

Attachment
OCFO's Response to Draft Report

(Auditor's Note: Attachments were provided as a part of the OCFO's response to the draft report. This documentation is voluminous and is not included as part of this report.



March 31, 2004

MEMORANDUM FOR ELLIOT P. LEWIS

FROM:

Barbara Burkhalter
BARBARA BURKHALTER
Deputy Chief Financial Officer

SUBJECT:

Audit Report No. 23-04-010-13-001 "The e-Payroll Quicksilver Project: Status and Concerns" Period Ending March 22, 2004

This responds to your request for comments on the subject report. Your representatives in a meeting on March 30, 2004, at 3 P.M, distributed the report to OCFO staff. At that meeting, we were informed that you desire to issue this report in final tomorrow, March 31, 2004, so that it can be included in your Semiannual Report to Congress.

It was our impression at the meeting today that there were many factual inaccuracies and misleading statements in the report that need to be corrected. To assist you with making those corrections, we agreed to provide you with documentation that you had not previously requested. The documentation is included as exhibits. In addition, here is our written response to your concerns and recommendations.

OIG Recommendation: Obtain written confirmation from NFC that the conversion can be completed by September 30, 2004. Insist on reviewing NFC project plans and maintain periodic discussions with NFC management to confirm continuously that NFC is on schedule to meet DOL's deadline.

OCFO response: On February 11, 2004, we received written confirmation from NFC that the conversion can be completed by September 30, 2004, if we meet certain dates, which we have met. A copy of the letter is attached as Exhibit 1. We receive regular updates to the NFC project plan. A copy of the March 15, 2004, update is attached as Exhibit 2. We maintain periodic discussions with NFC management. The most important meeting is where DOL and NFC meet with OMB and OPM. The most recent meeting was on March 15, 2004. The minutes of that meeting are attached as Exhibit 3.

OIG Recommendation: Develop a conversion plan that indicates the process and milestones that ensures all payroll and retirement data cleanup will be completed and how the conversion of the data to NFC will be accomplished.

OCFO Response: We developed a conversion plan in Microsoft Project to expand the DOL tasks on the NFC overarching migration plan. A copy of the DOL tasks is attached as Exhibit 4. The conversion of the retirement records to OPM is not part of the e-payroll project. A copy of the OPM Retirement Systems Modernization project is attached as Exhibit 5 to confirm the exclusion.

OIG Recommendation: Brief the TRB on the status of the e-payroll project on a regularly scheduled basis to gain added insight and advice from knowledgeable and experienced department-wide IT managers. Commit to having the OCIO and TRB involved in the e-payroll project and take advantage of the OCIO's authority to leverage DOL's IT resources to ensure project success.

OCFO Response: The OCIO has been and continues to be involved in the project. The Deputy CIO is the CIO's representative to the e-payroll project status meetings with OMB and OPM. The Deputy CIO's office is responsible for forwarding the e-payroll project business case and capital investment plan to OMB after they are satisfied with it. The OCFO oversees the development or enhancement of all financial management systems in accordance with the CFO Act. The OCFO will work with the OCIO to assure each complies with statutes that govern their respective oversight roles. The E-payroll project is following the implementation and documentation phases of the Department's Systems Development and Life Cycle Methodology as illustrated at Exhibit 6.

OIG Recommendation: Commit to developing an updated project migration budget indicating expected costs of migration.

OCFO Response: The project migration budget was developed in February 2004, as part of the analysis of the migration options and with the involvement of appropriate DOL individuals. A copy is attached as Exhibit 7.

OIG Recommendation: If these actions cannot be taken within a reasonable amount of time, the DOL should re-evaluate its ability to achieve the September 30, 2004, deadline.

OCFO Response: As described above, the OCFO has already achieved the actions recommended by the OIG. In addition, OCFO staff took many other important actions. Beginning in late January 2004, they mapped the data in the department's payroll system to the NFC system. This was substantially completed in early March 2004. A copy of the index to the data mapping files along with a sample of the content is included as Exhibit 8.

This is not a complete listing of all the corrections needed to the report in order for it not to be misleading or inaccurate. Those other changes were communicated to your representatives in the meeting today and they assured us that they would be revised. If you have any questions about the information presented above or any other questions of the OCFO about the e-payroll project, please contact Barbara Burkhalter at 693-6834.

Attachments