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REPORT OF AUDIT
(U) Communications in the 21st Century Program

Central Intelligence Agency

Office of Inspector General

Audit Staff



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30 September 2003
DATE ISSUED

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Report of Audit

(U) Communications in the 21st Century Program

(U) EXECUTIVE SUMMARY

(U) OBJECTIVES

(U) The objectives of the audit were to determine whether:

- The Communications in the 21st Century Program (Commo 21) is meeting planned cost and schedule targets.
- The Commo 21 Program Office is employing sound acquisition and program management techniques.

(U) BACKGROUND

~~(C)~~ Commo 21 is a multi-year program to develop and implement secure and reliable telecommunications and information services for the Agency. Commo 21 was established in December 1998 to modernize the Agency's field information technology infrastructure in accordance with the DCI's *Strategic Direction*.

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The Commo 21 Program Office, which is under the Chief Information Officer (CIO), Information Services Infrastructure (ISI), provides budget, schedule, and process control as well as systems integration, systems engineering, architectural development, and configuration management for Commo 21.

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(U) RESULTS IN BRIEF

(U) Commo 21 Program Office personnel are employing sound program management processes and techniques to manage the technical aspects of Commo 21. Technical risks associated with Commo 21 have been identified and are being effectively managed. Program office personnel have established appropriate functional, capacity, and performance acceptance testing plans and processes. Effective customer training has been developed and implemented. Commo 21 customers have been closely involved in program development and have expressed a high level of satisfaction with the technical progress and management of the program.

(U//~~FOUO~~) The Commo 21 Program Office does not, however, have adequate procedures for monitoring and controlling program costs. Program office personnel effectively manage the Commo 21 fiscal year allotment, but do not perform total program cost management. Program office personnel do not calculate and analyze variances between the Commo 21 cost estimate and actual costs incurred to determine the impact of the variances on Commo 21 cost and schedule performance. As a result, program office personnel do not know whether Commo 21 will be completed within the program's overall baseline cost estimate.

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Informed corporate resource planning and budgeting decisions require

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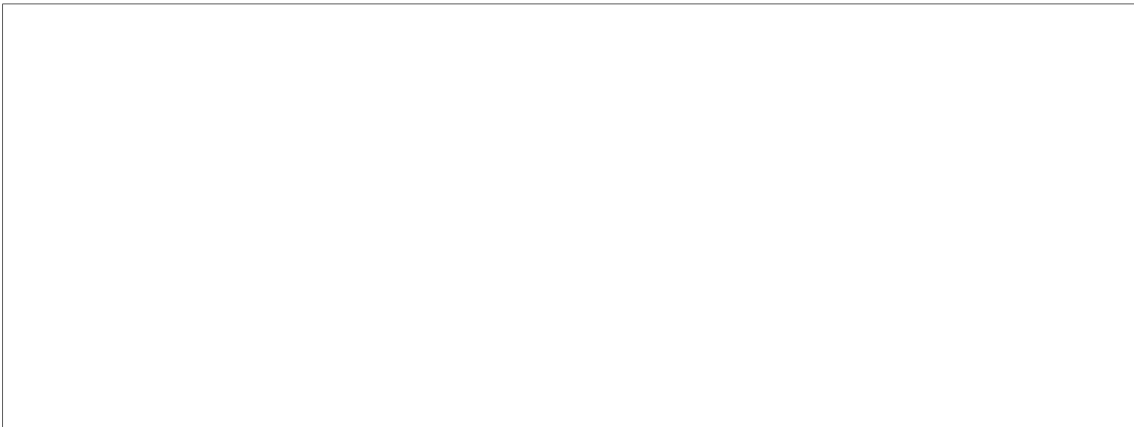
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reliable, up-to-date information on the projected costs, risks, and interdependencies associated with Commo 21.



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(U) MANAGEMENT COMMENTS AND OUR EVALUATION

