



PERFORMANCE WORK STATEMENT (PWS)

DEPARTMENT OF VETERANS AFFAIRS

**Office of Information Technology (OI&T)
IT Resource Management (ITRM)**

**IT Budget and Finance (ITBF)
IT Financial Management & Oversight (ITFMOS)**

**Support Services
For**

**OI&T Management Internal Controls Program
OMB Circular A-123, Appendix A, and FMFIA Section II and IV**

TAC-17-44369

ITFMOS Internal Control Support Services

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1.0 BACKGROUND

The Office of Information Technology Budget and Finance (ITBF) is an integrated line management organization assigned to the Assistant Secretary for Information and Technology (AS/IT) and reports to the Deputy Assistant Secretary for Information Technology Resource Management (DAS/ITRM). The Department of Veterans Affairs (VA) Office of Information Technology (OI&T) was established through Congressional direction in 2005 as the centralized Information Technology (IT) policy and mission execution organization and is uniquely chartered in Government to lead all facets of VA IT needs to include policy, requirements, systems development and delivery, operations and maintenance, and resource and asset management (people, systems, facilities, and funding). In 2005, Congress also created the VA's IT Appropriation through consolidation of all IT resources previously distributed throughout its Administrations: Veterans Health Administration (VHA), Veterans Benefits Administrations (VBA), National Cemetery Administration (NCA), and VA Central Office (VACO).

ITBF is comprised of three (3) interdependent service directorates, each responsible for leadership and execution of major elements of the VA's IT program budget and financial management oversight. The three (3) interdependent organizations represent the core processes and capabilities needed to effectively plan, execute, and oversee the VA's IT appropriation and resource requirements. ITBF's core business processes are: Multi-Year Programming and Budget Formulation, Budget Execution and Analysis, and Financial Management and Oversight. The ITBF Service Directors are responsible for leadership, strategy, management, policy direction, and interpretation. Each Service Director leads mission execution through subordinate planning, execution, and financial management and oversight branches.

The IT Financial Management and Oversight Service (ITFMOS) is a directorate of ITBF within ITRM, one (1) of the seven (7) major organizations within the OI&T. OI&T is the steward of VA's IT assets and resources and provides strategy and technical direction, guidance and policy to ensure that IT resources are acquired and managed effectively and efficiently to meet the mission requirements of VA. ITRM has the primary responsibility of linking the budgeting process with IT programs. This acquisition will provide support to ITFMOS in designing, developing, promulgating and implementing OI&T's Federal Managers Financial Integrity Act (FMFIA) of 1982, the VA's FMFIA Section IV, Federal Financial Managers Improvement Act (FFMIA) of 1996, and the Office of Management & Budget Circular A-123 compliance program. The level of support sought requires unique training and skill sets that are not readily available in sufficient numbers within VA.

The Federal Managers Financial Integrity Act, which was enacted by Congress in 1982, requires each agency to establish and maintain internal control systems that provide a level of assurance that: obligations and costs are recorded in compliance with applicable laws and regulations; funds, property and other assets are safeguarded; and revenues and expenditures applicable to agency operations are properly recorded and accounted for. Subsequently, the Government Accountability Office (GAO) issued

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Standards for Internal Control in the Federal Government to provide a general framework for agencies to follow in designing their internal control programs. The five GAO standards explain the minimum level of quality acceptable for internal control in Government and provide the basis against which internal control is to be evaluated. These standards apply to all aspects of an agency's operations: programmatic, financial, and compliance (Information regarding these standards can be found in Standards for Internal Control in the Federal Government, Government Accountability Office, GAO/AIMD-00-21.3.1, 1999). In the standards, internal control is defined as an 'an integral component of an organization's management that provides reasonable assurance that is defined to achieve the following objectives: 1) effectiveness and efficiency of operations, 2) reliability of financial reporting, and 3) compliance with applicable laws and regulations'.

The Federal Financial Management Improvement Act of 1996 (FFMIA) requires agencies to implement and maintain financial management systems that are in substantial compliance with OMB Circular A-127, JFMIP requirements, Federal accounting standards, and the United States Government Standard General Ledger (SGL) at the transaction level.

