STARS ITS Modernization Project

Gartner Quarterly Risk Assessment Report #3

Prepared For: Arizona Department of Revenue
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Engagement: 330082053 | Version 1

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Gartner's Point of View

Gartner's quarterly risk assessment report is intended to be a conversation starter or door-opener. It is a collaborative effort that leverages Gartner Consulting and Research expertise, inputs from STARS IV&V Risk Assessment interviews, STARS documentation and first-hand observations.

This risk assessment report is a snapshot in time and will be updated on a quarterly basis as additional project information is shared via deliverables, interviews and key meetings. Gartner will continue to review, adjust and track risks, issues and recommendations and provide ADOR with a Call-to-Action, compelling ADOR to act now.

The content of this report is derived by the power of OneGartner, its data, assets, resources, authoritative analysts and real-world knowledge.

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Risk Reporting That Drives Executive Action
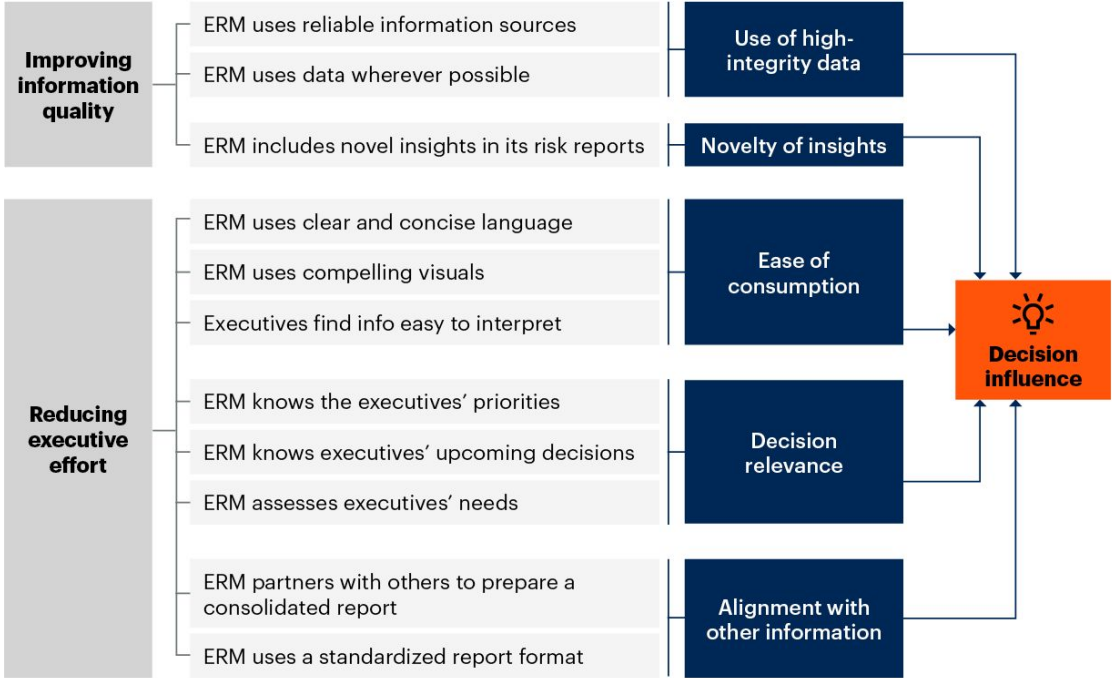## Driving Executive Involvement to Critical Decision Making and Oversight

Key Findings

- Reducing executive effort to understand and use information is the most effective way to ensure that risk reporting drives executive action.

- Enterprise risk management (ERM) has three primary levers to reduce effort: ease of consumption, decision relevance and alignment with information from other functions.

Recommendations

- STARS PMO must make information easier to consume by using simple, targeted and compelling stories.

- STARS PMO must make information more relevant to executives' decisions by providing explicit links between information and executives' priorities.

- STAR PMO must make reporting more compelling and convincing by partnering with other workstreams to reconcile information and eliminate large discrepancies.

- STARS PMO must report early and often to allow executives time to review and recommend corrective actions.

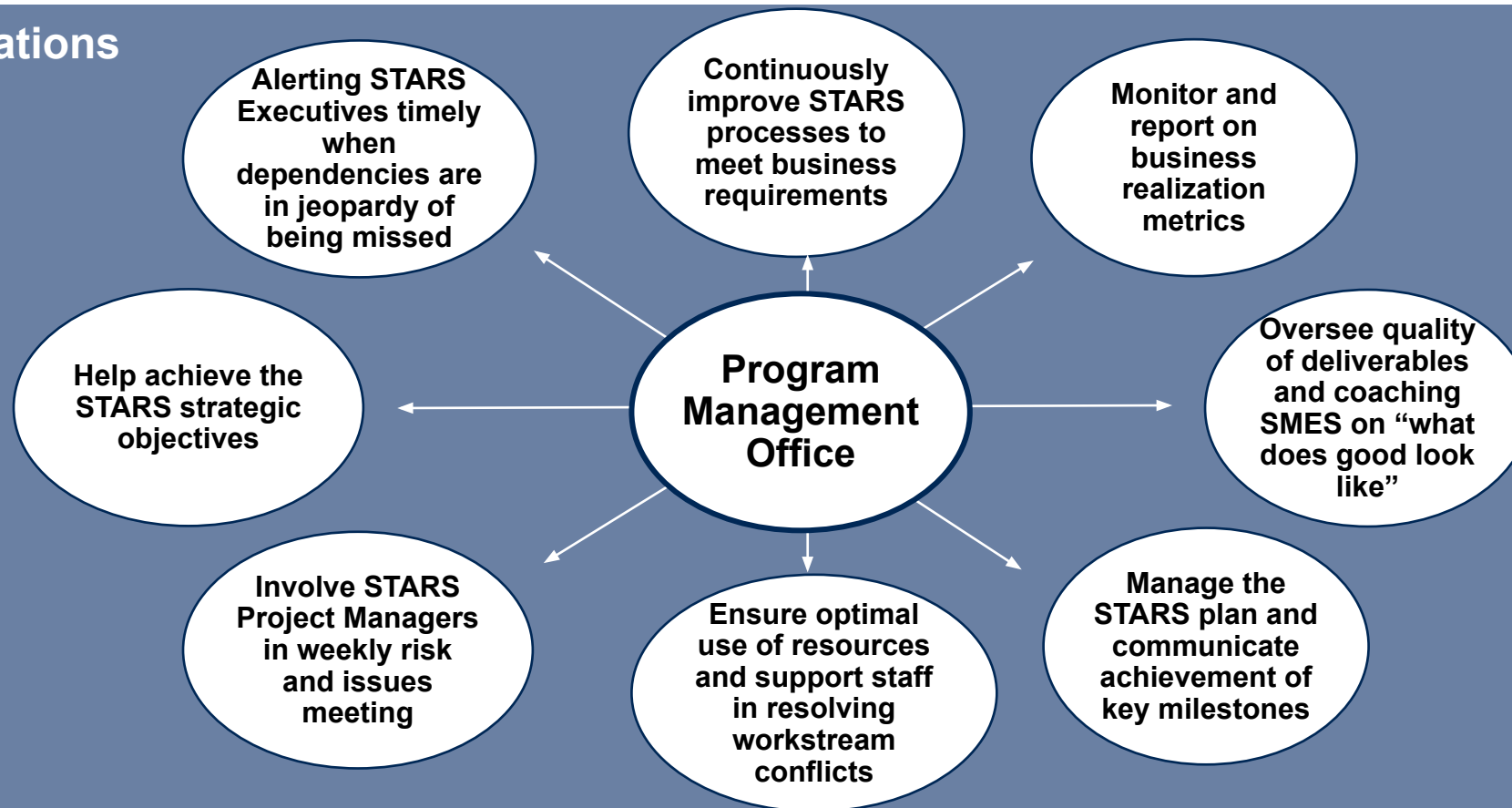**Risk Information Decision Influence Model**

Improving information quality
- ERM uses reliable information sources → Use of high-integrity data
- ERM uses data wherever possible → Use of high-integrity data
- ERM includes novel insights in its risk reports → Novelty of insights

Reducing executive effort
- ERM uses clear and concise language → Ease of consumption
- ERM uses compelling visuals → Ease of consumption
- Executives find info easy to interpret → Ease of consumption
- ERM knows the executives' priorities → Decision relevance
- ERM knows executives' upcoming decisions → Decision relevance
- ERM assesses executives' needs → Decision relevance
- ERM partners with others to prepare a consolidated report → Alignment with other information
- ERM uses a standardized report format → Alignment with other information

→ Decision influence

Source: Gartner
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# What's the Role and Benefit of a Program Management Office

- ❑ An organization implemented to carry out functions and provide services for (or on behalf of): the program director/manager, the program staff, and the various governance and management entities that provide direction and oversight for the program.

- ❑ An effective program management office is an essential component for program success. The needs for a specific structure and roles are driven by the program's goals, its required outcomes, support needs for the program staff, interactions with other components of organizational governance, and the organization's program management policies

Recommendations

Program Management Office

- Alerting STARS Executives timely when dependencies are in jeopardy of being missed
- Continuously improve STARS processes to meet business requirements
- Monitor and report on business realization metrics
- Help achieve the STARS strategic objectives
- Oversee quality of deliverables and coaching SMES on "what does good look like"
- Involve STARS Project Managers in weekly risk and issues meeting
- Ensure optimal use of resources and support staff in resolving workstream conflicts
- Manage the STARS plan and communicate achievement of key milestones

The Agile Performance Dashboard
Team Voyatek must provide visibility into the effectiveness of what they do and how they will deliver a RevHub platform on time and within scope.
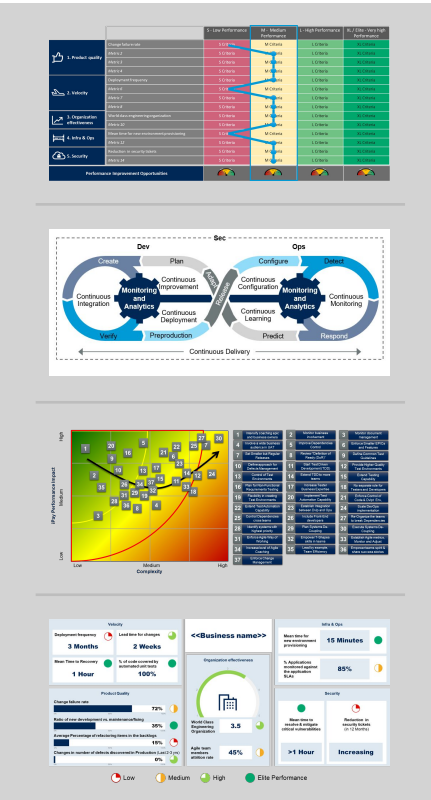
1. Baseline STARS Scrum Team metrics to gain insight into expected Agile Performance (e.g., Product Quality, Velocity, Organization Effectiveness, Infrastructure and Operations, and Security)

2. Deep-dive with the STARS Liquor Luxury Team (LLT) Scrum teams to identify key constraints during their initial sprints.

3. Analyze LLT findings for interdependencies and impact to adjust sprint planning to accelerate performance and quality.

4. Develop a STARS dashboard to track performance and provide STARS Executives a view into Implementation efforts.

Steadily maturing DevOps performance significantly increases effectiveness of the teams, delivering more business value at lower investment levels

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Bright Spots for this Reporting Period

STARS Resources: New Program Manager (Fran D'Antonio) is providing broad, daily strategic oversight, informed by a deep understanding of tax administration and integrated tax system (ITS) projects. His involvement is bringing forward project recommendations, reducing confusion and providing more timely escalation of potential delays, while seeking better integration of ADOR and Voyatek teams. Additionally, Voyatek has also added staff with ITS expertise.

Increased Collaboration: ADOR and Voyatek Executives are meeting and working together to document and proactively address project risks. PMO teams are meeting daily (when needed) to resolve program challenges. Weekly Strategic Alignment meetings and STARS Project Team Huddles are helping to keep workstreams aligned and maintain a common understanding of statuses.

Prioritization of Liquor Luxury Tax (LLT) Implementation: Lower priority work is being deferred in favor of LLT. The successful implementation of LLT into RevHub will validate system and project management capabilities, surface opportunities for project improvement on a lower risk tax type and increase confidence in the team's ability to successfully deliver future, more complex tax types.

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Project Status Dashboard – August 2024

The overall project Risk Rating is   High.

