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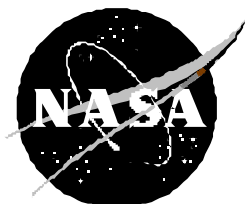
**SUMMARY REPORT ON AUDIT OF  
INTEGRATED FINANCIAL MANAGEMENT  
PROGRAM CORE FINANCIAL MODULE**

**September 29, 2003**

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David M. Cushing, Assistant Inspector General for Auditing

**Summary Report on Audit of  
Integrated Financial Management Program (IFMP)  
Core Financial Module (CFM)**

Our audit of the IFMP Core Financial Module, during the period August 2002 through June 2003, identified four issues that, due to the fast moving nature of the CFM implementation, were immediately communicated to NASA IFMP Program Executive. NASA's responses to those issues were also received at various points during the audit. As of the issuance of this summary report, NASA management has adequately addressed all issues, and we consider each issue closed.

At the time of our audit, we found that the NASA CFM Team had not:

- Planned to test all transactions prior to full, NASA-wide implementation of the CFM (Audit Issue 1),
- Tested all CFM-generated reports for accuracy (Audit Issue 2),
- Resolved critical data conversion testing discrepancies in the tracking system before Wave 2 (Headquarters, Johnson Space Center, Kennedy Space Center) CFM implementation (Audit Issue 3), and
- Used the IFMP Knowledge Sharing System (KSS) to document and disseminate lessons learned (Audit Issue 4).

## **Audit Issues and Recommendations**

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### **Audit Issue 1. Testing Transactions Deferred from the First Wave of CFM Implementation.**

When we reported this issue to NASA management on February 13, 2003, CFM management had no plans to test all possible transactions prior to implementation of the CFM at the NASA Centers. CFM Team officials stated that untested transactions would be tested by October 1, 2003, about 3 months after the CFM was implemented at all NASA Centers. Ideally, all transactions should be thoroughly tested prior to system implementation. However, CFM Team officials felt that all transactions could not be tested if the October 2002 target implementation at the Marshall Space Flight Center and the Glenn Research Center were to be met. Therefore, CFM Team officials identified 119 transactions that were not critical to the Pilot and Wave 1 implementation, and deferred them for testing after Pilot and Wave 1 implementation was complete.

CFM Team officials informed us that the majority of the deferred transactions were closing transactions that are only required at the end of the fiscal year. However, according to documentation we were provided by the CFM Deputy Project Manager, only 29 (24 percent) of the 119 deferred transactions were closing transactions. An IFMP support contractor – International Business Machines (IBM) Business Consulting Services, stated in its October 25, 2002, draft report on NASA’s CFM transaction testing that some of the transactions that CFM officials identified as closing transactions would be encountered before fiscal year end and recommended that NASA test all deferred transactions “as soon as practical.” Adequate transaction testing assures the integrity and effectiveness of the transactions and their data content, thereby reducing the likelihood of rejected transactions, labor-intensive workarounds, and inaccurate data.

#### **Recommendation for Corrective Action Made on February 13, 2003.**

- 1. Identify and test all deferred “non-closing” transactions prior to Wave 2 and 3 implementation. Test all remaining deferred transactions prior to October 1, 2003.**

#### **Management’s Response Received on April 7, 2003, and Our Evaluation of the Response**

NASA partially concurred with the recommendation. Management’s intent was to test all deferred transactions prior to the start of Fiscal Year (FY) 2004. During the IBM review, NASA deferred selected financial transactions for future implementation. The deferred transactions as identified in the IBM report are categorized as: Prior Year, Agency Level, Closing Transactions, Not Applicable to Wave 1, Advance Payments, and Other. Testing for those transactions was targeted for either Wave 3 (the last of the NASA Centers to implement CFM – Dryden Flight Research Center, Goddard Space Flight

Center, and Langley Research Center) implementation or FY 2003 closing. Regarding the Prior Year (Upward/Downward Adjustments), the CFM software obtained from the SAP Corporation (SAP), upgrades incorporated after Pilot/Wave 1 implementation did not resolve all of the open items related to Upward/Downward Adjustment accounting. The Core Financial Project continues to work with SAP representatives to configure and test the changes necessary to accommodate upward/downward adjustment processing in the NASA SAP environment for Wave 3 implementation. The complete text of management's response is in Appendix C.

