressional oversight committees to ensure that we have adequate funding tools to support U.S. troops and DoD missions worldwide.

27. In addition to passing spending bills on time, what more can Congress do, in your view, to afford DoD the resource stability and flexibility it needs?

Beyond the significant budgetary challenges that repeated and lengthy continuing resolutions create for the Department, timely congressional review and approval of reprogramming requests and funding notifications is critical to the Department's operations. In addition, it is important that the Congress provides an adequate level of general transfer authority, especially with the elimination of the OCO account and the likely elimination of the special transfer authority. This transfer authority provides critical budget flexibility to deal with emergent needs without requiring additional resources.

Anti-deficiency Act

Each year, the Government Accountability Office (GAO) submits to Congress a compilation of Anti-deficiency Act (ADA) reports submitted by federal agencies for the previous fiscal year. The ADA prohibits federal agencies from obligating or expending federal funds in advance or in excess of an appropriation, and from accepting voluntary services.

28. What is your level of confidence that DoD has in place the policies and procedures necessary to ensure the identification of all potential ADA violations?

I am aware that ADA violations are discussed in the Department's Independent Auditors' Report on the Department of Defense FY 2020 and FY 2019 Basic Financial Statements. I am confident that DoD has adequate policies and procedures to ensure the defense agencies and military departments prevent and detect potential ADA violations. If confirmed, I will review these policies and procedures and, if necessary, suggest corrective actions.

29. What are your ideas for better preventing ADA violations from occurring in DoD and for identifying and correcting them sooner?

If confirmed, I will review the Department's existing ADA training, reporting process, and history with an eye to improving our compliance. I will ensure Comptroller training in the Department includes a full understanding of the ADA and that this be a focus area during annual reviews and financial manager training, with an emphasis on promptly and accurately recording obligations.

Financial Management

Earlier this year, GAO again designated DoD's business systems modernization program and DoD Financial Management operations as "high risk."

30. In your view, what are the main challenges and most significant opportunities for improving the usage of financial data in decision-making?

While there are some challenges, there are many opportunities to improve the use of business data for decision-making. If confirmed, I will continue to leverage the financial statement audit to improve the quality, timeliness, reliability, and completeness of DoD's authoritative transactional business data. In addition, I will be a champion of Advana, the DoD's enterprise data management and analytics platform, which uses audited transactional data to answer senior-leader questions and improve performance. I believe it is the responsibility of all DoD leaders to treat data as a strategic asset and manage, secure, and use data to improve DoD operations.

Acquisition Reform

Congress has enacted significant reform of the defense acquisition enterprise, to include establishing and expanding authorities related to special acquisition pathways and the use of streamlined acquisition methodologies.

31. If confirmed, what changes would you make to financial management regulations to afford financial management, comptroller, and acquisition personnel the flexibility required to support novel acquisition approaches and to take advantage of emerging technologies and responding to emerging threats in a timely fashion?

In many cases, the budget process is neutral with respect to what type of contracting vehicle or process is used given the current appropriation structures. If confirmed, I will work with the Comptroller and the Under Secretary for Acquisition and Sustainment and other key stakeholders to ensure the financial management regulations are updated to enable any specific permissions or flexibilities afforded the Department and to look for opportunities for additional innovations or improvements to take advantage of emerging technologies and to address emerging threats.

Audit

2020 was the 30th anniversary of the passage of the Chief Financial Officer's Act, which mandated that federal agencies complete financial audits. DoD is the only federal agency unable to complete a financial audit in accordance with the law, despite having invested billions of dollars over the past decades to do so. In FY 2020, DoD completed a comprehensive audit and received a Disclaimer of Opinion.

32. In your view, how, if at all, do the audit and its remediation activities support the 2018 NDS?

The audit and its remediation activities highlight and validate areas for improvement in DoD's internal controls and processes. As the DoD remediates audit findings and improves its overall financial management processes and information, decision makers will have better access to reliable and timely information. If confirmed, I will work with senior leaders in the DoD to use one source of financial data for both financial statement preparation and investment decision making. This will emphasize the importance of reliable financial information and will directly link performance and financial management.

