



U.S. ARMY

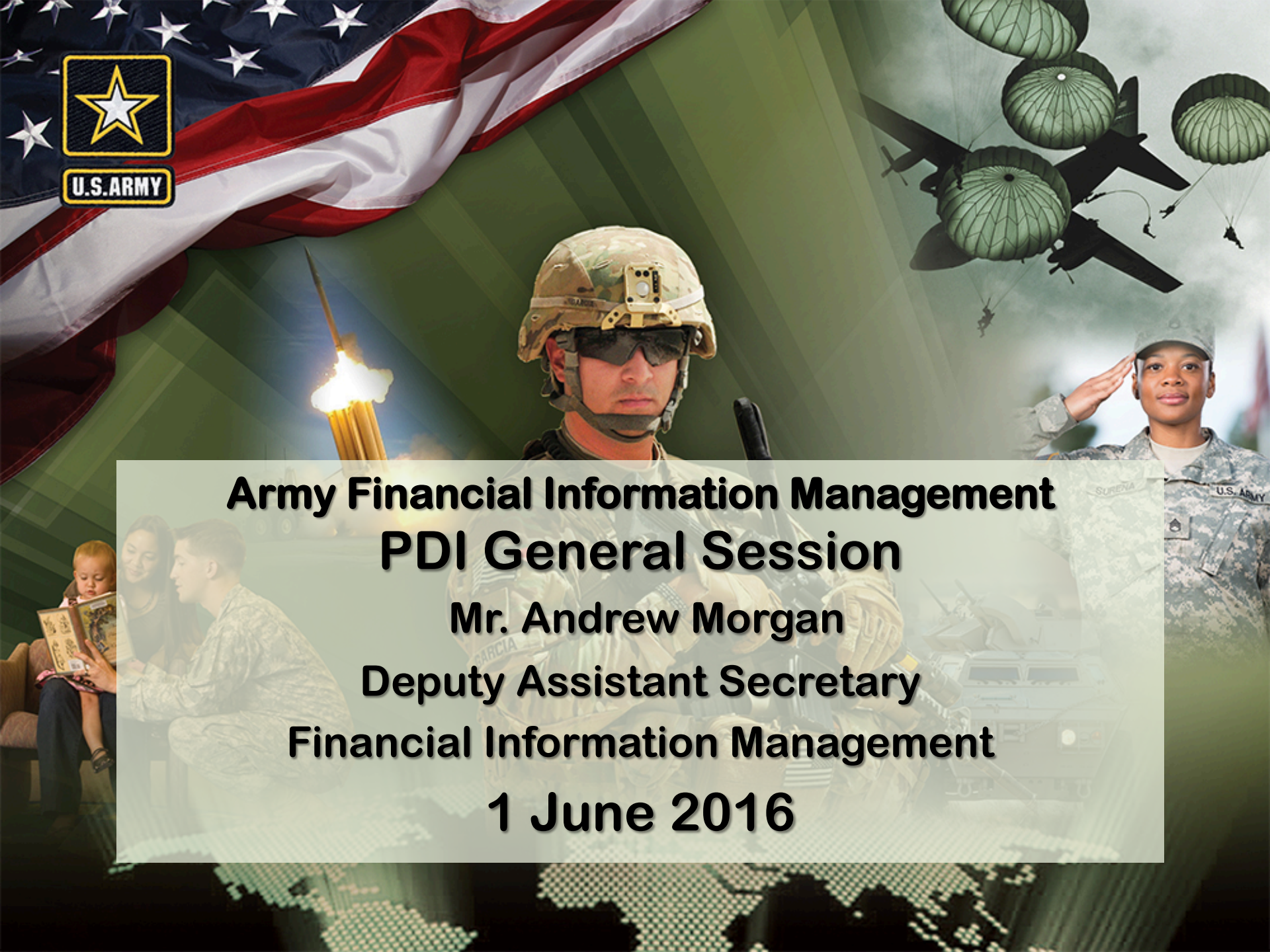
Army Financial Information Management PDI General Session

Mr. Andrew Morgan

Deputy Assistant Secretary

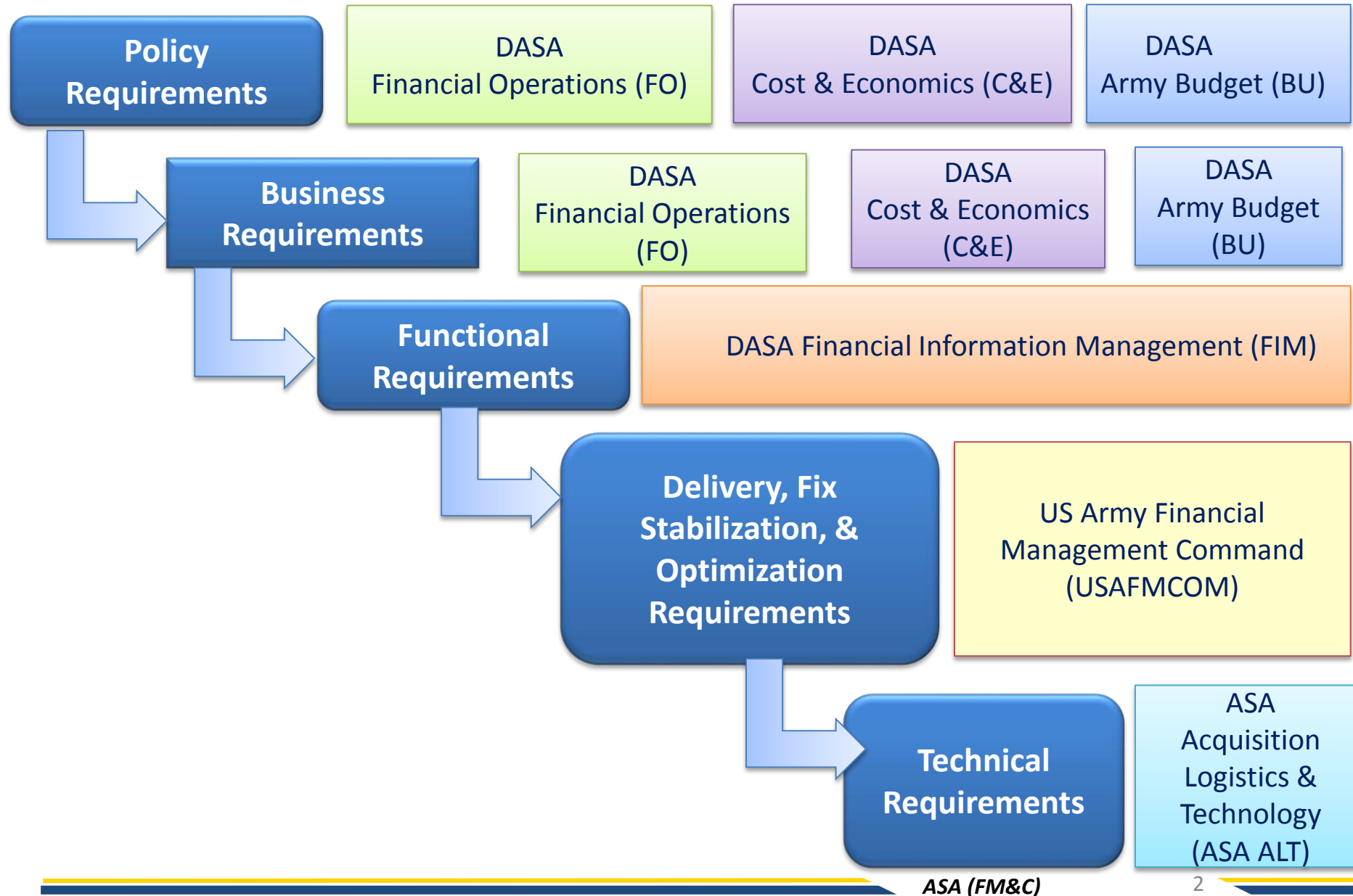
Financial Information Management

1 June 2016





Organizational Roles





Who we are & What we Do



DASA-FIM Structure and Mission

ASA FM&C Financial Information Management
Mr. Drew Morgan (DASA, FIM)

**Enterprise Integration
Division**
Ms. Susan Murphy (Chief)

Information Services
Mr. William Benton (Chief)

Functional Integration
Mr. Roger Pillar (Chief)

Mission:

Ensuring all Army Financial Management systems and processes are integrated to provide a complete range of financial and cost information needed for the Army to conduct business transactions, provide accountability to the public, and best support performance reporting and decision making.



What are the strategic goals for Army FM systems?



Financial Management Business Operations Strategic Goals:

- **GOAL 1.0** – Achieve audit readiness and sustain an auditable business environment
- **GOAL 2.0** – Enhance and implement financial policies and processes to improve, simplify and standardize the financial management business and systems environment
- **GOAL 3.0** – Develop and maintain a well-trained financial workforce that has knowledge, skills and abilities to provide decision support and analysis as well as achieve and sustain an auditable business environment
- **GOAL 4.0** – Develop a Standardized Planning, Programming, Budgeting and Execution (PPBE) process that enables end-to-end (E2E) funds traceability and data linkage between budget and execution

***Source: OUSD-C Department of Defense Financial Management Strategy
FY2016-2020***

How do we achieve these goals through IT systems?

