DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

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MEMORANDUM FOR TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION

FROM: Bernard Conklin
Associate Commissioner for Business Systems Modernization

SUBJECT: Audit Report – Implementation of the New Methodology for Systems Modernization Needs Increased Focus and Support

Thank you for the opportunity to respond to the above referenced draft audit report. I apologize for my delayed response. The Enterprise Life Cycle (ELC) is a proven systems development methodology that guides the processes and procedures of the Business Systems Modernization (BSM) program. This methodology encompasses changes in business practices and organizational needs as well as the traditional technology program management activities. By adhering to this systems development methodology, we will effectively mitigate risks to ensure success of the BSM.

In your draft audit report, you identified three areas of concern:

- Current Version of the ELC Lacks Key Components
- Timely Completion of the ELC Training is Necessary
- Increased Focus on Completing Interim Tasks is Needed

We agree addressing these issues is critical to the success of BSM. Since your audit, we have added sections to the ELC to address the Enterprise Architecture, Investment Decision Management, and Security and Privacy requirements. All Business Systems Modernization Organization employees have completed the basic ELC training requirements and are developing individual training plans for their roles and responsibilities, according to the ELC deployment activities. Finally, my entire organization is charged with updating, codifying, and following ELC processes and procedures.

As we mature in our use of this methodology, the IRS and the Prime will continue to improve the Enterprise Life Cycle (ELC) by addressing identified gaps and incorporating best practices. We respond to your individual recommendations in the attachment. If you have any questions, please call me or Tommy DeWeese, Deputy Associate Commissioner for Business Systems Modernization, at (202) 283-5750.

Attachment

cc: National Director, Legislative Affairs Division
National Director, Communications Division

Business Systems Modernization Management Response

Audit Report – Implementation of the New Methodology for Systems Modernization Needs Increased Focus and Support (Audit No. 200020018)

I. Increased Focus on Completing Interim Tasks is Needed to Ensure Further ELC Implementation Delays Do Not Occur

Recommendation 1. We recommend that the Chief Information Officer (CIO) increase focus and support to the ELC deployment staff to ensure that interim tasks are completed and approved by scheduled due dates.

Corrective Action:

A. The Business Systems Modernization Office (BSMO) has determined it has sufficient staffing to oversee the enhancement and revision of the deployed ELC.

Implementation Date: Completed January 2001

Responsible Official: Director, BSMO Program Management Office B:PM

Corrective Action:

B. Director, Process Management (PRIME) has assessed the staffing needs, based on current and anticipated requirements, and has submitted a staffing profile to BSMO in alignment with funding available for process improvement.

Implementation Date: Completed January 2001

Responsible Official: Director, BSMO Program Management Office B:PM

II. The Current Version of the Enterprise Life Cycle Lacks Key Components Needed by the Project Developers

Recommendation 2. Develop a validation process to ensure that the ELC material provided by the PRIME meets IRS needs.

Corrective Action:

The IRS has submitted an ELC Work Request to the PRIME to improve the validation and acceptance process. The PRIME will complete the process improvement and submit a deliverable to IRS, containing the improved validation and acceptance process.

Implementation Date: April 01, 2001

Business Systems Modernization Management Response

Audit Report – Implementation of the New Methodology for Systems Modernization Needs Increased Focus and Support (Audit No. 200020018)

Implementation Date: April 01, 2001

Responsible Official: Director, BSMO Program Management Office B:PM

Recommendation 3. Implement improvements to the ELC Process Asset Library Web site, such as providing better linkages and a centralized index. The CIO should also ensure that program and project training specifically covers how to use the library.

Corrective Action:

The Prime delivered an improved, re-engineered ELC Process Asset Library (PAL) to the IRS in December 2000. The improved PAL includes new linkages and design features to aid navigation.

Implementation Date: Completed December 2000

Responsible Official: Director, BSMO Program Management Office B:PM

Recommendation 4. Update the ELC Process Asset Library Web site monthly with new information and examples through completion of the Phase II ELC deployment.

Corrective Action:

The Prime and BSMO have agreed to provide quarterly and as needed updates to the PAL. New approved ELC Process Improvements will be published in the Prime and BSMO Web sites and announced by a BSMO Newsflash until the next update of the PAL has been completed.

Implementation Date: Completed December 2000

Responsible Official: Director, BSMO Program Management Office B:PM

III. Enterprise Life Cycle Training Has Not Been Provided in a Timely Manner

Recommendation 5. Conduct competency assessments for all remaining BSMO employees and PRIME contractors assigned to IRS modernization projects to identify training needs.

Corrective Action:

The PRIME has completed the BSMO chartering workshops. As a result of each workshop, the PRIME has identified workgroup roles and responsibilities. Prime will develop competency requirements for each workgroup role and deliver a strategy for achieving them.

Implementation Date: March 01, 2001

Responsible Official: Director, BSMO Program Management Office B:PM

Recommendation 6. Ensure that the PRIME Training Group performs a staffing analysis and employs the people necessary to effectively develop and deliver ELC training.

Corrective Action:

The PRIME Process Management Office has already conducted an analysis of the PRIME Program Training Group and has increased its staff from three positions to five positions. The office believes they have enough people to train PRIME employees on ELC.

Implementation Date: Completed January 2001

Responsible Official: Director, BSMO Program Management Office B:PM

Business Systems Modernization Management Response

Audit Report – Implementation of the New Methodology for Systems Modernization Needs Increased Focus and Support (Audit No. 200020018)

Recommendation 7. Expedite the development and delivery of ELC role-based training for BSMO personnel and key stakeholders.

Corrective Action:

The Prime will develop a BSMO and key Stakeholder role-based Education Strategy and Plan. Prime will address BSMO and Stakeholder training needs in two stages:

- The first stage identifies high-priority training requirements based on input from BSMO management and interviews with key BSMO stakeholders;
- The second stage involves assessing individual learning requirements, developing personal learning plans, and expanding the strategy to include recommended means for carrying out the learning plans.

Implementation Date: March 01, 2001

Responsible Official: Director, BSMO Program Management Office B:PM