Memorandum

DATE: September 28, 2007   Audit Report No.: OAS-L-07-26

REPLY TO
ATTN OF: IG-34 (A07TG029)

SUBJECT: Report on "Department's Implementation of the Strategic Integrated Procurement
Enterprise System – Transition Planning, Interfaces, and Testing"

TO: Chief Financial Officer, CF-1

INTRODUCTION AND OBJECTIVE

The Strategic Integrated Procurement Enterprise System (STRIPES) initiative is an
important component of the Department of Energy's (Department or DOE)
I-MANAGE program. Consistent with the President's Management Agenda and laws
such as the E-Government Act, the STRIPES project has been undertaken to improve
the efficiency and effectiveness of awarding and administering acquisition instruments
– including managing and operating contracts, interagency and blanket purchase
agreements, and purchase and task orders. The initiative will ultimately replace and/or
consolidate as many as 30 procurement-related systems across the Department.

Based on a request by project officials and previous difficulties encountered during
deployment of the Department's corporate financial management system, we elected to
perform a review of the STRIPES planning and system development effort. To
accommodate the ongoing effort and provide feedback prior to the planned January
2008 system implementation date, we adopted a three-phased approach. In successive
order, we plan to review and report on: 1) transition planning, system interfaces, and
testing; 2) overall project planning; and, 3) security. This report, the first in the series,
addresses whether ongoing efforts in the areas of transition planning, interfaces, and
testing are satisfying Federal and Department system development requirements,
goals, and mission needs.

CONCLUSION AND OBSERVATIONS

For the most part, transition planning, interfaces, and testing for STRIPES satisfied
Federal and Department system development requirements, goals, and mission needs.
Specifically, a transition plan had been developed and key system interfaces had been
identified. A testing strategy had also been designed and the acceptance test phase is
currently underway. Our review, however, disclosed several opportunities to improve
the development process and increase the likelihood that the effort will ultimately be
successful.

Although required by the Department's project management directive, the STRIPES transition plan did not include information on system documentation, interfaces, and draft operating schedules. Also, an unresolved issue related to the accuracy of vendor information to be verified during the interface with the Department's corporate financial system – the Standard Accounting and Reporting System (STARS) – existed. Schedule slippages in the testing phase had also occurred and could delay implementation if continuous monitoring and oversight is not maintained.

Transition Planning

Although specifically required, the STRIPES transition plan did not include information on system documentation, interfaces, and draft operating schedules. The Department project management directive (DOE Order 413.3A), requires that transition policies and procedures be addressed as part of the preliminary project execution plan. It also requires issuance of a "Project Transition to Operations Plan" to define the basis for attaining initial capability or full operating capacity. The required Project Transition to Operations Plan should address system documentation, training, interfaces, and draft operating schedules. The Organization Change/Transition Management Plan prepared for STRIPES addressed training in detail; however, it did not include information on system documentation, interfaces, and draft operating schedules. Project officials informed us that this information was contained in several "Project Plan" documents, some of which remained in draft, and were separate from the Organization Change/Transition Management Plan. However, as noted in the project management directive, all of these elements should be part of one comprehensive Project Transition to Operations Plan.

System Interfaces/Integration

Interfaces for the system were identified in accordance with Federal requirements and Department mission need. Project officials identified systems that would interface with STRIPES during normal business and transaction cycles – interactions necessary for efficient and reliable data sharing. In particular, the project definition cited a business need for interfaces with internal and external systems such as STARS and FedBizOpps (Federal Business Opportunities). Project planning documentation contained key interface points that were consistent with Department objectives and Federal requirements. For instance, in the areas of funds certification and obligation/de-obligation, STRIPES will interface with STARS to verify availability, reserve and de-reserve, and obligate and de-obligate funds. In addition, key interfaces were identified for sending synopses, solicitations, modifications, and award notices to the Federal Business Opportunities system.

An integration issue with STARS -- identified by the project director -- had not yet been completely resolved and could potentially impact the efficiency of STRIPES operations. Specifically, a project review of STARS vendor data indicated that many vendor records do not contain accurate information. This could create efficiency issues in that, if vendor information in STARS is not accurate, the STRIPES transaction will be delayed until the vendor information is correct by a member of the STARS team.

Testing

A test strategy had been developed that was consistent with Department guidance and objectives. The Department's development methodology requires that either the project team or an independent test team conducts tests to ensure that the system performs as expected. To that end, the Department established an objective for defining testing strategies and by developing a detailed acceptance test plan and schedule. The approach called for users at Department Headquarters and various field/site locations to be made available for system, performance, and user acceptance testing as required.

Actual testing for STRIPES, however, was not always occurring in accordance with expectations. Specifically, the October 2004 business case had originally projected that the acceptance testing phase would take place during February through August 2006. Due to resource issues related to STARS implementation, acceptance planning and testing was delayed and has only recently been initiated to address issues related to functionality, data integrity, integration, system performance, and cyber security. Even though the Department had developed a revised testing plan, some testing components appeared to be behind schedule. For instance, as of August 23, 2007:

- Loading of library documents, scheduled to be completed between July 16, 2007 and August 31, 2007, was 50% complete;

- Creating a user acceptance test schedule, projected for completion by September 10, 2007, was 25% complete; and,

- Writing draft access control procedures, an effort that was to take place between July 23, 2007, and September 4, 2007, was 25% complete.

Unless greater attention or resources are allocated to ensure that testing is meeting established schedules, implementation of STRIPES could be delayed.

POTENTIAL IMPACTS

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 transition planning, interfaces, and testing, could, however, potentially impact decisions relating to STRIPES development or its operational efficiency.

SUGGESTED ACTIONS

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

1. Revise the project transition plan to address system documentation, interfaces, and draft operating schedules;

2. Move expeditiously to resolve the vendor data integration issue with STARS; and,

3. Reallocate resources, as necessary, to ensure that future testing of components adheres to established schedules.

MANAGEMENT REACTION

Management concurred with the suggested actions and indicated that they would take action to address them. Since no formal recommendations were made in this report, a formal response is not required. We appreciate the cooperation of your staff during this phase of the audit.

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Assistant Inspector General
 for Financial, Technology, 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

SCOPE AND METHODOLOGY

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Fieldwork for Department's Implementation of the Strategic Integrated Procurement Enterprise System – Transition Planning, Interfaces, and Testing was performed between July 2007 and September 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. We also 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 STRIPES implementation 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.