Management's actions were responsive and we consider the recommendation closed. Management plans for testing remaining transactions prior to October 1, 2003, were adequate.

## **Audit Issue 2. Testing SAP-Produced Reports.**

When we reported this issue to NASA management on February 13, 2003, management had not tested CFM-generated reports for accuracy. NASA contracted with IBM Business Consulting Services to determine if the CFM complied with the U.S. Standard General Ledger (SGL), and tasked them to determine if reports produced by SAP were supported by amounts recorded in the SGL. However, the reports were unavailable for IBM to review. Inaccurate reports could result in program and project managers making decisions based on inaccurate or incomplete data.

After receiving this issue, management determined that its first priority of report testing would be "custom-developed" reports that are of importance to Program/Project managers. Management stated that the Agency Process Team validated for accuracy the "custom-developed" reports. The remainder of the reports would be tested as time allowed.

### **Recommendation for Corrective Action**

- 2. Perform appropriate tests to ensure that all CFM-generated reports can be traced to and verified by the standard general ledger accounts.**

### **Management's Response and Our Evaluation of the Response.**

NASA partially concurred with the recommendation. All CFM "custom-developed" reports were designed, tested, and validated for accuracy by the Agency Process Team. With respect to the IBM task, it was not NASA's intent to have IBM review and test all CFM-generated reports. On the other hand, NASA did expect IBM to review applicable SGL-related reports to confirm the accuracy and logic of the SGL postings. Given the timing of the IBM review, this effort was never fully completed (see Appendix C).

We consider management's actions responsive to the recommendation and the recommendation is closed. Our primary concern at the time we presented this issue to

management was that CFM-generated reports be designed, tested, and validated for accuracy before implementation of CFM. When we received management’s response on April 7, 2003, five Centers had already implemented CFM and the remaining implementation schedule was aggressive. Therefore, management’s response that they validated for accuracy the “custom-developed” reports and planned to test the remaining reports as time allowed was reasonable. Further, the software’s reporting functionality and performance is currently being evaluated and tested during the FY 2003 financial statement audit.

**Audit Issue 3. Core Financial Module Data Conversion Testing Concerns.**

As of February 6, 2003, 18 days before the planned Wave 2 implementation, there were 373 open data conversion testing discrepancies (System Investigation Requests, or SIRs) of which 139 were classified as critical as follows.

*Open Data Conversion General Request SIR Priorities for Wave 2 Centers*

<u>Center</u>	<u>Total</u>	<u>Priority</u>		
		<i>Critical</i>	<i>High</i>	<i>Medium</i>
Johnson Space Center	96	35	25	36
Kennedy Space Center	90	34	22	34
Headquarters	187	70	32	85
<b>Total</b>	<b>373*</b>	<b>139</b>	<b>79</b>	<b>155</b>

\*86 of the open SIRs (34 critical) were not yet coded in the tracking system as “retesting complete” meaning that those SIRs were still subject to further testing and analysis.

A critical SIR is defined by NASA as one that (1) impacts the immediate ability to move forward or complete an entire business function or task, and impacts multiple business functions, multiple users and/or locations; (2) represents a failure that has no workaround or alternative; or (3) no further action can be taken without full resolution. One critical SIR example was established on January 22, 2003, when testing resulted in amounts paid exceeding amounts budgeted.

NASA’s procedures require that for a SIR to be closed it must be reviewed and approved by the CFM Team for closure. IFMP Team officials told us that although they had properly resolved or managed the risks associated with each open SIR, they had not had sufficient time and resources to close each SIR and may not do so before implementation.