To provide more specific guidance for agencies to follow in implementing internal control programs, the Office of Management and Budget issued Circular A-123, Management's Responsibility for Internal Control. The Circular provides guidance to Federal managers on improving the accountability and effectiveness of Federal programs and operations by establishing, assessing, correcting, and reporting on internal control.

Management is responsible for developing and maintaining internal control activities that comply with the following standards:

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring

2.0 APPLICABLE DOCUMENTS

The Contractor shall comply with the following documents, in addition to the documents in Paragraph 2.0 in the Internal Controls Service (ICS) Basic Performance Work Statement (PWS), in the performance of this effort:

- a. Office of Management and Budget Circular A-11: Preparation, Submission and Execution of the Budget, with focus on Section 53: Information Technology and E-Government and Section 300: Planning, Budgeting, Acquisition, and Management of Capital Assets.

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- http://www.whitehouse.gov/omb/circulars_a11_current_year_a11_toc/
- b. Public Law 109-114-November 30, 2005, Military Quality of Life and Veterans Affairs Appropriations act, 2006 and House of Representatives Conference Report 109-305, November 18, 2005.
<https://www.congress.gov/congressional-report/109/house-report/305>
 - c. Department of Veterans Affairs, Deputy Assistant Secretary for Information Technology Resource Management, Financial Management and Internal Controls Guide (FMIC) version 1.2, September 26, 2011.
http://vaww.itgp.va.gov/FMIC_Guide.pdf
 - d. Department of Veterans Affairs, Office of Inspector General, "Audit of VA's Management of Information Technology Capital Investment, May 29, 2009.
<http://www.va.gov/oig/52/reports/2009/VAOIG-08-02679-134.pdf>
 - e. Department of Veterans Affairs, Office of Information Technology Memorandum, Organizational Adjustment to the Office of Information Technology, September 14, 2010.
http://www.oit.va.gov/docs/Organizational_Adjustment.pdf
 - f. Federal Managers Financial Integrity Act (FMFIA).
http://www.whitehouse.gov/omb/financial_mfia1982/
 - g. Applicable Office of Management and Budget (OMB) Circulars and Bulletins. http://www.whitehouse.gov/omb/gils_gil-circ/
 - h. GAO Financial Audit Manual, Checklist for Federal Accounting, Reporting and Disclosures <http://www.gao.gov/htext/d04942g.html>
 - i. GAO Federal Standards for Internal Control
<http://www.gao.gov/special.pubs/ai00021p.pdf>,
 - j. GAO Management Internal Control Evaluation Tool,
<http://www.gao.gov/assets/670/665712.pdf>
 - k. VA Financial Policies and Procedures
<http://www.va.gov/finance/policy/pubs/>
 - l. Organization Chart
http://www.oit.va.gov/docs/Organizational_Adjustment.pdf
 - m. ITRM Functional Statement
<https://vaww.portal.va.gov/sites/ITRM/Shared%20Documents/Forms/AllItems.aspx?RootFolder=%2fsites%2fITRM%2fShared%20Documents%2fITRM%20Administrative%20Documents&FolderCTID=&View=%7b70175281%2dA59A%2d4A30%2d88B5%2d04C741FA0FE5%7d>
 - n. Guidance on Exhibit 53 – Information Technology and E-Government
https://www.whitehouse.gov/sites/default/files/omb/assets/egov_docs/fy13_guidance_for_exhibit_53-a-b_20110805.pdf
 - o. Guidance on Exhibit 300—Planning, Budgeting, Acquisition, and Management of Information Technology Capital Assets
https://www.whitehouse.gov/sites/default/files/omb/assets/egov_docs/fy13_guidance_for_exhibit_300_a-b_20110715.pdf
 - p. House of Representatives Conference Report 109-305, November 18, 2005 <https://www.gpo.gov/fdsys/pkg/CRPT-109hrpt305/pdf/CRPT-109hrpt305.pdf>OMB-A-123