33. What challenges are unique to conducting an audit of DoD?

The size and complexity of DoD affects the timeliness in which we are able to get to a clean audit opinion. DoD is larger, in terms of assets and resources, than any organization which has gotten a clean audit opinion. The Department's mix of classified and unclassified transactions and multiplicity of "feeder" systems that contain information auditors need to verify add to the complexity.

34. If confirmed, how do you plan to overcome those challenges to ensure that the Department continues to make demonstrable progress towards a clean audit opinion?

If confirmed, I will review and assess the results of the past audits and the audit roadmaps with the Comptroller and the Assistant Secretaries of the Services. I will use the notices of findings and recommendations (NFRs) to collaborate and prioritize improvements and track timely implementation of corrective action plans across the Department.

35. In what year do you expect the Department to receive a modified audit opinion?

I am not yet familiar with the Department's roadmap to a modified opinion. If confirmed, I look forward to understanding the roadmap and building on the hard work and progress achieved to date.

36. What metrics should the Congress be tracking to monitor the continuous progress of the Department towards achieving an unmodified audit opinion?

Congress can track the following metrics to monitor progress toward DoD achieving an unmodified opinion:

- Resolution or downgrade of prior year material weaknesses.
- Closure of notices of findings and recommendations (NFRs) identified as contributing to material weaknesses.
- Composition of NFRs by Component in regards to new versus reissued.
- Status of Component audit opinion progression on a year-over-year basis

37. If confirmed, would you recommend to the Under Secretary that he direct the Military Services, Defense Agencies, and Field Activities to develop their own individual schedules for achieving a clean audit for their own organizations and metrics to track their progress towards that goal? Please explain your answer.

I understand that each reporting entity under standalone audit with a disclaimer audit opinion is maintaining an audit roadmap. Each audit roadmap details corrective action completion dates by fiscal year and financial statement line item or audit focus area. If confirmed, I will continue to utilize these roadmaps to track progress by Component toward significant milestones and hold the appropriate individuals accountable for the achievement of these milestones in a timely manner.

38. If confirmed, what role would you play in reviewing, analyzing, and acting on the data collected through the application of such metrics?

If confirmed, I expect to play an active role in assessing the data structures and metrics, both directly related to the audit, and throughout the Comptroller's area of responsibility. I will collaborate with Department leaders to identify metrics that are most vital to supporting warfighters and place a premium on translating data collected into actionable insights for both financial management and military leaders.

39. In your view, what incentives need to be in place to ensure senior leaders—not only the financial management community—are fully invested and engaged in the process of achieving a clean audit opinion?

I am aware of recently released departmental guidance on audit remediation incentives and of the audit performance elements used in Senior Executive performance plans. I am not aware of other tools currently in use in the Department or how effective they are. Should I be confirmed, I would make it a priority to examine these options and provide my recommendations.

40. Are those incentives currently in place?

Yes, Senior Executive Performance plans require an element on the audit. USD Comptroller recently established an audit incentive framework as required by Section 1004(a) of the 2021 NDAA. Those incentives are in place. If confirmed, I will make it a priority to assess their effectiveness.

41. What disincentives or structural impediments, if any, preclude or hamper such senior leader engagement, in your view, and what can be done to eliminate such impediments?

The complexity of the Department creates many challenges for implementing change. GAO continues to cite Weapons System Acquisition, Financial Management, Business Systems, and Business Transformation in their high risk report. Each of these areas are integral to the audit. The risk inherent now in these activities could be a source of structural impediment. If confirmed, I will work with other leaders to

review the high risk areas in concert with the audit material weaknesses for impediments to senior leader engagement.

42. Specifically, what measures should be used to hold senior leaders accountable if they do not meet statutory deadlines for DoD auditability?

