



**FEDERAL FINANCIAL MANAGEMENT
IMPROVEMENT ACT OF 1996**

**VOLUME I OF II
COMPLIANCE ASSESSMENT REPORT**



**Defense Medical Logistics Standard Support (DMLSS)
Automated Information System (AIS)**

**Prepared For
DMLSS Program Management Office
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EXECUTIVE SUMMARY

EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

The Federal Financial Management Improvement Act (FFMIA) of 1996 requires each Federal agency to implement and maintain financial management systems that substantially comply with:

- Federal financial management system requirements;
- Applicable Federal accounting standards; and
- The United States Standard General Ledger at the transaction level.

In an effort to certify the Defense Medical Logistics Standard Support (DMLSS) Automated Information System (AIS) as compliant with the Federal Financial Management Improvement Act (FFMIA), the DMLSS Project Management Office (PMO), working with DFAS, selected BearingPoint to perform test and evaluation services to document and assess DMLSS' level of compliance with applicable FFMRs.

DMLSS is an Acquisition Category (ACAT) award-winning program that has been granted worldwide deployment authority for its medical logistics management Automated Information System (AIS). DMLSS is developed and co-sponsored by the Assistant Secretary of Defense (Health Affairs) [OASD(HA)] and the Deputy Under Secretary of Defense (Logistics). The Deputy Under Secretary of Defense (Logistics and Material Readiness) is responsible for defining and implementing an efficient medical logistics support environment for health care operations in peacetime, Small Scale Contingencies (SSC), and wartime.

DMLSS was assessed against requirements included in the DFAS published, *"A Guide to Federal Requirements for Financial Management Systems,"* Version 3.0, currently referred to as "The DFAS Guide".

BearingPoint utilized a multiple step methodology that has proved successful in prior system assessment engagements throughout the DoD. The methodology involves testing and documenting DMLSS' level of compliance with each applicable FFMR. BearingPoint reviewed the documentation evidence to support each applicable FFMR for compliance.

A summary of the results is as follows:

DFAS Guide Chapter	Agree – Compliant	Disagree – Non-Compliant	Not Tested	Total
3 – Property, Plant and Equipment	20	0	0	20
4 – Inventory, Operating Materials and Supplies, Stockpile Materials	93	0	0	93
8 – Funds Control and Budgetary Accounting	32	0	0	32
9 – Accounts Payable (Payment Management)	8	0	0	8
14 – Audit Trails and System Controls	38	0	0	38
Total	191	0	0	191

The review of each individual FFMR can be found in the *FFMR Review* section of this report.

INTRODUCTION

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Regulatory Background

Historically, Congress' financial management policies emphasized funds control and budget execution. During the 1990's accountability gained importance as Congress passed a number of laws directing agencies to improve their financial management operations, systems, performance, internal controls, and financial reporting.

Congress passed the Chief Financial Officers (CFO) Act of 1990 to improve general and financial management practices within the Federal Government, and to make the Federal Government more efficient and effective. The Act mandates that each agency's Chief Financial Officer develop and maintain an integrated agency accounting and financial management system, including financial reporting and internal controls. This system should provide complete, reliable, consistent, and timely information prepared on a uniform basis and should be responsive to the financial information needs of agency management.

The Federal Financial Management Improvement Act (FFMIA) of 1996 requires each Federal agency to implement and maintain financial management systems that substantially comply with:

- Federal financial management system requirements;
- Applicable Federal accounting standards; and
- The United States Standard General Ledger at the transaction level.

The Defense Finance and Accounting Service Requirements and Assurance Branch (DFAS-DSMA) compiled existing Federal Financial Management Requirements (FFMRs) into the DFAS publication, "*A Guide to Federal Requirements for Financial Management Systems*." The FFMRs are promulgated from various authoritative sources including:

- Joint Financial Management Improvement Program (JFMIP);
- Federal Accounting Standards Advisory Board (FASAB);
- Office of Management and Budget (OMB);
- DoD Financial Management Requirements (DoD FMR); and the
- Treasury Financial Manual (TFM).

This publication is also referred to as the "DFAS Guide," and contains over 2,000 FFMRs. The DFAS Guide serves as the basis for the performance of compliance assessments for the DoD Financial and Feeder Systems Compliance Process.

In an effort to get the Defense Medical Logistics Standard Support (DMLSS) Automated Information System certified as compliant with the Federal Financial Management Improvement Act (FFMIA), the DMLSS Project Management Office (PMO), working with DFAS, selected BearingPoint to perform test and evaluation services to document and assess DMLSS' level of compliance with applicable FFMRs.

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System Overview

DMLSS Program Overview

DMLSS is an Acquisition Category (ACAT) IAM award-winning program that was granted world-wide deployment authority for its medical logistics management Automated Information System. DMLSS is developed and co-sponsored by the Assistant Secretary of Defense (Health Affairs) [OASD(HA)] and the Deputy Under Secretary of Defense (Logistics). This is a unique partnership engaging the wholesale medical logistics, medical information management, medical information technology, and user communities. The Deputy Under Secretary of Defense (Logistics and Material Readiness) is responsible for defining and implementing an efficient medical logistics support environment for health care operations in peacetime, Small Scale Contingencies (SCC), and wartime.

Operational Architecture Overview

The DMLSS supports the functional areas of materiel (supplies and equipment) and facilities management. It provides key interfaces with Defense Logistics Agency (DLA), Defense Supply Center Philadelphia (DSCP), and DoD finance communities. It also supports requirements to provide aggregate medical logistics information to higher authorities for the purpose of command and control (C2) and asset visibility, by way of subordinate systems to authoritative sources within the Global Combat Support System (GCSS) Family of Systems (FoS). Exhibit 1 provides a high-level graphical view of the systems with which DMLSS interfaces and the data that is exchanged.

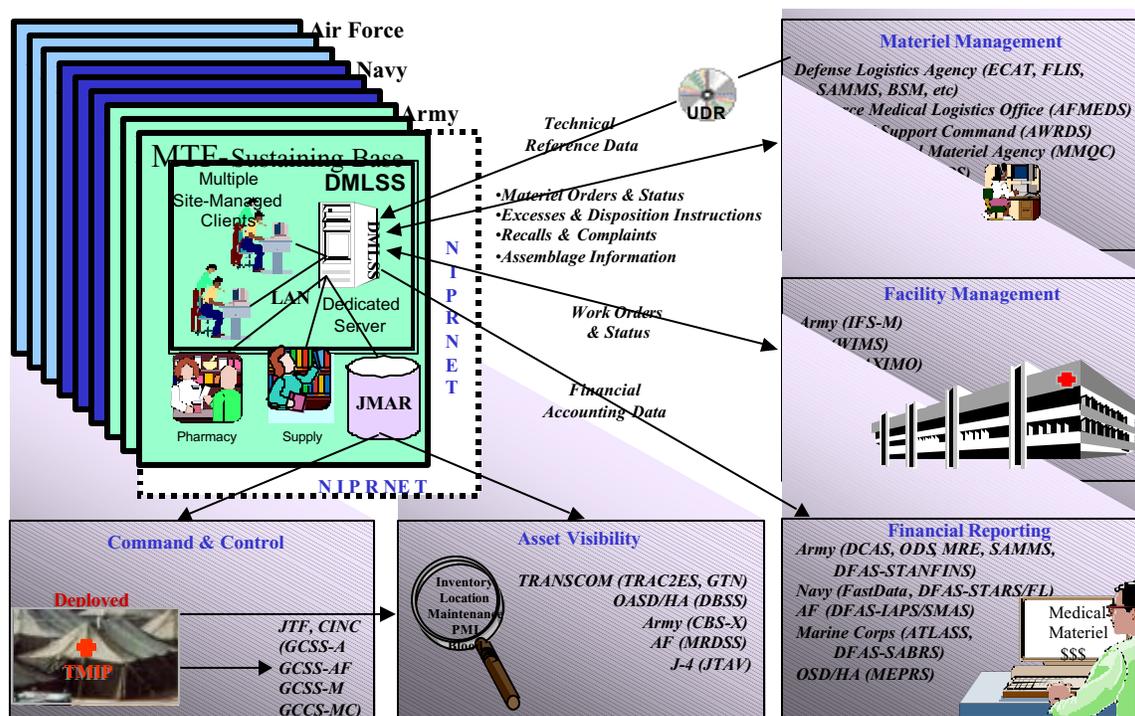


Exhibit 1: DMLSS Operational Architecture

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The following sections describe each of the major functional areas included in DMLSS:

Matériel Management

The DMLSS standardizes medical supply and equipment management practices, reducing infrastructure, overhead, and matériel costs. The DMLSS:

- Automates matériel management functions and capabilities to include: requisition, acquisition, procurement, shipment, receipt, storage, distribution, use, disposal of medical supplies, and equipment management;
- Provides decision support concerning the assessment, acquisition, and distribution of medical technology, incorporating cost/benefit analysis, lessons-learned databases, and product evaluations;
- Provides support that will allow equipment maintenance decisions based on economic life-cycle concepts (acquisition costs, depreciation, and so forth) and control of risks and liabilities; and
- Provides asset tracking capabilities, which will allow accurate inventories and better use of assets and data, resource sharing, improved training, optimum preventive maintenance, and improved equipment performance and availability.

Facilities Management

DMLSS provides automated information management capabilities to support the management of facility related business operations. DMLSS provides functional capabilities to:

- Track and manage facility real property inventory;
- Promote standard administrative procedures to streamline local operations; and
- Deliver information to decision makers concerning the allocation of resources for operations and maintenance, and alterations of medical facilities.

Financial Accounting

The DMLSS provides key interfaces with DoD finance communities. The DMLSS supports budgeting and accounting information management requirements associated with the management of matériel and facilities, as well as requirements to report financial information to higher authorities. The DMLSS:

- Allows customers to manage their authorized funding targets;
- Allows customers to track matériel and facilities management expenses; and
- Provides contract services documentation and management in support of MTFs and their customers.

Asset Visibility

All systems that interface with DMLSS pass unclassified information. The DMLSS in turn, transmits these data feeds to and stores it in the Joint Medical Asset Repository (JMAR) component of DMLSS in order to provide asset visibility to GCSS FoS authoritative sources. All data exchanged is unclassified. The JMAR addresses the in-process, in-storage, in-transit, and in-theater stages of total asset visibility.

- The in-process phase includes matériel being acquired from vendors, but not yet shipped, or being repaired at intermediate and depot-level organic or commercial maintenance facilities.
- The in-storage phase includes matériel being stored at retail and wholesale inventory sites.

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- The in-transit phase includes materiel assets shipped or moved from origin (such as units, vendors, storage activities, or maintenance facilities) to destination (such as units, storage activities, or maintenance facilities).
- The in-theater phase includes materiel stored, procured, maintained, and shipped within the geographical boundaries of a theater.

Command and Control (C2)

Fielding of DMLSS capability to support operational forces, Service Headquarters (HQ), Joint Task Forces, and CINCs will be accomplished by the Theater Medical Information Program (TMIP).

System Architecture Overview

DMLSS is a mature legacy system that is already deployed at 110 Medical Treatment Facilities (MTF) worldwide. Each installation consists of multiple clients communicating with one dedicated server.

DMLSS client software is loaded on workstations and accessed by users of the Services' base office automation workstations. The DMLSS client software is a conventional New Technology (NT)-based software application that is relatively independent of the hardware or software configuration of the host workstation. The workstation hardware is supplied and administered by the local site.

The DMLSS server software, on the other hand, is Unix- or NT-based and is not a conventional user-space application. It is a complete turnkey system including modifications and replacements for operating system components. The server component of the overall DMLSS client-server system requires a dedicated system unit to ensure stable operations and high performance of the client computers. The server is drop shipped from the factory and a DMLSS deployment team stages the server, carefully tuning it to provide optimal performance for the specific requirements of the DMLSS Informix database and customized web server. DMLSS server software is installed by way of a very specific "staging" process beginning with the initial operating system installation and definition of disk partitions.

DMLSS personnel provides all system administration support remotely at Falls Church, Virginia, and at Fort Detrick, Maryland.

Exhibit 2 graphically shows the networks and protocol used to transmit data between trading partners.

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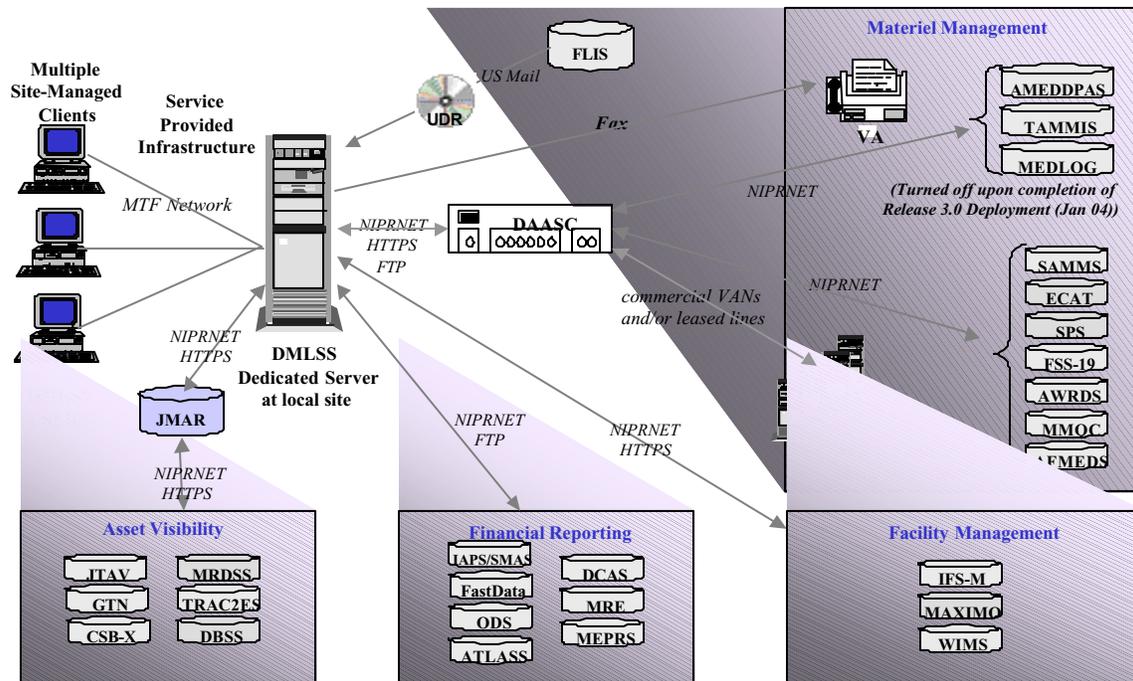


Exhibit 2: DMLSS Systems Architecture

Financial Interfaces

DMLSS reports commitments, obligations, and expenditures for medical supplies and equipment to the Air Force, Army, Navy, and Marine Corps finance and accounting personnel who in turn report to the DFAS. This information is passed in Electronic Commerce data format. DMLSS also reports the number of hours worked, funds expended, and equipment status to MTF business offices. In theater, finance and accounting data will be passed to DFAS and the Services by way of Theater Medical Information Program (TMIP). Exhibit 3 shows the detailed financial information exchange requirements (IERS) for DMLSS interfaces with financial systems.

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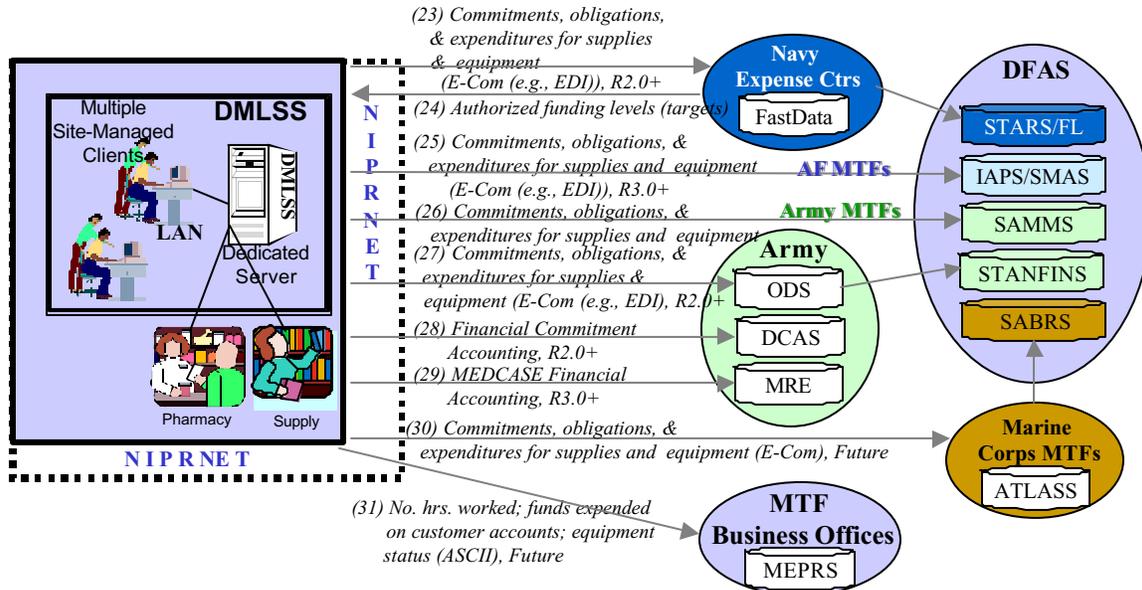


Exhibit 3: Finance & Accounting Operational Node Connectivity Description

Below is a full description of the IERs, corresponding to the IER numbers in the above diagram. These IERs were validated as part of the DMLSS Operational Requirements Document (ORD) by the Joint Requirements Oversight Council (JROC) on August 9, 2001.

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IER No.	Sending Node	Receiving Node	Output	Output Information Characterization	Data Type /Format	Release			
						2.0	3.0	3.01	Future
23	DMLSS	FastData (forwards to DFAS-STARS/FL)	Financial Information	Updates to commitments, obligations & expenditures for supplies & equipment	E-Com (e.g., EDI)	X	X	X	X
24	FastData (forwards to DFAS-STARS/FL)	DMLSS	Authorized Funding Levels	Target spending limits that have been approved by Navy MTF Expense Centers.	E-Com (e.g., EDI)	X	X	X	X
25	DMLSS	DFAS-IAPS/SMAS	Financial Information	Updates to commitments, obligations & expenditures for supplies & equipment	E-Com (e.g., EDI)		X	X	X
26	DMLSS	SAMMS (forwarded to DWWCF)	Financial Information	Stock Fund Accounting information on sales and on-hand inventory. SAMMS forwards this information to the Defense-Wide Working Capital Fund (DWWCF).	E-Com (e.g., EDI)		X	X	X
27	DMLSS	ODS (forwards to DFAS-STANFINS)	Financial Information	Updates to commitments, obligations & expenditures for supplies & equipment	E-Com (e.g., EDI)	X	X	X	X
28	DMLSS	DCAS	Financial Information	Financial Commitment Accounting	E-Com (e.g., EDI)	X	X	X	X
29	DMLSS	MRE	Financial Information	MEDCASE Financial Accounting	E-Com (e.g., EDI)		X	X	X
30	DMLSS	ATLASS (forwards to SABRS)	Financial Information	Updates to commitments, obligations & expenditures for supplies & equipment	E-Com (e.g., EDI)				X
31	DMLSS	MEPRS	Equipment Maintenance Info	Data about services performed on equipment. This information may include: no. hours worked; funds expended on customer accounts; equipment status.	Printed Report				X
32	DMLSS	ITDB	Financial Information	Aggregate finance and accounting data	E-Com (e.g., EDI)				X

Exhibit 4: Finance & Accounting Information Exchange Requirements (IERS)

TECHNICAL APPROACH

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The DFAS Guide

BearingPoint performed the compliance assessment of DMLSS against requirements included in the DFAS published, “*A Guide to Federal Requirements for Financial Management Systems*,” Version 3.0, currently referred to as “The DFAS Guide”. As noted in the Introduction, the DFAS Guide is a compilation of FFMRs from various sources including:

- Joint Financial Management Improvement Program (JFMIP);
- Federal Accounting Standards Advisory Board (FASAB);
- Office of Management and Budget (OMB);
- DoD Financial Management Requirements (DoD FMR); and the
- Treasury Financial Manual (TFM).

The DFAS Guide is a tool used by DoD managers in planning, designing, enhancing, modifying, and implementing financial management systems. The DFAS Guide is organized in 15 functional chapters as follows (Note: Bold chapters indicate chapters applicable to DMLSS):

Chapter 1	General Ledger
Chapter 2	Financial Reporting
Chapter 3	Property, Plant and Equipment
Chapter 4	Inventory, Operating Materials and Supplies, Stockpile Materials
Chapter 5	Revenue (Including Financing Sources) and Accounts Receivable
Chapter 6	Managerial Cost Accounting
Chapter 7	Human Resources and Payroll
Chapter 8	Funds Control and Budgetary Accounting
Chapter 9	Accounts Payable (Payment Management)
Chapter 10	Travel
Chapter 11	Direct Loans
Chapter 12	Guaranteed Loans
Chapter 13	Grants
Chapter 14	Audit Trails and System Controls
Chapter 15	Seized Assets

Attached are descriptions of those chapters that were reviewed as part of the compliance assessment for DMLSS.

Chapter 3 – Property, Plant and Equipment

Within DoD, the three military departments and assorted Defense agencies operate and maintain property accountability systems that track, maintain visibility, manage and report on DoD’s PP&E holdings. These property accountability systems, for the most part, maintain records that are used to prepare the general ledger balances for PP&E financial reporting. DMLSS is responsible for tracking, managing and reporting medical equipment related to mission operations.

Chapter 4 – Inventory, Operating Materials and Supplies, Stockpile Materials

The magnitude of the Department’s inventory holdings and their significance to financial management and program operations require stringent systems of accountability and control. Inventory systems must be an integral part of the DoD’s total financial management system. This chapter also addresses operating materials and supplies

TECHNICAL APPROACH

(OM&S) and stockpile items. DMLSS is used for purchasing, managing, tracking, and accounting for medical OM&S material related mission operations.

Chapter 8 – Funds Control and Budgetary Accounting

By law (31 U.S.C. 3512), each agency of the federal government is responsible for establishing and maintaining systems and internal controls that ensure that it does not obligate or disburse funds in excess of those appropriated and/or authorized by the Congress. DMLSS incorporates funds control functionality as part of the purchasing process used in DMLSS.

Chapter 9 - Accounts Payable (Payment Management)

Each federal agency is responsible for providing appropriate control over all payments made by it or on its behalf. OMB Circular A-125, “Prompt Pay,” specifies government policy for payments made by federal entities. Various systems in the DoD architecture perform functions relating to payments. As part of the purchasing process, DMLSS is used to verify, manage and account for those transactions that result in payments.

Chapter 14 - Audit Trails and System Controls

Financial management systems must be able to record and keep track of financial transactions and related information in order to provide a basis for central financial control. Audit trails – documentation of transactions from their inception to final disposition – are critical to providing support for transactions and account balances. Commensurate with adequate documentation for transactions are adequate systems controls and documentation. DMLSS maintains financial management data including transactions that must incorporate these requirements to ensure accurate, timely and reliable financial management data is reported to the standard accounting systems.

Assessment Methodology

BearingPoint utilized a multiple step methodology that has proved successful in prior system assessment engagements throughout the DoD. The methodology has continually been fine-tuned to incorporate the efficiencies gained during prior system compliance assessments. The following outlines and describes the steps performed as part of this compliance assessment.

Step 1 – System Orientation

BearingPoint participated in a system orientation that included a general system program overview and a more detailed introduction to each of the modules included in DMLSS. As part of this step, BearingPoint reviewed system documentation and information included on the DMLSS website (<http://www.tricare.osd.mil/dmlss>) to gain a better understanding of system’s business practices, processes and the environment in which the system operates. This knowledge was used to perform the analysis of each applicable FFMR as part of the compliance assessment.

Step 2 – Define the List of Applicable FFMRs

The DMLSS PMO performed a self-assessment that included a review of all the chapters of the DFAS Guide. The review was performed to determine which chapters and related FFMRs were applicable to DMLSS based on the functionality that is performed in the system. It is noted that this initial list of applicable FFMRs was not based on how the individual Services integrate DMLSS into their business processes or whether or not there is a system capable of receiving the data DMLSS is capable of passing. The initial list of FFMRs consisted of 210 FFMRs from Chapters 3,4,5,8,9 and 14 of the DFAS Guide.

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BearingPoint reviewed the initial list of FFMRs to verify their applicability to DMLSS and to help identify how each FFMR would be validated. In verifying the initial list, BearingPoint concluded that 19 FFMRs were considered not applicable based on our understanding of the system and on our experience with prior system assessments. The final list of applicable FFMRs consists of 191 FFMRs as follows:

DFAS Guide Chapter	# of Applicable FFMRs
Chapter 3 - Property, Plant and Equipment	20
Chapter 4 - Inventory, Operating Materials and Supplies, Stockpile Materials	93
Chapter 8 - Funds Control and Budgetary Accounting	32
Chapter 9 - Accounts Payable (Payment Management)	8
Chapter 14 - Audit Trails and System Controls	38
Total	191

The results related to these FFMRs are included in the *Assessment Results* and *FFMR Review* sections of this report.

Step 3 – Develop the Data Collection Plan

BearingPoint and the DMLSS PMO reviewed the final applicable list of FFMRs and identified the evidence that would be collected to support the compliance assessment for each applicable FFMR. For each FFMR, the following evidence documentation standards were used:

- The documentation must support an independent third party review (i.e. GAO, DoDIG, etc.).
- Documentation from other testing may be used as evidence for the FFMIA Compliance Assessment (as long as it represents final functionality as implemented).
- Documentation and supporting evidence may be reports from the system, screen prints, manuals, etc. However, the evidence must originate directly from the system.

The documentation evidence collected to support the compliance assessment was tested and gathered by the DMLSS PMO using many of the results of prior system testing already performed. For those FFMRs for which no existing documentation evidence existed, the DMLSS PMO executed applicable processes within the system to capture and document the functionality needed to validate all of the applicable FFMRs.

Step 4 – Develop the Data Package

Based on the documented evidence listed in the Data Collection Plan, the DMLSS PMO collected documentation evidence to validate each applicable FFMR. The evidence was mapped to each FFMR based on a common understanding of the system. The data package was provided to BearingPoint in Microsoft Office formats. The evidence is included in *Volume II, Compliance Assessment Workpapers*. These data packages were reviewed by BearingPoint to validate compliance for each applicable FFMR.

BearingPoint utilized the BearingPoint Compliance Assessment Database (BCAD) to manage and track all of the results and analysis related to reviewing the data packages.

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Step 5 – Evaluation of the Compliance Results

BearingPoint reviewed the data packages provided by the DMLSS PMO, as noted in Step 4, based on the following criteria:

- To ensure the test results are correctly mapped to the applicable DFAS Guide FFMRs.
- Reviewed the validity and completeness of the test documentation to be used in the determination of compliancy with each applicable FFMR.
- Reviewed and assessed the results to determine whether the output validates compliance with applicable FFMRs.
- Evaluated the DMLSS PMO's assertions on compliance and made a statement agreeing or disagreeing with their conclusions.

In some instances, BearingPoint worked with the DMLSS PMO to identify additional documentation to support the validation of certain FFMRs. The comments related to the review are included in the *FFMR Review* section of this report.

Step 6 – Prepare Compliance Assessment Report and Supporting Workpapers

Using BCAD, BearingPoint compiled all of the results of the compliance assessment into this report. Additionally, BearingPoint provided the DMLSS PMO with a full set of supporting workpapers that includes all of the documentation evidence used to support validation for each applicable FFMR.

Scope and Assumptions

The compliance assessment for DMLSS was performed with the following scope limitations and assumptions:

- The scope of this compliance assessment is limited to DMLSS as a stand-alone application. The assessment does not include an end-to-end business process evaluation. As such, the assessment does not evaluate how data is handled or used by other interfacing systems or through any type of data call. This assessment only covers how compliant DMLSS is in handling transactions and collecting data internal to the application with respect to the applicable FFMRs contained in the DFAS Guide.
- DMLSS is used by multiple DoD Services. Each Service is responsible for their own implementation of DMLSS and the policies and procedures that are used to operate and support the system. This assessment was focused on functionality that is designed in DMLSS regardless of how Service-unique policies impact its use.
- BearingPoint performed the system compliance assessment against baseline applicable FFMRs included in the DFAS Guide Version 3, which was issued June 2001. Any federal requirements not included in the DFAS Guide or those that were issued after DFAS Guide Version 3, were considered out of scope for this effort.
- The compliance assessment was based on system generated documentation evidence and discussions with system Subject Matter Experts. BearingPoint did not compile, execute, or generate any of the documentation evidence used to validate each applicable FFMR. With this understanding, BearingPoint does not make any assertion on the accuracy or performance of DMLSS in its current operating environment.

TECHNICAL APPROACH

- The documentation evidence was collected from an implementation of DMLSS operating in a test environment. It is assumed that the results and evidence collected is consistent with versions of DMLSS that are implemented in production environments by the various DoD Services.

ASSESSMENT RESULTS

ASSESSMENT RESULTS



ASSESSMENT RESULTS

The compliance assessment results for DMLSS are based on a review of system documentation, test evidence including screen prints and system reports, and discussions with DMLSS Subject Matter Experts, as detailed in the *Technical Approach* section of this report. The results and conclusions are based on the documentation evidence included in *Volume II – Compliance Assessment Workpapers*.

For each individual FFMR, the DMLSS PMO made an assertion as to whether DMLSS was compliant with the applicable FFMR. The assessment of each FFMR was reviewed and categorized by BearingPoint as follows:

Agree – Compliant – Based on the documentation provided and discussions with DMLSS SMEs, BearingPoint agreed with the DMLSS PMO as to the level of compliance for the applicable FFMR.

Disagree – Non-Compliant – Based on the documentation provided and discussions with DMLSS Subject Matter Experts, BearingPoint disagrees with the DMLSS PMO as to the level of compliance for the applicable FFMR.

