

*“We Help
Put America
Through
School”*

TO 61- CFO Transformation - Accounting Report

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Modernization Partner Contact: K.C. Abadian

December 16, 2001 - January 15, 2002

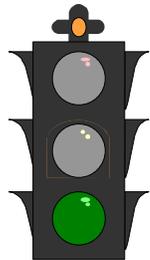
Discussion Agenda



- Overall Status
- Project Scorecard
- Integrated Timeline
- Major Risks
- Government & Project Dependencies
- Key Issues & Decisions



Overall Status



Green

Trend



Task Order 61 Securities & Facilities reports an on schedule status. Deliverables to be completed on time and target dates to be meet.

Task Order 61 Accounting reports an on schedule status. Deliverables to be completed on time and target dates to be meet.

Major Accomplishments Since Last Meeting

- Ran report for auditors providing a reconciliation for the difference in Principal, Interest & Others between Forms 2000, DCS Loans Receivables Download and the Financial Statement.
- Downloaded & exported FMS information thru Microsoft Access and Excel per the clients request.
- Partial completion of Phase I of the Internal Control Plan - To date have identified and drafted over 80 internal control standards / objectives that we plan to assess in Phase II.
- Partial completion of Phase II of the Internal Control - To date have prepared clean drafts of 12 two-page narrative for each of the planned standards / objectives to be tested. Another ten two-page narratives are in various levels of completion and review.
- Completed work on listing of invoices supporting expended obligations of Fund 4251, account 211000.
- Produced spreadsheet for FY00 Accrual summary for Liquidating & Financing accounts.

Upcoming Activities / Target Dates

- Continue work on Internal Control procedures for AD, Phase I & Phase II.
- Assist AD on Cash Related Items in the suspense accts.
- Providing reports & procedures for feeder systems into GAPS & FMSS (reconciliation support of FMS data).
- Project with Raytheon contractors concerning DCMS reconciliation's for FY02.