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- q. Management Responsibility for Internal Controls (Including Appendix A) http://www.whitehouse.gov/omb/circulars_a123_rev/
- r. OMB-A-123 Management Responsibility for Internal Controls Appendix B http://www.whitehouse.gov/sites/default/files/omb/assets/omb/circulars/a123/a123_appendix_b.pdf
- s. OMB-A-123 Management Responsibility for Internal Controls Appendix C http://www.whitehouse.gov/sites/default/files/omb/assets/a123/a123_appx-c.pdf
- t. OMB-A-123 Management Responsibility for Internal Controls Appendix D <https://www.whitehouse.gov/sites/default/files/omb/memoranda/2013/m-13-23.pdf>

3.0 SCOPE OF WORK

The purpose of this task order is to provide ITFMOS with expert advice and technical support in the implementation of the VA Office of Information & Technology (OI&T) internal control program. The contract support team shall provide the necessary support and expertise to develop and implement all phases of the internal control assessment cycle from the development of risk assessments, test of design, test of operating effectiveness, and the reporting of results within the Office of Information & Technology using industry best practices and emerging trends.

The Contractor shall formulate an approach for risk management, propose the internal control activities required to mitigate those risks, and achieve the internal control objectives of efficient and effective operations, reliability of financial reporting and compliance with laws and regulations, protection against loss from waste, fraud and abuse and to ensure receivables and expenditures are properly recorded, as required by the Federal Managers Financial Integrity Act (FMFIA) and the GAO Standards for Internal Controls in the Federal Government. (Information regarding GAO internal controls can be found in "GAO/AIMD-00-21.3.1 and GAO-01- 008G (2001)).

The Contractor shall provide the operational, financial and technical support and expertise to the ITBF, ITFMOS in order to design, develop, promulgate, implement, provide training and communication for an FMFIA/A-123-compliant program for OI&T operational effectiveness and efficiency, reliability of financial reporting and compliance with laws and regulations, protection against loss from waste, fraud and abuse and to ensure receivables and expenditures are properly recorded; including preparation of OI&T's portion of the VA's internal control assurance statements. The Management's assessment of internal controls shall include an evaluation of such elements as the design and operating effectiveness of key financial reporting controls, process documentation, operational and financial policies and the overall OI&T control environment.

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The Contractor shall advise and assist ITFMOS with assessing, developing and implementing sustainable, integrated processes for evaluating, documenting and improving OI&T internal controls in a multi-phased approach, per the requirements of FMFIA.

3.1 ORDER TYPE

This TO shall be performed on a Firm-Fixed Price (FFP) basis.

4.0 PERFORMANCE DETAILS

4.1 PERFORMANCE PERIOD

The period of performance shall be for 12 months from task order (TO) award with two 12-month option periods, if exercised.

Any work at the Government site shall not take place on Federal holidays or weekends unless directed by the Contracting Officer (CO).

The Contractor shall recognize the Veterans Affairs Central Office (VACO) located at 810 Vermont Avenue, N.W. Washington, D.C facility hours of 8:00 AM (Eastern) to 6:00 PM (Eastern), Monday through Friday.

The Contractor shall recognize the following ten Federal holidays set by law (USC Title 5 Section 6103).

Under current definitions, four holidays are set by date:

| | |
|------------------|-------------|
| New Year's Day | January 1 |
| Independence Day | July 4 |
| Veterans Day | November 11 |
| Christmas Day | December 25 |

If any of the above falls on a Saturday, then Friday shall be observed as a holiday. Similarly, if one falls on a Sunday, then Monday shall be observed as a holiday.

The other six holidays are set by a day of the week and month:

| | |
|-------------------------------|-----------------------------|
| Martin Luther King's Birthday | Third Monday in January |
| Washington's Birthday | Third Monday in February |
| Memorial Day | Last Monday in May |
| Labor Day | First Monday in September |
| Columbus Day | Second Monday in October |
| Thanksgiving | Fourth Thursday in November |

4.2 PLACE OF PERFORMANCE

Tasks under this PWS shall be performed at the Government site, the Veterans Affairs Central Office (VACO) located at 810 Vermont Avenue, N.W. Washington, D.C. as well as various VA facilities (see 4.3 travel section for details). At the discretion of the Government and with COR and Government Project Manager approval the Contractors shall be allowed to perform tasks under this PWS in an off-site location if situation arise where there is limited seating at Government sites.