Not Tested – Based on discussions with DMLSS Subject Matter Experts, these applicable FFMRs could not be tested or reviewed at this time.

A summary of the results is as follows:

DFAS Guide Chapter	Agree – Compliant	Disagree – Non-Compliant	Not Tested	Total
3 – Property, Plant and Equipment	20	0	0	20
4 – Inventory, Operating Materials and Supplies, Stockpile Materials	93	0	0	93
8 – Funds Control and Budgetary Accounting	32	0	0	32
9 – Accounts Payable (Payment Management)	8	0	0	8
14 – Audit Trails and System Controls	38	0	0	38
Total	191	0	0	191

The review of each individual FFMR can be found in the *FFMR Review* section of this report.

FFMR REVIEW

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FFMR #: 03.01.06

FFMR Description:

The property system must identify capitalization criteria and allow authorized users to revise the capitalization criteria, including changing dollar limits and the useful life of assets by asset category.

FFMR Reference: "DoDFMR", Volume 04, Chapter 06, 060103 A1D; JFMIP SR-00-4, 17

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z030106

z030423

FFMR Review:

Test output z030106 provides screen prints of the DMLSS equipment management and device code file. Authorized DMLSS users can establish capitalization criteria within the equipment management "Expense Equipment Ceiling" field. The expense equipment ceiling field identifies a dollar threshold that can be adjusted if necessary. Screen print evidence displays an authorized DMLSS user adjusting the capitalization threshold from \$100,000 to \$150,000. DMLSS users with read-only privileges cannot access the data fields contained in the equipment ceiling field. When unauthorized users view the equipment management module all the fields are locked and appear gray and command buttons are removed on the user screen.

In test output z030423, DMLSS displays the assets' useful life in the life expectancy field within the device code detail. Life expectancy is stated in years. The useful life of DMLSS managed assets are established by the armed services field office activities. Authorized DMLSS users are only allowed to add new device codes. Field office activities are authorized to make changes to the life expectancy of asset categories. Test output z030106 and z030423 provide evidence of the device code data fields.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 03.01.07

FFMR Description:

The property system must provide balances or detailed data to the general ledger property account and related accounts.

FFMR Reference: "DoDFMR," Volume 01, Chapter 02, 020206A

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z030107

FFMR Review:

Test output for z030107 provides the equipment transaction history for document #2E524512604586. Using the DMLSS inventory management module the DMLSS user can view detailed data affecting property balances and related general ledger accounts as a result of document #2E524512604586. The document detail provides transaction reason, equipment item, custodian name, acquisition cost, date of acquisition and associated due-in and due-out document numbers. DMLSS transmits the details of the equipment transactions to the standard accounting system to update the general ledger accounts.

DMLSS generates equipment reports (e.g. capital equipment depreciation reports and DFAS Sales Report) that allow users to view the data provided to the standard accounting system. DMLSS reports capture information relating to Project Center, Expense Center, Transaction code, Document and Item ID number, Item description, DFAS Transaction Date, Fiscal Year, StratificationType and Code, Quantity, Unit of Price, Unit of Sale, and total value.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 03.01.11

FFMR Description:

The property system should record the acquisition of a General PP&E asset with a dollar value supported by appropriate documentation.

FFMR Reference: "DoDFMR," Volume 04, Chapter 06, 060104B, 060106A3

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z030111

z030107

FFMR Review:

Test output for z030107 provides the equipment transaction history for document #2E524512604586. Using the DMLSS inventory management module the DMLSS users can view detailed data affecting property balances and related general ledger accounts as a result of document #2E524512604586. The document detail provides transaction reason, equipment item, custodian name, acquisition cost, date of acquisition and associated due-in and due-out document numbers. DMLSS transmits the details of the equipment transactions to the standard accounting system to update the general ledger accounts.

Test output for z030111 provides screen print evidence of DMLSS recording an equipment issue gain captured under document number #2L543411804324. The DMLSS inventory management module allows users to review the detail of transactions resulting in property gains and losses. Document number #2L543411804324 provides details of the asset transaction including the item, quantity, unit of sale price, and total acquisition cost of the inventory gain issued to customer 2L5434.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 03.02.01

FFMR Description:

The property system must record all General PP&E assets as follows: The acquisition cost and other costs necessary to bring the asset to an operable condition are capitalized if the total cost equals or exceeds the Department's capitalization threshold and the asset has an estimated useful life of two or more years. If the acquisition costs, including other costs necessary to bring the asset to an operable condition, do not equal or exceed the DoD capitalization threshold, the costs are expensed in the period incurred.

FFMR Reference: SFFAS-6, 26; "DoDFMR," Volume 04, Chapter 06, 060104A

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z030201

z030106

FFMR Review:

Test output z030201 provides documentation to support DMLSS properly recording all general PP&E assets. The DMLSS acquisition cost change menu is used to adjust the total acquisition cost by properly accounting for the asset purchase price and all other costs (i.e. discounts, trade-ins, transportation costs, installation costs, other costs, and upgrades). The screen print evidence displays the DMLSS user selecting equipment control number 031254 to record changes to the acquisition value of an asset. DMLSS records the transaction for changes to the acquisition cost based on the difference between the old acquisition cost and the new acquisition cost.

Test output z030106 provides evidence of a DMLSS user establishing capitalization thresholds for PP&E. The DMLSS Subject Matter Expert explained that a computer program determines depreciation and the calculation results are viewable through the monthly depreciation report (see FFMR 03.01.07).

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 03.02.02

FFMR Description:

The property system must generate the journal entries, or the data required for the journal entries, to record the acquisition of PP&E when title passes or when the asset is delivered, whichever occurs first.

FFMR Reference: "DoDFMR," Volume 04, Chapter 06, 060105A2A

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z030202

FFMR Review:

DMLSS is not the standard accounting system and therefore does not generate journal entries. However, DMLSS is capable of providing detailed data to standard accounting system required for PP&E journal entries. Test output z030202 includes examples of transaction history detail related to acquisition of PP&E. The transaction detail includes transaction date, item ID, amount, quantity, unit price, customer and various other data fields required for journal entries. This information is sent to the standard accounting system for recording the related journal entries.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 03.02.06

FFMR Description:

The property system must record the cost for General PP&E transferred from another DoD Component or federal agency at the amount recorded on the transferring entity's books for the PP&E, NET of any accumulated depreciation. If the receiving DoD Component cannot reasonably ascertain those amounts, the cost of the asset shall be its fair value at the time of transfer.

FFMR Reference: SFFAS-6, 31; "DoDFMR", Volume 04, Chapter 06, 060202C7

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z030206

z030207

FFMR Review:

Test output for z030206 provides evidence of DMLSS recording a transaction for an equipment gain and loss between 2 DoD component agencies. The DMLSS approval/acquisition form contains fields for equipment control number acquisition cost, accumulated depreciation and CFO asset classification. The DMLSS equipment management gain and loss form provides data fields to capture information for the reason for transaction, acquisition date, acquisition cost and accumulated depreciation. The DMLSS acquisition cost field can be used to record the fair value of the asset at the time of transfer.

Test output for z030207 provides screen print evidence of an equipment acquisition for organization ID W45MXE from a public entity under contract SP0200-02-W-QA2. The acquisition cost field can be used to record the fair value of the asset at the time of the exchange. The DMLSS acquisition cost change form can be used to adjust the value of equipment costs if authorized.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 03.02.07

FFMR Description:

The cost of general PP&E acquired through exchange shall be the fair value of the PP&E surrendered at the time of exchange. This guidance on exchanges applies only to exchanges between a DoD Component and a nonfederal entity. Exchanges between a DoD Component and another DoD component or federal agency shall be accounted for as a transfer.

FFMR Reference: SFFAS-6, 32; "DoDFMR," Volume 04, Chapter 06, 060202C4

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z030207

z030206

FFMR Review:

Test output for z030207 provides screen print evidence of an equipment acquisition for organization ID W45MXE from a public entity under contract SP0200-02-W-QA2. The acquisition cost field can be used to record the fair value of the asset at the time of the exchange. The DMLSS acquisition cost change form can be used to adjust the value of equipment costs if authorized.

Test output z030206 provides evidence of exchanges between DoD components. DMLSS contains an equipment transfer form or transfers can be recorded as inventory gains and losses between organizations.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 03.02.09

FFMR Description:

The property system must record PP&E when the title passes to the acquiring entity or when the PP&E is delivered to the entity or to an agent of the entity. In the case of constructed PP&E, it shall be recorded as construction in progress until it is completed and available for use, whether or not actually placed in use at that time. The balance shall be transferred to General PP&E at this time. The available for use date is NOT dependent on whether the building has been officially transferred, or whether final payment has been made and the contract closed out.

FFMR Reference: SFFAS-6, 34; "DoDFMR," Volume 04, Chapter 06, 060105A2B

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z030209

FFMR Review:

Per review of test output z030209, the DMLSS inventory management module contains a form to record due-in and due-out inventory items. The due-in form contains field to capture information for item ID and description, quantity, price, date of order and document number. Upon delivery and/or receipt of the PP&E DMLSS processes the receipt of goods. The user must confirm the quantity and condition or state of the goods when title or goods are received.

DMLSS does not manage or record constructed PP&E due to the nature of the medical supplies and medical equipment.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 03.03.01

FFMR Description:

The property system should identify that the cost of an improvement to be capitalized when the costs of the improvement increase the General PP&E asset's capacity, size, efficiency, or useful life. Additionally, the cost of the improvement must equal or exceed the capitalization threshold, regardless of funding source.

FFMR Reference: "DoDFMR," Volume 04, Chapter 06, 060205A; JFMIP SR-00-4, 16

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z030301

z030106

z030428

FFMR Review:

Per review of test output z030301 and z030428, the DMLSS equipment management module allows users to identify equipment item ID (e.g. 652501C721103AA CT Scanner system) for modification or upgrade. A DMLSS user places a purchase request for a General PP&E asset upgrade (i.e. patent transfer to increase useful life of the asset) at a cost of \$119,000. The cost of the improvement is recorded in the acquisition cost field. The upgrade is recorded in DMLSS as a gain transaction and it increases the value of the system to 12 years and the system acquisition cost to \$1,262,720.07.

Test output z030106 provides screen prints of the DMLSS equipment management and device code file. Authorized DMLSS users can establish capitalization criteria within the equipment management "Expense Equipment Ceiling" field. The useful life of DMLSS managed assets are established by the military services' field office activities. A computer program determines inventory depreciation or expense and the calculation results are viewable through the monthly depreciation report.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 03.03.06

FFMR Description:

The property system must capitalize applicable improvements separately from the General PP&E asset improved and capture the date of the improvement.

FFMR Reference: "DoDFMR," Volume 04, Chapter 06, 060205A; JFMIP SR-00-4, 19

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z030306

z030301

z030428

FFMR Review:

Test output z030301, z030306 and z030428 show how DMLSS processes asset improvements within the equipment management' module. Screen print examples display modified or upgraded medical systems (i.e. Item ID-652501C721103AA). The DMLSS user processed a purchase request for a PP&E asset component upgrade with an acquisition cost of \$119,000 and date of 11/8/2002. The upgrade is added to the Item ID with as a separate equipment control number and item ID. DMLSS capitalizes applicable improvements based upon the established capitalization criteria within the equipment management "Expense Equipment Ceiling" field and the asset's useful life.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 03.03.09

FFMR Description:

The property system should capture the acquisition cost of individual items acquired through bulk purchase, when required by agency policy.

FFMR Reference: JFMIP SR-00-4, 19

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z030309

z040418

FFMR Review:

The DMLSS inventory management module contains catalog tabs with data fields capturing the acquisition costs of inventory items. The DMLSS logistics catalog tab contains information on inventory item balances, ordering and issuing information. Some inventory items are acquired through bulk purchase. When bulk purchases occur, DMLSS captures the unit of purchase and unit of sale information. Test output z040418 provides evidence of DMLSS purchasing an item ID quantity of 1 @ \$233.01. The unit of purchase contains 64 bags, therefore the unit of sale is 1 bag @ \$3.65.

Test output z030309 displays the purchase of 2 warmer/radiant items for \$1,996.00 (\$998.00 each). DMLSS assigns equipment control numbers for each item purchased in bulk.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 03.04.02

FFMR Description:

The property system must be able to record the estimated useful life of an asset for depreciation purposes based on the DoD standard recovery period.

FFMR Reference: "DoDFMR," Volume 04, Chapter 06, 060206F, J; JFMIP SR-00-4, 17

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z030402

z030107

FFMR Review:

Test output z030402 screen print #1 shows the user navigating to the 'Equipment Maintenance' and clicking on Device and selecting a device name (e.g. Anesthesia Unit). Based on the selected device name the system will return the detail items from device table. In the device detail screen the life expectancy of the assets (i.e. estimated useful life) is shown.

The depreciation recovery period for Medical Items is dictated in DoD Guidance as 5 years. DMLSS does calculate the current depreciation amount. Per review of test output z030107, this amount is embedded in the computer program that calculates, depreciation that is not changeable at the local level. Thus, it cannot be viewed on the screen, but can be demonstrated by DMLSS Monthly Capital Equipment Depreciation Report. This report will show acquisition cost, current depreciation and accumulated depreciation on items that meet the reporting criteria for recording general PP&E asset. To ensure that items are being depreciated in accordance with DoD FMR standards, BearingPoint referred to the Monthly Capital Equipment Depreciation Report provided in test output z030107. The report displays equipment being depreciated over 60 months/5years (i.e. Equipment - Laser Excimer, Acquisition cost \$886K/60=\$14,767 monthly).

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 03.04.22

FFMR Description:

For working capital funds, the property system should generate a journal entry or data for a journal entry for the "other financing source" that equals the amounts of depreciation on donated assets.

FFMR Reference: "DoDFMR," Volume 11B, Chapter 58, 10

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z030202

z030107

FFMR Review:

DMLSS is not a standard accounting system and therefore does not generate journal entries. However, DMLSS is capable of providing the data to the standard accounting systems to record the acquisition of PP&E. Test output z030202 includes examples of transaction history detail related to acquisition of PP&E. The transaction detail includes date, document number, item description, amount, and other various data that can be used to support the recording of the journal entries by the standard accounting system. Test output z030107 includes an additional example of equipment transaction history details and monthly capital equipment depreciation report that includes acquisition costs and depreciation amounts that are used to support journal entries related to recording acquisition of donated PP&E. Additionally, test output z030107 includes examples of a capital asset balance report that includes general PP&E consolidated total for acquisition cost and accumulated depreciation.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 03.04.23

FFMR Description:

The property system must allow authorized users system access to change the estimated useful life of an asset, the depreciation method, and the estimated salvage value, and make adjustments to PP&E asset and contra-asset accounts on an exception basis.

FFMR Reference: JFMIP SR-00-4, 17

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z030423

z030106

FFMR Review:

Per test output z030106, authorized DMLSS users can establish capitalization criteria within the equipment management "Expense Equipment Ceiling" field. The expense equipment ceiling field identifies a dollar threshold that can be adjusted if necessary. Screen print evidence displays an authorized DMLSS user adjusting the capitalization threshold from \$100,000 to \$150,000. DMLSS users with read-only privileges cannot access the data fields contained in the equipment ceiling field. When unauthorized users view the equipment management module all the fields are locked and appear gray and command buttons are removed on the user screen.

In test output z030423, DMLSS displays the asset's useful life in the life expectancy field within the device code detail. Life expectancy is stated in years. The useful life of DMLSS managed assets are established by the military services field office activities. Authorized DMLSS users are only allowed to add new device codes. Field office activities are authorized to make changes to the life expectancy of asset categories. Test output z030106 and z030423 provide evidence of the device code data fields.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 03.04.28

FFMR Description:

The property system must depreciate applicable improvements separately from the General PP&E asset improved and capture the date of the improvement. Improvements shall be depreciated over the standard recovery periods provided in Table 6-7 of Chapter 06. Improvements that do not increase an asset's capacity, size, efficiency, or useful life, regardless of the cost of the improvement, shall be expensed.

FFMR Reference: "DoDFMR," Volume 04, Chapter 06, 060205A; JFMIP SR-00-4, 19

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z030428

z030306

z030301

FFMR Review:

Test output z030301, 030306 and z030428 show a user navigating to 'Equipment Management' (EM) module to determine the item that could be modified or upgraded (e.g. Item ID- 652501C721103AA). Subsequently, there was a request for a purchase of a General PP&E asset for an upgrade that cost \$119,000 per screen print #3. Fields listed on that screen included gain information and equipment control number List information. The ECN List fields consisted of the following: Customer, Commodity Class, Manufacturer, Division, Common Model, Serial Number, Acquisition Date and Cost, Accumulated Depreciation and Nameplate Mdl fields.

Screen print # 4 shows the system returning the information on the item that was gained that is item number '6525L2990000'. This functionality can be conducted by entering the ID# for the newly acquired item. Screen print #5 shows the item being listed as a separate equipment record for each equipment item purchased for the CT Scanner system, and the item will depreciate at the individual item level for the cost incurred. The field title 'Total System Acquisition Cost' which can be viewed on screen print #5 now shows a '\$' dollar value of \$1,262,720 as oppose to the acquisition cost '\$' dollar value being \$1,143,720 (see screen print #3).

Computation: $\$1,143,720 + \$119,000 = \$1,262,720$

Screen print #4 shows that the system builds a separate equipment record for each equipment item purchased in the system and records the 'Acquisition Date' as the date the equipment is received and issued. DMLSS also shows the Life Expectancy (useful life) changing from 10 to 12 years in screen prints #3 and #5.

Meanwhile, the cost of the improvement PP&E must equal or exceed the capitalization threshold, regardless of the funding source. As mention the DMLSS system is programmed to capitalize all General PP&E assets that exceed the capitalization threshold.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 03.05.07

FFMR Description:

The property system must remove general PP&E assets from the asset accounts along with associated accumulated depreciation/amortization in the period of disposal, retirement, or removal from service. Any difference between the net book value of the PP&E and amounts realized must be recognized as a gain or a loss in the period that the general PP&E is disposed of, retired, or removed from service.

FFMR Reference: SFFAS-6, 38; "DoDFMR," Volume 04, Chapter 06, 060206L1, 2, 3;JFMIP SR-00-4, 17

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z030507

FFMR Review:

Test output z030507 shows this functionality by navigating to the 'Equipment Management Module' - Equipment screen. Then the user must select a 'TURN-IN TO DRMO' item and retrieve the detail of this item by document number. When the 'Equipment Transaction History Detail' screen appears and the Item ID for equipment control number (ECN) # '018750' was selected. All the detail information appears on this equipment. Some of the data fields included:

Transaction Reason,
Manufacturer,
Mfr. Division,
Name of Asset (Nomenclature),
Model, Serial Number,
Custodian Name,
Acquisition Price and Date,
Receiving Agency, and
Accumulation Depreciation

A search was performed on the same equipment item number to insure that the equipment item was removed based from the accountable records for ECN (e.g. 18750) which was entered into the DMLSS system. System results shows the validation message stating, "NO RECORDS FOUND" via pop up screen. Upon completion, DMLSS records this transaction as an 'Inventory Loss' on the next reporting cycle of the DMLSS Capital Equipment Gain and Loss Report. This report has fields such as: Transfer to/from agency, Name of assets, ECN number, Document No./Serial No., Transaction Reason, Asset Class, Accumulated Depreciation, and Acquisition Cost.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 03.06.15

FFMR Description:

The property system should provide the capability to forecast or schedule maintenance requirements for future periods.

FFMR Reference: JFMIP SR-00-4, 19

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z030615

FFMR Review:

In reviewing test output for z030615 DMLSS showed a 'Detailed Schedule Workload by Customer' screen, which is forecasted in the increments of 12 months. This schedule maintenance screen shows the scheduled maintenance for the next twelve months beginning from December 2002 to November 2003. DMLSS shows that in the 'Maintenance Plan Detail' (Read Only) screen that the maintenance schedules for equipment are contained in the maintenance plan module. Once the equipment is received the maintenance intervals for that equipment is determined. The schedule 'Maintenance Types' consist of: Inspection, Preventive Maintenance, Calibration and Scheduled Parts Replacement. Also, the user has the capability of entering the Date Due under the 'Maintenance Data' tab. This screen shows the Interval of 12 which is gray however the date can be entered in by user in the Date Due field.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 03.07.04

FFMR Description:

The property system must not capitalize any of the costs for heritage assets acquired through donation or devise. The assets' fair market values, if known and material, shall be disclosed in notes to the Statement of Net Cost in the year received. If the fair market value is not known or cannot be reasonably estimated, information related to the type and quantity of the assets received shall be disclosed.

FFMR Reference: SFFAS-6, 61; "DoDFMR," Volume 04, Chapter 06, 060304B5

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z030704

z030810

FFMR Review:

Test output z030704 and z030810 show that DMLSS maintains a classification for Heritage Asset that is identified in the "CFO Asset Classification" field by a way of navigating to the Equipment Management Module/ Equipment Detail (for ECN 0G0611) screen.

Heritage assets are maintained and reported in DMLSS in the same way as other assets. If you click on the drop down menu box field for CFO Asset Classification assets can be identified as follows:

- General
- Heritage
- Multi-Use Heritage
- National Defense
- Stewardship

Heritage assets are not depreciated. They can be shipped to other organizations. DMLSS tracks where the item originated from, procurement, another organization, etc and the document number assigned at the time of accountability. The example shown for this FFMR was the United States Flag.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 03.08.10

FFMR Description:

The cost of heritage assets transferred from another Federal entity shall be the book value of the asset recorded on the transferring entity's books. An entity that receives heritage assets, by transfer from another Federal entity where the book value of the assets is not known, or through donation, shall disclose the market value, if known and material, in the notes to the Statement of Net Costs.

FFMR Reference: SFFAS-6, 61; "DoDFMR," Volume 6B, Chapter 14, Table 14-6

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z030810

z030704

FFMR Review:

Test output z030704 and z030810 show that DMLSS maintains a classification for Heritage Asset that is identified in the 'CFO Asset Classification' field by a way of navigating to the Equipment Management Module/ Equipment Detail (for ECN 0G0611) screen.

Heritage assets are maintained and reported in DMLSS in the same way as other assets. If you click on the drop down menu box field for CFO Asset Classification assets can be identified as follows:

- General
- Heritage
- Multi-Use Heritage
- National Defense
- Stewardship

Heritage assets are not depreciated. They can be shipped to other organizations. DMLSS tracks where the item originated from, procurement, another organization, etc and the document number assigned at the time of accountability. The example shown for this FFMR was the United States Flag.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 03.08.35

FFMR Description:

An entity shall report National Defense PP&E using either the total cost or the latest acquisition cost method.

FFMR Reference: SFFAS-8, Chapter 3; "DoDFMR," Volume 6B, Chapter 11, 1102

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z030835

z030704

FFMR Review:

National Defense assets are maintained and report in DMLSS in the same way as other assets. Test output z030704 provides the drop down menu box field for CFO Asset Classification assets as follows:

General
Heritage
Multi-Use Heritage
National Defense
Stewardship

Test output z030835 shows how DMLSS allows the user to use the latest acquisition cost or the total cost method that states the current value and the adjusted value (e.g. \$146,213) under the Acquisition Cost Change screen.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.01.01

FFMR Description:

The system must categorize inventory, as defined in SFFAS 3, Paragraph 17, as (1) inventory held for sale, (2) inventory held in reserve, (3) excess, obsolete, or unserviceable inventory, or (4) inventory held for repair. (Note: DoD FMR 11B identifies a fifth category - (5) inventory in transit.) -(This guidance may be subject to modification. Contact OUSD(C) Accounting Policy at 703.697.3200.)

FFMR Reference: SFFAS-3, 18; FFMSR-7, 22

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040101

FFMR Review:

Test output z040101, screen print #1, shows the user logging onto the DMLSS system. Screen print #2 shows the user navigating to the System Services Module and selecting TMU, which shows the table listing the 'Stratification Type Code' via the drop down menu. Three (3) categories of DMLSS inventory have been defined below:

- (1) Operating (OPR)
- (2) Special Projects (SP)
- (3) War Reserve Material (WRM)

DMLSS defines their inventory as follows: Operating is defined as the economic retention stock and excess stock; Special Projects is defined as inventory for a specific purpose; and War Reserve Material as items used for wartime use. Inventory in DMLSS is further categorized by 'Stratification State Code' (screen print #3), which shows a table listing as follows:

- (1) FDA Test- FDA
- (2) Repairable - REP
- (3) Serviceable-SER
- (4) Suspended-SUS
- (5) Unserviceable-UNS

Most of the 'Stratification State Code' listed above are self-explanatory. The FDA Test is defined as inventory that has expired drugs that are being tested by the FDA for possible extension of the potency period. DMLSS has field areas for inventory, including Due-in and Due-out, which has been shown within screen print #5.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.01.02

FFMR Description:

The system must record inventory when title passes or when the goods are delivered to the purchasing entity.

FFMR Reference: SFFAS-3, 19; "DoDFMR," Volume 11B, Chapter 55, 55-8,G.2

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040102

z040103

FFMR Review:

DMLSS is not the standard accounting system and therefore does not generate journal entries. Test output z040102 includes examples of receipt transactions and receipt reports identified by transaction code "RND" for Receipts Not Due-in. Additionally, test output z040103 includes multiple examples of receipt transactions as indicated by transaction code "RRD". These samples include multiple data elements including date, item description, document number, value and other data that is used to record the acquisition of inventory once it is sent to the standard accounting system.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.01.03

FFMR Description:

The system must record expenses related to the sale of inventory or its use in the provision of a service. It must also remove the cost of those goods from inventory.

FFMR Reference: SFFAS-3, 19; "DoDFMR," Volume 11B, Chapter 55, 55-8, G.2

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040103

FFMR Review:

Test output z040103 shows a DMLSS user is selecting a receipt from the list of 'Returned Receipt Transactions' of the Inventory Management/Transaction History module screen. Screen print #3 shows the 'DFAS Receipts Report', which allows the system user to process a filter. Since DMLSS is a feeder system, these transactions are transmitted to the applicable standard accounting system for financial reporting. Therefore, the functionality for reducing the cost of goods for inventory is not handled in DMLSS, but within the standard accounting system. DMLSS maintains an Interface Log report, electronic data interchange (EDI) 861F, which is used to show the interface with the standard accounting system and generate transactions for the Trial Balance General Ledger. For example, GLAC 200 represents an increase to Account Payable.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.01.04

FFMR Description:

The system must maintain separate accounts to identify transactions that result in inventory gains, losses, and adjustments. (This guidance may be subject to modification. Contact OUSD(C) Accounting Policy at 703.697.3200.)

FFMR Reference: "DoDFMR," Volume 11B, Chapter 55-4, E.4

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040104

FFMR Review:

Per test output z040104, the system is capable of identifying inventory gains, losses and adjustments by separate accounts. Screen print #2 shows inventory transactions being identified as a 'Gain.' The test output includes miscellaneous "gain" transactions that can be processed by DMLSS as listed below:

- Inventory Adjustment Gain;
- In shipment Gain;
- Individual/Component Gain;
- End/Kit Item Gain;
- Found on Installation; and
- Donated Item Gain.

Screen print #3 shows inventory transactions that have been identified, within the DMLSS system, as a 'Loss'. The following items further detail the reason for the loss identified within the DMLSS system.

- Outshipment To DRMO
- Inventory Adjustment Loss
- Outshipment Loss
- Return to Source of Supply
- Individual/Component Loss
- End/Kit Item Loss

Once transactions have been entered and processed, within DMLSS, these transactions are then transmitted to the standard accounting system using the Electronic Data Interchange (EDI) 846. DMLSS details the inventory balance within the ARC and STRAT Report. This report combines transactions with Stratification Type and State Code Balance, etc. The balance list includes the dollar value of inventory and the receipts, issues, and the miscellaneous gains and losses in order to provide an ending inventory dollar value. These dollar amounts can be mapped to a 'XX' trial Balance and can be used as a reconciliation tool.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.01.05

FFMR Description:

The system must value inventory at either historical cost or latest acquisition cost. (This guidance may be subject to modification. Contact OUSD(C) Accounting Policy at 703.697.3200.)

FFMR Reference: SFFAS-3, 20; "DoDFMR," Volume 11B, Chapter 55, 55-7, G.1

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040105

FFMR Review:

Test output z040105 displays DMLSS catalog data. This information can be found within the Inventory Management module (MTF Catalog) tab. Screen print #3 displays the Customer Catalog tab, which displays all the customers who have a specific item, which has been selected by the system user. This tab shows the following data: Item ID#, Type Item ID, Short Item Description, Customer #, Item Description, Source of Supply (SOS), Unit of Purchase (Bag), Quantity in Unit of Purchase (1), Unit of Purchase Price (\$3.65) and Unit of Sale (Bag). Screen print #4 displays the sources of supply for a particular Item ID#. This tab contains the Item ID, type, short description, SOS code, Unit of Purchase, Quantity, Price, Delivery Method, Vendor Item Number and other information pertaining to the item identified by the system user. Screen print #5 shows the detail within the LOG Cat tab. This tab displays Inventory Balances, Ordering and Issuing Information. This Unit of Sale price is adjusted when a receipt is processed and the vendor decides to change the price.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.01.11

FFMR Description:

When using the latest acquisition cost method the system must provide the last invoice price and apply it to all like units held, including those units acquired through donation or no monetary exchange. (This guidance may be subject to modification. Contact OUSD(C) Accounting Policy at 703.697.3200.)

FFMR Reference: SFFAS-3, 23; "DoDFMR," Volume 11B, Chapter 55, 55-10, H.2

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040111

z040112

FFMR Review:

Per test output z040111 and z040112, the screen prints show the user navigating to the Inventory Management module LOG cat tab. This tab shows the current status of the Item Id#, Balances, Ordering, Conversion Issuing, and Location Information. Screen print #3 shows the Detail screen of the quantity (3) being reduced below the reorder point. Screen print #4 shows the 'Status Price' being change from \$233.01 to \$235.52. The status tab consist of the following fields:

- Transaction date (15 Nov 2002 07:39:15);
- Quantity (3);
- Unit of Purchase (Package);
- Unit of Purchase Price (235.52); and
- Date Posted (15 Nov 2002), etc.