We were concerned that until the IFMP Team formally closes a SIR it continues to pose a risk. For example, we identified a SIR that the IFMP Team categorized on November 20,

2002, as “retesting complete.” However, on November 25, 2002, the same SIR was updated with new issues that were not resolved as of February 6, 2003. In October 2002, when the Marshall Space Flight Center (Marshall) and the Glenn Research Center (Glenn) went live with the CFM, both Centers experienced problems processing contractor payments that resulted in a backlog of invoices. Rejection errors in converted data contributed to those problems. NASA had to pay to contractors (as of January 23, 2003) more than \$128,000 in interest due to late payments. As of February 6, 2003, Marshall and Glenn still had 579 open data conversion SIRs. This type of problem indicates the criticality of thorough analysis of testing discrepancies, including data conversion discrepancies, before the CFM goes live.

### **Recommendation for Corrective Action**

- 3. Apply additional resources to prioritize all open SIRs and to close them in a timely manner.**

### **Management’s Response and Our Evaluation of the Response.**

As of February 27, 2003, NASA open SIRs have been substantially reduced. NASA will follow the recommendation of the OIG and continue to formally change the indicator to ‘Closed’ for the remaining SIRs within the tracking system as soon as possible. NASA will also improve the SIR tracking and maintenance process for the Wave 3 Centers by expeditiously updating the status of the SIRs as they progress through the process (see Appendix C). Management’s actions are responsive to the recommendation and the recommendation is closed.

### **Audit Issue 4. Core Financial Module Lessons Learned.**

After performing our audit of the CFM data conversion and testing procedures at the Johnson Space Center (Johnson), we reported to NASA management on April 3, 2003, that IFMP CFM personnel did not use the IFMP KSS to document and disseminate lessons learned, and overall, the KSS was being used sparingly. Because sharing information is a key to successfully implementing the IFMP, NASA hired a contractor to conduct a full-scale needs assessment considering all aspects of knowledge management. Based on the assessment, NASA hired a contractor to create the KSS to provide a web-based, user-friendly capability to disseminate lessons learned and best practices related specifically to the IFMP. The KSS Plan directs that lessons learned be implemented at all levels of the IFMP to ensure knowledge, experiences and best practices are shared among projects and NASA Centers. The KSS Plan is also designed to increase efficiency and ensure successful implementation of all the IFMP Modules. NASA implemented the KSS to achieve that purpose.

On March 25, 2003, we examined the KSS by performing a search under the phrase “Core Financial,” and by browsing through the drop down project menu titled “Core Financial” and found that it contained only four entries related to the CFM. Two of those entries were briefings held at the Glenn Research Center and the Marshall Space Flight Center on broad, high-level lessons learned after the Pilot/Wave 1 CFM implementation. The remaining two KSS entries resulted from activities at the Pilot/Wave 1 Centers prior to data conversion and go-live. While it is not feasible to determine how many lessons learned should be documented in the KSS at this point, we would expect that after implementation of the CFM at five NASA Centers, there would be many more detailed lessons learned.

Johnson IFMP personnel informed us that they shared lessons learned, but did not record them in the KSS under the Core Financial area. Personnel stated that they entered lessons learned not into KSS, but into the data design documents that will be used by the Wave 3 Center personnel in implementing the CFM. Similarly Wave 2 Center personnel shared other lessons learned with other Centers during daily meetings but did not record them in KSS.

We believed that CFM personnel were focused on implementing the module and using the KSS was not one of their top priorities. However, by reporting lessons learned informally, we believed that NASA lacked assurance that personnel implementing future IFMP modules would have easy access to documented lessons learned and best practices of the CFM teams. In addition, personnel implementing future IFMP modules may not be able to readily use the data design documents used in CFM implementation since the remaining IFMP modules probably will not use the same data design documents. The KSS is a valuable part of the implementation of IFMP and should be used as a control and feedback tool for the overall implementation of IFMP.

