Oversight Audit Project

State of Arizona – Department of Administration

ARIZONA
DEPARTMENT OF ADMINISTRATION

Our Vision
Excellence in Arizona government with leading-edge enterprise support

Our Mission
To deliver effective and efficient enterprise support services to our agency customers, allowing them to focus more on their unique missions.

Team Introduction

Roles Present at ITAC

- Chuck Brown - Business Sponsor

- Haleh Farhadi - Business Owner

- Lindsey Daberko - Project Manager

Project Introduction

Summary & Stated Operational/Business Issue

Summary:
The Arizona Auditor General has conducted a performance audit of ASET's oversight of IT projects as part of the sunset review process prescribed in A.R.S. 41-2951. Additionally, statute and rule require ASET to monitor IT projects with total costs more than 25k, including expenditure and activity reports and conducting periodic reviews, and or temporary suspend the expenditure. As a result of the audit, they have produced an audit report that includes all the findings and recommendations to be corrected within ASET.

Findings are as follows:
- Did not consistently receive or review IT project Status reports
- Did not consistently track project start and end dates
- Did not consistently corroborate or receive IT project expenditure information
- Closed IT projects with unresolved issues and have not developed process for taking action
- Has not taken enforcement action to suspend IT projects
- Did not evaluate or ensure that agencies evaluate project outcomes
- Has not established accountability mechanisms related to the independent third party review before going to ITAC

Benefit to the State Agency and Constituents

Following the recommendation from AGs office, the IT project oversight is going to be more effective and some risks will be prevented from happening. Overall project quality may benefit from improved project oversight processes. Additional benefits include but are not limited to:
- Strengthens Internal Processes
- Enhances Efficiency
- Improves IT Security
- Verifies the Accuracy and Integrity of Financial Reporting
- Ensures Compliance
- Improve the Benefits of the PIJ process for the State
- Empowers the Oversight Team

Proposed Solution

Overview of Proposed Solution

ASET has agreed with the Auditor General's findings and the audit recommendations will be implemented, however, ASET has requested modifications to the IV&V related statutes.

Project Scope
- Create rules, regulation, policies, and processes for all the audit findings
- PIJ Audit Findings
  - Start and end date must be documented
  - Documents and data to be reviewed for accuracy and completeness
  - Expenditure must be verified against SAAM 4650
  - Salesforce to be updated with the changes of the process
- Projects Audit Findings
  - Ensure agencies submit status reports and identify required information to be included, ie. risks, expenditure, milestones
  - Ensure all IT project milestones/risks/issues have been completed at close out
  - Ensure that final status report is submitted at the close out of the project
  - Ensure and evaluate agencies project outcomes, including changes in customer service, productivity, performance, cost savings, cost avoidance and benefits to the state
  - Must take enforcement action if the project is at risk of failing to meet its intended results, including temporarily suspending the project.
  - Expenditure reported in status report must be verified against SAAM 4650
- Third Party independent Review (IV&V)
  - Identify and update process to have the IV&V contract completed by the project team before it goes for ITAC approval
  - Work with ITAC to develop a process, including written policies and procedures that require that agencies obtain and provide ASET and ITAC with the initial results of IV&V.
- Complete CRM system modifications based on PSPs
- Create a report mechanism to be created to submit the results to AG's office