Screen print #5 shows the user retrieving the record Item ID # with the 'Unit of Purchase Price' at \$233.01. Screen print #6 shows the user navigating to the 'Inventory Management Receipt's search process receipt tab. This search process is based on the user input of the appropriate data in the specified fields. The following fields that require entry are: receipt quantity (3), cancel quantity (0), status price (235.52), whether the item is processed, local contract, etc. This screen displays the item being received at the status price. Screen print #7 shows the same item ID record with the new revalue inventory price based on the new latest purchase price (e.g. Unit of Purchase Price: \$235.52/Unit of Sale Price: \$3.68 vs. \$233.01/\$3.65. Screen print #8 shows the Transaction History for all the above transactions. Transaction Type PDI represents the change in the 'Status Price' as opposed to transaction type "RRD" receipt of the item, which represents transactions that cause the value of inventory on hand to be revalued.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.01.12

FFMR Description:

When using the latest acquisition cost method the system must revalue the inventory periodically, but at least once by the end of each fiscal year. It must then adjust for unrealized holding gains/losses. (This guidance may be subject to modification. Contact OUSD(C) Accounting Policy at 703.697.3200.)

FFMR Reference: SFFAS-3, 23

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040112

z040116

FFMR Review:

In test output z040112 and z040116, the user is navigating to the Inventory Management module LOG cat tab. This tab shows the current status of the Item Id#, Balances, Ordering, Conversion Issuing and Location Information. Screen print #3 shows the Detail screen of the quantity (3) being reduced below the reorder point. Screen print #4 shows the 'Status Price' being change from \$233.01 to \$235.52. The status tab consist of the following fields:

- Transaction date (15 Nov 2002 07:39:15);
- Quantity (3);
- Unit of Purchase (Package);
- Unit of Purchase Price (235.52); and
- Date Posted (15 Nov 2002), etc.

Screen print #5 shows the user retrieving the same record Item ID # showing the 'Unit of Purchase Price' at \$233.01. Screen print #6 shows the user navigating to the 'Inventory Management Receipt's search process receipt tab. This shows that the item will be received at the status price. The user must enter the appropriate data in the specified fields so the receipt can be processed. The fields that require for entry are Receipt Quantity (3), Cancel Quantity (0), Status Price (235.52) whether the item has been processed, Local Contract, etc. This screen displays the item being received at the status price. Screen print #7 shows the same Item ID record with the new revalue inventory price based on the latest purchase price (e.g. Unit of Purchase Price: \$235.52/Unit of Sale Price: \$3.68 vs. \$233.01/\$3.65). Screen print #8 shows the Transaction History for all the above transactions. Transaction Type "PDI" represents the Change in the 'Status Price' as opposed to transaction type "RRD" which represents transactions that cause the value of inventory on hand to be revalued.

In DMLSS, inventory items are valued at the LAC including items held in reserve (economic retention), which are maintained as part of the Operating Inventory and Excess. Unrealized gains/losses are not included in the unit of purchase or the unit of Sale unit cost, but are adjusted yearly and are included in the surcharge percentage. This surcharge is determined by the 'Revolving Fund Manager' and is constant for all Service Divisions.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.01.16

FFMR Description:

The system must value inventory held in reserve for future sale using the same basis (historical cost, latest acquisition cost, or net realizable value when appropriate) as inventory held for sale in normal operations.

FFMR Reference: SFFAS-3, 27; "DoDFMR," Volume 11B, Chapter 55, 55-13, H3.a

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040116

FFMR Review:

Test output z040116 screen print #2 shows the user navigating to the Inventory Management module LOG cat tab. This tab shows the current status of the Item Id#, Balances, Ordering, Conversion Issuing, and Location Information. Screen print #3 shows the Detail screen of the quantity (3) being reduced below the reorder point. Screen print #4 shows the 'Status Price' being change from \$233.01 to \$235.52. The status tab consist of the following fields:

- Transaction date (15 Nov 2002 07:39:15);
- Quantity (3);
- Unit of Purchase (Package);
- Unit of Purchase Price (235.52); and
- Date Posted (15 Nov 2002), etc.

Screen print #5 shows the user retrieving the same record Item ID # showing the 'Unit of Purchase Price' at 233.01. Screen print #6 shows the user navigating to the 'Inventory Management Receipt's search process receipt tab. This shows that the item will be received at the status price. The user is required to enter the appropriate data in the specified fields so the receipt can be processed. The following fields that require for entry are: Receipt Quantity (3), Cancel Quantity (0), Status Price (235.52), whether the item has been processed, Local Contract, etc. This screen displays the item being received at the status price. Screen print #7 shows the same Item ID record with the new revalue inventory price based on the new latest purchase price (e.g. Unit of Purchase Price: \$235.52/Unit of Sale Price: \$3.68 vs. \$233.01/\$3.65). Screen print #8 shows the Transaction History for all the above transactions. Transaction Type "PDI" represents the Change in the 'Status Price' as opposed to transaction type "RRD" which represents transactions that causes the value of inventory on hand to be revalued.

In DMLSS, inventory items are valued at the LAC including items held in reserve (economic retention), which are maintained as apart of the Operating Inventory and Excess. Unrealized gain/losses are not included in the Unit of Purchase or Unit of Sale unit cost, but are adjusted yearly and are included in the surcharge percentage. This surcharge is determined by the 'Revolving Fund Manager' and is constant for all Service Divisions.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.01.17

FFMR Description:

The system must record any subsequent adjustments to the net realizable value of excess, obsolete, and unserviceable inventory, or any loss (or gain) upon disposal, as a loss (or gain).

The system must record excess, obsolete, and unserviceable inventory at its expected net realizable value. The system must record the difference between the carrying amount of the inventory before identification as excess, obsolete or unserviceable and its expected net realizable value as a loss or (gain).

FFMR Reference: SFFAS-3, 30

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040117

FFMR Review:

Test output z040117 screen print #2 shows the user navigating to the 'Inventory Management' Log Inventory Balance Report screen. This report displays the inventory items that are valued at the Unit of Sale Price. In addition it shows the short item description (e.g. Pad isopropyl alcohol), Unit of Sale Price (\$1.12), Strat Type, Unit of Purchase Storage Area, Location, Total On Hand, Level, Serviceable, FDA, Unserviceable Suspended and Repairable quantity numbers. Screen print #3 shows the system user selecting the item for disposal. The user should define the data requirements, within the Inventory Management screen, including the Destruction Method, Strat Type, State, Location ID, Storage Area, Manufacturer Information and Reason for the suspension. Screen print #4 shows the transaction being record to the Transaction History screen from the Inventory Management module. The system user has removed / disposed of the Pad Isopropyl alcohol and viewed the impact to the 'Log Inventory Balance Report' within Screen print #5. Screen print #6 displays the system user processing a gain for a specific item. In the Balance section under Operating the following inventory quantity displays:

- Serviceable (1)
- Due-in (1)
- Due-out (91)
- Unserviceable (0)
- Suspended (0)
- Repairable (0)
- FDA (0)

Screen print #7 shows the user in the Inventory Management Gain/Loss screen. The screen shows the user selecting the appropriate button to process the gain inventory item for 6505001069000. DMLSS must have an authorized purpose entered prior to the gain transaction being processed. Screen print #8 shows the transaction being processed within the 'Transaction History Inventory Management Module. Screen print #9 reflects a gain to the suspense balance within the LOG CAT tab.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.02.01

FFMR Description:

The system must record customer demand and replenishment lead time data for a period of years, analyze it for anomalies, and compute demand and lead time forecasts on a regular, frequent schedule.

FFMR Reference: FFMSR-7, 18

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040201

FFMR Review:

Test output z040201 shows the DMLSS system user in the System Service Customer Detail Material screen. This screen shows the Computation Method of 'Days of stock' being selected. The days of stock is an actual computed daily demand time for the number of days that are established by the customer in Days (7 days) and the reorder point (3 days). In addition, the level includes an average pipeline time and a safety level. Screen print #3 shows the three methods of forecasting including STD Leveling Algorithm, Days of Stock, and Wilson EOQ. The STD Level Algorithm is an exponential method and the Wilson EOQ method uses the EOQ to establish the levels. Screen #4 shows that the system is capable of using the last 24 months (e.g. Dec 2001 - Nov 2002) to compute the daily demand rate and the last six pipeline factors to compute the average pipeline time. In addition, the manager is capable of setting the level (Core, Static and Stockless) type for each item. The Stockless is useful for prime vendors. The core is computerized and maintains the level. The Static is controlled and maintained by the managers. Per DMLSS SME, the 'Computation Method' can also be changed on an individual item, which may be beneficial for seasonal items such as a Flu Vaccine. Screen print #5 shows that DMLSS has the tools necessary to assist the managers in forecasting its inventory based on the maximum and minimum planned. This is the Stock Status Report. This report reviews inventory items that can be produced on demand by the managers for a single or group of inventory items. DMLSS is also capable of running the Stock Status report in the summary or detail format. The summary report, per DMLSS SME, would show the total of the Material Management operations, the number of details, the '\$' dollar value of inventory, number of items stocked or non-stocked, and Due-in/Due-outs. The detailed stock status report shows information for a specific item. Screen print #6 shows the detailed stock status report and screen print #7 shows the summary stock status report.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.02.02

FFMR Description:

The system must compute and routinely update the ordering cost of each inventory item, which might include: (1) reviewing the stock position, (2) preparing the purchase request, (3) selecting the supplier, (4) receiving, inspecting, and placing the material in storage, and (5) paying the vendor.

FFMR Reference: FFMSR-7, 18

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040202

FFMR Review:

Per DMLSS SMEs, the system does not provide the 'Inventory Holding Cost' and 'Shortage Cost' factors, which are a part of the services that use them. These factors are entered and maintained in DMLSS as necessary. The screen print provided for test output z040202 shows that DMLSS is capable of maintaining a field for 'Inventory Holding Cost' and 'Storage Cost'. Test output z040202 includes various elements that are used to include the ordering cost of each inventory item including GSA Dollar Value, Excess Computation factors, Shortage Cost Critical Outside costs, Inventory Holding costs, and shortage cost critical Inside Organization costs.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.02.03

FFMR Description:

The system must estimate and routinely update the per unit inventory holding cost, which is an estimate of the cost to hold each additional unit of inventory.

FFMR Reference: FFMSR-7, 18

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040203

FFMR Review:

Per test output z040203, DMLSS is capable of maintaining the 'Inventory Holding Cost' factor in DMLSS. In the "System Service Material Management Service Detail" screen DMLSS does shows the section title 'Stocking Level Algorithm Defaults' how inventory is estimated. However, based on conversations with DMLSS SME the Inventory Holding Cost data is only being maintained in DMLSS, however the Servicing agent is providing data. The appropriate military service maintains the computation of this factor, which is entered in DMLSS.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.02.04

FFMR Description:

The system must recompute the Economic Order Quantity (EOQ) on a regular, frequent schedule using the demand forecast, ordering cost, inventory holding cost, and unit cost of the material.

FFMR Reference: FFMSR-7, 19

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040204

z040208

FFMR Review:

Based on test output z040204 and z040208, DMLSS uses three methods (STD Leveling Algorithm, Days of Stock and Wilson EOQ) for merchandise planning. Screen print #2 shows the user navigating to the System Service Material Management screen Computation Tab. This tab shows several sections of data information:

- (1) Consequential Discrepancy Values (DLA Dollar '\$' Value & GSA Dollar '\$' Value)
- (2) The Level Computation Method: STD Leveling Algorithm, Days of Stock and Wilson EOQ
- (3) Excess Computation Factors: Dollar '\$' Value and Economic Retention Days
- (4) The Stocking Level Algorithm Defaults: Wilson Economic Order Quantity (EOQ) Order Cost, Wilson EOQ Safety Level, Max Safety Stock-Days of Supply, Max Probability of No Shortage, Shortage Cost Non-Critical, Inv Freq, Shortage Cost Critical Outside Org, Inventory Holding Cost, Shortage cost Critical Inside ORG
- (5) Major Receipt Price Change - %
- (6) MRQ Factors - %

Some of the factors mentioned above are not maintained as a part of DMLSS. Those factors (Inventory Holding and Shortage Cost, etc.) are provided by the military services and are entered into DMLSS as necessary. The appropriate military service maintains the computation of these factors.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.02.05

FFMR Description:

The system must recomputed the safety stock, if any, on a regular and frequent schedule.

FFMR Reference: FFMSR-7, 19

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040205

z040208

z040204

FFMR Review:

Test output z040204, z040205 and z040208, all show the methods (STD Leveling Algorithm, Days of Stock and Wilson EOQ) planning. Screen print #2 shows the user navigating to the System Service Material Management screen Computation Tab. This tab shows several sections of data information:

- (1) Consequential Discrepancy Values: DLA Dollar '\$' Value & GSA Dollar'\$' Value
- (2) The Level Computation Method: STD Leveling Algorithm, Days of Stock and Wilson EOQ
- (3) Excess Computation Factors: Dollar '\$' Value and Economic Retention Days
- (4) The Stocking Level Algorithm Defaults: Wilson Economic Order Quantity (EOQ) Order Cost, Wilson EOQ Safety Level, Max Safety Stock-Days of Supply, Max Probability of No Shortage, Shortage Cost Non-Critical, Inv Freq, Shortage Cost Critical Outside Org, Inventory Holding Cost, Shortage cost Critical Inside ORG
- (5) Major Receipt Price Change - %
- (6) MRQ Factors - %

Some of the factors mentioned above are not maintained as a part of DMLSS. Those factors (Inventory Holding and Shortage Cost, etc.) are provided by the Services that use them and are entered into DMLSS as deemed necessary. The appropriate Service maintains the computation of those factors.

Screen print #4 shows the screen print in the Inventory Management Source of supply Environment tab. This tab shows that the user can enter the Operating Level for Sales. Sales being as stated below, but Operating and Safety Level (<3 months, 3-9 months and >=10 months) being show in days.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.02.06

FFMR Description:

The system must recompute the reorder point level on a regular and frequent schedule.

FFMR Reference: FFMSR-7, 19

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040206

FFMR Review:

Test output z040206 provides evidence that DMLSS uses three ways to computer the economic quantity level of its inventory. There is the STD Leveling Algorithm method, the Days of Stock method, and the Wilson EOQ method. The most widely use method is the Days of Stock method. DMLSS demonstrates that it uses table s from their Material Management module, and the consumption from the Item ID Detail field to manage the level, reorder point and safety. DMLSS shows that inventory items with a Level type of Core Static and Stockless, are maintained differently. The CORE level is maintained by the computer automatically, the Static level is maintained by managers, and the Stockless level does not set a level.

In addition, DMLSS does show that the reorder point can be computed and maintained in DMLSS in the Inventory Management Log-Leveling (Operating Serviceable screen. For example, the Reorder Point per evidence provided for inventory item UM651500786482 is (ROP - 47). Meanwhile, any time the quantity or the ROP is penetrated a recompilation of the factors of the level is recomputed. DMLSS also shows that the 'Reorder Point Level' is populated on their 'Stock Status Report' per the Inventory Management Module report View screen.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.02.07

FFMR Description:

The system must determine if replenishment is needed on a regular and frequent schedule, basing the determination on net stock and reorder point (care should be taken to review current stock lists to ensure that obsolete item numbers are removed from the ordering system and replaced with current item numbers). New or improved items should also be entered into the system on a regular basis.

FFMR Reference: FFMSR-7, 19

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040207

z040206

FFMR Review:

Based on test output z040206 and z040207, DMLSS has three different functionalities available for processing and maintaining the replenishing stock of its inventory. The first functionality is a manual process. Screen print #2 shows the user navigating to 'Customer Area Inventory Management' (CAIM) Submit Offline Order screen. This screen shows the user selecting and placing an item to replenish. Some factors on this screen are Item ID# and Description, Expense Center, Level, EOH, Order Quantity (i.e., 2), Unit of Purchase/Price (i.e. \$39.92), Ext Price (\$79.84= (\$39.92 *2)), and Demand Code (i.e. Recurring). Screen print #3 shows the item being placed by the BPS button, the ADD Item button to order additional items, and the item being executed for transmission of the order. Screen print #4 shows the search and selecting of the MILSTRIP requisitions and a data sequence. This transmission of the order is handled through the 'GENTRAN' to the Source of Supply (SOS). Screen print #5 shows the Due-in Detail of the inventory item replenished in the 'CAIM' module for that assigned Document number or Item ID number. Screen print #6 shows the information can be updated and entered in the Status Tab of the CAIM module or it is updated from the Interface transaction received from the SOS (i.e., MILSTRIP, EDI850).

Another manual replenishment method process is by the user selecting the 'Manual Report' button in DMLSS and by the user entering the 'Quantity' based on replenish method use. Once the inventory quantity is entered, the user then goes and selects the 'Replenish' button. Some factors on this 'CAIM Manual Replenishment Inventory Entry' screen are: Item ID# and Description, Location, Quantity, Level, Unit of Purchase. From this point the rest of the system is automatic and follows the above process.

Another method used to replenish inventory stock is by ordering items via handheld terminal. Per DMLSS SME, the Customer uses the handheld terminal to review the inventory on hand/quantities, which can be uploaded into DMLSS. However, the screen prints for this functionality are not available, but once the inventory counts are uploaded into DMLSS, the system operates the same as the manual or automatic method and produces the same output data.

The automatic method is handled in the 'Inventory Management LOG Order' screen. The user then selects the SOS accordingly. Once the inventory item is processed and executed, the user clicks on the Due-in/Due-out button to search for due-In matching document number of the item order.

FFMR REVIEW

In addition, DMLSS does show that the reorder point can be computed and maintained in DMLSS in the Inventory Management Log-Leveling (Operating Serviceable screen. For example, the Reorder Point per evidence provided for inventory item UM651500786482 is (ROP - 47). Meanwhile, any time the quantity or the ROP is penetrated a recompilation of the factors of the level is recomputed. DMLSS also shows that the 'Reorder Point Level' is populated on their 'Stock Status Report' per the Inventory Management Module report View screen.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.02.08

FFMR Description:

The system must provide information on current inventories and historical usage necessary for capacity planning.

FFMR Reference: FFMSR-7, 19

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040208

FFMR Review:

Test output z040208 displays three ways (STD Leveling Algorithm, Days of Stock and Wilson EOQ) that the current information on inventory for merchandise planning is maintained in DMLSS. Screen print #2 shows the user navigating to the System Service Material Management screen Computation Tab. This tab shows several sections of data information:

- (1) Consequential Discrepancy Values (DLA Dollar '\$' Value & GSA Dollar '\$' Value)
- (2) The Level Computation Method: STD Leveling Algorithm, Days of Stock and Wilson EOQ
- (3) Excess Computation Factors: Dollar '\$' Value and Economic Retention Days
- (4) The Stocking Level Algorithm Defaults: Wilson Economic Order Quantity (EOQ) Order Cost, Wilson EOQ Safety Level, Max Safety Stock-Days of Supply, Max Probability of No Shortage, Shortage Cost Non-Critical, Inv Freq, Shortage Cost Critical Outside Org, Inventory Holding Cost, Shortage cost Critical Inside ORG
- (5) Major Receipt Price Change - %
- (6) MRQ Factors - %

Some of the above factors mentioned are not maintained as a part of DMLSS. Those factors (Inventory Holding and Shortage Cost, etc.) are provided by the Services that use them and are entered into DMLSS as deemed necessary. The appropriate Service maintains the computation of these factors.

Screen print #3 shows how DMLSS uses 1 of the three methods to compute the EOQ for inventory. These methods are as follows: (1) Core (2) Static (3) Stockless. The computer maintains the 'Core' level. The manager maintains the 'Static' level, and the 'Stockless' are based on actual or projected annual sales times the unit of sale price. This calculation determines the length of time for which a level is set. This screen also displays the factors of Unit of Sale and Unit of Sale Price, Demand Month/Year and Quantity for each inventory item. Screen print #4 shows the screen print in the Inventory Management Source of supply Environment tab. This tab shows the user can enter the Operating Level for Sales. Sales being as stated below, but Operating and Safety Level (<3 months, 3-9 months and >=10 months) being show in days. Screen print #5 shows that DMLSS does have a report that shows current information on inventory (Stock Status Report). In addition, recommendations are made by the manager, not just for changing the levels, but also for excess determination if necessary. Anytime the quantity of a reorder is done, a recompilation of the factors of the level is recomputed. If an automation process maintains the level, then the changes are automatically made. For items that are stockless, a user maintains them and the details are provided.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.02.11

FFMR Description:

The system must support predefined inspection plans and quality standards.

FFMR Reference: FFMSR-7, 19

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040211

FFMR Review:

Test output z040211 screen print #2 shows the user navigating to the 'Inventory Management' module to select an item to track. For the purpose of this example, we will be tracking item #6515EE2017017. Screen print #3 shows the receipt being processed and completed. Once completed a system message appears 'Deliver equipment to Maintenance Activity'. Screen print #4 shows the user in the Maintenance Activity [Inbox] screen. This screen shows that an 'Acceptance Work Order is Pending Action.' Screen print #5 shows the 'Work Order' being given an 'Equipment Control Number' (ECN) which is assigned to track equipment throughout its use. In addition, the Work Order screen assigned the equipment to a team and a technician. Screen print #6 shows the screen where the Maintenance Technician enters the actions taken as it relates to the specified equipment. Some of the fields include Technician, Service Action, Service Item, Service Results, Failure Reason, Condition Code, Maintenance Assessment and Work Order Notes (e.g. Item removed from packaging. Inspected for parts and contents and assemble.) Screen print #7 shows the Transaction History of all the items processed for Item ID # 6515EE2017017. Screen print #8 shows the user now in the 'Equipment Management [Inbox] screen. This inbox shows the items pending. Screen print #9 shows the equipment being assigned to a custodian. The system will produce a 'Custodian Action List' for the Custodian to sign and accept the accountability for the item.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.02.12

FFMR Description:

The system must be consistent with the Core Financial System in how it supports budget execution and funds control.

FFMR Reference: FFMSR-7, 19

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040212

z080102

FFMR Review:

Test output z040212 provides evidence of two types of (LOG) funds that track the budget execution and funds control for inventory. These include the Revolving (Stock) Fund and the Operations and Maintenance Fund. The funds for the 'Revolving Fund' are budgeted and distributed by the Revolving Fund Manager as an obligation authority, which is included in the annual operating plan for the division. The Operations and Maintenance funds are a normal part of the organizations funding and are budgeted and distributed by the Hospital Resource Manager. The LOG fund is used to procure supplies, expense equipment or pharmaceuticals. Thus the target is the amount of funds available to spend.

Screen print #3 shows the electronic data interface file for the Expense Center and Project Center that is transmitted for reconciliation. This file is transmitted for reconciliation between DMLSS and the standard accounting system to ensure that the two systems remain in balance. Some of the factors on this screen are (1) Log Fund Target (2) Available Balance (3) Total Commitments and Obligations (4) Total Credits (5) Total Expenses.

Test output z080102 provides screen prints that display how the feeder system supports the execution of the budget. Test output Z080102 provides screen shots of the DMLSS 'Systems Services' module. Screen print #2 displays the System Services Basic tab that contains the target fields allowing each host organization to identify the following controls for host organizations' funds: (1) no controls, (2) by project center and element of resource (EOR), (3) expense center or (4) expense center and EOR. A macro under 'Primary Support Activities: Material' allows the user to access the 'appropriations data' tab for the host organization. The appropriation data tab provides fields to capture the appropriations fund type (O&M or Stock Fund) and appropriation symbols for logistics, customer and transportation. DMLSS captures changes to this information in a transaction history file displayed in screen print #9.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.02.14

FFMR Description:

The system must identify available funds by inventory commodity.

FFMR Reference: FFMSR-7, 20

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040214

FFMR Review:

Test output z040214 screen print #2 shows the user navigating through the System Service Project Center Detail screen. Screen print #2 shows the funds at the Project Center Level. At this level, DMLSS shows populated fields such as the Project Center Target, Total Commitments/Obligations, Available Balance. DMLSS further goes to show the funds level at the Element of Resources (EOR) Total Amount (e.g. \$100,000 for EOR 604), Available Balance (e.g. \$100,000 for EOR 615) and Commitments (e.g. \$0.00 for EOR 604/615). Then screen print #3 shows the funds at the Expense Center level for that Project Center. Screen print #4 shows the relationship between the EOR and the Commodity Class in DMLSS. This is a 'DMLSS Wide Table'. For example, the table listing shows codes beginning from 472 through 624, including the name of EOR (e.g. 604-Medical Supplies and 615-Pharmaceutical). Screen print #5 shows the two items being selected to order. Screen print #6 shows the 'Build Orders: Order Summary'. This screen shows the orders being processed, submitted and updated for Project Fund Center 233 and EOR 604 and 615. In addition, it states the Order Summary as follows:

Fund	EOR	New Commitment	New Available Balance	Available Balance
233	604	\$2.20	\$99,997.80	\$100,000.00
233	605	\$33.50	\$99,966.50	\$100,000.00

Screen print #7 shows the Project Center Detail screen being updated by commodity class. Based on results the System Service Project Detail Screen now shows the following updated funds transactions.

EOR	Available Balance	Total Commitments
233	\$99,997.80 vs. \$100,000.00	\$2.20 vs. \$0.00
233	\$99,996.50 vs \$100,000.00	\$33.50 vs. \$0.00

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.02.17

FFMR Description:

The system must provide for reducing or terminating acquisitions when funds are limited or not available for new buys.

FFMR Reference: FFMSR-7, 20

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040217

z080202

FFMR Review:

Test output z040217 includes an example of how a user is able to reduce the quantity of an order. In the example, the customer had an original order for 25 “Ready-To-Go PCR Beads” for \$170 each. The total order was valued at \$4,431.48 including the surcharge of \$181.48. The user was able to cancel the order, therefore reducing the commitments and obligation amount by \$4,431.48 as a result as shown in screen print #8. This is an example of a canceled acquisition.

Test output z080202 provides DMLSS screen prints displaying DMLSS accounting for orders that lack funding. Screen print #2 shows the DMLSS user navigating through the Customer Area Inventory Management (CAIM) and select project center 115. Project center 115 does not have available funds, however the user attempts to process an order. Screen print #3 displays the exception detail message DMLSS automatically produces because the order lacked customer funds. The customer must make arrangements for additional funds to process the transaction or DMLSS will hold the transaction until it is cancelled or reduced.

DMLSS provides customers with the means to reduce, modify or terminate transactions that result from lack of funds. DMLSS provides customers with an exception detail message for transactions lacking funds. The customer must make arrangements to correct the transaction.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.02.18

FFMR Description:

The system must identify funds utilized and rates of fund utilization by inventory commodity.

FFMR Reference: FFMSR-7, 20

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040218

FFMR Review:

Test output z040218 shows that DMLSS can identify the funds utilized rate by inventory commodity. DMLSS shows this by navigating to the System Services OP Fund Detail Fund Status screen. This screen shows the 'Target amount - \$2,450,000.00; the Obligation Rate 45%; Available Balance - \$1,343,272.00 and the Element of Resource - 144 Capital Equipment. Therefore, based on variables stated above DMLSS funds utilized rate can be identified and maintained in the DMLSS system.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.02.19

FFMR Description:

The system must control the availability of funds by inventory commodity.

FFMR Reference: FFMSR-7, 20

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040219

z040422

FFMR Review:

Test output z040219 and z040422 provide screen prints of the DMLSS systems services module that manages the commodity class information. This test output displays the DMLSS commodity class centrally managed table with the details of each element of resource id. It also shows screen print #3 displays the DMLSS inventory management catalog search. The commodity class and equipment nomenclature fields are available. Screen print #4 displays the results of an item id in commodity group supply. In the DMLSS basic tab the commodity class “supply” is shown for the selected item id.

DMLSS centrally manages the commodity class table to ensure adequate control.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.02.21

FFMR Description:

The system must provide at least the following types of management information to determine inventory needs: demand, procurement lead time, procurement cycle, time requirements, assets, available funds, budgeted funds versus actual use, and rates of fund utilization.

FFMR Reference: FFMSR-7, 20-21

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040221

z040218

FFMR Review:

Test output z040221 contains a report that shows current information on inventory (Stock Status Report). This report is reviewed on a quarterly basis. In addition, management, not just for changing the levels, but also for excess determination if necessary, makes recommendations. Anytime the quantity of a reorder is done, a recompilation of the factors of the level is recomputed. If an automated process maintains the level then the changes are automatically made. For items that are stockless, the user maintains the details provided.

Based on documentation in test output z040218 DMLSS does identify the funds utilized rate and inventory commodity through the System Services OP Fund Detail Fund Status screen. This screen shows the 'Target amount - \$2,450,000.00; the Obligation Rate 45%; Available Balance - \$1,343,272.00 and the Element of Resource - 144 Capital Equipment. Therefore, based on variables stated above DMLSS funds utilized rate can be identified and maintained in DMLSS.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.03.01

FFMR Description:

The inventory system must be integrated, at a minimum, with the acquisition and Core Financial Systems to share information on items ordered, received, in storage, and sold, or otherwise disposed of.

FFMR Reference: FFMSR-7, 21

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040301

FFMR Review:

Per test output z040301, DMLSS does have means of transmitting data to the standard accounting system. The DMLSS electronic data interface (EDI) are transmitted to the standard accounting system. The system user is capable of retrieving and selecting the appropriate "ANSI X12 version 4010" EDI transaction files. For example, the EDI 846 file contains inventory transactions for the general ledger update. DMLSS has shown several other interface file samples with data that has been transmitted to the standard accounting system.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.03.02

FFMR Description:

The system must record information on material returned by customers.