Audit metrics tracking audit opinion progression are well understood in the financial community, but not well understood outside that community. If confirmed, I will look into measures, such as reductions in prior year unobligated balances that both show progress toward our audit goals and give actionable information to our operational leaders.

Some commentators have asserted that efforts to achieve a clean audit opinion on DoD financial statements may be not be the best use of limited resources in a time of constrained budgets.

43. Do you agree with this assertion? Please explain your answer.

The value of the audit is not so much in DoD being able to say it has a clean audit opinion, but in the audit recommendations that bring insight into how the Department can improve its operations. The audit can improve the Department's operations on many levels – in the form of more reliable information for decision-making, improved inventory management, and cybersecurity. With time, I expect that the value and contributions that flow from the audit will grow.

The Planning, Programming, Budgeting, and Execution (PPBE) Process

In 1961, then-Secretary of Defense Robert McNamara created the framework of the current PPBE process. As the core decision making process by which DoD decides how and on what it spends its money, the PPBE process —still in effect today—is intended to connect strategic objectives with resources.

44. Do you believe the current PPBE process is adequately connected to implementation of the 2018 NDS?

PPBE, if implemented as envisioned, allows for a strategy driven and structured approach to ultimately building a budget that aligns with the Department's strategy. If confirmed, I will work closely with the Comptroller to ensure the OUSD(C) continually emphasizes and assesses alignment with the President's NDS throughout the PPBE interactions.

45. In your view, do the DoD Components (particularly OSD) have the human and automated analytic decision support capability and capacity to facilitate informed strategic decision making in a relevant timeframe?

DoD has a very experienced, dedicated workforce capable of facilitating informed strategic decision making. If confirmed, I will make it a priority to ensure we are leveraging both the skills and missions to promote the use of data and analytics to improve and accelerate the decision making process across the Department

46. If confirmed, what changes would you recommend, if any, to the PPBE process to improve both resourcing decisions within DoD and information flow about those decisions to the Congress?

If confirmed, I will work in partnership with the Deputy Secretary, the Comptroller, and other Department leaders to ensure that the PPBE process aligns resources to the defense strategy. This includes identifying analytically-informed strategic choices about the size and shape of the future force. Communication with Congress is critical to ensuring our nation's defense needs are met. If confirmed, I will review the Department's communication process on budgetary decisions with the intent to ensure information flow to the Congress is both timely and effective.

47. In your view, is there value in the Department, the Congress, or an independent commission conducting a holistic review and reform of the PPBE process? Please explain your answer.

The PPBE process provides an effective, neutral, and open framework to allow the leadership of the Department to make well-informed choices about resource allocation in support of the Department's strategic priorities. I am committed to ensuring this process works effectively and, if confirmed, will seek to make any necessary adjustments to meet the nation's defense needs. I would look forward, if confirmed, to working with the congressional defense committees or others to review the PPBE process for potential improvements.

Some commentators have observed that in matters related to the realignment of strategic objectives with resources via the PPBE process, DoD's size, structure, and culture favor the "status quo."

48. Do you agree with this assessment? Please explain your answer.

The PPBE process requires rigorous analysis and review in support of major program decisions, which may require time to accomplish. However, over time the Department can shift resources toward strategic ends. Just as important as change management is within DoD, the Department must also closely work with Congress to gain support for the proposed strategic shifts in resources. The appearance of favoring the status quo is a general reaction to change not specific to or a direct result of the PPBE process.

49. Can the PPBE cycle iterate fast enough to respond to changes in strategic or programmatic direction, in your view? Please explain your answer.

I believe the PPBE process is flexible enough to react to changing strategic or programmatic direction. Leadership priorities and attention are essential to full implementation of strategic direction. I also believe it is important to have a rigorous assessment of options and analytic underpinning for strategic shifts. The PPBE process is only the internal portion of the larger federal budget process and any analysis of the speed or efficacy of our budget process should, in my view, look at all parts of the budget process.