Core Project Health Indicators

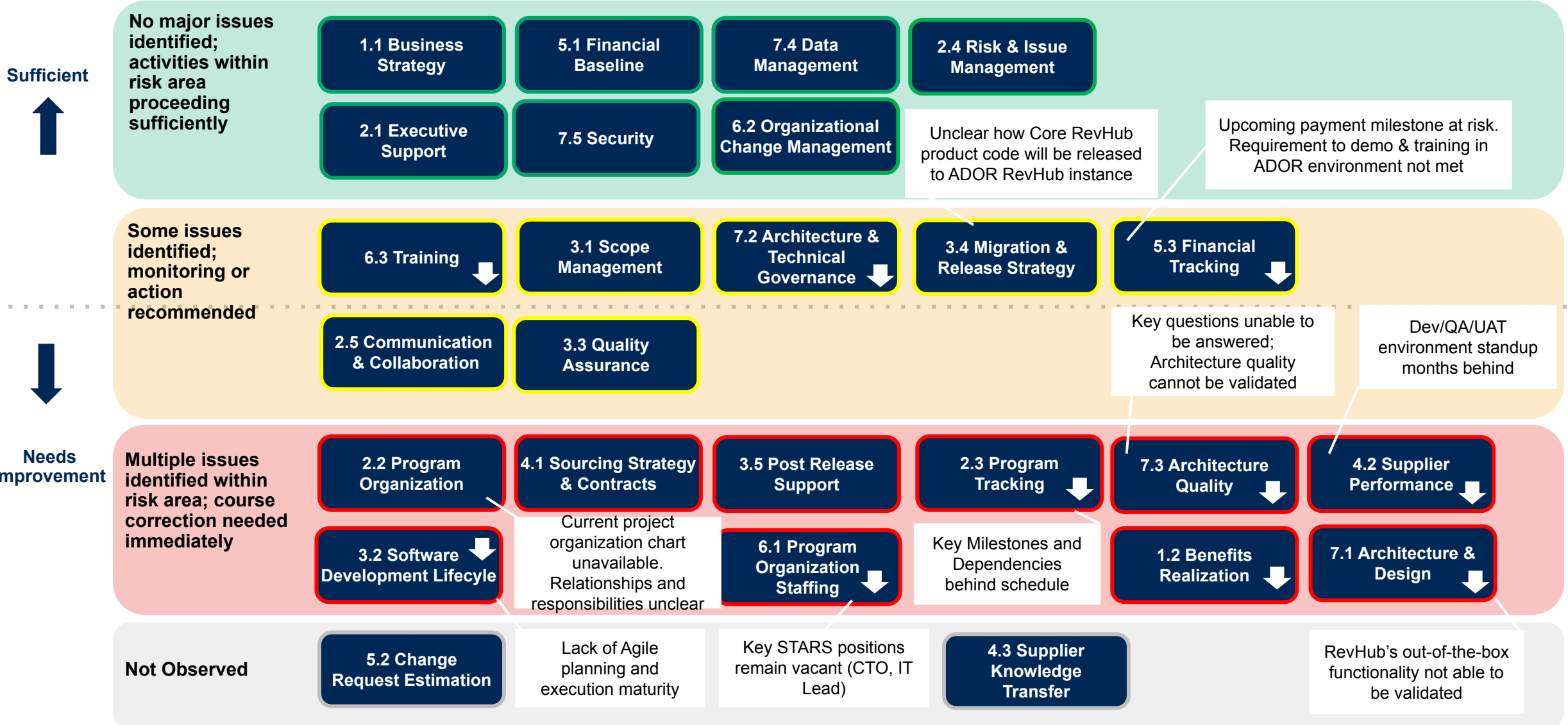| Risk	Trend	Indicator	Description
🟡 (Yellow)	⬇	**Scope**	▪ Multiple Liquor Luxury Tax functionalities descoped and delayed to May 2025 (approved during 6/27 ESC). ▪ Voyatek is considering engaging a subcontractor with proprietary software to support ADOR's Unclaimed Property program. ▪ The extent to which in-scope functionality is included in the base RevHub product has not been confirmed through hands-on interaction or product demonstrations.
🔴 (Red)	⬇	Schedule	▪ The implementation of LLT is delayed waiting on the stand up of STARS RevHub technical environments. A new "go live" date is being established. ▪ The timeline for availability of STARS RevHub technical environments is unclear. ▪ The STARS WBS does not identify critical path activities for LLT implementation and has yet to be baselined. ▪ Unclaimed Property Tax implementation moved from Phase #1 to #3, which already includes the implementation of large, complex tax types. The impact on the overall project schedule has not been determined. ▪ Agile training for ADOR team members and the integration of ADOR into Agile development cycles remain delayed, with no new dates established. ▪ 109 WBS line items are identified as "Late" (as of 7/29/2024).
🟢 (Green)	⬇	**Budget**	▪ Upcoming payment milestones are dependent on system demonstration/training within ADOR specific environments. ▪ There are unknown operational and maintenance costs associated with RevHub's IaaS (Infrastructure as a Service) designation and potential subcontractor add-ons. ▪ The budget impact of LLT delays and replanning of Unclaimed Property implementation are unknown.
🔴 (Red)	➡	**Resources**	▪ ADOR Program Manager and Voyatek Solution Architects roles filled. ▪ ADOR IT Lead roles is vacant again with the resignation of ADOR's newly hired CTO. ▪ Lack of STARS Organization Chart leaves roles, reporting relationships and alignment unclear. ▪ Voyatek key lead roles are continually reassigned.
🔴 (Red)		**Product**	▪ The extent of end-to-end tax administration functionality included in the RevHub base product remains unclear. ▪ ADOR project staff unable to access Arizona's RevHub product ~12 months into the project.

Quarterly Heat Map

Indicator	Nov 2023	Feb 2024	May 2024	Aug 2024	Nov 2024	FEB 2025
Scope	Medium	Medium	Medium	Medium		
Schedule	High	Medium	Medium	High		
Budget	High	High	Low	Low		
Resources	Medium	High	High	High		
Product	Gray	Gray	Gray	High		

Risk: 🟢 Low   🟡 Medium   🔴 High

Change: ⬆ Better   ➡ No Change   ⬇ Worse

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Project Risk Dashboard Summary

Sufficient ↑

Needs Improvement ↓

No major issues identified; activities within risk area proceeding sufficiently

1.1 Business Strategy	5.1 Financial Baseline	7.4 Data Management	2.4 Risk & Issue Management
2.1 Executive Support	7.5 Security	6.2 Organizational Change Management	

Unclear how Core RevHub product code will be released to ADOR RevHub instance

Upcoming payment milestone at risk. Requirement to demo & training in ADOR environment not met

Some issues identified; monitoring or action recommended

6.3 Training ⬇	3.1 Scope Management	7.2 Architecture & Technical Governance ⬇	3.4 Migration & Release Strategy	5.3 Financial Tracking ⬇
2.5 Communication & Collaboration	3.3 Quality Assurance			

Key questions unable to be answered; Architecture quality cannot be validated

Dev/QA/UAT environment standup months behind

Multiple issues identified within risk area; course correction needed immediately

2.2 Program Organization	4.1 Sourcing Strategy & Contracts	3.5 Post Release Support	2.3 Program Tracking ⬇	7.3 Architecture Quality ⬇	4.2 Supplier Performance ⬇
3.2 Software Development Lifecyle ⬇		6.1 Program Organization Staffing ⬇		1.2 Benefits Realization ⬇	7.1 Architecture & Design ⬇

Current project organization chart unavailable. Relationships and responsibilities unclear

Key Milestones and Dependencies behind schedule

Not Observed

5.2 Change Request Estimation		4.3 Supplier Knowledge Transfer	

Lack of Agile planning and execution maturity

Key STARS positions remain vacant (CTO, IT Lead)

RevHub's out-of-the-box functionality not able to be validated

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Key Recommendations

Here are four key areas for the team to prioritize over the next quarter.

RevHub Access

Team Voyatek must provide the ADOR project team with hands-on access to the RevHub product so that the extent and maturity of out-of-the-box functionality can be evaluated. For months, both IV&V and ADOR have been requesting an end-to-end demonstration of product capabilities. At this point in the project, a demonstration is no longer sufficient.

01

Vendor Organization Chart

Team Voyatek should update and extend the existing STARS Organization Chart to identify Team Voyatek staff assigned to the project, their roles and reporting relationships, as well as anticipated roles not yet filled to support the Implementation Phases of the STARS Project.

02

Implementation Planning

Team Voyatek must provide transparency in implementation planning activities (e.g., user story development, sizing, backlog grooming, etc.)

03

Reporting Workstream Activities

Team Voyatek should provide greater transparency into workstream activities (e.g., tasks in progress, behind schedule, actual work vs expected, barriers and challenges, executive support and schedule impacts).

04

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STARS Risks and Issues Metrics

	Active Risks			New Risks			Closed Risks			Open Issues	
	Last Quarter	This Quarter		Last Quarter	This Quarter		Last Quarter	This Quarter		Last Quarter	This Quarter
	16	17		4	4		8	3		1	5

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STARS ISSUES

Issue Title & Description	Category	Recommended Mitigation	Current Mitigation and Observations
I007. Lack of STARS Technical Lead. If ADOR does not have a dedicated IT Lead on the STARS project, there is a risk that the Technical Requirements may not be adequately elaborated, issues may not be identified, time may be wasted waiting for technical guidance, and knowledge transfer opportunities may be missed.	6.1 Program Organization Staffing	**RM07**: **Identify a dedicated State STARS Technical Lead.** ADOR should identify a dedicated STARS Technical Lead to direct and coordinate ADOR technical resources on behalf of the Department CIO, resolve conflicts, and oversee the overall technology direction of the STARS implementation.	Risk R007 was converted to an issue for the previous risk report (May 2024).IV&V has observed technical issues going unresolved due to a lack of direction and coordination among ADOR and Team Voyatek technical resources. The ADOR CIO is attempting to provide STARS the necessary technical guidance while managing the Department's technology operations and other initiatives, but his time is limited. The CIO and Project Sponsors are pulled into more day-to-day STARS' activities than optimal, diverting their focus from project oversight and strategic project decisions. An interim Technical Lead was hired but has left the Department effective August 2, 2024. The CIO has resumed the role pending another hiring.
I019: Aggressive Implementation Schedule. If phase implementation dates are not based on realistic timeframes and a complete set of activities, then the Project may fall behind schedule.	2.3 Program Tracking	**RM19: Complete and Approve Full Implementation Schedule.** Team Voyatek and ADOR should confirm the scope and schedule of major activities for each of the four planned STARS implementation phases, and the Discovery Phase WBS should capture the steps necessary to present the full implementation schedule to the ESC for review and approval.	Risk R019 was converted to an issue for this risk report (Aug 2024). Major milestones continue to be delayed and there is little certainty that the proposed dates will remain on schedule.
I021. Insufficient Vendor Resources. If Team Voyatek does not allocate sufficient resources to support Discovery workstreams, the STARS project may fall behind schedule.	6.1 Program Organization Staffing	**RM21: Update Team Voyatek Organizational Chart.** Team Voyatek should complete resourcing the WBS for Discovery activities and update its project organizational chart to reflect current staffing, planned roles and reporting relationships.	Risk R021 was converted to an issue for this risk report (Aug 2024). The STARS project lacks a comprehensive Organizational Chart and has encountered numerous changes in workstream leads. Without a clear understanding of the organization of current and anticipated implementation phase staffing, it is difficult to determine if planned staffing levels are sufficient. Resourcing in the WBS suggests Voyatek team members are over allocated. In addition, the lack of a current organizational chart leaves Team members unclear about roles and responsibilities and who is responsible to drive and lead activities. Planning and development activities are falling behind. (109 Late tasks as of 7/29/2024).
I022: Lack of Agile Training. If the STARS Functional Team and ADOR SMEs are not trained in Agile delivery methodology, they not be productive contributors and delay progress.	3.2 Software Development Lifecycle	**RM22: Agile Training.** The STARS and Team Voyatek Project Managers should collaborate on the best approach for preparing the STARS Functional Team and ADOR SMEs to participate in Team Voyatek's agile delivery methodology, including building a basic understanding of terms, benefits, roles, cadence, activities/ "ceremonies", tools and Team Voyatek's specific hybrid approach.	Risk R022 was converted to an issue for this risk report (Aug 2024). There has been no Agile training sessions conducted and little insight into Agile ceremonies. The team lacks transparency into various implementation planning and testing activities, including testers roles and responsibilities, overall expectations, and where testing efforts will occur.
I25. Inability to Access the RevHub Instance. ADOR continues to pay license and maintenance fees for a RevHub instance they cannot access 11 months into the program.	7.1 Architecture & Design	**RM25: Establish Clear Expectations.** Team Voyatek needs to set expectations when ADOR staff may be granted access to the RevHub sandbox instance to become acquainted with out of the box capabilities.	Risk R025 was converted to an issue for this risk report (Aug 2024). ADOR is paying for a RevHub license and maintenance cost but has not been able to access a RevHub instance within an ADOR specific environment for the past 11 months. Team Voyatek continues to experience delays in standing up environments and has continually pushed back the timeline for making a RevHub environment available to ADOR.