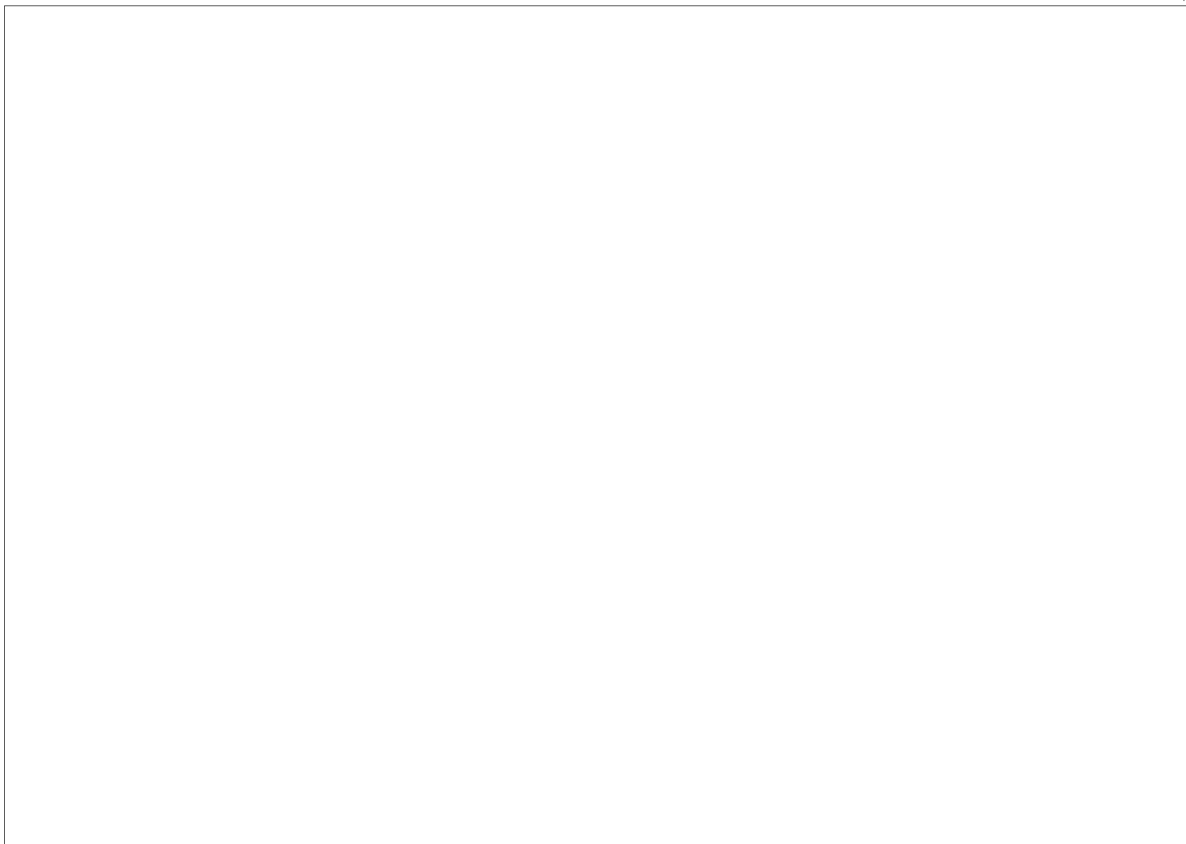


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~~(S)~~ The audit found that Commo 21 contractors are required to compare actual and estimated costs and report cost variances for individual contracts in their monthly contract status reports. Although this is a good internal control for managing contractor performance on individual contracts, it does not, of itself, provide an assessment of overall Commo 21 cost and schedule performance. While the CCB is responsible for assessing the cost impact of Commo 21 changes, it does not continually monitor overall program costs and compare actual costs to the Commo 21 cost estimate.

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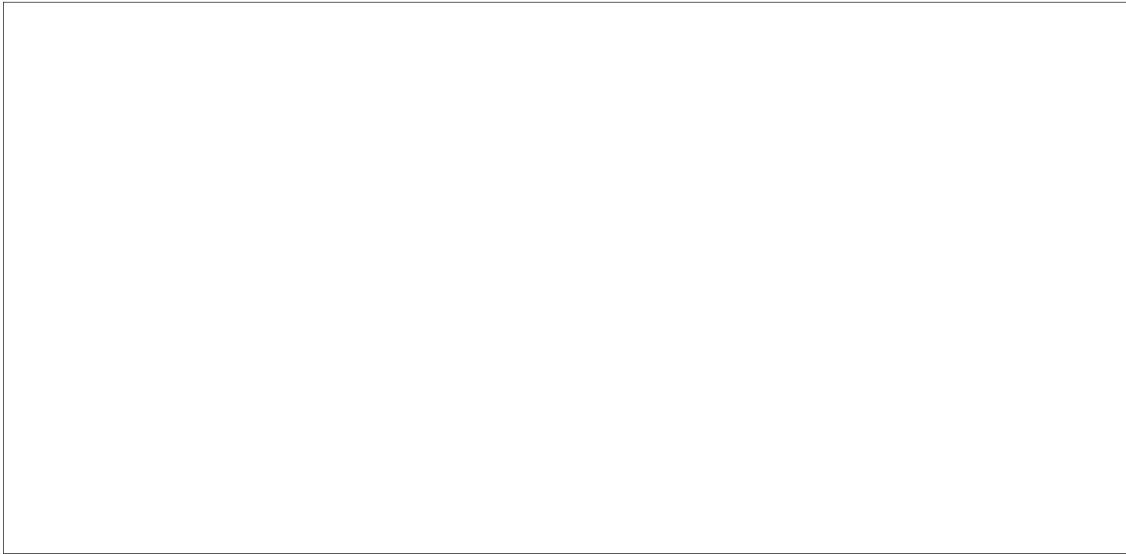
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(U) OBJECTIVES, SCOPE, AND METHODOLOGY

(U) The overall objective of this audit was to determine the effectiveness of the Communications in the 21st Century (Commo 21) Program Office. Specific objectives were to determine whether:

- Commo 21 is meeting planned cost and schedule targets.
- The Commo 21 Program Office is employing sound acquisition and program management techniques.

~~(U//FOUO)~~ In conducting the audit, we:

- Identified and reviewed applicable Federal laws and regulations, Agency policies and regulations, and relevant Office of Inspector General audit and inspection reports.
- Reviewed applicable Agency program manager and contracting officer's technical representative (COTR) certification policies and procedures, as well as CIA University project management training course material.
- Evaluated the management controls related to Commo 21 planning; scheduling; risk management; project monitoring and oversight; scope and resource management; and functional, capacity, and performance testing.
- Reviewed a sample of Commo 21 contracts and interviewed contracting officers and COTRs.
- Attended Commo 21 planning and oversight meetings.
- Surveyed members of the Commo 21 Senior Stakeholders Advisory Group to ascertain their level of satisfaction with the performance and progress made by the Commo 21 Program Office.
- Extracted and analyzed data on Commo 21 from the Agency Financial Management System (AFMS) and

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¹ (U) AFMS is the Agency's financial accounting system.

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- Interviewed key senior Agency personnel regarding oversight of Commo 21.
- Benchmarked Agency project management practices with industry best practices.²

(U) We focused our review on program activities from January 2000 through April 2003. Although Commo 21 began in 1998, the program was re-baselined³ and a new program manager was assigned in FY 2000.

(U) The audit was conducted from May 2002 to May 2003 and was conducted in accordance with generally accepted government auditing standards. Comments on a draft of this report were provided by the Chief Financial Officer (CFO) and the Chief Information Officer (CIO) and were considered in the preparation of the final report.

(U) BACKGROUND

~~(C)~~ Commo 21 is a multi-year program to develop and implement secure and reliable telecommunications and information services for the Agency. Commo 21 was established in December 1998 to modernize the Agency's field information technology infrastructure in accordance with the DCI's *Strategic Direction*—

Other ongoing communications network modernization projects have been consolidated under Commo 21:

The

Agency Acquisition Review Board (AARB) approved the Commo 21 acquisition plan in February 1999.

[Redacted]

² (U) We benchmarked Agency practices with the practices promulgated by Project Management Institute (PMI®) in their book *A Guide to the Project Management Body of Knowledge*. PMI is a professional association of more than 70,000 industry and government members. We also used the Project Management Essential Library series published by Management Concepts Institute to benchmark Agency practices.

³ (U) A baseline is a cost, schedule, or technical description of what is to be accomplished that can be used as a basis for work authorization, budgeting, and program control. When a cost, schedule, or technical document has been coordinated with the stakeholders and approved by the appropriate officials, the document is referred to as having been baselined.

