



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

OFFICE OF  
INSPECTOR GENERAL

June 23, 2016

OIG-CA-16-026

MEMORANDUM FOR DAVID A. LEBRYK  
FISCAL ASSISTANT SECRETARY

FROM: Kieu T. Rubb /s/  
Audit Director

SUBJECT: Termination Memorandum – Audit of the Financial  
Innovation and Transformation Program

In November 2010, we initiated an audit of the Financial Innovation and Transformation (FIT) Program. Our initial audit objectives were to determine whether (1) the pilot financial innovation and transformation project business case was based on appropriate and supportable assumptions and cost/benefit estimates, (2) sound project management principles were followed in carrying out the project, and (3) efforts were coordinated with the Chief Financial Officers Council to identify and facilitate the acquisition or development of systems Government-wide.

As we gained an understanding of FIT's role in developing financial modernization, we revised our audit objectives in February 2011 to better reflect FIT's roles and responsibilities. Our revised objectives were to (1) ascertain if the FIT strategies and principles for financial modernization were based on appropriate and supportable assumptions and were completed in a timely manner, and (2) determine if the initiatives were adopted, planned, and implemented in a timely and efficient manner and in support of FIT strategies.

We are terminating this audit because FIT management has taken certain actions to address our preliminary finding. Furthermore, FIT's organizational environment has changed since we began our audit, which may impact our original conclusions.

With regard to our preliminary finding, we found that FIT management could not produce financial control documents, such as budget and spending reports, in a timely manner. FIT management stated that the delays were due to the general complexity and fragmentation of its funding, invoicing, and billing structures. We discussed this preliminary finding with FIT management and included a recommendation to ensure that financial control documentation was maintained in a manner that facilitated timely reporting. As a result, FIT's financial tracking and

reporting system, Oracle, was re-configured in 2012 to produce more frequent reporting.

In addition, FIT, which was organizationally situated within the Department of the Treasury's Departmental Offices at the time of our fieldwork, was subsequently moved to the Bureau of the Fiscal Service. Given that FIT's organizational environment has changed significantly since the completion of our fieldwork, the conclusions that we drew may no longer be applicable.

We will assess future oversight of FIT's role in financial modernization as part our audit planning process.

We appreciate the courtesies and assistance provided by your staff. If you have any questions concerning this audit, please contact me at (202) 927-5904.