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STARS Project IV&V Risk Log – Active

Risk Title & Description	Category	Probability	Impact	Priority	Recommended Mitigation	Current Mitigation and Observations
R020. Project Schedule Does Not Reflects Implementation Methodology. If the activities captured in the project schedule do not reflect Team Voyatek's implementation methodology, the implementation may be poorly executed.	**2.3 Program Tracking**	High	High	**1**	**RM20: Align Project Schedule with Team Voyatek's Implementation Methodology.** Team Voyatek should align the WBS to the software development lifecycle (SDLC) it intends to use to configure and deploy RevHub for ADOR. While it is understood that details of the agile ceremonies will be maintained in DevOps the WBS should reflect milestones such as the beginning and end of sprints and testing phases.	The Probability and Impact of this risk remain the same. Gartner is aware that ADOR and Voyatek are working together to confirm the project schedule (including the revised dates for LLT early adopters and full LLT "go live") but as the schedule continues to shift, Gartner has not yet been able to observe and confirm the details. STARS Risk Status: Addressed GARTNER Risk Status: Active
R021. Insufficient Vendor Resources. If Team Voyatek does not allocate sufficient resources to support Discovery workstreams, the STARS project may fall behind schedule.	**6.1 Program Organization Staffing**	High	High	**1**	**RM21. Update Team Voyatek Organizational Chart.** Team Voyatek should complete resourcing the WBS for Discovery Phase activities and update its project organizational chart to reflect current staffing, planned implementation roles and reporting relationships.	The Probability and Impact of this risk remain the same. Risk R021 was converted to an issue for this risk report (Aug 2024). The STARS project lacks a comprehensive Organizational Chart that reflects current and anticipated staffing. Without a clear understanding of the organization of current and anticipated phase staffing, it is difficult to determine if planned staffing levels are sufficient. Resourcing in the WBS suggests Voyatek team members are over allocated. There have been numerous changes in workstream leads. The lack of a current organizational chart leaves Team members unclear about roles and responsibilities and who is responsible to drive and lead activities. Planning and development activities are falling behind. (109 Late tasks as of 7/29/2024). STARS Risk Status: Active Gartner Risk Status: Active ☐ Issue
R22: Lack of Agile Training If the STARS Functional Team and ADOR SMEs are not trained in Agile delivery methodology, they not be productive contributors and delay progress.	**3.2 Software Development Lifecycle**	High	High	**1**	RM22. The STARS and Team Voyatek Project Managers should collaborate on the best approach for preparing the STARS Functional Team and ADOR SMEs to participate in Team Voyatek's agile delivery methodology, including building a basic understanding of terms, benefits, roles, cadence, activities/ "ceremonies", tools and Team Voyatek's specific hybrid approach.	The Probability and Impact of this remain the same. Risk R022 was converted to an issue for this risk report (Aug 2024). There has been no Agile training sessions conducted and little insight into Agile ceremonies. The team lacks transparency into various Implementation planning and execution activities. STARS Risk Status: Active Gartner Risk Status: Active ☐ Issue

Engagement: 330082053

STARS Project IV&V Risk Log – Active

Risk Title & Description	Category	Probability	Impact	Priority	Recommended Mitigation	Current Mitigation and Observations
R004. Lack of Detail Schedule. If the schedule for the STARS Discovery Phase does not include details about the design, development, testing and deployment of "early wins" and Liquor Luxury Tax Implementation, there is a risk these objectives will not be achieved.	**2.3 Program Tracking**	High	High	1	**RM04: Complete Discovery Phase WBS:** Team Voyatek needs to develop a detailed work breakdown schedule to meet the defined objectives and scope of the project Discovery Phase, including early wins and accelerated liquor luxury tax implementation. The schedule should include critical design, development and testing activities, dependencies, critical path, and Agile ceremonies (e.g., sprint planning, sprint demos, backlog grooming, etc.). Baseline the Discovery schedule and define a schedule change management process. The Steering Committee should approve any schedule changes impacting critical path activities.	IV&V increased the Probability to High based on unquantifiable details surrounding the Liquor Luxury tax schedule. Team Voyatek has not produced a critical path and many milestones remained delayed and behind schedule. It is uncertain whether the Feb 2025 timeline can be achieved. STARS Risk Status: Close Gartner Risk Status: Active
R006. Lack of a Project Resource Schedule. If the STARS PMO is not provided a project resource schedule, there is a risk that the PMO will not be in a position to evaluate whether the Vendor has allocated sufficient resources for the planned level of effort.	**6.1 Program Organization Staffing**	High	High	1	**RM06: Develop a Discovery Phase Resource Schedule**. The Project Strategy, Work Plan, and Resource Schedule deliverable approved on September 22, 2023, should be updated to include an anticipated Implementation Phase resource schedule listing roles, staffing levels, percent utilization and reporting relationships.	IV&V increased the Probability to High. Team Voyatek has only produced a high-level organizational chart and a list of resources by functional title and project allocation. It is unclear the activities to which these resources are (or will be) assigned. STARS Risk Status: Addressed GARTNER Risk Status: Active
R019: Aggressive Implementation Schedule. If phase implementation dates are not based on realistic timeframes and a complete set of activities, then the Project may fall behind schedule.	**2.3 Program Tracking**	High	High	1	**RM19: Complete and Approve Full Implementation Schedule.** Team Voyatek and ADOR should confirm the scope and schedule of major activities for each of the four planned STARS implementation phases, and the Discovery Phase WBS should capture the steps necessary to present the full implementation schedule to the ESC for review and approval.	IV&V increased the Probability and Impact to High. Major milestones continue to be delayed and there is little certainty that the proposed dates will remain on schedule. Scope has been deferred to later implementation Phases. STARS Risk Status: Addressed GARTNER Risk Status: Active ☐ Issue

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STARS Project IV&V Risk Log

Risk Title & Description	Category	Probability	Impact	Priority	Recommended Mitigation	Current Mitigation and Observations
R25. Inability to Access the RevHub Instance If ADOR cannot access the Arizona RevHub instance, there is a risk that ADOR will continue to expend budget to O&M fees for environments that cannot be leveraged by ADOR personnel.	**7.1 Architecture & Design**	High	High	**1**	**RM25: Establish Clear Expectations** Team Voyatek needs to set expectations when ADOR staff may be granted access to the RevHub sandbox instance to become acquainted with out of the box capabilities.	IV&V increased the Impact to High as there are concerns with Voyatek's ability to meet ADOR's business objectives. ADOR is paying for license and maintenance cost and has not been able to access the RevHub instance within an ADOR specific environment for the past 11 months. Team Voyatek continues to experience environment stand up delays and has pushed back ADOR's timeline when they will be able to access the system. STARS Risk Status: Active GARTNER Risk Status: Active ☐ Issue
(New) R26: Access to RevHub Architecture If Voyatek can not provide a detailed description of RevHub product architecture, then the quality of the product design can not be validated.	**7.3 Architecture Quality**	High	High	**1**	RM26: Team Voyatek must provide a RevHub Subject Matter Expert (SME) and architecture documents (e.g., software design document, technical design document, detailed design document) so that STARS Technical lead can validate compatibility with ADOR technical requirements.	ADOR Staff have been unable to identify a RevHub SME and detailed architecture documents. This has been escalated to Voyatek Executives for immediate resolution.
R005. Need to Incorporate Best Practice Approaches. If the STARS project does not have access to resources with tax administration modernization experience, there is a risk that the system implementation will not incorporate best practice approaches.	**4.1 Sourcing Strategy & Contracts**	Medium-High	High	**2**	**RM05.1: Demonstrate Tax Administration Expertise:** Team Voyatek should continue to add functional team members who have subject matter expertise in all areas of tax administration. It is typical to have a vendor SME(s) and supporting team to support each of the following: 1. Taxpayer registration and account management 2. Taxpayer financials (billing, payments, credits, interest and penalties) 3. Revenue accounting & distribution; audit 4. Appeals 5. Collections 6. Modernized e-file and bulk filing.	The Probability and Impact of this risk remains the same. Team Voyatek hired two solution architects with extensive tax administration experience. However, it has been observed through public profiles that various Voyatek team members/leads lack experience for their roles and level of responsibility. It is unclear whether resources with broad tax administration experience are guiding development of the core RevHub product. STARS Risk Status: Close Gartner Risk Status: Active

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STARS Project IV&V Risk Log – Active

Risk Title & Description	Category	Probability	Impact	Priority	Recommended Mitigation	Current Mitigation and Observations
R009. Unrealistic Project Cost. If Team Voyatek's investment to extend RevHub to meet ADOR tax administration requirements becomes an unsustainable corporate liability, there is a risk that Team Voyatek may not complete the STARS project.	4.1 Sourcing Strategy & Contracts	Medium-High	High	2	**RM09: Confirm Realistic Vendor Project Budget.** Team Voyatek should provide ADOR a detailed Implementation Phase resource plan listing roles, staffing levels, and percent utilization, so that the sufficiency of resources can be evaluated.	IV&V increased the Probability to Medium-High. It is unclear if there will be project cost implications as the schedule for the deployment of ADOR RevHub environments continues to slip and scope is deferred. Further without access to the RevHub product, ADOR has been unable to confirm the extent to which required functionality is included in the base product or whether more expensive customization will be required. STARS Risk Status: Active GARTNER Risk Status: Active
(New) R29: STARS Executives Immersed in Day-to-Day Activities If ADOR Executives are not receiving timely and actionable reporting on STARS activities and progress, there is a risk that they will no be able to lend necessary attention and support.	2.3 Program Tracking	Medium-High	High	2	**RM29: STARS PMO must be able to report STARS progress** and challenges early and often and in a format that allows STARS Executives to easily digest and make timely decisions to keep the project on schedule, within scope and on budget. The PMO must provide appropriate data and analytics during program meetings that provide greater insight into work scheduled vs work completed, schedule delays, development and testing metrics, etc. Additionally, a report that displays 30/60/90 day milestones and as it progresses reports on the previous 30 days. Thank	IV&V observed that information was not being shared effectively to STARS Executives requiring stakeholders to support individual meetings. There continues to be a request for transparency into workstreams efforts, their effectiveness and challenge/roadblocks. Additionally, the new STARS Program Manager identified recommendations to enhance processes, collaboration and status reporting.
R018: Lack of Benefits Realization Methodology. If there is no methodology for identifying and tracking expected benefits from the STARS implementation, then these benefits may not be realized or be able to be communicated to stakeholders.	1.2 Benefits Realization	Medium-High	Medium - Low	4	**RM18: Develop a STARS Benefits Realization Plan.** The STARS PMO should identify program benefits in tandem with the Documents of Understanding and capture them within a benefits register.	The Probability and Impact of this risk remains the same. There has been no effort to develop and implement a STARS benefits register to track the intended and realized benefits of the Liquor Luxury Tax implementation and other Discovery Phase "early wins". STARS Risk Status: Active GARTNER Risk Status: Active

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STARS Project IV&V Risk Log – Active

Risk Title & Description	Category	Probability	Impact	Priority	Recommended Mitigation	Current Mitigation and Observations
R008. Knowledge Transfer Expectations for ADOR Developers. If ADOR is not clear about the future role of ADOR developers in supporting and maintaining RevHub, there is a risk that there may not be adequate knowledge transfer from Team Voyatek to ADOR developers to allow some degree of self-sufficiency for ADOR to manage future development within the RevHub Integrated Tax System.	**4.3 Supplier Knowledge Transfer**	Medium-High	Medium-Low	4	**RM08: Transition ADOR Technical Staff.** ADOR and Team Voyatek need to work together to agree on the future role of ADOR developers in maintaining RevHub and confirm the expectations regarding knowledge transfer to ADOR developers. Business and Technical support activities and roles and responsibilities should be documented within the Implementation Plan and Operations and Maintenance Plan.	IV&V increased the Probability of this risk to Medium-High as RevHub is currently designated as "Infrastructure as a Service" (IaaS) which will required ADOR IT support. The accelerated implementation of the Liquor Luxury Tax requires ADOR to better understand the level of support and processes needed to address defect resolution and system enhancements/changes STARS Risk Status: Addressed GARTNER Risk Status: Active
R012. Need to Define Future Support Model. If ADOR and Team Voyatek are not clear about the future support model, there is a risk that there may not be an adequate support team, processes, defined support levels, and an adequate Governance model to manage the tool into the future.	**3.5 Post Release Support**	Medium - Low	Medium-High	4	**RM12: Develop Future Support Model.** Team Voyatek and ADOR IT Leadership needs to work together to confirm a future support model and ensure a common understanding amongst key project resources, executives and oversight groups. It is recommended that ADOR leverage the accelerated Liquor Luxury tax implementation to access near term support model and document within the Implementation Plan and build out a long-term support model factoring in the 30 tax/fee types.	IV&V increased the Impact of this risk to Medium-High as RevHub was recently designated as "Infrastructure as a Service" (IaaS) which changes the operations and maintenance paradigm. The Team Voyatek contract calls for three full-time equivalents (FTEs) dedicated to managing STARS configuration changes. In Gartner's experience, a much larger team of developers is necessary to support the changing business requirements of a mission-critical system of the scope and complexity of STARS. STARS Risk Status: Active GARTNER Risk Status: Active