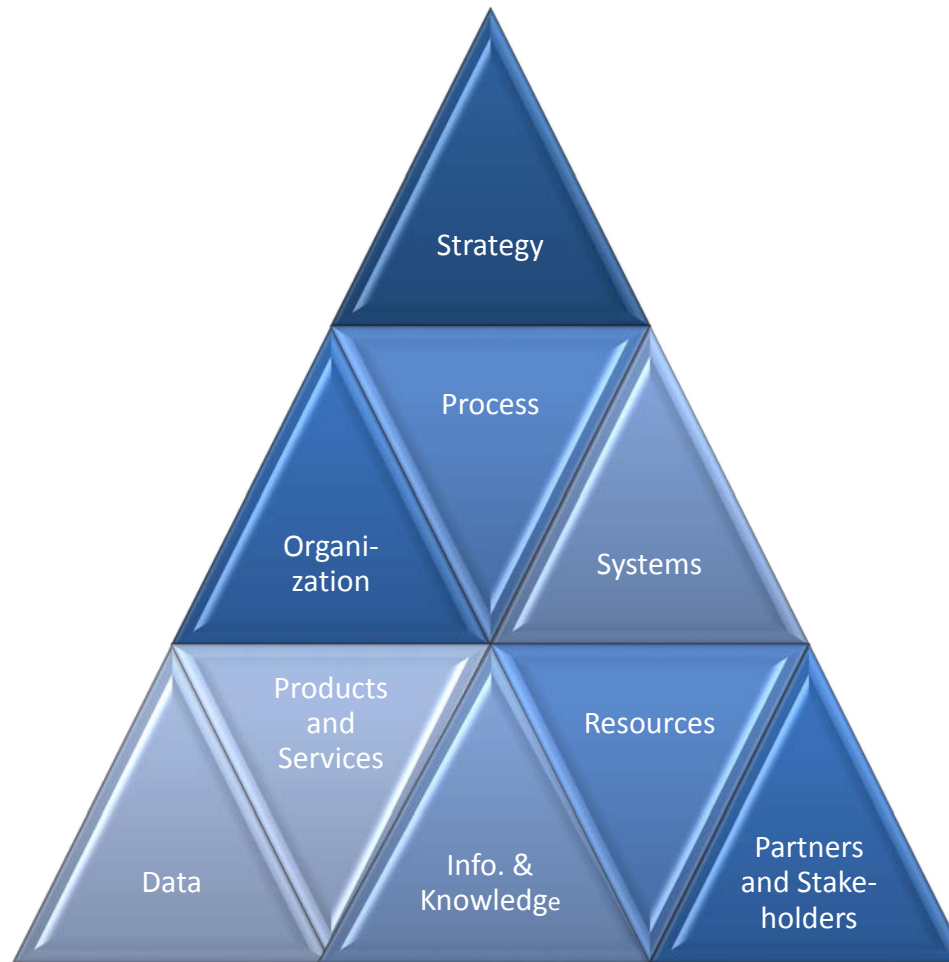
**FIM's Role: Architecting Army Advancements in
Financial Management Technologies**



**Enhance
Operational
Effectiveness &
Efficiency**

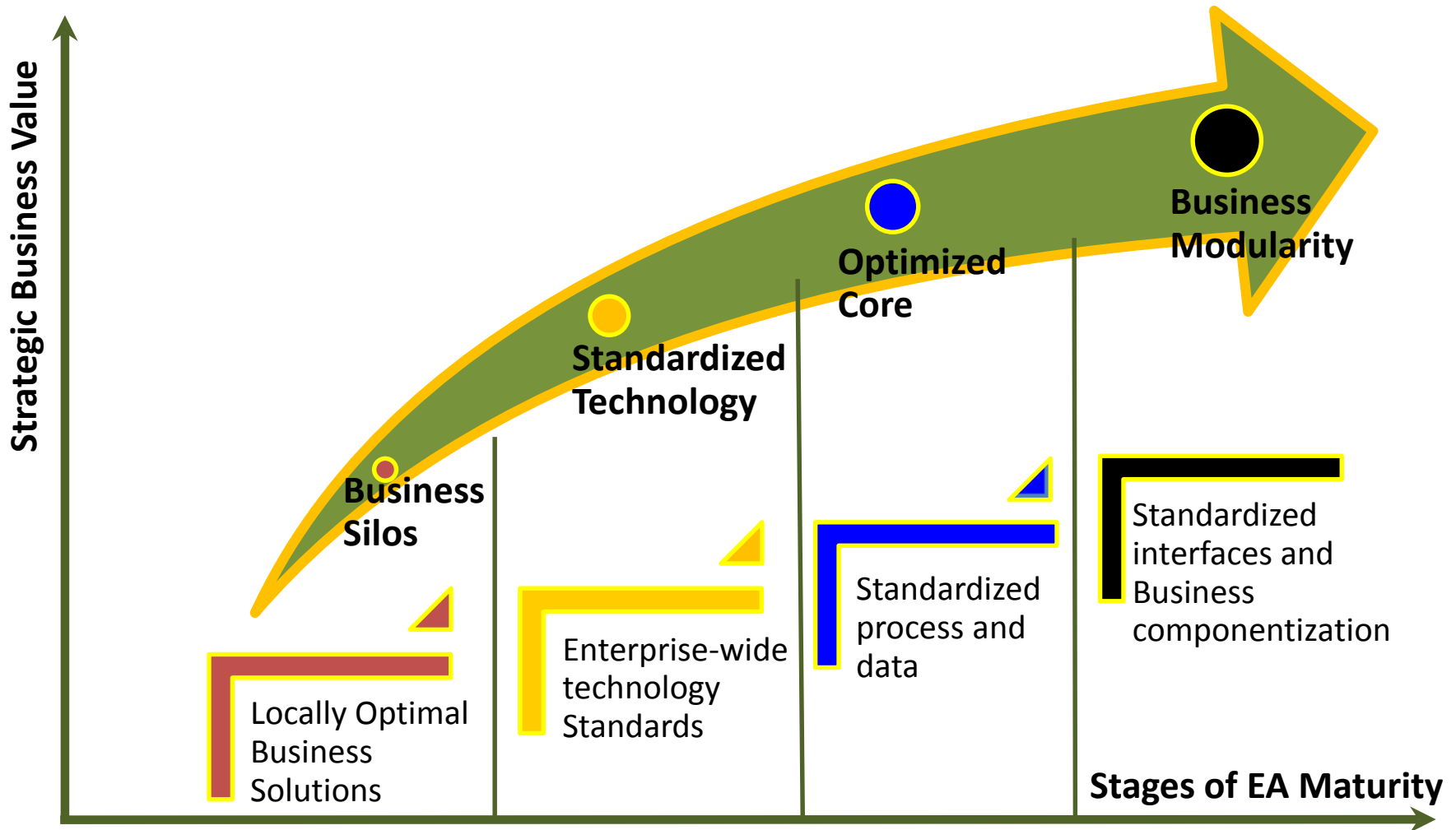
**Simplify &
Standardize the
FM
Environment**

