



United States General Accounting Office
Washington, D.C. 20548

June 27, 2003

The Honorable Todd R. Platts
Chairman, Subcommittee on Government Efficiency
and Financial Management
Committee on Government Reform
House of Representatives

Subject: *Financial Management Systems: Core Financial Systems at the
24 Chief Financial Officers Act Agencies*

Dear Mr. Chairman:

On April 8, 2003, we testified before your Subcommittee on the fiscal year 2002 consolidated financial statements of the U.S. government.¹ In that testimony, we provided our perspectives on major issues relating to the U.S. government's consolidated financial statements for fiscal years 2001 and 2002, including impediments to rendering an audit opinion on consolidated financial statements. As a result of issues raised in our testimony about the preparation of the consolidated financial statements and the adequacy of financial management systems and controls at the 24 Chief Financial Officers (CFO) Act² agencies, you and other subcommittee members asked a number of questions about issues surrounding the consolidated financial statements. On June 16, 2003,³ we responded to all but your question related to the status of financial management systems modernization agency by agency. As agreed with your office, the objectives

¹ U.S. General Accounting Office, *Fiscal Year 2002 U.S. Government Financial Statements: Sustained Leadership and Oversight Needed for Effective Implementation of Financial Management Reform*, [GAO-03-572T](#) (Washington, D.C.: Apr. 8, 2003).

² Pub. L. No. 101-576, 104 Stat. 2838 (1990). The Federal Emergency Management Agency (FEMA), one of the 24 CFO Act agencies, was transferred to the new Department of Homeland Security (DHS) effective March 1, 2003. With this transfer, FEMA will no longer be required to prepare and have audited stand-alone financial statements under the CFO Act. DHS, along with most other executive branch agencies, will be required to prepare and have audited financial statements under the Accountability of Tax Dollars Act of 2002, Pub. L. No. 107-289, 116 Stat. 2049 (Nov. 7, 2002). We did not include DHS in our review because of its unique status as a new agency as of March 1, 2003. We included FEMA in our review since FEMA was a CFO Act agency as of September 30, 2002, and because information on FEMA's core financial system will be useful as it is incorporated into DHS.

³ U.S. General Accounting Office, *Responses to Posthearing Questions Related to GAO's Testimony on the U.S. Government's Consolidated Financial Statements for Fiscal Year 2002*, [GAO-03-848R](#) (Washington, D.C.: June 16, 2003).

of this letter, which address the remaining question, are to identify the core financial systems used at each of the CFO Act agencies as of September 30, 2002, and the status of any agency plans to update core financial systems. To do so, we used publicly available information and confirmed this information with the CFO Act agencies, but we did not validate or verify the information obtained or provided. Further details on our scope and methodology are provided on page 7.

Core Financial Systems

Core financial systems,⁴ as defined by the Joint Financial Management Improvement Program (JFMIP),⁵ include managing general ledger, funding, payments, receivables, and certain basic cost functions. The core financial systems receive data from other financial and feeder systems, such as acquisition, grant, and personnel systems, as well as from direct user input, and provide data for financial performance measurement and analysis and for financial statement preparation.

Enclosures I and II present detailed information on agencies' core financial systems including the software being used as of September 30, 2002, when the core financial systems were implemented, which agencies are planning to acquire new systems, and the target date for implementation of any new systems. Enclosure I includes 20 CFO Act agencies that reported they generally have in place a single core financial system for the agency and its subcomponent agencies and bureaus. In certain cases, more than one core financial system was used by the agencies. Enclosure II provides information on 4 agencies, the Departments of Defense (DOD), Justice (DOJ), the Treasury, and Health and Human Services (HHS), that reported having multiple core financial systems. Each of these 4 CFO Act agencies has 5 or more subcomponent agencies, which maintain separate core financial systems. However, the systems included in enclosures I and II may not include all of the JFMIP-defined functions of a core financial system.

⁴ Joint Financial Management Improvement Program (JFMIP), *Core Financial Systems Requirements*, SR-02-01 (Washington, D.C.: November 2001).

⁵ JFMIP is a joint and cooperative undertaking of the Office of Management and Budget, the Department of the Treasury, the Office of Personnel Management, and GAO, working with federal agencies to improve financial management practices throughout the government.

The following summary characteristics highlight key data included in enclosures I and II about the 24 CFO Act agencies' current and planned core financial systems as of September 30, 2002.

Core Financial Systems Software

The 24 CFO Act agencies used a variety of core financial systems software. Ten agencies used only commercial-off-the-shelf (COTS) software packages as their core financial systems.

