

**WRITTEN TESTIMONY OF
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**BEFORE THE
SUBCOMMITTEE ON TECHNOLOGY MODERNIZATION
U.S. HOUSE OF REPRESENTATIVES COMMITTEE ON VETERANS' AFFAIRS**

“The Status of VA Financial Management Business Transformation”

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INTRODUCTION

Chairman Rosendale, Ranking Member Cherfilus-McCormick, and other distinguished members of the Subcommittee on Technology Modernization, my name is Sidney L. Getz. I am a Senior Vice President at CGI Federal Inc. (“CGI Federal”). CGI Federal, a wholly-owned U.S. operating subsidiary of CGI Inc. (“CGI”),¹ is dedicated to partnering with federal agencies to provide solutions for defense, civilian, healthcare, justice, intelligence, and international affairs missions. For the last 5 years, I have served as the Project Manager on CGI Federal’s contract with the Department of Veterans’ Affairs (the “VA”) for the Financial Management Business Transformation (“FMBT”) Program. On behalf of CGI Federal’s 7,100 dedicated employees providing services to over 100 departments and agencies across the federal government, I am pleased to submit this written testimony to the Subcommittee on the status of the VA’s FMBT Program.

FMBT PROGRAM OVERVIEW

In 2016, the VA established the FMBT Program to modernize its legacy core Financial Management System (“FMS”) in accordance with the Office of Management and Budget (“OMB”) Memorandum M-13-08, *“Improving Financial Systems through Shared Services,”*

¹ Founded in 1976, CGI is among the largest independent information technology (“IT”) and business consulting services firms in the world. With 90,250 consultants and professionals across the globe, CGI delivers an end-to-end portfolio of capabilities from strategic IT and business consulting to systems integration, managed IT and business process services, and intellectual property solutions. CGI works with clients through a local relationship model complemented by a global delivery network that helps clients digitally transform their organizations and accelerate results.

dated March 25, 2013. This modernization initiative seeks to enable the VA to, among other things: (1) produce enhanced performance information to improve strategic and daily decision-making; (2) provide improved data analysis, data management, automated data reconciliation, and automated consolidated financial statements; (3) meet applicable federal accounting regulations; (4) maintain clean audit opinions; and (5) accommodate new regulatory requirements to avoid material audit weaknesses and/or significant deficiencies.

Since 2016, CGI Federal has been under contract to support the VA's FMS modernization effort. The primary objective of CGI Federal's 10-year FMBT contract with the VA is to deploy a new, OMB-approved financial management system at the VA using CGI Federal's Enterprise Resource Planning ("ERP") system. CGI Federal's ERP system, known as Momentum Financials and Acquisitions ("Momentum®"), already is operational at many federal government agencies, including four cabinet agencies.

To accomplish this complex modernization effort, the VA is executing the FMBT Program through an incremental deployment approach by migrating its current financial management and acquisition environment to the new Integrated Financial and Acquisition Management System ("iFAMS") using CGI Federal's Momentum cloud-based solution and an Agile implementation methodology. Each deployment, referred to as a "wave," delivers capabilities to a subset of the VA organization. The work in each wave includes: defining the VA organization(s) covered; clarifying the Treasury symbols involved; reviewing the business processes and appropriately configuring iFAMS; testing; business intelligence; conversion of data from legacy systems; interfaces; organizational change management, communications, and training; and cutover planning.

To date, the FMBT team has completed six waves, going-live with: (1) finance users at the National Cemetery Administration ("NCA") in November 2020; (2) finance users at the Veterans Benefits Administration ("VBA") for General Operating Expense in February 2021 (Phase 1); (3) finance users at the VBA for General Operating Expense in May 2021 (Phase 2); (4) acquisition users at the NCA in April 2022; (5) finance users at the Office of Revolving Funds, the Office of Enterprise Asset Management, the Board of Veterans Appeals, and the General Administration in October 2022; and (6) finance users at the Office of Information and Technology ("OIT") and finance and acquisition users at the Office of Construction and Facilities Management ("CFM") and the Office of Inspector General ("OIG"), all in June 2023. In addition, the FMBT team currently has two additional waves in progress at the VBA Loan Guaranty Service and the Veterans' Health Administration ("VHA").

KEY BENEFITS REALIZED

While there are still milestones and challenges ahead, the FMBT Program is delivering on its promise to modernize the VA's FMS. For example, there are currently 4,700 live users in 20 different VA offices in iFAMS. These users have processed over 3.5 million iFAMS transactions, use iFAMS to view approximately 8,500 business intelligence reports every week, and have disbursed over 8.5 billion dollars through the U.S. Treasury.