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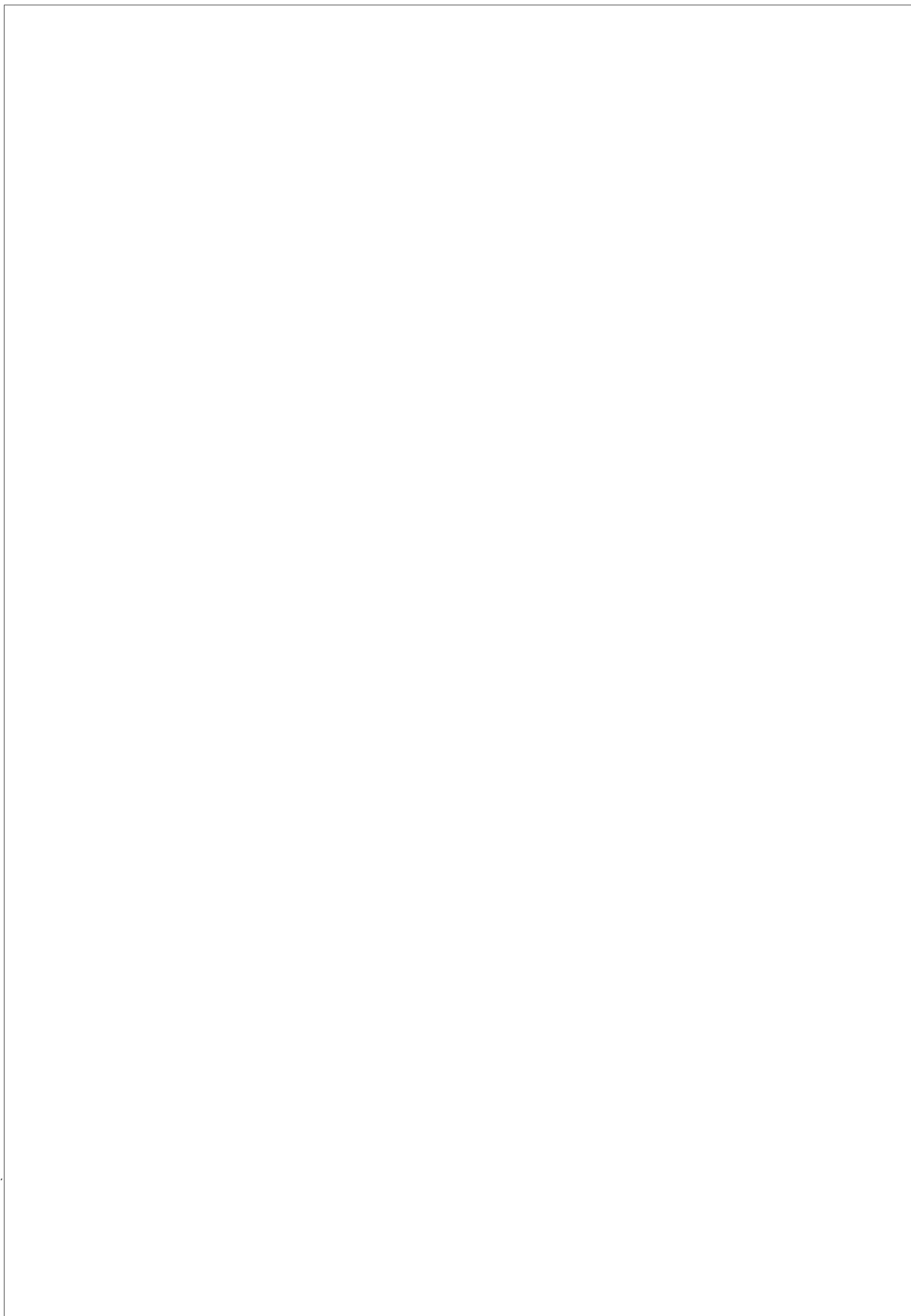
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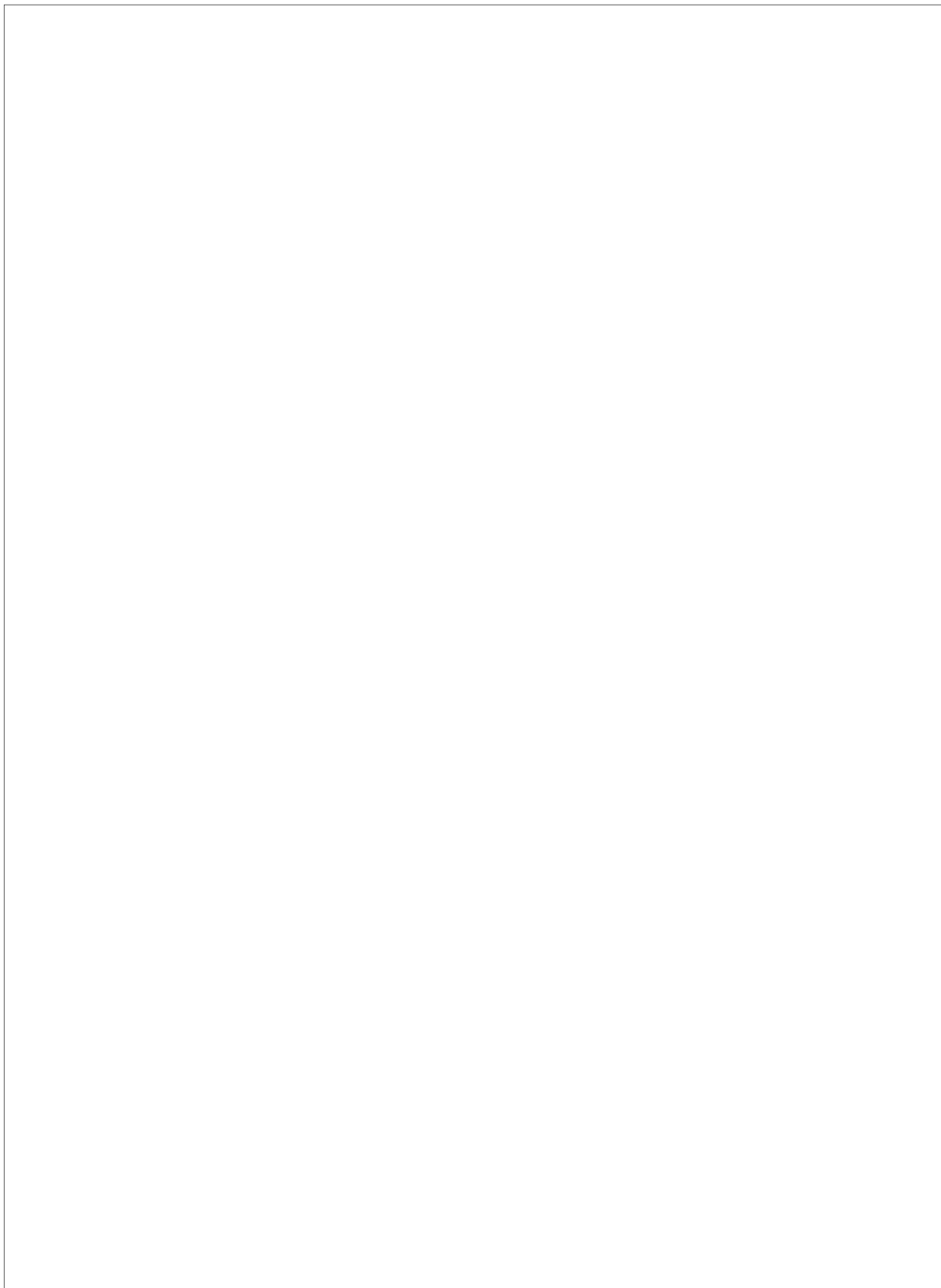
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(U) CIO Project Management Process