- Two agencies, the Department of Education, and the Small Business Administration (SBA), exclusively used Oracle U.S. Federal Financials software.
- One agency, the Office of Personnel Management (OPM), exclusively used American Management Systems (AMS) Momentum software package.
- Four agencies, the Departments of Housing and Urban Development (HUD) and Veterans Affairs (VA), the Nuclear Regulatory Commission (NRC), and the Environmental Protection Agency (EPA), exclusively used AMS's Federal Financial System software package.
- Three agencies, the Department of Labor (DOL), the Federal Emergency Management Agency (FEMA), and the Social Security Administration (SSA), exclusively used other COTS packages.
- Three agencies, the Department of Energy (DOE), National Science Foundation (NSF), and the National Aeronautics and Space Administration (NASA), exclusively used custom software.
- Six agencies used a mix of 2 systems:
 - Five agencies had partially implemented a new system in a number of their respective bureaus as of September 30, 2002. These agencies were the Agency for International Development (AID); Departments of Transportation (DOT), State, and Agriculture (USDA); and the General Services Administration (GSA).
 - One agency, the Department of the Interior (DOI), used both a custom and a COTS software product.

-
- Five agencies used a variety of core financial systems.
 - DOD reported 100 core financial systems⁶ in use in its subcomponent agencies and bureaus of its total systems inventory of 2,114 systems.
 - DOJ's subcomponent agencies used multiple core financial systems, ranging from custom-built software, to some of the more common software packages, such as those from AMS and SAP.
 - HHS's main subcomponent agencies used either the Arthur Young Federal Success software package or custom software.
 - Treasury's subcomponent agencies and bureaus used a variety of COTS packages, including AMS's Federal Financial System and Momentum products, SAP, and Peoplesoft Financials. One agency, the Bureau of the Public Debt (BPD), cross-serviced several other agencies within Treasury as well.
 - The Department of Commerce's (DOC) major subcomponent agencies used RELTEK's Federal Financial Management System—a modified COTS product. DOC's other agencies used either custom software or COTS products.

Age of the Core Financial Systems

The age of the core financial systems ranged from systems implemented in fiscal year 2002 to those implemented more than 30 years ago.

- Five agencies—Education, NRC, SBA, OPM, and NSF—have fully implemented new core financial systems since the beginning of fiscal year 2001.
- Four agencies—FEMA, HUD, SSA, and VA—have systems implemented from 2 to 10 years ago.
- Six agencies—DOC, AID, State, USDA, GSA, and DOT—were using both legacy systems and new core financial systems implemented in parts of the agencies as of September 30, 2002. For example, GSA used both a

⁶ This list was compiled from DOD's "As Is Systems Inventory" as of October 31, 2002.

custom system originally implemented in 1974 and AMS Momentum that it was in the process of implementing as of September 30, 2002.

- Five agencies—NASA, DOE, DOI, DOL, and EPA—have systems that were implemented more than 10 years ago.
- Four agencies—DOD, DOJ, HHS, and Treasury—used multiple core financial systems that were implemented from the 1960s through 2001. For example, DOD has some core financial systems that were originally implemented in the 1960s and 1970s.

Software Selection Plans

Seventeen agencies⁷ were planning to or were in the process of implementing new core financial systems as of September 30, 2002.

- Of this total, 11 have selected the software product they plan to use:
 - 3 have selected AMS Momentum (AID, GSA, and State),
 - 5 have selected Oracle U.S. Federal Financials (DOE, DOT, VA, HHS, and SSA),
 - 1 has selected RELTEK Federal Financial Management System (DOC),
 - 1 has selected SAP (NASA), and
 - 1 has selected AMS Federal Financial System (USDA).

⁷ Treasury is among the agencies not planning to implement an agencywide core financial system. However, several of its subcomponent agencies are in the process of implementing core financial system software packages, including the Internal Revenue Service and the Office of the Comptroller of the Currency.

-
- The remaining 6 agencies have not reached the software selection phase of their acquisition process (DOD, DOI, DOJ, DOL, EPA, and HUD).
 - In DOD's case, a complete business systems⁸ modernization project⁹ is under way that proposes to revamp and integrate the systems used in DOD entities as part of a DOD-wide transformation.
 - DOJ plans to award a contract for the acquisition of a core software package in July 2003.

Target Implementation Dates

Target implementation dates for the 17 agencies planning to implement new core financial systems generally ranged from fiscal year 2003 to fiscal year 2008, though one agency had not yet selected a target implementation date.

- Three agencies plan to complete or have completed implementation in fiscal year 2003 (USDA, GSA, and NASA).
- Three agencies plan to complete their implementations in fiscal year 2004 (SSA, DOC, and DOT).
- Ten agencies have established target implementation dates ranging from 2 to 6 years in the future (AID, DOJ, DOL, HHS, EPA, HUD, VA, DOI, State, and DOE).
- One agency has not yet determined its target date for full implementation (DOD).