### **Recommendation for Corrective Action**

- 4. Emphasize to all IFMP personnel, the value of timely and fully documenting lessons learned in the relevant areas of the KSS and ensuring that the KSS is used to the fullest extent possible.**

### **Management’s Response and Our Evaluation of the Response**

Management concurred with the recommendation. The IFM Program will undertake the following actions:

- Review and update our KSS plan to ensure that the structures and processes described within are still appropriate;
- Provide the updated KSS plan to the IFMP lessons-learned points of contact at Program, Project, and Center levels;
- Review and update if needed the best practices and lessons-learned already captured within the KSS to ensure they are appropriately categorized; and

- Continue to emphasize to the various IFMP teams and NASA Centers the importance of using a KSS and emphasize the timely submittal of lessons-learned and best practices applications (see Appendix C).

Management's actions are responsive to the recommendation and the recommendation is closed.

## **Appendixes**

Details related to the disposition and closure of all of our audit objectives related to the CFM are in Appendix A. Among the other appendixes, note that Appendix B shows our audit scope and methodology related to the issues contained in this summary report. Appendix C contains management's responses in their entirety.



## **List of Appendixes**

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Appendix A – Disposition of OIG CFM Audit Objectives

Appendix B – Objectives, Scope, and Methodology

Appendix C – Management’s Response

Appendix D – Report Distribution

### **Acronyms Used in the Report**

CFM	Core Financial Module
FY	Fiscal Year
IBM	International Business Machines
IFM	Integrated Financial Management
IFMP	Integrated Financial Management Program
KSS	Knowledge Sharing System
OIG	Office of Inspector General
SIR	System Investigation Request
SGL	Standard General Ledger

## Appendix A. Core Financial Module Audit Objectives Disposition

The Office of Inspector General (OIG) has been auditing the Agency's latest Core Financial Module (CFM) implementation effort since October 2001. Below are the audit objectives that we addressed in conducting our work and the disposition of each of those objectives.

Assignment Number	Title	Objective	Disposition
<b>A0106100</b>	Audit of Integrated Financial Management Program (IFMP) CFM.	Assess the adequacy of the procurement actions taken to acquire and implement the CFM.	We reported to management on March 29, 2002, that we noted no discrepancies in procurement actions taken as of November 2001 and planned no further work.
		Determine whether module implementation is on target with budget and schedule expectations.	We reported to management on March 29, 2002, that as of January 2002 nothing came to our attention to indicate that the module would not fall within budget and would not meet the schedule and we planned no further work.
		Determine whether the module meets Federal financial management system requirements.	On March 29, 2002, we notified management that we revised the objective to determine whether (1) the CFM would implement NASA's full cost initiative, and (2) the CFM would adequately support NASA's preparation and audit of its financial statements.
		Determine whether the CFM would implement NASA's full cost initiative.	Objective addressed in audit report number IG-03-015 dated May 23, 2003.
		Determine whether the CFM would adequately support NASA's preparation and audit of its financial statements	On January 5, 2003, we notified management that we would address this objective under assignment number A-01-061-03.
<b>A0106102</b>	IFMP Core Financial Management Data Conversion Testing Procedures	To determine whether the NASA Centers will properly transfer accurate and essential financial data to the IFMP system	Due to the fast moving nature of system development, all exceptions noted were reported to management via quick response reports and summarized under this report.