50. In your view, is the PPBE process flexible enough to enable DoD to make programmatic changes within the annual budget cycle?

Yes, the PPBE process is flexible enough to react to urgent programmatic changes within the budget cycle. However, the greater the change being contemplated, the more of a challenge implementing that change will be, in both the internal (PPBE) and congressional review phases of the budget process.

Financial Management Workforce

51. Is the DoD financial management workforce properly sized, in your view?

I cannot say at this point, however, if confirmed, I will be uniquely positioned to assess the size of the DoD financial management workforce and determine if there are any efficiencies to be gained through automation and process improvements.

52. Does the DoD financial management workforce have the appropriate capabilities, and are those capabilities properly distributed, in your view?

If confirmed, I will assess whether the financial management workforce has the appropriate capabilities, and work with the Assistant Secretaries for Financial Management of the military departments to ensure that those capabilities are distributed properly in order to meet mission requirements. I believe ongoing evaluation will be necessary to identify emergent trends and deficiencies.

53. What else would you do, if confirmed, to improve the capacity and capability of the financial management workforce?

If confirmed, I will assess the capacity and capability of the DoD financial management workforce and of its workforce development programs. I will look for any lessons learned during the pandemic and review current processes and available technology to identify efficiencies to be gained through automation.

54. How do compensation packages for the DoD financial management workforce compare to private sector counterparts? Should financial management workforce compensation be adjusted to match private sector compensation levels, in your view?

I cannot say at this point, however, I expect it varies greatly by occupation code. If confirmed, I will be uniquely positioned to assess the compensation packages compared to private sector counterparts and evaluate the tools available and necessary to effectively compete for financial management talent.

55. Is DoD prepared to sustain requisite capacity and capability during the impending financial management workforce “bath tub”—a descriptor often used to graphically illustrate the impending potential loss of financial management workforce expertise due to the retirement of large numbers of baby boomers and the lack of experienced people to fill the vacancies?

Based on my experience, there are many factors, not only age, that influence a retirement-eligible employee’s decision to retire. For example, during COVID-19, many organizations experienced employees delaying their decision to retire because of the new flexibilities inherent in telework schedules. If confirmed, I would evaluate the financial management workforce to identify and track emergent trends, and place focus on succession planning to help us prepare, recruit, develop and sustain a proficient workforce.

Defense Agencies

Defense Contract Audit Agency (DCAA)

56. What have been some of the successes (especially in terms of savings to DoD and the taxpayer) from the work of DCAA?

DCAA’s role in the financial oversight of government contracts is critical to ensure the Department and the Nation get the best value for every dollar spent on defense contracting. Its work benefits our men and women in uniform, as well as the American taxpayer. I believe DCAA provides examples of the savings to the taxpayers and other achievements in their annual report.

57. If confirmed, what steps would you take to improve DCAA’s ability to execute its designated missions?

DCAA’s primary function is to conduct contract audits and related financial services. If confirmed, I will support DCAA’s efforts to execute its designated missions, including increasing collaboration with customers and industry, as well as efforts to provide value-added information through comprehensive analysis of their individual audits. The timeliness of DCAA’s contract audits would also be an area I would review if confirmed.

58. If confirmed, what new investments in technology, training, and workforce would you recommend to improve the effectiveness and efficiency of DCAA?

If confirmed, I will encourage and support any on-going DCAA technology, training and workforce initiatives that will help improve auditor efficiency and effectiveness.

DFAS

The Defense Finance and Accounting Service (DFAS) was established to consolidate finance and accounting functions previously performed by the Military Services.

59. If confirmed, what steps would you take to improve DFAS's ability to execute its designated missions?

If confirmed, I would enable an environment in which DFAS could continue to drive standardization across the Department. I will review DFAS's ongoing work with the components to address the issues that drive the need for manual input and error correction at the functional source. Standardization in the data delivered to DFAS is recognized as a critical component of the Department's ability to automate its financial reporting and improve its audit position.