⁸ Business systems include those that are used to support civilian personnel, finance, health, logistics, military personnel, procurement, and transportation.

⁹ See U.S. General Accounting Office, *DOD Financial Management: Important Steps Underway But Reform Will Require a Long-term Commitment*, [GAO-02-784T](#) (Washington, D.C.: June 4, 2002); *DOD Business Systems Modernization: Continued Investment in Key Accounting Systems Needs to be Justified*, [GAO-03-465](#) (Washington, D.C.: Mar. 28, 2003); *DOD Business Systems Modernization: Longstanding Management and Oversight Weaknesses Continue to Put Investments at Risk*, [GAO-03-553T](#) (Washington, D.C.: Mar. 31, 2003).

Life Cycle Phase

These 17 agencies were in different phases¹⁰ of the process to implement a new core financial system as of September 30, 2002.

- Five agencies—HUD¹¹, DOI, DOL, DOD, and EPA—were in the *business modeling and requirements* phase.
- One agency—DOJ—was in the *analysis and design* phase.
- Three agencies were in the *development* phase: State which plans to implement an agencywide COTS product, DOE, which plans to implement a COTS-based product in October 2004, and VA, whose strategy includes a phased-in approach beginning in October 2003.
- Two agencies were in the *testing* phase: AID, which plans to implement the COTS software currently used domestically in its overseas regional offices, and HHS, which is using a phased rollout strategy with its subcomponent agencies.
- Six agencies—USDA, DOC, SSA, DOT, GSA, and NASA—were in the *deployment* phase as of September 30, 2002.

To identify and compile the status of CFO Act agencies' core financial systems, we reviewed publicly available information, including fiscal year 2002 performance and accountability reports for the CFO Act agencies, related reports by those agencies' Inspectors General (IG), as well as any reports that we issued on this matter. We reviewed other publicly available information, including agency, Office of Management and Budget (OMB), and JFMIP Web sites to identify information on current core financial systems and planned implementations. We also reviewed related OMB circulars, including A-127,¹² and JFMIP systems requirements for core financial systems and its *Framework for Federal Financial Management Systems*.¹³ We shared the information we gathered on agencies' current

¹⁰ See definition of life cycle phases in endnote 'a' of enclosure I.

¹¹ According to HUD, this phase will begin in July 2003.

¹² OMB Circular A-127, *Financial Management Systems*, as revised by Transmittal Memorandum No. 2, June 10, 1999.

¹³ JFMIP, *Framework for Federal Financial Management Systems*, FFMSR-0 (Washington, D.C.: January 1995).

and planned systems with the agencies and obtained confirmations, corrections, or additional facts, but we did not independently validate or verify the information obtained or provided. We conducted our work from April to June 2003 in Washington, D.C.

We are sending copies of this letter to the Ranking Minority Member, Subcommittee on Government Efficiency and Financial Management, House Committee on Government Reform and the Chairman and Ranking Minority Member, Subcommittee on Financial Management, the Budget and International Security, Senate Committee on Governmental Affairs. Copies will be made available to others upon request. This letter will also be available at no charge on the GAO Web site at <http://www.gao.gov>.

If you have any questions about this letter, please contact me at (202) 512-9450 or thompsons@gao.gov or Kay Daly at (202) 512-9312 or dalykl@gao.gov. Key contributors to this letter were Adrien Atwood and Debra David. We look forward to working with you and your staff on related financial management systems issues.

Sincerely yours,

A handwritten signature in black ink that reads "Sally E. Thompson". The signature is written in a cursive style with a large, looped initial "S".