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STARS Project IV&V Risk Log – Active

Risk Title & Description	Category	Probability	Impact	Priority	Recommended Mitigation	Current Mitigation and Observations
(New) R27: Lack of Drivers and Common Understandings If there are uncertainty on who should have decision right and leading efforts, there is a risk that teams will not be effective, challenges will not be escalated, and deliverables will be behind schedule.	**2.2 Program Organization**	Medium-High	Medium-Low	5	RM27: STARS must identify responsible parties for each workstream and ensure that process, people and technology is well understood. These personnel identified to lead must have the appropriate knowledge and communication skills.	STARS personnel are uncertain which teams (ADOR or Team Voyatek) should be leading certain initiatives and workstreams.
(New) R28: Inconsistent Roles and Responsibilities and Processes If STARS personnel are unclear of their tasks and how they are assigned work, there is risk that workstreams will not deliver timely products.	**2.5 Communication and Collaboration**	Medium-Low	Medium-Low	5	RM28: STARS Workstream Leads must review established RACI and program processes with workstream members to clearly communicate roles and responsibilities.	STARS personnel must understand who is leading the efforts and their role and responsibilities when it comes to deliverable generation, review and escalation.
R016. Conversion Plan Lacks Detail If the STARS conversion plan does not adequately detail conversion methodology and approach, there is risk of schedule delays due to inherent challenges.	**7.4 Data Management**	Low	Low	7	**RM16: Conduct Detailed Conversion Planning.** The document as it exists seems to specify and outline a fairly generic ETL (Extract, Transform, Load) approach. We would have expected at this stage for the document to outline in some level the overall conversion methodology and approach Team Voyatek will employ irrespective of tax program. Detail should be developed in support of early Wins and Accelerated Liquor Luxury Tax. Leverage ADOR Data Lead and team as much as possible.	The Probability and Impact remain the same. IV&V awaits updates to the Data Conversion Plan and Templates to shed additional details. STARS Risk Status: Addressed GARTNER Risk Status: Active

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Detailed Observations

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1. Strategy & Business Value
1.1 Business Strategy

Definition

The extent of alignment between the enterprise's business vision, goals and objectives and the program's vision, goals and objectives. This category considers the breadth and consistency of understanding of the program's vision, goals and objectives by the program stakeholders and team, and the extent to which they provide clear guidance to the program.

Recommendations

- As Early Win and Liquor Luxury Tax planning and implementation activities progress, STARS leaders should regularly remind program participants of the Vision, Goals and Objectives of the Agency to help guide decision-making. Consider developing a "placemat" document of guiding principles that can be broadly shared.

Observations

- Feb 2024: There is strong alignment on the vision goals and objectives of the STARS project. The Project Steering Committee provided further direction on the objectives of the STARS Discovery Phase by approving Early Win and Accelerated Tax Implementation workstreams.

- May 2024: ADOR's Vision, Goals and Objectives (as set out in the Strategic Plan FY 2024 – 2027) can be enabled through the implementation of a modern integrated tax system (STARS). As Liquor Luxury Tax and Early Win workstreams progress, ADOR will have opportunities to begin to confirm the extent of potential improvements.

- **Aug 2024: ADOR's business goals and objectives continue to be communicated to STARS staff and stakeholders. The ability to access the RevHub platform in an Arizona instance and timely delivery of Tax types will provide reassurance that the STARS vision can be achieved.**

Gartner

1. Strategy & Business Value
1.2 Benefits Realization

Risk Level

High

Definition

The extent to which program benefits (quantitative and qualitative) have been articulated, are linked to the program scope, and vetted with key program stakeholders. This category assesses the program's alignment to the business case benefits, management of expectations for achieving benefits, the accountability and metrics for measuring benefits and the framework for ensuring they are achieved throughout the life of the program.

Recommendations

- The STARS PMO should develop a Benefits Realization Plan, conduct periodic Benefits Assessments, perform Formal Benefits Reviews to communicate the value and success of transformations to stakeholders.

- Identify resources who can capture baseline measures ("as is") in order to be able to quantify benefits that accrue from Early Win and Liquor Luxury Tax implementation..

- Capture and regularly report on efficiencies and revenue increases from STARS (e.g., early wins)--particularly important as the State grapples with a current budget shortfalls.

Observations

- Feb 2024**:** Discovery Phase Early Wins and Tax Administration Implementation Accelerators have been identified, approved and integrated into the WBS. The debate around the most impactful Early Wins and the risks and benefits of an accelerated tax implementation highlight the importance of more clearly defining the Project's intended business value and establishing benefit measurements and targets. Benefits realization management provides organizations with a way to measure how projects add value to the enterprise. Clearly articulating, communicating, and measuring benefits is an essential factor in the successful adoption of the change that is delivered with large transformations.

- May 2024: Capturing baseline measures and documenting quantifiable benefits can be an early indication of STARS overall potential success.

- **Aug 2024: ADOR has been unable to validate that the RevHub product will meet its business needs and deliver anticipated benefits. It is still unclear who is directing the incorporation of tax administration best practices into the base RevHub product.**

Gartner

2. Governance
2.1 Executive Support

Definition

The extent to which the program has executive sponsorship committed to the success of the program and executive (business and IT) leadership is engaged. This category assesses sponsorship and accountability, executive understanding, buy-in and commitment, ability and willingness to support the program and the actual effectiveness of such support.

Recommendations

- Designate and onboard dedicated STARS Technical Lead, OCM Lead and STARS Legal resource as soon as possible.

Observations

- Feb 2024: STARS continues to have strong executive support and engagement. Executives have played an important role in strengthening project governance and the relationship with the vendor.

- May 2024: STARS Executives (Director, Deputy Director and CIO) continue to serve as project champions; however, they are splitting their time between STARS and the Agency's other demands. Day-to-day project leadership and direction is required and should be provided by a Program Manager and IT Lead, freeing up Agency executives to maintain a more strategic perspective as STARS progresses.

- **Aug 2024: STARS Program Manager has onboarded and providing the Executive Team with recommendations and enhancements to the existing process. Both the STARS CIO and the CTO (who left August 2 and replacement recruitment underway) are leaning into technical conversations to support staff on delayed activities. STARS Deputy Director continues to message the urgency and need for continued collaboration and early escalation.**

Gartner

2. Governance
2.2 Program Organization

Definition

The extent to which enterprise and program governance are aligned and adequate to meet program needs. Category assesses the program's adherence to a defined system of decision rights and accountabilities for program decision making as well as the program's ability to execute according to agreed-upon models which describe who can take what actions and when they can take them.

Recommendations

- Update the STARS Resource Plan and Organizational Chart to reflect the Discovery Phase workstream, early wins and accelerated tax implementation.

- Create a Decision Matrix for all STARS deliverables to illustrate personnel responsible for reviewing and approving key deliverables.

- Deliverables should illustrate which ADOR personnel reviewed and signed off.

Observations

- Feb 2024: The STARS project is missing a Program Manager with the authority to act on behalf of the Sponsors and Steering Committee to set overall direction and drive the project forward. As well, the various technical workstreams lack the overall coordination and direction of a Technical Lead working closely with the Department CIO. The Department's OCM resource has a great handle on PROSCI methodology but would benefit from working alongside a seasoned practitioner. A planned STARS Legal resource has not yet been identified. While detailed implementation tasks are being built out in the WBS, without allocating tasks to resources, it is difficult to validate that staffing levels are adequate.

- May 2024: It is unclear which members of the ADOR team is responsible for reviewing and approving STARS deliverables. It is expected that the responsible ADOR person(s) with the appropriate technical expertise thoroughly review the documents for sufficient content/direction for the subject matter; as well as ensure alignment to the Agency's baselines/expectations.

- **Aug 2024: There are uncertainties on who should be leading workstreams; as well as roles and responsibilities between ADOR and Voyatek team members. Additionally, it has been observed where delays in deliveries are attributed to defined processes not being followed.**

Gartner

2. Governance
2.3 Program Tracking

Definition

The extent to which program schedule, to the degree required for the scale and complexity of the program, is effectively defined, planned and managed for the solution being implemented. Category considers the program's work breakdown structure, its inputs to program schedule, especially critical path activities and milestones as well as the extent that these schedule deliverables exist and are sufficiently defined, estimated, scheduled, communicated, maintained, managed, and updated. This category also assesses the reasonableness, comprehensiveness, duration, dependencies and resourcing that pertain to scheduling as well as alignment to scope, resources, and budget (for example).

Recommendations

- Update WBS Phases 1-4 to include STARS activities, milestones and resources.

- Identify a critical path for each tax/fee type with known dependencies, milestones and resource capacity; this should be baselined and approved by the STARS ESC.

Observations

- Feb 2024: Updated WBS provides detail into 18-month planning period; however, unclear of activities and milestones identified in post Planning – Phases 1-4. The STARS PMO is distributing WBS extracts on a weekly basis. Implementation Phase activities do not reflect Team Voyatek's Agile methodology outlined in the STARS Schedule document.

- May 2024: Senior Architect (new hire to Voyatek) is building out the detailed Liquor Luxury Tax Implementation schedule which has been tentatively pushed out to June 2024. Implementation of Liquor Luxury tax for Early adopters has been pushed from February to March 2025 and All Taxpayers to late May; is unclear what functionality will be deployed within these releases, when any deferred functionality will be available, as well as impact to follow on tax/fee types (e.g., Nuclear 4/22/25, Tobacco 11/2/25, etc.). Mitigation actions are being assessed to get Liquor Luxury Tax back "on track".

- **Aug 2024: Team Voyatek presented a detailed schedule for Phase 1 Implementation but did not indicate critical path activities. Major milestones continued to be heavily delayed and there are 100+ late work items. STARS Executives are immersing themselves in day-to-day activities in order to gain insight into efforts and support decision making. There is a need to improve visual dashboards to provide greater insight into work planned versus work completed.**

Gartner

2. Governance
2.4 Risk & Issue Management

Risk Level

Low

Definition

The extent to which program schedule, to the degree required for the scale and complexity of the program, is effectively defined, planned and managed for the solution being implemented. Category considers the program's work breakdown structure, its inputs to program schedule, especially critical path activities and milestones as well as the extent that these schedule deliverables exist and are sufficiently defined, estimated, scheduled, communicated, maintained, managed, and updated. This category also assesses the reasonableness, comprehensiveness, duration, dependencies and resourcing that pertain to scheduling as well as alignment to scope, resources, and budget (for example).

Recommendations

- Emphasize to the entire STARS Team the importance and value of raising project risks, so they can be effectively addressed and not become issues that impede the project's progress.

Observations

- Feb 2024: IV&V has not been actively incorporated into STARS' risk management process. Risk status is reviewed during weekly Project status calls. Risk status will be communicated to STARS Sponsors and Project Steering Committee via a new STARS status report. Currently the only risks being tracked are those raised by IV&V.

- May 2024: STARS risks have been ingested into a centralized risk register within the Azure DevOps environment. The STARS Team is reviewing key risks at the start of the week and have established a Monthly cadence (as of 5/7/24) to review all project risks. Ad hoc risk meetings were scheduled due to the large number of open risks.

- **Aug 2024: The STARS Team continues to meet on a weekly cadence to review and action program risks. The program is currently tracking 11 active risks and 15 addressed risks. The IV&V team has escalated 4 risks to issues in this report.**

Gartner

2. Governance
2.5 Program Communication & Collaboration

Definition

The extent to which the program collaboration is proactively facilitated and is executed on a program to the degree required for the nature and complexity of the program. Communication considers the planning and executing clear *internal communication* and collaboration, as well as using the appropriate mechanisms / tools. This category assesses the effectiveness of program communication structures and tools (e.g., e-mail, document management site, scrums) across the program team, including cross-work stream and cross-partner collaboration.

Recommendations

- As Leads and SMEs are onboarded, establish protocols and ensure a common understanding of expectations for collaborating cross-functionally within the STARS team and reporting progress, key decisions, etc., to home base operational areas.

- Encourage regular and open collaboration amongst STARS Team members; not every interaction needs to be a schedule meeting – a consideration that is especially important in a remote environment.

Observations

- Feb 2024: Good level of comfort around communication, resource planning, decision-making and early understanding of potential impacts on business operations. However, some team members feel restricted in working with one another; requiring permission to engage and schedule meetings.

