

**National Oceanic and Atmospheric Administration
Office of the Chief Information Officer
Non-Core CBS Financial Management System (PCS)
006-48-01-01-01-3803-00
Operational Analysis
January 2006 – December 2006**

Table of Contents

Executive Summary	2
1.0 Customer Results.....	3
1.1 Customer Requirements and Costs	4
1.2 Performance Measures	4
2.0 Strategic and Business Results	4
2.1 NOAA/OCIO Non-Core CBS Financial Management System (PCS) Helps to Achieve Strategic Goals	5
2.2 Business Results	5
2.2.1 Program Management and Controls.....	5
2.2.2 Monitoring Cost, Schedule and Performance	5
2.3 Reviews	6
2.4 Security.....	6
2.5 Performance Measures	7
2.6 Other - Data Loss	7
3.0 Financial Performance.....	7
3.1 Current Performance vs. Baseline	7
3.2 Performance Measures	8
3.3 Cost Benefit Analysis.....	8
3.4 Financial Performance Review	8
4.0 Innovation to Meet Future Customer Needs	8
4.1 Number and Types of Users.....	9
4.2 Other – E-Travel.....	10
4.3 Funding Levels	10

Executive Summary

NOAA/OCIO Non-Core CBS Financial Management System (PCS) provides NOAA corporate financial management support related to the non-core CBS financial systems modules which includes Permanent Change of Station and Integrated Travel Manager. Operational support and maintenance are required to continue to meet user needs, provide timely recording of financial data at the lowest levels, respond to changes in regulatory guidance, and maintain required interfaces. Reliable financial data available to NOAA managers on a daily basis provides them with the ability to make more informed programmatic and scientific decisions. It also provides NOAA with the ability to provide better financial data to external organizations such as OMB, Treasury and Congress; comply with OMB Circular A-34; and meet requirements of the Joint Financial Management Improvement Program (JFMIP) and the Federal Financial Management Improvement Act (FFMIA). The PCS system will not be replaced, at least initially, as part of the government-wide E-Travel initiatives.

Services are provided in accordance with established directives, operational policies, and user defined requirements. This report focuses on the operational state of the program as of December 31, 2006, and is based on guidance developed by the Department of Commerce.

This operational analysis (OA) addresses the continuing systems support and services provided by the non-core CBS financial systems modules, which includes Permanent Change of Station and Integrated Travel Manager and is an annual, in-depth review of the program's performance based on the following:

- Customer Results
- Strategic and Business Results
- Financial Performance
- Innovation

The Finance Office operates the Non-Core CBS Financial Management System (PCS) and users include the NOAA financial and administrative program support community, users in the Commerce Bureau of Industry and Security (BIS), and financial and administrative users throughout NOAA. The primary requirement is to meet the needs of end-users and NOAA Management for accurate, timely processing and payment of travel authorizations, vouchers, local travel claims, and relocation vouchers. The total number of documents processed during FY 2006 was 110,675, with over 99% of those processed by end-users.

The NOAA Non-Core CBS Financial Management System (PCS) directly facilitates NOAA's Strategic Goals and meets established cost, schedule and performance parameters. Program management and controls are in place to ensure the program continues to meet its goals and objectives and monitor performance. Innovations to be explored to meet future requirements and address challenges such as issues with Personally Identifiable Information (PII), travel obligations, and migration to web-based applications. Pending Departmental implementation of an e-Travel solution, which is currently on hold, these efforts are necessary to meet customer needs, lower operating costs, and leverage technology.

1.0 Customer Results

In October 2002, NOAA successfully migrated off of its legacy accounting system to use the Department of Commerce's (DoC) Commerce Business System (CBS) as its official financial system of record. CBS is the integrated financial management system throughout the Department. Core CBS consists of a Core Financial System (CFS) interfaced with standard department-wide administrative systems for small purchases, bankcards, time reporting/labor cost distribution, the limited DoC data warehouse, and corporate database.

