

**Development and Implementation of an
Enterprise Business System**

June 2004

Reference Number: 2004-1C-112

**This report has cleared the Treasury Inspector General For Tax
Administration disclosure review process and information
determined to be restricted from public release has been redacted
from this document.**



INSPECTOR GENERAL
for TAX
ADMINISTRATION

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

June 21, 2004

MEMORANDUM FOR DAVID A. GRANT
DIRECTOR OF PROCUREMENT
INTERNAL REVENUE SERVICE

A handwritten signature in cursive script that reads "Daniel R. Devlin".

FROM: Daniel R. Devlin
Assistant Inspector General for Audit (Headquarters Operations
and Exempt Organizations Programs)

SUBJECT: Development and Implementation of an Enterprise Business
System (Audit #20041C0230)

The Defense Contract Audit Agency (DCAA) provided auditor involvement concerning the contractor's development and implementation of an Enterprise Business System (EBS) in accordance with DCAA audit guidance. The purpose of the assignment was to continue DCAA's efforts concerning the contractor's conversion to an EBS by January 1, 2004. Accordingly, the DCAA provided oversight concerning control requirements as well as comments on concerns identified during the development of the EBS. Also, subsequent to the contractor's January 1, 2004, implementation of the EBS, the DCAA performed data conversion accuracy tests and tests of initial accounting data generated by the EBS.

The DCAA's involvement to date has not disclosed any system design and configuration issues that would have a significant adverse impact to the Federal Government. However, the DCAA has noted that the contractor currently maintains an "Issues Log" that describes various problems encountered by users of the EBS and associated corrective actions by functional area.

In August 2004, the DCAA will initiate an accounting system audit to verify corrections of functional area issues and to perform tests designed to render an opinion on the contractor's overall accounting system and related internal controls.

The information in this report should not be used for purposes other than those intended without prior consultation with the Treasury Inspector General for Tax Administration regarding their applicability.

If you have any questions, please contact me at (202) 622-8500 or John R. Wright, Director, at (202) 927-7077.

Attachment

NOTICE:

The Office of Inspector General for Tax Administration has no objection to the release of this report, at the discretion of the contracting officer, to duly authorized representatives of the contractor.

The contractor information contained in this report is proprietary information. The restrictions of 18 U.S.C. § 1905 must be followed in releasing any information to the public.

This report may not be released without the approval of this office, except to an agency requesting the report for use in negotiating or administering a contract with the contractor.

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