4.3 TRAVEL

The Government encourages maximum utilization of teleconferencing and video conferencing for meetings. The Government anticipates travel under this effort to perform the tasks associated with the effort, as well as to attend program-related meetings or conferences through the period of performance. Include all estimated travel costs in your firm-fixed price line items. These costs will not be directly reimbursed by the Government.

The total estimated number of trips in support of the program related meetings for this effort is estimated at two for each of the base and option periods. The Anticipated locations include the following (estimated at three days in duration and two Contractor staff traveling per trip):

1. Financial Services Center, Austin, TX
2. Technology Acquisition Center, Eatontown, NJ
3. Medical Center yet to be determined

4.4 CONTRACT MANAGEMENT

All requirements of Sections 7.0 and 8.0 of the Basic ICS A123 ID/IQ PWS apply to this effort. This TO shall be addressed in the Contractor's Progress, Status, and Management Report as set forth in the Basic contract.

4.5 GOVERNMENT FURNISHED PROPERTY

The Government will provide Government laptops to all contract support personnel. The VA will provide access to VA-specific systems/networks as required for execution of the task via a site-to-site Virtual Private Network (VPN) or other technology, including VA-specific software such as Citrix Access Gateway (CAG), including appropriate seat management [work areas/stations] and user licenses. The Contractor shall utilize Government-provided software development and test accounts, document and requirements repositories, etc. as required for the development, storage, maintenance and delivery of products within the scope of this effort. The Contractor shall utilize only Government computers and Government email accounts in the performance of their

duties.

4.6 SECURITY

All requirements in Section 6.0 of the Basic PWS apply to this effort in addition to the following:

1. The certification and accreditation requirements do not apply, and that a Security Accreditation Package is not required

4.6.1 POSITION SENSITIVITY

| Position Sensitivity | Background Investigation (in accordance with Department of Veterans Affairs 0710 Handbook, "Personnel Security Suitability Program," Appendix A) |
|-----------------------------|---|
| Low | National Agency Check with Written Inquiries (NACI) A NACI is conducted by OPM and covers a 5-year period. It consists of a review of records contained in the OPM Security Investigations Index (SII) and the DOD Defense Central Investigations Index (DCII), FBI name check, FBI fingerprint check, and written inquiries to previous employers and references listed on the application for employment. In VA it is used for Non-sensitive or Low Risk positions. |
| Moderate | Moderate Background Investigation (MBI) A MBI is conducted by OPM and covers a 5-year period. It consists of a review of National Agency Check (NAC) records [OPM Security Investigations Index (SII), DOD Defense Central Investigations Index (DCII), FBI name check, and a FBI fingerprint check], a credit report covering a period of five years, written inquiries to previous employers and references listed on the application for employment; an interview with the subject, law enforcement check; and a verification of the educational degree. |
| High | Background Investigation (BI) A BI is conducted by OPM and covers a 10-year period. It consists of a review of National Agency Check (NAC) records [OPM Security Investigations Index (SII), DOD Defense Central Investigations Index (DCII), FBI name check, and a FBI fingerprint check report], a credit report covering a period of 10 years, written inquiries to previous employers and references listed on the application for employment; an interview with the subject, spouse, neighbors, supervisor, co-workers; court records, law enforcement check, and a verification of the educational degree. |

The position sensitivity and the level of background investigation commensurate with the required level of access for the following tasks within the PWS are as follows:

| | Position Sensitivity and Background Investigation Requirements | | |
|---------------------------|---|-------------------------------------|--------------------------|
| <u>Task Number</u> | <u>Low/NACI</u> | <u>Moderate/MBI</u> | <u>High/BI</u> |
| 5.1 | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 5.2 | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 5.3 | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 5.4 | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 5.5 | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 5.6 | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

The tasks identified above and the resulting Position Sensitivity and Background Investigation delineate the Background Investigation requirements by Contractor individual, based upon the tasks the particular Contractor individual will be working. The submitted Contractor Staff Roster must indicate the required Background Investigation Level for each individual, based upon the tasks the Contractor individual will be working, based upon their submitted proposal.

