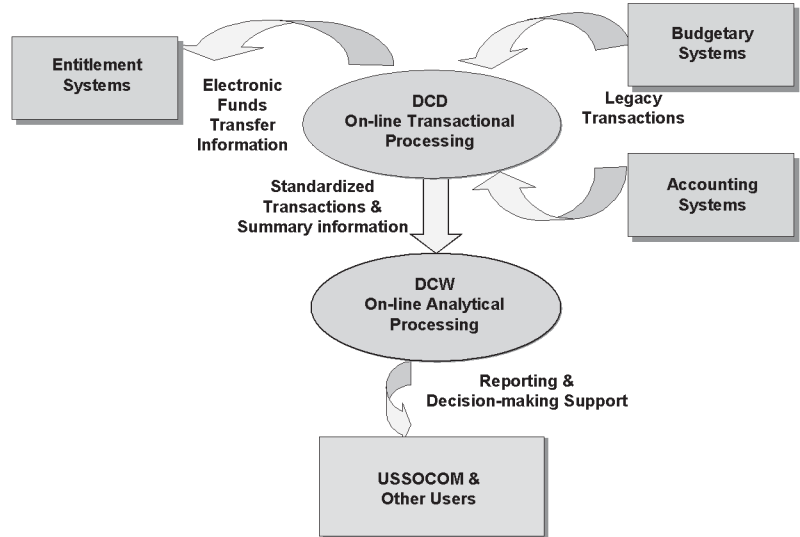# Defense Finance and Accounting Service (DFAS) Corporate Database/Warehouse (DCD/DCW)

SUMMARY

- The Joint Interoperability Test Command conducted Initial Operational Test and Evaluation (IOT&E) on live systems during 3QFY04. Testing took place at seven test sites in typical operational environments.
- Defense Finance and Accounting Service (DFAS) Corporate Database and Corporate Warehouse (DCD/DCW) is not operationally effective, but it is operationally suitable. It is not able to provide accurate financial management information below the summary level.
- Most legacy financial systems are not compliant with current standards for handling financial transactions. They pass inaccurate data to DCD/DCW. This precludes many users from effectively using the system.

DCD/DCW provides a central data source and an interoperability mechanism to standardize and share DoD financial information.

- The United States Special Operations Command prototype sites represent the bulk of the hardware investment. The software is already developed. The decision on whether to field DCD/DCW to other activities will need to consider the operating costs. It must weigh the costs against the potential benefits of a system with only partially accurate information.

SYSTEM DESCRIPTION AND MISSION

DFAS is trying to improve financial accountability for DoD agencies and components. Capitalization of the assets of these organizations resulted in over 300 separate information systems placed under the DFAS control. These stovepipe systems are not interoperable. This makes data sharing across systems and functions cumbersome and unreliable. DCD/DCW provides a central data source and an interoperability mechanism to standardize and share DoD financial information. It is not a "system" in the traditional sense. Rather, it is an "enabling" service that provides a corporate core component of the enterprise. As such, DCD/DCW must comply with certain requirements. The DoD Global Information Grid and the Global Combat Support System Capstone Requirements Documents comprise some of these requirements. DCD/DCW also must evolve to support objectives articulated by the Deputy Secretary of Defense. These objectives are contained in Global Information Grid Enterprise Services: Core Enterprise Services Implementation, November 5, 2003.

Organizations responsible for financial accountability and reporting need to capture electronic data to a standardized, shared database environment on a daily basis. They need a system that will track and retain transaction identification, formats, and selection criteria. It must accept, edit, and process transactions in various formats.

The DCD provides this capability with On-Line Transactional Processing. It supports achievement of DFAS process improvement goals by minimizing system-to-system interfaces. Most importantly, it improves operational performance by providing near real-time data access to the users. DFAS also requires a static data source, or warehouse, as an adjunct to the DCD. The data source has to support reporting, audit, and analysis.