**Reduce FM
Operating Costs**



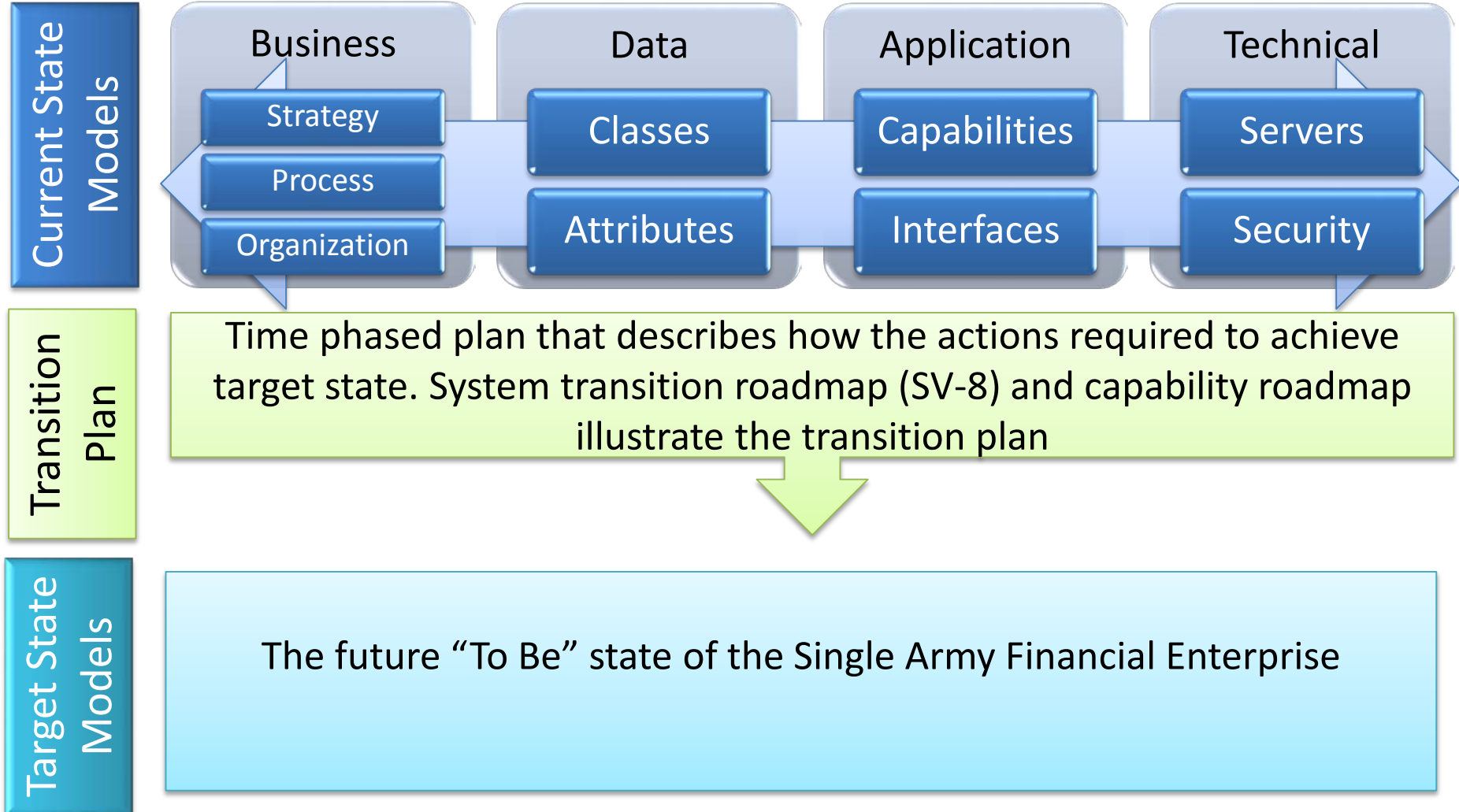
**Achieve Audit
Readiness by
the end of FY17**

Stages of Enterprise Architecture Maturity



Enterprise Architecture Overview

What does the Single Army Financial Enterprise (SAFE) Architecture contain?





Single Army Financial Enterprise (SAFE) Architecture



Data



Process



Systems



**Enabling the financial
management domain to address
critical strategic questions**

SAFE



Capability Management

How do we get what
we want and when
we want it?

Inform problem
statement
development

Prioritize capability
investments

Transition Planning

How do we get to
where want to be?

Illustrates data
dependency
impacts when
moving from As-Is
to To-Be

Data/process
driven system
design

Defines roadmap to
target environment

Issue Resolution

How do we stay on
track?

Provides input to
process
improvement
workshops

Audit Readiness

How do we manage
risk?

Identifies potential
audit relevant
information
systems

Advances ability
for consolidated
reporting



Army Financial Management Business Objectives



OUSD-C Defense FM Strategy Goals FY2016-2020

GOAL 1.0 - Achieve audit readiness and sustain an auditable business environment

GOAL 2.0 - Enhance and implement financial policies and processes to improve, simplify and standardize the financial management business and systems environment

GOAL 3.0 - Develop and maintain a well-trained financial workforce that has knowledge, skills and abilities to provide decision support and analysis as well as achieve and sustain an auditable business environment

GOAL 4.0 - Develop a Standardized Planning, Programming, Budgeting and Execution (PPBE) process that enables end-to-end (E2E) funds traceability and data linkage between budget and execution

AFMO Campaign Objectives

CO 1
Achieve and Sustain
Auditability

CO 2
Deliver FM Operations
Efficiently and Effectively

CO 3
Improve and Sustain
Operational Readiness
in FM Elements

CO 4
Provide Financial
Information and Business
Analytic Support for
Improved Decision
Making

Army Financial Management Domain General Objectives, as approved by ASA FM&C Executive Governance Board

FMD Objective 1: Achieve and sustain audit readiness
FMD Objective 2: Achieve and sustain effective internal controls

FMD Objective 3: Deploy Army ERP systems within cost, performance and scheduled plans
FMD Objective 4: Attain compliance with Federal Financial Management Improvement Act (FFMIA), Chief Financial Officers Act, NDAA 2010, and other public laws

FMD Objective 5: Equip Financial Management workforce with training environment and system instruction

FMD Objective 6: Achieve and sustain accountability
FMD Objective 7: Support resource-informed decision making by implementing an effective cost management program throughout the Army
FMD Objective 8: Resource Army operations

Aligns
to

Aligns
to





The Army FM System Inventory Portfolio



FIM maintains oversight over the 78 Army financial management systems

Army Domain	Army	Non-Army*	Total
Acquisition	3	6	9
Financial Management	78	56	134
Human Resources Management	16	8	24
Installations, Energy and Environment	10	0	10
Logistics	25	13	38
EIEMA	2	0	2
Warfighter Mission Area	3	0	3
Total	137	83	220

*Non-Army includes DoD, Federal and commercial



Army FM System Inventory: Top 5 Investments



FYDP (FY16-FY20)