5.0 SPECIFIC TASKS AND DELIVERABLES

5.1 PROGRAM MANAGEMENT SUPPORT

5.1.1 KICKOFF MEETING

The Contractor shall hold a technical kickoff meeting within 10 days after TO award (virtual meeting is acceptable). The Contractor shall present, for review and approval by the Government, the details of the intended approach, work plan, and project schedule to complete all tasks defined in this PWS. The Contractor shall provide a meeting agenda at least five (5) days prior to the meeting and meeting minutes shall be provided to all attendees within three (3) days after conclusion of the meeting. The Contractor shall invite the Contracting Officer (CO), Contract Specialist, COR, and any other necessary VA personnel.

Deliverables:

- A. Meeting Agenda
- B. Meeting Minutes

5.1.2 CONTRACTOR PROJECT MANAGEMENT PLAN

The Contractor shall deliver a Contractor Project Management Plan (PMP) within 10 days after the technical kickoff meeting that lays out the Contractor's approach, timeline, and tools used in execution of this TO. Key topics that shall be included in the Contractor PMP are:

- 1. Staffing plan
- 2. Key tasks and sub-tasks

3. Deliverables
4. Key milestones with an associated time-phased schedule

The Contractor shall provide formal Contractor PMP updates as part of the monthly Contractor's Progress, Status, and Management Report, in accordance with the ICS Basic PWS. The Contractor shall make informal Contractor PMP status reports on a weekly basis and conduct weekly status meetings with the project manager.

Deliverables:

- A. Contractor PMP

5.1.3 PRIVACY TRAINING

The Contractor shall submit VA Talent Management System training certificates of completion for VA Privacy and Information Security Awareness and Rules of Behavior training, and provide signed copies of the Contractor Rules of Behavior in accordance with Section 9, Training, from Appendix C of the VA Handbook 6500.6, "Contract Security".

The Contractor shall submit status of VA Privacy and Information Security Awareness and Rules of Behavior training for all individuals engaged on the task. The status reporting shall identify; a single Contractor Security Point of Contact (POC), the names of all personnel engaged on the task, their initial training date for VA Privacy and Information Security and Rules of Behavior training, and their next required training date. This information shall be submitted as part of the Contractor's Progress, Status, and Management Report. The training referenced above is required to be renewed annually.

Deliverables:

- A. VA Privacy and Information Security Awareness Training Certificates
- B. Rules of Behavior Training Certificates

5.2 STATEMENT OF ASSURANCE

1. The Contractor shall prepare (and/or update the current existing document package) an annual Statement of Assurance call memorandum package consisting of the following: Statement of Assurance call memorandum, detailed instructions in the form of a guidebook, risk assessment tool and any other supporting documents that may be required. The purpose of this call memorandum package is to communicate the purpose and schedule/timeline of the Statement of Assurance process and how to properly complete the required documents inside the package.

2. The Contractor shall prepare an annual Statement of Assurance project kickoff presentation that will state the objective, the purpose, the requirements of OI&T's Statement of Assurance process, and any new changes or additions for each year.

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This presentation will be used as discussion points to establish the agenda of the annual Statement of Assurance kick-off meeting.

3. The Contractor shall prepare an annual Statement of Assurance training presentation that will state the objective, the purpose, and the requirements of OI&T's Statement of Assurance process and a walkthrough of the risk assessment tool. This presentation will be used as a guide to complete the risk assessment tool and the submission of the Statement of Assurance package.

4. The Contractor shall assist in the preparation of the annual Statement of Assurance reminder call memorandum for distribution approximately one to one and a half months before the Statement of Assurance package is due. The purpose of this memorandum is to remind OI&T Pillars of upcoming Statement of Assurance requirements.

