JUN 3 0 2004

MEMORANDUM FOR ELLIOT P. LEWIS

FROM: SAMUEL T. MOK
       Chief Financial Officer

SUBJECT: The e-Payroll Quicksilver Project:
       Resolution Status of Prior Recommendations
       And Project Plan Not Effectively
       Communicating Progress
       Period Ending June 23, 2004
       Audit Report No. 23-04-012-13-001

This responds to your request dated June 25, 2004, for comments on your draft report dated June 23, 2004. Enclosed are the OCFO's comments on the two recommendations contained therein.

Attachment

OCFO Response to OIG's June 23, 2004 Presentation on e-Payroll

OIG Recommendation 1: Ensure that the project plan adequately reflects the project's progress (i.e., completing blank fields, assigning resource names to tasks, and updating task completion percentages) and develop a plan structure that compares baseline project information to actual project information.

OCFO Response:

The project plan is used by DOL primarily as a management tool. For example, OCFO does not have a concern that resource names have not been assigned for tasks that occurred in the past - before the plan was created - and which are included only for historical reference. Assigning these names on our plan would be of limited use to our team.

We believe that the project schedule does reflect the true status of the project. When task end dates need to be changed, they are changed. When progress is made on DOL tasks, we update the percentage complete. Although oversights occasionally occur, the plan is updated weekly and discussed with the Deputy CFO and other stakeholders

Attachment A is another copy of the explanations of the blank field and blank resource Names you questioned.   We provided this detail to the OIG on June 25, 2004 and narrative on June 23, 2004.

OIG Recommendation 2: Develop a methodology for approving changes to the Project Plan including appropriate documentation of the approval process, including documentation of the date of the requested change, the date of the approval, the implementation of the change a quality assurance sign off and a risk analysis of the change.

OCFO Response: Up to this time there have been no significant changes to the project plan. The only changes to the project plan have been minor or administrative in nature. Attachment B is another copy of the explanation of the changes and percentages of completion the OIG questioned. We provided this detail to you on June 25,2004, and on June 16, 2004, with narrative on June 23, 2004.

As we explained, our change control methodology has been to discuss changes to the plan in daily and weekly status meetings and highlight them in green on each release of the project plan. Our IV&V contractors participate in all meetings and review all documents in order to assure quality and help the project manage risk. Representatives of the Office of Human Resources, the Office of Information Technology, and the Office of the Deputy Secretary attend the daily and other project team meetings as they deem necessary in order to assure that department-wide issues are not overlooked. And finally we review the project schedule monthly with OMB and OPM. We prepare position

papers for issues that come to our attention from any project participant. This change control process and methodology is working extremely well for all stakeholders.

In the future should any of the project position papers result in the need for a significant project schedule change, we will repackage our existing documents and use our existing methodology to suit the format recommended by the OIG.   Attachment C is an example of the Change Request process recently implemented.