- May 2024: STARS team members are collaborating outside of meetings to resolve issues; however, lack of PM and Technical Lead has hampered effective coordination, communication and collaboration which has resulted in a newly established project manager sync. There is still a need to provide more frequent updates of STARS accomplishments and upcoming activities to the larger Agency.

- **Aug 2024: STARS Dev Environment standup issues were not escalated in a timely manner resulting in notification to STARS Executives 2 weeks after the missed due date. Workstream leads failed to escalate what support was required resulting in STARS Executives directing the Technical workstream to meet daily to resolve project issues. Dates were consistently pushed and there was a lack of transparency into workstream efforts, e.g., DevOps statistics, work completed, work remaining.**

Gartner

3. Delivery Assurance
3.1 Scope Management

Definition

The extent to which the program scope, to the degree required for the scale and complexity of the program, is defined, planned and managed for the solution being implemented. Category considers functionality, workflows, process changes, data conversion, interfaces, applications being replaced, reporting / analytics, infrastructure, impacted stakeholders, business units (for example). This category assesses the clarity, adequacy, and specificity of the stated scope as well as the ongoing management of scope, such as, identifying, justifying and managing any changes to program or solution scope (e.g., Change request processes).

Recommendations

- Team Voyatek needs to provide a detailed implementation plan that describes the future state architecture, tax administration capabilities, resource allocation, development and testing capacity, and requirements traceability matrix. This should be accompanied by a supporting schedule with key milestones, dependencies and critical path.

- Identify the business realization/value for the Liquor Luxury Tax and all follow-on tax/fee types to measure overall success.

- Identify how requirements not described in the DOUs will be introduced and implemented.

Observations

- Feb 2024: The STARS Team presented a recommendation on Discovery Phase early wins and accelerated tax implementation that was reviewed and accepted, providing greater clarity on the scope of this early phase. Regular meetings are occurring to confirm the tax types included in each implementation phase. There is still concern that Team Voyatek lacks the broad tax administration experience necessary to understand the range and complexity of functionality needed to meet ADOR's business requirements.

- May 2024: The scope for Liquor Luxury Tax implementation/"go-live" is unclear as Team Voyatek proposed delaying certain RevHub functionalities to meet the Feb 2025 release date. Potentially delayed functionality includes audit, collections, appeals, bankruptcy and non-critical reports (Risk 31199). It is unclear when these functionalities would be implemented and the impact to follow-on tax/fee types. Note: the intended purpose for this accelerated tax type implementation was to gain insight into RevHub's capabilities and Team Voyatek's software development lifecycle management processes in order to garner lessons learned for the more difficult and complex tax/fee types ahead.

- **Aug 2024: ADOR has been unable to confirm the extent to which required functionality is included in the base product or whether more time-consuming customization will be required. It is not clear the project scope can be delivered within the current schedule.**

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3. Delivery Assurance
3.2 Software Development Lifecycle

Definition

The extent to which the program has defined their software development methodology, the appropriateness of the defined methodology and the degree the program actually is following the defined software development methodology. Evaluates key elements of the software development lifecycle including requirements gathering and validation, development and configuration approach, testing, data conversion and user acceptance testing.

Recommendations

- Team Voyatek should align the WBS to the software development lifecycle (SDLC) it intends to use to configure and deploy RevHub for ADOR.

- Provide training to ADOR staff for user story development and reporting through development, testing and deployment phases.

Observations

- Feb 2024: The STARS Schedule document indicates that Team Voyatek's SDLC leverages an Agile methodology organized into Sprints, with Sprint Reviews, Retrospectives and Release Planning. The current WBS does not reflect these activities. If Team Voyatek does not intend to use an Agile SDLC, the Schedule document should be revised accordingly. Team Voyatek requesting developer access to ADOR system via Virtual Desktop Instance (VDI); pending Security review and decision.

- May 2024: Initial views of the Project Management Tool Procedures, Quality Control Plan, Master Test Plan and Requirements Traceability Matrix documents were delivered by the STARS Team. The current WBS does not reflect these Agile activities and ceremonies and both Agile trainings and RevHub development activities have not commenced.

- **Aug 2024: ADOR Staff have not been involved in Team Voyatek's Agile planning, sprint sizing and backlog grooming. It was targeted to have ADOR involved in LLT sprint demos in mid-July but that has been delayed. Gartner has been unable to validate communicated hybrid-agile approach.**

Gartner

3. Delivery Assurance
3.3 Quality Assurance

Definition

The extent to which the program has implement appropriate quality assurance processes to ensure the program's quality objectives are met. Includes the appropriate definition of quality assurance processes (e.g., organizational standards, program standards, deliverable reviews, peer reviews), appropriate resources to support evaluation of quality (e.g., resources with appropriate skills and time to evaluate quality) and effective remediation of quality issues.

Recommendations

- The STARS Quality Plan should be reviewed and approved by the STARS Technical Lead for appropriate level of details and actionable activities. There should be metrics and/or baselines established during development and testing that should align with the Agency's standards.

Observations

- Feb 2024: Quality Control Plan drafted and joint review (ADOR and Team Voyatek) completed on February 6; QCP will be submitted with Milestone #3.

- May 2024: The Quality Control Plan has gone through multiple QA reviews by the STARS Team with recommendations for additional metrics and details into the approach. IV&V reviewed and provided recommendations on the level of content expected of the team to support implementation efforts.

- **Aug 2024: Voyatek delivered a Liquor Luxury Tax Implementation plan with high level activities and responsibilities; however, the details to execute and implement LLT is outstanding.**

3. Delivery Assurance
3.4 Migration & Release Strategy

Definition

The extent to which the project has a plan, a process and an ability to move a new solution (or new version of a solution) across environments (i.e., change and release management, technical change management) and into production and/or to a new set of users. Deployment assesses the procedures leading up to Go Live (including legacy decommission), the stability of the solution after Go Live, potential roll-back or contingency procedures (e.g., run book, business continuity, disaster recovery, etc.) as well as alignment to user support and transition to production support.

Recommendations

- IV&V had no recommendations identified during this reporting period.

Observations

- Feb 2024: Topics for upcoming onsite meeting include beginning to identify external interfaces, with an early emphasis on liquor luxury tax.

- May 2024: IV&V had no significant observations in this category.

- **Aug 2024: Voyatek experienced significant delays standing up the development, quality assurance and user acceptance testing environments. It is unclear how RevHub code developed in the "Core" product will be release to the Arizona instance of RevHub.**

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3. Delivery Assurance
3.5 Post Release Support

Definition

The extent to which the program has planned and implemented the proper end user support structures for deployment and after Go Live, including clear roles, responsibilities and service level agreements. Category assesses the overall processes, procedures and support for business processes and policy, infrastructure / devices, written materials, help desk, and other business and technical support.

Recommendations

- Team Voyatek and ADOR IT Leadership needs to work together to confirm a future support model and ensure a common understanding amongst key project resources, executives and oversight groups.

Observations

- Feb 2024: ADOR requested site specific configuration to better manage key business functions, e.g., workflow and task assignments, correspondence updates. These items will be fully defined as part of the Discovery and Planning phase and training will be provided as part of the Team Voyatek Training Plan.

- May 2024: IV&V had no significant observations in this category. STARS Training Plan and User Support Strategy and Approach Plan are due in Milestone 4.

- **Aug 2024: STARS Executives recognize the need to discuss post release support given the proposed Voyatek staffing levels and RevHub's recent designation as an Infrastructure as a Service (IaaS). LLT is 6 months away from go-live and there has been no discussion around Team Voyatek increasing support staff level beyond what was initially proposed. Gartner confirmed with ADOR CTO that a higher staff level (beyond Voyatek's 3 FTE to support system enhancement and implementation of legislative initiatives) is required support a project of this size and complexity.**

Gartner

4. Suppliers Management
4.1 Sourcing Strategy & Contracts

Definition

The extent to which the program has effectively sourced vendor offerings including identifying potential vendor offerings and evaluating their ability to meet program needs. The extent that an appropriate contractual relationship is established with vendors including appropriate legal documents (e.g., contracts and change orders) that define vendor scope, vendor roles and responsibilities, vendor processes, deliverable definitions, service level agreements, and payment terms (for example).

Recommendation s

- STARS Team to provide a comprehensive, fully loaded schedule demonstrating the staff required to deliver the STARS project.

Observations

- Feb 2024: As system inventory and interfaces are reviewed and updated, STARS will identify timing and impacts of any upcoming contract renewals (e.g., Point and Pay solution). Build renewal reviews into WBS to avoid dependency conflicts.

- May 2024: Team Voyatek Software and OnCore Consulting completed a corporate restructuring and is now referred to as Voyatek. Team Voyatek identified 40 FTEs supporting STARS, including conducting RevHub development. Current STARS Implementation schedule illustrates a delay in Liquor Luxury Tax (LLT) due to infrastructure and security activities but does not detail Voyatek's resource allocation. Cannot ascertain if sufficient Voyatek resources are allocated to STARS to keep the overall schedule on track.

- **Aug 2024: Voyatek's CEO has expressed confidence and willingness to bring in support and expertise to make the STARS project successful. A number of concerns have been escalated to Voyatek for immediate resolution.**

Gartner

4. Suppliers Management
4.2 Supplier Performance

Definition

The extent to which suppliers are able to meet and continue to meet program expectations. This category evaluates supplier's performance relative the program including their ability to meet contractual expectations, their ability to collaborate with the program, and ability to assign appropriate resources to the program (for example). Category also evaluates program leadership and team's ability to engage, build, maintain and manage supplier relationships.

Recommendations

- Team Voyatek needs to demonstrate that their functional leads have broad tax administration and tax system implementation experience.

Observations

- Feb 2024: Team Voyatek has not demonstrated that it has broad tax administration expertise/experience beyond tax analytics and compliance. Team Voyatek personnel have been identified by functional areas but subject matter expertise and STARS workstream support remain unclear.

- May 2024: Team Voyatek's Implementation Lead onboarded in April and brings relevant tax experience; senior architect expected to onboard in May. A handful of Team Voyatek staff are overseeing all STARS workstreams; unable to ascertain if additional Team Voyatek SMEs will be assigned to tax administration capabilities such as processing, taxpayer accounting, collections and audits, etc. ADOR continues to pay for license and maintenance for the RevHub cloud instance yet does not have access to the product 10 months into the program.

- **Aug 2024: Team Voyatek continues to be months delayed with the standup of their Arizona development, quality assurance and user acceptance testing environments.**

Gartner

4. Suppliers Management
4.3 Supplier Knowledge Transfer

Definition

The extent to which the supplier delivers the appropriate level of technical and end-user training to support both technical/procedural changes resulting from a new solution and broader process changes that have a more substantive impact on all stakeholders. Supplier Knowledge Transfer assesses the comprehensiveness and appropriateness of training audience, schedule, tools/methods, and high-level content to ensure solution support teams will be ready to support the solution when it goes live.

Recommendations

- IV&V had no recommendations identified during this reporting period.

Observations

- May 2024: IV&V had not significant observations in this category.

- **Aug 2024: Team Voyatek conducted a number of STARS brown bags. In general, the sessions did not increase confidence that the current functionality of the core product is sufficient to meet the needs of ADOR's more complex tax types (e.g., TPT, Corporate Income Tax, Individual Income Tax). Moreover, the sessions were facilitated by a new hire with training expertise, but without tax administration or RevHub knowledge. It is unclear what type of RevHub training materials exist today as well as how knowledge transfer will be conducted in the future. The support model needs to confirmed to inform future knowledge transfer expectations and activities to ADOR resources.**

Gartner®

5. Financials
5.1 Financial Baseline

Definition

The extent to which program financial baseline, to the degree required for the scale and complexity of the program, is defined. This category assesses if the baseline funding is adequate to address the program's scope given the approach to deliver the program (e.g., schedule, resources, development methodology, technology).

Recommendations

- Team Voyatek should provide ADOR a detailed project resource plan, so that the feasibility of the project budget can be evaluated.

Observations

- Feb 2024: STARS Financials will be closely monitored by the JLBC Appropriation Committee (and to sub committees as appropriate). Expenditure tracking (e.g., milestone payments to Team Voyatek, resource expenditures) are being tracked and reported by the ADOR Budget Director.

- May 2024: The budget is on track with FY23 allocation spend available; FY24 allocation was approved and released in February 2024. STARS personnel hires are currently included in the funded amount.
- **Aug 2024: The budget is on track with FY23 carryover anticipated.**

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5. Financials
5.2 Change Requests Estimation

Definition

The extent to which program change requests accurately reflect their impact on the program costs, schedule and scope. This category also assesses the process by which the program evaluates, tracks and accepts change requests.

Recommendations

- IV&V had no recommendations identified during this reporting period.

