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RV23006 - State Tax Accounting and Reconciliation System (STARS) Discovery and Planning Phase (ITAC Recommendation)

1 message

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Fri, Jun 16, 2023 at 3:25 PM

To: Rob Woods <rwoods@azdor.gov>

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Director Woods,

In response to the Project Investment Justification (PIJ) for the “**State Tax Accounting and Reconciliation System (STARS) Discovery and Planning Phase**” project, the Arizona Department of Administration (ADOA) Strategic Enterprise Technology (ASET) office has reviewed your proposal to complete a plan for the entire STARS project which will replace the current systems and disparate databases with integrated functionality.

The PIJ implies funding is available from the Automation Projects Funds (APF) for the total estimated five-year life-cycle cost for the project.

This notification is the Arizona Strategic Enterprise Technology Office's recommendation to the Information Technology Authorization Committee (ITAC) for **Approval with Conditions** of the technology project as follows:

1. Should development costs exceed the approved estimates by 10% or more, or should there be significant changes to the proposed technology scope of work or implementation schedule, the Agency must amend the PIJ to reflect the changes and submit it to ADOA-ASET, and ITAC if required, for review and approval prior to further expenditure of funds.
2. Monthly reporting on the project status is due to ADOA-ASET no later than the 15th of the month following the start of the project. Failure to comply with timely project status reporting will affect the overall project health. The first status report for this project is due on July 15, 2023.
3. Prior to system production environment launch or go live, the Agency must work with the Department of Administration (ADOA) and Department of Homeland Security (AZDOHS) Cyber Command, to assure the System Security Plan document is completed and approved by Cyber Command in order to ensure that the selected solution will provide an appropriate level of protection for State data.
4. The Agency may proceed with the proposed solution with the provisional AZRAMP authorization, however, the Agency must work with the Department of Administration (ADOA) and Department of Homeland Security (AZDOHS) Cyber Command to provide a report to Information Technology Authorization Committee (ITAC) on progress toward achieving full AZRAMP authorization by August 30, 2023. Additional reporting may be required by ITAC or ADOA-ASET.
5. The Agency must submit a report upon the conclusion of the discovery milestone to the Information Technology Authorization Committee (ITAC) that outlines the timeline for system validation of Internal Revenue Service (IRS) requirements and the attainment of FedRAMP authorization. IRC §6103 limits the use of FTI to certain purposes based on the authority under which it was received. IRS requires FedRAMP authorization followed by a 45 day notification prior to implementing certain operations including the ingesting any FTI into the solution, or technology capabilities that use FTI.
6. ADOA-ASET in coordination with ADOR will provide quarterly reports of the overall status of the project to the Joint Legislative Budget Committee (JLBC). The report will address the vendor's progress in compliance with all required cyber security controls for the system.

The PIJ is scheduled to be **reviewed by ITAC in the June 21, 2023** meeting. Should ITAC approve the project, you may then proceed to secure additional approvals as required from the Joint Legislative Budget Committee, The Office of Strategic Planning and Budgeting, and the State Procurement Office.

If you would like additional information about the **“State Tax Accounting and Reconciliation System (STARS) Discovery and Planning Phase”** project or the Project Investment Justification, please feel free to reach out to me.

As always, Let us know if you have any questions.

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Thank you for submitting your recent Project Investment Justification (PIJ). To assess your experience and provide any feedback on how we can improve the process, please complete this brief survey: [PIJ Survey](#)



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