5. The Contractor shall assist in the development of the interim ITFMOS, ITBF, ITRM, and the Consolidated OI&T Statement of Assurance. The development process shall consist of an intense review of all external/internal related documents / reviews / audits, including, but not limited to OIG/GAO reports that will assist in the validation/verification/ support of items listed or not listed on the OI&T Statement of Assurance.

6. The Statement of Assurance shall reflect the standard VA/ VA OI&T Assurance Statement language. Sample language to be included is as follows:

- a. OI&T is responsible for establishing and maintaining internal controls and financial management systems (FMS) that meet the objectives of FMFIA.
- b. OI&T conducted its assessment of the effectiveness of internal control over operations and compliance with applicable laws and regulations in accordance with OMB Circular A- 123, Management's Responsibility for Internal Control.
- c. State a direct conclusion of OI&T management's informed judgment as to whether OI&T's internal controls are effective. The Statement of Assurance must be in the form of an unqualified statement of assurance, qualified statement of assurance or a statement of no assurance, as follows:
 - i. Unmodified Statement of Assurance (no material weaknesses identified or significant deficiency reported)
 - ii. Modified Statement of Assurance, considering the exceptions explicitly (one or more material weaknesses identified or significant deficiency reported) or
 - iii. Statement of No Assurance (no processes in place or pervasive material weaknesses identified or significant deficiency reported).
- d. Deficiencies will be listed out if any exists and they are to be reported per

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Management's judgement

7. The Contractor shall assist in the development of the fourth quarter reminder memorandum to OI&T Components.
8. The Contractor shall assist in the preparation of the fourth quarter update for ITFMOS, ITBF, and ITRM, which will lead to the preparation of the final OI&T Consolidated Statement of Assurance.
9. Maintain and track OI&T Statement of Assurance corrective action plans

Deliverables:

- A. Statement of Assurance Call memorandum draft
- B. Statement of Assurance Kickoff presentation draft
- C. Statement of Assurance Risk Assessment draft
- D. Statement of Assurance Risk Assessment training draft
- E. Statement of Assurance Reminder Call Memorandum draft
- F. ITFMOS, ITBF, ITRM, and Consolidated OI&T Statements of Assurance draft
- G. Statement of Assurance 4th Quarter Reminder Memorandum draft
- H. Status sheet of corrective action plans, if applicable

5.3 INTERNAL CONTROL REVIEW ASSESSMENTS / DOCUMENTATION

The Contractor shall develop and/or revise, if necessary, and perform Internal Control assessments of up to a total of nine subject matter areas to include quarterly Government Purchase Card and Travel Card Program assessments and biannual Conference reviews based on management's direction and/or risk assessments. The Contractor shall perform internal control assessments under the guidelines of OMB Circular A-123 and the FMFIA of 1982 to support the OI&T Statement of Assurance development and shall perform the following for assessments and business line:

1. Document business processes and key controls.
2. Gather information and develop narratives, flowcharts, and risk/control matrices, and risk assessments.
3. Perform quality control activities, and retain documentation.
4. Identify key controls and conduct and document test of design and test of operating effectiveness.
5. Document results and recommendations for efficiency in the Risk Assessment. The report shall contain and list the following:
 - a. Name of each risk identified
 - b. Severity of each risk
 - c. Likelihood of risk
 - d. Impact of risk

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- e. Compensating controls if applicable
- f. Action taken to address risk
 - i. Avoidance
 - ii. Transfer
 - iii. Sharing
 - iv. Acceptance
- 6. Developing process-level test plans.
- 7. Requesting evidence and/or documentation.
- 8. Conduct tests and document test results.
- 9. Assess test results and make recommendations for process improvements. The Contractor shall capture the assessment and resultant recommendation information in a Results of Testing Report.
- 10. Conduct follow-up of prior year SOA deficiency corrective action and remediation