Sally E. Thompson
Director, Financial Management
and Assurance

Enclosures I and II

Enclosure I

Current and Planned Core Financial Systems at 20 CFO Act Agencies

Core financial systems as of September 30, 2002

Agency	Name	Vendor and software name	COTS / modified COTS / custom	Implementation date
Agency for International Development	Mission Accounting and Control System (MACS) used overseas / Phoenix	MACS-NA/Phoenix-AMS Momentum	MACS-Custom / Phoenix- COTS	MACS- June 1982/ Phoenix-December 2000
Department of Commerce	Commerce Administrative Management System (CAMS) ^o	CAMS- Savantage Solutions, Inc (Formerly RELTEK) Federal Financial Management System (FFMS)/Various (see endnote ^o)	CAMS-Modified COTS/Various (see endnote ^o)	Various (see endnote ^o)
Department of Energy	Departmental Integrated Standardized Core Accounting System (DISCAS)	NA	Custom	April 1986
Department of the Interior	Federal Financial System (FFS) for 7 bureaus/offices and ABACIS for the other 2 bureaus	AMS Federal Financial System /ABACIS-NA	FFS-Modified COTS / ABACIS-Custom	FFS-1992 / ABACIS – early 1980s
Department of Labor	Department of Labor Accounting and Related Systems (DOLAR\$)	Keane Federal Success	Modified COTS	October 1989
Department of Transportation	Departmental Accounting and Financial Information System (DAFIS) / Delphi	DAFIS-NA /Delphi – Oracle U.S. Federal Financials	DAFIS - Custom/ Delphi - Modified COTS	1982
Department of Education	Financial Management Systems Software (FMSS)	Oracle U.S. Federal Financials	COTS	January 2002
Environmental Protection Agency	Integrated Financial Management System (IFMS)	AMS Federal Financial System	Modified COTS	1988
Federal Emergency Management Agency	Integrated Financial Management Information System (IFMIS)	Digital Systems Group IFMIS	COTS	October 1995

Planned core financial systems after September 30, 2002

Plans to acquire new system?	Name of project/system	Vendor of new system and software	Planning start date	Target full implementation date	Life cycle phase ^a	Comments – mixed systems
Yes	AID plans to replace MACS with Phoenix	AMS Momentum	July 2003	October 2005 ^b	Testing phase	
Yes, ongoing	CAMS	RELTEK Federal Financial Management System ^d	1994	October 2003	Deployment phase	
Yes	I-MANAGE Standard Accounting System (STARS)	Oracle U.S. Federal Financials	March 1999	October 2004	Development phase	I-MANAGE program will integrate financials with human resources, budget formulation/execution, payroll, travel and procurement.
Yes	Financial and Business Management System (FBMS)	To be determined	2004	2008	Business modeling and requirements phase	FBMS project will support budget formulation, core financial, acquisition, travel, personal property/fleet management, real property, financial assistance, and enterprise management information functions.
Yes	To be determined	To be determined	2 nd quarter of FY 2003	October 2006	Business modeling and requirements phase	DOL plans to implement a new managerial cost accounting system.
Yes, ongoing	Delphi	Oracle U.S. Federal Financials	1997	October 2003	Deployment phase	The Federal Aviation Administration is also in the process of implementing a labor distribution/cost accounting system.
No plans to acquire	NA	NA	NA	NA	NA	
Yes	Financial Replacement System (FinRS)	To be determined	October 2002	FY 2007	Business modeling and requirements phase	EPA also plans to replace its EPAYS and CPARS payroll systems and its MARS reporting system in FY 2003.
No plans to acquire	NA	NA	NA	NA	NA	As of March 2003, FEMA is part of the new Department of Homeland Security.

Enclosure I

(Continued From Previous Page)

Core financial systems as of September 30, 2002

Agency	Name	Vendor and software name	COTS / modified COTS / custom	Implementation date
General Services Administration	National Electronic Accounting and Reporting (NEAR) / Pegasys	NEAR-NA /Pegasys - AMS Momentum	NEAR- Custom / Pegasys- COTS ^e	NEAR-1974 / Pegasys Phase I- June 2000
Department of Housing and Urban Development	HUD's Central Accounting Program System (HUDCAPS)	AMS Federal Financial System	Modified COTS	October 1998 for implementation as departmental general ledger
National Aeronautics and Space Administration	General Ledger Accounting System (GLAS) ^g	NA	Custom	1970s
Nuclear Regulatory Commission	Federal Financial System (FFS)	AMS Federal Financial System ⁱ	COTS	May 2002
National Science Foundation	Financial Accounting System	NA	Custom	April 2001
Office of Personnel Management	Government Financial Information System (GFIS)	AMS Momentum	COTS	August 2002
Small Business Administration	Joint Accounting and Administrative Management System (JAAMS)	Oracle U.S. Federal Financials	Modified COTS	October 2001
Social Security Administration	Financial Accounting System (FACTS)	Keane Federal Success	Modified COTS	October 1993
Department of State	Central Financial Management System (CFMS) /Regional Financial Management System (RFMS) ^k	CFMS – AMS Federal Financial System/RFMS - AMS Momentum	CFMS – COTS / RFMS - Modified COTS ^l	CFMS -1991
Department of Agriculture	Central Accounting System (CAS) / Foundation Financial Information System (FFIS)	CAS – NA / FFIS–AMS Federal Financial System	CAS - Custom / FFIS- Modified COTS	CAS-1976

