



At a Glance

Why We Did This Project

We conducted this audit to determine whether the U.S. Environmental Protection Agency's PeoplePlus—its time and attendance reporting system—is efficient and effective for use in time and attendance and cost allocation processes and whether the system has effective practices, programs, and policies.

The EPA upgraded its PeoplePlus time and attendance system in October 2017. The Office of Management and Budget requires agencies to consider existing shared service centers and conduct an alternatives analysis before making decisions to improve, enhance, or modernize existing information technology investments. The OMB also requires agencies to conduct definitive technical, cost, and risk analyses of alternative design implementations over the full life cycle costs of IT products and services.

The Office of the Chief Financial Officer manages PeoplePlus.

This report addresses the following:

- *Operating efficiently and effectively.*

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EPA May Have Overpaid for Its \$13 Million Time and Attendance System by Not Following Information Technology Investment Requirements

What We Found

The EPA's OCFO did not perform a required cost analysis or consider alternative options before awarding contracts worth more than \$13 million to upgrade PeoplePlus to the 9.2 version. Additionally, the OCFO did not conduct four of the five reviews required by the EPA's Chief Information Officer Classification No. 2121-P-03.0, *System Life Cycle Management Procedure*, which provides management control and direction over decision-making.

By not performing cost and alternative analyses, the EPA missed the opportunity to save taxpayer funds.

Because the EPA did not perform the cost and alternative time and attendance systems analyses, it cannot confirm that the PeoplePlus upgrade was the best use of taxpayer funds. Also, the EPA may have missed the opportunity to reduce costs through its shared service provider, the U.S. Department of Interior's Interior Business Center. If the EPA had selected to use the IBC's system rather than PeoplePlus, the Agency could have saved approximately \$7.7 million to \$8.1 million, based on IBC estimates.

When internal control reviews are not performed, it puts the Agency at risk for making investment choices that waste taxpayer funds. The lack of reviews resulted in a missed opportunity for the Agency to be able to identify the most cost-effective system with the potential to realize the most operational efficiencies.

Recommendations and Planned Agency Corrective Actions

We recommend that the chief financial officer 1) perform the required cost analysis over the full life cycle of PeoplePlus and 2) analyze alternatives to the system. Also, for Recommendations 1 and 2, we recommend that the Agency determine whether to exercise remaining extension options in the PeoplePlus contract, which would cost \$3.1 million through February 2023. In addition, we recommend that the chief financial officer design and implement internal controls to 3) verify that staff complete the necessary reviews to obtain the necessary approvals and maintain the required documentation, and 4) verify that staff are following the system life cycle policy and procedure.

The EPA agreed with our recommendations. Recommendations 1 and 2 are resolved with corrective action pending, and Recommendations 3 and 4 are complete.