

## **Review of Year 2000 Project Plan Report No. 98-06, January 30, 1998**

This report presents the results of the Office of Inspector General's (OIG) review of the Railroad Retirement Board's (RRB) Year 2000 project plan. This is the first of two reviews of the RRB's Year 2000 project. The second review will involve ongoing monitoring of the RRB's progress in implementing its plan. The RRB Year 2000 project, administered by the Bureau of Information Services (BIS), involves the conversion of all mainframe and personal computer (PC) application systems. The conversion provides for the use of a full four-digit year designation rather than the two-digit year designation which is currently used.

### **Background**

During fiscal years 1996 and 1997, the RRB established two task forces to compile inventories of mainframe and PC systems needing update to become Year 2000 compliant. They determined that approximately 170 mainframe and 92 PC systems require conversion. The BIS is converting the mainframe systems, while individual user bureaus/offices are converting the PC systems. BIS also reports the conversion status of both mainframe and PC systems to the Automated Data Processing (ADP) Steering Committee and Board Members on a monthly basis. The RRB's Executive Committee, comprised of the General Counsel, Director of Administration and Director of Programs, has oversight authority for the project.

The BIS has ranked nearly two-thirds of the mainframe systems as critical to the RRB's mission of paying benefits to the railroad public. These systems have been scheduled for conversion throughout fiscal years 1997 and 1998. The remaining non-mission critical mainframe systems are scheduled for conversion during fiscal years 1999 and 2000. This time schedule should allow a full year of production processing of all mission critical mainframe systems to ensure that processing is correct. The user bureaus/offices have established target dates for the completion of the PC systems.

The Office of Management and Budget (OMB) established government-wide Year 2000 milestones for selected agencies. Each quarter, these agencies must report the progress of their conversion efforts to OMB. Although the RRB is not required to report to OMB, the OIG has used the OMB milestones and status reports to evaluate the RRB's progress.

Additionally, the U.S. General Accounting Office (GAO) issued a guide for federal agencies to assess the readiness and adequacy of their Year 2000 planning and management. RRB management used this self-assessment guide to determine whether they adequately addressed and are prepared to deal with issues common to most Year 2000 programs.

### **Scope and Methodology**

The overall objective of this review was to determine whether the RRB's Year 2000 project management is adequately administered, controlled, and allows for timely completion. Specific objectives included (1) reviewing the RRB's implementation plan/policy and self-assessment based on GAO's guide, (2) determining whether the inventory rating of critical and non-critical is reasonable, (3) comparing the RRB's conversion status with other Federal agencies being monitored by OMB, and (4) determining whether the RRB's project completion to date is in line with the expected completion timeframes in the implementation plan.

The scope of the review included interviews with RRB employees and reviews of documents including the RRB's implementation plan/policy, self-assessment, inventory of mainframe and PC systems, conversion status reports, and project management reports. Guidelines used in this review included the ADP Standards and Procedures Manual, GAO's assessment guide, OMB's Year 2000 status reports, and other background information. The OIG did not perform any tests of reliability of the computer generated data because source documents necessary to trace the computer records' completeness and accuracy do not exist. A limited review of controls, however, showed a weakness in the data input of project status information.

We performed this review at the RRB headquarters in Chicago, Illinois, from September through December 1997. This audit was performed in accordance with generally accepted government auditing standards appropriate to the audit objectives described.

## **Results of Review**

This review showed that the RRB's Year 2000 project management is generally administered and controlled adequately. The RRB's implementation plan/policy is contained within several documents and includes the strategy for conversion, files received from outside resources, reasonableness edits, special dates, programs to bridge between compliant and non-compliant systems, system software compliance, test plans, and PC software and hardware compliance.

The OIG determined that the BIS inventory rating of critical and non-critical systems is reasonable. Also, the RRB's project status as of August 1997 was comparable to the other Federal agencies monitored by OMB. The RRB has experienced some scheduling problems with mainframe conversions, but the implementation plan should allow for the timely completion of mission critical systems.

The OIG noted, however, project management improvements can be made by (1) correcting system omissions and status discrepancies noted in the Year 2000 database and project management system, and (2) requiring the input of project status information, at least weekly, for both the Year 2000 database and project management system. The details of recommendations for improvements are discussed below.

## **Year 2000 Project Management**

Our review of the RRB's implementation plan and self-assessment indicates that management is adequately addressing Year 2000 issues. The RRB has:

- Defined the Year 2000 problem, assessed its overall impact on the agency, and brought an awareness of the problem throughout the agency.
- Conducted an inventory of all mainframe and PC systems with Year 2000 problems, and prioritized the conversion of mainframe systems.
- Established a full-time project coordinator position to manage the RRB's conversion program.
- Established an implementation schedule and test plans to ensure proper conversion.
- Developed and implemented an action plan to deal with project delays caused by staffing losses.

### **Status Reports**

The status of the RRB's Year 2000 conversion project is reported monthly to the ADP Steering Committee and Board Members. The OIG noted that the October 1997 mainframe conversion and project management reports were incomplete. About 25 percent of the systems contained discrepancies in the status and/or hours reported, project identification numbers, or omissions. As a result, it appears BIS did not accurately report the status of the project in the October report. Good business practices require complete and accurate status reports.

Beginning in October 1997, the mainframe conversion status information was placed in a PC database. The PC database provides more complete status information and should help alleviate some of the reporting difficulties in the future. However, BIS only has an informal policy to enter status information once a month increasing the risk that entries will not be complete or accurate.

### **Recommendations**

The Chief Information Officer should:

- 1) Correct the reporting discrepancies in the Year 2000 conversion and project management reports.
- 2) Require BIS staff to enter project status information, at least weekly, in both the Year 2000 PC database and project management system.

### **Management's Response**

The Chief Information Officer has agreed with these recommendations. The expected completion date for recommendation 1 is February 3, 1998. Recommendation 2 was implemented on January 14, 1998.

### **Status Comparison to Other Federal Agencies**

The BIS is converting mainframe systems based on fiscal year resource availability. The BIS will not begin conversion of about half of the RRB's mission critical systems until sometime in fiscal year 1998. Also, recent BIS staffing losses and new legislation have caused a reduction of planned resource hours available during fiscal year 1997. Despite these scheduling problems, the RRB's Year 2000 completion status as of August 1997 remained generally equal to or better than the average completion status of other Federal agencies.

Since the BIS is starting mainframe conversions based on fiscal year resources, it is extremely important that the planned resource hours required to convert are good estimates. Should scheduling problems persist, the RRB's ability to meet its mission, paying benefits to the railroad public, will be severely compromised. Therefore, in the second planned OIG review, we will closely monitor the progress of the RRB's Year 2000 conversion.