Observation

- Feb 2024: The shift in early wins and the liquor luxury tax accelerator has had no discernable impacts on financial expenditures.
- May 2024: IV&V had no significant observations in this category.
- **Aug 2024: IV&V had no significant observations in this category.**

Gartner

5. Financials
5.3 Financial Tracking

Definition

The extent to which program financials, to the degree required for the scale and complexity of the program, are effectively managed and tracked for the solution being implemented. This risk area assesses the ability to track and monitor program financials, the extent to which the program is currently adhering to the budget (i.e., planned vs. actual expenditures) and the budget alignment to current program scope, schedule, and resources (for example).

Recommendations

- IV&V had no recommendations identified during this reporting period.

Observations

- Feb 2024: ADOR received ITAC approval for additional funding through February 2025; STARS payments are currently tied to Planning and Discovery Milestone deliverables.
- May 2024: The STARS contract was amended to tie payments to implementation milestones.
- **Aug 2024: The budget is on track with FY23 carryover anticipated. There are upcoming payment milestones tied to Voyatek's solution demonstration and training in an ADOR specific instance. With the delay to the UAT environment standup, these payments may be delayed.**

Gartner

4. Suppliers Management
4.3 Suppliers Knowledge Transfer

Definition

The extent to which the program plans, manages and delivers the appropriate level of technical knowledge transfer to staff responsible for maintaining solution in production. Assess the comprehensiveness and appropriateness of knowledge transfer including schedule, tools/methods, documentation to allow solution support teams to be ready to support the solution when it goes live.

Recommendations

- IV&V had no recommendations identified during this reporting period.

Observations

- Feb 2024. ADOR is adopting RevHub as "Software as a Service (SaaS)" and does not see a future role for its own developers in system maintenance and thus, no need for knowledge transfer. Accelerated implementation of the Liquor Luxury Tax will allow ADOR to better understand the level of support needed to address defect resolution and system enhancements/changes and whether there is a role for ADOR developers. If so, knowledge transfer can be incorporated into future phases.

- May 2024: IV&V had no significant observations in this category. STARS Training Plan, Training Needs Assessment and Training Curriculum will be delivered in Milestone 4.

- **Aug 2024: RevHub is now designated as "Infrastructure as a Service (IaaS)". Therefore, knowledge transfer will be required.**

Gartner

6. People
6.1 Program Organization Staffing

Risk Level

High

Definition

The extent to which program resourcing, to the degree required for the scale and complexity of the program, is effectively defined, planned and managed for the solution being implemented. Category considers the ability to plan for and create an efficient and effective program team capable of delivering the planned solution and including / accounting for the appropriate density (full-time, part-time), mix (business, technical) and source (internal, external) for program resources. This category assesses the appropriateness (e.g., comprehensiveness, capacity, and skillset) of resource plans and degree of alignment to other critical program areas (e.g., program scope, schedule, and budget).

Recommendations

- Prioritize staffing of ADOR Technical Lead role.

- Team Voyatek should allocate its resources to the activities in the WBS as soon as possible. It does not appear to be sufficient resources to lead concurrent workstreams including Documents of Understanding, Early Wins and accelerated liquor tax implementation. It would be typical to see vendor leads in key functional areas such as taxpayer financials, compliance, taxpayer portal and revenue accounting.

Observations

- Feb 2024: Key ADOR positions remain unfilled – Program Manager, Technical Lead, ADOR OCM Lead and ADOR Legal Resource. ADOR has made strides to update its resource plan based on direction set by the Project Steering Committee for Early Wins and accelerated tax implementation.

- May 2024: Team Voyatek has added a substantial number of new STARS resources. ADOR functional resources have been onboarded, oriented and are beginning to take on work activities. New functional resources are paired with "buddies" to help navigate work activities. Team Voyatek counterparts are identified at a high level. The team would benefit from a comprehensive integrated organizational chart. While recruitment activities have occurred, key resources identified in February have not yet been filled.

- **Aug 2024: STARS Program Manager and Chief Technology Officer were hired and provided immediate support. However, STARS CTO/Temporary Tech Lead resigned and left August 2. It is critical to get a STARS Tech Lead inserted to the program to support and alleviate challenges around the technical workstreams.**

Gartner.

6. People
6.2 Organizational Change Management

Definition

The extent to which the program identifies, analyzes, manages and implements the required changes to the organization as well as its processes and structure in order to maximize the benefits of the new solution being implemented, helps end users accept change, and/or gets the organization ready for the change to take place. Category assesses the depth and completeness of the program's stakeholder and/or business impact analysis as well as the level of alignment / synchronization between the business processes changes, communications and training to execute changes in procedures, activities and behaviors.

Recommendations

- As the STARS project progresses, ensure that the OCM Plan is sufficiently comprehensive to address impacts on IT roles and responsibilities as well as fundamental shift from in-house to full SaaS.

- IV&V advocates that the transition occur back to ADOR holding overall leadership of the OCM effort (supported by a network of ADOR change agents). Driving change and optimizing user buy-In and integrated tax system change adoption is best led and enabled by Agency resources. Support by external resources can be helpful, but the "face" of change is ideally Agency led.

Observations

- Feb 2024: New ADOR OCM Lead expected; monitoring OCM momentum and support staff. Given the "Software as a Service" approach, there are likely to be fundamental changes to ADOR IT roles and responsibilities.

- May 2024: Recognizing the need for additional OCM support, ADOR plans to recruit a more seasoned OCM lead. In the interim, Team Voyatek has temporarily assumed the lead on this work, with a proposed transition back to ADOR as the new hire is onboarded and ADOR builds additional OCM capacity and capabilities.

- **Aug 2024: Voyatek OCM lead has been identified (Jennifer Galbraith), as Voyatek temporarily steps into leading STARS OCM. Change Champion Kick-off occurred August 31 with a network of change champions (and back-ups) identified from throughout ADOR. Change Champions are anticipated to disseminate STARS information to colleagues and provide a conduit into the team about ADOR information needs. Change Champion meetings are planned to occur monthly.**

Gartner

6. People
6.3 Training

Definition

The extent to which the program plans, manages and delivers the appropriate level of end-user (internal and external) training to support changes resulting from a new solution. This category assesses the comprehensiveness and appropriateness of training audience, schedule, tools/methods, and high-level content to allow intended audiences to be self-sufficient at Go Live.

Recommendations

- All training should include a training assessment feedback mechanism to allow assessments of the effectiveness of training and gauge the need for refresher sessions and retraining, where necessary.

Observations

- Feb 2024: ADOR affirmed the agency has contracted with Team Voyatek to provision RevHub as a Software as a Service platform and does not anticipate ADOR development to occur. ADOR is ensuring new resources (e.g., contractors) receive training on policies and procedures to safeguard proper management of Department of Revenue records and protect the confidentiality of taxpayer information as part of overall onboarding orientation.

- May 2024: As STARS transitions from planning to implementation mode, and base product installation occurs, ADOR resources will need foundational training on the DevOps tools, as well as the Agile Project Methodology, coupled with more specific training on the Team Voyatek "hybrid approach". Scheduling is underway.

- **Aug 2024: Team Voyatek has not conducted Agile training for ADOR staff; ADOR staff has little insight into Voyatek's Agile processes and activities as well as expectation on support level as the program switches from discovery to implementation phases.**

Gartner

7. Technology & Architecture
7.1 Architecture & Design

Definition

The extent to which the program understands the overall composition of the solution architecture and system components, including how they address specific solution requirements, level of customization vs configuration and how they fit together. Category assesses the program's understanding of how the various solution components will actually be developed or configured and integrated in the context of the architecture.

Recommendations

- Request for end-to-end demonstration of certain RevHub Tax Administration functionalities.

Observations

- Feb 2024: IV&V made aware that RevHub reportedly possesses 75% of ADOR's tax administration functionalities; little insight into system design and functionality coverage.

- May 2024: Insight into RevHub's out of the box capabilities and architecture view have not been shared. With Team Voyatek's recommendation to defer non-essential tax administrative functionalities (collections, audit, appeals, bankruptcy, non-critical reports), it is unclear the scope, complexity and timeline to get these functionalities into production.

- **Aug 2024: Overall concern with the viability of Voyatek's RevHub solution. Little transparency into out of the box functionalities, configuration efforts and remaining development to meet ADOR's business objectives.**

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7. Technology & Architecture
7.3 Architecture Quality

Definition

The extent to which the technical architecture is adequate to support the program's needs. Category assess the technical quality of the architecture including its impact on program maintainability, extensibility, scalability, security and robustness.

Recommendations

- IV&V recommends Voyatek provide architecture diagrams of the RevHub solution.

- Voyatek to identified RevHub SME and align with ADOR staff to overcome architecture and technical concerns.

Observations

- Feb 2024: A STARS Technical Design Document has not been drafted; both STARS Technical Environment and RevHub software have been installed. Early wins will be developed in the existing on-prem RevHub instantiation; whereas Liquor Luxury Tax will be developed in the cloud instance of RevHub.

- May 2024: Team Voyatek is conducting quality assurance activities as of 5/6/2024. Liquor Luxury Tax development was scheduled to commence in May, architecture diagrams and future-state architecture and current functionality have not been shared.

- **Aug 2024: Team Voyatek continues to experience challenges standing up the ADOR Development Environment. There is little insight into RevHub development and quality of the services and functionalities. Limited architecture diagrams and future-state views have been shared to date. It is unclear who is Voyatek's RevHub SME.**

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7. Technology & Architecture
7.4 Data Management

Definition

The extent to which enterprise and program Data Management (e.g., governance, stewardship, security) are aligned and adequate to meet program needs and effectively provide guidance to the program. The extent to which the program has the processes, resources and tools for cleansing and migrating legacy data to a new solution. Category assesses the plans and processes to ensure data quality, including what will be converted, how it will be cleansed and converted (including extraction, transformation and loading) into the new solution's environment and how the quality and quantity of the legacy data is assessed.

Recommendations

- STARS Interface Lead must work with Team Voyatek to develop a detailed schedule illustrating the key activities, dependencies and milestones to ensure interface partners can support the new RevHub platform.

- IV&V recommends including additional details into the STARS Data Conversion Plan around the following areas: 1) Is the conversion approach predicated on a typical ETL approach? Will data run through core or conversion specific modules to process the data through RevHub logic/business rules to ensure converted data is compatible with future state RevHub rules. 2) Is there insight to which metrics will be provided for the conversion of the various data elements? Will it include reconciliation of financials? 3) # of mock runs, timing, scoping of each (e.g., mock runs build incrementally, starting with taxpayer data only, and incrementally building to a penultimate "pre-cutover" fulsome mock conversion of entire representation of taxpayer and related accounts, liabilities, financials, etc.)?

Observations

- Feb 2024: New STARS Project Manager helping facilitate and drive Data Management and Cleansing conversations; however, there are areas of concerns related to understanding of DOUs, timelines, and delivery expectations. Data Flow requests for Early Wins and Accelerators have been submitted and approved by ADOR security; Actual Data Flow buildout remains in progress; conversion plan does not currently outline the approach and/or methodology.

- May 2024: The STARS team identified live data required to support the Liquor Luxury Tax and was successful in cleansing and converting to the lower environments. Interface activities are behind schedule, an ADOR Interface lead and dedicated project manager have been identified to address the program risk and accelerate interface activities with external partners and agencies.

- **Aug 2024: Data Conversion concerns continue. IV&V awaiting data conversion templates and responses to updates previously requested.**

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7. Technology
7.5 Security

Risk Level

Low

Definition

The extent to which the project has defined and implemented the full lifecycle and full breadth of security requirements for the solution being implemented. Security assesses the physical security, solution security architecture, data security and privacy (e.g., encryption; data at rest and in transit), application permissions / controls (e.g., roles and responsibilities), processes for applying / maintaining security in production, audit requirements / compliance as well as backup and recovery procedures.

Recommendations

- Incorporate FedRAMP accreditation milestone, impacts and critical path within the STARS WBS.

Observations

- Feb 2024: The System Security Plan provides high level definitions and security parameters but does not yet contain sufficient details given the system is in the process of being designed and developed. ADOR plans to leverage pre-existing FedRAMP Authorization; whereas StateRAMP discussions are taking place in mid-February. External access approval for Team Voyatek is outstanding; ADOR anticipates Federal/CRA approvals would be required for "VDI" access.

- May 2024: AZRAMP accreditation approved in February. STARS Team engaged with the IRS and submitting documentation required for FedRAMP accreditation. A program risk was opened by Team Voyatek given the uncertainty around timeline and IRS requirements.