GFEBs
\$589 M

GFEBs SA
\$112 M

GFEBs Inc II
\$85 M

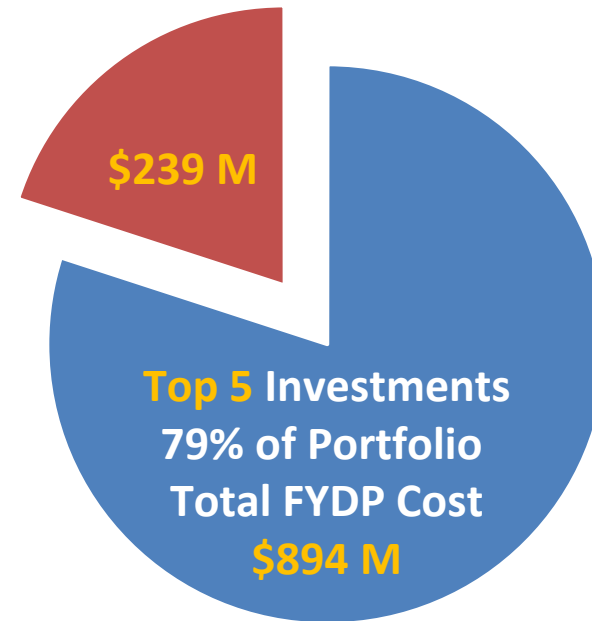
CEFMS
\$62 M

NIFMS
\$46 M

Army
ERPs

Non-
Appropriated
Funds
Financial &
Management
System

Total Portfolio FYDP (FY16 – FY20) Cost \$1.1 B

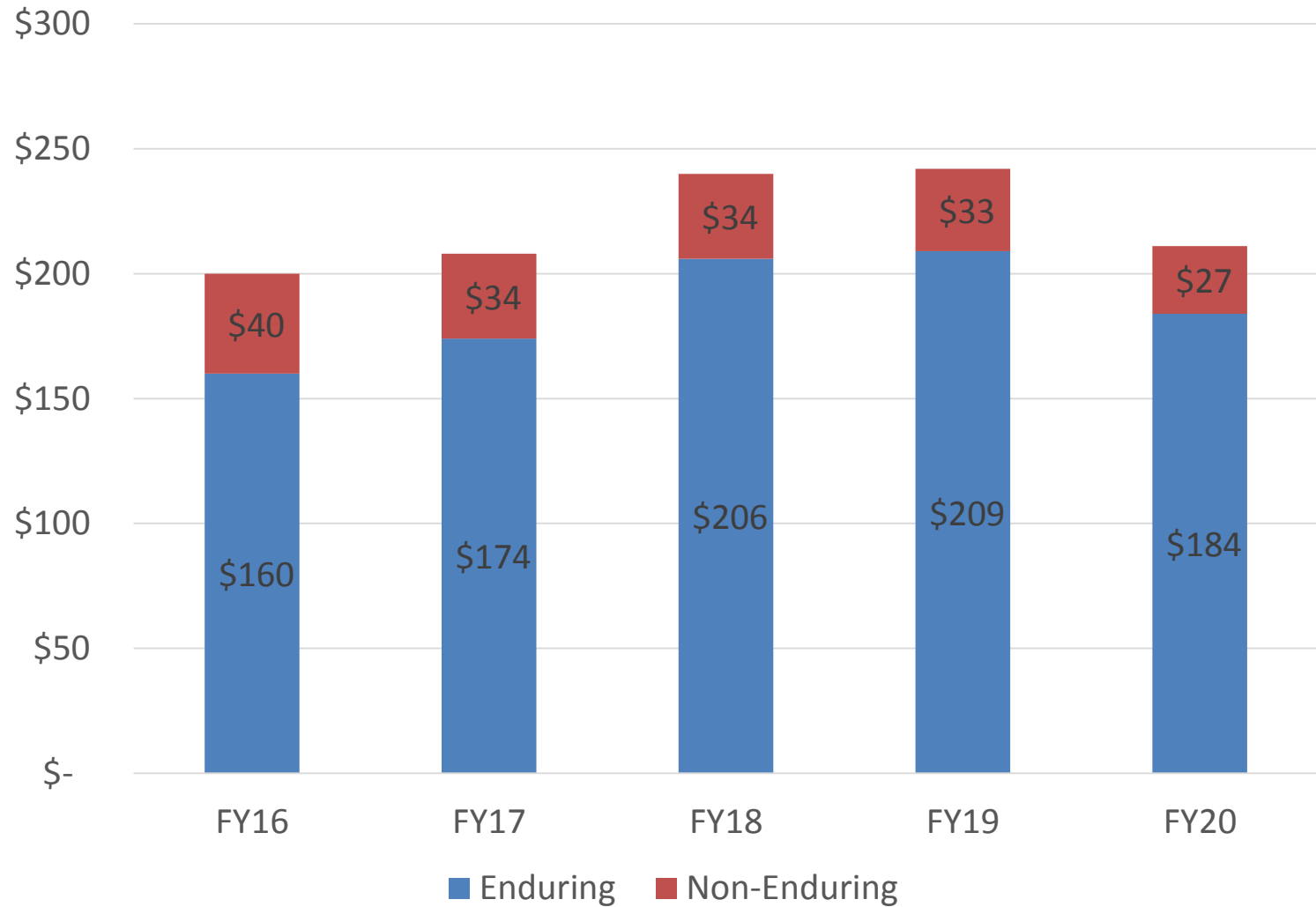


■ Top 5 Systems

■ Remaining Systems



Army FM System Inventory: Portfolio Costs (\$M)



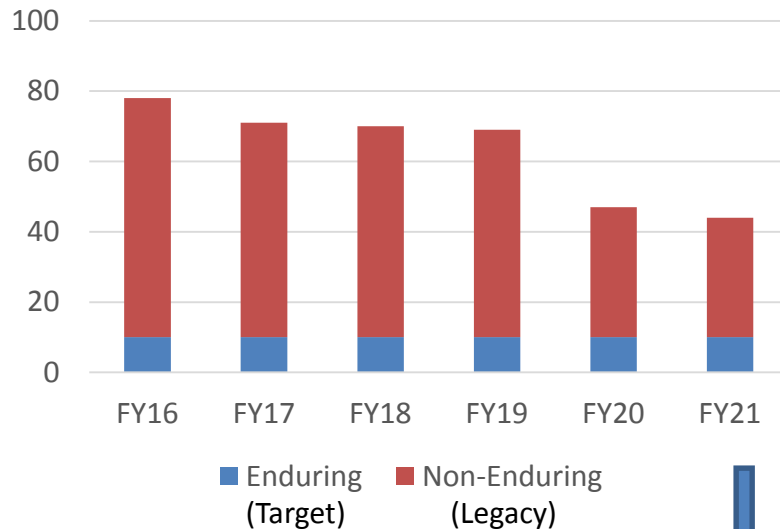
Increase due to GFEBS Increment II & GFEBS SA Costs



Current Army FM System Inventory



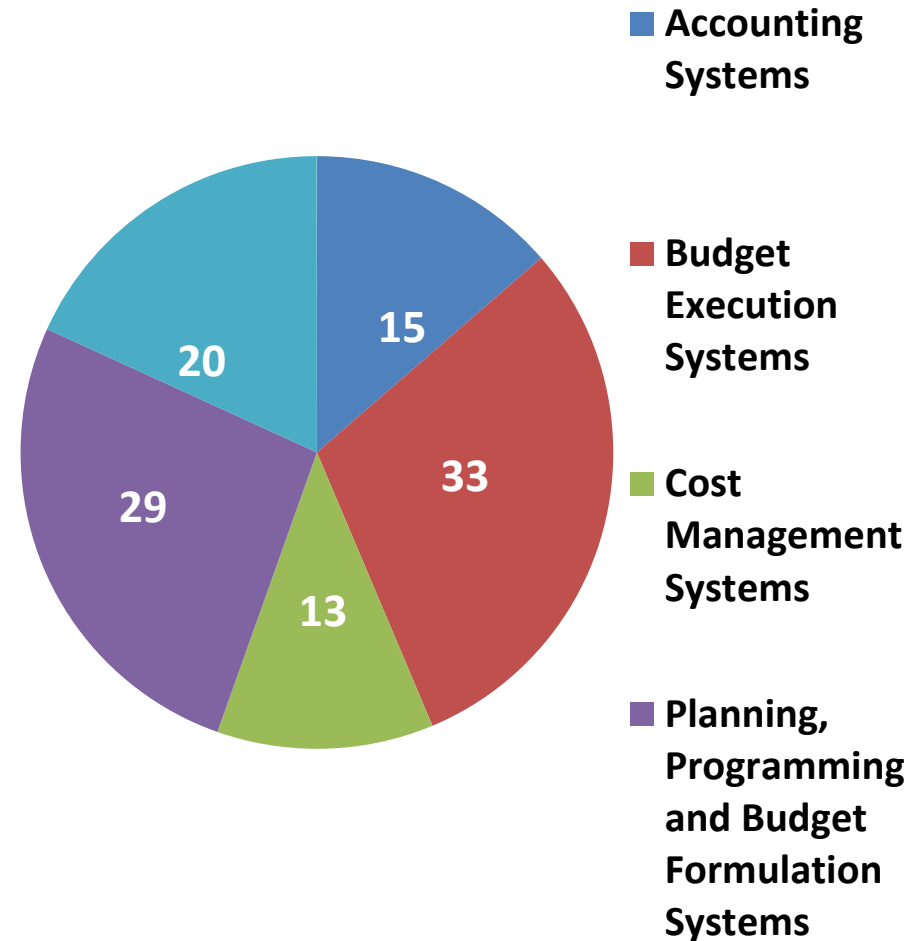
Transition Plan



Enduring / Target Systems in FY20²

Approximately 10 systems consisting of Army ERPs, NAF system, and transition enabling Cost Management Systems and PPBE Systems.

Lines of Business Distribution ¹



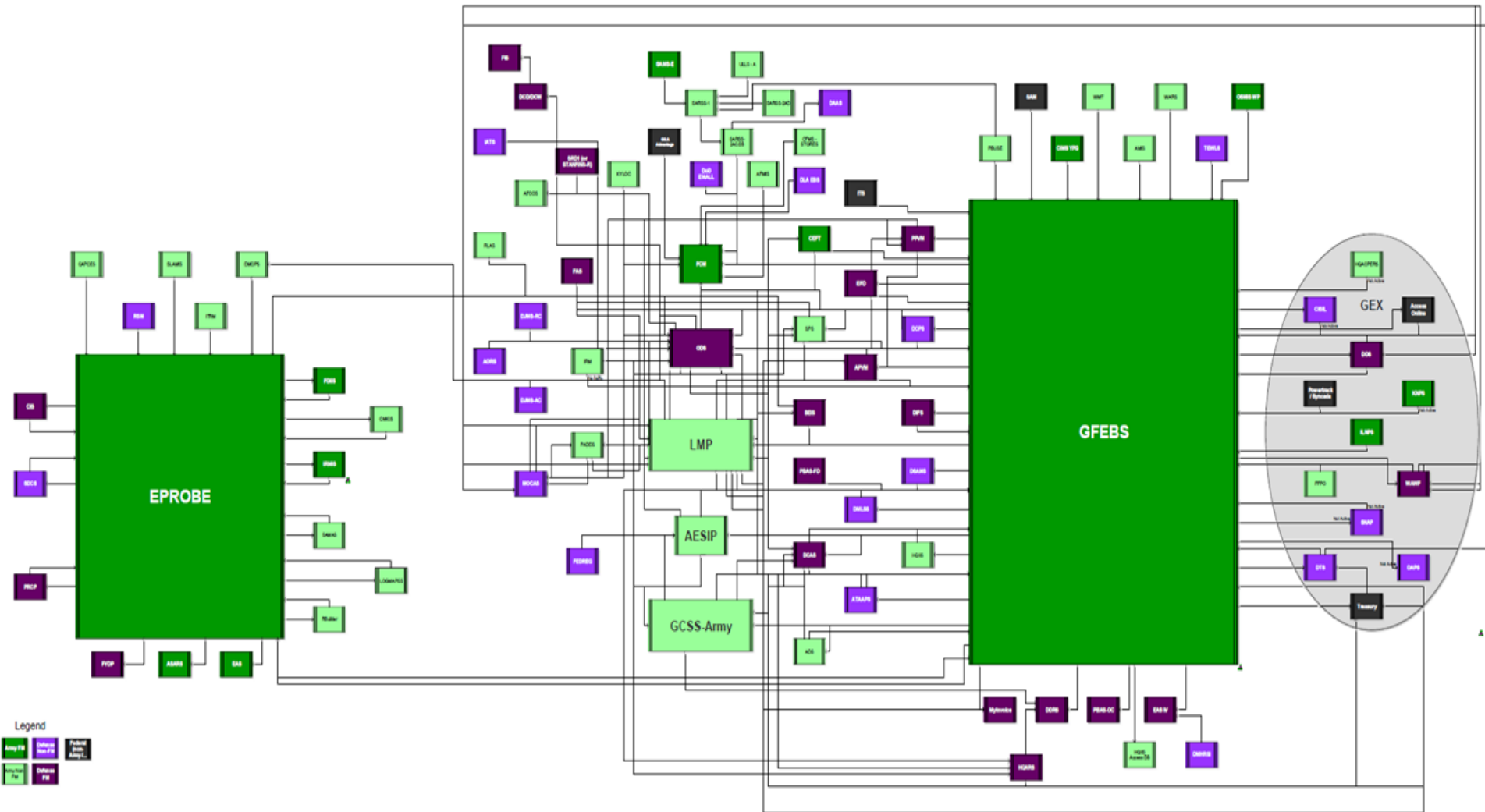
¹ Systems support more than one capability

