



THE SECRETARY OF THE NAVY
WASHINGTON DC 20350-1000

March 6, 2020

MEMORANDUM FOR DISTRIBUTION

SUBJECT: SECNAV VECTOR 14

There is a great scene from the movie “School of Rock” in which the main character, Dewey Finn (played by Jack Black), explains why he teaches certain subjects using a technique called “sing-song.” He explains that this method is particularly effective for what he calls “the boring subjects.” It’s a stark and damning admission for an alleged educator—but I think that was the point of the joke!

In any case, I believe that in the Department of the Navy (DON) we often fall victim to similar thinking about certain jobs or functions that seem tedious and unimportant relative to the bigger life or death missions that are carried out by our front line warfighters. In those cases, it’s easy to justify that certain activities should go to the back burner in deference to the crisis of the day.

I had a perfect example of this phenomenon over the last several days as I thought about this vector. For weeks I had scheduled the vector to be about the financial audit, but as events of the week unfolded I became convinced that a message about how we are dealing with Coronavirus should take precedence. The audit, as many might suggest, is just one of those “boring subjects” that should be relegated to a lower priority in the face of bigger challenges. The truth is, however, that the audit really matters for exactly the same reason that any other big challenge does—it has a profound impact on our effectiveness as an organization, and it will hamper our ability to fight and win if we don’t address it.

Therefore, I will use this vector to inform you about the audit, and I will also attach some more detailed information about Coronavirus so that you understand the steps we are taking to address the disease as a Department and how you can reduce your risks in this regard. These two subjects are not mutually exclusive in terms of priorities. They both matter.

With respect to the audit, this is our third year of conducting a full financial statement audit of the DON. Prior to 2018, this had never been done before in the history of our organization. We continue to make progress and have established a number of priorities for Fiscal Year 2020, which are outlined in our Business Operations Plan (www.navy.mil/donbop). One critical initiative, the Navy Material Accountability Campaign, is already having a significant impact on fleet readiness and improved accountability of our equipment and operating material. Clean-up efforts beginning in 2019 have identified \$2.9 billion in material that had not been visible across the Navy enterprise. Much of this material was managed locally, but the lack of global visibility prevented us from being able to utilize available inventory in one location to satisfy requirements elsewhere or process for disposal as necessary. To date, this material has filled over 12,000 fleet requisitions valued at nearly \$50 million.

There are many examples of local installation efforts on this campaign, but I would like to highlight a few to demonstrate my earlier point about how the audit is having an immediate

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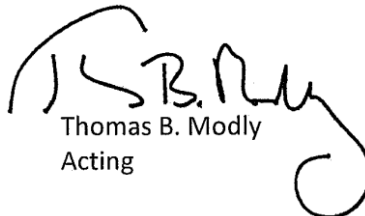
impact on our organizational effectiveness and how that has directly translated into better operational readiness. During the audit, Naval Air Station Jacksonville identified \$280 million of material for use or disposal, of which \$81 million filled 174 requisitions, enhancing aviation readiness and supporting strike fighter recovery. Additionally, the Naval Sea Logistics Center and Naval Surface Warfare Center Philadelphia identified more than 10,500 line items of material. They filled nearly 2,000 high priority requisitions for our ships and submarines at a cost avoidance to the fleet of over \$2 million.

These and all related efforts are greatly appreciated. As the work continues, examples like this are growing and the impact of audit on fleet readiness is being enhanced. We still have a long way to go, and yes, some of this work can be tedious and hard. Nonetheless, everyone has a part to play with respect to how responsible and accountable you are with the funds you have to spend, the material you have to manage, and the processes you have to follow and document. While doing this work if we think about how it supports our warfighters there is no reasonable way anyone could refer to the audit as a “boring subject!”

We must continue to press and accelerate these and other audit related efforts, which are foundational to readiness, cybersecurity, stewardship of taxpayer dollars, and the reform line of effort for the National Defense Strategy. As I’ve said before, the financial audit is the lynchpin to monitoring, catalyzing, and improving business operations performance. That is why we in the DON are committed to the audit.

Finally, and sadly, I had the solemn honor to attend the memorial services for two shipmates this week. The first was for 97 year-old Don Stratton, one of the last three survivors of the attack on the USS Arizona at Pearl Harbor. The second was for 23 year-old Midshipman David Forney, a senior at the U.S. Naval Academy. At both services I was struck as to how our sea service is bound together across generations by the same qualities: strength, courage, determination, a sense of adventure, a sense of duty, a sense of humor, and a sense of commitment to teammates and shipmates. Most striking however, was how in grief we gather to acknowledge these qualities in our lost shipmates, while in life we hold back on expressing it. This week please take a moment to thank a DON shipmate for what they do that you respect, for who they are that you admire, and for what they represent that makes you proud. We all need this recognition and it keeps us connected and committed to each other and the broader mission we all serve.

Don’t Give Up the Ship, Don’t Give Up on a Shipmate, Don’t Give Up the Audit; and don’t ever forget to “Beat Army!”



Thomas B. Modly
Acting

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SECNAV Vectors are released each Friday to the entire DON. Previous Vectors can be viewed <https://navylive.dodlive.mil/2020/01/02/secnav-vectors/>.

- SECNAV VECTOR 1: Priorities and Near-Term Objectives
- SECNAV VECTOR 2: Unified in Grief, Heroism, and Resolve
- SECNAV VECTOR 3: Make Ford Ready
- SECNAV VECTOR 4: December Honors and Remembrance
- SECNAV VECTOR 5: DON Business Operations Plan
- SECNAV VECTOR 6: Path to a 355 Plus Integrated Naval Force
- SECNAV VECTOR 7: Education for Seapower
- SECNAV VECTOR 8: Partners and Allies
- SECNAV VECTOR 9: Hypersonic Capabilities
- SECNAV VECTOR 10: Sexual Assault Prevention and Response
- SECNAV VECTOR 11: Naval Information Strategy
- SECNAV VECTOR 12: Future Naval Force
- SECNAV VECTOR 13: Naval Education Goals and Pillars

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