
APPENDIX L – PROJECT MANAGEMENT AND INFORMATION TECHNOLOGY PROCESSES

FinCEN is an agency whose mission is dependent on the effective collection, dissemination, and meaningful analysis of large quantities of data. As such, FinCEN must manage its information technology effectively in order to ensure the most effective use of the data. To properly position itself to implement and deploy a system like the one contemplated in the Intelligence Reform and Terrorism Prevention Act of 2004, FinCEN would have to: (1) fully define its overall enterprise architecture (a blueprint for its current and future information technology environment); (2) employ a life cycle management technique to govern all aspects of individual information technology projects; (3) establish clear procedures for a technical investment review board to ensure management control of information technology projects and ensure consistency of such projects with both its overall enterprise architecture and OMB's requirements for sound capital planning investment control.

Enterprise Architecture Issues

Whether or not FinCEN implements a cross-border funds transfer reporting system, FinCEN will continue to develop a comprehensive enterprise architecture, or a blueprint for its current and future technology environment. The enterprise architecture will include documentation of FinCEN's information technology development methodology, in order to ensure that every project within FinCEN is managed according to the same set of guidelines. Implementation of an enterprise architecture significantly minimizes the risk of investing in duplicative or poorly integrated technology.

Under Treasury Department guidance, FinCEN is currently completing its enterprise architecture. The final form of FinCEN's enterprise architecture must provide the basis for the final decisions FinCEN makes in developing the cross border electronic funds transfer system.

FinCEN began this effort by completing the "As Is" phase of the Enterprise Architecture in 2003. According to the Treasury Enterprise Architecture Framework (TEAF), Enterprise Architecture is "a strategic information asset base, which defines the agency's mission and business activities supporting the mission, the information necessary for agency operations, the technologies necessary to support operations and the transitional processes necessary for implementing new technologies in response to changing business needs. An enterprise architecture is an integrated model or representation."

FinCEN recognizes this as stated in the “As Is” Enterprise Architecture documentation: “Data is a crucial FinCEN resource. It has real and measurable value; and does not belong to a particular business unit or individual. Data must be carefully managed to ensure it is accurate, current, available, and properly protected across FinCEN functions and organization and with supported external organizations. An enterprise data architecture is needed to ensure the information ownership is vested in FinCEN as a whole.”

Life Cycle Management Policy

A life cycle management policy governs all aspects of an information technology project, including planning, acquisition, development, testing, operations, and maintenance. As a result, a life cycle management policy provides the framework for standardized, repeatable, and sustainable processes and best practices within the agency for developing information technology systems. Implementation of such a policy also enhances guidance for information technology projects, leverages existing technology, builds institutional knowledge, and ensures that development is consistent with industry- and government-wide best practices.

A life cycle management policy defines phases of the life cycle through which project managers seek senior management review and approval for each progressive step in the development and deployment of a project. This approach provides a framework for ensuring compliance of a given project with the overall enterprise architecture of the agency. The management review at the various stages is based on detailed analysis of the steps taken to accomplish a specific phase and the impact those steps have on the project and the overall information technology environment. The need to obtain management approval necessitates the development of detailed documentation throughout the progressive stages of a project. Life cycle management also ensures that management oversight is applied at important junctures in the progress of a technology project and that agency management adequately supports the project.

FinCEN includes within its life cycle management policy each of the steps required by the Privacy Act, FISMA, the E-Government Act of 2002, and OMB Circular A-11,⁸⁵ including (1) publication of notice of the development of new systems of records; (2) risk assessment to identify potential vulnerabilities in the planned system architecture and development of countermeasures; (3) development of a security plan for the system; (4) certification and accreditation by management; (5) a response and contingency plan for any compromise of the security or operation of the system; (6) regular testing and evaluation of the system during development and throughout the life of the system; and (7) steps taken to ensure the quality and accuracy of the data contained in the system.

85 See http://www.whitehouse.gov/omb/circulars/a11/2002/may03_memo76.pdf

Technical Investment Review Board

In 2005, FinCEN established its Technical Investment Review Board in order to meet the demands of managing its IT investment portfolio and providing a concentrated level of executive oversight for a growing array of IT management issues. A technical investment review board functions as the management review and approval mechanism at identified phases of an information technology project. At each phase of the project, the project manager prepares documentation related to the project development and presents the relevant information to the board. Review by the board ensures that the project is progressing consistently with the enterprise architecture established by the agency and life cycle management policy. In addition, the close review by management within the agency ensures that the project receives adequate support from a fully informed management structure.

Quality Assurance/Risk Management

All IT projects, regardless of size or scope, entail some level of risk. The key to effective project management is to properly identify and mitigate those risks that threaten the successful outcome of the project. An essential tool in this aspect of an IT project is the risk management plan, a document that establishes the procedures employed to manage risk at all stages of a project. A well-developed risk management plan documents the standard approach the agency takes to risk identification and management and the roles and responsibilities of the members of the project team and contractors. A risk management plan also provides for the tracking and documentation of risks and contingency plans throughout the life of the project.