FFMR Reference: FFMSR-7, 21

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040302

FFMR Review:

Within the Inventory Management Return Item screen of “z040302”, DMLSS demonstrated the capability to record and process a returned item. Screen prints provided show a 'From and To' section with fields of information that is required in order to process the returned material item. Those fields consist of the following:

- From:
 - Customer and Item ID;
 - Description;
 - Location ID, Storage Area;
 - Expense Center; and
 - Unit of Sale Information.

- To:
 - Stratification Type and State; and
 - Location ID and Storage Area.

Also, the screen prints show where a user can enter a reason for the returned material item from a drop down menu. In addition, there is additional space for a more detail explanation of the return. Once the information for the returned item is entered into the appropriate fields, DMLSS then processes the Inventory Management Transaction History screen, which shows the history file. This file contains the returned transactions, which are transmitted, by the EDI 846 file, to the standard accounting system.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.03.03

FFMR Description:

The system must record information on receipts in sufficient detail to allow the matching of receipt, purchase order/contract, and invoice for payment purposes.

FFMR Reference: FFMSR-7, 21

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040303

FFMR Review:

Per review of sample receipt transactions included in test output z040303, DMLSS is capable of recording a variety of receipt information including date, item detail, quantity, document number, customer ID, Amount, and other receipt data that can be used to allow the matching of receipt, PO, and invoice for payment purposes. It is noted that DMLSS is not the standard accounting system, and therefore does not record invoices related to a receipt. The receipt transactions are sent to the standard accounting system to update the inventory records and to support the payment process accordingly.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.03.04

FFMR Description:

The system must record the date of receipt to be used for purposes of the Prompt Pay Act and to monitor the timeliness of placing items into inventory. It will also be used to monitor the age of inventory items.

FFMR Reference: FFMSR-7, 21

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040304

z040307

z040303

FFMR Review:

Per review of sample receipt transactions included in test output z040304, z040307, and z040303 DMLSS is capable of recording a variety of receipt information including date, item detail, quantity, document number, customer ID, amount, and other receipt data that can be used to allow the matching of receipt, PO, and invoice for payment purposes. It is noted that DMLSS is not the standard accounting system, and therefore does not record invoices related to a receipt. The receipt transactions are sent to the standard accounting system to update the inventory records and to support the payment process accordingly.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.03.05

FFMR Description:

The system must differentiate between partial receipts against an undelivered order and full receipts.

FFMR Reference: FFMSR-7, 21

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040305

FFMR Review:

Test output z040305 includes a receipt report with sample partial receipt transactions as indicated by advice code BN. Per discussions with DMLSS Subject Matter Experts, partial receipts may be caused by a variety of reasons including partial cancellation, timing differences, or shipping discrepancies.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.03.06

FFMR Description:

The system must be able to perform quantity and price conversions between different units of measure.

FFMR Reference: FFMSR-7, 21

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040306

FFMR Review:

Per test output z040306, DMLSS does have the capability to convert information. Screen prints show the inventory item was ordered. However, when ordering a vendor item the user must place the Unit of Purchase (U/P) price in the appropriate field. DMLSS is capable of showing the populated fields (Ordering, Conversion and Issuing Information) of the inventory item. This screen shows the following:

Ordering Information	Conversion Information	Issuing Information
Unit of Purchase – (Package)	Unit of Purchase – Package	Unit of Sale – Bag
Unit of Purchase – Quantity	Ratio – 64	Unit of Sale Quantity – 1
Unit of Purchase (\$233.01)	U/S – Bag	Unit of Sale Price - \$3.65

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.03.07

FFMR Description:

The system must identify transportation discrepancies and initiate the transportation discrepancy report.

FFMR Reference: FFMSR-7, 22

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040307

FFMR Review:

Per test output z040307, shows that DMLSS is capable of identifying discrepancy in the Inventory Management Discrepancy Detail screen. This screen shows the Item ID#, Invoice/Packing slip No and Date, Due-in/Receipt/Received/Discrepant Quantity and the Reason/Action Taken. In addition, DMLSS is capable of initiating the Item of Discrepancy Report by selecting the Print 364 button located on the right hand side of the IM Discrepancy Detail screen. By executing this button, the Item of Discrepancy Report will print. The 'Item of Discrepancy Report' shows the DISCREPANCY CODES (i.e. P1- Packing discrepancy Improper preservation), and ACTION CODES (i.e. 1A - Disposition instruction requested (reply on reverse)).

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.03.08

FFMR Description:

The system must record the quantities and financial values of all items- in-transit if the title to inventory items transfers at the point of origin.

FFMR Reference: FFMSR-7, 22

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040710

z040104

FFMR Review:

DMLSS is not the standard accounting system and therefore does not generate journal entries. DMLSS is capable of tracking Due-in and Due-out quantities and amounts that can be used to support inventory items that are being transferred. Test output z040710 includes an example of a Due-in document for 14 items at \$16.50 each. Included in the evidence are fields for Due-out quantities. Due-in and Due-out values are the same as the recorded value of operating material. Test output z040104 includes an example of an Air Force Inventory balance listing report that includes the amounts Due-in and Due-out on report lines 12 and 14 respectively.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.03.09

FFMR Description:

The system must record the acceptance or rejection of new or returned items at their destination, the quantities of each and update inventory on hand information.

FFMR Reference: FFMSR-7, 22

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040309

FFMR Review:

Test output z040309 shows a user navigating to the 'Inventory Management' MTF Catalog Log Cat screen. This screen shows the detail of the Balances (i.e. Operating Serviceable 141 items), Ordering, Conversion, Issuing, Level, Return Order Point, and Location (i.e. Vault/Warehouse) of a particular Item Id (i.e. 6505012740951). Screen print #3 shows the system receiving '2' of the selected item (i.e. 6505012740951). In addition, the receipt of this item shows the location being defaulted to 'Vault/Warehouse'. Meanwhile, the user has the capability of changing the 'Primary Location/Storage Area' by clicking on the button and selecting a new location. Screen print #4 shows screen print #1 being updated to reflect the 'Operating Serviceable' on hand quantity to be increased to 143 verses 141 based on the quantity of the receipt that was processed in screen print #3.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.03.10

FFMR Description:

The system must record the date of acceptance for purposes of the Prompt Pay Act.

FFMR Reference: FFMSR-7, 22

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040310

z040307

z040303

FFMR Review:

Per test output z040310, z040307 and z040303, the system provides the needed information to support the payment management function to the standard accounting system. The electronic data interface (EDI) file that supports the information that is needed for the payment function of inventory items is the Receipts/Acceptance file. The EDI file is transmitted by the standard 'ANSI X.12____TXN SET. DMLSS is a feeder medical logistics system, which provides transactions to support the payment function in the standard accounting system. Therefore, the payment management function will be handled in the standard accounting system.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.03.11

FFMR Description:

The system must provide information on items received and accepted in order to support the payment management function of the standard accounting system.

FFMR Reference: FFMSR-7, 22

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040311

z040303

z040310

FFMR Review:

Per test output z040311, z040303 and z040310, the system shows that it provides the needed information to support the payment management function to the standard accounting system. The electronic data interface (EDI) file that supports the information needed for the payment function of inventory items is the Receipts/Acceptance file. The EDI file is transmitted by the standard 'ANSI X.12____TXN SET. DMLSS is a feeder medical logistics system, which provides the transactions to support the payment function in the standard accounting system. Therefore, the payment management function will be handled in the standard accounting system.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.03.12

FFMR Description:

The system must be able to provide customer credit/refund on items returned in accordance with the agency's return policy.

FFMR Reference: FFMSR-7, 22; "DoDFMR," Volume 11B, Chapter 55, 55-6, F5a/b

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040312

FFMR Review:

In reviewing test output z040312, DMLSS displays the user navigating to the Inventory Management Return Item screen. This screen print shows an inventory item being issued a credit. In addition, the From/To data must be entered in order for the credit to continue to be processed. Some factors to be entered are: Customer, Item and Location ID, Storage Area and Expense Center. Another field is the 'Quantity Returned' number. The 'To' data required consists of the Stratification Type and State, Location ID and Storage Area. There is a box that the user can check that allows the user to 'Issue Credit'. When this box is selected, the customer would be issued a monetary credit. However when the box is not selected, the customer is issued a credit/refund without any money being given back to the customer. DMLSS has the capability of processing a credit/refund two ways. However, the only difference is the selection of the box 'Issue Credit'. The screen print also has contains a drop down menu where the user can select the 'Reason' for the credit which also shows a box for additional comments to be made regarding the credit issued.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.03.13

FFMR Description:

The system must be able to identify shipping discrepancies as well as product quality deficiencies between the items received and the information provided on shipping documents and purchase orders.

FFMR Reference: FFMSR-7, 22

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040313

FFMR Review:

Test output z040313 shows the user Navigating through the 'Inventory Management (IM) Receipt Search' screen. This screen shows the user selecting a due-in item number (6505010083054) and processing it with a receipt quantity of 25, representing a discrepancy in its shipment, and a Status price of \$1.68. In screen print #3, the user has clicked on the discrepancy button and saved the discrepancy and processed the receipt. The user then proceeds to enter the appropriate information in the populated fields. For example, some factors are: Item ID#, Invoice/Packing Slip No and Date, Due-in Quantity (i.e. 25), Receipt Document Quantity (i.e. 25), Received Quantity, Discrepancy Quantity, Reason/Actions Taken (e.g. SEVEN UNITS HAD BEEN CRUSHED WHEN THE BOX WAS OPENED), At Fault (e.g. Shipper or Carrier), Discrepancy Code (e.g. C1) and Action Code (e.g. 1Z). Screen print #4 shows the Report of Item Discrepancy Report. DMLSS has the capability of printing this 'Standard Form 364' GSA report. Some fields included within the Item of Discrepancy report are:

- Report of Discrepancy (ROD);
- Report Number;
- Shipment, Billing, and Receipt Data;
- Discrepancy Data including the Quantity, Unit Price, Total Cost and Code;
- Action Code (1Z);
- Remarks;
- Discrepancy Codes;
- Action Codes; and
- Funding & Accounting Data, etc.

Screen print #5 shows the transaction for the shipping discrepancy, pertaining to the seven items (type code SDL), and shows the remaining transactions from the "Transaction History" screen with transactions dated December 9, 2002 that will be transmitted to the standard accounting system.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.03.14

FFMR Description:

The system must identify the intended location of the item and track its movement from the point of initial receipt to its final destination.

FFMR Reference: FFMSR-7, 22

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040314

z040420

FFMR Review:

Test output z040420 displays screen prints of the DMLSS 'Inventory Management' module. Screen print #2 displays the DMLSS inventory Medical Treatment Facility (MTF) catalog with the 'Log Cat' tab selected. An Item ID# is shown with its Location/Storage Area at the vault/warehouse. Screen print #3 displays the DMLSS receipt Not Due-In screen. The screen print shows the item with a quantity of 2 Due-in to the vault/warehouse from the Defense Supply Center. DMLSS allows the user to change the receipt location by clicking the icon about the current location. Screen print #4 displays the receipt of the item in the serviceable category (notice the quantity increased from 141 to 143).

Test output z040314 provides evidence that the DMLSS inventory transfers module can identify the current location of items and identify the intended location.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.03.15

FFMR Description:

The system must record identifiers, quantities, condition, location, and other elements necessary to establish physical control.

FFMR Reference: FFMSR-7, 22

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040315

z040412

FFMR Review:

Test output for screen print #3, of z040315, shows the user navigating to the Inventory Management Technical Supply Tab screen. This screen gives additional information as it relates to physical control of an inventory item. For example, the Expiration type (i.e.. CANNOT BE EXTENDED), the Shelf Life Code (i.e.. 18 months), Demilitarize, Hospital Formulary Indicator. In addition, populated fields are for local use. Screen print #4 shows the user in the Acceptance Equivalent tab, which shows items that could be substituted for the selected item. Screen print #5 shows the user in the Source of Supply Cat tab, which shows the known sources to procure on item id #651501174895, and shows the cost of each source and other ordering information. Screen print #6 shows all the customers that use this item, along with their quantity on hand. Some factors are: Customer, Item Description, SOS, Unit of Purchase, Quantity in Unit of Purchase, Unit of Purchase Price, Unit of Sale, Total EOH, and Del Indicator. Screen print #7 shows the Balances, Ordering, Conversion, Issuing, Level, ROP, and Location (i.e. Default/Warehouse) of the On-Hand item in the 'LOG Cat' tab for Item ID # 6515011749895.

In addition, DMLSS does identify the inventory item and its related 'Condition Code'. This identifier can be located in the Maintenance Activity Work order detail tab per screen #5 in test output z040412.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.03.16

FFMR Description:

The system must classify inventory items by commodity class to meet agency needs for management and control.

FFMR Reference: FFMSR-7, 22

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040316

FFMR Review:

The DMLSS documentation, included in test output z040316, shows that the system can identify inventory by commodity class to meet agency needs for management control. Screen prints show DMLSS navigating to its Centrally Managed Table for Commodity class. This screen displays the Element of Resource (EOR), the Commodity Class Name, Financial and Acct Req Codes and Commodity Type. DMLSS goes further to demonstrate that the commodity class can be requested in the catalog selection of the Inventory Management Commodity class screen.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.03.17

FFMR Description:

The system must distinguish between the unit cost of an inventory item and its selling price.

FFMR Reference: FFMSR-7, 22

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040317

z040318

FFMR Review:

Per test output z040317 and z040318, DMLSS begin to demonstrate this functionality by going to the 'LOG Cat' screen. This screen displays Inventory Balances, Ordering, Conversion, Issuing and Location Information. DMLSS further goes to display how an order is placed with a vendor and the related Unit of Purchase Price Quantity vs. the Unit of Sale. For example, DMLSS shows the order, the conversion, and the issuance of the inventory cost for MTF Catalog Supply item ID # '6505013308924', as follows:

- Order Information
 - Unit of Purchase: Package
 - Unit of Purchase Quantity: 64
 - Unit of Purchase Price: \$233.01

- Conversion Information
 - Unit of Purchase: (Package)
 - Ratio (64)
 - Unit of Sale: (Bag)

The above inventory conversion information shows the conversion of the inventory item being ordered as a package but yet being sold per bag.

- Issuing Information
 - Unit of Sale: (BG)
 - Unit of Sale Quantity: (1)
 - Unit of Sale Price: \$3.65 (Computation: $\$233.01/64 \text{ bags} = \3.64078)

The issuing information shows how the inventory is valued and sold and how the price can be adjusted at anytime a receipt is processed and the vendor has changed the price.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.03.18

FFMR Description:

The system must include all appropriate purchase, transportation, and production costs in the cost of an item. Also, the system shall maintain sufficient line item information to support the inventory valuation method used in the planning, programming and budgeting function of inventory management. This valuation will not necessarily equal the financial statement valuation. (This guidance may be subject to modification. Contact OUSD(C) Accounting Policy at 703.697.3200.)

FFMR Reference: FFMSR-7, 22

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040318

z040217

FFMR Review:

Per test output z040317 and z040318, DMLSS demonstrated this functionality by going to the 'LOG Cat' screen. This screen displays Inventory Balances, Ordering, Conversion, Issuing and Location Information. DMLSS further goes to display how an order is placed for a vendor and how its cost is distinguished at the Unit of Purchase Price Quantity vs. the Unit of Sale. For example, DMLSS shows the order, the conversion, and the issuance of the inventory cost for MTF Catalog Supply item ID # 6505013308924, as follows:

- Order Information
 - Unit of Purchase: Package
 - Unit of Purchase Quantity: 64
 - Unit of Purchase Price: \$233.01

- Conversion Information
 - Unit of Purchase: (Package)
 - Ratio (64)
 - Unit of Sale: (Bag)

The above inventory conversion information shows the conversion of the inventory item being ordered as a package but yet being sold per bag.

- Issuing Information
 - Unit of Sale: (BG)
 - Unit of Sale Quantity: (1)
 - Unit of Sale Price: \$3.65 (Computation: $\$233.01/64 \text{ bags} = \3.64078)

The issuing information shows how the inventory is valued and sold and how the price can be adjusted at anytime a receipt is processed and the vendor has changed the price.

FFMR REVIEW

Based on all the cataloging data stated above from the 'LOG Cat' tab, it should be noted that the unit of Purchase and the Unit of Sale cost includes the cost of doing business. This information is included in the surcharge amount and is computed each year by the Services Field Office Activity.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.03.19

FFMR Description:

The system must provide financial information in the appropriate format, using the appropriate method, to other financial management systems used by the agency.

FFMR Reference: FFMSR-7, 22, 26

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040319

FFMR Review:

Based on test output z040319, the DMLSS system must provide financial information in the appropriate format, using the appropriate method, to the standard accounting system. DMLSS creates electronic data interface (EDI) files for Commitments, Cost Transfers and Sales, Obligations, Receipts/Acceptance, INVENTORY, Due-in/Due-out and Project Center and Expense. These transactions are then passed to the standard accounting system using the standard 'ANSI X12' version 4010 EDI. Selecting the interface file in the FORM field transmits the inventory interface file. The interface file for inventory can be identified as 'ANSI X.12 846 TXN SET'. The interface file selected can be viewed on the system as well. This file shows the increase or decrease of inventory transactions.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.03.20

FFMR Description:

The system must provide the information needed to support the reconciliation between the inventory system's records and other systems' records.

FFMR Reference: FFMSR-7, 23

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040320

FFMR Review:

Based on test output z040320, the system provides the needed information to support the reconciliation of the standard accounting system. The two Interface files needed for the reconciliation are the Expense & Project Center file and the Open Items of the (Due-in and Due-outs). Interface files are transmitted by the standard 'ANSI X.12____TXN SET. DMLSS is a feeder medical logistic system. Therefore the reconciliation process is the performed by the standard accounting system. DMLSS provides the information to support the reconciliation process.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.03.21

FFMR Description:

The system must provide support for physical verification of inventory balances by location and type.

FFMR Reference: FFMSR-7, 23

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040321

FFMR Review:

Based on test output z040321, the system provides support for the physical verification of inventory balances by location and type. The test output shows that a user can select the 'strat type' of inventory whether it is Operating or Special Projects and the DMLSS user can verify inventory by 'Stratification State' whether it be Serviceable, Unserviceable, Repairable, Suspended, or FDA Test.

DMLSS can support the verification of inventory by location. The user has the option to select the locations (e.g. DirLab or FREZ) and the storage area (e.g. BLDG 59 or Warehouse).

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.03.22

FFMR Description:

The system must record changes in physical condition, quantities, etc., based on the results of physical inventory verifications.

FFMR Reference: FFMSR-7, 23

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040322

FFMR Review:

Test output z040322 provides DMLSS screen prints from the inventory management module showing physical inventory reconciliation. Screen print #2 displays the DMLSS/Inventory Management/Physical Inventory menu. Screen Print #3 display an inventory item selected for physical count. Screen print #4 displays all the inventory items selected for physical count and DMLSS assigns a control number for tracking. Once the processing of inventory is complete, a system message will appear 'Process Successful...Control Number 020458 has been created.' Screen print #5 displays the generated count list and the assigned team criteria form. Screen print #6 displays the form for generating count lists and assigning team criteria. Screen print #7 displays the quantity of inventory items recorded during the first physical count. This screen print shows a difference between quantities on hand from a previous count and the current physical count. Screen print #8 displays the user entering criteria to generate a report on discrepancies from the inventory control number. Screen print #9 displays the selected inventory item from the discrepancy criteria. DMLSS allows users to adjust inventory quantities through a loss or a gain. DMLSS compares the on-hand quantity to the inventory count quantity and calculates the difference in dollars. Screen print #11 displays the available DMLSS physical inventory reports. Screen print #12 displays the available inventory control numbers to select for an inventory accuracy analysis report. Screen print #13 displays the results of the DMLSS inventory accuracy analysis report. Screen print #14 displays the DMLSS inventory adjustment report. DMLSS provides information on the gains and losses that occurred from the selected inventory control number. Screen print #15 displays the DMLSS missed locations report. The missed locations report identifies all locations where inventory was not recorded. Screen print #16 displays the inventory transaction history report. Inventory loss items due to the inventory count reconciliation are displayed with the transaction code IAL (i.e. inventory loss adjustment). Screen print #17 displays the DMLSS inventory in DFAS report summarizing transactions transmitted to the standard accounting system.

DMLSS has the capability of recording the conditions of its inventory in several ways. One, when equipment is received for inspection. DMLSS has a populated field title (Condition - i.e. A: Serviceable). DMLSS also can identify the condition of its physical inventory when there are Discrepancies. This information can be obtained in the Discrepancy Detail screen. This screen shows the system identifying the inventory condition by discrepancy codes (C1, C2, C3, Q1, etc.). DMLSS also records the state of the condition of its inventory based on the 'Strat State' whether its Serviceable, Unserviceable, Repairable, Suspended, or FDA Test.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.03.23

FFMR Description:

If the agency maintains perpetual inventory records the system must provide for the matching of physical counts with inventory quantity and financial records through cycle counting or other inventory management techniques.

FFMR Reference: FFMSR-7, 23; "DoDFMR," Volume 11B, Chapter 55-4, E3

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040323

FFMR Review:

Test output z040323 provides DMLSS screen prints from the inventory management module evidencing physical inventory reconciliation. Screen print #2 displays the DMLSS/Inventory Management/Physical Inventory menu. Screen Print #3 display an inventory item selected for physical count. Screen print #4 displays all the inventory items selected for physical count and then DMLSS assigns a control number for tracking. Once complete, a system message will appear 'Process Successful...Control Number 020458 has been created.' Screen print #5 displays the generated count list and assign team criteria form. Screen print #6 displays the form for generating count lists and assigning team criteria. Screen print #7 displays the quantity of inventory items recorded during the first physical count. This screen print shows a difference between quantities on hand from a previous count and the current physical count. Screen print #8 displays the user entering criteria to generate a report on discrepancies from the inventory control number. Screen print #9 displays the selected inventory item from the discrepancy criteria. DMLSS allows users to adjust inventory quantities through a loss or a gain. DMLSS compares the on-hand quantity to the inventory count quantity and calculates the difference in dollars. Screen print #11 displays the available DMLSS physical inventory reports. Screen print #12 displays the available inventory control numbers to select for an inventory accuracy analysis report. Screen print #13 displays the results of the DMLSS inventory accuracy analysis report. Screen print #14 displays the DMLSS inventory adjustment report. DMLSS provides information on the gains and losses that occurred from the selected inventory control number. Screen print #15 displays the DMLSS missed locations report. The missed locations report identifies all locations where inventory was not recorded. Screen print #16 displays the inventory transaction history report. Inventory loss items due to the inventory count reconciliation are displayed with the transaction code IAL (i.e. inventory loss adjustment). Screen print #17 displays the DMLSS inventory in DFAS report summarizing transactions transmitted to the standard accounting system.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.03.25

FFMR Description:

The system must ensure the retention of records of physical inventory counts until (1) the count is reconciled, (2) all adjusting entries for the physical count are resolved and entered into the financial records, and (3) the next physical count is accomplished, reconciled, and entered into the records.

FFMR Reference: FFMSR-7, 23

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040325

FFMR Review:

Test output z040325 provides DMLSS screen prints from the inventory management module evidencing physical inventory reconciliation. Screen print #2 displays the DMLSS/Inventory Management/Physical Inventory menu. Screen Print #3 displays an inventory item selected for physical count. Screen print #4 displays all the inventory items selected for physical count and DMLSS assigns a control number for tracking. Once completed, a system message will appear 'Process Successful...Control Number 020458 has been created.' Screen print #5 displays the generated count list and assign team criteria form. Screen print #6 displays the assignment of teams and physical count number. Screen print #7 displays the quantity of inventory items recorded during the first physical count. This screen print shows a difference between quantities on hand from a previous count and the current physical count. Screen print #8 displays the user entering criteria to generate a report on discrepancies from the inventory control number. Screen print #9 displays the selected inventory item from the discrepancy criteria. DMLSS allows users to adjust inventory quantities through a loss or a gain. DMLSS compares the on-hand quantity to the inventory count quantity and calculates the difference in dollars. Screen print #11 displays the available DMLSS physical inventory reports. Screen print #12 displays the available inventory control numbers to select for an inventory accuracy analysis report. Screen print #13 displays the results of the DMLSS inventory accuracy analysis report. Screen print #14 displays the DMLSS inventory adjustment report. DMLSS provides information on the gains and losses that occurred from the selected inventory control number. Screen print #15 displays the DMLSS missed locations report. The missed locations report identifies all locations where inventory was not recorded. Screen print #16 displays the inventory transaction history report. Inventory loss items, due to the inventory count reconciliation, are displayed with the transaction code IAL (i.e. inventory loss adjustment). Screen print #17 displays the DMLSS inventory in DFAS report summarizing transactions transmitted to the standard accounting system.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.03.26

FFMR Description:

The system must provide for identification of all errors arising from reconciliation processes that apply to a time period prior to the last inventory adjustment.

FFMR Reference: FFMSR-7, 23

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040326

FFMR Review:

Test output z040326 provides DMLSS screen prints from the inventory management module evidencing physical inventory reconciliation. Screen print #1 displays the DMLSS log on form. Screen print #2 displays the DMLSS/Inventory Management/Physical Inventory menu. Screen Print #3 display an inventory item selected for physical count. Screen print #4 displays all the inventory items selected for physical count and DMLSS assigns a control number for tracking. Screen print #5 displays the generated count list and assign team criteria form. Screen print #6 displays the assignment of teams and physical count number. Screen print #7 displays the quantity of inventory items recorded during the first physical count. This screen print shows a difference between quantities on hand from a previous count and the current physical count. Screen print #8 displays the user entering criteria to generate a report on discrepancies from the inventory control number. Screen print #9 displays the selected inventory item from the discrepancy criteria. DMLSS allows users to adjust inventory quantities through a loss or a gain. DMLSS compares the on-hand quantity to the inventory count quantity and calculates the difference in dollars. Screen print #11 displays the available DMLSS physical inventory reports. Screen print #12 displays the available inventory control numbers to select for an inventory accuracy analysis report. Screen print #13 displays the results of the DMLSS inventory accuracy analysis report. Screen print #14 displays the DMLSS inventory adjustment report. DMLSS provides information on the gains and losses that occurred from the selected inventory control number. Screen print #15 displays the DMLSS missed locations report. The missed locations report identifies all locations where inventory was not recorded. Screen print #16 displays the inventory transaction history report. Inventory loss items due to the inventory count reconciliation are displayed with the transaction code IAL (i.e. inventory loss adjustment). Screen print #17 displays the DMLSS inventory in DFAS report summarizing transactions transmitted to the standard accounting system. DMLSS records corrections to differences with an inventory gain or loss code. Such transactions can be queried in the inventory transaction history.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.03.27

FFMR Description:

The system must record changes in the location of an inventory item, such as from one warehouse to another, and any associated changes in the person or organization responsible for stewardship of the item.

FFMR Reference: FFMSR-7, 23

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040327

z040331

FFMR Review:

Test output z040327 provides DMLSS screen prints from the inventory management module showing physical inventory reconciliation. Screen print #1 displays the DMLSS log on form. Screen print #2 displays the DMLSS/Inventory Management/Physical Inventory menu. Screen print #3 displays an inventory item selected for physical count. Screen print #4 displays all the inventory items selected for physical count and DMLSS assigns a control number for tracking. Screen print #5 displays the generated count list and assign team criteria form. Screen print #6 displays the assignment of teams and physical count number. Screen print #7 displays the quantity of inventory items recorded during the first physical count. This screen print shows a difference between quantities on hand from a previous count and the current physical count. Screen print #8 displays the user entering criteria to generate a report on discrepancies from the inventory control number. Screen print #9 displays the selected inventory item from the discrepancy criteria. DMLSS allows users to adjust inventory quantities through a loss or a gain. DMLSS compares the on-hand quantity to the inventory count quantity and calculates the difference in dollars. Screen print #11 displays the available DMLSS physical inventory reports. Screen print #12 displays the available inventory control numbers to select for an inventory accuracy analysis report. Screen print #13 displays the results of the DMLSS inventory accuracy analysis report. Screen print #14 displays the DMLSS inventory adjustment report. DMLSS provides information on the gains and losses that occurred from the selected inventory control number. Screen print #15 displays the DMLSS missed locations report. The missed locations report identifies all locations where inventory was not recorded. Screen print #16 displays the inventory transaction history report. Inventory loss items, due to the inventory count reconciliation, are displayed with the transaction code IAL (i.e. inventory loss adjustment). Screen print #17 displays the DMLSS inventory in DFAS report summarizing transactions transmitted to the standard accounting system.

Test output z040331 shows evidence that DMLSS records the changes in location and ownership of inventory. Screen prints from the output display the DMLSS internal transfer form uses to move items from and to different condition states and locations. The screen print shows a quantity of 10 items moved from serviceable to suspended condition. DMLSS produces a delivery list so warehouse personnel can remove the items. The DMLSS receipt and due-in/due-out process records changes in location and ownership.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.03.28

FFMR Description:

The system must record losses as a result of destroyed, lost, or pilfered items. The system must also record the value and quantities of items in transit.

FFMR Reference: FFMSR-7, 23

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040328

z040326

z040327

z040502

FFMR Review:

Test output z040328 shows screen prints of DMLSS recording an item loss due to the required destruction of the item. Screen print #1 displays the DMLSS log on form. Screen print #2 displays the DMLSS inventory management catalog with an item selected and the destruction tab method selected. Screen print #3 displays the DMLSS users specifying the reason for the destruction and the quantity of items lost. Screen print #5 displays the "InventoryInDFAS report" summarizing transactions submitted to the standard accounting system. Inventory items that are lost or stolen could be detected during the physical count of inventory.

Test output sets z040327, z040326, and z040502 provide screen prints of physical counts forms and DMLSS recording an inventory loss. The standard accounting system, not DMLSS, records the value and quantities of items in transit. DMLSS contains a Due-in/Due-out module that tracks the quantity and value of items scheduled to arrive or depart.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.03.29

FFMR Description:

The system must send the appropriate information to the core financial and cost accounting systems to ensure that they stay in balance with the inventory system when financial adjustments are required as a result of a physical verification.