To date, the iFAMS implementation has delivered the following benefits to the VA:

- **Improved strategic and daily decision-making:**
 - **iFAMS data is more timely and accurate.** By eliminating legacy systems, more transactions are processed in iFAMS to update budgets in real time. Unlike FMS, the iFAMS general ledger is updated in real time as opposed to on a nightly batch basis. Finally, iFAMS also interacts directly with federal-wide solutions such as Treasury’s G-invoicing and Collections Information Repository (“CIR”), HHS’ Payments Management System for Grants, and the U.S. Bank’s purchase and fleet cards.
 - **New Account Code Structure (ACS).** The new ACS provides standardization across the VA and complies with federal policies and guidance, including the Treasury’s U.S. Standard Standard General Ledger (“USSGL”) and OMB Circular A-11, *Preparation, Submission, and Execution of the Budget*, at Section 83, *Object Classification (Max Schedule O)*, which classifies IT obligations among various object classes. As a result, iFAMS has a federally-compliant, enterprise-wide accounting classification structure that includes a uniform chart of accounts, object classes, fund codes, programs, and projects that will drive standardization across the VA, improve data integrity and the accuracy of financial reporting, and greatly improve auditability, while simultaneously being flexible enough to accommodate the unique business needs of the VA’s various lines of business.
 - **Accessing the data is easier.** iFAMS reports provide quick access to data refreshed on an hourly basis, replacing legacy reports refreshed on a daily basis. For example the iFAMS NCA “blotter” report, which helps NCA cemeteries review their budgets and spending, is refreshed every hour. The legacy process for developing the same report was a time-consuming, resource intensive MS Excel spreadsheet-based process.
 - **iFAMS data analysis tools are flexible.** iFAMS allows users to quickly filter, slice, and dice report data, reducing the need for *ad hoc* report requests and data calls. In the legacy reporting solution, users must either re-run the report with different parameters or download large amounts of data into MS Excel spreadsheets and create their own reports.
 - **iFAMS data can be consolidated to all hierarchical levels of the enterprise.** Users with appropriate permissions can run the same reports to view data at the enterprise level, the administration level, or at lower levels of an administration. Because data is standardized across the enterprise, iFAMS provides VA management with enterprise-wide visibility into financial and acquisitions data and the ability to “roll up” or “drill down” into specific data as needed.

- **Process Automation:**

- iFAMS produces the Government-wide Treasury Account Symbol Adjusted Trial Balance System (“GTAS”) reports directly out of the core financial system rather than an external system, speeding up the process and making it less prone to manual error.
- Contract writing is more integrated with financials. With commitment accounting now available in iFAMS, funds are set-aside (committed against the budget) for future awards and those committed funds are then promptly and accurately obligated in iFAMS in real time upon contract award. With iFAMS, Contract Officers now have visibility into the contract award itself, as well as all financial transactions against the awarded contract. This capability also supports acquisition planning for contract extensions and renewals as well as contract closeout by reducing outstanding undelivered orders (“UDOs”).
- Payments from the Invoice Payment Processing System (“IPPS”) are processed in near real time in iFAMS, identifying errors more quickly than batch processes and resulting in faster payments to vendors.
- New, non-contract vendors are updated automatically in iFAMS from the vendor portal.
- iFAMS has a more robust and auditable workflow process. For example, iFAMS: permits users to attach supporting documentation; allows for multiple levels of approval depending on dollar amount; and notifies users via email and dashboards if they need to take action such as transaction approvals.

- **Meeting applicable federal accounting regulations:**

- Critically, iFAMS brings the VA into compliance with the following federal accounting standards and best practices:
 - OMB Circular A-11, Section 83 to Level 3 for Object Classes;
 - USSGL-compliant General Ledger (“GL”) Accounts and posting models aligned to Treasury Account Transactions and capture of required reporting attributes for federal reporting;
 - Internal Controls and VA policies are integrated into iFAMS businesses processes;
 - iFAMS captures data at the transaction level to support internal and federal reporting standards;
 - Reduced use of Journal Vouchers due to compliance with the USSGL GL Accounts and associated attributes (*e.g.*, federal and non-federal, trading partner, *etc.*); and

- Compliance with Reimbursable Authority regulations.
- **Maintaining clean audits:**
 - The VA has maintained a clean audit opinion since the first iFAMS go-live in November 2020.
- **Accommodating new regulatory requirements:**
 - CGI Federal releases periodic Momentum software updates to allow federal agencies to keep current with new regulatory requirements. The VA deploys regular iFAMS upgrades and plans to implement the next upgrade in December 2023. A recent example is the March 26, 2022 iFAMS upgrade to version 7.9 of Momentum, which included new functionality to comply with the Treasury Department’s October 2022 G-Invoicing implementation deadline for new orders.

