National Aeronautics and
Space Administration

Office of Inspector General
Washington, DC 20546-0001

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TO: Chief Financial Officer

FROM: Assistant Inspector General for Audit

SUBJECT: Preliminary Observations on the Review of NASA's Readiness to Implement Project Management Information Improvement, Phase I (Assignment Number A-05-026-00)

The Office of Inspector General is performing a review of NASA's readiness to implement Project Management Information Improvement (PMI^2) Phase I in mid-October 2005. PMI^2 is a data management process—the result of a study to develop an approach and strategy to expand the functionality of NASA's Core Financial Module. The purpose of PMI^2 is to improve project information management by aligning both technical and financial work breakdown structures,[1] thus migrating to a single data management structure. Such an alignment is needed for managers to exercise sound financial management of their programs and projects. PMI^2 is planned to be implemented in three phases. Because implementation of PMI^2 Phase I will change the entire NASA budget structure, NASA plans to implement Phase I in conjunction with the start of FY 2006. Thus it is critical that NASA implement Phase I so that it can execute the FY 2006 budget. We began our review of PMI^2 Phase I implementation preparations in August 2005. In conducting our review, we identified concerns that, to ensure successful implementation of PMI^2 Phase I, warrant your immediate attention.

The NASA manager, Integrated Enterprise Management Program's Administrative Systems Implementation Projects Office, which administers PMI^2, expressed concern about the implementation of PMI^2 Phase I. Specifically, she stated that to ensure successful implementation of PMI^2 Phase I and avoid the mistakes that occurred after the implementation of the Core Financial Module, the Agency needs to make certain that the changes expected from PMI^2 Phase I and the benefits resulting from those changes have been adequately communicated to NASA senior management and to the personnel who will be affected by those changes. In addition, the NASA manager stated that to achieve the successful implementation of PMI^2 Phase I in October 2005, it is critical that the PMI^2 Project Office provide Headquarters and the Centers with clear and definitive implementation steps and milestones that must be met. The NASA manager requested our assistance in determining whether those steps are being taken.

[1]Work breakdown structure is a management tool to help NASA track project costs more accurately.

We determined that the concerns raised by the NASA manager were valid and that action needs to be taken immediately to address those concerns. Specifically, we found the following:

- With less than 6 weeks before Phase I is scheduled to be implemented, the overall workforce from Headquarters and Goddard had received little or no communication or training about the changes expected to take place under Phase I implementation or the criticality of those changes to NASA's objective of improved financial management. The PMI² Project Office has provided an end-user training curriculum that must be taken by NASA employees who will be working with the new process in preparation for PMI² Phase I implementation. However, the PMI² Project Office did not provide milestone dates or other details to ensure that all of those courses are taken by the proper employees before Phase I implementation. In addition, while Headquarters and Goddard officials are planning outreach activities through e-mails, town hall meetings, and other activities, none of those activities had taken place, and most had not been scheduled, as of September 8, 2005.

- Neither the Director of Institutional Management (recently placed under the OCFO) nor the Director of Resources Management of the Aeronautics Research Mission Directorate had received sufficient information about PMI² or what actions their staff needed to take to prepare for Phase I implementation. In addition, the Director of Resources for the Exploration Systems Mission Directorate was unsure of the status of preparation for Phase I in his directorate because he had only been in his position for 2 weeks.

- On August 19, 2005, the PMI² Project Manager provided the Mission Directorates and the Center PMI² implementation teams with templates containing the minimum information that each Mission Directorate and Center needed for the Center Readiness Reviews (CRR). CRRs are meetings held between the PMI² Project Office and the Center PMI² implementation staff shortly before implementation to ensure that the Mission Directorates and the Centers have done everything needed to implement PMI². To prepare for the CRRs, the Mission Directorates and Centers need to gather data to support their readiness for PMI² go-live. That data includes data mapping progress, Center-specific SAP interfaces, Center legacy system interfaces, training metrics, communication plans, user support (help desk) readiness, and workarounds and recovery plans. However, as of September 7, 2005, the PMI² Project Manager had not provided clear and definitive implementation steps or milestone dates to direct the Headquarters and Center staff to gather that information and prepare for the CRRs in late September 2005 and, thereby, implementation in October 2005.

- From discussions held during a September 7, 2005, data mapping[2] approval meeting, we learned that the Science Mission Directorate, which is responsible for most NASA projects, was so far behind in its data mapping activities that management is considering having a separate data load specifically for the Science Mission Directorate.

- Under the new financial management structure, the procedures for handling a continuing resolution will change from the process that NASA used in the past. However, as of September 8, 2005, NASA did not have a plan for addressing a continuing resolution[3] under the new financial structure.

We recommend that the Chief Financial Officer

1. Hold town hall meetings, send out weekly e-mail notices to all NASA employees, and provide information on their web-site explaining what PMI² is, why it is important, and summarizing the progress that has been made; and, further, establish a frequently asked questions page that is accessible to all NASA employees.

2. Provide to Headquarters Mission Directorate personnel a thorough briefing on the background and criticality of PMI² and direct the directorate officials to ensure that their respective staff receive the proper information and training needed to prepare for Phase I.

3. Direct the PMI² Project Manager to provide each Mission Directorate and Center with specific steps to take, milestones to meet, and information needed to prepare for the upcoming Center Readiness Reviews.

4. Ensure that the Science Mission Directorate has the necessary resources applied to its PMI² data mapping and other preparation activities to prevent any slippages in PMI² implementation.

5. Determine how a continuing resolution will be addressed under the new structure, and provide that information to the Mission Directorates and Centers.

Completing these actions will help ensure the successful implementation of PMI² Phase I. We will continue to monitor the NASA Centers' progress in preparing for Phase I implementation and will notify you of any additional concerns as they are identified.

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[2]Data mapping is the crosswalk from the existing Agency Wide Coding Structure to the new NASA budget structure.

[3]When the new fiscal year is about to begin or has begun and regular appropriations have not been enacted, Congress enacts a joint resolution—a continuing resolution—to provide budget authority for Federal agencies and programs to continue operating until the regular appropriations acts are enacted.

If you would like to discuss this matter further please contact Catherine Schneiter, Director of Financial and Institutional Management audits, at (202) 358-3789, or catherine.schneiter@nasa.gov, or Karl Allen, Project Manager, at (202) 358-2595, or karl.m.allen@nasa.gov.

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cc:
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