² Subject to change



Single Army Financial Enterprise (SAFE) Architecture

“As-Is” Systems Environment



Over 180 Point-to-point interfaces; ~ \$45 M in Interface Life Cycle Costs

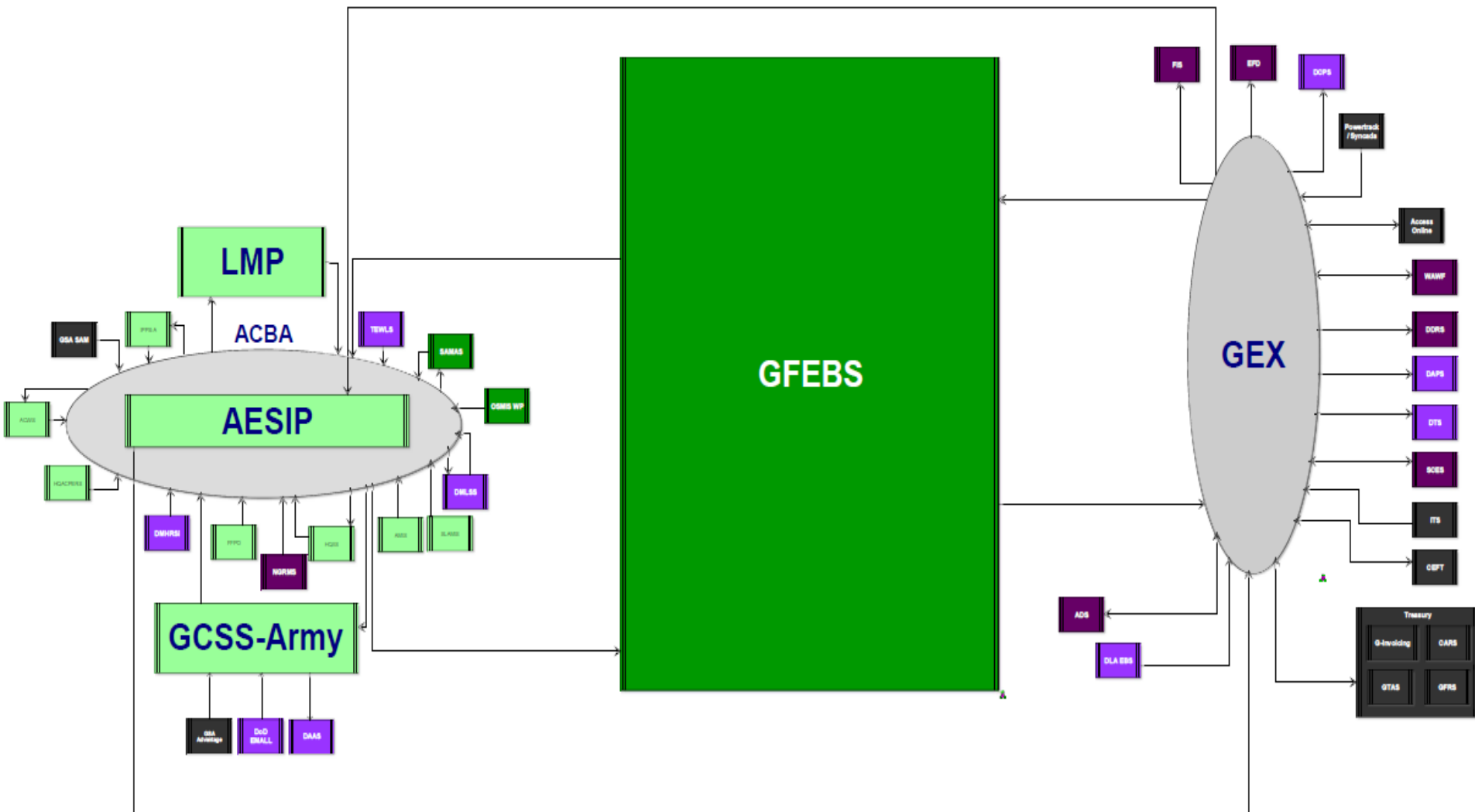


Single Army Financial Enterprise (SAFE) “As-Is” Systems Environment



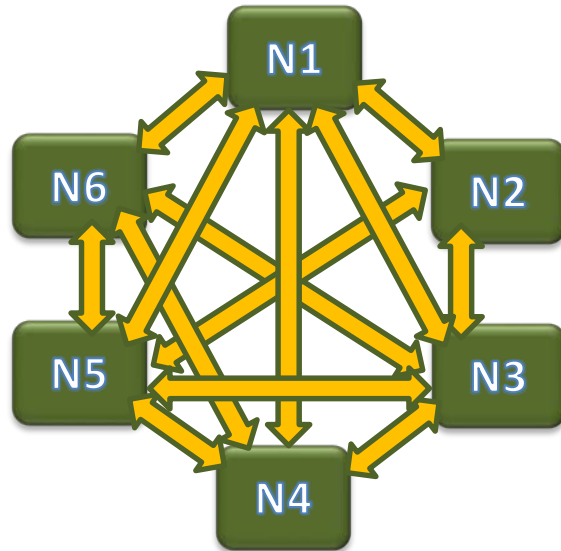
- Stove-pipes
- Duplicate Systems
- Too Many Point to Point Interfaces
- Aging Systems
- Partially Implemented Data Standards
- Capabilities No Longer Needed
- Obsolete Technologies

SAFE Target State “To-Be”



The Point-to-Point Interface Problem

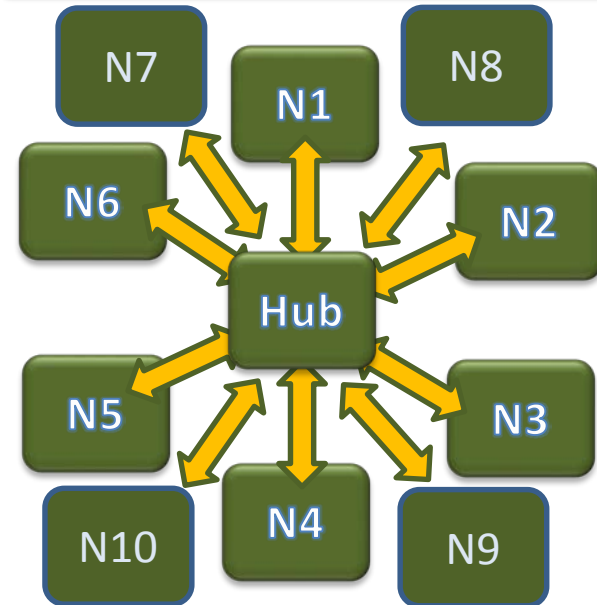
The “N-Squared (N^2) Problem”



Point-Point interfaces grows exponentially with the square of the number of nodes (N^2) leading to the problem of N-squared Data Formats and Transformations.