- **Aug 2024: AZRAMP accreditation are in progress; documents were updated and submitted to Homeland Security. Team Voyatek is leading the FedRAMP activities with ADOR supporting. ADOR CISO initiated an IRS Authorization effort as an alternate path incase IRS is delayed in their approvals. Teams continue to work through internal process struggles and ticket escalation.**

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Appendix A:

Summary of IV&V Activities

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Data Collection – Quarterly Risk Interview Participants

IV&V used these interviews to discuss and identify what is going well, challenges, pain points, unique needs, and goals for the future.

Agency	Interview Participants	Role	Interview Duration	Date
STARS Core Program Team	Rob Woods	Agency Director	30	7/15: 300-355
	Neeraj Deshpande	Agency Deputy Director	30	7/18: 930-955
	Ranbir Samra	Chief Information Officer	45	7/15: 300-355
	Lucien Corbeil	Chief Technology Officer / Technical Lead	45	7/10: 930-1010
	Stacy Wallace	Chief Security Officer	30	7/18: 130-200
	Fran D'Antonio	ADOR Program Manager	45	7/15: 200-245
	Bob Ryan	Procurement Lead	30	7/16: 1030-1055
	Chuck, Lisa, Haleh Farhadi, Les Carey	ADOA/ASET Oversight Team	45	7/8: 1200-1245
	Marius Mitrea	PMO Lead / Interface Lead	45	7/8: 130-230
	Zac Sharp / Elaine Smith / Cynthia Ramey	Business Requirements Leads	45	7/15: 100-145
	Lorilea Hudgins	Project Manager	45	7/19: 100-200
	Anita Wadkar	Database Architect	30	7/19: 900-930
Team Voyatek	Sohrab Rezvan	Project Manager	45	7/12: 1200-1245
	Leah Cheney	Deputy Project Manager	45	7/10: 230-315
	Missy Glosenger	Functional Manager	45	7/17: 1100-1200
	Randy Carbine	Functional Architect	45	7/9: 845-930
	Lilian Lin-Uhde	Functional Lead	45	7/17: 0800-0845
	Chris McCormick	Data Conversion	45	7/22: 1030-1100
	Lesly Midouin	Test Lead	30	7/9: 1200-1230

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Meetings Attended by IV&V
5/9/2024 – 8/5/2024

STARS Meetings

- 5/14: Gartner Risk Assessment Report Review
- 5/16: STAR Performance Testing and Tuning Plan
- 5/25: STARS Master Test Plan Review
- 5/28: STARS Liquor Implementation Plan Review
- 6/6: STARS Brown Bag – RevHub Navigation and Functionality
- 6/7: Review Performance Testing and Tuning Plan
- 6/12: STARS Brown Bag – RevHub Configurable Components
- 6/18: STARS Brown Bag – RevHub Application Data Model
- 6/21: STARS Brown Bag – RevHub Taxpayer Portal
- 6/27: STARS Steering Committee
- 6/27: Brown Bag – RevHub IT Topics

Recurring Meetings

- STARS Technical and Security Status
- STARS Gartner Bi-Weekly
- STARS Project Team Huddle
- STARS Training and Knowledge Transfer
- STARS Project Steering Committee
- STARS Agency Business Team Meeting
- STARS Weekly Status Meeting
- STARS Monthly IV&V Touch Point
- STARS Review Risks in Active Status
- STARS Weekly Strategic Alignment Meeting

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Appendix B:

Risk Assessment Criteria & Category Definitions

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Gartner's comprehensive and proven framework to assess project risk / readiness is structured around seven key dimensions

KEY DIMENSIONS

Strategy & Business Value
- The enterprise's business vision, goals, and objectives and alignment with the program
- Program's alignment to the business case benefits, achieving benefits, accountability and metrics for measuring benefits, ensuring they are achieved throughout the life of the program

Governance
- How to structure the program organization in terms of delivery and governance teams
- Topics related broadly to program/project management (e.g., tracking and monitoring)

Delivery Assurance
- The systems integrator/vendor ability to delivery the program scope within their SDLC
- How to organize work and how to ensure the right level of quality during all the stages of delivery

Suppliers Management
- Engagement, management, and governance of all suppliers including contract setup / follow-up and technical knowledge transfer
- The extent to which suppliers can meet and continue to meet program expectations

Financials
- Program financial management including how to plan, monitor and control, and close costs.
- The extent to which program change requests accurately reflect impact on costs, schedule and scope

People
- People and Human Resources aspects of the program, including program delivery team resourcing, skills, and ways of working
- Related organization change management as direct implication of the business transformation

Technology & Architecture
- Extent to which the overall composition of the solution architecture and system components are understood
- Extent to which there is appropriate and effective governance of architecture and technical standards

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Updated STARS Risk Assessment Framework

Gartner is continually evolving and updating its frameworks based on the latest research and experience. This quarter we are introducing an updated risk assessment framework which organizes 26 assessment areas across 7 project dimensions.

1. Strategy & Business Value
- 1.1 Business Strategy Alignment
- 1.2 Benefits Realization

2. Governance
- 2.1 Executive Support
- 2.2 Program Organization
- 2.3 Program Tracking
- 2.4 Risk & Issue Management
- 2.5 Communication & Collaboration

3. Delivery Assurance
- 3.1 Scope Management
- 3.2 Software Development Lifecycle
- 3.3 Quality Assurance
- 3.4 Migration & Release Strategy
- 3.5 Post Release Support

4. Suppliers Management
- 4.1 Sourcing Strategy & Contracts
- 4.2 Supplier Performance
- 4.3 Suppliers Knowledge Transfer

5. Financials
- 5.1 Financial Baseline
- 5.2 Change Requests Estimation
- 5.3 Financial Tracking

6. People
- 6.1 Program Organization Staffing
- 6.2 Organizational Change Management
- 6.3 Training

7. Technology & Architecture
- 7.1 Architecture & Design
- 7.2 Architecture & Technical Governance
- 7.3 Architecture Quality
- 7.4 Data Management
- 7.5 Security

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Risk Assessment Criteria

Gartner IV&V established overall thresholds for the color-coded risk scorecard. As described below, the colors indicate the need for action.

Risk Levels	Risk Rating Criteria
Low	Green — risk area is being managed according to applicable best practices and there is no material impact from this risk area on project success at this time.
Medium	Yellow — risk area is being managed according to some of the applicable best practices, but others are missing. There is a potential material impact from this risk area on project success that needs to be addressed proactively at this time.
High	Red — risk area is in need of applicable best practices to avoid downstream ramifications. There is a definite material impact from this risk area on project success if this area is not addressed now.

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Risk Priority Calculation

	Impact				
	Low	**Medium-Low**	**Medium-High**	**High**	
High	4	3	2	1	**>=80%**
Medium-High	5	4	3	2	**50-79%**
Medium-Low	6	5	4	3	**21-49%**
Low	7	6	5	4	**<=20%**

Probability

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Appendix C:

Recommendation Tracker

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Recommendation Tracker

#	Risk Category	Recommendation	Owner	ADOR Status	IV&V Status	Comments
RM01	2.3 Budget Mgmt.	ADOR should review the project payment schedule to better align with system development/implementation milestones, e.g., requirements definition, development, testing training and cutover. Based on review of the BAFO payment schedule, ADOR will have expended 31% of its total 15-year project budget ($24.5M out of $79M) during the 18-month Discovery Phase.	ADOR	Closed – 7/29/24	Closed – 5/1/24	Team Voyatek updated the Project Strategy document to revise the definition, i.e.,. Deliverables and timeframe, to include payments per the Action Item. ADOR and Team Voyatek reviewed the establishment of payment milestones for subsequent phases and system development milestones. Quick Wins will not be established at this time. For this reason, IV&V will continue to monitor.
RM02	2.1 Scope Mgmt.	ADOR should define and document the objectives and scope of the project Discovery Phase and present it for approval by the project's strategic governing body.	ADOR	Closed – 1/19/24	Closed – 5/1/24	IV&V closed this risk (May 2024) as the STARS Strategy Plan highlights key activities of the Planning and Discovery phase as well as key deliverables such as Document of Understanding and Requirements Traceability Matrix. Team Voyatek updated the plan in late February 2024 to include Liquor Luxury Tax and Early Wins endeavors (Collections optimization, Accounts Receivable Minimization, and TPT audit workstream).
RM03	1.3 Business Case & Benefit Realization	ADOR should identify at least one tax type to be fully developed and tested during the Discovery Phase. The configured tax program should demonstrate the features of full life-cycle tax administration, including, but not limited to taxpayer registration and account management/structure; original and amended returns; taxpayer accounting inclusive of penalties and interest; progressive dunning notices; a range of collection actions (payment plan, lien placement, garnishment) audit management, and revenue accounting.	ADOR	Closed – 7/29/24	Closed – 5/1/24	ADOR Project Steering Committee has approved two initiatives: Analytic Models and Liquor Implementation.
RM04	2.2 Schedule Mgmt.	STARS should develop a detailed schedule to meet the defined objectives and scope of the project Discovery Phase and present it for approval by the project's strategic governing body.	Team Voyatek	Closed – 7/29/24	Active	ADOR approved the Team Voyatek Project Plan and WBS for the Discovery Phase.
RM05	1.3 Business Case & Benefits Realization	Team Voyatek should demonstrate that its functional leads have broad tax administration and tax system implementation experience.	Team Voyatek	Closed – 7/29/24	Active	Team Voyatek to provide information on Tax Administration and Implementation experience. Team Voyatek can bring on additional resources from a range of projects in advisory or permanent roles. Team Voyatek resources were identified within the Resource Plan but that view has recently been removed.

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Recommendation Tracker

#	Risk Category	Recommendation	Owner	ADOR Status	IV&V Status	Comments
RM06	2.2 Schedule Mgmt.	The Project Strategy, Work Plan, and Resource Schedule deliverable approved on September 22, 2023, should include a resource schedule. Team Voyatek has only produced a high-level organizational chart.	Team Voyatek	Addressed – 3/27/24	Active	Detailed organizational chart has not been produced but agreed by all parties that is warranted to better understand workstream alignment and support.
RM07	2.4 Resources Planning and Availability	ADOR should identify a dedicated STARS Technical Lead.	ADOR	Addressed – 7/29/24	Active	STARS Technical Lead role remains vacant.
RM08	6.2 Training & Knowledge Transfer	ADOR and Team Voyatek work together to confirm the expectations regarding knowledge transfer to ADOR developers.	Team Voyatek	Addressed – 3/27/24	Active	Knowledge transfer is critical given Voyatek's RevHub system will be implemented as an Infrastructure as a Service.
RM09	2.4 Budget Mgmt.	Team Voyatek should provide ADOR a detailed project resource plan, so that the feasibility of the project budget can be evaluated.	Team Voyatek	Active	Active	ADOR approved Team Voyatek's Resource Plan on 1/12/24. The plan including the schedule will continue to be updated throughout the Planning Phase. Newest version does not include Team Voyatek resources.
RM10	1.1 Governance	ADOR should complete its Governance plan outlining its governing bodies, membership, decision rights, escalation points and sample meeting agendas as soon as possible and begin a regular cadence governance body meetings. Members of the STARS Executive Steering Committee have been selected and the STARS PMO has set the first meeting date.	ADOR	Closed – 7/29/24	Closed – 5/1/24	Governance Roles are defined and detailed in the Project Org Chart, RACI Chart and Scope Management.
RM11	2.6 Communication & Collaboration	If draft project documentation is not made available to key project team members and oversight resources, there is a risk that the Project is operating without sufficient transparency and resources may be constrained from adequately carrying out their duties.	ADOR	Closed – 4/30/24	Closed – 5/1/24	IV&V closed this risk (May 2024) as access has been granted for eligible IV&V team members.