60. If confirmed, what new investments in technology, training, and workforce would you recommend to improve the effectiveness and efficiency of DFAS?

If confirmed, I would work with DFAS leadership, and consult with DFAS customers across the Department, in order to review what opportunities to improve the effectiveness and efficiency of DFAS are in line with the NDS and possible within fiscal constraints and competing priorities. Amplified use of data analytics and technology tools such as robotics and artificial intelligence to increase automation of transaction processing and the delivery of business insights are some potential areas to consider to effectively manage the Department's resources.

Working Capital Funds

More than two decades ago, DoD created several working capital funds as part of an effort to streamline defense business processes.

61. What do you perceive to be the value of working capital funds?

Working capital funds (WCFs), especially when used in concert with policies that provide DoD customers with the full cost of goods or services provided by WCF activities, help facilitate a cost-conscious culture, imparting a corporate view across the department, enabling a more efficient optimization of limited resources. They act as a "shock absorber" to minimize the impact of demand and cost variations to the customers, allowing for price stability in the year of execution. WCFs allow for purchase of supply items in advance of customer need, enabling supply activities to have the right parts on the shelf in the right quantities when the customers need them. They are easily scalable to changes in the DoD's operating requirements.

They allow for economies of scale, spreading overhead costs over the entire customer base.

62. If confirmed, would you consider any reforms to, or expansion of, existing working capital funds?

Yes, if confirmed, I will work with the Comptroller, DoD leadership, OMB, and Congress to determine if any reforms to or expansion of working capital funds would benefit the Secretary's and the Administration's priorities.

63. Are there other defense business operations that would benefit from the creation of a new working capital fund to promote operational efficiency or cost savings?

Yes, if confirmed, I will work with the Comptroller, DoD leadership, OMB, and Congress to determine if any business areas not already in the WCF regime would benefit from the value proposition stated previously.

Reprogramming

64. Do you commit that, if confirmed, you would follow the well-established precedent of waiting for "4-way" congressional approval before transferring funds between appropriations accounts or reprogramming funding above the threshold established in enacted appropriations bills?

Yes.

65. What is your view of the efficacy of the current transfer and reprogramming process?

In my time as Acting Director of the Army Budget Office, the Department used reprogramming actions to address the highest priority emerging requirements, and no prior approval reprogramming action was implemented unless and until all of the congressional defense committees approved the Department's request. In my view, this well-established process, although sometimes lengthy in certain cases, met the needs of the Department and the Congress. If confirmed, I will work with the Comptroller and the Office of Management and Budget to ensure that the Department abides by its longstanding agreements with the congressional defense committees, which are designed to preserve Congress' oversight of the appropriations process and the Department's financial management.

66. Do the dollar thresholds associated with the reprogramming process remain appropriate in the current day? Please explain your answer.

Over the years, Congress has reduced the Below Threshold Reprogramming (BTR) amounts for some appropriation accounts and inflation has diminished the relative value of some of the fixed dollar thresholds. This has restricted the Department's

flexibility and has increased the volume of Above Threshold Reprogramming (ATR) actions that are submitted to the Congress for their prior approval. If confirmed, I will review this topic with the Comptroller and OUSD(C) staff and then come back to the Congress if I believe any changes are warranted. I believe some changes are probably warranted.

67. In your view, how might the reprogramming process be improved to meet DoD's need for flexibility, while maintaining trust and transparency with Congress?

If confirmed, I will work with the Comptroller and OUSD(C) staff to review the current process and provide any recommendations.

Personnel Costs

Military personnel costs continue to grow and comprise an increasing share of the DoD budget. A large portion of the military compensation package consists of in-kind benefits—health care, housing, tax-free shopping in military exchanges, taxpayer subsidized commissaries—that complement competitive salaries and a generous military retirement benefit.