Today's current Interface LC Cost is ~ 45M

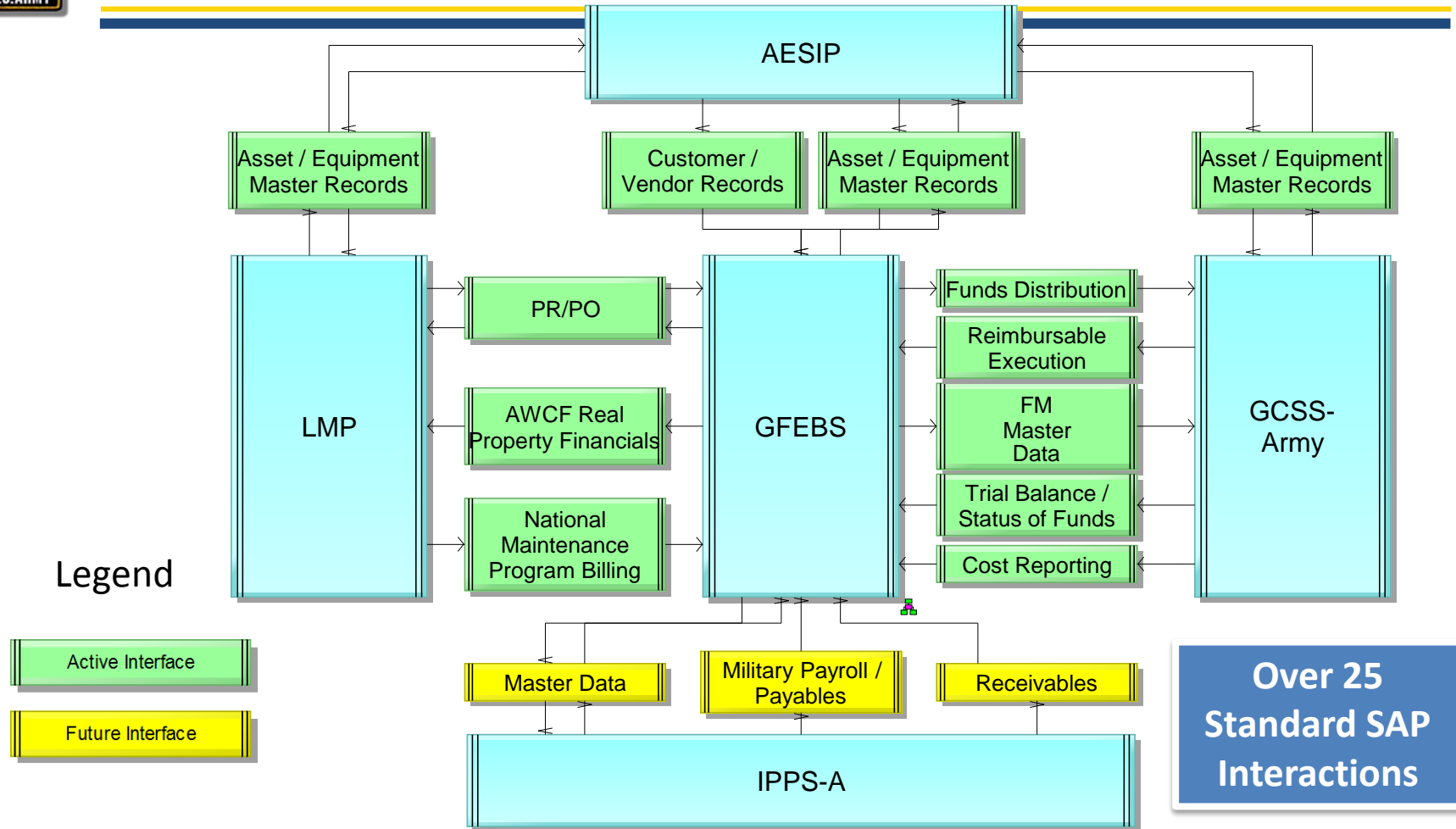
The Hub-and-Spoke Solution



Interface LC Cost of ~ 10 Target/Enduring Systems ~ \$2.5 M

Fewer number of data transformations/Point-Point, easier to trace back sources of data from Financial Statements for Audit.

Financial Management ERP Integration



AESIP: Critical to the delivery of centralized master data management

LMP: Critical enabler of a clean working capital fund audit opinion

GFEBS: Most critical enabler of all Army general fund financial management operations

GCSS-Army: Critical to linking force element, combat support and financial management information

IPPS-A: Critical to the accounting for military manpower

What are the Challenges to Achieving the FM Systems Target End State?

Strategic Challenges

Unaddressed Orphan Capability

Constrained resources:

- Prevent dev. of new capabilities to retire costly legacy systems.
- Generate the need to fund legacy system upgrades for end of life capabilities

High number of "Point-to-Point" Interfaces

Reduced efficiency and effectiveness due to proliferation of point to point interfaces. Increase in complexity & cost

Disjointed and Inefficient Financial Decision Analytics

The current set of business intelligence applications does not provide a Single Army Financial Enterprise data repository to support query analysis and research activities on budget, contract and financial data.

Overcoming Strategic Challenges

DASA-FIM Proposed Actions to Overcome Challenges

Prioritize investments by cost-benefit and obtain funding.



Develop and oversee Hub and Spoke Architecture transition plan, where applicable



Implement Single Army Financial Enterprise - Financial Decision Analytics (SAFE-FDA)





Important Strategic Challenges to Achieving the Target End State



Strategic Challenges

Multi-week Delay to produce Audit Data

Unable to produce a Universe of Transactions (UoT) within audit-mandated response times.

Highly Constrained GFEBS BI Capacity

Impacts data consolidation for Army-wide Budget Reports and & UoT for audit

No Centralized Document Management

Key supporting documentation for Audit is not centrally maintained across Army

Delayed Start of GFEBS-SA

Results in increased cost to sustain legacy systems and exposure risk

Governance, Risk and Compliance (GRC)

No Cross-system / Cross-domain Governance Risk and Compliance across all Army ERPs.

Overcoming Strategic Challenges

Perform functional redesign for HANA



Perform GFEBS HANA Lift & Shift to increase capacity



Capture policy and business requirements for document management capability



Monitoring enterprise requirements delivery



Implement Enterprise GRC capability

Governance

Risk

Compliance

DASA-FIM proposed Actions to Overcome Challenges

Target State Capabilities

GOAL 1.0 - Achieve audit readiness & sustain an auditable business environment

Advanced FM Business Intelligence

Sensitive Activities

Advanced Cost Management

Debt Management

Integrated Defense Wide Reporting

GOAL 2.0 - Enhance & implement financial policies & processes to improve, simplify and standardize the FM business and systems environment

Supply Management

Army Contract Writing

Customer Sales Order Management

Advanced Cost Management

Human Capital Supply Chain Management

Human Capital Supply Chain Management

Requirements Tracking Workflow

GOAL 3.0 - Develop & maintain a well-trained financial workforce that has knowledge, skills and abilities to provide decision support and sustain an auditable business environment

Training Environment Sustainment

System Instruction

GOAL 4.0 - Develop a Standardized PPBE process that enables end-to-end funds traceability and data linkage between budget and execution

Integrated Resource Management (IRM)