(U//~~FOUO~~) In September 2002, the CIO prescribed that all information systems projects that have not reached preliminary design review adopt the CIO Project Management Process (CPMP). Commo 21 is in the process of transitioning to CPMP for its Phase 2 requirements. The CPMP defines the roles and responsibilities involved in project management and consists of seven phases covering the life cycle of a system: assess investment, plan project, select developer, execute project, deploy system, operate and maintain system, and deactivate system. Each phase contains one or more control gates to monitor the health and status of the project. Control gates are reviews of a project's technical accomplishments and programmatic status.

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(U) DETAILED COMMENTS

(U//~~FOUO~~) The Commo 21 Program Office is Effectively Managing the Technical Aspects of Commo 21

(U//~~FOUO~~) Commo 21 Program Office personnel are employing sound program management processes and techniques to manage the technical aspects of Commo 21. Technical risks associated with Commo 21 have been identified and are being effectively managed. Program office personnel have established appropriate functional, capacity, and performance acceptance testing plans and processes. Effective customer training has been developed and implemented. Commo 21 customers have been closely involved in program development and have expressed a high level of satisfaction with the technical progress and management of the program.

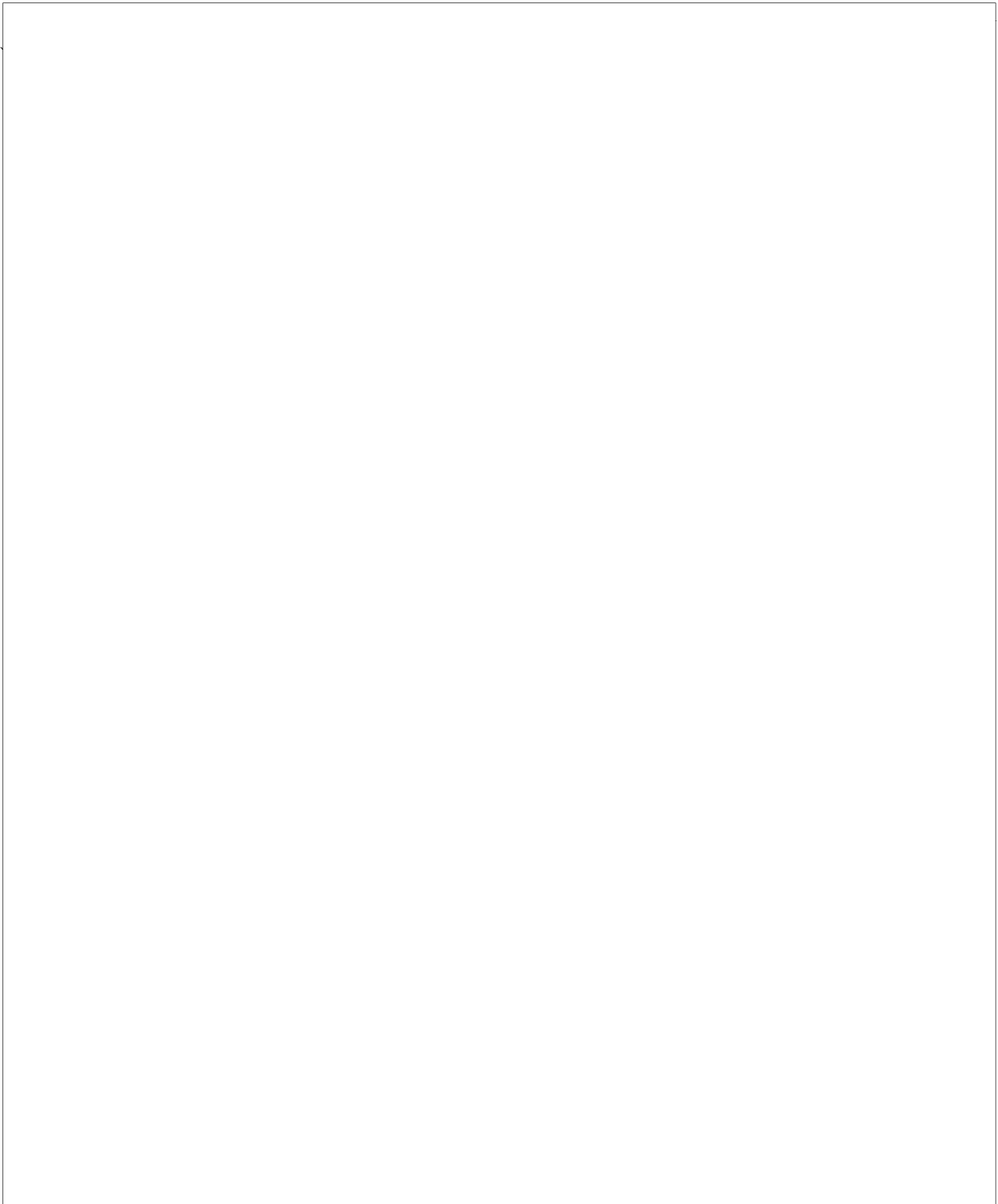
