

off-the-shelf product. The value of work accomplished was also being tracked for the project. In addition, a training strategy had been designed and incorporated into the acceptance test phase, which is currently underway. A requirements analysis had also been performed which outlined the Department's needs for a procurement system. In particular, the analysis described the detailed application and system functions that STRIPES had to have to be able to perform and provided a set of requirements or specifications against which its performance may be measured. However, our review identified several opportunities to improve the planning and implementation processes.

Project Planning

A single comprehensive project execution plan had not been developed for managing STRIPES implementation activities. Although most of the major components that should be included in such a plan had been properly developed, we noted that their usefulness in implementing the project could be enhanced by consolidating them. As discussed in DOE O 413.3A, a consolidated plan is valuable because it provides a framework for identifying key components and their status. Such a plan could aid management in evaluating the project and, ultimately, determining when all planned benefits are achieved.

Duplicative Systems

While procurement systems that will become duplicative following implementation had been identified by the STRIPES team, details relating to their ultimate termination were not always contained in planning documents. Consistent with the objective of the initiative, the STRIPES team, as part of the analysis of the Department's current information technology environment, concluded that about 30 systems could be replaced by STRIPES. However, planning documents provided insufficient details, such as a schedule or organizational commitment to terminate duplicative procurement systems once STRIPES becomes operational. The Federal Project Director stated that by re-validating functional requirements, Department organizations had indirectly agreed to turn off their systems when STRIPES becomes operational. However, a project official indicated that assistance may be needed from the Chief Information Officer (CIO) to ensure that this is accomplished since direction to terminate operation cannot be given for systems under another organization's control.

Critical Path

The STRIPES critical path was missing essential elements and had not been formally approved. The establishment and maintenance of a critical path provides a tool for assessing what tasks must be carried out, identifies parallel activity, establishes the shortest time in which a project can be completed, and determines resources needed to execute a project. In addition, the tool is useful for assessing the sequence of activities, scheduling and timing, prioritizing tasks, and determining the most efficient way to shorten time on urgent projects. According to the Department's project management

directives, critical path design is an activity that should be considered in developing and preparing a project execution plan and must be developed and maintained for a project. We noted that the critical path schedule for STRIPES was missing essential elements – such as the identification of where parallel activity could be performed and the shortest time in which the project can be completed – and remained in draft even though the project commenced three years ago. The STRIPES Federal Project Director acknowledged that the STRIPES critical path was a draft product and did not contain enough detail.

POTENTIAL IMPACTS

One of the major objectives of project officials in requesting the audit was to identify any STRIPES risks or issues that could impact the audit of financial statements. Our work up to this point to evaluate the STRIPES system development has not identified any potential issues which would impact future audits of the Department's financial statements. The issues discussed above related to project planning could, however, potentially impact STRIPES development or the efficiency of the Department's procurement operations.

SUGGESTED ACTIONS

To help ensure an efficient, timely, and orderly implementation; we suggest that the Chief Financial Officer (CFO) direct the STRIPES project management team to:

1. Consolidate detailed plans into a comprehensive execution plan with an overall index to provide a framework for identifying all of the key components or detailed plans and their current status;
2. Revise the STRIPES draft critical path schedule to include essential elements and formally approve it for use on the project; and,
3. Expand planning documents to include details regarding which field and headquarters procurement systems will become duplicative as STRIPES comes online and the timeframe in which this will occur.

We also suggest that the CFO work with the CIO and other Program Offices to ensure timely termination of the operation of duplicative procurement systems as soon as possible after the implementation of STRIPES.

MANAGEMENT REACTION

Management agreed that consolidating the planning and project documents would be useful in the future and agreed with the suggestion to revise the critical path. They have instructed their subcontractor to deliver the critical path in a more useful format. Additionally, based on previously developed information, they will ensure full identification of potentially duplicative systems and recommend that those systems be

turned off. However, since the Office of the CFO does not own or fund them, additional Department elements, including the Office of the CIO, will have to participate in the joint effort.

Since no formal recommendations are being made in this report, a formal response is not required. We appreciate the cooperation of your staff during this phase of the audit.



Rickey R. Hass
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for Environment, Science, and Corporate Audits
Office of Audit Services
Office of Inspector General

Attachment

cc: Director, Office of Management, MA-1
Chief Information Officer, IM-1
Chief of Staff
Team Leader, Audit Liaison, CF-1.2
Audit Liaison, IM-10
Audit Liaison, MA-40

Attachment

SCOPE AND METHODOLOGY**SCOPE AND METHODOLOGY**

Fieldwork for the Department of Energy's (Department) Implementation of the Strategic Integrated Procurement Enterprise System (STRIPES) – Overall Project Planning was performed between July 2007 and November 2007 at Department Headquarters in Germantown, Maryland. To accomplish the audit objective, we:

- Reviewed applicable laws, regulations, and guidance pertaining to information technology, financial management systems, and system development and implementation.
- Reviewed relevant reports issued by the Office of Inspector General and the Government Accountability Office;
- Reviewed the *Government Performance and Results Act of 1993* and determined if performance measures had been established for STRIPES; and,
- Held discussions with Department officials and personnel and obtained and reviewed relevant documentation relating to development and implementation.

The audit was performed in accordance with generally accepted Government auditing standards for performance audits and included tests of internal controls and compliance with laws and regulations to the extent necessary to satisfy the audit objective. Accordingly, we assessed significant internal controls and performance measures under the *Government Performance and Results Act of 1993* regarding implementation of STRIPES and found that performance measures, objectives, and goals did exist relating to the effort. Because our review was limited, it would not necessarily have disclosed all internal control deficiencies that may have existed at the time of our audit. We did not rely on computer-processed data to accomplish our audit objective.