The DCW provides an On-Line Analytical Processing capability that supports these reporting and decision-making activities. In addition, DCW contains information beyond accounting and finance products and services. It includes performance measurement indicators, budget formulation, and managerial accounting data.

Both the database and data warehouse are built as non-application-specific repositories of detail-level financial data. Summarization, aggregation, analysis, and reporting are functions that specific organizations must perform. They do it through in-house queries and On-Line Analytical Processing tools. These tools access non-application-specific detail-level data in the warehouse through distinct data marts specifically tailored to a financial organization's needs.

TEST AND EVALUATION ACTIVITY
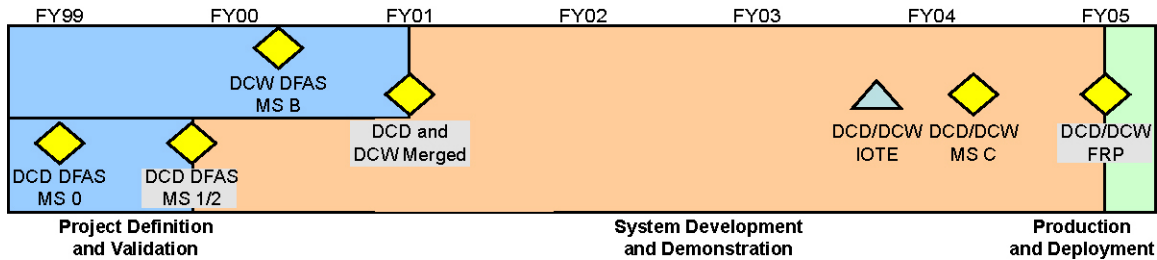
We approved the Test and Evaluation Master Plan in April 2004. We also approved the detailed IOT&E plan in April 2004. The Joint Interoperability Test Command conducted the IOT&E in April and May 2004 at seven test sites. These included Special Operations Command headquarters and elements at MacDill Air Force Base, Florida; Fort Bragg, North Carolina; and Hurlburt Field, Florida. The locations also included DFAS centers in Columbus, Ohio, and Omaha, Nebraska. The testers adequately planned and executed the IOT&E. They submitted a test report in June 2004. The Milestone Decision Authority will make a deployment decision in November 2004.

TEST AND EVALUATION ASSESSMENT

DCD/DCW is not operationally effective, but it is operationally suitable. Its core functionality includes Corporate Electronic Funds Transfer processes and cross-Services Financial Information Support. The former process provides a centralized database for funds transfer and payment information. The latter provides consolidated cross-Services accounting transactions. These are supposed to provide accurate near real-time financial management information. However, the Financial Information Support process could not provide accurate financial management information below the summary level. (This is the level of DoD reporting to Congress.) Users who need lower-level (program level) information could not use the system to accomplish their missions. The Joint Interoperability Test Command did not recommend certification of any of the external interfaces related to Financial Information Support.

Inaccurate or non-standard transactions originated from the Services' accounting and financial systems were the primary cause of the data inaccuracies. DCD/DCW treats some inaccurate source data from these systems as accurate until correcting it in a reconciliation process. Reconciliation does not happen until at least 25 working days after the end of a reporting period. Meanwhile, high-level – and many of the low-level – reports do not reflect accounting values within an accuracy requirement of 95 percent. DCD/DCW cannot correct this inaccurate source data any earlier in an automated fashion. The Services would have to replace their current systems with systems compliant with the standards for internal controls.

DFAS and the Special Operations Command reportedly are satisfied with the DCD/DCW capabilities. They have memorandums of agreement on how to perform the reconciliation process. They also agree on how to maximize the utility and functionality of DCD/DCW in the interim. Once the results of a report or query are displayed on a user's screen, the user can "drill-down" to lower levels of detail. Users can also "drill-through" to the DCW and view legacy transactions that are the data source for the report or query results. The computing hardware used by the Special Operations Command prototype sites represents the bulk of the hardware investment. The software is already developed. The decision on whether to field to other activities must consider the operating costs. It must weigh them against the potential benefits of a system with only partially accurate information.