This operational analysis addresses the continuing systems support and services provided by the non-core CBS financial systems modules, which includes Permanent Change of Station and Integrated Travel Manager. The primary requirement is to meet the needs of end-users and NOAA Management for accurate, timely processing and payment of travel authorizations, vouchers, local travel claims, and relocation vouchers. The following chart depicts the total number of documents processed during FY 2006:

<i>Documents Processed</i>				
	<i>End-Users</i>		<i>Finance Office Users</i>	
October	9,233	99.43%	53	0.57%
November	8,367	99.55%	38	0.45%
December	6,262	99.40%	38	0.60%
January	7,979	99.53%	38	0.47%
February	8,307	99.51%	41	0.49%
March	10,346	99.47%	55	0.53%
April	9,270	99.39%	57	0.61%
May	10,875	99.54%	50	0.46%
June	10,045	99.53%	47	0.47%
July	8,929	99.09%	82	0.91%
August	10,922	99.44%	62	0.56%
September	9,492	99.09%	87	0.91%
2006 Total	110,027	99.41%	648	0.59%

These services are key to supporting the President's Management Agenda government-wide initiatives for improved financial performance, achieving the goals of the Office of Management and Budget for effective and efficient government, and NOAA's goal for excellence in the technical/operational support of NOAA's financial, management, and administrative systems. Activities include the following: direct, technical operational support; software support for this application, related software development/support, help desk support for end-users, and user training as needed.

1.1 Customer Requirements and Costs

The Non-Core CBS Financial Management System (PCS) users include the NOAA financial and administrative program support community, users in the Commerce Bureau of Industry and Security (BIS), and financial and administrative users throughout NOAA. The objective, in coordination with the Department's CFO and CIO staff recommendations, is to strengthen NOAA's ability to maximize the useful life of CBS and to derive cost savings as the Department pursues options for consolidating both financial system hosting and financial operations. The Department's e-Travel, e-GOV initiative, will replace the Integrated Travel Manager portion of this investment when implemented but the PCS portion will remain.

Additionally, NOAA will interface with a CBS-based corporate database that will provide linkages between existing compliant systems and CFS-based Core CBS for the purpose of establishing a single integrated financial management system for consolidation of audited financial statements and submission to OMB and Treasury.

1.2 Performance Measures

Performance measures addressed the Management Integration Goal to Achieve Organizational and Management Excellence. Within the Customer Results area, the measurement category/grouping included Service Accessibility/Access. For the Mission and Business Results, the measurement category/grouping included Financial Management/Accounting.

These measures align with the "Customer Results Measurement Area" of the Performance Reference Model developed by the Federal Enterprise Architecture Program Management Office (FEA-PMO). Table 1 summarizes the performance measures for 2006.

Table 1: Customer Results Performance Measure

Measurement Area	Indicator	Baseline	2006 Actual Result	Comments
Customer Results	All NOAA users who need access to the Integrated Travel Manager (ITM) system are able to connect to the ITM system.	100% of users that require ITM access are able to connect to the system.	99.99%	

2.0 Strategic and Business Results

The NOAA/OCIO Non-Core CBS Financial Management System (PCS) is meeting its own goals and objectives as well as those of the agency. Program management and controls are in place to ensure the program continues to meet its goals and objectives and monitor how well the Non-Core CBS Financial Management System (PCS) performs.

2.1 NOAA/OCIO Non-Core CBS Financial Management System (PCS) Helps to Achieve Strategic Goals

The NOAA/OCIO Non-Core CBS Financial Management System (PCS) provides reliable financial data available to NOAA managers on a daily basis to give them the ability to make more informed programmatic and scientific decisions. It also provides NOAA with the ability to provide better financial data to external organizations such as OMB, Treasury and Congress; enables NOAA to comply with OMB Circular A-34; and meet requirements of the Joint Financial Management Improvement Program (JFMIP) and the Federal Financial Management Improvement Act (FFMIA).

The following chart illustrates target and actual corporate performance measures for FY 2006:

Table 2: Corporate Performance Measures (GPRA & Non-GPRA)

CPM/Other Measure	FY06 Target	Actual Result
Prompt payment of vendor invoices w/out penalty	98%	98%
Pay invoices via EFT	96%	96%
Process IPACS within 30 days	98%	98%
Provide funding allocations to NOAA Line Office (15 days after enactment)	15 days	15 days
Complete Apportionment Submission to DOC (10 days after enactment)	10 days	10 days

The PCS system will not be replaced, at least initially, as part of the government-wide E-Travel initiatives.

2.2 Business Results

2.2.1 Program Management and Controls

Regular meetings to review the investment are conducted with the Program Manager. The Financial Systems Division Requirements Branch has been designated to provide direct/on-going support for daily operations, security issues, controls, and review of issues or problems associated with voucher payments. This review is separate from reviews conducted by the Finance Office for processing and disbursements.