68. In your view, how can DoD manage and better plan for this growth?

The Department must continually strive to assess personnel costs in all forms and determine the most efficient ways to deliver a competitive compensation package that enables DoD to attract and retain the All-Volunteer Force.

69. Should the DoD's personnel costs grow at the rate of inflation?

The topline for the defense budget, and personnel budgets within the topline, should depend, not on an arbitrary inflation factor, but on the Department's mission, the appropriate force structure to achieve that mission and the competitive compensation package required to recruit and retain the force size and quality needed.

70. Do you believe the Employment Cost Index is the most appropriate metric to assess inflation for the purpose to determining military pay increases?

Yes, I believe ECI is the right metric to ensure military basic pay remains competitive and keeps pace with private sector wage growth. However, compensation levels (of which basic pay is only one component) must be continually reviewed and adjustments to an annual basic pay raise at percentages other than the ECI metric could sometimes be warranted.

Sexual Harassment

In responding to the 2018 DoD Civilian Employee Workplace and Gender Relations survey, approximately 17.7 percent of female and 5.8 percent of male DoD employees

indicated that they had experienced sexual harassment and/or gender discrimination by “someone at work” in the 12 months prior to completing the survey.

71. If confirmed, what actions would you take were you to receive or otherwise become aware of a complaint of sexual harassment or discrimination from an employee of the OUSD(C)?

If confirmed, upon receiving or becoming aware of a sexual harassment or discrimination complaint, I would immediately conduct an independent inquiry into the matter, in coordination with the Washington Headquarters Services Human Resources Directorate, Labor Management and Employee Relations office. I would take these matters seriously, enforce accountability, leverage opportunities to train and educate leaders and the staff, and reiterate my stance against inappropriate behavior that has no place in the workplace or anywhere else. I would also ensure OUSD(C) has workplace policies and practices that promote respect, civility, and inclusion for all.

Congressional Oversight

In order to exercise legislative and oversight responsibilities, it is important that this committee, its subcommittees, and other appropriate committees of Congress receive timely testimony, briefings, reports, records—including documents and electronic communications, and other information from the executive branch.

72. Do you agree, without qualification, if confirmed, and on request, to appear and testify before this committee, its subcommittees, and other appropriate committees of Congress? Please answer with a simple yes or no.

Yes.

73. Do you agree, without qualification, if confirmed, to provide this committee, its subcommittees, other appropriate committees of Congress, and their respective staffs such witnesses and briefers, briefings, reports, records—including documents and electronic communications, and other information, as may be requested of you, and to do so in a timely manner? Please answer with a simple yes or no.

Yes.

74. Do you agree, without qualification, if confirmed, to consult with this committee, its subcommittees, other appropriate committees of Congress, and their respective staffs, regarding your basis for any delay or denial in providing testimony, briefings, reports, records—including documents and electronic communications, and other information requested of you? Please answer with a simple yes or no.

Yes.

75. Do you agree, without qualification, if confirmed, to keep this committee, its subcommittees, other appropriate committees of Congress, and their respective staffs apprised of new information that materially impacts the accuracy of testimony, briefings, reports, records—including documents and electronic communications, and other information you or your organization previously provided? Please answer with a simple yes or no.

Yes.

76. Do you agree, without qualification, if confirmed, and on request, to provide this committee and its subcommittees with records and other information within their oversight jurisdiction, even absent a formal Committee request? Please answer with a simple yes or no.

Yes.

77. Do you agree, without qualification, if confirmed, to respond timely to letters to, and/or inquiries and other requests of you or your organization from individual Senators who are members of this committee? Please answer with a simple yes or no.

Yes.

78. Do you agree, without qualification, if confirmed, to ensure that you and other members of your organization protect from retaliation any military member, federal employee, or contractor employee who testifies before, or communicates with this committee, its subcommittees, and any other appropriate committee of Congress? Please answer with a simple yes or no.

Yes.