**Appendix A**

<b>Assignment Number</b>	<b>Title</b>	<b>Objective</b>	<b>Disposition</b>
<b>A0106102</b> (continued)	IFMP Core Financial Management Data Conversion Testing Procedures	To determine whether the NASA Centers will properly exchange financial and cost information between legacy financial systems and the Core Financial System.	We performed limited work on this objective. This objective is being further assessed under the FY 2003 NASA Financial Statement audit.
		To determine whether the NASA Centers will properly develop feasible plans for managing legacy financial systems when the Core Financial System becomes operational.	We did not address this objective under this assignment. This objective will be addressed in a planned OIG audit.
<b>A0106103</b>	IFMP Core Financial Testing Procedures.	Determine whether the CFM would adequately support NASA's preparation and audit of its financial statements.	All exceptions noted were reported to management via quick response reports and rolled up and reported under this summary report.

## **Appendix B. Objectives, Scope, and Methodology**

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### **Objectives**

Our audit objectives related specifically to this report were to determine whether:

- NASA Centers will properly transfer accurate and essential financial data to the IFMP system; and
- CFM would adequately support NASA's preparation and audit of its financial statements.

### **Scope and Methodology**

We reviewed CFM testing plans and data subsequent to Wave 1 implementation (Marshall Space Flight Center and Glenn Research Center October 2002 implementation) and prior to Wave 2 implementation. To meet our objectives we:

- Held discussions with CFM staff from the Huntsville, Alabama project office and from the Glenn Research Center, Marshall Space Flight Center, Johnson Space Center, and Headquarters offices.
- Held discussions with CFM support contractor personnel from Accenture and International Business Machines Business Consulting Services.
- Reviewed Integrated Financial Management Program (IFMP) requirements for testing, data conversion, and lessons learned.
- Analyzed the Methods Delivery Manager for Systems Investigation Request status and other testing results.
- Analyzed the IFMP Knowledge Sharing System database.

During our audit work we found it increasingly difficult to follow a formal reporting process to provide observations and recommendations to management, discuss the observations, and assess management's response to those recommendations in a timely manner. This was due to the tight schedule that the CFM Team was following to meet the targeted implementation date. Therefore, to minimize our impact on the CFM Team in meeting its schedule, we employed a quick response reporting process to address the objectives. Management has taken responsive corrective actions in response to each of

those observations and all are considered closed. The purpose of this report is to roll up those observations, recommendations, and management actions into this summary audit report to meet our reporting obligations.<sup>1</sup>

### **Management Controls Reviewed**

We identified and assessed the controls for ensuring that all CFM data conversion testing results were acted on and dispositioned in a timely manner, and that all CFM lessons learned were disseminated in accordance with NASA IFMP planning. All weaknesses in these controls were reported to management.

### **Audit Field Work**

We performed audit fieldwork related to the objectives of this report at the CFM facility in Huntsville, Alabama; Johnson Space Center; Glenn Research Center; and Headquarters from August 2002 through June 2003 in accordance with generally accepted Government auditing standards.

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<sup>1</sup> Section 8.54 of the Government Auditing Standards, dated June 2003 states: “Government auditors should submit audit reports to the appropriate officials of the audited entity and to the appropriate officials of the organizations requiring or arranging for the audits, including external funding organizations, such as legislative bodies, unless legal restrictions prevent it. Auditors should also send copies of the reports to other officials who have legal oversight authority or who may be responsible for acting on audit findings and recommendations and to others authorized to receive such reports. Unless the report is restricted by law or regulation, or contains privileged or confidential information, auditors should clarify that copies are made available for public inspection.”

## **Appendix C. Management's Response**

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Following is management's full response to Audit Issues 1 through 4.

### **IFMP Response to Audit Issue 1 (April 7, 2003)**

IFMP partially concurs with this recommendation. It is our intent to test all deferred transaction prior to the start of FY04. Our detailed response to the OIG's issues and concerns in this area are provided below.