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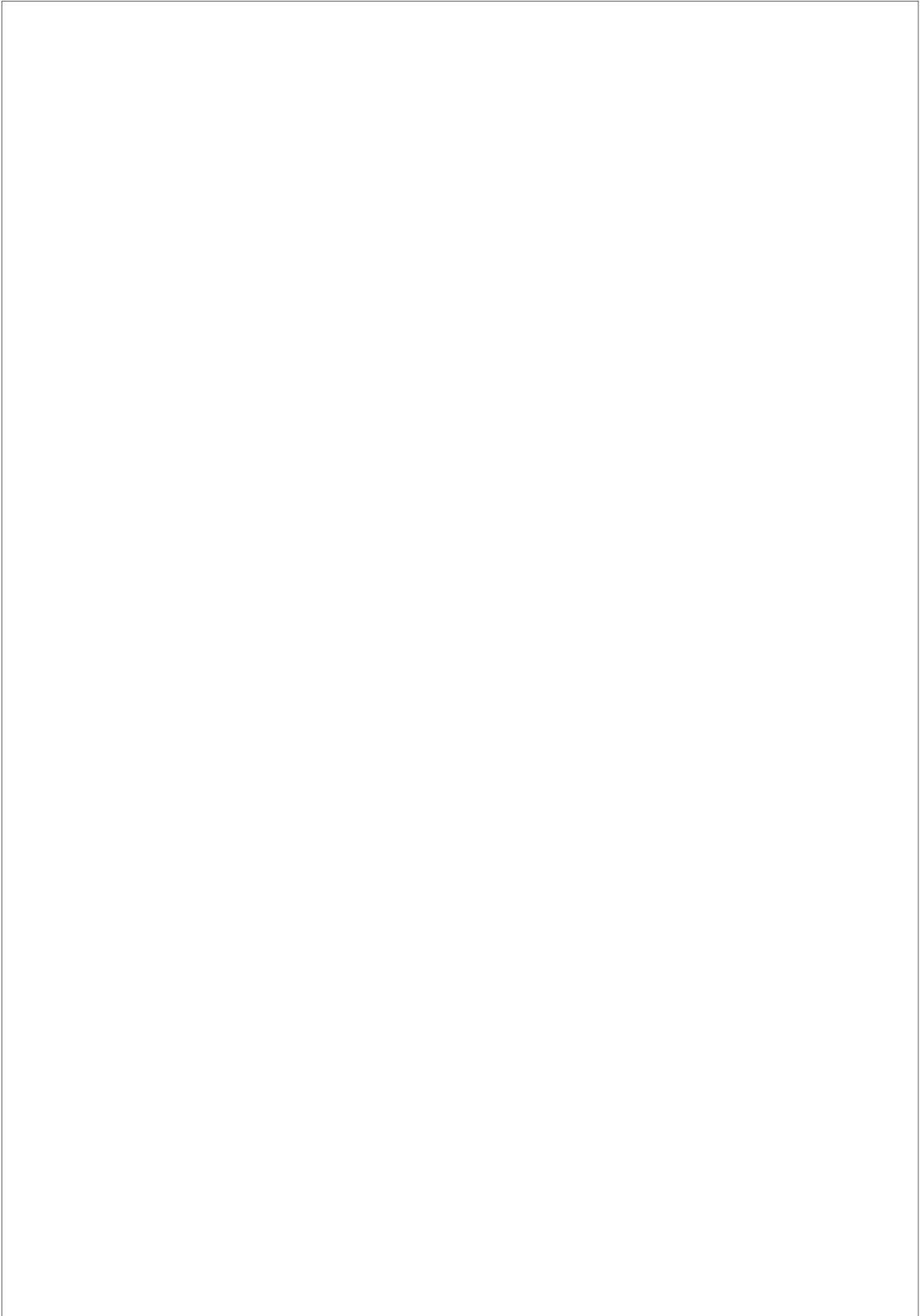
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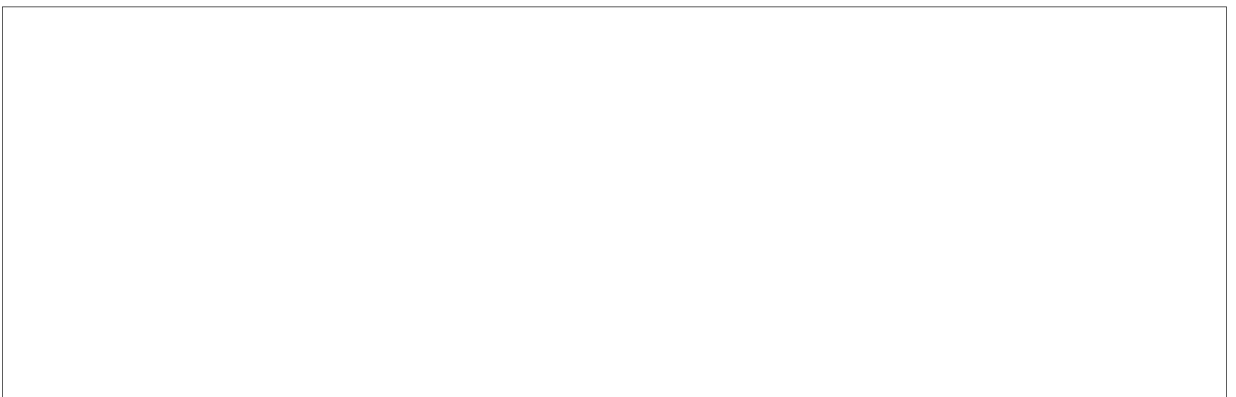
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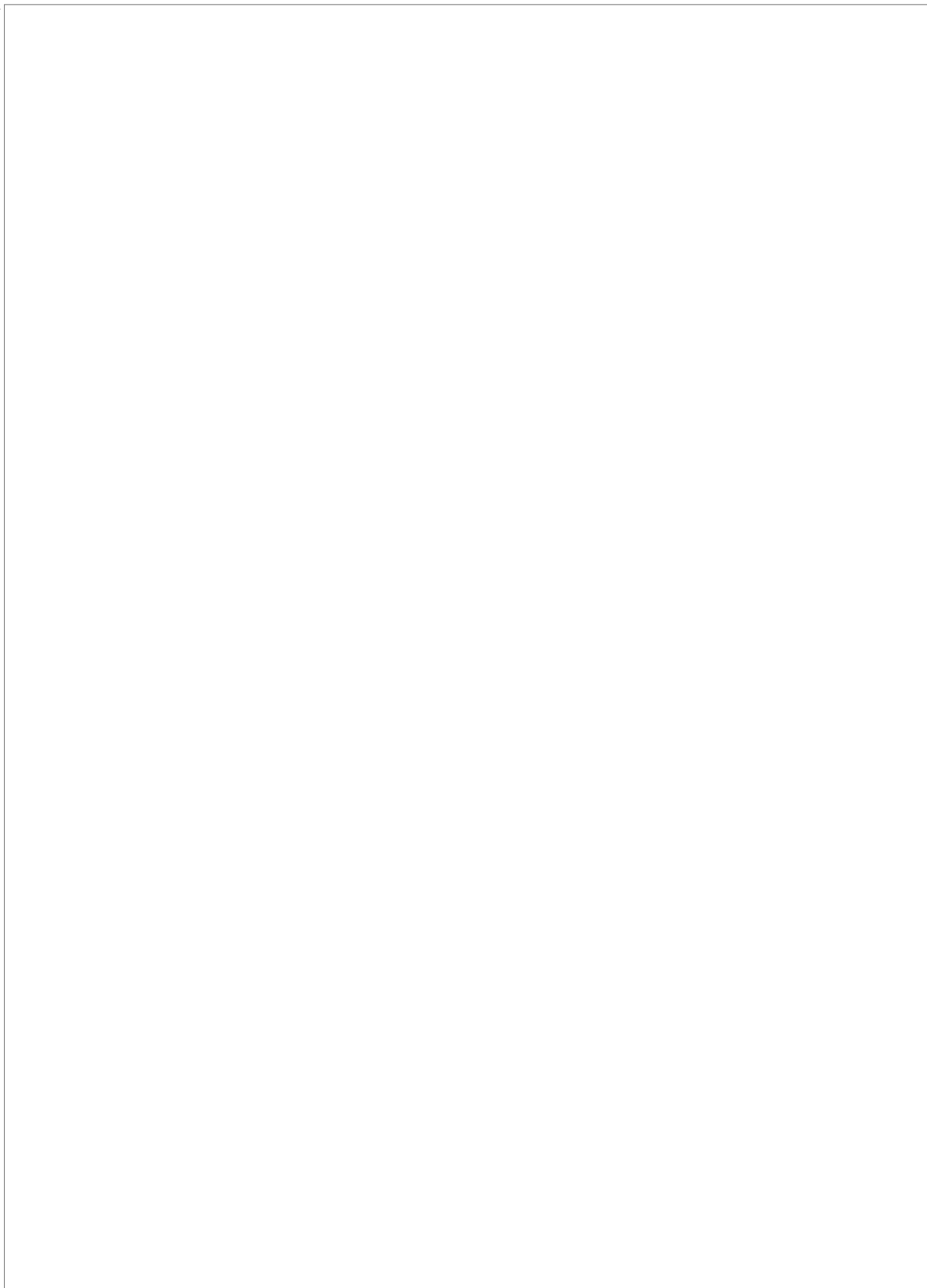
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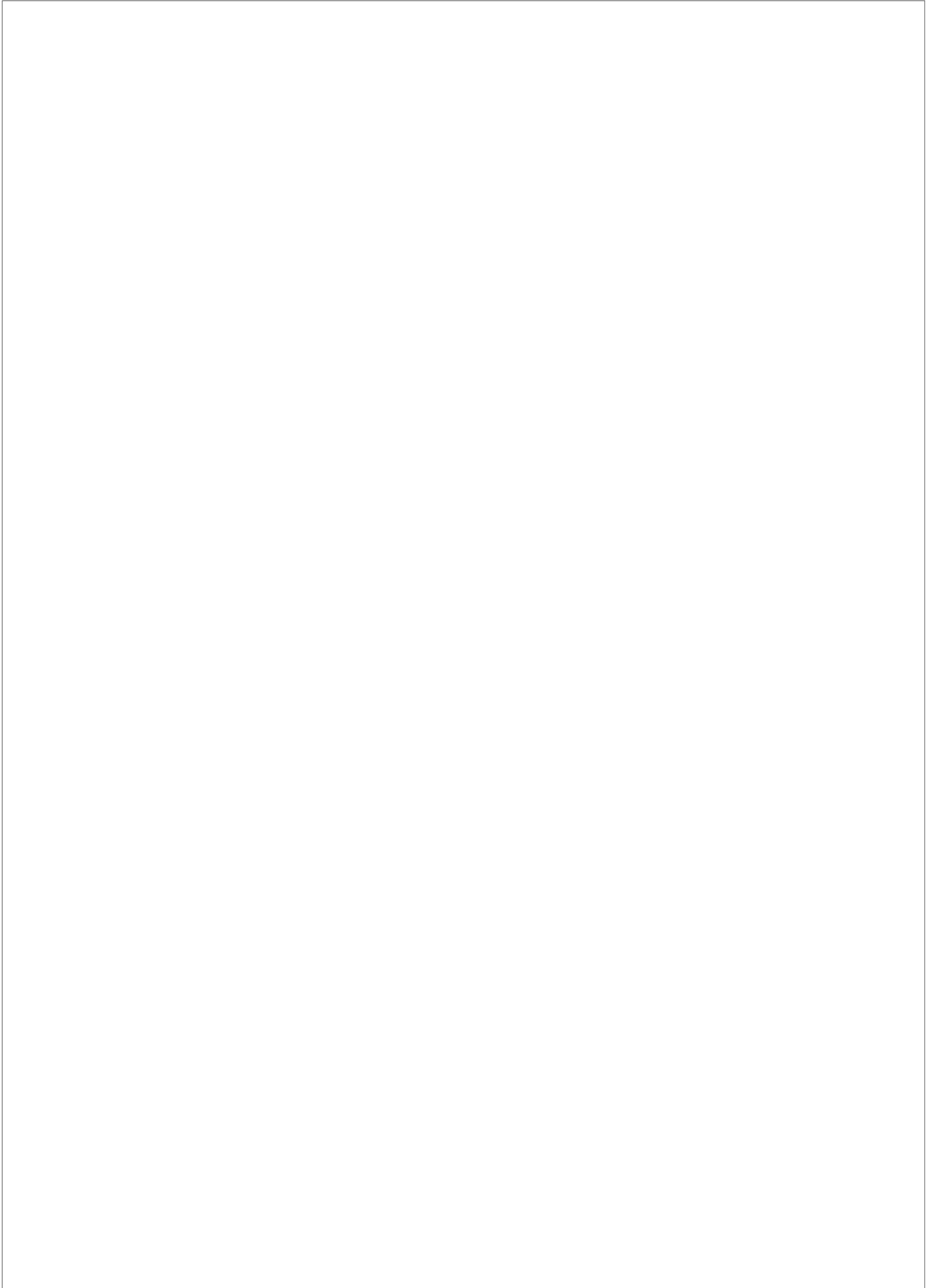
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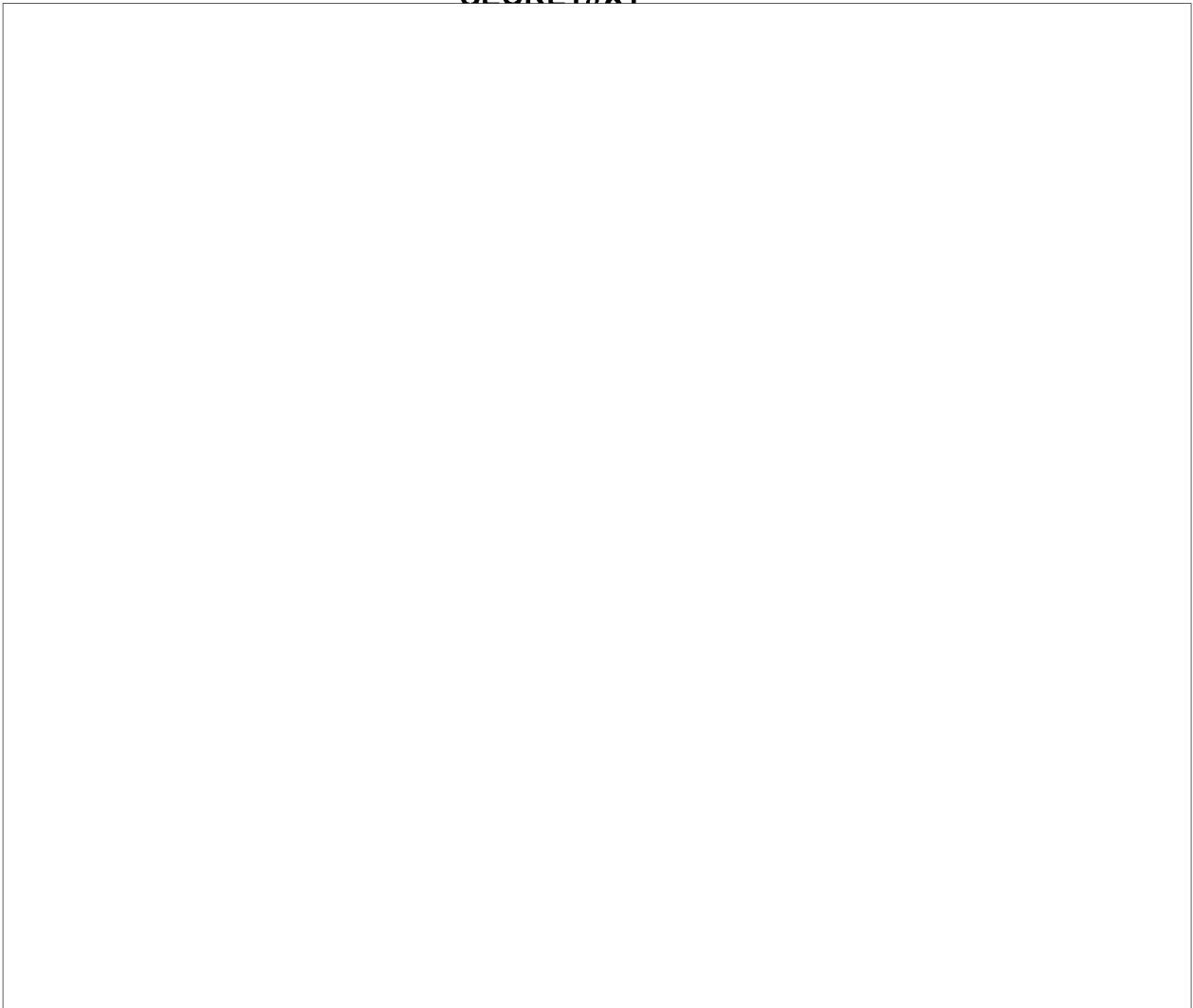
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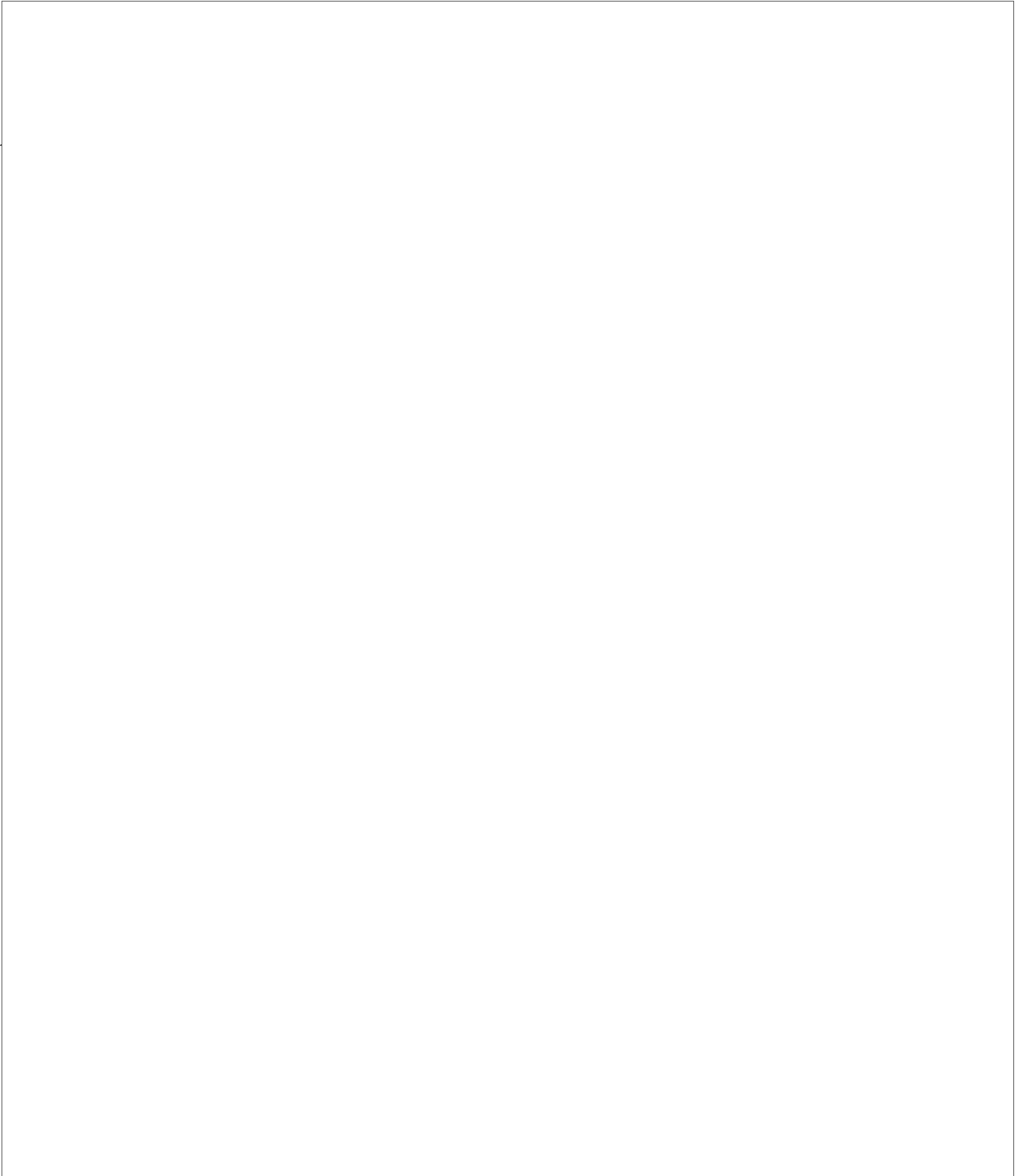