FFMR Reference: FFMSR-7, 23

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040329

FFMR Review:

Test output z040329 provides screen prints of the DMLSS physical count of inventory and the InventoryInDFAS report summarizing transactions submitted to the standard accounting system. Screen print #1 displays the DMLSS log on form. Screen print #2 displays the DMLSS/Inventory Management/Physical Inventory menu. Screen Print #3 displays an inventory item selected for physical count. Screen print #4 displays all the inventory items selected for physical count and then DMLSS assigns a control number for tracking. Screen print #5 displays the generated count list and assign team criteria form. Screen print #6 displays the assignment of teams and physical count number. Screen print #7 displays the quantity of inventory items recorded during the first physical count. This screen print shows a difference between quantities on hand from a previous count and the current physical count. Screen print #8 displays the user entering criteria to generate a report on discrepancies from the inventory control number. Screen print #9 displays the selected inventory item from the discrepancy criteria. DMLSS allows users to adjust inventory quantities through a loss or a gain. DMLSS compares the on-hand quantity to the inventory count quantity and calculates the difference in dollars. Screen print #11 displays the available DMLSS physical inventory reports. Screen print #12 displays the available inventory control numbers to select for an inventory accuracy analysis report. Screen print #13 displays the results of the DMLSS inventory accuracy analysis report. Screen print #14 displays the DMLSS inventory adjustment report. DMLSS provides information on the gains and losses that occurred from the selected inventory control number. Screen print #15 displays the DMLSS missed locations report. The missed locations report identifies all locations where inventory was not recorded. Screen print #16 displays the inventory transaction history report. Inventory loss items due, to the inventory count reconciliation, are displayed with the transaction code IAL (i.e. inventory loss adjustment). Screen print #17 displays the DMLSS inventory in DFAS report summarizing transactions transmitted to the standard accounting system. DMLSS transmits data to the standard accounting system that contain financial adjustments (i.e. inventory gain or loss) as result of physical counts performed.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.03.31

FFMR Description:

The system must generate financial transactions to record the transfer of inventory between accounts such as from inventory held for sale and excess, obsolete, and unserviceable inventory, or between other accounts.

FFMR Reference: FFMSR-7, 23

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040331

FFMR Review:

Test output z040331 provides screen prints of the DMLSS/Inventory Management internal transfer module. Screen print #1 is the DMLSS log on form. Screen print #2 displays the DMLSS internal transfer form used to move items from and to different condition states and locations. This screen print shows a quantity of 10 items moved from serviceable to suspended condition. DMLSS produces a delivery list so warehouse personnel can remove the items. Screen print #3 displays the DMLSS transaction history list displaying transfer of inventory, transaction type for ITG and ITL. DMLSS sends the transaction to the standard accounting system.

DMLSS records the transfer of inventory between inventory accounts and transmits the required information to the standard accounting system. The standard accounting system maintains the financial transactions. DMLSS calculates the values for all conditions of inventory, so the financial impact of the transfer is recorded.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.03.35

FFMR Description:

The system must compute the value of items on the property records by multiplying quantities on hand or on loan by the unit cost of the applicable item.

FFMR Reference: FFMSR-7, 24

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040335

FFMR Review:

Test output z040335 provides screen prints of the DMLSS stock status report in summary and detail format. Screen print #1 displays the DMLSS log on form. Screen print #2 displays the DMLSS/Inventory Management stock status report criteria. Screen print #3 displays the stock status report for the summary detail level. The screen print displays the dollar value and total lines for DMLSS inventory categories. Screen print #4 displays the DMLSS/Inventory Management stock status report criteria. Screen print #5 displays the DMLSS detailed stock status report. This screen print provides inventory items, quantity of items, price of items and other valuable information.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.03.36

FFMR Description:

The system must record the value and quantity of items shipped from contractors or vendors for which title has passed to the government.

FFMR Reference: FFMSR-7, 24

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040336

FFMR Review:

Test output z040336 provides screen prints from the DMLSS inventory management due-in and due-out module. Screen print #1 displays the DMLSS log on form. Screen print #2 displays the DMLSS/System Services material tab selected for a particular customer. DMLSS verifies the receipt of items and order of items for this customer. Screen print #3a displays the DMLSS offline order for the customer identified in screen print #2. Screen print #3b is the DMLSS Due-in search form displaying the item ordered by the customer. Screen print #4 displays the DMLSS inventory issue form where the user processes the request for the customer order, contained within Screen print #2, for \$257. Screen print #5 displays the DMLSS due-in search result displaying the appropriate order and customer id. Screen print #6 displays the transaction history search results for the item awaiting the customer to process the receipt (i.e. transaction type ISS).

DMLSS records the value and quantity of items ordered and shipped where title of goods passes to the government. DMLSS can automatically process the order and receipt for the customer or DMLSS can force the manual process of orders and receipts.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.03.38

FFMR Description:

The system must, at the least, provide some management information about the following financial quantities: unfilled orders, discrepancies, acceptance and rejection summaries, days supply, item expiration/shelf life, master inventory, cycle count, inactive stock, and inventory accuracy.

FFMR Reference: FFMSR-7, 24-25

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040338

FFMR Review:

Test output z040338 provides DMLSS screen prints of detailed and summary inventory reports available to management. Screen print #1 is the DMLSS log on form. Screen print #2 displays the DMLSS inventory management balance report. The balance report or balance list is produced during end of day processing and on the end of month cycle. Screen print #3 displays the medical supplies and expense equipment report for Tyndall Air Force Base. Each of the 16 lines represent information for beginning balances, receipts-reimbursable/non-reimbursable, issues, price changes, discrepancies, gains and losses, adjustments, ending inventory (refer to screen prints). Screen print #3a displays the DMLSS inventory management stock status report selection criteria. Screen print #3b displays the actual stock status report. The stock status report provides management with information on status of inventory, monthly balances, on-hand quantity, inventory substitutes, dollar value of inventory and other information (refer to screen print). Screen print #4 displays the DMLSS log inventory balance report criteria selection. Screen print #5 displays the log inventory report containing the all stratification states for the items selected in screen print #5. Screen print #6 displays the DMLSS inventory accuracy analysis selection criteria. The user has selected #4 inventory control numbers for the report. Screen print #7 displays the inventory accuracy analysis report for the second control number. Screen print #8 displays the DMLSS DCM interface configuration.

DMLSS offers management with flexible reports in both summary and detail format to support the information stated by the FFMR.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.04.02

FFMR Description:

The system must be able to account for inventory held for repair using the allowance method or the direct method. (This guidance may be subject to modification. Contact OUSD(C) Accounting Policy at 703.697.3200.)

FFMR Reference: SFFAS-3, 32; FFMSR-7, 25

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040402

FFMR Review:

DMLSS is not the standard accounting system and therefore does not generate journal entries. DMLSS does provide data to the standard accounting system to support repair activities and transactions related to that activity. Test output z040402 includes an example of how DMLSS tracks work orders for repairing inventory items. When a work order is assigned to a maintenance team, DMLSS is capable of tracking time and date multiplied by labor rates to arrive at labor costs related to repairing inventory items. This information is used to support the recording of direct costs related to repairing items.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.04.12

FFMR Description:

The system must record the transfer of an inventory item from the status of "in repair" to its proper status and location.

FFMR Reference: FFMSR-7, 26

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040412

FFMR Review:

Test output z040412 provides screen prints of the DMLSS inventory management module for repairable items. Screen print #1 is the DMLSS log on form. Screen print #2 displays the DMLSS log inventory balance report for the repairable stratification state. This report shows two item ids and the total quantity of repairable items. Screen print #3 displays the DMLSS work order detail form. The DMLSS work order detail form contains fields for organization and customer of the selected ID for one of the two items in the repairable state. Screen print #4 displays the assignment of the work order to an on-site technician. Screen print #5 displays the technician updating the stratification state of the items in DMLSS. This form allows the technician to record hours worked, labor rate and work performed. Screen print #6 displays the DMLSS inventory internal transfer form for an item. DMLSS provides fields that may be modified including the quantity and price of items repaired as well as their location stratification status. Screen print #8 provides evidence that the system updates the quantity of the serviceable and repairable balances for the item. The location of the item is located in the right hand corner of the form.

DMLSS internal transfer module allows the modification to status and location of inventory items.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.04.18

FFMR Description:

The system must record unit costs and the prices of products and services.

FFMR Reference: FFMSR-7, 26

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040418

z040412

FFMR Review:

Test output z040418 provides screen prints of the DMLSS customer catalog, with item pricing. Screen print #1 is the DMLSS log on form. Screen print #2 displays the DMLSS inventory management basic tab with a medical item id selected with catalog information. Screen print #3 is the customer catalog displaying the all of the DMLSS customers carrying this item and the unit price. Screen print #4 displays the source of supply cat tab. This tab contains customer and vendor information for the item. Screen print #5 displays the inventory log cat tab. Inventory balances and order information is presented for the selected item. The unit of purchase is 64, the unit of purchase price is \$233.01, and therefore the inventory is valued and sold at a unit of sale price \$3.65. Test output z040412 provides evidence that DMLSS records the price of services for technicians performing work on repairable items. The screen prints provided display the DMLSS form that allows the technician to record hours worked, labor rate and work performed.

DMLSS records the unit cost of products purchases and the price of services.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.04.20

FFMR Description:

The system must identify the intended location of the item and track its movement from the point of initial receipt to its final destination.

FFMR Reference: FFMSR-7, 26

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040420

z040331

FFMR Review:

Test output z040420 displays screen prints of the DMLSS inventory management module. Screen print #1 is the DMLSS log on form. Screen print #2 displays the DMLSS inventory military treatment facility catalog with the log tab selected. An item id is shown with its location at the vault/warehouse. Screen print #3 displays the DMLSS receipt not Due-in screen. The screen print shows the item with a quantity of 2 Due-in to the vault/warehouse from the Defense Supply Center. DMLSS allows the user to change the receipt location by clicking the icon about the current location. Screen print #4 displays the receipt of the item in the serviceable category (notice the quantity increased from 141 to 143).

Test output z040331 provides evidence that the DMLSS inventory transfers module can identify the current location of items and identify the intended location.

DMLSS appropriately processes receipts while recording the location of the item received. DMLSS also can control the current location of an inventory item and the intended location of the item from the transfers, Due-in, and Due-out menu options.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.04.21

FFMR Description:

The system must record identifiers, quantities, condition, location, and other elements necessary to establish physical control.

FFMR Reference: FFMSR-7, 26

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040421

FFMR Review:

Test output z040421 provides screen prints of the DMLSS inventory management catalog tabs that record various elements pertaining to inventory items. Screen print #1 is the DMLSS log on form. Screen print #2 displays the DMLSS inventory management MTF catalog and basic information for a selected item ID. The DMLSS basic tab displays the unique item ID number, NSN number, item description, commodity class and other available fields. Screen print #3 displays the technical supply tab. The item ID selected by the user also provides technical information about expiration of items, shelf life and the demilitarization method. Screen print #4 provides the DMLSS acceptable equivalent tab used to record items that are similar to the item ID selected. Screen print #5 displays the DMLSS source of supply cat tab. This tab displays information on sources of procurement, prices, and quantities. Screen print #6 displays the customer cat tab, which contains information pertaining to all of the DMLSS customers, who use the item presented, along with the quantity on hand.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.04.22

FFMR Description:

The system must classify inventory items by commodity class or type to meet agency needs for management and control.

FFMR Reference: FFMSR-7, 26

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040422

FFMR Review:

Test output z040422 provides screen prints of the DMLSS systems services module that manages the commodity class information. Screen print #1 is the DMLSS log on form. Screen print #2a displays the DMLSS commodity class centrally managed table with the details of each element of resource id. Screen print #2b displays the second page of the table. Screen print #3 displays the DMLSS inventory management catalog search. The commodity class field is highlighted with the list of available commodity classes. Screen print #4 displays the results of the search. The commodity class "supply" is shown for the selected item id within the DMLSS basic tab. DMLSS centrally manages the commodity class table to ensure adequate control.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.05.02

FFMR Description:

The system must record changes in the location of the inventory items and the associated changes in the person or organization responsible for stewardship of the item.

FFMR Reference: FFMSR-7, 27

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040502

z040331

FFMR Review:

Test output z040502 provides DMLSS screen prints from the inventory management module displaying the physical inventory reconciliation. Screen print #2 displays the DMLSS/Inventory Management/Physical Inventory menu. Screen print #3 displays an inventory item selected for physical count. Screen print #4 displays all the inventory items selected for physical count. DMLSS assigns a control number for each physical count pertaining to the selected inventory. Screen print #5 displays the user generating the count list and the DMLSS assign team criteria form. Screen print #6 displays the assignment of teams and physical count number. Screen print #7 displays the quantity of inventory items recorded during the first physical count. The screen print shows a difference between quantities on hand from a previous count and the current physical count. Screen print #8 displays the user entering criteria to generate a report on discrepancies from the inventory control number. Screen print #9 displays the selected inventory item from the discrepancy criteria. DMLSS allows users to adjust inventory quantities through a gain or loss. DMLSS compares the on-hand quantity to the inventory count quantity and calculates the difference in dollars. Screen print #11 displays the available DMLSS physical inventory reports. Screen print #12 displays the available inventory control numbers to select for an inventory accuracy analysis report. Screen print #13 displays the results of the DMLSS inventory accuracy analysis report. Screen print #14 displays the DMLSS inventory adjustment report. DMLSS provides information on the gains and losses that occurred from the selected inventory control number. Screen print #15 displays the DMLSS missed locations report. The missed locations report identifies all locations where inventory was not recorded. Screen print #16 displays the inventory transaction history report. Inventory loss items, due to the inventory count reconciliation, are displayed with the transaction code IAL (i.e. inventory loss adjustment). Screen print #17 displays the DMLSS inventory in DFAS report summarizing transactions transmitted to the standard accounting system.

Based on test output z040331, it is evident that DMLSS records changes in location and ownership of inventory. Screen prints from the output display the DMLSS internal transfer form used to move items from and to different condition states and locations. The screen print shows a quantity of 10 items moved from serviceable to suspended condition. DMLSS produces a delivery list so warehouse personnel can remove the items. DMLSS contains a Due-in/Due-out module that tracks the quantity and value of items scheduled to arrive or depart.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.05.03

FFMR Description:

The system must record the transfer of an inventory item from the status of "on loan" to its proper status and location.

FFMR Reference: FFMSR-7, 28

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040503

z040504

FFMR Review:

Test output z040503 provides screen prints of the DMLSS equipment management module used for loan transactions. Screen print #1 is the DMLSS log on form. Screen print #2a displays the DMLSS new loan form with borrower and provider information populated. Screen print #2b displays the loan item tab with an individual loaning an item classified by an equipment control number (ECN) and the date of the loan. Screen print #3 displays the query result for items on loan where the new loan item is displayed. Screen print #4 displays the item tab where the user executes a command button and returns the item to the loaning custodian. Screen print #5 displays the details of the equipment transaction history. The document number, ECN, and item from the previous loan transaction are displayed. Screen print #6 displays the DMLSS work detail form. When items are returned from loan, DMLSS generates an inspection work order for a technician to verify the status of the item. The detail work order contains the appropriate information from the loan transaction.

Test output z040504 provides evidence of item returns in DMLSS. The return item form provides information on the borrowing customer, item id returned, quantity, stratification state and location.

The DMLSS equipment loan module provides the necessary elements of a loan transaction including the borrower, provider, and item information.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.05.04

FFMR Description:

The system must adjust the value of items being returned in worse condition or that are not returned at all. If the financial category needs to be changed to "held for repair" or "excess, obsolete, or unserviceable," the system must generate the appropriate accounting and financial transactions. (This guidance may be subject to modification. Contact OUSD(C) Accounting Policy at 703.697.3200.)

FFMR Reference: FFMSR-7, 28

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040504

FFMR Review:

Test output z040504 provides screen prints from the DMLSS return item form. Screen print #1 is the DMLSS log on form. Screen print #2 displays the DMLSS inventory management return item form. The screen print displays a customer id, the item id for the item in which the customer borrowed, the quantity, and the stratification type, and state. Notice the item is returned as unserviceable. Screen print #3 displays the inventory management transaction history detail for the returned item. The item return generated a gain (TIG) but due to the unserviceable state of the item, a loss (TIL) is generated. The screen print displays the returned quantity and the value of the quantity returned. Screen print #4a displays the DMLSS log inventory balance report criteria under the DMLSS inventory report view. The user selected several items for with the stratification state is "unserviceable". Screen print #4b displays the results of the log inventory balance report. Screen print #5 displays the Sales in DFAS report showing the return transactions transmitted from DMLSS to the standard accounting system.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.05.05

FFMR Description:

The system must verify that the customer order is received from an eligible customer who is authorized to use the system and order the items.

FFMR Reference: FFMSR-7, 28

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040505

FFMR Review:

Test output z040505 provides screen prints of the DMLSS system services customer management menu. Screen print #1 is the DMLSS log on form. Screen print #2 displays the DMLSS project center 233 detail and the related expense center. Screen print #3 displays an order generated for the expense center. Screen print #4 displays the updated fund amounts for the order placed under project id 233. Screen print #5 displays the DMLSS user privileges assignment form. DMLSS provides the capability for an authorized system administrator to assign DMLSS applications and roles to customers. Screen print #6 displays the svc/customer management option that provides a listing of the customers authorized to place orders. Associated customers are approved to make orders where non-associated customers are not. Screen print #7 displays the selection of a non-associated customer 7XY000. Screen print #8 displays the DMLSS customer area inventory management application with child development center selected. In the selected customer field, if the user enters the non-associated customer 7XY only available customers are returned.

DMLSS system administrator assigns privileges and roles to ensure orders are received from authorized customers.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.05.06

FFMR Description:

The system must record the fund citation provided by the customer so that it may be included on billings.

FFMR Reference: FFMSR-7, 28

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040506

z040511

FFMR Review:

Test output z040506 provides screen prints of the DMLSS systems services module where users maintain organizational information. Screen print #1 is the DMLSS log on form. Screen print #2 displays the system services tree view record selection. The user selects organization FM4427. Screen print #3 displays the MTF/Unit detail information for FM4427. Screen print #4 displays the medical material service detail with the appropriations tab selected. DMLSS has the capability to record the type of organizations, logistics appropriations, customer appropriation, and transportation appropriation. Screen print #5 displays the funding tab that contains associated and non-associated expense centers for billing purposes.

Test output z040511 also provides screen print evidence of DMLSS materials management service detail appropriations tab for an Army stock fund.

DMLSS provides a detailed appropriations tab supporting detail and summary billing.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.05.07

FFMR Description:

The system must ensure that inventory items issued are limited to available funds provided by the customer.

FFMR Reference: FFMSR-7, 28

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040507

FFMR Review:

Test output z040507 provides screen prints of DMLSS customer area inventory management application controls. Screen print #1 is the DMLSS log on form. Screen print #2 displays the project center 115 detail. No funding exists for project center 115. Screen print #3 displays the DMLSS exception detail (error) message when the customer attempted to order items without funds available.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.05.08

FFMR Description:

If available funds are expected to be exceeded because of price changes, the system must advise the customer of the new price. The system must withhold performance and/or shipment until the customer has provided the additional funds required or has been given an opportunity to cancel or reduce the order.

FFMR Reference: FFMSR-7, 28

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040508

FFMR Review:

Test output z040508 provides screen prints of DMLSS customer orders and changes to item prices affecting those orders. Screen print #1 is the DMLSS log on form. Screen print #2 displays a order for customer 232213/60 of one item for \$50.00. Screen print #3 displays the processing of the order. Screen print #4 displays the Due-in detail status and a price of \$70. Screen print #5 displays the transaction history. Transaction types PDI and PDO are highlighted because they represent price changes against a Due-in and Due-out respectively. The detail shows the transaction as a \$20 increase to the dollar value (\$50). Screen print #6 displays an order being placed for customer 232213/60 for one item at \$70.00. Screen print #7 displays the DMLSS exception detail automatically generated when the order is placed because the customer lacks the necessary funds. No further order can be processed until the customer obtains funding.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.05.09

FFMR Description:

The system must establish and maintain customer records if customers are billed.

FFMR Reference: FFMSR-7, 28

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040509

z040510

z080316

FFMR Review:

Test output z040509 provides screen prints of the DMLSS electronic data interface (EDI) files transmitted to the standard accounting systems to support customer records. Screen print #1 is the DMLSS log on form. Screen print #2 provides a narrative description of the interface files (i.e. ansi X12 version EDI transactions). Screen print #3 is an example of the EDI 812 file for cost transfers and sales. Screen print #4 displays an example of the EDI 821 file for obligation transactions. Screen print #5 displays the EDI 821C file for commitment transactions. Screen print #6 displays an example of the EDI 861 file for receipt and acceptance of item information.

Test output z040510 provides screen prints of DMLSS recording and maintaining relevant customer information to support customer records. Screen print #2 displays DMLSS establishing customer information coordinated with the standard accounting system for identification purposes. DMLSS captures information such as customer ID, customer name, military branch, unit, and dept. ID.

DMLSS does not maintain an accounts receivable ledger. However, DMLSS does maintain customer history files displayed in test output z080316. Screen print #3 displays the DMLSS inventory management transaction history for an item ID within the operating stratification. Transaction history identifies all the customer transactions by item ID.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.05.10

FFMR Description:

The system must record relevant information, such as customer name, customer identification number, phone number, multiple customer addresses (ship to, bill to), key contracts, shipping restrictions, items and quantities ordered, date received and shipping location.

FFMR Reference: FFMSR-7, 28

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040510

z040508

FFMR Review:

Test output z040510 provides screen prints of DMLSS system services customer detail and the associated electronic data interface (EDI) files. Screen print #1 is the DMLSS log on form. Screen print #2 displays the Service/Customer Detail basic tab for customer ID 255436. DMLSS contains fields within the basic tab for customer name, point of contact, delivery location and medical expense and reporting system (MEPRS) code. The POC button allows DMLSS to capture detailed information for email address, phone numbers, rank and grade, address and organization records as shown in screen print #3. Screen print #4 provides a narrative description for the DMLSS interface files transmitted to the standard accounting systems to support customer records. Screen print #5 is an example of the EDI 812 file for cost transfers and sales. Screen print #6 displays an example of the EDI 821 file for obligation transactions. Screen print #7 displays the EDI 821C file for commitment transactions. Screen print #8 displays an example of the EDI 861 interface file for receipt and acceptance of item information (i.e. date received).

DMLSS captures order information for customers in the customer area inventory management module. Test output z040508 provides an example of DMLSS recording quantity and item ID information for customer 232213/60.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.05.11

FFMR Description:

If the customer is a federal agency, the system must record the fund citation provided.

FFMR Reference: FFMSR-7, 28

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040511

z040506

FFMR Review:

Test output z040511 provides screen prints of DMLSS system services module capturing fund citation information for an Army customer. Screen print #1 is the DMLSS log on form. Screen print #2 displays the DMLSS system services search results for a medical treatment facility (MTF), unit ID W45B97. The basic tab is selected and relevant customer data for W45B97 is displayed. The user selects the material button under primary support activities and the results are shown in screen print #3. The appropriation data tab is shown and the appropriate logistics, customer and transportation appropriation information is entered for ID W45MXE. DMLSS provides the appropriation information, commodity class, and the element of resource data to the standard accounting system for billing purposes.

Test output z040506 also provides screen prints of the DMLSS systems services module where fund citation information is captured for an Air Force customer. The DMLSS user selects organization FM4427. Screen print #3 displays the MTF/Unit detail information for FM4427. Screen print #4 displays the medical material service detail with the appropriations tab selected. This screen print provides the capability for DMLSS to record the logistic, customer and transportation appropriation.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.05.12

FFMR Description:

To support the customer order process, the system must, when insufficient stock is available to fulfill the total requirement, issue stock and back order the balance as policy permits.

FFMR Reference: FFMSR-7, 28

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040512

FFMR Review:

Test output z040512 provides screen prints of the DMLSS customer area inventory management module back order process. Screen print #1 is the DMLSS log on form. Screen print #2 displays the user building an order for customer Y05PHB. The due-in tab displays the order for 3 items with a combined quantity of 40. Screen print #3 displays the DMLSS summarized order and the remaining funding position. Screen print #4 displays the user navigating to inventory management and selecting customer Y05PHB. DMLSS displays the order for 3 records. Screen print #5 displays DMLSS processing the order, issuing on hand inventory by quantity and issuing a backorder for the remaining balance. DMLSS also provides a notification message for items on backorder. Screen print #6 displays the DMLSS transaction history file for transaction types and item ids. ISS transactions are DMLSS inventory issues and IOU transactions are DMLSS items placed on backorder. Screen print #6 contains the 2 backorder records displayed in screen print #5.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.05.13

FFMR Description:

The system must determine and record the value of a customer order.

FFMR Reference: FFMSR-7, 29

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040513

FFMR Review:

Screen print #2, of z040513, shows the user navigating the DMLSS 'Customer Area Inventory Management' Builds Order form, specifically the Order Detail screen. This screen shows the name of the item, the source of supply (SOS) (i.e. AZK), Min Dollar, Max Dollar, Order Total (i.e. \$22.60), Item ID and Description, and Quantity. Screen print #3 displays the summarized value of the order and shows the funding position. Some of the factors are:

Source of Supply	Total Lines	Total Value	
AZK	3	\$22.60	
Fund	New Commitments	New Available Balance	Available Balance
KVJB	\$22.60	(\$1,154,763.69)	(\$1,154,741.09)

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.05.14

FFMR Description:

The system must send a transaction to the Core Financial System to record receipt of an unfilled customer order.

FFMR Reference: FFMSR-7, 29

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040514

FFMR Review:

Test output z040514 provides screen prints of the DMLSS back order process and the DFAS report for unfilled orders. Screen print #1 is the DMLSS log on form. Screen print #2 displays the user building an order for customer Y05PHB. The due-in tab displays the order for 3 items with a combined quantity of 40. Screen print #3 displays the DMLSS summarized order and the remaining funding position. Screen print #4 displays the user navigating to inventory management and selecting customer Y05PHB. DMLSS displays the order for 3 records. Screen print #5 displays DMLSS processing the order, issuing on hand inventory by quantity and backorders for the remaining balance. DMLSS also provides a notification message for backordered items. Screen print #6 displays the DMLSS transaction history file for transaction types and item ids. ISS transactions are DMLSS inventory issues and IOU transactions are DMLSS items placed on backorder. Screen print #6 contains the 2 backorder records displayed in screen print #5. Screen print #7 displays the DFAS document number W81NWY23264200 for the DMLSS document number Y05PHB23264200 transmitted to the standard accounting system. Screen print #7 displays the item id and the quantity issued under transaction code ISS. The report also displays the unfilled order quantity under transaction code IOU. The information contained on the report matches the DMLSS transaction history file in screen print #6.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.05.18

FFMR Description:

The system must prepare picking lists to be used in pulling inventory items from storage and then reduce quantities on hand by the number of items removed.

FFMR Reference: FFMSR-7, 29

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040518

z040530

FFMR Review:

Test output z040518 provides screen prints of DMLSS inventory management pick lists created for pulling inventory items. Screen print #1 is the DMLSS log on form. Screen print #2 displays the DMLSS inventory management selection criteria for issues and confirmed pick lists. A unique number identifies the DMLSS picklists. Screen print #3 displays the user selecting the appropriate pick lists for customer Y05PHB with the storage area, Due-in quantity, issue quantity and picked quantity. Screen print #4 displays the user keying in the picked quantity issued to the customer. Screen print #5 displays DMLSS confirming the pick quantity and requesting the user to select the delivery list to print. Screen print #6 displays the DMLSS information message confirming the list(s) printed. Screen print #7 displays the remaining print lists as a result of processing the print list 10621 from screen print #2.

In order to display the reduction of quantities on hand, due to items picked, the user must select the item ID in the inventory management Log Cat tab. Test output z040530 provides a screen print of the Log Cat tab showing a reduction in quantity on hand. Screen print #2 displays the serviceable operating quantity of 7 for Item ID 6520009269041. Screen print #3 displays a reduction of 4 quantities of the item. Screen print #4 displays the new serviceable quantity of 3 due to the reduction in quantity. Items issued from the logistics catalog to customers through pick lists result in the same reductions in on-hand quantities.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.05.20

FFMR Description:

The system must maintain records of items issued, including quantities, shipment methods, dates, destinations, etc., to assist in the resolution activities.

FFMR Reference: FFMSR-7, 29

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040520

FFMR Review:

Test output z040520 provides screen prints of the DMLSS inventory management transaction history file. Screen print #1 displays the DMLSS log on form. Screen print #2 displays the summary search results for customer Y05PHB. The details of document number Y05PHB23264200 are displayed in the fields under the search results. Transaction types, stratification types, dates, item description, document number, quantity, expense center, amount, etc., are displayed in the transaction history. The DMLSS user can select the desired transaction type to access further details to assist in resolution of transactions.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.05.21

FFMR Description:

The system must compare customer order records to issue records and flag any differences for follow-up.

FFMR Reference: FFMSR-7, 29

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040521

FFMR Review:

Test output z040521 provides screen prints of the DMLSS inbox reports for transaction differences. DMLSS provides 2 methods of identifying differences for orders. The first is a set of canned messages placed in the customer inbox. The second deals strictly with due-ins for customer orders and requires follow up action. Screen print #1 is the DMLSS log on form. Screen print #2 displays the customer inbox for customer ID Y05PHB. Screen print #3 displays the document register identified in the customer inbox for Y05PHB. The DMLSS subject matter expert prepared the items in the list as an example of duplicate issues. Screen print #4 displays the requisition edit list produced when time frames are exceeded. The DMLSS user enters the order date range of all authorized customers of Y05PHB and processes the query. Screen print #5 displays the results of the search. The DMLSS message indicates no records were found. Screen print #6 displays customer 9X9610's inbox with a different set of reports. Screen print #7 displays a selected report with item ids and price differences. These reports require customer feedback and positive action to resolve the differences.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.05.22

FFMR Description:

The system must be able to determine the appropriate price for a particular customer order using pricing models and formulas.