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Recommendation Tracker

#	Risk Category	Recommendation	Owner	ADOR Disposition	ADOR Status	IV&V Status	Comments
RM12	2.7 Quality Assurance	Team Voyatek and ADOR IT Leads should work together to confirm a future support model and ensure a common understanding amongst key project resources, executives and oversight groups.	ADOR, Team Voyatek	Active	Active	Active	Support model will be detailed in the Implementation Plan
RM13	2.2 Schedule Mgmt.	The STARS PMO should share project deliverables with IV&V within 2 business days of submission due date (and within 1 business day if review and comment is requested). Establish Deliverable Expectation Document (DED) for each Team Voyatek deliverable.	ADOR	Affirmed	Closed – 4/30/24	Closed – 5/1/24	IV&V closed this risk (May 2024) as the STARS PMO has provided project documents in a timely fashion to review and provide feedback. It has been agreed upon that both ADOR and IV&V will be reviewing documents in tandem to avoid unnecessary delays.
RM14	2.5 Risk & Issue Mgmt.	The STARS PMO should begin a cadence of Risk & Issue Management Review meetings. Meetings should include a review of new risks and issues, risks and issues rated "high", and periodic review of risks or issues with lower ratings to monitor for accuracy of status and consideration of evolving mitigation actions. ADOR should address risk & issue management as part of its governance plan.	ADOR	Affirmed	Addressed – 7/29/24	Closed – 5/1/24	ADOR incorporated regular review of risk logs as part of project status meetings. IV&V will keep open as IV&V has not been engaged in actual risk mitigation identification, tracking and resolution.
RM15	2.1 Executive Support	The STARS Executive Sponsors needs to assist the STARS PMO with defining the STARS Governance Plan and actively participate in governing body meetings.	ADOR	Affirmed	Closed – 7/29/24	Closed – 5/1/24	IV&V closed this risk (May 2024) as Executive Sponsors have weighed into both ESC and ABT Governance charters.
RM16	7.4 Data Management	The document as it exists currently seems to specify and outline a fairly generic ETL (Extract, Transform, Load) approach. We would have expected at this stage for the document to outline in some level the overall conversion methodology and approach Team Voyatek will employ irrespective of tax program. Detail should be developed in support of early Wins and Accelerated Liquor Luxury Tax. Leverage ADOR Data Lead and team as much as possible.	Team Voyatek	Affirmed	Addressed – 7/29/24	Active	

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Recommendation Tracker

#	Risk Category	Recommendation	Owner	ADOR Disposition	ADOR Status	IV&V Status	Comments
RM17	2.5 Communication & Collaboration	During project initiation, it is important to establish engagement protocols. However, as the STARS project moves forward and there are more parallel workstreams, there is a risk of creating barriers to collaboration. ADOR leads and SMEs need to have the ability to engage their Team Voyatek counterparts periodically outside of formal meetings to seek clarity on specific issues, build team relationships, and promote a common understanding. Any conversations of substance can be shared at more formal meetings.	ADOR	Affirmed	Closed – 7/29/24	Active	
RM18	1.2 Benefits Realization	The STARS PMO should develop a benefits realization plan and performance metrics based on the STARS business case and Project Investment Justification (PIJ) and present it to the STARS ESC for approval.	ADOR	Affirmed	Active	Active	
RM19	2.3 Program Tracking	Team Voyatek and ADOR should confirm the scope and schedule of major activities for each of the four planned STARS implementation phases, and the Discovery Phase WBS should capture the steps necessary to present the full implementation schedule to the ESC for review and approval.	Team Voyatek	Affirmed	Addressed – 7/29/24	Active	Implementation schedules for Phase 2-4 have not been completed.
RM20	2.3 Program Tracking	Team Voyatek should align the WBS to the software development lifecycle (SDLC) it intends to use to configure and deploy RevHub for ADOR. Incorporate Agile ceremonies such as sprint planning, backlog grooming, daily scrums/standups, etc.	Team Voyatek	Affirmed	Addressed – 3/27/24	Active	
RM21	6.1 Program Organization Staffing	Team Voyatek should complete resourcing the WBS for Discovery activities and update its project organizational chart to reflect current staffing, planned roles and reporting relationships.	Team Voyatek	Affirmed	Active	Active	

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Recommendation Tracker

#	Risk Category	Recommendation	Owner	ADOR Disposition	ADOR Status	IV&V Status	Comments
RM22	**3.2 Software Development Lifecycle**	The STARS and Team Voyatek Project Managers should collaborate on the best approach for preparing the STARS Functional Team and ADOR SMEs to participate in Team Voyatek's agile delivery methodology, including building a basic understanding of terms, benefits, roles, cadence, activities/ "ceremonies", tools and Team Voyatek's specific hybrid approach.	Voyatek/ ADOR	Affirmed	Active	Active	Voyatek communicated an Agile training presentation was being developed for STARS Executive.
RM23	**2.2 Program Organization**	Designate an ADOR resource who is understood to have the proxy of the Project Sponsor in setting Project team priorities and driving progress.	ADOR	N/A	N/A	Closed	Fran D'Antonio joined as the STARS Program Manager.
RM24	**5.3 Financial Tracking**	Given the possibility of funding deferment, STARS Project Team must ensure the WBS is accurate and up-to-date to ensure milestones can be achieved with the allotted budget.	ADOR	Affirmed	Addressed – 7/29/24	Closed	The STARS budget is not impacted by the State's budget restrictions.
RM25	**7.1 Architecture & Design**	Team Voyatek needs to set expectations when ADOR staff may be granted access to the RevHub sandbox instance to become acquainted with out of the box capabilities.	Voyatek	Affirmed	Active	Active	The UAT environment is targeted to be complete by mid-September.

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Appendix D:

Closed Risks

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STARS Project IV&V Risk Log – Closed Risks

Risk Title & Description	Category	Priority	Current Mitigation Status
R001. Project Spending Not Tied to System Development. If Team Voyatek's payments are not tied to **system development milestones**, there is a risk that significant project funds will be expended without any tangible progress towards system implementation. For example, identified project "early wins" do not have associated detailed schedules and payment milestones.	5.3 Financial Tracking	2	IV&V closed his risk (May 2024) as ADOR and Team Voyatek agreed to a revised pricing worksheet that ties quarterly payments to development milestones including completion of definition, configuration, testing and system acceptance.
R002. Lack of Clear Objectives. If objectives for the STARS Discovery Phase are not defined, documented and approved by the STARS governing body, there is a risk that the Discovery Phase will not meet expectations.	3.1 Scope Management	3	IV&V closed this risk (May 2024) as the STARS Strategy Plan highlights key activities of the Planning and Discovery phase as well as key deliverables such as Document of Understanding and Requirements Traceability Matrix. Team Voyatek updated the plan in late February 2024 to include Liquor Luxury Tax and Early Wins endeavors (Collections Optimization, Accounts Receivable(A/R) Minimization, and Improve Income Tax Audits).
R003. Inability to Validate System Capabilities. If the Discovery Phase does not include a proof-of-concept that demonstrates end-to-end tax administration functionality for at least one tax type, there is a risk that system weaknesses will not be discovered until after the investment of significant time and money.	1.2 Benefits Realization	2	IV&V closed this risk (May 2024) as the STARS ESC approved the accelerated Liquor Luxury Tax (LLT) implementation.
R010. Need to Formalize Governance. If the STARS Project proceeds without a Governance framework, there is a risk that the project will lack efficient processes for exercising executive oversight, status reporting, decision escalation and risk and issue mitigation.	2.2 Project Organization	4	IV&V closed this risk (May 2024) as the STARS Executive Steering Committee and Agency Business Team are meeting at a regular cadence and providing guidance on key decisions and impact. Both governing bodies established a charter detailing goals and responsibilities. It is expected that decisions will be captured in Azure Dev Ops as defined in the Project Management Tool Procedures.
R011. Access to Draft Project Documentation. If draft project documentation is not made available to key IV&V project team members and oversight resources, there is a risk that the Project is operating without sufficient transparency and resources may be constrained from adequately carrying out their duties.	2.5 Communication & Collaboration	5	IV&V closed this risk (May 2024) as access has been granted for all IV&V team members.

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STARS Project IV&V Risk Log – Closed Risks

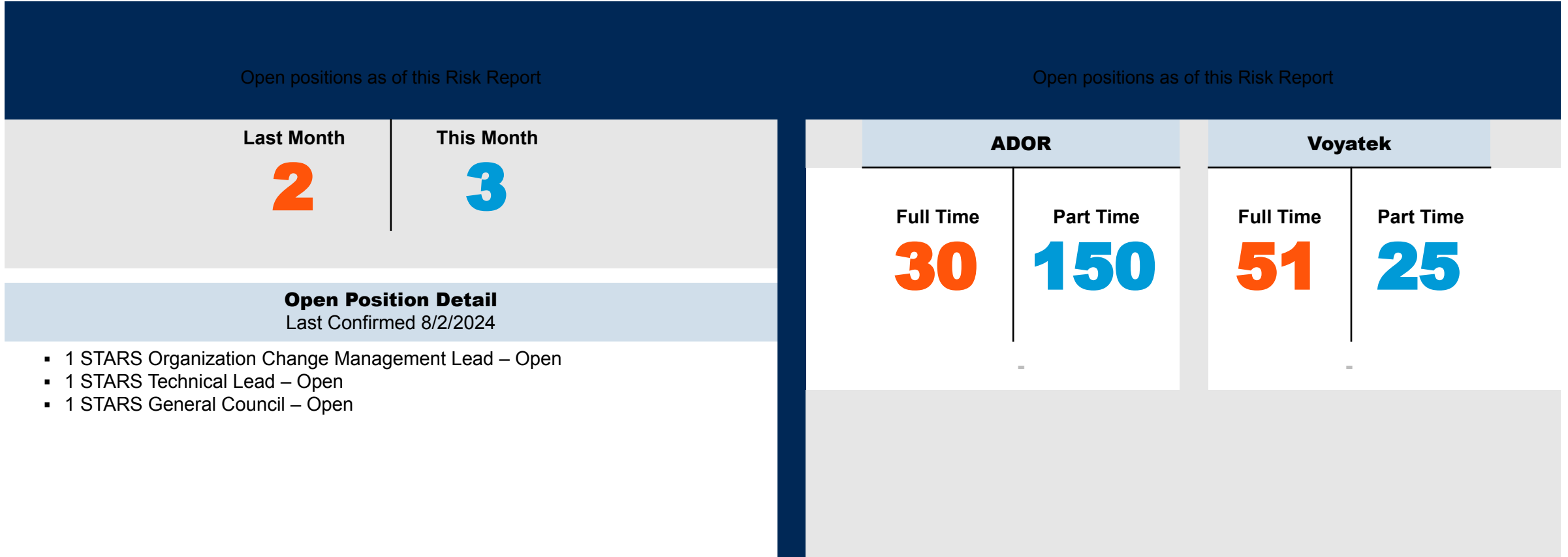| Risk Title & Description	Category	Priority	Current Mitigation Status
R013. Failure to Facilitate Oversight. If ADOR's PMO does not provide project deliverables to the IV&V team in a timely manner (e.g., Team Voyatek Project Schedule), there is a risk that we will not be able to perform necessary oversight and risk mitigation.	3.3 Quality Assurance	4	IV&V closed this risk (May 2024) as the STARS PMO has provided project documents in a timely fashion to review and provide feedback. It has been agreed upon that both ADOR and IV&V will be reviewing documents in tandem to avoid unnecessary delays.
R014. Lack of scheduled Risk & Issue Management Meetings. If the identification and monitoring of risks are not adequately planned for and managed, there is a risk of negative outcomes for the STARS project without the project team or executive developing and deploying mitigation actions.	2.4 Risk & Issue Management	6	IV&V reduced the Probability to Medium-Low based on project risks being integrated into Azure DevOps, risks are captured by all STARS stakeholders and risk reviews are taking place during Monday's STARS Alignment meeting. A dedicated Risk Review meeting is commencing on 5/7/2024 and will continue on a weekly/bi-weekly basis for the foreseeable future. IV&V deems this risk as a work in progress.
R015. Executive Sponsor Integrated into Governance Plan Development. The STARS Governance Plan has not been developed 3 months into the project start and a clear path for Executive Sponsor support for STARS scope, schedule, and budget is unclear.	2.1 Executive Support	6	IV&V closed this risk (May 2024) as Executive Sponsors have weighed into both ESC and ABT Governance charters.
R23: Lack of Program Manager If there is no dedicated Project resource with the delegated authority of the Project Sponsors to provide strategic guidance to the team and monitor overall Project direction and vendor activities, the Project may lack cohesive leadership, the correct priorities may not be set, and decisions may be delayed.	2.2 Program Organization	2	IV&V closed this risk (Aug 2024) as a STARS Program Manager has been hired. He has offered recommendations to enhance project process and delivery.
R24: Statewide Budget Restrictions If Statewide budget restrictions reduce STARS funding, then Project scope, schedule and resources may be negatively impacted.	5.3 Financial Tracking	3	IV&V closed this risk (Aug 2024) as there are no impacts to the STARS budget, as communicated by ADOR Director.
R017: Reduce Barriers to Collaboration. If STARS Team members feel restricted in working with one another, project progress may be slowed.	2.5 Communication & Collaboration	4	IV&V closed this risk (Aug 2024) as STARS Workstreams are collaborating outside of scheduled meetings to resolve project challenges.

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Appendix E:

STARS Assignments

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STARS Resources

Open positions as of this Risk Report

	Last Month	This Month
	2	**3**

Open Position Detail
Last Confirmed 8/2/2024

- 1 STARS Organization Change Management Lead – Open
- 1 STARS Technical Lead – Open
- 1 STARS General Council – Open

Open positions as of this Risk Report

ADOR		Voyatek	
Full Time	**Part Time**	**Full Time**	**Part Time**
30	**150**	**51**	**25**

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Thank You

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Deliverable Acceptance

This deliverable has been through the State's review and acceptance process and is approved.

_____   _____

Program Manager   Date

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