Project Impacts

AZDOA

1. Tracking of project milestones and success measurements
2. Reporting and communication to ITAC and Auditor General
3. Resource time to develop and refine PSPs
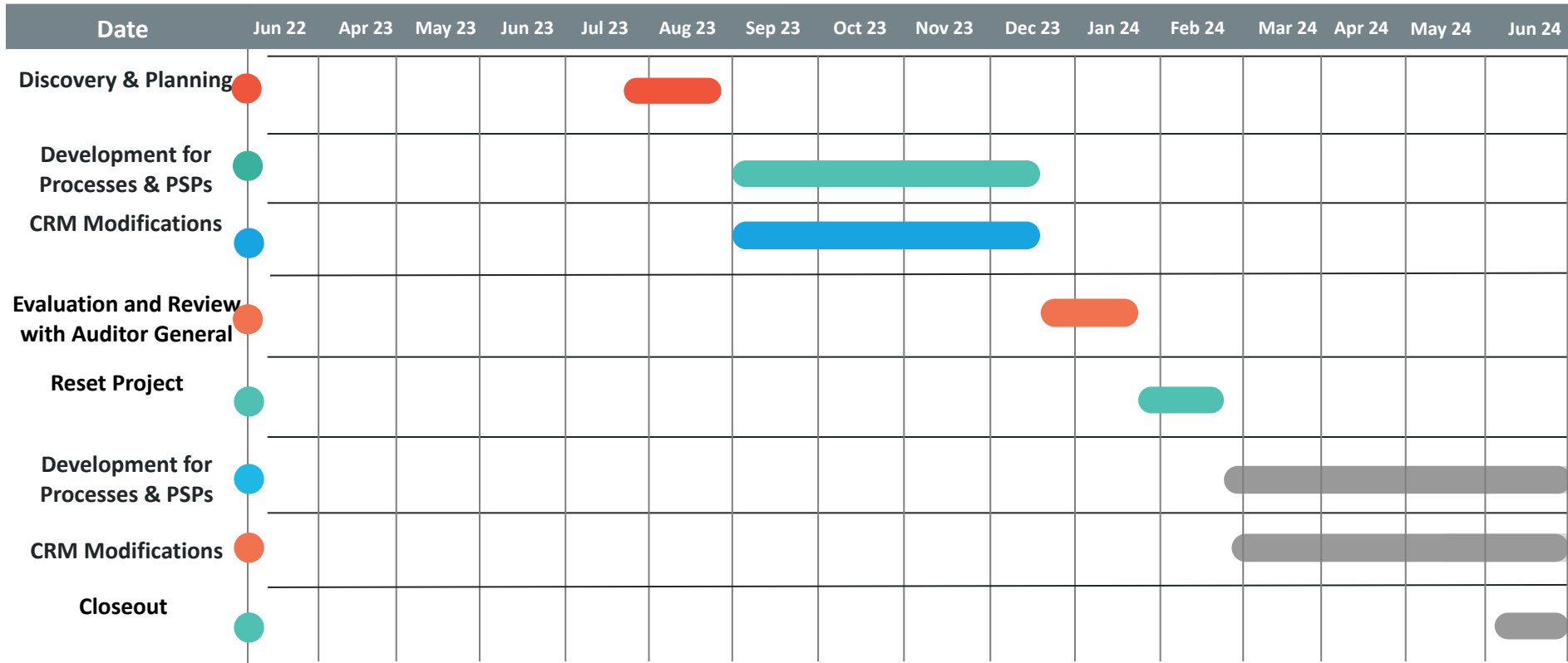4. Resource time to complete CRM system modifications

Agencies

1. Increased time will be needed for PIJ approval
2. Expect more frequent communication related to PSPs
3. Resource time to provide feedback & project information/measurements

ITAC

1. Committee feedback
2. Committee review
3. Committee approval, when appropriate

What Success Looks Like

Measures of Success

- Definition and delivery of metrics within the CRM solution that demonstrate that Oversight processes are being followed (e.g. confirming monthly reports have been submitted and reviewed)
  - Status Reporting: Agency Compliance with Status Reporting Requirements at 85%
  - Close Out Reporting: Agency Compliance with Project Close Out Requirements at 90%
- Establishment of minimum standards for system performance metrics at PIJ approval and establishing a process and mechanism of collecting performance outcomes of projects post implementation and sharing the outcomes with Executive and Legislative Leadership
  - 12 business days for PIJ approval/recommendation
    - 5 business days for security review
  - A measure and target for agencies reporting project outcomes (the goal is undetermined)
- 100% of projects contracting IV&V services prior to ITAC approval

Q & A
Session

[Link to Auditor General Report](#)