During the IBM Review, NASA deferred selected financial events for future implementation. The deferred events as identified in the IBM report can be categorized as follows:

- **Prior Year**--These events were deferred because at the time of Pilot/Wave 1 implementation, SAP was unable to process upward and downward adjustments to prior year transactions in accordance with US SGL requirements. (40 proformas)
- **Agency Level**--These events will be processed at the Agency level and were deferred until SAP implementation for the Agency users or all Centers have implemented SAP based on the associated business process and timing for implementation in the Agency rollout. (19 proformas)
- **Closing Transactions**--These events will be needed at the end of FY 2003 and were deferred until SAP implementation at all NASA Centers. (29 Closing/Year End proformas)
- **Not Applicable to Wave 1**--Core Financial Project Management and the Agency Business Process Owner determined that these events were not applicable to the financial processing requirements of MSFC and GRC and were deferred until Wave 2 implementation. (8 proformas)
- **Advance Payments**--The events associated with advance payment for goods and services were deferred due to the low volume of transactions processed at all Centers. (8 proformas)
- **Other**--These events relate to sale of property, reclassification of assets, and other miscellaneous events and were deferred due to the low volume of transactions processed at all Centers. (15 proformas)

(NOTE: The above totals to 119 proformas – versus 120. This is because one of the proformas --- #929 --- was duplicated.)

Current status of the configuration, testing and implementation for these deferred financial events is as follows:

- **Prior Year (Upward/Downward Adjustments)**--SAP upgrades incorporated after Pilot/Wave 1 implementation did not resolve all of the open items related to Upward/Downward Adjustment accounting. The Core Financial Project continues to work with SAP representatives to configure and test the changes necessary to accommodate upward/downward adjustment processing in the NASA SAP environment. While considerable progress has been made, more work needs to be done. The Project is monitoring the progress and believes it is still on target for the FY04 implementation. As of February 24<sup>th</sup>, approximately 50 to 75% of the overall scenarios had been successfully unit tested, but still require extensive integration testing to fully verify the results. Regardless, there are still challenges with some of NASA's more complex scenarios (e.g., adjustments for an invoice receipt that covers multiple goods receipts that were created in different fiscal periods) and the Project will continue to work with SAP as challenges/issues are encountered. In the end, if specific scenarios are identified that cannot be fully automated due to their complexity, we will address alternatives with the process owners to ensure we are in compliance with NASA policy and external regulations. Until SAP provides acceptable resolutions, Code B has requested that the Centers continue the manual analysis and tracking process that was utilized prior to implementation of the Core Financial system.

**Agency Level**--In process, and targeted for Wave 3 implementation. The Core Financial Project is in the process of configuring and testing the deferred proformas. Obviously, the Agency Level events are not being processed in SAP at this time. The existing legacy GLAS system at Headquarters is continuing to be utilized during the Agency transition to SAP. To provide clarification for the transition year, below is an excerpt from the Core Financial Business Transition Processes Plan (section 6.6) that depicts the process used during FY03.

*“For several years, NASA has been under a legal mandate to implement the SGL at the transaction level. This has not yet been implemented because of the issues with modifying each Center’s existing general ledger system to accommodate the SGL. NASA HQ Code BF currently crosswalks the GLAS structure to the SGL each quarter for external reporting. When SAP is implemented at each Center, the SGL will be implemented at the same time with GLAS and FACS (F) continuing to be reconciled monthly by Code BF. The data from SAP will be combined by NASA HQ Code BF with the data crosswalked to the SGL from GLAS (for Centers not on SAP). This combined data will be used for external reporting, including financial statements.”*

## Appendix C

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- **Closing Transactions**--In process, and targeted for implementation prior to FY03 closing.
- **Not Applicable to Wave 1**--PCS transactions originally deferred until JSC implementation were incorporated into production during Wave 2 implementation as planned.
- **Advance Payments**--In process, and targeted for Wave 3 implementation. The Agency design supports the recording of Advances for Travel and Government Orders. As agreed by the process owners (Code B), advances for Letter of Credit, SBIRs and Training orders will be treated as disbursements. The Core Financial Project is currently finalizing the configuration and testing for 'prepayments to other government agencies.' This impacts one of the Wave 2 Centers only and is being tracked as a reconciling item for the conversion reconciliation.
- **Other**--Six have been successfully configured and tested; remaining in process, and targeted for Wave 3 implementation.