FFMR Reference: FFMSR-7, 29

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040522

FFMR Review:

Test output z040522 provides screen prints of DMLSS pricing methodologies and formulas used to determine pricing for orders. Screen print #1 is the DMLSS log on form. Screen print #2 displays item 6505013308924 in the DMLSS Medical Treatment Facility (MTF) catalog. The basic tab provides the generic information for the selected item. Screen print #3 displays the customer catalog tab. This tab displays all the customers (by ID) who possess the selected item in their inventory. Screen print #4 displays the Source of Supply (SOS) cat tab. This tab lists all the sources cataloged as providing the selected item. The screen print shows the source of supply for customers is Log (SOS code EBH), and LOG procures the item from a prime vendor SOS code PVP. The screen print also displays the unit of purchase (U/P) and the unit of purchase price. Screen print #5 displays the Log Cat tab. The log cat tab displays the inventory balances and ordering/issuing information. Vendors sell the selected item at the unit of purchase (U/P) price (\$233.01). The unit of purchase contains a quantity of 64 bags. DMLSS converts the unit price into price per bag or unit of sale (U/S) by dividing \$233.01 by 64 bags equaling a U/S of \$3.65. DMLSS adjusts the unit of sale price in the catalogs if the vendor changes the price of the item.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.05.23

FFMR Description:

The system must provide quality controls to ensure that all appropriate costs have been provided to the pricing formula for a particular customer order.

FFMR Reference: FFMSR-7, 29

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040523

z040522

FFMR Review:

Test output z040523 provides narrative and screen print evidence of DMLSS pricing formula for working capital fund customers. Screen print #1 is the DMLSS log on form. Screen print #2 displays the DMLSS system services basic tab for Medical Material Service ID FM4427. Local surcharge fields are available and a part of the sale. Surcharges are designed to recover costs that impact the working capital funds operations. The methodology for the surcharge is not determined by DMLSS. However, DMLSS allows the user to enter in the appropriate surcharge to recover costs as a result of the sale. Surcharges are determined by agencies such as DLA, the Air Force and Army.

Test output z040522 provides screen print evidence of DMLSS pricing formulas based on the latest acquisition cost. Screen print #5 displays the Log Cat tab. The Log Cat tab displays the inventory balances and ordering/issuing information. Vendors sell the selected item at the unit of purchase (U/P) price (\$233.01). The U/P contains a quantity of 64 bags. DMLSS converts the unit price into price per bag or unit of sale (U/S) by dividing \$233.01 by 64 bags equaling \$3.65. DMLSS adjusts the U/S price in the catalogs if the vendor changes the price of the item.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.05.26

FFMR Description:

The system must provide the Core Financial System with the data necessary to establish the receivable and support subsequent administration of the receivables management and collection processes.

FFMR Reference: FFMSR-7, 29

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040526

z040509

FFMR Review:

Test output z040526 provides screen prints of the DMLSS electronic data interface (EDI) file transmitted to the standard accounting system for DMLSS transactions. Screen print #1 is the DMLSS log on form. Screen print #2 displays the EDI 812 file for cost transfers and sales. DMLSS provides this ANSI text file to the standard accounting system after completing a sale. The file contains all the required information necessary for the standard accounting system to bill and collect from customers.

Test output z040509 provides additional screen prints of the DMLSS EDI files transmitted to the standard accounting system for purposes of maintaining customer records. The test output provides an example of the EDI 821 file for obligation transactions, the EDI 821C file for commitment transactions and the EDI 861 file for receipt and acceptance of item information.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.05.30

FFMR Description:

The system must decrease the quantity of the inventory items on hand by the number of items sent to the disposal organization.

FFMR Reference: FFMSR-7, 30

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040530

FFMR Review:

Test output z040530 provides screen prints of a DMLSS transaction sending items from the on-hand inventory to the defense redistribution and marketing organization (DRMO). Screen print #1 is the DMLSS log on form. Screen print #2 displays the DMLSS inventory management Log Cat tab for the selected Military Treatment Facility. The user selects item 6520009269041 with an on-hand balance of 7 serviceable items. The location/storage area is displayed under the Locations tab. Screen print #3 displays the Gain/Loss form where the user enters in a quantity of 4 items sent to the DRMO as a loss because the bags contain holes. The Gain/Loss form generates a gain/loss report and a DD form 1348 that are sent to the DRMO. Screen print #4 displays the updated balance (3) for the item id selected as a result of the transaction shipped to the DRMO. Screen print #5 displays the gain/loss report for the quantity of 4. Screen print #6 displays the gains/losses report by selected dates. The DRMO transaction appears on the report.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.05.32

FFMR Description:

The system must record asset transfers and/or losses as appropriate, and in accordance with SFFAS Number 3, for items designated as excess, obsolete, or unserviceable, including items: (1) transferred to other federal agencies under mandated federal utilization programs, (2) sold as scrap, or (3) donated to state and local governments under mandated federal donation programs.

FFMR Reference: FFMSR-7, 30

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040532

FFMR Review:

Test output z040532 displays screen prints of DMLSS recording 3 types of asset transactions: transfer to another federal agency, a non-routine issue, and assets sold as scrap. Screen print #1 displays the DMLSS log on form. Screen print #2 displays the user searching for DMLSS items designated as excess. Three item ids appear in the search results. Screen print #3 displays the DMLSS inventory gain/loss form used to ship an item to another federal agency (DLA) for credit. Item ID 6530013122746 with a quantity of 10 will be returned to the source of supply for credit. Screen print #4 displays the DMLSS transaction history file displaying the item ID, quantity and date of the return of excess inventory.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.05.33

FFMR Description:

The system must be able to transfer balances between financial categories; for example, from "inventory held for sale" to "excess, obsolete, and unserviceable inventory."

FFMR Reference: FFMSR-7, 30

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040533

FFMR Review:

Test output z040533 provides screen prints of the DMLSS inventory management internal transfer form. Screen print #1 is the DMLSS log on form. Screen print #2 displays the internal transfer form where the user selects item ID 6505011403199. The 'from' fields display the current type, condition and location of the item selected. The user moves the selected item from the serviceable state to the suspended state for the quantity of 10 at a price of \$1.78. DMLSS processes the transaction and creates a delivery list for warehouse personnel. Screen print #3 displays the transaction history file with the document number displayed for the item transferred between financial categories. The transaction nets to zero, however DMLSS sends a file to the standard accounting system to record the transaction.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.05.35

FFMR Description:

The system must provide at least the following types of management information regarding the disposition of inventory: accountability of loaned items, stock availability, customer orders, inventory turnover, stock usage, losses, and disposals.

FFMR Reference: FFMSR-7, 30

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040535

FFMR Review:

Test output z040535 provides screen prints of the DMLSS inventory management reports concerning inventory and items on loan. Screen print #1 is the DMLSS log on form. Screen print #2 displays the equipment management loan information form. The user selects an external organization and appropriately populates the loan-to and loan-from information to ensure accountability. Screen print #3 displays the DMLSS Log inventory balance report selection form. The user selects the inventory balance report for all inventory types. Screen print #4 displays the results in a report format. DMLSS provides the stock availability for all items selected. The report contains information on quantities, price, and availability. Screen print #5 displays the DMLSS issue/turn-in summary report. The user selects a specified timeframe and available customers. Screen print #6 displays the summary of the customer orders for the specified dates. Screen print #7 displays the DMLSS inventory management report. The inventory management report is a 2-part report displaying the inventory levels, inventory turnover, dollar value, and percentages of items used. Screen print #8 displays a pricing analysis report for pharmaceutical items. The user can select all items or the items in stock. Screen print #9 displays the results of the pharmaceutical commodity report and provides suggestions for item prices. DMLSS provides reports for other commodity items. Screen print #10 displays the DMLSS gain/loss report. The user specifies the dates of the report. Screen print #11 displays the results in the report format, including disposed or destroyed items.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.06.04

FFMR Description:

The system must provide quality controls over input data to the pricing model to ensure that all appropriate costs are included and accurate.

FFMR Reference: FFMSR-7, 31

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040604

z040523

FFMR Review:

Test output z040604 provides narrative and screen print evidence of the DMLSS pricing formula for working capital fund customers. Screen print #1 is the DMLSS log on form. Screen print #2 displays the DMLSS system services basic tab for Medical Material Service ID FM4427. Local surcharge fields are available and a part of the sale. Surcharges are designed to recover costs that impact the working capital funds operations. The methodology for the surcharge is not determined by DMLSS, however DMLSS allows the user to enter in the appropriate surcharge to recover costs as a result of the sale. Surcharges are determined by agencies such as DLA, the Air Force and Army. Populating the surcharge field ensures appropriate costs are including in the inventory pricing.

Test output z040523 also provides screen print evidence of DMLSS pricing formulas based on latest acquisition cost. Screen print #5 displays the Log Cat tab. The Log Cat tab displays the inventory balances and ordering/issuing information. Vendors sell the selected item at the unit of purchase (U/P) price (\$233.01). The unit of purchase contains a quantity of 64 bags. DMLSS converts the U/P into price per bag or unit of sale (U/S) by dividing \$233.01 by 64 bags equaling a U/S of \$3.65. DMLSS adjusts the U/S price in the inventory catalog if the vendor changes the purchase price of the item.

DMLSS uses the latest acquisition cost and a price per unit formula to maintain catalog pricing. DMLSS automatically calculates the pricing formula to ensure accurate inventory pricing. Authorized DMLSS users determine appropriate pricing formulas and/or surcharges and enter these amounts into DMLSS. DMLSS determines the final price per order based on these factors.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.06.20

FFMR Description:

The system must provide sufficient transaction audit trails to support the balances of inventory shown on the agency's general ledger, as well as any changes in those balances.

FFMR Reference: FFMSR-7, 33

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040620

FFMR Review:

Test output z040620 provides screen prints of the DMLSS electronic data interface (EDI) file sent to the standard accounting system. The interface files allow the standard accounting system to populate the general ledger. Screen print #1 is the DMLSS log on form. Screen print #4 is an example of the EDI 812 file for cost transfers and sales. Screen print #5 displays an example of the EDI 821 file for obligation transactions. Screen print #6 displays the EDI 821C file for commitment transactions. Screen print #7 displays the EDI 861 file for receipt and acceptance of item information (i.e. date received). Screen print #8 displays the EDI 846 file containing inventory transactions to update the general ledger. Screen print #9 displays the EDI 814 file containing project center and expense center records for reconciling the standard accounting system funding records. Screen print #10 displays the EDI 864 file sent to the standard accounting system to reconcile due-in and due-out (open) items. Screen print #11 displays the DMLSS transaction history register with dates, document numbers, and item ids facilitating an audit.

DMLSS transmits the necessary data files to the standard accounting system to populate the general ledger. DMLSS also contains a transaction history archive allowing authorized users to query all transactions by document numbers and transaction dates.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.06.21

FFMR Description:

The system must maintain the supporting documentation for inventory transactions until audited for accuracy and approved by external financial auditors; for a period of not less than 3 years. Retention may be longer when (1) required by regulations, (2) there is a possibility of legal action involving the inventories, or (3) contract terms or modifications require longer retention.

FFMR Reference: FFMSR-7, 33

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040621

FFMR Review:

Per review of the narrative included in z040621, DMLSS is designed to maintain transaction data related to operating materials and supplies (OM&S) records for 6 years; 1 active and 5 inactive. DMLSS maintains all transactions that are recorded by the standard accounting system on-line for six years and three months.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.07.01

FFMR Description:

The system must categorize operating materials and supplies, as defined in SFFAS 3, Paragraph 36, as (1) operating materials and supplies held for use, (2) operating materials and supplies held in reserve for future use, or (3) excess, obsolete, and unserviceable operating materials and supplies. (This guidance may be subject to modification. Contact OUSD(C) Accounting Policy at 703.697.3200.)

FFMR Reference: SFFAS-3, 37; "DoDFMR," Volume 04, Chapter 04, 040107

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040701

FFMR Review:

Per review of test output z040701, DMLSS maintains operating material and supplies (OM&S) material using three categories: Operating, Special Project, and War Reserve Material. Additionally, DMLSS is capable of tracking the state of OM&S material as follows: FDA Test, Repairable, Serviceable, Suspended, and Unserviceable. Additionally, test output z040701 includes management data used to identify excess quantities (Potential Excess Qty).

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.07.07

FFMR Description:

The system must value donated operating materials and supplies at their fair market value at the time of donation.

FFMR Reference: SFFAS-3, 43; "DoDFMR," Volume 04, Chapter 04, 040107A

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040707

FFMR Review:

Per review of test output z040707, DMLSS is capable of identifying and recording the acquisition of donated property using transaction code "DPG" for Donated Property Gain. In recording the acquisition of donated property, a user is able to adjust the value of the item to reflect fair market value. Test Output z040707 includes an example of recording the acquisition of a Battery Charger in which the user is able to adjust the value of the item. This functionality allows users to reflect fair market values for recorded acquisitions.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.07.10

FFMR Description:

The system must value operating materials and supplies held in reserve for future use using the same basis as operating materials and supplies held for use in current normal operations.

FFMR Reference: SFFAS-3, 45; "DoDFMR," Volume 04, Chapter 04, 040107b

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040710

FFMR Review:

Per discussions with DMLSS Subject Matter Experts and per review of test output z040710, DMLSS values each item of operating material and supplies (OM&S) material regardless of the category. DMLSS values OM&S operating balances and OM&S held in reserve for future use balances within the same category (i.e. Operating). Per discussions, DMLSS usually maintains about one year's worth of material. This is dependent on the calculation of Economic Ordering quantity in which more or less may be maintained.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.08.04

FFMR Description:

The system must value war reserve materials on the basis of latest acquisition cost. (This guidance may be subject to modification. Contact OUSD(C) Accounting Policy at 703.697.3200.)

FFMR Reference: "DoDFMR," Volume 11B, Chapter 55, 55-31, O.4.a

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040804

FFMR Review:

Test output z040804 displays screen prints of the DMLSS War Reserve management program with inventory cost. Screen print #1 is the DMLSS log on form. Screen print #2 displays the DMLSS inventory management Log Cat tab. The user selects item id 6505013308924 with a unit of sale price of \$56.05. Screen print #3 displays the War Reserve balances data with a unit of sale price of \$56.05. Screen print #4 displays the user reducing the quantity below the reorder point and creating a due-in for the item id quantity of 3. Screen print #5 displays the market price/acquisition cost is \$62.25 and not \$56.05. Screen print #6 displays the Log Cat tab with a Due-in quantity of 11 (original 8 plus an additional 3). The unit of purchase price has not changed. Screen print #7 displays the user processing the receipt of the Due-in quantity of 3 at \$62.25. Screen print #8 displays the Log Cat tab with the item ID selected and the updated unit of purchase and unit of sale price due to the processing of the due-in receipt. The new price is \$62.25 or the acquisition price. Screen print #9 displays the war reserve balances for the item with the unit of sale price updated to reflect the latest acquisition cost of \$62.25.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 04.08.05

FFMR Description:

The system must allow the cost of war reserve items to be separately maintained and reported from inventory costs. (This guidance may be subject to modification. Contact OUSD(C) Accounting Policy at 703.697.3200.)

FFMR Reference: "DoDFMR", Volume 11B, Chapter 55, 55-30, O3

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z040804

FFMR Review:

Test output z040804 contains screen prints of the DMLSS war reserve inventory management. Screen print #3 provides evidence that DMLSS contains a separate form for war reserve inventory balances. The user selects item ID 6505013308924 and the current information for the item is displayed. The war reserve information is separate from operating and special projects balances that are displayed on the Log Cat tab. Transactions affecting the war reserve balances carry the code WRM.

DMLSS maintains a separate inventory balances of war reserve inventory balances as shown in screen print z040804. The cost of war reserve items is calculating separate of other inventory stratification types based on the latest acquisition cost.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 08.01.02

FFMR Description:

The system must be able to record limitations and control the use of funds against them consistent with appropriation and authorization language, congressional intent, and administrative limitations established by agency management.

FFMR Reference: JFMIP SR-99-4, 24

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z080102

FFMR Review:

DMLSS functions as a feeder system to the standard accounting system and therefore must use processes of the standard accounting system to support the budget execution process.

Test output z080102 provides screen shots of the DMLSS Systems Services module. The system services module provides authorized system users with the ability to establish fund controls and varying limitations. The basic tab contains the DMLSS target flag field for each organization. The target flag field for each host organization identifies the following fund controls: (1) no controls, (2) by project center and element of resource (EOR), (3) expense center or (4) expense center and EOR. A command button under Primary Support Activities: Material allows the user to access the appropriations data tab for the host organization. The appropriation data tab provides fields to capture the appropriations data for logistics, customer and transportation.

The DMLSS funds menu option allows authorized users to record the budget and distribute funds based upon the 4 target flag fields. Test output z080102 displays DMLSS ability to control budgeted funds by project center and allocate funds by EOR. The screen print also provides an example of DMLSS tracking funds by budget authority, commitments and obligations. Upon saving the budget information in DMLSS the inventory management module allows the user to query a transaction history for the host organization.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 08.01.04

FFMR Description:

The system must have the capability to distribute, track, control, and report funds authorized at various funding levels, based on SGL, accounting classification structure, and project structure.

FFMR Reference: JFMIP SR-99-4, 25

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z080104

z080102

FFMR Review:

DMLSS functions as a feeder system to the standard accounting system and therefore must use processes of the standard accounting system to support the budget execution process.

Test output Z080102 provides screen shots of the DMLSS 'Systems Services' module. The DMLSS basic tab contains information by organization necessary to support fund accounting. The target flag field for each host organization identifies the following fund controls: (1) no controls, (2) by project center and element of resource (EOR), (3) expense center or (4) expense center and EOR. A command button under 'Primary Support Activities: Material' allows the user access to the 'appropriations data' tab for the host organization. The appropriation data' tab provides fields to capture the appropriations data for logistics, customer and transportation.

The DMLSS funds menu option allows authorized users to record the budget and distribute funds based upon the 4 target flag fields. Test output z080102 and z080104 displays DMLSS ability to control budgeted funds by project center and allocate funds by EOR. The screen print also provides an example of DMLSS tracking funds by budget authority, commitments and obligations. Upon saving the budget information in DMLSS the inventory management module allows the user to query a transaction history for the host organization.

Test output z080104 provides screen prints of the DMLSS 'funds \$' module within systems services. Screen print #2 displays DMLSS ability to distribute funds by EOR within an organization. In screen print #3 the user increased the funding levels for EOR 604 medical supplies and EOR 615 pharmaceutical to \$24,995 and \$14,995 respectively. Screen print #4 provides an example of a funds control report for the selected fund center. The report provides data for current budget authority, available authority, obligations balance and commitments balance by EOR. Screen print #5 show the DMLSS monthly due-out report for tracking monthly obligations to project/expense centers.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 08.01.08

FFMR Description:

The system must allow users to modify limitations in accordance with apportionment actions, reprogramming, rescissions, and other adjustments.

FFMR Reference: JFMIP SR-99-4, 25

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z080108

FFMR Review:

The DMLSS system services funds module allows authorized users to users to record the budget and distribute funds based upon the 4 target flag fields. The target flag field for each host organization identifies the following fund controls: (1) no controls, (2) by project center and element of resource (EOR), (3) expense center or (4) expense center and EOR. Limitation will vary depending on the selected target field.

Test output z080108 provides evidence of a resource manager authorizes the reprogramming of funds (\$995) for a project center ID between EOR medical supplies and medical equipment. The evidence displays a resource manager approving a reduction in funds of \$5000 (EOR pharmaceuticals) for project center ID 210. Project ID 210's authorized balance for EOR pharmaceuticals is reduced from \$28,000 to \$23,000 and the total budget authority is appropriately reduced by \$5000. The resource manager can also approve the allocation of funds between project IDs, e.g. project ID 210 and project ID 211. The DMLSS user reduced the project ID target amount for EOR pharmaceuticals by \$5000. The total project center target for ID 210 is appropriately reduced by \$5,000. Screen print #5 displays the increase of project center 211's target amount for EOR pharmaceuticals of \$2,000 and medical supplies for \$3,000. Screen print #5a displays the project center target increase of \$5,000 for project ID 211. The \$5,000 originated from Project ID 210 and the user allocated the funds upon receipt to the individual EORs.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 08.01.12

FFMR Description:

The system must allow authorized personnel to reallocate funds at designated levels.

FFMR Reference: JFMIP SR-99-4, 25

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z080112

z080108

FFMR Review:

The DMLSS system services funds module allows authorized users to record the budget and allocate funds based upon the 4 available target flag fields. The target flag field for each host organization identifies the following fund controls: (1) no controls, (2) by project center and element of resource (EOR), (3) expense center or (4) expense center and EOR. Authorized personnel can allocate and reallocate funds from the organization level to the EOR level.

Test output z080112 and z080108 provide examples of authorized users reallocating funds by designated project center IDs and EORs.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 08.01.13

FFMR Description:

The system must be able to account for budgetary resources at a lower level in the accounting classification structure than they are budgeted.

FFMR Reference: JFMIP SR-99-4, 25

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z080113

FFMR Review:

The DMLSS system service basic tab contains a command button under 'Primary Support Activities: Material' that enables user to account for organizations' appropriations data. The appropriation data tab provides fields to capture the appropriations data for logistics, customer and transportation. The DMLSS system services funds module allows authorized users to record the budget and allocate funds based upon the 4 available target flag fields. The target flag field for each host organization identifies the following fund controls: (1) no controls, (2) by project center and element of resource (EOR), (3) expense center or (4) expense center and EOR.

Test output z080113 provides screen print evidence of the DMLSS systems services funds module where the user selects project center ID 209. DMLSS displays all related expense centers that are authorized access to the budgetary resources for the project center. Authorized users determine how to appropriately allocate funds among expense centers and EORs.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 08.02.01

FFMR Description:

The system must provide for on-line notification of funds availability prior to the distribution of lower level funding and the processing of commitment, obligation, or expenditure transactions.

FFMR Reference: JFMIP SR-99-4, 25

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z080104

z080202

z080204

FFMR Review:

DMLSS contains a series of pre-defined, on-line notifications pertaining to funds availability. Test output z080202 provided an example of DMLSS processing a commitment against a project center with no available funds. DMLSS generates an on-line negative confirmation, e.g. an exception detail due to lack of customer funds. The organization established level of funds control or target field determines when on-line notifications occur. Test output z080204 provides evidence of the DMLSS system services on-line notification that occurs when funds at a lower level of distribution exceed the budgeted level.

The DMLSS system services funds module also allows authorized users to view the dollar value of available funds field and the target funds at different project structure levels as shown in z080104.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 08.02.02

FFMR Description:

The system must be able to support timely recording of funding transactions and check commitment transactions against available funds. It must also include adequate controls to prevent the recording of commitments that exceed available balances. The system must be able to support recording obligations or expenditures that exceed available balances and produce a report or otherwise provide a method that allows management to review the cause of this over obligation condition.

FFMR Reference: JFMIP SR-99-4, 25

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z080202

FFMR Review:

DMLSS provides on-line recording of fund transactions and checks funds availability for commitment transactions. The DMLSS systems services basic tab includes the target flag field allowing authorized users to select from 4 levels of funds control. The DMLSS funds module allows users to establish limitations for fund accounting. Test output z080202 provides evidence of DMLSS control over transactions that lack available funding.

DMLSS allows organizations to record obligations or expenditures that exceed available balances if the organization is established as having no funds control. The DMLSS funds control report provides management data regarding current budget authority, available authority, obligations balance and commitments balance as shown in test output z080202.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 08.02.03

FFMR Description:

The system must allow designated authorities to establish and modify the level of funds control using elements of the classification structure, including object class, program, organization, project, and fund.

FFMR Reference: JFMIP SR-99-4, 25

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z080203

FFMR Review:

DMLSS allows authorized users to establish and/or modify new organizations using 4 levels of funds control. An authorized user can select (1) no controls, (2) by project center and element of resource (EOR), (3) expense center or (4) expense center and EOR. DMLSS also establishes funds control by commodity class or EOR. DMLSS also controls funds by fund type, fiscal year, fund code, budget line item code or a project code as displayed in test output z080203.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 08.02.04

FFMR Description:

The system must provide for designated authorities to establish and modify the system's response (either reject the transaction or provide a warning) for the failure of funds availability edit for each transaction type.

FFMR Reference: JFMIP SR-99-4, 25

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z080204

z080201

FFMR Review:

DMLSSSS contains a list of predefined system response warnings that are generated when transactions fail fund availability edits. DMLSS does not allow users to override transactions upheld for lack of available funds. The DMLSS customer must contact an authorized resource manager who is required to take positive action before DMLSS can process the transaction. The system response is determined by the fund controls and limitations established for each organization in the system services module. Test output z080204 and z080201 provide examples of a DMLSS response to failure of funds availability edits.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 08.02.05

FFMR Description:

The system must provide the capabilities and controls for authorized users to override funds availability edits.

FFMR Reference: JFMIP SR-99-4, 25

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z080204

FFMR Review:

DMLSS allows authorized user to set the target flag (i.e. fund control level) to “none”. Target flag “none” allows transactions to pass through funds availability edits. The DMLSS subject matter expert stated that DMLSS does not allow users to override established fund availability edits. If the DMLSS system is set to any of the other target flag options the customer resource manager must take positive action to satisfy fund availability edits. Test output z080204 provides examples of DMLSS fund availability edits and controls affecting orders and allocation of funds.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 08.02.06

FFMR Description:

The system must be able to record the financial impact of all transactions that will affect the availability of funds, such as commitments, liquidations, obligations, and expenditures.

FFMR Reference: JFMIP SR-99-4, 25

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z080206

FFMR Review:

The DMLSS customer area inventory management (CAIM) module allows users to record the impact of commitments, obligations and expenditures.

Test output z080206 screen print #2 displays the DMLSS systems services expense center detail module with the beginning funding balance for the project and expense center. In screen print #3 the user selects the customer catalog and chooses an item (aspirin) to order from a prime vendor. Screen print #4 displays the offline order for 10 of the selected items. Screen print #5 displays DMLSS processing the order. Screen print #6 the user reenters the DMLSS systems services funds module confirming the commitments and obligation amounts for the fund center are updated to reflect the amount of the order (\$5.60). Screen print #7 displays the DMLSS process of the receipt of the inventory call item totaling \$5.60. Screen print #8 displays the user navigating back to the systems services expense center detail module to confirm that total expenses are updated upon processing the receipt. Screen print #9 displays the DMLSS CAIM transaction history query for the aspirin item processed. Screen print #10 displays the DMLSS electronic data interface (EDI) file sent to the standard accounting system to update obligations. Screen print #11 displays the DMLSS text interface file sent to the standard accounting system to update receipt and acceptance data. Screen print #12 and screen print #13 displays the DMLSS DFAS obligation report and DFAS receipts report for the item processed.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 08.02.10

FFMR Description:

The system must check available funds for obligating documents, including amendments to obligating documents resulting in a change to dollar amounts or to the classification structure.

FFMR Reference: JFMIP SR-99-4, 25

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z080210

FFMR Review:

Test output z080210 provides screen prints of the DMLSS system services funds module. Screen print #1 is the DMLSS log on form. Screen print #2 displays customer 7X7600 with the user changing the target flag to the lowest level of fund control (i.e. expense element of resource (EOR)). Screen print #3 displays the expense center detail for customer 7X7600 with a project target is \$400,000. Funding has not been allocated to the EOR level. Screen print #4 displays the order of nitrate disks for the customer 7X7600 and expense center. Screen print #5 displays the DMLSS error message as a result of insufficient funds at the EOR level because the target field is set at expense center EOR. Screen print #6 displays the DMLSS user modifying the available funds for EOR 26ER. Screen print #7 displays the order for expense center 7X7600 successfully processed as a result of the modification to the available funding. Screen print #8 displays the DMLSS Due-in detail document number for the placed order. Screen print #9 displays the expense center detail and the update to total commitments as a result of the order. Screen print #10 displays a new Due-in order for 2 more of the nitrate disk items. Screen print #10 displays the updated Due-in detail for the nitrate disks. Screen print #11 displays the updated expense center detail with total commitments and obligations appropriately updated. Screen print #12 displays the DMLSS interface file transmitting commitments to the standard accounting system. Screen print #13 displays the DFAS commitments report. The DFAS Doc number contains a total price of \$68.28, which is a roll up of two transactions for 10 and 2 nitrate disks. Screen print #13a displays the detail of the roll up.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 08.02.13

FFMR Description:

The system must be able to check available funds for commitments and obligations incurred in support of reimbursable agreements.

FFMR Reference: JFMIP SR-99-4, 26

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z080213

FFMR Review:

Test output z080213 contains DMLSS screen prints that display a customer operating under a reimbursable agreement. Screen print #1 is the DMLSS log on form. Screen print #2 displays the DMLSS systems services, tree, basic tab that allows the user to establish a new organization/customer. Screen print #3 displays the DMLSS fund module and the identified project center id and beginning available fund balance. Screen print #4 displays the submissions tab that enables the user to determine how the customer forwards orders. The user selects the submission method and form. Screen print #5 displays the DMLSS system services/funds/project center detail after the reimbursable items are processed. The total commitments and obligations are updated to reflect the items and the available funds are adjusted.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 08.02.21

FFMR Description:

The system must be able to provide automatic real-time notification to users of transactions failing the funds-availability edit and place the rejected transactions in an error file and/or suspense account for corrective action. In case where the actual event has already occurred (such as labor hours worked or a contract already signed), the transaction should be recorded and a warning or report issued to alert the user to the need for follow-up action.

