



8 2010

MEMORANDUM FOR: ELLIOT P. LEWIS  
Assistant Inspector General  
for Audit

FROM:   
JAMES L. TAYLOR  
Chief Financial Officer

SUBJECT: The Office of the Chief Financial Officer's response to the Office of  
Inspector General's Alert Memorandum  
Report Number: 22-10-017-13-001, Dated April 28, 2010

The Office of the Chief Financial Officer appreciates concerns expressed in the Alert Memorandum about critical deadlines associated with the U. S. Department of Labor Fiscal Year 2010 Consolidated Financial Statement Audit. However, despite extraordinary efforts DOL was not able to meet the June 11 and June 25 timelines expressed in the last Alert Memorandum issued by the OIG for providing the audit deliverables. While the Department has made significant progress with the new system implementation, challenges and issues remain which are being aggressively worked through.

The NCFMS implementation problems we have encountered have primarily been with accounting codes, configuration and migration of transaction level data, and ensuring transactions and general ledger account balances properly map to and support the Department's various internal and external reporting requirements (i.e. FACTS II, financial statements and footnotes, etc.). The complexity and volume of these transactions and mapping efforts were underestimated.

Much progress has been made and we are making up time after the initial delays. The differences and errors we encountered during the NCFMS implementation and initial data conversion, transaction level coding, configuration, and migration of data have been, or are in the process of being corrected and validated. The initial conversion level errors and delays, once corrected and validated, will not result in continued delays in generating required reports.

The Department's OCFO is holding Daily Dash Board meetings with NCFMS shared service provider (GCE) in which Senior OCFO and GCE representatives identify, discuss, coordinate and decide upon necessary actions for remaining issues and problems encountered and timing matters.

Due to our recent progress, FACTS II was completed on June 23, 2010, and the FY 2010 Q2 Consolidated Financial Statements on July 2, 2010.

As for Quarter 3 and Quarter 4, we expect to meet the reporting requirements as defined by Treasury and OMB and also to provide the OIG audit deliverables.

cc: Joseph L. Donovan, Jr., OIG  
Sean Gilkerson, OIG  
Daniel J. Lacey, OCFO  
Yoko Albayrak, OCFO