In addition to the maximum of nine annual internal control assessment reviews as mentioned above, the contractor shall simultaneously conduct an identification and documentation effort of Ol&T's Pillar's business processes. This effort will identify and document Pillar business processes and key controls within each Pillar's business activity/function/process and the linkage of the documentation to the Ol&T Statement of Assurance process. This effort shall also include training to Pillar personnel to take the form of the following as necessary, where appropriate: one-pagers, white papers, FAQ documents, classroom instruction and workshops. All training will be based on management's instructions and Pillar needs and requirements. This effort will take place in three key phases; a discovery phase, documentation phase, and validation and verification phase. The discovery phase will consist of the performance of initial walk-throughs and the performance of activities such as initial document review and inventories, interviews of stakeholders, information collection, and other introductory assessment activities. The documentation phase will consist of documenting and assisting pillar stakeholders in the documentation of their key business activity functions and identifying key controls within each activity, alignment of documented functions/activities to the SOA process. This phase will also consist of conducting training as necessary. The validation and verification phase will ensure that documentation in prior phase is correct and a sample testing of key controls to ensure that key controls are identified and working as intended. Training of key control testing, proper documentation, and alignment to the SOA process will also be included in this phase, as required.

- 11. Develop and conduct discovery phase of all Ol&T Pillar documentation to include planning, scoping, and initial walk-throughs. Training will be provided to each Ol&T Pillar at least annually. Training will include items such as one-pagers, white papers, FAQ documents, classroom instruction and workshops dependent upon Pillar needs.
- 12. Conduct documentation phase

13. Conduct verification and validation phase.

Deliverables:

- A. Control evaluation matrices
- B. Test plans
- C. Flowcharts (as required)
- D. Results Report
- E. Risk Assessment
- F. Narratives
- G. Tools, Templates, Training, and other guidance documentation
- H. Discovery phase final report
- I. Documentation phase final report
- J. Pillar process verification & validation final report

5.4 REMEDIATION OF FFMIA / FEDERAL MANAGERS FINANCIAL INTEGRITY ACT (FMFIA) OF 1982

The Contractor shall assist the Government with tasks relating to the remediation of FFMIA / FMFIA Section IV NFR's. Tasks can include interviewing VA Government employees, meeting with internal and external Government officials, performing assessments, performing analysis on VA's systems, documenting systems and controls, researching, developing FFMIA/FMFIA section IV/ OMB Circular A-123 Appendix D assessment process, and documenting and assessing the testing and results of Information Technology General Controls (ITGCs) and Business Process Application Controls (BPACs). Documentation may include flowcharts of systems if deemed necessary.

The Contractor shall develop the following: The ITGC/BPAC inventories, system understanding narratives, and related documentation; system understanding narratives; compliance determination framework; compliance determination requirements & determination report; the VA FFMIA/FMFIA Section IV statement of assurance draft and the Federal Financial Management System Requirements compliance framework compliance assessment report.

The ITGC/BPAC inventories, narratives, and related documentation consists of, but is not limited to documentation that inventories and documents all ITGC/BPAC controls of VA's Financial Management and feeder systems, basic system information, Authority To Operate, system hosting location, and other necessary required system and control information.

The system understanding narratives consist of, but are not limited to the aforementioned ITGC/BPAC documentation, documentation of the overall system and the financial system relevancy, system functionality, compliance with the Federal Financial Management System requirements, system interfaces, linkages to the

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financial management system and financial statement, a catalog/cross-walk of all system controls, and other pertinent information that how each interconnects with other VA financial systems to produce financial information, statements, and reporting.. Each system understanding narrative will consist of at least three of the following main sections, general overall system information, ITGC/BPAC section and information, and FFMIA/FMFIA Section IV section information.

The OMB Circular A-123, Appendix D / FFMIA/ FMFIA Section IV / FFMSR compliance requirements report is an overall summary report that reports how VA financial management systems and accounting systems/processes meet the FFMIA/ FMFIA Section IV / FFMSR requirements. The OMB Circular A-123, Appendix D / FFMIA / FMFIA Section IV / FFMSR compliance determination framework report is a detailed report that aggregates information from various internal / external sources and assists VA ITFMOS in determining VA compliance with prescribed Federal FMFIA Section IV regulations. The VA FMFIA Section IV Statement of Assurance memorandum is a narrative statement memorandum that describes the state of VA's compliance with FMFIA Section IV and whether VA is in compliance with that federal requirement and support for the position made in the document.