FFMR Reference: JFMIP SR-99-4, 25

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z080221

z080204

FFMR Review:

Test output z080221 contains DMLSS screen prints that show the automatic system notifications for orders placed where sufficient funds are not available to process the transaction. Screen print #1 is the DMLSS log on form. Screen print #2 displays the DMLSS system services project center module. The user selects a related expense center without available funds. Screen print #3 displays the DMLSS customer area inventory management (CAIM) module. The user selects the customer ID and places an offline order for an item. DMLSS generates the order and any problems are identified in the 'exceptions' field. Screen print #4 displays the details of the exception field. The details explain the customer lacks the necessary funds to complete the order. DMLSS holds all transactions for the project center until a resource manager provides adequate funding.

Test output z080204 contains similar DMLSS screen prints of the CAIM module with automatic system notifications for orders lacking funds.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 08.03.04

FFMR Description:

The system must allow for commitment documents to be future-dated, stored, and posted at the appropriate date. Also, the system must subject these documents to edit and validation procedures prior to posting.

FFMR Reference: JFMIP SR-99-4, 26

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z080304

FFMR Review:

Test output z080304 contains screen prints of the DMLSS customer area inventory management module and the standard accounting system interface file. Screen print #1 is the DMLSS log on form. Screen print #2 displays the CAIM module where the user selected 'future standing orders' from the orders menu option. The DMLSS screen print displays the order is scheduled for processing in FY 2004. Screen print #3 displays the requisition standing order interface file sent to the standard accounting system. DMLSS orders, current and future dated, are subject to available fund edits prior to processing.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 08.03.06

FFMR Description:

The system must be able to close commitment documents under the following circumstances: (1) by the system upon issuance of an obligating document, (2) by an authorized user, and (3) as part of the year-end closing if the commitment is in an annual appropriation or in the last year of a multiyear appropriation.

FFMR Reference: JFMIP SR-99-4, 26

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z080306

FFMR Review:

The test output z080306 displays two commitments recorded in DMLSS that were transmitted to the standard accounting system. No obligations are shown. Upon receiving a contract number, DMLSS creates an obligation using the same document number and sends the transaction to the standard accounting system. The standard accounting system then tracks the closing of commitments based on the document number provided on the obligation and commitment. DMLSS can close commitments depending on the fund control method selected. For example, if DMLSS commits \$1,000 to a project center/expense center/EOR and \$1,100 is obligated against the commitment, DMLSS will hold the transaction or require resource manager to commit more funds. Another example: DMLSS enters a commitment of \$1,000, then an obligation of \$1,000, then another obligation of \$100, DMLSS will require positive action for the obligation of \$100. DMLSS closes the commitment when an obligation is issued against it, where the standard accounting system might reduce the available balance for commitments as a general ledger might do.

The screen prints for cancellations show an authorized user closing commitments. Commitment reversals are displayed as negative amounts on the DFAS commitment reports and are tracked by document number. Authorized users can close or adjust commitment amounts as required.

A system change request (SCR) was created for the year-end closing process to allow the system administrator to close open commitments with DMLSS sending a document number to the transaction history file for audit trail purposes. The standard accounting system should perform this function of closing commitments and DMLSS supports the process as required. This is the first year system administrators will execute the SCR.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 08.03.10

FFMR Description:

The system must be able to record obligations for which there are no related commitments.

FFMR Reference: JFMIP SR-99-4, 26

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z080310

FFMR Review:

Test output z080310 provides screen prints of the DMLSS customer area inventory management (CAIM) module. Screen print #1 is the DMLSS log on form. Screen print #2 displays the CAIM module where the user selects an available customer and queries for a particular document number that does not exist. DMLSS generates an error prompt for the missing document number. Screen print #3 displays the CAIM 'RecpNotDue-in' button where the user processes an RND transaction. Screen print displays the CAIM transaction history query for the new RND transaction. The displayed RND/document number will produce an obligation document. Screen print #5 displays the DMLSS text interface file transmitted to the standard accounting system. Screen print #6 displays the DMLSS business objects, obligations in DFAS report for the selected obligation document.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 08.03.12

FFMR Description:

The system must allow transactions creating anticipated obligation documents to be entered early, stored, and posted at the appropriate date. The system must subject these documents to edit and validation procedures prior to posting. If the anticipated obligation does not occur, the system must permit the user to delete the transaction without posting it.

FFMR Reference: JFMIP SR-99-4, 26

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z080312

z080304

FFMR Review:

Test output z080312 contains screen prints from the DMLSS customer area inventory management (CAIM) module. Screen print #1 is the DMLSS log on form. Screen print #2 displays the CAIM future standing orders form where the user selected an item for order in FY 2004. Screen print #3 displays the DMLSS obligation interface file transmitted to the standard accounting system.

Test output z080304 contains screen prints of the DMLSS customer area inventory management module and the standard accounting system interface file. Screen print #1 is the DMLSS log on form. Screen print #2 displays the CAIM module where the user selected 'future standing orders' from the orders menu option. The DMLSS screen print displays the order is scheduled for processing in FY 2004. Screen print #3 displays the requisition standing order interface file sent to the standard accounting system. DMLSS orders, current and future dated, are subject to available fund edits prior to processing.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 08.03.13

FFMR Description:

The system must allow multiple commitments to be combined into one obligating document. It must also permit one commitment document to be split between multiple obligating documents.

FFMR Reference: JFMIP SR-99-4, 26

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z080313

FFMR Review:

Test output z080313 contains screen prints of the DMLSS customer area inventory management (CAIM) module displaying commitment and obligation documents. Screen print #1 is the DMLSS log on form. Screen prints 2, 3 and 4 are the CAIM offline order form where the user selects three items for one commitment (expense center 9x9610). Screen print #5 displays the DMLSS interface file used to transmit commitment data to the standard accounting system. The commitment data and item numbers from the order are visible in the interface file. Screen print #6, 7 and 8 display the DMLSS due-in detail for the items ordered. Screen print #6 displays the DMLSS obligation report where a single commitment generates multiple obligation documents evidenced by the DFAS Doc Number.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 08.03.14

FFMR Description:

The system must allow authorized modifications and cancellations of posted obligating documents.

FFMR Reference: JFMIP SR-99-4, 26

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z080314

z080306

FFMR Review:

Test output z080314 contains screen prints of the DMLSS customer area inventory management (CAIM) module displaying examples of obligating documents. Screen print #1 is the DMLSS log on screen. Screen print #2 displays the CAIM due-in obligation where the user modifies the original obligation by increasing the quantity of items from 10 to 12. Screen print #3 displays the CAIM module with the updated obligation document with a quantity of 12. Screen print #4 displays the DMLSS obligations report for the two commitments affecting the same obligation document number.

Test output z080306 provides screen prints of cancellations/reversals of posted documents in DMLSS and the standard accounting system. An authorized user queries DMLSS using an existing DFAS commitment document number (N68084231114200) for item P-SBQCM with a "test contract" number. In screen print #7 an authorized user select the existing document number for item ID P-SBQCM at a unit price of \$57.00 and a cancel quantity of 1. The user processes the transaction. Screen print #8 displays the DFAS commitments report with the DFAS commitment document number and the negative (reversed) values under total price (-\$57.00). The transaction date matches the commitment report and Due-in detail status.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 08.03.15

FFMR Description:

The system must provide on-line access to all obligations by selection criteria, e.g. document number.

FFMR Reference: JFMIP SR-99-4, 27

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z080315

FFMR Review:

Test output z080315 contains screen prints detailing functions of the DMLSS customer area inventory management (CAIM) module. DMLSS provides obligation documents 2 ways: (1) through a transaction history file and (2) through the offline Due-In/Due-Out forms. Screen print #2 displays the CAIM transaction history query form. The user selects ESD transactions between the dates of 11/1/2002 and 11/12/2002. Screen print #3 displays 2 document numbers as a result of the transaction history query. Screen print #4 displays the DMLSS CAIM Due-in/Due-out form where the user can query DMLSS for active (i.e. not received) or inactive (received). These details are available to DMLSS users for 6 years and 3 months. Screen print #5 displays the user locating the obligation in the inactive due-ins. Screen print #6 displays the DMLSS Business Objects, material management, Obligations In report. Users generate reports by selecting beginning and ending transaction dates. Screen print #7 displays the DMLSS obligation report for the selected document number.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 08.03.16

FFMR Description:

The system must maintain an on-line history file of closed-out documents for a user-defined period of time.

FFMR Reference: JFMIP SR-99-4, 27

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z080316

FFMR Review:

Test output 080316 provides screen prints of the DMLSS customer area inventory management (CAIM) module Due-In/Out form. Screen print #1 is the DMLSS log on form. Screen print #2 displays the DMLSS CAIM Due-in/Due-out form where the user can query DMLSS for active (i.e. not received) or inactive (received). These details are available to DMLSS users for six years and three months. Screen print #5 displays the user locating the obligation in the inactive due-ins.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 08.03.17

FFMR Description:

For audit trail purposes the system must retain all system record files along with all amendments.

FFMR Reference: JFMIP SR-99-4-27

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z080317

FFMR Review:

Test output z080317 provides screen prints from the DMLSS customer area inventory management (CAIM) module transaction history form. Screen print #1 is the DMLSS log on form. Screen print #2 displays the transaction history form where the user defines the search criteria (e.g. changing the beginning and ending dates). Screen print #3 displays the results of the query for document ID 6505001050000.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 08.03.18

FFMR Description:

The system must be able to close obligating documents either (1) by the system automatically, upon complete performance/delivery, or (2) by the user, with appropriate authorization.

FFMR Reference: JFMIP SR-99-4-27

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z080318

FFMR Review:

Test output z080318 provides screen prints from the DMLSS customer area inventory management module. Screen print #1 is the DMLSS log on form. Screen print #2 displays the CAIM due-in/out search result tab containing the users selected criteria. Screen print #3 displays DMLSS user processing the receipt for the selected obligation document automatically changing the status from active to inactive. Screen print #4 displays the item under the inactive Due-in search. Screen print #5 displays an authorized user manually closing an active due-in obligation. Screen print #6 displays the processing receipts tab where the user enters the obligation document number and quantity for cancellation. Screen print #7 displays the total canceled quantity of 12 for processing. Screen print #7 displays that DMLSS does not allow an unauthorized user to access due-in/out records.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 08.03.20

FFMR Description:

The system must be able to track, control, and monitor delivery orders against a contract limitation.

FFMR Reference: JFMIP SR-99-4-27

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z080320

FFMR Review:

Test output 080320 provides screen prints from the DMLSS customer area inventory management (CAIM) module. Screen print #1 is the DMLSS log on form. Screen print #2 displays the CAIM basic tab. The user selects a customer with a contract limitations displayed in the source of supply (SOS) code and the maximum dollar amount allowable of \$2,499.99. Screen print #3 displays the DMLSS offline order form for an item that exceeds the contract limit. Screen print #4 displays the DMLSS error message informing the user that the purchase card order exceeds the contract limit. Screen print #5 displays the CAIM contract tab where the user selects an expired contract to place orders against. Screen print #6 displays the offline order form and an error message generated when the user attempts to order against the expired contract.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 08.03.22

FFMR Description:

The system must be able to record various intragovernmental acquisition transactions, such as GSA Personal Property Center, reimbursable orders, and printing from the Government Printing Office.

FFMR Reference: JFMIP SR-99-4, 27

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z080322

FFMR Review:

Test output z080322 provides DMLSS screen prints evidencing the recording of an intragovernmental transaction in the customer area inventory management module. Screen print #1 is the DMLSS log on form. Screen print #2 displays the results of the user selecting an item from the customer catalog that is typically ordered from the General Services Administration (as noted in the supplier name field). Screen print #3 displays the DMLSS requisition interface file for the intragovernmental order.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 08.03.27

FFMR Description:

The system should be able to provide the capability to support commitment accounting based on agency needs.

FFMR Reference: JFMIP SR-99-4, 26

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z080304

z080306

z080313

FFMR Review:

Test output z080304 highlights DMLSS ability to record future commitments and perform edit checks prior to posting the transactions. The screen prints show the Customer Area Inventory Management (CAIM) module where future standing orders are placed and associated interface files are sent to the standard accounting system. The DMLSS show the order is scheduled for processing in FY 2004. Screen print #3 displays the requisition standing order interface file sent to the standard accounting system. DMLSS orders, current and future dated, are subject to available fund edits prior to processing.

The test output z080306 displays 2 commitments recorded in DMLSS and transmitted to the standard accounting system. Upon receiving a contract number, DMLSS creates an obligation using the same document number and sends the transaction to the standard accounting system. Then the standard accounting system will track the closing of commitments based on the document number provided on the obligation and commitment. DMLSS can close commitments depending on the fund control method selected. For example, if DMLSS commits \$1000 to a project center/expense center/EOR and \$1100 is obligated against the commitment, DMLSS will hold the transaction or require resource manager to commit more funds. DMLSS closes the commitment when an obligation is issued against it, where the standard accounting system might reduce the available balance for commitments as a general ledger might do.

The screen prints for cancellations show an authorized user closing commitments. Commitment reversals are displayed as negative amounts on the DFAS commitment reports and are tracked by document number. Authorized users can close or adjust commitment amounts as required.

A system change request (SCR) was created for the year-end closing process to allow the system administrator to close open commitments with DMLSS sending a document number to the transaction history file for audit trail purposes. The standard accounting system should perform this function of closing commitments and DMLSS supports the process as required. This is the first year system administrators will execute the SCR.

Test output z080313 contains screen prints of commitment and obligation documents within the DMLSS CAIM module. Screen prints #2, #3 and #4 are the CAIM offline order form where the user selects 3 items for one commitment (expense center 9x9610). Screen print #5 displays the DMLSS interface file used to transmit

FFMR REVIEW

commitment data to the standard accounting system. The commitment data and item numbers from the order are visible in the interface file. Screen print #6, 7 and 8 display the DMLSS due-in detail for the items ordered. Screen print #6 displays the DMLSS obligation report where a single commitment generates multiple obligation documents evidenced by the DFAS Doc Number.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 08.04.01

FFMR Description:

The system must be able to maintain current information on commitments and obligations according to classification structure, on a fund-by-fund basis.

FFMR Reference: JFMIP SR-99-4, 27

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z080401

z080405

FFMR Review:

Test output 080401 contains DMLSS screen prints showing the systems ability to maintain current commitment and obligation data. Screen print #1 is the DMLSS log on form. Screen print #2 displays the DMLSS systems services funds module with project center id 01MM01 selected. The project center shows appropriations of \$500,000.00. Screen print #3 displays the user selecting an expense center associated with the project center. Screen print #4 displays the expense center detail for 68084X4EE11. The expense center current commitments and obligations equal \$19,533.79 under element of resource (EOR) 260 Supplies and Material. Screen print #5 displays the DMLSS Expense Center Fund Report for 68084X4EE11 (z080405). The report is available at end of month or by EOR. Screen print #6 displays the DMLSS Project Center Fund Report that contains current obligation and commitment information by EOR. The report is also available at end of month.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 08.04.05

FFMR Description:

The system must be able to produce detailed listings and summary reports by the defined level of funds control for those documents which represent commitments, undelivered orders, and expenditures.

FFMR Reference: JFMIP SR-99-4, 27

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z080405

z080401

FFMR Review:

Test output z080405 contains DMLSS screen prints evidencing fund reports available to the user by expense center, end of month, and element of resource (EOR). Screen print #1 displays the DMLSS log on form. Screen print #2 displays the DMLSS Expense Center Fund Summary Report by expense center 68084X4EE11. The report provides detailed listings of commitments, obligations, etc. by EOR. Screen print #2a evidences the expenses column on the fund report. Screen print #3 displays the DMLSS Project Center Fund Report for 01MM01 Material Management. Screen print #3 and 3a provide the same detailed listings as those available at the expense center level.

Test output z080401 contains DMLSS screen prints showing the systems ability to maintain current commitment and obligation data. Screen print #1 is the DMLSS log on form. Screen print #2 displays the DMLSS systems services funds module with project center id 01MM01 selected. The project center shows appropriations of \$500,000.00. Screen print #3 displays the user selecting an expense center associated with the project center. Screen print #4 displays the expense center detail for 68084X4EE11. The expense center current commitments and obligations equal \$19,533.79 under EOR 260 Supplies and Material. Screen print #5 displays the DMLSS Expense Center Fund Report for 68084X4EE11. The report is available at end of month or by EOR. Screen print #6 displays the DMLSS Project Center Fund Report that contains current obligation and commitment information by EOR. The report is also available at end of month.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 08.04.10

FFMR Description:

The system must maintain accounts for reimbursable orders and identify government and non-government accounts.

FFMR Reference: JFMIP SR-99-4, 33

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z080410

z080322

FFMR Review:

Test output 080410 contains DMLSS screen prints evidencing the source of supply (SOS) code structure identifying the type of supplier and the SOS directs the flow of information to the standard accounting system. Screen print #1 displays the DMLSS log on form. Screen print #2 displays the DMLSS supplier search form that distinguishes between government and non-government suppliers. Every DMLSS transaction carries and SOS type code. Screen print #3 displays the submission tab for an SOS type code for DLA. The submission tab fields determine the DMLSS interface method for the SOS. In this intragovernmental order the interface is via MILSTRIP. Screen print #4 displays the submission tab for an SOS type prime vendor or PVP. DMLSS deals with prime vendors for non-governmental transactions. The details of the PVP show the DMLSS interface is file transfer protocol.

Test output z080322 provides DMLSS screen prints evidencing the recording of an intragovernmental transaction in the customer area inventory management module. Screen print #1 is the DMLSS log on form. Screen print #2 displays the results of the user selecting an item from the customer catalog that is typically ordered from the General Services Administration (as noted in the supplier name field). Screen print #3 displays the DMLSS requisition interface file for the intragovernmental order.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 08.04.14

FFMR Description:

The system must maintain open documents to show the status of commitments, undelivered orders, accruals, and disbursements by document line item.

FFMR Reference: JFMIP SR-99-4, 27

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z080414

z080315

FFMR Review:

Test output z080414 contains DMLSS screen prints from the Due-In/Out reports. DMLSS does not maintain disbursement and accrual information; this information is maintained in the standard accounting system. Open commitments and obligations are maintained in the DMLSS Due-In records (LOG funds) and the Due-Out records (customer funds). Screen print #1 displays the DMLSS log on form. Screen print #2 displays the DMLSS monthly Due-in report. Screen print #3 displays a monthly due-out report by project center ID.

Test output z080315 contains screen prints of the DMLSS customer area inventory management (CAIM) module functions. DMLSS provides obligation documents 2 ways: (1) through a transaction history file and (2) through the offline Due-In/Out forms. Screen print #2 displays the CAIM transaction history query form. The user selects ESD

transactions between the dates of 11/1/2002 and 11/12/2002. Screen print #3 displays 2 document numbers as a result of the transaction history query. Screen print #4 displays the DMLSS CAIM due-in/out form where the user can query DMLSS for active (i.e. not received) or inactive (received). These details are available to DMLSS users for six years and three months. Screen print #5 displays the user locating the obligation in the inactive due-ins. Screen print #6 displays the DMLSS Business Objects, material management, Obligations In report. Users generate reports by selecting beginning and ending transaction dates. Screen print #7 displays the DMLSS obligation report for the selected document number.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 08.05.10

FFMR Description:

The system must provide flexibility in establishing and modifying funding distribution and spending levels at multiple organizational levels. It must also allow authorized personnel to reallocate funds at designated levels.

FFMR Reference: JFMIP SR-99-4, 24

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z080510

z080104

z080108

z080112

FFMR Review:

Test output z080510 provides screen prints from the DMLSS funds module where distributions of funds occur. Screen print #1 is the DMLSS log on form. Screen print #2 displays the DMLSS systems services, funds, project detail information for project center ID 210. Screen print #3 displays an authorized DMLSS user allocating \$24,995 between element of resource medical supplies \$14,995 and pharmaceutical \$10,000. As a result in the increase of funding, the project center target increases appropriately.

Test output z080104, z080108, z080112 provide additional screen prints highlighting DMLSS ability to provide authorized user's with flexible options in allocating funds at different project and expense levels.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 09.02.21

FFMR Description:

The system must update other systems or other parts of the core financial system by electronic means wherever appropriate; unnecessary duplication of the transaction entry must be avoided.

FFMR Reference: OMB Circular A-127, 7B

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z090221

FFMR Review:

Test output z090221 includes samples of several DMLSS electronic data interface (EDI) files transmitted to the standard accounting system. The user can access the interface files through the 'System Services Module', then performing a DCM search. In the "Form" field the user can select the appropriate interface file to view if necessary. The screen prints provided consist of before and after EDI files for the following transactions:

- (1) Cost Transfers and Sales – ANSI X.12 812 TXN SET
- (2) Obligations – ANSI X.12 821 TXN SET
- (3) Commitments – ANSI X.12 821C TXN SET
- (4) Receipts/Acceptance – ANSI X.12 861 TXN SET
- (5) Expense Center and Project Center – ANSI X.12 814 TXN SET
- (6) EDI 846 contains Inventory transactions for General Ledger Account (GLA) update – ANSI X.12 846 TXN SET.

In addition, EDI 864 file transmits open items for reconciliation purposes (Due-In/Due-Outs), and EDI 814 file transactions are used to pass the Project Center and Expense Center records to the Standard Accounting for reconciliation of funding records.

In the Business Objects/Material Management screen the "DFAS_Balance Reports" report the stratification balances that are used to reconcile the GLA on the standard accounting system trial balance. DMLSS users can organize this report by Commodity Class, by Accounting Requirement Code, by Inventory Category or by Serviceability.

Therefore, duplication of transaction entry is minimized to the extent DMLSS uses electronic means EDI and File Transfer Protocol (FTP) to transfer data to the standard accounting system.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 09.02.43

FFMR Description:

The system must maintain an audit trail to original obligation documents, containing the following items, as applicable:

1. Link Items (Stock Number, Description, Quantity, Unit Price, Total Estimated Freight charges)
2. Expiration Date
3. Expected Receipt Date
4. Vendor Identification

FFMR Reference: "DoDFMR", Volume 01, Chapter 02, Add. 2 D2a

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z090243

FFMR Review:

Test output z090243 includes examples of transaction history details that support the audit trail as described below.

The test output (screen print #2) shows the user navigating to 'Inventory Management Transaction History' screen. This screen provides the transaction history for Item ID (6515014102272). The first transaction shows the customer-committed funds and LOG updates the item from a commitment to an obligation (Type code: ISU). The second transaction shows the customer placing the item in use (Type code: BRI). The third transaction shows the customer ordering the item (Type code: IOU).

The test output (screen print #3) shows DMLSS selecting another document number (i.e. WK4BUD23160001) being selected from the 'Inventory Management Transaction History' screen. The transaction type for this document number are: ESD and IOU. All the information that is recorded in the system is available for review by selecting each transaction entry per evidence provided. For instance this screen shows three transactions, the customer order from LOG (ESD); LOG places the item on backorder to the customer (IOU) and LOG orders through the Contracting Office (ESD) with the Source of Supply (SOS).

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 09.02.44

FFMR Description:

The system must allow vendors to be added to or deleted from the vendor file if there is proper authorization.

FFMR Reference: "DoDFMR," Volume 01, Chapter 02, Add. 2 D8 e & f

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z090244

FFMR Review:

Test output z090244 shows a user navigating to the Inventory Management Module – Source of Supply (SOS) Menu. This screen displays data fields that require user entry. To add a new vendor file an authorized user would click on new and enter the new SOS (e.g. BPA) information in the appropriate fields. Once all data is entered and the user presses the SAVE button and the new vendor file is added as follows:

SOS Code	SOS Type	Supplier Name
LZX	Blanket Purchase Agreement (BPA)	CFO Test Company

DMLSS does not provide full functionality to all users. Unauthorized users do not have access to the new button. Even if an unauthorized user attempts to change a vendor file DMLSS locks the data fields to restrict access to user changes.

In addition, an authorized user can delete vendor files if necessary. The documentation provided includes a field title 'Marked For Delete' for vendor files to be deleted.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 09.05.06

FFMR Description:

The system must provide on-line access to open documents based on agency selection criteria, e.g. document number.

FFMR Reference: JFMIP SR-99-4, 31

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z090506

FFMR Review:

Test output z090506 demonstrates DMLSS executing a generic search by 'Transaction Date Range'. The user enters data for the begin/end date field and the first (6) six digits of the document number (e.g. 9X9610) in the document number field. This functionality can be demonstrated by navigating to the Inventory Management, Transaction History Search Criteria screen and by selecting the 'Scope' to state 'All'.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 09.06.01

FFMR Description:

The system must generate aged requisitions.

FFMR Reference: "DoDFMR," Volume 01, Chapter 02, Add. 2 D10a

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z090601

FFMR Review:

Test output z090601 provides screen print examples of the DMLSS summary reports for Aged Due-In/Due-Out Summary Reports. Per review of screen prints #3 and #5, each report summarizes all the Due-in/Due-out by vendor and ages them in 15-day increments. Screen print #4 displays and provides the due-in details that are beyond their normal pipeline time and may require further action from users. In addition, DMLSS shows in screen print #6 that the system can provide a Trouble Due-In Report for due-in details. This report shows that materials are being received and accepted where attention by the Material Manger is required.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 09.06.03

FFMR Description:

The system must generate aged receiving reports without an acceptance.

FFMR Reference: "DoDFMR," Volume 01, Chapter 02, Add. 2 D10b

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z090603

FFMR Review:

Test output z090603 screen print #2 shows the user navigating to the 'Inventory Management Transaction History' screen. The user is selecting a return receipt transaction (i.e. RRD) document (i.e. doc num-FM442723120001). DMLSS processes all receipts at the time of receipt. Screen print #3 shows the user in the 'Business Objects ReceiptsInDFAS_AF' screen. This screen shows the DFAS Receipts Report. Some factors on this report are: DFAS Doc Number (FM442723120001), Short Item Description, Item ID (843001479162), Quantity Received and Ordered, Total Price, and Transaction date. Screen print #4 shows the interface file used by the standard accounting system to create inventory positions and to update accounts payable and in-transit transactions. This screen print shows DMLSS providing the transaction for document number (FM442723120001) to the standard accounting system.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 09.06.07

FFMR Description:

The system must produce a detailed listing by level of funds control and specific contract for (1) commitment documents, (2) obligation documents, and (3) expenditure of funds.

FFMR Reference: "DoDFMR," Volume 01, Chapter 02, Add. 2 D10e

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z090607

FFMR Review:

Test output z090607 shows the user navigating to Business Objects Material Management Commitments In DFAS report screen. DMLSS is capable of generating a DFAS Commitment Report (e.g. of factors - Total Price, EOR, Trans Date, FY Obligated, and Stratification Type Code), DFAS Obligations Report (e.g. of factors - Unit of Purchase, Expense Center, Quantity), and DFAS Receipts Report (e.g. of factors - DFAS Trans Date, DFAS Doc Number, Quantity, Quantity Ordered, Contract Number). Per discussions with DMLSS SMEs, the DFAS Receipt Report is a report that list the transactions that transfer the detail balances to either accounts payable or to accrued expenditures, paid.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 09.06.09

FFMR Description:

The system must produce audit trail reports to support data transferred from external systems to the financial system, including an error listing.

FFMR Reference: "DoDFMR," Volume 01, Chapter 02, Add. 2 D10i

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z090609

FFMR Review:

Test output z090609 provides a before and after screen prints of each type of DMLSS transaction (e.g. Commitment, Obligations, and Receipt) that were transmitted to the standard accounting system for DMLSS. DMLSS demonstrates this functionality by navigating to the 'System Services Module' DCM Search 'Form Field' where the user can then select the appropriate interface log report (e.g. ANSI X.12 821C TXN SET for Commitments) deemed applicable for transmitted batches.

DMLSS does not produce an error list of these transactions. The standard accounting system produces an error report for non-matching items and contacts Medical Logistics personnel to take corrective action.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 14.01.01

FFMR Description:

A system must provide audit trails that allow transactions to be traced from source documents, original input, other systems, system-generated transactions, and internal assignment transactions through the entire system. The system must also provide transaction details to support account balances.

FFMR Reference: JFMIP SR-99-4, 20

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z140101

FFMR Review:

Per review of the documentation provided in z140101, DMLSS does maintain audit trails that allows users to trace transactions to source documents. The documentation includes examples of transaction detail inquiry for transactions recorded between November 1, 2002 and November 14, 2002. The provided transaction detail displays data fields for Document Number, Item ID, Unit Price, User ID, and Transaction Date, all of which can be used to trace back to the original input. DMLSS provides these transactions to the applicable standard accounting system.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 14.01.02

FFMR Description:

A system must provide audit trails that allow for the tracing of source documents and transactions through successive levels of summarization to the financial statements, and vice versa.

FFMR Reference: JFMIP SR-99-4, 20

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z140102

FFMR Review:

As a feeder system, DMLSS does not maintain a general ledger. DMLSS does maintain transaction level records that are transmitted to the applicable standard accounting system in support of general ledger account balances. Per review of z140102, DMLSS maintains transaction detail that includes Transaction Date, Transaction Type, Item ID, Document Number, and User ID, all of which can be used for the tracing of source documents.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 14.01.03

FFMR Description:

A system must be able to archive transactions and related information needed for audit trails in a format accessible by audit software.

FFMR Reference: JFMIP SR-99-4, 21

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z140103

FFMR Review:

DMLSS is capable of archiving transactions in a tab delimited format that is considered accessible by audit software. Per review of z140103, the user is able to query the archived transactions using a variety of options including: Transaction Type, Document Number, User ID, Transaction Date Range, among other options. This functionality allows the user to query select transactions that may be necessary as part of an audit.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 14.01.04

FFMR Description:

A system must provide the authorized system administrator the flexibility to determine whether records are to be archived or purged. Of those documents that meet the criteria, the system must allow selective actions. The system must include the capability to establish and maintain user defined archival criteria.

