



At a Glance

Catalyst for Improving the Environment

Why We Did This Review

We sought to evaluate whether the Office of the Chief Financial Officer (OCFO) effectively managed the system development project to replace the U.S. Environmental Protection Agency's (EPA's) core financial system, the Integrated Financial Management System (IFMS). We also sought to evaluate whether the system development project is achieving the desired results.

Background

In 1989, EPA implemented IFMS as its core financial management and budget execution system. In 2001, EPA began the process to replace IFMS. EPA selected a commercial-off-the-shelf core financial system certified by the General Services Administration Financial Systems Integration Office.

For further information, contact our Office of Congressional, Public Affairs and Management at (202) 566-2391.

To view the full report, click on the following link:
www.epa.gov/oig/reports/2011/20101129-11-P-0019.pdf

Improvements Needed in EPA's Efforts to Replace Its Core Financial System

What We Found

OCFO's management control processes do not ensure compliance with EPA's Systems Lifecycle Management policies and procedures. Such compliance is necessary to provide reasonable assurance that efforts to replace the Agency's core financial system achieve the desired results. EPA's system development policies and procedures identify specific activities and documents required during a system development project. However, OCFO's internal control environment does not enforce these policies and procedures. OCFO proceeded with the design subphase of the system project without obtaining executive management approval of the updated system requirements or developing and obtaining the required approval of test plans to ensure the system will meet Agency needs. Furthermore, OCFO did not predetermine the acceptable product acceptance test script failure percentages to be used as the basis for management's go/no-go decision to proceed with using the evaluated product. These conditions could result in a system that does not meet management's expectations and EPA's needs, and/or does not comply with all applicable federal and EPA requirements.

What We Recommend

We recommend that the Chief Financial Officer develop and implement formal procedures for future projects to ensure that the requirements document(s) and test plans are authorized by executive management prior to approving the system to move into the next phase of the lifecycle. We recommend that any subsequent changes to the requirements document(s) and/or test plans be authorized by executive management prior to making changes to the design of the system.

We also recommend that the Chief Financial Officer develop and implement formal procedures to ensure that the test plan associated with product acceptance testing, or any other test on which management relies, includes criteria that define what constitutes pass or failure to ensure that management has a basis for making go/no-go decisions.

The Agency agreed with the recommendations with agreed-upon corrective actions pending.