The narratives shall include identification of IT General Controls (ITGCs) and Business Process Application Controls (BPACs) in a catalog/crosswalk format. The Contractor shall work with the VA lead to identify the ITGCs/BPACs, perform a comprehensive gap analysis of ITGCs/BPACs, coordinate assess with the OI&T pillars to test the ITGCs/BPACs, and recommend comprehensive remediation actions. The Contractor shall ensure to document, inventory and assess all ITGC / BPAC financial system and financial feeder systems. After the financial system and financial feeder system ITGC and BPAC's are documented, inventoried, and assessed, the focus will transition to non-financial systems. The VA FMS includes 4 main financial system components/systems and about 75 feeder systems that directly or indirectly interface with the four main systems. The VA FMS also includes service provider owned systems. The Contractor shall work with the VA lead to identify service provider owned systems, develop a comprehensive assessment process to evaluate complimentary user entity internal controls surrounding service provider owned systems including review of Statements of Standards for Attestation Engagements (SSAE) 18 reports, and recommend remediation actions. This effort is part of ITFMOS' multi-year plan in developing the Department's FFMIA/ FMFIA Section IV assessment process and methodology.

Deliverable:

- A. OMB Circular A-123, Appendix D, Methodology Documentation, Updated Scoping Plan, Updated Compliance Determination Framework, and FFMSR Memo Approach Plan
- B. OMB Circular A-123, Appendix D, IT systems inventory and financial systems and financial management systems narratives to include ITGC/BPAC catalogs, gap analysis, testing schedule, history, results, and recommendations

- C. OMB Circular A-123, Appendix D / FFMIA/ FMFIA Section IV / FFMSR compliance determination framework report memos, and compliance assessment report
- D. OMB Circular A-123, Appendix D / FFMIA/ FMFIA Section IV / FFMSR completion trainings
- E. Documentation and assessment of Service Provider owned systems, including identification of complementary user entity controls, gap analysis and recommendations, and documentation of review process for SSAE 18 reports.
- F. F. IT General Controls / Business Process Application Control catalog and crosswalk

5.5 ADMINISTRATIVE PROJECT TASKS

The Contractor shall meet weekly with the Government PM /COR and/or Government staff to brief them on all current and future assignments statuses, issues, due dates, and so forth. Review, edit, and maintain the Internal Control Branch Manual (provided to the Contractor by Government PM/COR or Government staff). Maintain and upload final draft deliverables unto the IT Financial Management and Oversight SharePoint site.

Deliverable:

- A. Weekly Contractor Status Report
- B. Updated Internal Control Branch Manual

6.0 GENERAL REQUIREMENTS

6.1 PERFORMANCE METRICS

The table below defines the Performance Metrics associated with this effort:

| Performance Objective | Performance Standard | Acceptable Performance Levels |
|------------------------------------|--|-------------------------------|
| 1. Technical Needs | Shows understanding of requirements Efficient and effective in meeting requirements Meets technical needs and mission requirements Offers quality services/products | Satisfactory or higher |
| 2. Project Milestones and Schedule | Quick response capability Products completed, reviewed, delivered in timely manner Notifies customer in advance | Satisfactory or higher |

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| | | |
|---------------------|---|------------------------|
| | of potential problems | |
| 3. Project Staffing | Currency of expertise Personnel possess necessary knowledge, skills and abilities to perform tasks | Satisfactory or higher |
| 4. Value Added | Provided valuable service to Government Services/products delivered were of desired quality | Satisfactory or higher |

The Government will utilize a Quality Assurance Surveillance Plan (QASP) throughout the life of the contract to ensure that the Contractor is performing the services required by this PWS in an acceptable manner. The Government reserves the right to alter or change the QASP at its own discretion. A Performance Based Service Assessment Survey will be used in combination with the QASP to assist the Government in determining acceptable performance levels. The COR will determine if the performance of the Contractor is below a metric standard and deem it unacceptable. The COR will then notify the Contracting Officer.