Army Standard Labor Time Tracking

Transitional Enterprise PPBE

Supplier Self Service

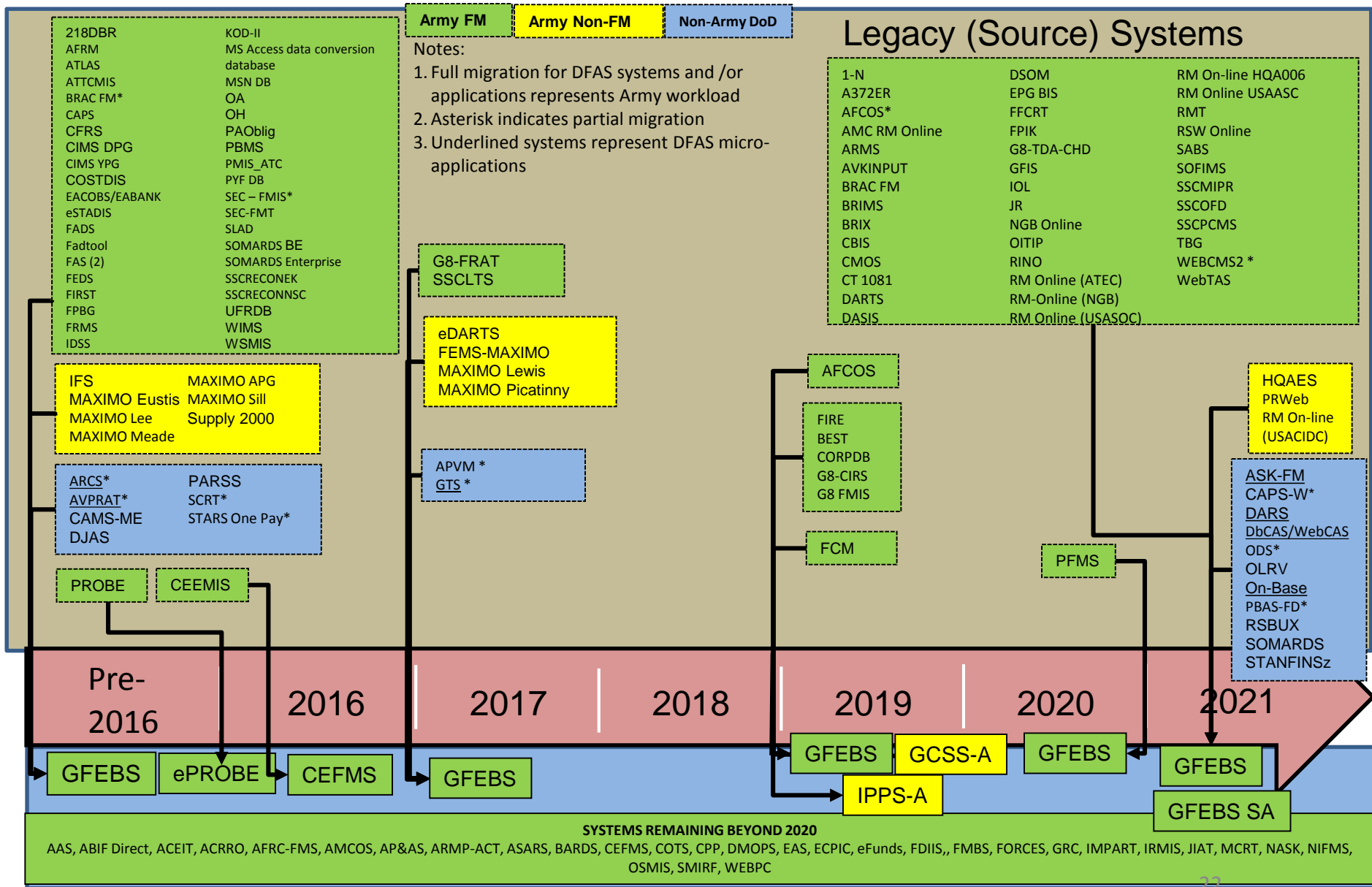
NAF Accounting

Enterprise PPBE

Pricing Analysis



Roadmap to the Target Environment (SV-8)





How do we achieve the target state in a constrained resource and budget environment?



Enterprise Capability Delivery Sequencing Plan

FYDP 18-22

FY 2018

Supply Management

Kills 1 System

- ☐ FCM Functionality

FY 2021

Integrated Resource Management (IRM)

Kills 19 Systems

- ☐ Schedule 8s
- ☐ Command TDA Prep
- ☐ Command POM Requirements
- ☐ Spend Planning

FY 2019 - FY 2021

Advanced FM Business Intelligence

Kills 9 Systems

- ☐ Universe of Transactions
 - ☐ HANA
- ☐ Single-sourced Army-wide Budget Reports
- ☐ Master Data Controls
- ☐ Performance Metrics
- ☐ Dashboards

Over 30 Systems Retiring over the FYDP (FY18-22)

FY 2021

Sensitive Activities

Kills 10 Systems

- ☐ High Side Financials

FY 2022

Army Standard Labor Time Tracking

Kills 2 Systems

- ☐ Labor Time Tracking
- ☐ Time & Attendance

TBD

Requirements Tracking Workflow

Kills 2 Systems



What initiatives will get us to the target state?

FM Key Initiatives

GOAL 1.0 - Achieve audit readiness & sustain an auditable business environment

Universe of Transactions

Enterprise GRC Capability

Document Management for Audit

Cash Management / Cash Accountability

GOAL 2.0 - Enhance & implement financial policies & processes to improve, simplify and standardize the FM business and systems environment

Data Act Compliance

GEX Implementation plan for Financial Data Exchanges

Army Intergovernmental Transactions (IGT) Policy Compliance

GOAL 3.0 - Develop & maintain a well-trained financial workforce that has knowledge, skills and abilities to provide decision support and sustain an auditable business environment

AFMO Strategic Plan

GOAL 4.0 - Develop a Standardized PPBE process that enables end-to-end funds traceability and data linkage between budget and execution

Deploy:
Integrated Resource Management (IRM)

-
Army Standard Labor Time Tracking

-
Advanced FM Business Intelligence

-
Requirements Tracking Workflow

-
Supply Management

IPPS-A integration

GFEBs-SA



Significant GFEBS Requirements



Work Effort	Value Added
G-Invoicing	Compliance with federal requirement to process all intragovernmental reimbursable execution via G-Invoicing.
DATA Act	Compliance with DATA Act requirements for: Standard contract number (PIID), Purchase Request data elements + business rules (PRDS) and a globally unique sixteen character number for Purchase Requests (PR Number Structure)
Standard Line of Accounting (SLOA) / Data Hubs	Compliance with Defense Standard Line of Accounting/ Accounting Classifications
Army Contract Writing (ACWS) Integration	Integration requirements and conceptual designs between the ACWS Program and GFEBS Program.
IPPS-A Integration & Release 3 and 4	Integration requirements & development of conceptual designs between the IPPS-A Program and GFEBS Program
Contract Close-Out	Standardization of contract close out process
SFFAS 6 General Equipment	Army Audit Readiness effort in support of SFFAS 6 for the Army's capital equipment in GFEBS
Cash Accountability	Use of DCAS for Treasury cash reconciliation
Continued Direct Treasury Disbursements	GFEBS Enhancements in support of Direct Treasury Disbursements
GFEBS SA Enabling Enhancements	Enhancements to GFEBS to allow for maximum design consistency between GFEBS and GFEBS SA.



Planned GFEBS New Requirements



Work Effort	Description
Integrated Resource Management (IRM)	An integrated budget planning and analytical capability that consolidated existing RM systems into a single tool, supporting budget execution planning, MACOM budget prep, manpower planning and historical transaction consolidation.
Labor Time Tracking	Deployment of a standard Army enterprise-wide capability for labor tracking, accounting and standardized cost structures.
Enhanced Financial Integration (EFI)	Automates existing manual transactions; supports retirement of legacy systems; reducing the Army's IT infrastructure costs. Includes 27 GFEBS capabilities requested by various stakeholders through the Functional Governance Board (FGB).
Environmental Management (HQAES)	Allows Army Headquarters to collect, analyze and report environmental cleanup, quality, and hazardous waste data. The work effort includes the migration of HQAES into GFEBS.



Single Army Financial Enterprise (SAFE) Target (“To-Be”) Snapshot



- Audit data collected in seconds not weeks
- Single query collects data from ERPs in near Real Time
- Billions of transactions queried at sub second speeds
- Reduced # of Interfaces
- Consolidated financial accounting and budget reports
- Robust Cost Analyses & Allocations
- 80% Reduction in Portfolio Size resulting in ~ \$200M reduction in FYDP portfolio costs
- Faster FISCAM and FFMIA Compliance
- Lower cost and more accurate financial reporting in hours not weeks
- Reduced UMT's & In-Transits



Financial Information Management

Major Accomplishments



Audit Readiness	Compliance	Sustainment & Reporting	
Cost Management Implementation Strategy	SFIS 10 and DDRS Enhancements	DCAS Interface & Auto Recycle Program enhancements to reduce unmatched transactions	Spend Planning Capability in GFEBS BI
Automated integration of funds balance with treasury data for TI-21 data only	Army-wide equipment and asset integration throughout equipment lifecycle	Enhanced financial reporting and dashboards to support DFAS financial accounting analysis	Tie Point and IDOC reporting in BI
Re-engineered TI-97 Master Data Management Process to eliminate hundreds of corrective journal Vouchers	Implemented Procure to Pay Initiatives	Military Personnel/Expenditure Reporting for Active, National Guard & Army Reserve	GFEBS BI Electronic Funds Distribution
Reduced FM systems portfolio by 7 systems in FY15 & ** in FY16	Real Property Investment Model (RPIM 8.1)	Enhanced cost management reporting to support detailed weapon systems cost analysis & auditability of cost allocations	

Why does compliance to standards matter?

Joint Interoperability Test Command (JITC) Financial Systems Assessments

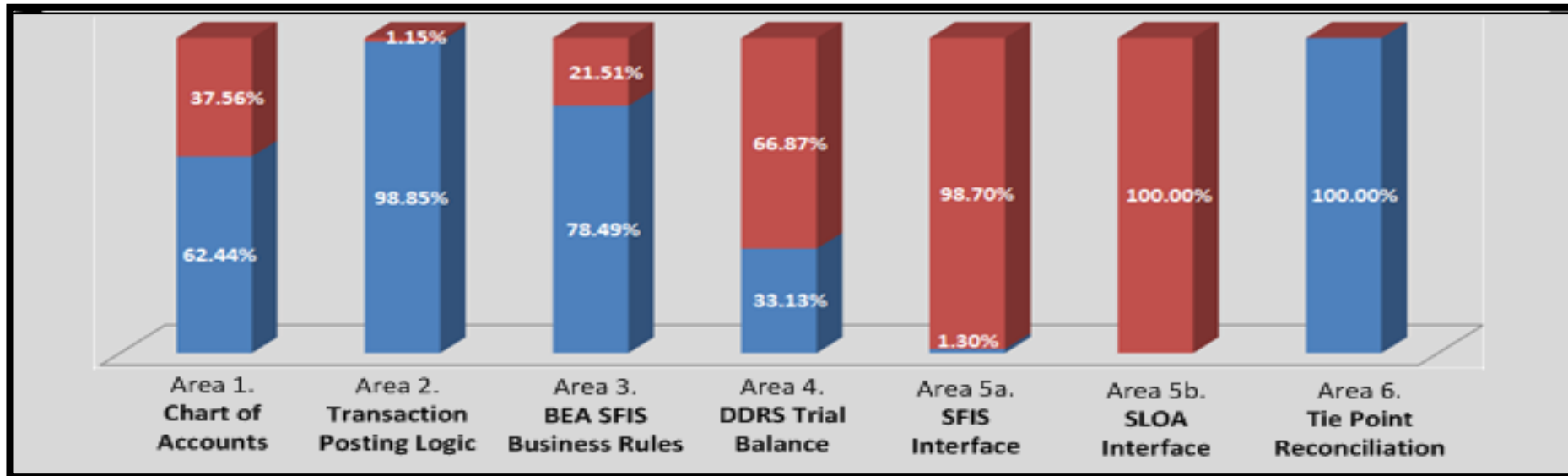
Systems Need
To Be:

Auditable

Visible

Traceable

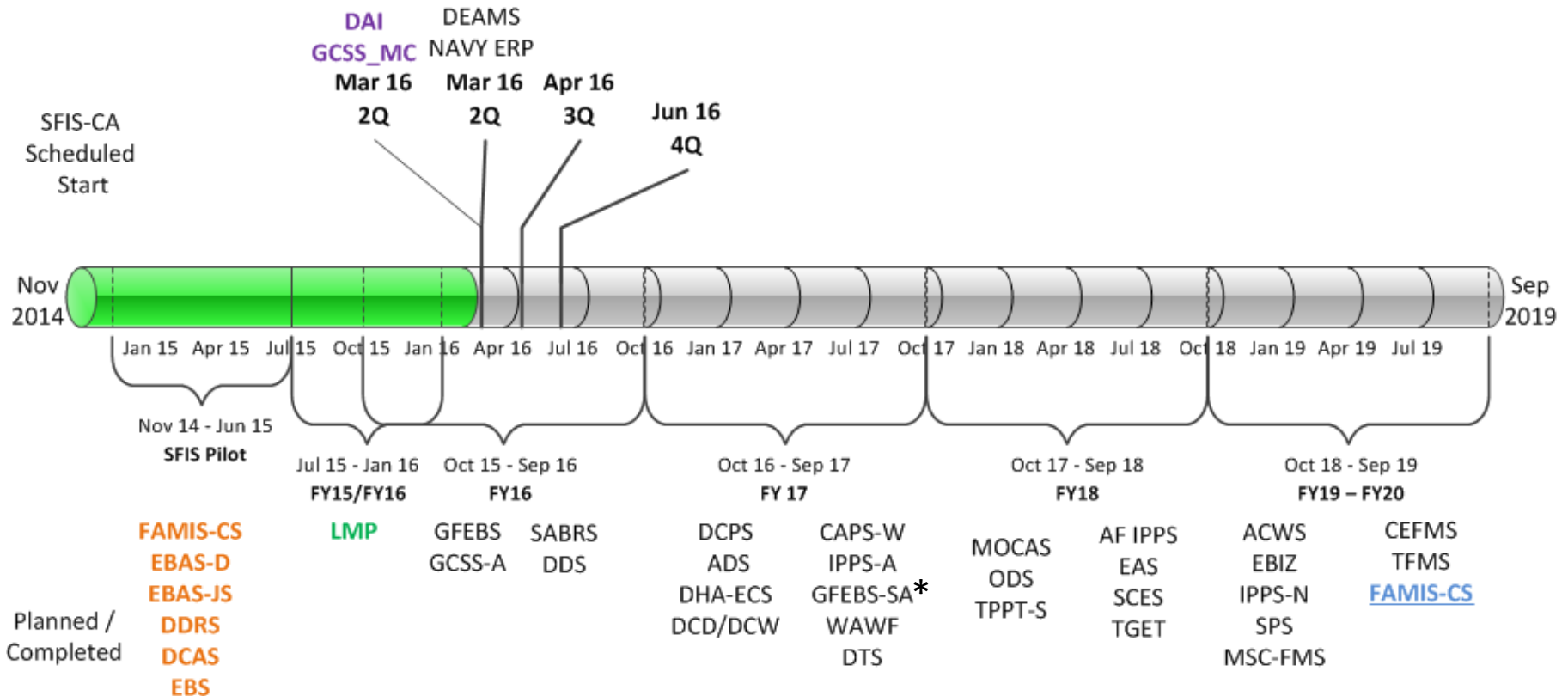
Accountable



 - Compliant
 - Non-Compliant



Planned Assessment Timeline

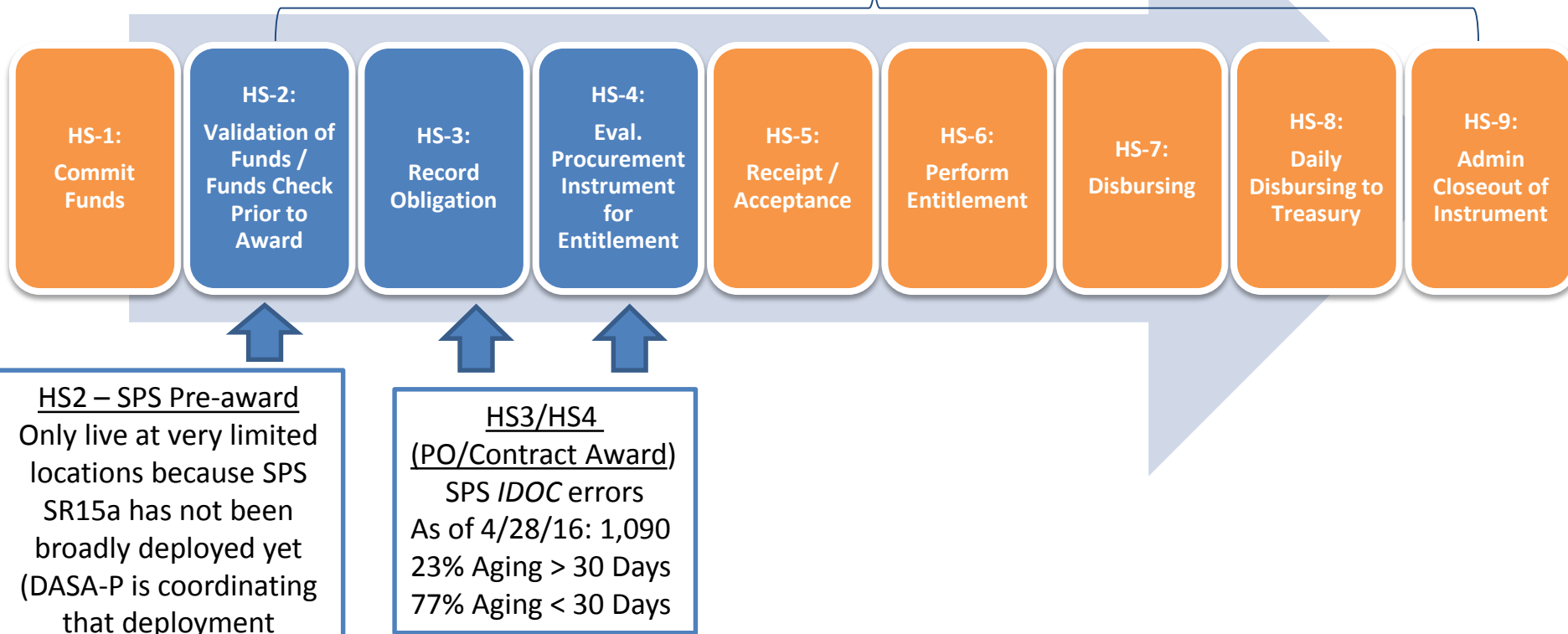


* Subject to change

Why are P2P Handshakes so Important?

- “Automatic” data exchanges in which data comes across with the correct format and values, and ultimately is used and processed by the receiving system minimizing manual intervention.
 - Ensures data exists and is accurate to support downstream processes
 - Ensures system controls for audit

Can be done with Hub & Spoke Technology





What's in it for me?



- Sustainable audits
- Smaller audit sample sizes
- Reduced operating costs ... Command \$ ↑
- ↓ Re-work
- Fewer \$ chasing re-work ... re-work ↓
- ↑ More accurate & timely payments and G/L postings
- ↓ interface & systems controls
- ↓ FISCAM controls
- ↓ In-transit & UMTs
- Nirvana!!!



What can we do to achieve the Target State ?



- Clean up data ... *edit checks* & hard stops *at data sources*
- Focus on & solve *root causes* ... stop chasing downstream fixes
- *Eliminate unnecessary manual processes*
- Adopt standard business processes
- Automate the processes and system controls to maximum extent
- Connect the infrastructure using standard data, data exchanges, processes
- Kill systems by moving orphan functionality to target systems, or re-engineer processes
- Challenge the status quo