Planned core financial systems after September 30, 2002

Plans to acquire new system?	Name of project/system	Vendor of new system and software	Planning start date	Target full implementation date	Life cycle phase ^a	Comments – mixed systems
Yes, ongoing	Pegasys	AMS Momentum	May 1998	October 2002	Deployment phase	Phase II includes the implementation of full accounts receivable, asset management and cost allocation by October 2004. Pegasys was the official core financial system at the end of October 2002.
Yes	HUD Integrated Financial Management Improvement Project (HIFMIP)	To be determined	July 2003	March 2007	Business modeling and requirements phase scheduled to begin in July 2003	Legacy insurance systems at the Federal Housing Administration (FHA) to be integrated by December 2006. ⁱ
Yes	Integrated Financial Management Program (IFMP)	SAP R/3	FY 2000	June 2003	Deployment phase ^h	
No plans to acquire	NA	NA	NA	NA	NA	NRC implemented a COTS-based cost accounting system in November 2002. ^j
No plans to acquire	NA	NA	NA	NA	NA	See endnote. ⁱ
No plans to acquire	NA	NA	NA	NA	NA	A cost allocation module will be added to GFIS with the first phase planned for implementation in September 2003.
No plans to acquire	NA	NA	NA	NA	NA	
Yes	Social Security Online Accounting and Reporting System	Oracle U.S. Federal Financials	June 2001 ^j	October 2003	Deployment phase	
Yes, ongoing	Global Financial Management System (GFMS)	AMS Momentum	June 1998	GFMS Domestic – FY 2005, Overseas – FY 2006	Development phase	
Yes, ongoing	FFIS	AMS Federal Financial System	NR	October 2002	Deployment phase	Beginning in December 2003, agency will start process for next core system implementation.

Enclosure I

(Continued From Previous Page)

Core financial systems as of September 30, 2002

Agency	Name	Vendor and software name	COTS / modified COTS / custom	Implementation date
Department of Veterans Affairs	Financial Management System	AMS Federal Financial System	Modified COTS	September 1995

Planned core financial systems after September 30, 2002

Plans to acquire new system?	Name of project/system	Vendor of new system and software	Planning start date	Target full implementation date	Life cycle phase ^a	Comments – mixed systems
Yes	Core Financial and Logistics System (Core FLS)	Oracle U.S. Federal Financials	June 1999	March 2006	Development phase	VA has also selected the software to be used in the logistics module of the core financial system.

Legend

COTS – Commercial-off-the-shelf
 NA – Not applicable
 NR – No response

Source: GAO compiled.

^aTo help categorize the current status of agencies' systems implementation, we used the following system development life cycle phases: (1) *Business modeling and requirements* includes developing complete systems requirements, establishing the "as is" model of the business processes, and meeting with stakeholders. (2) *Analysis and design* addresses transforming the systems requirements into a design of the "to be" system. This phase would also include evaluation of vendor proposals and vendor selection. (3) *Development* involves the development and modification of the system software. (4) *Testing* covers verifying that all requirements have been correctly developed and tested and ensuring all identified defects have been documented and corrected. (5) *Deployment* includes training end users, converting data, putting the software into service, verifying that all requirements have been correctly implemented, and planning for the operations and support phase of software components. (6) *Operations and support* involves the monitoring of product integrity and ensuring the ongoing completeness and correctness of the system.

^bAID and the State Department have agreed to integrate their separate Momentum applications into one application with two databases with full implementation expected in October 2005 following deployment of Phoenix to AID's overseas offices.

^cThe agencies and bureaus of the Department of Commerce, which had not implemented CAMS as of September 30, 2002, used other core financial systems, including custom systems (implemented in the 1980s), AMS Momentum (implemented in 2002) and cross-servicing with the Department of the Interior.

^dThree Commerce bureaus will not implement CAMS, including the U.S. Patent and Trademark Office, the International Trade Administration, and the National Technical Information Service.

^eAccording to GSA, all enhancements to the product were added to the baseline product by the vendor.

^fPeoplesoft general ledger module implemented at FHA in October 2002.

^gNASA has 9 centers, its headquarters offices and the Jet Propulsion Laboratory, each of which had its own custom-built financial systems until each center's conversion to the new core financial system in FY 2003.

^hSee U.S. General Accounting Office, *Business Modernization: Improvements Needed in Management of NASA's Integrated Financial Management Program*, [GAO-03-507](#) (Washington, D.C.: Apr. 30, 2003).

ⁱNRC's service provider for FFS is the Department of the Interior's National Business Center.

^jThis agency will adopt the Department of the Interior's personnel/payroll services in FY 2004.

Enclosure I

^kThe solicitation for the software purchase was released in June 2001.