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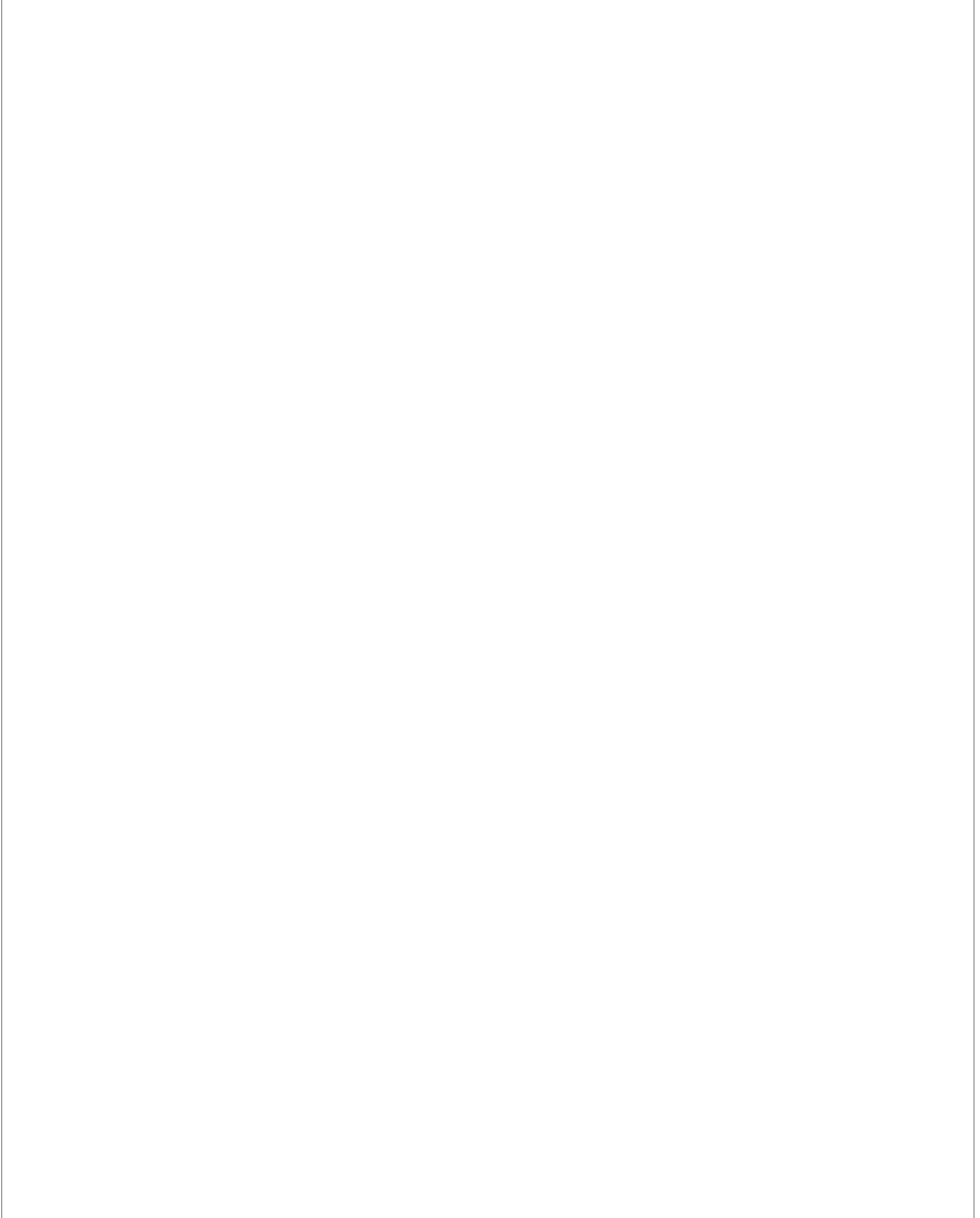
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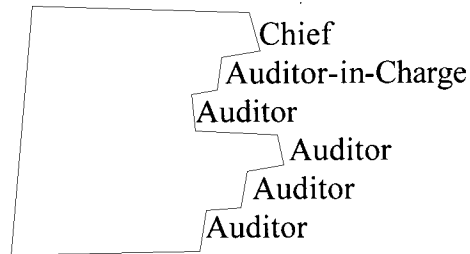
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Exhibit C

(U) Audit Team Members

(U//FOUO) This audit report was prepared by the Procurement and Technology Division, Audit Staff, Office of Inspector General.



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This Exhibit is UNCLASSIFIED//~~FOUO~~

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