### IFMP Response to Audit Issue 2 (April 7, 2003)

IFMP partially concurs with this recommendation. We don't disagree that all reports should be tested – and they are – however, there is some implication here by the OIG that that all CFM-generated reports are related to the SGL accounts – which they're not. Our detailed response to the OIG's issues and concerns in this area are provided below.

Core Financial reports produced from SAP contain information obtained from numerous sources, not just the Standard General Ledger. It is these "non-SGL" type reports that will be of importance by Program / Project managers, not the SGL reports. Some examples of the SAP modules containing Core Financial reporting information include:

- Materials Management (e.g., Purchase Requests, Contracts/Grants, Receiving Reports, Invoices)
- Sales and Distribution (e.g., Reimbursables)
- Project Systems (e.g., Phasing Plans)
- Controlling (e.g., Cost Assessments)
- FI (e.g., Standard General Ledger)
- FM (e.g., Budget Controls)
- Business Warehouse (predominately used to meet the needs of end users (e.g., Program/Project Managers))

All Core Financial custom developed reports (from both SAP R/3 and SAP Business Warehouse, or BW) are designed, tested and validated for accuracy by the Agency Process Team. It is inaccurate to state that CFM officials said there were no plans for testing report accuracy. With respect to the IBM task, it was not NASA's intent to have



IBM review and test all CFM-generated reports. On the other hand, we did expect IBM to review applicable SGL-related reports to confirm the accuracy and logic of the SGL postings. Given the timing of the IBM review, this effort was never fully completed. To the extent that IBM or the OIG will perform this task, the scope of this review should be limited to SGL reports. This will entail on-site visit(s) to MSFC, and will require support from the SGL team. This will need to be planned accordingly.

**IFMP Response to Audit Issue 3 (April 7, 2003)**

IFMP concurs with this recommendation. Our detailed response to the OIG's issues and concerns in this area are provided below.

The steps leading up to go-live rely heavily on the success of the conversion activities at a given Center. There is a very rigorous process in place to ensure that the conversion work is managed efficiently and effectively. This process requires that all issues, whether they relate to the legacy data, legacy data extraction routines, the conversion load programs, or the environment be documented immediately via a System Investigation Report (SIR). The process requires immediate attention be placed on conversion related SIRs so that the conversion activities will not be halted.

The conversion teams aggressively worked all conversion SIRs in conjunction with the Central Support staff located at MSFC. Working together, these teams concentrated on the materiality and criticality of the SIRs and correcting the issue.

It is apparent from the success of the go-live conversions by JSC, KSC, HQ, and NMO that the SIR process worked to help document issues and focus adequate attention on identifying the required corrections so that the go-live would be successful.

## Appendix C

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Although the SIR status is fluid throughout the lifecycle, below reflects the conversion SIR status as of February 27, 2003:

Center	Open (In Process/ Assigned)	Ready to Retest / Authorized to Retest	Retest Complete (Ready to Close)
Marshall Space Flight Center	0	0	0
Glenn Research Center	0	0	0
Johnson Space Center	0	0	23
Headquarters	4	1	56
Kennedy Space Center	2	1	15

In conclusion, the administrative activity to officially ‘Close’ the SIRs does not reflect on a Center’s ability to go-live successfully. Nevertheless, NASA will follow the recommendation of the OIG and continue to formally change the indicator to ‘Closed’ for the remaining SIRs within the tracking system as soon as possible. We will also improve the SIR tracking and maintenance process for the Wave 3 Centers by expeditiously updating the status of the SIRs as they progress through the process.