^lCFMS accounts for State's domestic financial activity, while RFMS is for overseas activity.

^mState uses a custom disbursement module in its regional financial management system.

Enclosure I

Enclosure II

Current and Planned Core Financial Systems at 4 CFO Act Agencies

Core financial systems as of September 30, 2002

Agency	Subagency	Name	Vendor and software name	COTS / modified COTS / custom	Implementation date
Department of Defense		100 core systems ^b	Various	Various	1960s, 1970s, 1980s, and 1990s
Department of Justice ^c	DOJ	No consolidated core financial system	NA	NA	NA
Department of Justice	BOP	Financial Management Information System (FMIS2)	NA	Custom	October 1999
Department of Justice	OJP	Integrated Financial Management Information System (IFMIS)	Digital Systems Group- Financial Management System Software	Modified COTS	December 1998
Department of Justice	INS	Financial Accounting Control System (FACS)/Federal Financial Management System (FFMS)	FACS – NA/ Savantage Solutions, Inc. (formerly REL-TEK) -FFMS	FACS – Custom /FFMS – Modified COTS	October 1997
Department of Justice	FPI	Millennium System	SAP	Modified COTS	May 2000
Department of Justice	DEA	Federal Financial System (FFS)	Cross-serviced by DOI	Modified COTS	October 1998
Department of Justice	FBI	Financial Management System (FMS)	Geac Computer Corporation Limited, Geac Enterprise Server E Series	Modified COTS	October 1985
Department of Justice	OBDs	FMIS2	NA	Custom	December 2002

Planned core financial systems after September 30, 2002

Plans to acquire new system?	Name of project / system	Vendor of new system and software	Planning start date	Target full implementation date	Life cycle phase ^a	Comments - mixed systems
Yes	Not yet decided	To be determined	Varies	To be determined	Business modeling and requirements phase	Implementation of a core financial system(s) for DOD is a long-term effort due to the significant number of systems and complexity of the Department.
Yes	United Financial Management System Project (UFMS)	To be determined	April 2002	October 2007	Analysis and design phase	COTS award projected – July 2003. Implementation and integration contract to follow. UFMS includes integrated procurement & e-travel solutions.
Part of UFMS Implementation	UFMS	To be determined	October 2004	October 2006	Analysis and design phase	
Part of UFMS Implementation	UFMS	To be determined	October 2004	October 2006	Analysis and design phase	
NA	NA	NA	NA	NA	NA	In March 2003, INS was transferred to the Department of Homeland Security.
No plans to acquire	NA	NA	NA	NA	NA	Current COTS satisfies commercial/manufacturing business requirements unique to FPI. FPI is not included in UFMS Project.
Part of UFMS Implementation	UFMS	To be determined	October 2003	October 2005	Analysis and design phase	
Part of UFMS Implementation	UFMS	To be determined	August 2002	October 2004	Analysis and design phase	
Part of UFMS Implementation	UFMS	To be determined	October 2005	October 2007	Analysis and design phase	Also supports the Working Capital Fund and Asset Forfeiture Fund/Seized Asset Deposit Fund reporting entities.

Enclosure II

(Continued From Previous Page)

Core financial systems as of September 30, 2002

Agency	Subagency	Name	Vendor and software name	COTS / modified COTS / custom	Implementation date
Department of Justice	USMS	Standardized Tracking Accounting and Reporting System (STARS) at headquarters, Financial Management System (FMS) used by district offices	STARS -ieFARS - ACS Government Solutions Group /FMS – NA	STARS –Modified COTS/FMS – Custom	October 1997
Department of Health and Human Services ^d	HHS	NA	NA	NA	NA
Department of Health and Human Services	PSC	CORE	Arthur Young– Federal Success	Modified COTS	1992
Department of Health and Human Services	FDA	General Ledger Accounting System (GLAS)	NA	Custom	FY1968-FY1969
Department of Health and Human Services	CDC	Total On-Line Processing System (TOPS)	Arthur Young– Federal Success	Modified COTS	1991
Department of Health and Human Services	NIH	Central Accounting System (CAS)	NA	Custom	Mid-1970s
Department of Health and Human Services	CMS	Financial Accounting and Control System (FACS)	Arthur Young– Federal Success	Modified COTS	1980s
Department of the Treasury ^e	Treasury	No consolidated core financial system ^f	NA	NA	NA
Department of the Treasury	BPD	Federal Financial System (FFS)	American Management Systems (AMS) Federal Financial System (FFS)	COTS	October 1994