2.2.2 Monitoring Cost, Schedule and Performance

Cost – Quarterly reviews are conducted for cost, schedule, performance, objectives, and accomplishments. These reviews are in addition to OMB 300 review and assessment, which is performed on an annual basis at a minimum.

Schedule – Monthly status reviews are conducted and the Finance Office performs reviews throughout the year to evaluate performance on key objectives, initiatives, and emerging requirements.

Performance –Functional and technical performance from systems, financial, and operational support perspectives are evaluated during monthly assessments. Systems performance is monitored daily. Automated controls within the Core Financial System (CFS) and Data Warehouse (DW) ensure that end-user stakeholders have immediate insight and visibility for all transactions processed from the previous day. Data is also available for a nightly extract.

The Non-Core CBS Financial Management System (PCS) processes 55,000 temporary duty (TDY) vouchers and 2,000 relocation vouchers annually. The system supports a user community of 7500 user accounts for 14,000 travelers. Monthly statistics are distributed for number of documents processed, peak concurrent usage, and trend analysis.

2.3 Reviews

The system is supported by a combination of contract and federal staff, federal-owned equipment, and resides in a government facility. The nature of contracted IT services is for operational support and applicable security requirements have been incorporated into the contract and the investment's system life cycle. In accordance with established policies and procedures of the NOAA Security Office, all Contractors supporting this system undergo background checks performed by OPM. All Contractor staff are required to comply with NOAA and Departmental IT and security policies and must complete annual IT security awareness training. Contractors are required to complete non-disclosure agreement and user access request forms for initial access to test/development/production applications and must have Government authorization, in order to have access to systems and software. For continued access, updated non-disclosure agreements and approved recertification forms are required on an annual basis.

Contractor performance of required IT security management, operational, and technical controls is assessed as part of the annual FISMA self-assessment of control effectiveness. Contingency plans are tested and all software deliveries undergo Government Acceptance Testing. NOAA's Financial Systems Division manages security issues related to the Integrated Travel Manager System through the Configuration Control Board (CCB). Upon acceptance, the Systems Integrity (SI) Team performs integrity and regression testing to ensure full compliance of all software and any impacted/related code. Configuration management for Commerce Business Systems modules, including security, is the responsibility of the Configuration Control Board (CCB) which controls software code from the point of delivery. Contractors can make recommendations to the CCB, but the Systems Integrity Branch is responsible for approving code prior to implementation. Updates to existing software code cannot be made without prior approval from the CCB and Systems Integrity Branch.

2.4 Security

The Non-Core CBS Financial Management System (PCS) has been through a Certification & Accreditation (C&A) process and has been granted an Interim Authority to Operate. The next C&A with the NOAA/OCIO IT Security Office is scheduled to be completed by June 30, 2007. Standards used for security control testing included FIPS 200 and NIST 800-53. FISCAM and independent security control assessment and penetration testing is conducted.

Certification was performed in accordance with section 3 of the DOC Information Security Manual and Federal Information Processing Security Publication 102. Accreditation guidance is taken from the National Information Assurance Certification and Accreditation Process (NIACAP) with the last review conducted in December 2003.

Management, operational, and technical security controls ensure the confidentiality, integrity and availability of information. The system is not a Privacy Act system of record. Although this system contains personally identifiable information (PII), the information is solely about federal employees and agency contractors, and SSN/TIN numbers are not printed on documents. Plans are underway to eliminate use of the SSN/TIN due to PII issues.

2.5 Performance Measures

The performance measures in Table 2 show the NOAA/OCIO Non-Core CBS Financial Management System (PCS) performance with respect to Strategic and Business Results. Strategic and Business Results performance measures introduced in 2006 included the Management Integration Goal to Achieve Organizational and Management Excellence. These measures align with the “Mission and Business Results Measurement Area” of the Performance Reference Model developed by the FEA-PMO. The measurement category/grouping addressed Financial Management/Accounting. Table 2 summarizes the performance measures for 2006.

Table 3: Business Results Performance Measure

Measurement Area	Indicator	Baseline	2006 Actual Result	Comments
Mission and Business Results	NOAA PCS users receive the technical and functional support that they require to complete the necessary relocation paperwork.	At least 95% of the time, NOAA PCS users receive the support that they require on their initial request.	95%	

2.6 Other - Data Loss

The Non-Core CBS Financial Management System (PCS) is monitored for zero data loss. On an annual basis, for PCS and Integrated Travel Manager, zero data loss between mixed systems supporting this function and the accounting system. Daily audits to ensure that no transactions are stranded, or lost, in interfaces between feeder systems and the Core Financial System.