FFMR Reference: JFMIP SR-99-4, 21

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

DMLSS System/Subsystem Architecture Document (14 Nov 01)

FFMR Review:

Per the review of the DMLSS System/Subsystem Architecture document the DMLSS system administrator (SA) is responsible for ensuring that backup procedures are performed as scheduled. The databases undergo daily backup to Digital Tape. The tapes are stored either offsite or onsite in a designated area separate from the server room. The DMLSS SA Guides provide guidance on alternate site redundancies for storing backup tapes and emergency procedures for the DMLSS system.

The DMLSS server automatically backs up the UNIX (or NT) and INFORMIX file systems on a nightly basis and produces a logical log. A logical log is continuously updated daily database transaction tape. The DMLSS SA is required to insert new tapes into the appropriate tape drives daily. The SA checks for error messages in the System Status Summary and views the (Level 0) INFORMIX Database Archive Log daily to verify that the automatic backup was successful. If necessary, the SA can perform a manual backup from the System Admin. Tool. All duties the site SA must perform are listed and described in the *DMLSS System Administration Guides*.

If a DMLSS SA needs to recover files or suspects that the system configuration has been damaged or compromised, the SA can perform an INFORMIX restore as a last resort. However, the SA must determine the cause of corruption before the procedure can begin and should call the Tri-Service Medical Systems Support Center (TMSSC) help desk for support while running this option. TMSSC is staffed 24 hours a day, 7 days a week.

The DMLSS SA must ensure that the most recent backup (UNIX or NT and INFORMIX) and system tapes are available before beginning this process.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 14.01.05

FFMR Description:

A system must allow closed documents to be reopened at the document control level with all associated transaction history without affecting the prior month's control totals and balances.

FFMR Reference: JFMIP SR-99-4, 21

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z140105

FFMR Review:

DMLSS does allow closed documents to be reopened with all associated transaction history. Per review of z140105, the user was able to identify a closed (DMLSS uses the term "Inactive") transaction with Document No: N6808423024203. Per the system message, DMLSS identified that this Document did not have any "Active Due-ins" related with it. The user is able to review the "Inactive" or closed transactions related to this document number. Upon review of the transaction detail of the Inactive transaction entries, the user was able to reverse the transaction, which makes the document active again. At this point, the user is able to make changes as necessary to the transactions as an active document. DMLSS can only reopen transactions that the standard accounting system has not validated and finalized as part of the payment statement process. Once the standard accounting system issues payment a document cannot be reopened.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 14.01.07

FFMR Description:

A system must retain system's records in accordance with the federal regulations established by the National Archives and Records Administration (NARA), GAO, and others, and prevent the purging of transactions prior to the proper period in accordance with regulations governing the retention of the document and transaction.

FFMR Reference: JFMIP SR-99-4, 21

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

DMLSS System/Subsystem Architecture Document (14 Nov 01)

FFMR Review:

Per review of the DMLSS System/Subsystem Architecture Document, the DMLSS SA is responsible for ensuring that backup procedures are performed as scheduled. The databases undergo daily backup to DAT. The tapes are stored either offsite or onsite in a designated area separate from the server room. The DMLSS System Administration Guides provide guidance on alternate site redundancies for storing backup tapes and emergency procedures for the DMLSS system.

The DMLSS server automatically backs up the UNIX (or NT) and INFORMIX file systems on a nightly basis and produces a logical log. A logical log is continuously updated daily database transaction tape. The DMLSS SA is required to insert new tapes into the appropriate tape drives daily. The SA checks for error messages in the System Status Summary and views the (Level 0) INFORMIX Database Archive Log daily to verify that the automatic backup was successful. If necessary, the SA can perform a manual backup from the System Admin. Tool. All duties the site SA must perform are listed and described in the *DMLSS System Administration Guides*.

If a DMLSS SA needs to recover files or suspects that the system configuration has been damaged or compromised, the SA can perform an INFORMIX restore. However, the SA must determine the cause of corruption before the procedure can begin and should call the Tri-Service Medical Systems Support Center (TMSSC) help desk for support while running this option. TMSSC is staffed 24 hours a day, 7 days a week.

The DMLSS SA must ensure that the most recent backup (UNIX or NT and INFORMIX) and system tapes are available before beginning this process.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 14.01.09

FFMR Description:

A system must be able to provide audit trail that identify document input, changes, approval, and deletions by originator.

FFMR Reference: JFMIP SR-99-4, 20

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z140109

FFMR Review:

Every transaction in DMLSS is maintained with transaction details that identify document input including User ID or originator. Per review of z140109, the user performed a query of the transaction detail that shows that each transaction has a User ID associated with it. Additionally, the evidence includes a Transaction History Management report that also highlights that DMLSS captures User IDs with every transaction.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 14.01.15

FFMR Description:

A system must be able to maintain and track erroneous transactions until they are either corrected and posted or deleted by an authorized user.

FFMR Reference: JFMIP SR-99-4, 20

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z140111

FFMR Review:

DMLSS maintains an "Action Pending" listing of transactions that require correction. The Action Pending Listing includes details of the required action the date and time of the processing error. Per review of z140111, the user has selected a transaction listing that includes "Catalog Items with Invalid SOS". Based on the detail, the user is able to open each transaction and correct the error within the transaction. In the example, the user had to change the source of supply (SOS) code from "MAT" to "@MAT" to make it valid. Upon correction, the transaction is removed from the Action Pending Status. It was noted that as part of the evidence, the user had the option to "Delete" the transaction. Per discussions with SMEs, access to this module is available only to those users with authorized rights.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 14.01.24

FFMR Description:

Major sources of data provided to the accounting and reporting systems must be documented at a high level and a copy of the documentation provided to the customer for their information and appropriate action, if required.

FFMR Reference: "DoDFMR," Volume 06, Chapter 02, 020203B8

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

DFAS-IRS3_01

FFMR Review:

Test output DFAS-IRS3_01 is the DMLSS 3.01 INTERFACE REQUIREMENTS TO STANDARD ACCOUNTING SYSTEMS document. The document details the interface requirements and functional capabilities of the interface design between DMLSS and the various standard accounting systems that DMLSS supports. This documentation supports DFAS in processing data that originates from DMLSS.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 14.01.25

FFMR Description:

A system must be able to perform and report the result of data integrity verifications, such as reconciliation between reports produced and data sets within the system, and the results of validity, combination, and balancing edits.

FFMR Reference: JFMIP SR-99-4, 39

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z140125

z140111

FFMR Review:

DMLSS is a database with controls to ensure data integrity is maintained throughout the system. The evidence included in z140125 is a system log report that includes some of the integrity checks that are performed as part of the daily processing. Additionally, evidence included in z140111, demonstrates how DMLSS performs edit checks to ensure that data elements are valid. Per review of z140111, the user selected a transaction listing that includes "Catalog Items with Invalid SOS". Based on the detail, the user opens each transaction and corrects error within the transaction. In the example included in z140111, the user was required to change the SOS code from "MAT" to "@MAT" to make it valid. Upon correction, the transaction is removed from the Action Pending Status.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 14.01.30

FFMR Description:

The system must be capable of providing controls to prevent the creation of duplicate transactions.

FFMR Reference: JFMIP SR-99-4, 21

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z140130

FFMR Review:

DMLSS has various ways of preventing duplicate entries. Per review of z140130, DMLSS prevents the users re-processing of duplicate transactions. Additionally, if a user tries to enter the same transaction again, DMLSS will display an error message indicating that a similar transaction is already in the system. Test output z140130 includes a screen print displays a DMLSS message to the user "A Matching requirement was found for this item. Do you wish to update?". This indicates that DMLSS checks to ensure that duplicate transactions are not posted.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 14.02.01

FFMR Description:

A system must provide an audit trail that will show changes made to the system's parameters and tables that would affect the processing or reprocessing of any financial transactions.

FFMR Reference: JFMIP SR-99-4, 20

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z140201

FFMR Review:

The DMLSS tracker module documents and maintains changes made to system parameters and tables. Per review of the z140201, the evidence includes examples of "New database table for the DFAS process to move Army SF Hold File". As part of the details of the system change, it includes source identification details such as Originator, Assigned To, which application was affected, submitted date, close date, details of the table change. These details support that DMLSS maintains an audit trail that can be used to track changes to system's parameters and tables that would affect the processing or reprocessing of any financial transactions.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 14.02.02

FFMR Description:

A system must comply with the management controls designed to ensure that: (1) transactions are processed in accordance with government and agency-prescribed standards and procedures, (2) the integrity of data is maintained, and (3) the access to the data is restricted to authorized users.

FFMR Reference: JFMIP SR-99-4, 21

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

DMLSS Accreditation Statement (4 Apr 02)

z140202

FFMR Review:

Based on the Accreditation Statement for DMLSS it has been accredited that sufficient measures have been implemented to ensure its operational requirements and current system risks have been sufficiently addressed in accordance to DOD Life Cycle Management requirements.

The Acting Program Executive Officer Military Health Systems Information Technology Organization Ronald R. Pace signed and approved the document on April 4, 2002. The accreditation statement is effective for three years from signature. During those three years, DMLSS System Administrators will perform time configuration management to get re-accredited.

Additionally, per review of z140202, DMLSS provides a User Privilege Management module that is used to setup each user with select roles and provide select actions to read, update, create and delete data only to select areas of the system.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 14.02.03

FFMR Description:

A system must provide supporting information needed: (1) to monitor the overall operations of the system, (2) to determine if the operations of the system are on schedule, (3) to ensure that all necessary operating steps have been completed successfully, and (4) to alert the system manager to malfunctions on a timely basis.

FFMR Reference: JFMIP SR-99-4, 39

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z140203

FFMR Review:

Overall system operations of the DMLSS system are monitored through DMLSS System Administration Utilities. The evidence included in z140203 includes screen prints from the DMLSS System Administration Module that highlights various capabilities and functions including User Administration, Server Administration, Web Server Administration, Archive Management, and other functionality. The evidence also includes sample system logs that show date and time stamp of various system administration activities that ensure that the system operations are performing on schedule. DMLSS keeps system operation logs for End of Day processes, End of Month process, and End of Year processes among other miscellaneous system logs.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 14.02.04

FFMR Description:

The system must provide management with statistics to determine the functions, operations performed, and reports generated or accessed by specific users.

FFMR Reference: JFMIP SR-99-4, 39

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z140204

Security Design Specifications Section 6

FFMR Review:

Per review of the Security Design Specifications document (Section 6), users access an application, the system's audit mechanisms record their actions. These audit mechanisms track successful and unsuccessful login attempts, logouts, and denials on the server. In the database, these mechanisms track such items as tables updated, records added, and records deleted. The server tracks the number of files that are accessed, updated, deleted, and created. The server also tracks switch user (s) sessions. These tools enable the SA to monitor system activity and determine if a security violation has occurred. Test output z140204 includes an example of reviewing functions performed by user ID "bthares".

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 14.02.09

FFMR Description:

A system must support both batch and real-time on-line data entry and use the same edit and update rules as appropriate for each mode.

FFMR Reference: JFMIP SR-99-4, 20

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z140209

FFMR Review:

Once a transaction is received by DMLSS, it is validated against the same data edit checks that are used to validate online transactions entered directly into DMLSS. Test output z140209 includes an example a DMLSS rejected transaction due to invalid Priority Codes. The transaction was corrected and reprocessed in the same method that any other online transaction in DMLSS would be processed. The system was able to apply the same edit checks for interfacing transactions as on-line data entry.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 14.02.10

FFMR Description:

A system must be designed to comply with the information resource management policy defined in OMB Circular A-130 and successor documents.

FFMR Reference: OMB Circular A-127, 6

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

DMLSS Accreditation Statement (4 Apr 02)

z140202

FFMR Review:

Based on the Accreditation Statement for DMLSS it has been accredited that sufficient measures have been implemented to ensure its operational requirements and current system risks have been sufficiently addressed in accordance to DOD Life Cycle Management requirements.

The Acting Program Executive Officer Military Health Systems Information Technology Organization Ronald R. Pace signed and approved the document on April 4, 2002. The accreditation statement is effective for three years from signature. During those three years, DMLSS System Administrators will perform time configuration management to get re-accredited.

Additionally, per review of z140202, DMLSS provides a User Privilege Management module that is used to setup each user with select roles and provide select actions to read, update, create and delete data only to select areas of the system.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 14.02.11

FFMR Description:

Financial management systems that contain sensitive information shall incorporate the appropriate security controls that will ensure compliance with the Computer Security Act of 1987 and OMB Circular A-130.

FFMR Reference: OMB Circular A-127, 7H

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

DMLSS Accreditation Statement (4 Apr 02)

z140202

FFMR Review:

Based on the Accreditation Statement submitted by DMLSS PMO its operational requirements and current system risks exposures have declared that sufficient measures have been implemented and in accordance to DOD Life Cycle Management requirements.

The Acting Program Executive Officer Military Health Systems Information Technology Organization Ronald R. Pace signed and approved the document on April 4, 2002. The accreditation statement is effective for three years from signature. During those three years, DMLSS System Administrators will perform time configuration management to get re accredited.

Additionally, per review of z140202, DMLSS provides a User Privilege Management module that is used to setup each user with select roles and provide select actions to read, update, create and delete data only to select areas of the system.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 14.02.12

FFMR Description:

All system's documentation (software, system, operations, user manual, operating procedures, etc.) shall be kept up-to-date and readily available for examination.

FFMR Reference: OMB Circular A-127, 7I

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

Documents included at www.tricare.osd.mil/dmlss

FFMR Review:

The DMLSS Project Management Office maintains a website at www.tricare.osd.mil/dmlss. This website includes a variety of updated system information including Program Information, Training Tools, Application Module Documentation, Help Desk Support Information, Program Schedule among other system information.

Additionally, the DMLSS Project Management Office provided system documentation that was updated in 2001 and 2002.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 14.02.13

FFMR Description:

A system's user documentation shall be in sufficient detail (e.g., accounting policies, processes, and procedures) to permit a person with a general knowledge of the agency's programs and systems to obtain a comprehensive understanding of the entire operation of the system.

FFMR Reference: OMB Circular A-127, 7I

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

Documents included at www.tricare.osd.mil/dmlss

FFMR Review:

The various modules contained in DMLSS are fully explained at the website www.tricare.osd.mil/dmlss under Application Modules link. The documentation provides users with an understanding of the program and an understanding of how each module is used throughout the system.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 14.02.14

FFMR Description:

The system's technical system documentation such as requirements documents, systems specifications and operating instructions shall be adequate to enable technical personnel to operate the system in an effective and efficient manner.

FFMR Reference: OMB Circular A-127, 7I

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

SSA 2.1.3

Documents included at www.tricare.osd.mil/dmlss

FFMR Review:

BearingPoint reviewed system documentation that includes system specification documents, training manuals, system administrative guides, and various material included on the DMLSS website at www.tricare.osd.mil/dmlss. Additionally, the System Security Authorization Document (SSA 2.1.3) includes system security and architectural requirements and details that contribute to the effective and efficient operations of DMLSS.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 14.02.15

FFMR Description:

On going maintenance of the financial management system shall be performed to enable the system to continue to operate in an effective manner.

FFMR Reference: OMB Circular A-127, 7L

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

DMLSS C4I Support Plan (012202)

FFMR Review:

The DMLSS Program Management Office has implemented the DMLSS Command, Control, Communication, Computers and Intelligence (C4I) Support Plan (C4ISP) to "identify C4I information, infrastructure, and interface support requirements for the DMLSS Automated Information System (AIS). The objectives of this C4ISP are to surface any known or potential C4I support shortfalls and to propose solutions and/or mitigation strategies to resolve interoperability, supportability, and sufficiency concerns related to the acquisition of DMLSS." This support plan details the steps that the DMLSS Program Management Office will take to ensure that the system will continue to operate in an effective manner.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 14.02.16

FFMR Description:

An overall design for financial and mixed systems shall be based on the financial and programmatic information and processing needs of the agency.

FFMR Reference: OMB Circular A-127, 8A

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

SSA 2.1.3

Test Output Various FFMRs

FFMR Review:

The DMLSS Program, co-sponsored by the OASD(HA) and the Deputy Under Secretary of Defense (Logistics), is a unique partnership engaging the wholesale medical logistics, medical information management, medical information technology, and user communities. The Deputy Under Secretary of Defense (Logistics and Material Readiness) is responsible for defining and implementing an efficient medical logistics support environment for health care operations in peacetime, Small Scale Contingencies (SSC), and wartime. The program has two major components:

- Application of the Medical Logistics Functional Process Improvement Program (MLFPIP), which identifies and implements improvement opportunities associated with the business practices and processes of medical logistics.
- Development of an AIS to streamline, enhance, and automate medical logistics functions.

The overall design of DMLSS is included in the System Security Authorization Document (SSA 2.1.3) that highlights the architectural description and design of each module together with the operating environment and security requirements for DMLSS.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 14.02.26

FFMR Description:

An accounting system shall protect government information commensurate with the risk and magnitude of harm that could result from the loss, misuse, unauthorized access to, or modification of such information.

FFMR Reference: OMB Circular A-130, 8a1(g)

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

DMLSS System/Subsystem Architecture (14 Nov 01)

DMLSS Accreditation Statement (4 Apr 02)

FFMR Review:

The DMLSS System/Subsystem Architecture document describes the primary administrative procedure that protects the DMLSS and DMLSS Stand-Alone's systems are the individual management of passwords. In accordance with DoD policies, the DMLSS Program supports the current guidelines for password management with the following guidelines.

Passwords must be 8 characters in length, one letter must be capitalized, and at least 2 numbers must be in the password sequence. Embedded underlines make it more difficult for someone to guess the password.

Passwords are not written, and no list of passwords is printed. Only the SA can reset server passwords. In addition, users are instructed to change passwords regularly, at least every 90 days, which decreases the likelihood that others will discover the password.

Based on the accreditation statement submitted by DMLSS PMO its operational requirements and current system risks exposures have declared that sufficient measures have been implemented and in accordance to DOD Life Cycle Management requirements.

The Acting Program Executive Officer Military Health Systems Information Technology Organization Ronald R. Pace signed and approved the document on April 4, 2002. The accreditation statement is effective for three years from signature. During those three years, DMLSS System Administrators will perform time configuration management to get re accredited.

When an employee is involuntarily terminated, the SA immediately prevents the user from accessing the system by deleting the user's account. This guards against destructive activity.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 14.02.28

FFMR Description:

An accounting system shall have records management and archival functions built into the design, development, and implementation of the information system.

FFMR Reference: OMB Circular A-130, 8a1(k)

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

DMLSS System/Subsystem Architecture Document

FFMR Review:

The DMLSS System/Subsystem Architecture document describes how the DMLSS SA is responsible for ensuring that backup procedures are performed as scheduled. The databases undergo daily backup to DAT. The tapes are stored either offsite or onsite in a designated area away from the server room. The DMLSS System Administration Guides provide guidance on alternate site redundancies for storing backup tapes and emergency procedures for the DMLSS system.

The DMLSS server automatically backs up the UNIX or NT and INFORMIX file systems on a nightly basis and produces a continuously updated daily database transaction tape, called the logical log. The DMLSS SA is required to insert new tapes into the appropriate tape drives each day. The SA checks for error messages in the System Status Summary and views the (Level 0) INFORMIX Database Archive Log daily to verify that the automatic backup has completed successfully. If necessary, the SA can perform a manual backup from the System Admin Tool. All duties the site SA must perform are listed and described in the *DMLSS System Administration Guides*.

If a DMLSS SA needs to recover files or suspects that the system configuration has been damaged or compromised, the SA can perform an INFORMIX restore as a last resort. However, the SA must determine the cause of corruption before the procedure can begin and should call the Tri-Service Medical Systems Support Center (TMSSC) help desk for support while running this option. TMSSC is staffed 24 hours a day, 7 days a week.

The DMLSS SA must ensure that the most recent backup (UNIX or NT and INFORMIX) and system tapes are available before beginning this process.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 14.02.29

FFMR Description:

An accounting system shall collect or create only the information necessary for the proper performance of agency functions and which has practical utilities.

FFMR Reference: OMB Circular A-130, 8a1(k)2

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

Test Output Various FFMRs

FFMR Review:

Based on review of multiple FFMRs and various evidence to support those FFMRs, the system appears to collect or create information necessary for the proper performance of agency functions. There was no evidence that included information not related to the functions of the system.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 14.02.30

FFMR Description:

An accounting system must use electronic collection techniques where such techniques reduce the compliance burden on the public, increase the efficiency of government programs, reduce the cost to the government and the public, and/or provide better service to the public.

FFMR Reference: OMB Circular A-130, 8a1(k)3

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

DMLSS System Security Authorization Document (14 Nov 01)

FFMR Review:

DMLSS incorporates electronic collection techniques via the use of many system interfaces. The DMLSS System Security Authorization Document, *Section 3.2 System Interfaces and External Communications*, includes a list of multiple interfaces for electronic collection techniques to increase the efficiency of the program.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 14.02.31

FFMR Description:

An accounting system must provide adequate and proper documentation of agency financial activities.

FFMR Reference: OMB Circular A-130, 8a1(k)4(a)

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

DMLSS System Security Authorization Document (14 Nov 01)

FFMR Review:

DMLSS is a relational database that is capable of capturing, processing, storing and reporting a variety of data related to the financial activities of the military services. As part of the FFMR reviews, BearingPoint analyzed the DMLSS System/Subsystem Architecture document as well as various reports and financial data related to reporting financial activities. Additionally, the DMLSS System Security Authorization Document includes details of the system design including descriptions of system modules and the operating environment for documenting the financial activities.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 14.02.33

FFMR Description:

An accounting system shall limit the sharing of information that identifies individuals or contains proprietary information to that which is legally authorized, and impose appropriate conditions on use where a continuing obligation to ensure the confidentiality of the information exists.

FFMR Reference: OMB Circular A-130, 8a9(c)

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

DMLSS System Security Authorization Document (14 Nov 01)

FFMR Review:

The DMLSS System Security Authorization Document describes the DMLSS user access and least privilege functionality. DMLSS provides users with access to the data and system functions required in the task or job description. DMLSS calls the security feature "least privilege". Least privilege limits a user's access level and helps reduce the damage should the system come under attack.

In the production environment, the DMLSS on-site system administrator (SA) grants access to users who need access for support or maintenance functions. The logistics managers, in conjunction with the application administrators (AAs), determine the user's role.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 14.02.34

FFMR Description:

An accounting system must be designed and documented in a manner that ensures effective and accurate operations. The design should allow easy modification as the systems environment changes.

FFMR Reference: OMB Circular A-127, 8A

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

(DITSCAP) Security Configuration Management Plan

FFMR Review:

DMLSS supports the Configuration Management Plan (CMP). This plan provides a process to control the requirements approval phase of the DMLSS modules and subsequent management oversight of changes to existing legacy systems, and the DMLSS throughout its life cycle. The guidance and procedures provided by this document apply to all process improvement activities, system documentation, requirements definition and development activities, legacy system activities, and changes to DMLSS from Milestone 0 through the DMLSS life cycle. This CMP provides the policy, procedures, and processes necessary.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 14.02.35

FFMR Description:

A system must limit collection of information which identifies individuals to that which is legally authorized and necessary for the proper performance of agency functions.

FFMR Reference: OMB Circular A-130, 8(a)9(b)

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

DMLSS System Security Authorization Document (14 Nov 01)

z140202

FFMR Review:

Per review of the DMLSS System Security Authorization Architecture document, DMLSS provides users with access to the data and system functions required in the task or job description. DMLSS calls the security feature "least privilege". Least privilege limits a user's access level and helps reduce the damage should the system come under attack.

In the production environment, the DMLSS on-site system administrator (SA) grants access to users who need access for support or maintenance functions. The logistics manager, in conjunction with the application administrators (AAs), determine the user's role.

Additionally, per review of z140202, DMLSS provides a User Privilege Management module that is used to setup each user with select roles and provide select actions to read, update, create and delete data only to select areas of the system.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 14.02.37

FFMR Description:

Appropriate administrative, physical, and technical safeguards must be built into an existing accounting system and all new applications.

FFMR Reference: OMB Circular A-130, III-A3a

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

DMLSS Security Design Specifications Section 6

FFMR Review:

Per review of DMLSS Security Design Specifications document, all DMLSS server platforms (at the application levels), the security mechanism control system access by the user name and password.

Security mechanisms outputs include audit trail data and system messages.

After users have gained access to the application, they are limited to which functions they can perform by the access privileges and permissions that have been assigned to their accounts. For added security, certain functions are defined in more detail. For example, the ordering function in CS and CAIM is defined or restricted by the pharmaceutical product type that is ordered.

When users access an application, the system's audit mechanisms record their actions. These audit mechanisms track successful and unsuccessful login attempts, logouts, and denials on the server. On the database, these mechanisms track such items as tables updated, records added, and records deleted. The server tracks the number of files that are accessed, updated, deleted, and created. The server also tracks switch user sessions. These tools enable the SA to monitor system activity and determine if a security violation has occurred.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 14.02.38

FFMR Description:

Upon completion of a system's implementation tests, an agency official must certify that an accounting system meets all applicable Federal policies, regulations, and standards, and that the results of the tests demonstrate that the installed security safeguards are adequate for the application.

FFMR Reference: OMB Circular A-130, III-A3b2e

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

DMLSS Accreditation Statement (4 Apr 02)

FFMR Review:

The Acting Program Executive Officer Military Health Systems Information Technology Organization Ronald R. Pace signed and approved the accreditation document on April 4, 2002. The accreditation statement is effective for three years from signature. During those three years, DMLSS System Administrators will perform time configuration management to get re accredited.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 14.02.39

FFMR Description:

All agencies shall implement and maintain a program to assure that adequate security is provided for all agency information collected, processed, transmitted, stored or disseminated.

FFMR Reference: OMB Circular A-130, III-A3

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

DMLSS Security Design Specifications Section 6

FFMR Review:

Per review of the DMLSS Security Design Specification document, all DMLSS server platforms (at the application levels), the security mechanisms use is the user name and password access control.

Security mechanisms outputs include audit trail data and system messages.

After users have gained access to the application, they are limited to which functions they can perform by the access privileges and permissions that have been assigned to their accounts. For added security, certain functions are defined in more detail than others are. For example, the ordering function in CS and CAIM is defined or restricted by the pharmaceutical product type that is ordered.

When users access an application, the system's audit mechanisms record their actions. These audit mechanisms track successful and unsuccessful login attempts, logouts, and denials on the server. On the database, these mechanisms track such items as tables updated, records added, and records deleted. The server tracks the number of files that are accessed, updated, deleted, and created. The server also tracks switch user (su) sessions. These tools enable the SA to monitor system activity and determine if a security violation has occurred.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 14.02.40

FFMR Description:

A system must have adequate controls to protect information that is shared with other systems.

FFMR Reference: OMB Circular A-130, III-A3b2f

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

DMLSS Security Design Specifications Section 6

FFMR Review:

Per review of the DMLSS Security Design Specifications document, all DMLSS server platforms (at the application levels), the security mechanisms use is the user name and password for I&A and access control.

Security mechanisms outputs include audit trail data and system messages.

After users have gained access to the application, they are limited to which functions they can perform by the access privileges and permissions that have been assigned to their accounts. For added security, certain functions are defined in more detail than others are. For example, the ordering function in CS and CAIM is defined or restricted by the pharmaceutical product type that is ordered.

When users access an application, the system's audit mechanisms record their actions. These audit mechanisms track successful and unsuccessful login attempts, logouts, and denials on the server. On the database, these mechanisms track such items as tables updated, records added, and records deleted. The server tracks the number of files that are accessed, updated, deleted, and created. The server also tracks switch user (su) sessions. These tools enable the SA to monitor system activity and determine if a security violation has occurred.

Based on the evidence provided, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 14.02.42

FFMR Description:

The system must be able to perform integrity checks on batches received via interfaces. Checks should include a batch number to detect duplicate or skipped batches, and validity of header and trailer records to ensure counts and amount in trailer agree with records in the batch.

FFMR Reference: JFMIP SR-99-4, 20

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z140242

z140125

FFMR Review:

Test output z140242 includes sample "Interfaces are received via MILSTRIP". Text headers and trailer records are used. Other formats are available based upon agreements with interface organizations.

DCM handles interfaces.

Army - STANFINS reuses call #'s (possibility of duplicates)

Navy/AF - call #'s are generated and not duplicated by system. Non-repetitive sequence numbers are used. System control ensures the sequence # is not processed until receives previous sequence #.

End of period process management sets up batch processing schedule. System runs batch daily.

Test output z140125 includes a report that is generated as the result of the batch processing cycle that performs data integrity checks to ensure accuracy of data maintained in the system and those transactions that are received via interfaces.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 14.02.43

FFMR Description:

The system must allow user entry and query screens to support validation of codes entered on the screen and assist users in determining correct codes if an invalid code is entered. It must also provide for inquiry by the user to verify valid codes during the data entry process.

FFMR Reference: JFMIP SR-99-4, 21

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

z140243

FFMR Review:

Per review of z140243, DMLSS provides users with various means to support validation of codes including: pull-down screens, search features, option buttons, and other online tools to assist users in determining the correct codes if an invalid code is entered.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.

FFMR REVIEW

FFMR #: 14.02.44

FFMR Description:

The system environment must provide for adequate training and appropriate support to the users based on the level, responsibility and roles of individual users, to enable the users of the systems at all levels to understand, operate and maintain the system.

FFMR Reference: OMB Circular A-127, 7K

DMLSS Self Assessment: Compliant

BearingPoint Assessment: Agree - Compliant

Test Output Reviewed (included in Volume II - Compliance Assessment Workpapers):

Documents included at www.tricare.osd.mil/dmlss

FFMR Review:

The DMLSS Project Management Office maintains a website at www.tricare.osd.mil/dmlss that includes a link to training tools. Users have access to training material for Versions 2.0, 3.0, 3.1, 3.2 and 3.3. Each training section includes various reference documents, Frequently Asked Questions, and special instructional links regarding system functionality. As part of the training program, the DMLSS Project Management Office maintains lesson plans and step by step training documents on the website.

Based on the evidence reviewed, BearingPoint agrees that this FFMR is compliant.