Enclosure II

Planned core financial systems after September 30, 2002

Plans to acquire new system?	Name of project / system	Vendor of new system and software	Planning start date	Target full implementation date	Life cycle phase ^a	Comments - mixed systems
Part of UFMS Implementation	UFMS	To be determined	October 2003	October 2005	Analysis and design phase	
Yes	Unified Financial Management System (UFMS)	Oracle U.S. Federal Financials	July 2001	April 2007	Testing phase	
Part of the UFMS implementation	UFMS	Oracle U.S. Federal Financials	January 2004	April 2007	Development phase	
Part of the UFMS implementation	Financial Enterprise Solutions (FES)	Oracle U.S. Federal Financials	July 2003	May 2005	Development phase	FES is the FDA-named project that is part of the full UFMS implementation.
Part of the UFMS implementation	UFMS	Oracle U.S. Federal Financials	October 2002	October 2004	Development phase	
Part of the UFMS implementation	NIH's Business and Research Support System (NBRSS)	Oracle U.S. Federal Financials	1999	October 2002	Deployment phase	NBRSS is the NIH-named project that is part of the full UFMS implementation.
Part of the UFMS implementation	Healthcare Integrated General Ledger Accounting System (HIGLAS)	Oracle U.S. Federal Financials	2000	September 2007	Development phase	HIGLAS is a second component of UFMS. HIGLAS is a separate core system from the one used by other subagencies.
No plans to acquire	NA	NA	NA	NA	NA	
Yes	Oracle U.S. Federal Financials	Oracle U.S. Federal Financials	NR	October 2002	Deployment phase	BPD implemented the Compusearch acquisition application "Prism" in January 2002

Enclosure II

(Continued From Previous Page)

Core financial systems as of September 30, 2002

Agency	Subagency	Name	Vendor and software name	COTS / modified COTS / custom	Implementation date
Department of the Treasury	ATF	Financial Resources Desktop (FRED)	AMS Momentum	Modified COTS	October 1999
Department of the Treasury	BEP	BEP Management Information System (BEPMIS)	SSA Global Technologies CAS	COTS	1984
Department of the Treasury	USCS	FFS and SAP R/3 Phase I	AMS FFS /SAP R/3	FFS -Modified COTS/SAP - Modified COTS	FFS - October 1992 /SAP - April 2002
Department of the Treasury	DO	FFS	AMS FFS	COTS	BPD began cross-servicing DO in February 2001
Department of the Treasury	FinCEN	FFS/ SAP R/3 Phase I	AMS FFS / SAP R/3	FFS -Modified COTS/SAP - Modified COTS	FinCEN is cross-serviced by USCS
Department of the Treasury	IRS	Automated Financial Systems (AFS)	AMS FFS	Modified COTS	October 1992

Enclosure II

Planned core financial systems after September 30, 2002

Plans to acquire new system?	Name of project / system	Vendor of new system and software	Planning start date	Target full implementation date	Life cycle phase ^a	Comments - mixed systems
NA						This bureau was transferred to the Department of Justice in 2003.
No plans to acquire	NA	NA	NA	NA	NA	
Yes, ongoing	SAP R/3 Release II and III	SAP R/3	1995	Release II is scheduled for implementation in October 2003 and will include procurement and asset management capabilities. The scheduled implementation date for Release III is October 2004, but this date is subject to review by the Department of Homeland Security (DHS).	Deployment phase	This bureau was transferred to DHS. An accounts receivable subsidiary ledger that will support the Automated Commercial Environment (ACE) is scheduled for implementation in March 2004, but this date is subject to review by DHS.
Yes	Oracle U.S. Federal Financials	Oracle U.S. Federal Financials	October 2003	BPD will begin cross-servicing DO using Oracle in October 2003.	Testing phase	BPD will begin cross-servicing DO to use the Composearch acquisition application "Prism" in October 2003.
No plans to acquire	NA	NA	NA	NA	NA	USCS staff use FFS and SAP R/3 to perform FinCEN's financial management activities.
Yes	Integrated Financial System	SAP R/3	October 2000	Release 1: October 2003	Testing phase	Release 1 will include core financial functionality. Release 2, to be implemented in August 2005, will include asset management functionality.