Project Scorecard

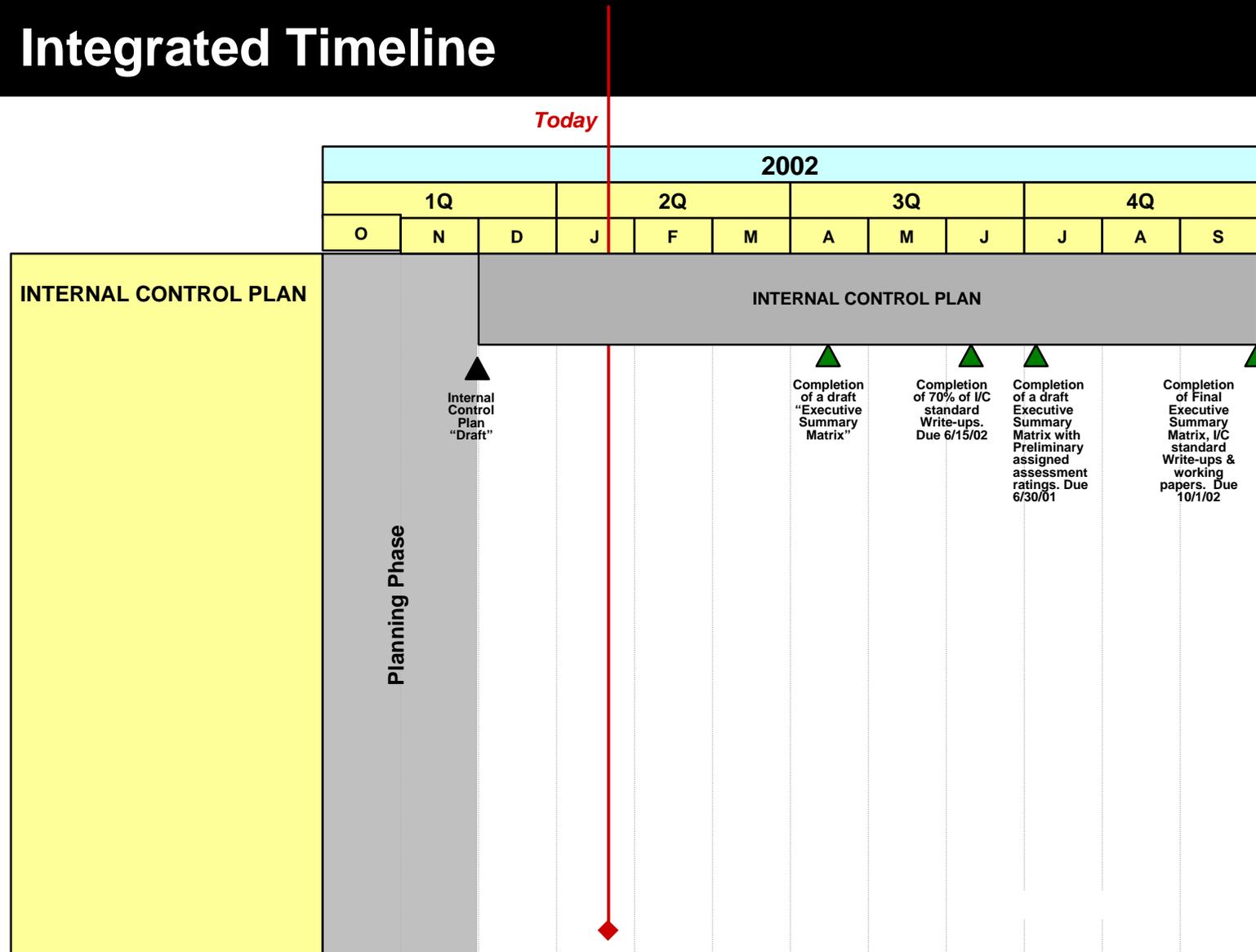


Category	Status	Trend	Status Comments
Task Order			<ul style="list-style-type: none"> Task order has not been awarded but ATP has been issued through 12/31/01. Task order option was sent to Client on 12/28/01 for review.
Scope			
Schedule			<ul style="list-style-type: none"> Internal Control Procedures on Schedule. PBC items for auditors on Schedule.

High Risk – significantly impacts Project schedule	Moderate Risk – Minor schedule slippage and/or manageable issues	Low Risk – On schedule, no significant issues	Better	Worse	Same
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Integrated Timeline



Status Legend			
▲	High Risk – Major impact to schedule	▲	Moderate Risk – Manageable impact to schedule
▲	On Schedule	▲	Not Started
▲	Complete		

Major Risks



<i>Risk</i>	<i>On Point</i>	<i>Mitigating Actions</i>	<i>Status</i>
Finalize Supplemental Lease Agreements for “Mechanical”, “Utilities”, “Cleaning”, and “All Others” between GSA and the Lessor.	Paul Colangelo ED QWG Jim Barnard SFA Admin Bob Powers Mod Partner	Supplemental Lease Agreements for the maintenance of SFA-installed equipment, e.g., UPS, etc., and other critical building support/infrastructure are not in place and continue to be stalled. Until these agreements are in place, no process is in place to provide immediate support from the Lessor if a failure occurs, or if other building support is needed.	▪ Pending GSA action

Government and Program Dependencies



<i>Dependency</i>	<i>On Point</i>	<i>Target Date</i>	<i>Status Comments</i>

Key Issues & Decisions



<i>Issue / Decision Required</i>	<i>On Point</i>	<i>Target Date</i>	<i>Status Comments</i>
<p>Department reaction to Management Improvement Team recommendations concerning SFA/ED relationships may require change in responsibility for building operations support services. Responsibility may shift from QWG to SFA Administration.</p>	<p>Jim Barnard (SFA Admin.)</p> <p>Bob Powers (Mod Partner)</p>	<p>TBD</p>	<ul style="list-style-type: none"> ▪ Current effort focuses on QWG providing support to SFA. ▪ SFA Admin began parallel effort to assume responsibility (SOW prepared, preliminary pricing obtained, Facilities Management Plan being developed, etc.).
<p>ED LAN Access. Need security clearance for 5 new subcontractors from DEVA & Associates.</p>	<p>Linda Snyder (SFA)</p> <p>KC Abadian (Mod Partner)</p> <p>Michael Thorpe (Mod Partner)</p>	<p>TBD</p>	<ul style="list-style-type: none"> ▪ Security Paperwork & fingerprints completed. Waiting for Security Clearance to receive LAN Access.
<p>▪We currently have 6 cubes for 9 contractors under contract here on the 5th floor. We have resorted to doubling up 3 cubes. When installing two PCs in one cube, we found that only one port is active (the other two being off). Need to have two ports active per cube so that each computer at each desk has ED LAN access simultaneously.</p>	<p>Tawanda Hampton (SFA)</p> <p>KC Abadian (Mod Partner)</p>	<p>TBD</p>	<ul style="list-style-type: none"> ▪ Request was forwarded on 11/15/01. No resolution at this point until LAN Access has been achieved.