3.0 Financial Performance

3.1 Current Performance vs. Baseline

Financial performance during 2006 included costs for operations/maintenance and FTE costs.

The following table reflects the planned/actual costs for 2006 and indicates an anticipated decrease in costs for FY 2007.

Cost Summary (Dollars in Thousands)			
	2006		2007
	<i>Planned</i>	<i>Actual</i>	<i>Planned</i>
Operations & Maintenance	698.4	698.4	645
Government FTE Costs	230.0	230.0	230
TOTAL	698.4	698.4	645

3.2 Performance Measures

Financial performance is reviewed with the COTR on a regular basis and quarterly reviews are conducted with the Program Manager. A decrease in costs is anticipated for FY 2007, as shown in the above chart.

3.3 Cost Benefit Analysis

A cost-benefit analysis was not conducted in FY 2006, pending e-Travel efforts. However, at this time, Departmental implementation of an e-Travel solution is currently on hold.

3.4 Financial Performance Review

Financial performance is reviewed periodically to ensure reasonableness and cost efficiency. Monthly budget reviews are held with the COTR and contract managers to ensure contracts are within cost and on schedule. Reviews are conducted with the Program Manager on a quarterly basis. Monthly reports are provided by contractors and used by the Government to evaluate cost performance. A detailed review of work and priorities is undertaken if cost is significantly above baseline values and any necessary corrective actions are identified and implemented.

4.0 Innovation to Meet Future Customer Needs

Future challenges to be addressed include:

- Removing Privacy Act data
- Obligating TDY travel in FY 2008
- Migration to web-based applications

Requirements analysis and assessments, related to the above areas, will be conducted during FY 2007. These efforts are necessary to meet customer needs, lower operating costs, and leverage technology. Departmental implementation of an e-Travel solution is currently on hold.

4.1 Number and Types of Users

The Non-Core CBS Financial Management System (PCS) has over 5700 users. Documents include travel authorizations, vouchers, local travel claims, and relocation vouchers. During FY 2006, 110,027 travel documents were processed. *(Please refer to Section 1.0 for additional details regarding the processing of these documents.)*

The following chart reflects both the average and maximum number of concurrent users on a monthly basis:

Concurrent Users		
	<i>Average#</i>	<i>Maximum#</i>
October 2005	84	105
November 2005	76	102
December 2005	58	81
January 2006	74	86
February 2006	78	87
March 2006	81	107
April 2006	80	103
May 2006	85	101
June 2006	80	107
July 2006	80	102
August 2006	86	103
September 2006	92	112

Project to Address Challenge: *Personally Identifiable Information.*

The NOAA Financial Systems Division is currently exploring the option of using a vendor number rather than SSN/TIN information.

Project to Address Challenge: *Obligating TDY Travel.*

The NOAA Financial Systems Division is conducting a requirements analysis and assessment, during FY 2007 in order to obligate TDY travel beginning in FY 2008.

Project to Address Challenge: *Migration to Web-based Application.*

The NOAA Financial Systems Division is exploring the feasibility of migrating to a web-based application. NOAA is currently using version 8.2 of Travel Manager, which has been retired by the vendor (although support is still available, it's at a higher price.) Departmental direction on an e-Travel solution also impacts this effort.

4.2 Other – E-Travel

E-Travel is one of the government-wide initiatives. Within the Department of Commerce, e-Travel efforts are currently on hold.

Project to Address Challenge: *Implementation of e-Travel solution.*

This issue will need to be addressed pending future Departmental direction.

4.3 Funding Levels

Recent trends in government spending indicate that agencies should not expect significant increases in their budgets. Coupled with the requirement to accommodate more users and incorporate evolving technology, this will force the program to find efficiencies and to do more with the same amount of resources. Funding levels for Non-Core CBS Financial Management System (PCS) were anticipated to decrease based on e-Travel implementation. Funding will be needed to support bureau level initiatives to move to a compliant e-travel vendor and allow NOAA maximum flexibility to adjust to changes that may be required through E-Travel activities and Department of Commerce dictates for financial and administrative systems.