KEY PERFORMANCE FACTORS

On complex programs like FMBT, success often depends on diligent stakeholder focus on key performance factors to keep things on track. Several key factors have contributed to the progress achieved by the FMBT Program to date, including:

- **Collaboration and Transparency:**

The FMBT team, led by Deputy Assistant Secretary (“DAS”) Terry Riffel, and CGI Federal have, from the very beginning, operated with a high degree of collaboration, transparency, and sound governance. This same collaborative approach extends to other key FMBT “partners” such as: the Office of Acquisitions and Logistics (“OAL”); the Financial Services Center (“FSC”); the Office of Management (“OM”); the Office of Information and Technology (“OIT”); program advisors and subject matter experts from across VA Administrations and Staff Offices; and other FMBT contractors responsible for program support, conversion and interface development, and independent verification and validation (“IV&V”). This culture of collaboration and transparency lowers program risk by encouraging an environment where all partners speak freely with each other, collectively identify and share risks and issues early, and then work as an integrated team to resolve issues and mitigate risks. As DAS Terry Riffel often says, “We are one team.”

- **Enterprise-Wide Standardization:**

One of the first activities conducted by the FMBT Program, in collaboration with the VA Administrations and Staff Offices, was to identify the financial and acquisition business processes and financial and acquisition data that could be standardized throughout the VA enterprise. These processes and data were then configured in iFAMS (the “Enterprise Configuration”) and now act as a starting point for the configuration of the system for each

wave of users and functionality. Standardized processes encourage the creation of a reliable and accurate set of process descriptions, streamline training, reduce errors, and simplify customer support. Data standardization facilitates the ability to view consistently defined and edited data at various levels of the VA organization, including Staff Office and Division-level, Administration-level, and Enterprise-wide reporting. Data standardization also supports compliance with federal financial and acquisition reporting. While business process and data standardization are important program goals, the FMBT team recognizes that the many different lines of business at the VA require unique iFAMS configurations to meet their specific business needs. The iFAMS configuration model anticipates this requirement. In fact, an early step in each wave is to identify and incorporate these unique business processes, while still maintaining the iFAMS data standards.

- **Incremental Approach:**

Implementing iFAMS across the VA enterprise is a complex endeavor. To reduce program risk, the VA has wisely chosen a SAFe Agile-based implementation philosophy to execute the FMBT Program. At a macro level, the enterprise user base is divided into logical groups and then each user group is added to iFAMS incrementally in a “wave.” As mentioned earlier, the FMBT team has completed six waves successfully. At a micro-level within each wave, the FMBT team also proceeds iteratively in 3-week “sprints,” consulting with user representatives throughout each sprint. This incremental approach reduces program risk by allowing future users to review work in progress and provide early feedback that allows the FMBT team to adapt quickly. The net effect of this incremental approach is to mitigate and reduce costs by identifying and resolving issues early while associated impacts are manageable.

- **Continuous Improvement:**

Another benefit of the Program’s incremental delivery approach is that it allows the FMBT team to capture lessons-learned and implement those lessons in the next sprint. The FMBT team uses this approach in the areas of change management, training, iFAMS user configuration, Operations & Maintenance, and even wave management. While there are always improvements and enhancements borne from user experience in the production environment on complex programs like FMBT, CGI Federal believes that the FMBT team is well equipped to address those challenges as they arise. An example of such an improvement is the creation of the so-called “EZ” web pages for occasional users, which used a human-centered design approach to reduce the number of required data elements to improve the user experience.

The FMBT team also recently launched a continuous improvement initiative. The focus of this initiative is to work with already-live iFAMS users to identify, prioritize, and resolve any areas of concern using a variety of approaches including business process reengineering, additional training, iFAMS configuration changes, automation, Artificial

Intelligence and Machine Learning, as well as potential changes to CGI Federal's baseline Momentum software.

Finally, CGI Federal routinely seeks input from the Momentum user community for planning improvements and future software releases. A VA working group already is working with CGI Federal's Momentum product development team to define new contract-writing features that will be included in future Momentum software releases.

- **Change Management:**

iFAMS represents a significant change for users who are accustomed to using legacy systems and processes that have been in place at the VA for over 30 years. The FMBT team employs industry best practices for change management to engage and train users and promote user adoption. The FMBT team understands the need to capture lessons-learned from each wave deployment and incorporate those lessons into the change management and training approaches for the next wave deployment. By following this process, the FMBT team expects to continuously improve user adoption and minimize the stress of change on the VA user community. For example, a lesson learned from prior waves is not to wait until the latter part of the wave to match users with their iFAMS roles. In the VHA wave now under way, the FMBT team plans to identify user roles early in the process, which is expected to facilitate improved user communications throughout the wave.

CONCLUSION

CGI Federal appreciates the urgency of fully implementing iFAMS as quickly as is feasible and stands ready to work with its FMBT partners to do just that. CGI Federal is extremely proud to support the FMBT Program in helping the VA improve its financial and acquisition processes. While the work is challenging, every CGI Federal member on the FMBT team is dedicated to the mission and takes great pride in serving our nation's Veterans.