OFFICE OF THE SECRETARY
The Department Needs to Improve Oversight to Ensure the Success of Its Financial System Modernization
OIG-24-014-A

WHAT WE FOUND
To meet our objective, we examined the Department's BAS program oversight, assessed the program's cost, schedule, and performance controls, and reviewed aspects of the program's system implementation efforts.

Although the program prepared for the transition to BAS at NOAA, we found the following:

I. The Department has not established the program's baselines and does not adequately oversee its cost and schedule performance.

II. The program does not have adequate cost and schedule management controls.

III. The Department should capture lessons learned from implementing BAS at NOAA and apply them to the upcoming NIST and Census implementations.

Addressing these issues will be important to ensuring program accountability and long-term success and will benefit the upcoming implementations.

WHAT WE RECOMMEND
We recommend that the Deputy Secretary of Commerce:

1. Ensure the development and ongoing maintenance of a lifecycle cost estimate and schedule for the program in accordance with the Department's *Acquisition Project Management Policy* (DAO-208-16) and the U.S. Government Accountability Office's (GAO's) *Cost Estimating and Assessment Guide and Schedule Assessment Guide.*

2. Ensure that the BAS Executive Board reviews the program's cost, schedule, and scope performance against baselines, as well as risk management and additional metrics needed to support adequate investment oversight.

3. Ensure the program defines and executes cost management controls in accordance with DAO-208-16 and the *Department of Commerce Cost Estimating Guide.*

4. Ensure the program defines and executes schedule management controls in accordance with DAO-208-16 and GAO's *Schedule Assessment Guide.*

5. Direct the program to work with the contractor to ensure the Department receives the full value of monthly reports by including sufficient information for monitoring cost compared to budget and managing changes to schedule and cost baselines, thereby putting funds for those deliverables to better use.

6. Ensure the Department facilitates the collection of lessons learned from the NOAA financial applications' implementation and incorporates those lessons into plans and procedures for the NIST and Census implementations.