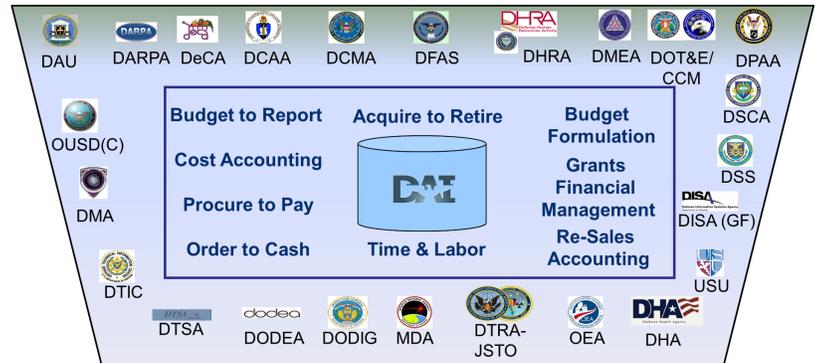


Defense Agencies Initiative (DAI)

Executive Summary

- During the operational assessment conducted by the Joint Interoperability Test Command (JITC) from July 20 through August 14, 2015, the Defense Agency Initiative (DAI) Increment 2 Release 1 critical functionality and interfaces worked as designed.
- The DAI system usability requires ongoing improvements for several defense agencies. The conversion to Oracle eBusiness Suite Release 12 as part of DAI Increment 2 Release 1 has been difficult, resulting in slow response times and defects requiring software patches to fix.



System

- DAI is an information technology system with a core functionality that provides a commercially-available Oracle Enterprise Resource Planning system.
- DAI modernizes the financial management processes for many DOD agencies and field activities by streamlining financial management capabilities, addressing financial reporting material weaknesses, and supporting financial statement auditability.
- The Defense Information Systems Agency (DISA) provides facilities for the DAI servers at its Ogden, Utah, and Columbus, Ohio, Defense Enterprise Computing Centers.
- DAI is employed worldwide and across a variety of operational environments via a web portal on the Non-classified Internet Protocol Network using each agency's existing information system infrastructure.
- DAI includes two software increments:
 - Increment 1 was in Operations and Sustainment and was used for financial reporting at 12 defense agencies.
 - Increment 2 has four software releases, each with additional capabilities, with deployments to 11 additional defense agencies continuing through FY17.
- DAI supports financial management requirements in the Federal Financial Management Improvement Act and DOD

Legend	
DARPA	Defense Advanced Research Projects Agency
DAU	Defense Acquisition University
DCAA	Defense Contract Audit Agency
DCMA	Defense Contract Management Agency
DeCA	Defense Commissary Agency
DFAS	Defense Finance and Accounting Service
DHA	Defense Health Agency (formerly TMA)
DHRA	Defense Human Resources Activity
DISA (GF)	Defense Information Systems Agency (General Funds)
DMA	Defense Media Activity
DMEA	Defense Microelectronics Activity
DoDEA	DoD Education Activity
DODIG	DoD Inspector General
DOT&E	Director, Operational Test and Evaluation
DPAA	Defense Prisoner of War/Missing Personnel Accountability Agency
DSCA	Defense Security Cooperation Agency
DSS	Defense Security Services
DTRA-JSTO	Defense Threat Reduction Agency-Joint Science and Technology Office
DTSA	Defense Technology Security Administration
DTIC	Defense Technical Information Center
MDA	Missile Defense Agency
OEA	Office of Economic Adjustment
OUSD(C)	Office of the Under Secretary of Defense (Comptroller)
USU	Uniform Services University of Health Sciences

Business Enterprise Architecture; therefore, it is subject to the 2010 National Defense Authorization Act requirement to be auditable by 2017.

Mission

Defense agencies use DAI for budget, finance, and accounting operations to provide accurate, reliable, and auditable financial information that supports DOD missions.

Major Contractors

- CACI Arlington – Northampton County, Virginia
- International Business Machines – Armonk, New York
- Northrop Grumman – Falls Church, Virginia

Activity

- JITC conducted two developmental tests of DAI Increment 2 Release 1: a System Integration Test from February 9, 2015, through March 25, 2015, followed by a User Acceptance Test conducted from March 30, 2015, through April 17, 2015.
- JITC conducted an operational assessment of DAI Increment 2 Release 1 from July 20 through August 14, 2015, in accordance with a DOT&E-approved test plan.
- A DISA Field Security Operations Red Team conducted a cybersecurity Adversarial Assessment of DAI Increment 1 Release 3 from October 14 through November 25, 2014.
- On September 16, 2015, USD(AT&L) signed an Acquisition Decision Memorandum approving limited fielding of DAI Increment 2 Release 2 to current and additional defense agencies.
- The DAI Program Management Office (PMO) has coordinated for a full cybersecurity test (Cooperative Vulnerability and Penetration Assessment and Adversarial Assessment) for 2QFY16 on Increment 2 Release 2.

Assessment

- During the operational assessment, the system's critical functionality and interfaces worked as designed; however, the testing revealed deficiencies that reduced user satisfaction. Deficiencies included:
 - Workflow and certification problems that affected the approval of some financial documents and forced resubmission.
 - The time to process employee payroll records was a queued, serial process that often took hours to complete for each agency. To mitigate, the DAI PMO has assumed this task until an acceptable software solution is implemented and tested.
 - There were often long system response times and time outs that required users to take extra steps to complete their tasks. The DAI help desk effectively supported the production system during the operational test and worked well with DISA and defense agency customers.
- The conversion to Oracle eBusiness Suite Release 12 was a challenge, but the PMO employed effective patch management to resolve many issues during and after testing.

- System stability issues led to seven critical failures between May 4 and July 7, 2015. To alleviate the failure rate, the program manager rescheduled weekly maintenance to weekends and turned off system logging to reduce the demand on the system. DAI meets operational availability requirements for peak and non-peak periods.

Recommendations

- Status of Previous Recommendations. This is the first annual report for this program.
- FY15 Recommendations. The DAI PMO should:
 1. Improve system response times, reduce time outs, and correct other errors requiring users to take extra steps to complete their tasks.
 2. Establish a scheduled maintenance program that supports all agencies' missions that accounts for the defense agencies' worldwide and weekend operations.
 3. Complete cybersecurity testing, to include a Cyber Economic Vulnerability Assessment, at the Program Office, data centers, and customer agencies during FY16.