



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

THE INSPECTOR GENERAL

March 9, 2011

**MEMORANDUM**

**SUBJECT:** Additional Information Needed to Close Out Audit: *Improvements Needed in EPA's Efforts to Replace Its Core Financial System* (Report No. 11-P-0019)

**FROM:** Arthur A. Elkins, Jr.  
Inspector General

A handwritten signature in black ink, appearing to read "Arthur A. Elkins, Jr.", is written over the printed name.

**TO:** Barbara J. Bennett  
Chief Financial Officer

Thank you for your February 28, 2011, response to our final report. We are encouraged by the Office of the Chief Financial Officer's commitment to addressing our recommendations. However, the corrective actions do not address the intent of the recommendations. The corrective actions focus on the current Financial System Modernization Project and do not establish formal procedures to address the areas disclosed in our recommendations for not only the Financial System Modernization Project, but for all future projects.

Please provide a corrective action plan that identifies the milestones for:

1. Developing and implementing formal procedures for future projects to ensure that:
  - a. 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
  - b. 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.
2. Developing and implementing formal procedures to ensure that the test plan associated with Product Acceptance Tests or any other test [for this project as well as all future projects] includes criteria that define what constitutes pass or failure to ensure that management has a basis for making go/no-go decisions.

In accordance with EPA Manual 2750, the report will remain open in our audit tracking system until it has been resolved. We look forward to a response to this request, and we will evaluate

any additional information you provide. Please provide the additional information by March 24, 2011. If you are unable to provide the information by this date, please let us know the date your office will provide the requested information.

Should you or your staff have any questions, please contact Patricia H. Hill at 202-566-0894 or [hill.patricia@epa.gov](mailto:hill.patricia@epa.gov), or Rudy Brevard at (202) 566-0893 or [brevard.rudy@epa.gov](mailto:brevard.rudy@epa.gov).

cc: Agency Followup Coordinator  
Audit Followup Coordinator, Office of the Chief Financial Officer