### **IFMP Response to Audit Issue 4 (June 24, 2003)**

The Program concurs with the OIG recommendation that, *"The Integrated Financial Management Program Executive should emphasize to all IFMP personnel, the value of timely and fully documenting lessons learned in the proper areas of the Knowledge Sharing System (KSS) and ensuring that the KSS is used to the fullest extent possible."*

We agree with the OIG that the Knowledge Sharing System (KSS) is a unique and valuable application for “lessons-learned” collection, analysis and distribution within the IFMP community. Though other methods (e.g., formal reviews, scheduled workshops) have been effectively used in disseminating lessons-learned among the IFM project teams and Center-based users and implementers, particularly during the rollout phase, a KSS is still an important tool, facilitating the continuous identification, capture, submittal, utilization, and updates of lessons learned and best practices with minimal impact on our program resources. The KSS will be especially valuable to future IFMP efforts (e.g., Integrated Asset Management) in their reviews of lessons learned from the Core Financial and other module implementations.

Therefore, the IFM Program will undertake the following actions:

- Review and update our KSS plan to ensure that the structures and processes described within are still appropriate;
- Provide the updated KSS plan to the IFMP lessons-learned points of contact at the Program, Project, and Center levels;
- Review and update if needed the best practices and lessons-learned already captured within the KSS to ensure they are appropriately categorized; and
- Continue to emphasize to the various IFM project teams and Centers the importance of using a KSS and emphasize the timely submittal of lessons-learned and best practices applications.

In summary, the IFM Program has, in its KSS, an effective tool in place for capturing and sharing lessons-learned and best practices observations and analysis. For example, many of the comments received from the Core Financial Waves 2 and 3 Centers showed that the lessons-learned from the previous Waves rollouts were quite valuable. However, as noted by the OIG, improvements can and will be made with respect to the use and efficacy of the KSS tool. IFMP is committed to improving the use of this capability.

## **Appendix D. Report Distribution**

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### **National Aeronautics and Space Administration Headquarters**

A/Administrator  
ADI/Associate Deputy Administrator for Institutions and Asset Management  
ADT/Associate Deputy Administrator for Technical Programs  
AA/Chief of Staff  
AB/Associate Deputy Administrator  
B/Deputy Chief Financial Officer for Financial Management  
B/Deputy Chief Financial Officer for Resources (Comptroller)  
BF/Director, Financial Management Division  
G/General Counsel  
H/Assistant Administrator for Procurement  
HK/Director, Contract Management Division  
HS/Director, Program Operations Division  
J/Assistant Administrator for Management Systems  
JM/Director, Management Assessment Division  
L/Assistant Administrator for Legislative Affairs  
M/Associate Administrator for Space Flight  
Q/Associate Administrator for Safety and Mission Assurance

### **NASA Advisory Officials**

Chair, NASA Aerospace Safety Advisory Panel

### **NASA Centers**

ARC/D/Director, Ames Research Center  
DFRC/X/Director, Dryden Flight Research Center  
GRC/0100/Director, John. H. Glenn Research Center at Lewis Field  
GSFC/100/Director, Goddard Space Flight Center  
JPL/Director, Jet Propulsion Laboratory, NASA Management Office  
JSC/AA/Director, Lyndon B. Johnson Space Center  
KSC/AA/Director, John F. Kennedy Space Center  
LaRC/106/Acting Director, Langley Research Center  
MSFC/DA01/Director, George C. Marshall Space Flight Center  
SSC/AA00/Acting Director, John C. Stennis Space Center

**Non-NASA Federal Organizations and Individuals**

Assistant to the President for Science and Technology Policy  
Deputy Associate Director, Energy and Science Division, Office of Management and Budget  
Branch Chief, Science and Space Programs Branch, Energy and Science Division, Office of Management and Budget  
Managing Director, Acquisition and Sourcing Management Team, General Accounting Office  
Senior Professional Assistant, Senate Subcommittee on Science, Technology, and Space

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**Report Title: Summary Report on the Audit of the Integrated Financial Management Program Core Financial Module IG-03-028, dated September 29, 2003**

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