The project manager is ultimately responsible for reviewing the identified risks and managing the overall response.

Project Management

Project Management Team

To implement the proposed reporting system, FinCEN would establish a project management team specifically dedicated to the development and implementation of this project. A well functioning project management team can significantly reduce the risks that threaten successful implementation of an information technology project. The project management team should be directly responsible for all program execution tasks, including: (1) cost, schedule, and performance oversight; (2) life cycle project reviews; (3) award fee evaluations; (4) primary review and acceptance of contractor documentation; (5) requirements analysis and risk management; and (6) project budget and financial management.

A project management team must be fully staffed with sufficiently skilled employees, stable, and capable of monitoring and managing the project on a daily basis. The objective in staffing the project management office should be

to form an integrated team of subject matter experts to maximize the oversight of the project. The staff of the project management team should be dedicated entirely to the management of this particular project and insulated from other duties that might detract from the time and attention they can give to the effort.

The project management team should be comprised of the project manager, administrative support, systems engineers including a database administrator and network engineer, technical assistance personnel including security experts, budget personnel, a government contracting specialist, and subject matter experts from within FinCEN or from other government agencies and contractors. It is critical that the project management team have stable leadership. The project manager must have sufficient experience, training, and certification in project management.

Project Management Office

FinCEN is currently working to establish an umbrella Project Management Office (PMO) within the Bureau. We have prepared an internal preliminary assessment report of the Strategic Project Office with Plan of Action and Milestones (POA &M) with the goal of implementing the Office in fiscal year 2007. The concept proposes to centralize project management throughout the bureau. FinCEN's PMO will control and oversee projects and initiatives as well as monitor their success.

We also have commenced initial recruitment efforts to staff the PMO in the fourth quarter of fiscal year 2006. The Senior Project Management Officer will provide guidance and oversight to all projects within FinCEN. The Senior Project Management Officer will possess experience in government programs, training in project management principles and certification in project management. A Contract Consultant will give project support to establish the PMO and prepare a report with a detailed action plan and supporting milestones to achieve implementation beginning September 30, 2006. Short-term initiatives for the PMO will afford existing staff Basic Project Management training.

The outline of the potential Strategic PMO will encompass a team support structure of:

- PMO Manager/Director (Assistant Director)
- Program Manager (groups of projects)
- Project Manager
- Project Administrator
- Project Scheduler

The PMO will provide a structure to standardize project management practices, facilitate IT project portfolio management, provide project planning tools and methods, and perform review and analysis of projects. The PMO can incorporate a view of all projects and help manage cross project resources and dependencies. Additionally, since FinCEN has engaged external service providers to outsource most of its application development and operations and maintenance work, the PMO should include processes for vendor acquisition and management.

Departmental and External Oversight

FinCEN participates in regular reviews of its IT investments as part of the Treasury Department's capital planning investment control (CPIC) process. These formal reviews occur on a quarterly basis in which schedule and cost variances data is reported and assessed as part of the Department's portfolio management approach. The Department has assigned a desk officer to work with FinCEN's project management staff in order to facilitate an understanding of the requirements that OMB has levied on the agencies and bureaus in the management of major and non-major IT investments. FinCEN submitted an exhibit 300 business case for the Cross Border Electronic Funds Transfer project to OMB for the FY 2007 budget cycle.

Acquisition Planning and Control

In keeping with OMB's iterative process described in its Capital Programming Guide, FinCEN will form an integrated project team during the planning phase of the project. The Integrated Project Team, or IPT, brings together program officials, IT managers, budget, and procurement officials in order to effectively plan and orchestrate each stage of a complex project such as the subject of this report. The IPT will play a major role in the pre-solicitation phase in developing the statement of work, the release of the RFP, and the evaluation of vendor responses.

Earned Value Management

The standard (and required) approach to evaluating progress and analyzing schedule and performance measures is to apply "earned value management" (EVM) principles in monitoring a project. EVM enables a project manager to track and report progress in a project and compare actual performance to initial baselines. Simply put, EVM provides a disciplined method of ensuring accountability for a project and identifying potential risks to success while there is still an opportunity to take corrective action.

In a memorandum dated August 4, 2005, the Office of Management and Budget required federal Chief Information Officers to manage and measure all information technology projects to within 10 percent variations from the project's baseline goals by applying EVM principles to tracking the project. OMB required each agency to develop agency policies for full implementation of EVM

for information technology projects by December 31, 2005. FinCEN is adhering to the Treasury Department's Earned Value Management Guideline in the management of all of its IT investments. Furthermore, any potential contractor for this project will be required to adhere to an EVM system that is compliant with ANSI/EIA STD -748.⁸⁶

⁸⁶ See <http://whitehouse.fed.us/omb/memoranda/fy2005/m05-23.pdf>