

August 21, 2009

MEMORANDUM FOR: LISA D. FIELY
Acting Chief Financial Officer



FROM: ELLIOT P. LEWIS
Assistant Inspector General
for Audit

SUBJECT: **Alert Memorandum:** Department of Labor New Core
Financial Management System (NCFMS) Training
Report Number: 22-09-014-13-001

The Office of Inspector General (OIG) contracted with an independent public accounting firm, KPMG LLP (KPMG), to conduct a review to identify potential risk associated with the implementation of the NCFMS prior to its scheduled deployment on October 14, 2009. At the entrance conference, we agreed to notify the Department of any unmitigated risk during the implementation process. Accordingly, we are raising concerns about the completion of required training prior to the system implementation.

The NCFMS implementation team expects to have 5,525 users by the date of implementation. There are 16 training modules available to train employees based on their roles and responsibilities. The conversion to the NCFMS will have the greatest impact on 400 DOLAR\$ users, and they will need extensive training in multiple modules. Ensuring they receive the appropriate training before conversion is critical to the success of the conversion. The remaining 5,125 users will be secondary users who will be less impacted by the conversion and their training needs, although important, will be less extensive. These users will need training on a portion of the modules.

Identifying an employee's role and responsibility is the first step in determining which training module the user should take. For example, an accounts payable technician should take the accounts payable module to ensure proper training is received. We found that user roles and responsibilities have not been adequately assigned and that related specific user role-based training has not been completed. Specifically, 135 out of 400 (34 percent) DOLAR\$ users have not been assigned NCFMS user roles and responsibilities.

We also found that 93 out of the 400 current DOLAR\$ users (23 percent) have not completed required training in any of the 16 training modules. In addition, zero out of 5,125 Procurement-EPS, Grants-EGrants, and Purchase Cards-PCards (BLS) users completed the required training.

Table 1: NCFMS Users

Existing Application	Number of Active Users	Number of Roles/ Responsibilities Assigned	Employees Completed Training
DOLAR\$	400	265	307
Procurement-EPS (including Contracts Module)	3,500	3,500	0
Grants-EGrants	1,500	1,500	0
Purchase Cards-PCards (BLS)	125	125	0
TOTAL*	5,525	5390	307

*Source: NCFMS Team

Office of Management and Budget (OMB) Circular A-127 prescribes that managers will provide adequate training, and appropriate user support shall be provided to the users of the core financial systems based on the level, responsibility, and roles of individual users. The Circular also states that training shall enable the users of the systems at all levels to understand, operate, and maintain the system.

The DOL NCFMS team stated that several measures are in place or planned for assigning user roles and responsibilities and conducting training to ensure all training occurs prior to NCFMS implementation. For example, we are aware that the NCFMS implementation team is planning to provide training to the 5,125 users in September. Additionally, as of August 19, 2009, 97 percent of user roles and responsibilities have been assigned. However, only 77 percent of DOLAR\$ users and none of the Procurement EPS, Grants-EGrants, and PCards (BLS) users have completed training. We consider this a significant risk as the new system is a complex Oracle-based accounting system that requires extensive planning and execution of role-based user training to ensure that the implementation is not delayed and business transactions are properly accounted.

It is critical that the Department ensure all applicable DOL users have been assigned their appropriate roles and responsibilities and receive adequate training prior to implementation of the NCFMS.

We request that you take action and respond to this report within 10 days. Please contact Joseph L. Donovan, Audit Director, Office of Audit, at (202) 693-5248, if you have any questions.

cc: Seth D. Harris, Deputy Secretary
 John Blair, Associate, Deputy Chief Financial Officer
 Ken Bode, Director, Systems Architecture and Development