

Quick Reference Fact Sheet



What?



What is the DON Financial Management Transformation (FMT) program?

- The DON FMT program is an enterprise-wide program spearheaded by the Assistant Secretary of the Navy, Financial Management and Comptroller (ASN(FM&C)).
- The program has direct impacts to and requires action by all commands and organizations that span OPNAV and USMC.
- While the FMT program deals heavily with the DON’s financial statement audit, the bulk of the program’s efforts are focused on addressing areas identified by the audit where the DON needs to improve operationally, in order to improve lethality and readiness.

DON FMT Vision

Operate one financial system

Standardize processes with documented internal controls tested annually

Include enterprise risk management and zero-based budgeting in POM development

Manage budget authority inside the financial system; minimal reimbursables

DON FMT Primary Goals (referred to as the “ABCs”)

AUDIT

Continue full-scope financial statement audit with full transparency:

- Prioritize and remediate findings
- Strengthen internal controls
- Improve the accuracy of financial reports

BUDGETARY REFORM

Rigorously execute the DON budget:

- Improve execution effectiveness and transparency
- Reduce reimbursable work

CONSOLIDATION OF SYSTEMS

Consolidate and reduce feeder and financial systems:

- Modernize Navy ERP employing standard business processes

Who?



Who is involved in the DON FMT program?

Everyone in the DON is impacted. The program is organized by dedicated focus areas, which include an OASN(FM&C) lead along with engagement from related DON and external stakeholder groups.

DON FMT Focus Area	Lead(s)	Primary Stakeholder(s)
Real Property	Operations (FMO) / OASN(EI&E)	OASN(EI&E), NAVFAC, CNIC
Inventory and Operating Materials and Supplies (OM&S)	Operations (FMO) / N4	OASN(RD&A), N4, NAVSUP, DLA
IT General Controls	Policy and Systems (FMP)	All Commands
Business System Consolidation	Policy and Systems (FMP)	All Commands
Budgetary Reform	Budget (FMB)	DON Comptrollers, BFMs, Resource Sponsors
Financial Reporting / Fund Balance with Treasury Reconciliation	Operations (FMO)	DON Comptrollers, DFAS



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Why?



Why is the DON FMT program important to the DON, uniformed and civilian?

- The DON FMT program is rooted in the National Defense Strategy and the DON Business Operations Plan as directives from the Secretary of Defense and Secretary of the Navy respectively
- The FMT program strives to comprehensively address the DON's audit findings, bridging HQ and operational communities and functions across the DON
- Success of the FMT program will result in:
 - Improved business processes to strengthen support to warfighter lethality and readiness
 - Better tracking of DON funds from budget to execution, resulting in investments and redirection of limited funding to the highest priority warfighter capabilities
 - Streamlined and centralized financial systems portfolio to drive faster and more reliable data to the warfighter

Notable DON FY18 Audit Results

\$ Billions in unspent balances returned to Treasury

20-30% Inventory Error Rate

These challenges exist because of:

- Lack of integrated, documented, and consistently followed processes
- Fragmented and redundant financial and feeder systems

How?



How will the DON achieve Financial Management Transformation?

- Lines of effort are concentrated in focus areas. The focus area team works with its associated stakeholders to develop comprehensive plans of action. Each focus area and its project teams are now working with their stakeholders to innovate solutions to achieve transformation.

How will success be measured?

- Each FMT-related focus area's plan of action is actively being maintained, monitored, and briefed to DON senior leadership. Integration and collaboration between DON organizations are major topics regularly visited during DON senior leadership meetings.

When?



When are FMT program-related efforts taking place?

- FMT efforts across the DON began with Fiscal Year 2018.
- The FMT program will be a multi-year effort, with iterative milestone targets achieved each year.
- As transformation is realized, the DON will sustain transaction excellence as confirmed by clean or modified audit opinions.

Where?



Where will FMT program-related effort occur?

- FMT is an enterprise-wide effort across the DON (i.e., Secretariat, OPNAV, and USMC) and involves many external stakeholders. While the effort will be directed by ASN(FM&C), all major commands and activities across the globe will be involved.