(Continued From Previous Page)

Core financial systems as of September 30, 2002

Agency	Subagency	Name	Vendor and software name	COTS / modified COTS / custom	Implementation date
Department of the Treasury	FMS	FFS	AMS FFS	COTS	BPD began cross-servicing FMS in June 1999
Department of the Treasury	OTS	FFS	AMS FFS	COTS	BPD began cross-servicing OTS in October 2002
Department of the Treasury	USSS	Financial Management and Accounting System (FMAS)	Keane Federal Success	Modified COTS	October 1988

Enclosure II

Planned core financial systems after September 30, 2002

Plans to acquire new system?	Name of project / system	Vendor of new system and software	Planning start date	Target full implementation date	Life cycle phase ^a	Comments - mixed systems
Yes	Oracle U.S. Federal Financials	Oracle U.S. Federal Financials (cross-serviced by BPD)	February 2003	BPD will begin cross-servicing FMS in October 2003	Testing phase	
Yes	Oracle U.S. Federal Financials	Oracle U.S. Federal Financials (cross-serviced by BPD)	NR	BPD will begin cross-servicing OTS in October 2004	Business modeling and requirements phase	
Yes	Enterprise Financial Management System (EFMS)	Oracle U.S. Federal Financials	August 2001	April 2004	Development phase	This bureau was transferred to DHS in March 2003.

Legend

COTS - Commercial-off-the-shelf

NA - Not applicable

NR - No response

Source: GAO compiled.

^aTo help categorize the current status of agencies' systems implementation, we used the following system development lifecycle phases: (1) *Business modeling and requirements* includes developing complete systems requirements, establishing the "as-is" model of the business processes and meeting with stakeholders. (2) *Analysis and design* addresses transforming the systems requirements into a design of the "to-be" system. This phase would also include evaluation of vendor proposals and vendor selection. (3) *Development* involves the development and modification of the system software. (4) *Testing* covers verifying that all requirements have been correctly developed and tested and ensuring all identified defects have been documented and corrected. (5) *Deployment* includes training end users, converting data, putting the software into service, verifying that all requirements have been correctly implemented and planning for the operations and support phase of software components. (6) *Operations and support* involves the monitoring of product integrity and ensuring the ongoing completeness and correctness of system.

^bDOD is still reviewing and analyzing its systems inventory as part of its business systems modernization and therefore, this list may or may not be complete. This list was compiled from DOD's "As Is Systems Inventory" as of October 31, 2002.

^cDepartment of Justice: BOP: Bureau of Prisons, OJP: Office of Justice Programs, INS: Immigration and Naturalization Service, FPI: Federal Prisons Industries, Inc, DEA: Drug Enforcement Agency, FBI: Federal Bureau of Investigation, OBDs: Offices, Boards and Divisions, USMS: United States Marshals Service.

^dDepartment of Health and Human Services: PSC: Program Support Center, FDA: Food and Drug Administration, CDC: Centers for Disease Control and Prevention, NIH: National Institutes of Health, CMS: Centers for Medicare and Medicaid Services.

Enclosure II

^eDepartment of Treasury: BPD: Bureau of the Public Debt, ATF: Alcohol, Tobacco and Firearms, BEP: Bureau of Engraving and Printing, USCS: United States Customs Service, DO: Departmental Offices, FinCEN: Financial Crimes Enforcement Network, IRS: Internal Revenue Service, FMS: Financial Management Service, OTS: Office of Thrift Supervision, USSS: United States Secret Service. Treasury's other bureaus, not included above, used a variety of COTS packages.

^fAlthough Treasury does not have an agencywide core financial system, it does utilize automated tools and a central data warehouse for analysis and reporting.

GAO's Mission

The General Accounting Office, the audit, evaluation and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through the Internet. GAO's Web site (www.gao.gov) contains abstracts and full-text files of current reports and testimony and an expanding archive of older products. The Web site features a search engine to help you locate documents using key words and phrases. You can print these documents in their entirety, including charts and other graphics.

Each day, GAO issues a list of newly released reports, testimony, and correspondence. GAO posts this list, known as "Today's Reports," on its Web site daily. The list contains links to the full-text document files. To have GAO e-mail this list to you every afternoon, go to www.gao.gov and select "Subscribe to e-mail alerts" under the "Order GAO Products" heading.

Order by Mail or Phone

The first copy of each printed report is free. Additional copies are \$2 each. A check or money order should be made out to the Superintendent of Documents. GAO also accepts VISA and Mastercard. Orders for 100 or more copies mailed to a single address are discounted 25 percent. Orders should be sent to:

U.S. General Accounting Office
441 G Street NW, Room LM
Washington, D.C. 20548

To order by Phone: Voice: (202) 512-6000
 TDD: (202) 512-2537
 Fax: (202) 512-6061

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Web site: www.gao.gov/fraudnet/fraudnet.htm

E-mail: fraudnet@gao.gov

Automated answering system: (800) 424-5454 or (202) 512-7470

Public Affairs

Jeff Nelligan, Managing Director, NelliganJ@gao.gov (202) 512-4800
U.S. General Accounting Office, 441 G Street NW, Room 7149
Washington, D.C. 20548

This is a work of the U.S. government and is not subject to copyright protection in the United States. It may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.