




UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

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OFFICE OF  
CHIEF FINANCIAL OFFICER

**MEMORANDUM**

SUBJECT: OCFO's Response to the OIG's Audit Report, "Improvements Needed in EPA's Efforts to Replace Its Core Financial System, Project Number OMS-FY10-0006"

FROM: Barbara J. Bennett  
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TO: Rudolph M. Brevard  
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Office of Inspector General

In response to the Office of Inspector General audit report, "Improvements Needed in EPA's Efforts to Replace Its Core Financial System, Project Number OMS-FY10-0006," I am providing the following corrective action for each recommendation:

**Report Recommendation 1:**

- ***Develop and implement formal procedures for future projects to ensure that:***
  - ***the requirements document(s) and test plans are authorized by executive management (as a part of the definition phase's requirements subphase) prior to approving the system to move into the next phase of the lifecycle, and***
  - ***any subsequent changes to the requirements document(s) and/or test plans are authorized by executive management prior to making changes to the design of the system.***

**OCFO Corrective Action:**

OIG identified concerns with OCFO's compliance with the EPA System Life Cycle Management Procedure. Attached are the approval and the documented OCFO tailoring approach for developing and implementing the Financial System Modernization Project (FSMP). The Senior Information Official for FSMP signed the approval Decision Memorandum on February 4, 2011. Attached to the decision memorandum is the approved tailoring document that describes how the FSMP system life cycle has been

tailored to meet the requirements defined in EPA's System Life Cycle Management (SLCM) Procedure. OCFO will make its staff available to walk through the tailoring document as needed.

OCFO established a Change Control Board (CCB) that consists of an executive-level management group that approves changes on the project including requirements. OCFO established a CCB Lotus Notes Quickplace site to house all meeting materials and meeting minutes documenting decisions on the approval of requirements documents and other change requests. As required by the SLCM procedure, all future test plans will have executive approval by the Office Director of the OCFO Office of Technology Solutions. OCFO will make access to the CCB Lotus Notes Quickplace site available to OIG staff.

**Report Recommendation 2:**

- ***Develop and implement formal procedures to ensure that the test plan associated with PAT or any other test includes criteria that define what constitutes pass or failure to ensure that management has a basis for making go/no-go decisions.***

**OCFO Corrective Action:**

The System Test and User Acceptance Test Plans define the Acceptance Criteria through detailed pass/fail percentages that support OCFO go/no-go decisions. Also, OCFO worked jointly with the contractor to develop and implement FSMP System Test Readiness Checklists for the remaining FSMP phases that demonstrate readiness to commence. Where applicable, criteria for a go/no-go decision are embedded in the checklist. The inclusion of acceptance criteria in the test plans and the contractor's deliverables strengthens OCFO's go/no-go decision making process. OCFO will make all documentation available to OIG staff.

Attachment