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☞ Details: Public Hearing: Follow-up: Legislative Audit Bureau Report 07-5: A Review: Information Technology Projects

(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2007-08

(session year)

Joint

(Assembly, Senate or Joint)

Committee on Audit...

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
 - (**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
 - (**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

* Contents organized for archiving by: Stefanie Rose (LRB) (October 2012)



WISCONSIN STATE LEGISLATURE
Joint Legislative Audit Committee

Committee Co-Chairs:
State Senator Jim Sullivan
State Representative Suzanne Jeskewitz

May 13, 2008

Mr. Michael Morgan, Secretary
Department of Administration
101 East Wilson Street, 10th Floor
Madison, Wisconsin 53701

Dear Mr. Morgan:

Michael

Thank you for the April 2008 email, which conveyed the policies and procedures for information technology (IT) management implemented by the Department of Administration (DOA) in response to recommendations offered by the nonpartisan Legislative Audit Bureau in its recent evaluation of information technology projects (report 07-5).

We appreciate the efforts of DOA to keep us apprised of its progress to improve the overall management of IT projects in state government. The policies and procedures specified in these documents, which were developed in cooperation with the IT Directors Council, should improve oversight of high-profile projects. As noted in your email, collaboration among DOA, state agencies, and the newly reformed Joint Committee on Information Policy and Technology is essential in ensuring appropriate management of these projects on an incremental and ongoing basis. It is our hope that the principles embodied in these policies and procedures will also be used to inform management of all IT projects, including those not identified as high-profile.

Thank you for your cooperation.

Sincerely,

Jim Sullivan
Senator Jim Sullivan, Co-chair
Joint Legislative Audit Committee

Suzanne Jeskewitz
Representative Suzanne Jeskewitz, Co-chair
Joint Legislative Audit Committee

cc: Senator Pat Kreitlow, Co-chair
Joint Committee on Information Policy and Technology

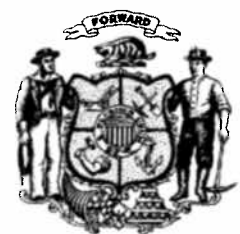
Representative Phil Montgomery, Co-chair
Joint Committee on Information Policy and Technology

Oskar Anderson, Chief Information Officer
Department of Administration

Janice Mueller
State Auditor



WISCONSIN STATE LEGISLATURE





**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

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GOVERNOR

MICHAEL L. MORGAN
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June 4, 2008

The Honorable Jim Sullivan, Co-Chair
Joint Legislative Audit Committee
15 South – State Capitol
Madison, WI

The Honorable Suzanne Jeskewitz, Co-Chair
Joint Legislative Audit Committee
314 North – State Capitol
Madison, WI

Dear Senator Sullivan and Representative Jeskewitz:

In the April 10, 2008, meeting of the Joint Legislative Audit Committee (JLAC), you requested a status report on Department of Administration (DOA) information technology (IT) projects and the IT management initiatives highlighted in the October 1, 2007, report to the committee. Here are the updates regarding those efforts.

Server Consolidation Project

The server consolidation project is on track for consolidating agency servers through relocation to the enterprise data center by the end of fiscal year 2010, as described in the October 1 report. Recent project developments since October include the following:

- Only 29 of the 599 servers at DOA's 101 East Wilson Street data center remain to be moved to the enterprise data center. These few remaining servers will be moved as soon as the customer business cycle allows.
- All Department of Revenue servers are now housed at the enterprise data center.
- Consolidation implementations are underway with the Department of Corrections, the Department of Agriculture, Trade and Consumer Protection, the Educational Communications Board, and the Office of the State Treasurer.
- Detailed implementation plans for network changes and server relocation are currently being prepared by staff from DOA and the departments of Workforce Development, Commerce, Transportation, Health and Family Services, and Children and Families.

In their IT plans submitted in March, agencies provided draft consolidation plans based on their respective business cycles, the hardware components involved, and other relocation dependencies. DOA staff are following up with each agency to discuss these factors and produce a detailed statewide consolidation plan by June 30.

E-mail Consolidation

E-mail consolidation is on track for completion during calendar year 2008, as described in the October 1 report. The project team's focus is on migrating remaining agencies to the enterprise system and moving accounts already on the enterprise system from Microsoft Exchange 2003 software to Exchange 2007. When the project is complete, all accounts will be on the consolidated, Exchange 2007-based system.

Since October we have successfully migrated the Higher Education Aids Board, the Department of Regulation and Licensing, and the Department of Financial Institutions to the consolidated e-mail system. We also have successfully migrated most of the Department of Health and Family Services, and will finish that migration this weekend. Three other agencies – Transportation, Workforce Development, and Children and Families – are currently testing for their migrations.

Integrated Business Information System

As Secretary Morgan reported to the Joint Committee on Information Policy and Technology (JCIPT) in April, DOA has postponed the Integrated Business Information System project due to the current state budget deficit (see attached copy of letter to the JCIPT co-chairs). The business drivers for this project remain compelling, and we look forward to consulting with the Information Technology Management Board (ITMB) and the JCIPT to design a strategy, budget and timeline for resuming implementation.

Additional Updates from Agency Projects

We also have some updates on projects outside of DOA that had been previously discussed. DOA has received dashboard reports on all these projects since the beginning of the year.

The Department of Health and Family Services revised the scope, project schedule and implementation date for the Medicaid Management Information System project because of changes in federal and state policies. The federal Centers for Medicaid and Medicare Services approved the changes in February and granted full federal funding at the 90 percent level. The project is on track for an October 2008 implementation.

The Department of Workforce Development (DWD) successfully deployed the largest and most complex module of SUITES (State Unemployment Insurance Tax Enterprise System) in early March. DWD's UIBNet project, a replacement for the portion of the EnABLES (Enhanced Automated Benefits and Legal Enterprise System) project that was implemented, is ahead of schedule and meeting scope and budget targets.

The Department of Corrections' WICS (Wisconsin Integrated Corrections System) Phase 1 project completed a pilot test in March. All adult institutions are now engaged in training and preparation for a late June deployment.

Formation of the Information Technology Management Board

The DOA Secretary's Office has formed the ITMB to advise the agency regarding IT asset management and to monitor progress on IT activities. The ITMB includes the JCIPT co-

June 4, 2008

Page 3 of 3

chairs as well as additional members from the Legislature and state agencies. Secretary Morgan and I also will serve on the board. We will have more news for you soon regarding the kickoff meeting for the ITMB.

Policies and Procedures for IT Management


In April, Secretary Morgan distributed to agencies the Policies and Procedures for Information Technology (IT) Management, a document that incorporates all of the IT project management and monitoring initiatives presented to the JLAC in the October 1 report, as well as statutory requirements. Agencies are now using these policies and procedures to identify and manage their high-profile IT projects.

The new agency IT planning process has now been used successfully through two annual planning cycles, the most recent of which occurred in March of this year. Preparation of the statewide plan, a joint effort between DOA's Division of Enterprise Technology and IT Directors Council (ITDC) members, is well underway, and will be completed on schedule in September of this year.

The agency IT plans included the identification of high-profile IT projects, and the policies and procedures include an independent verification and validation (IV&V) process for monitoring these projects. Agencies are sending monthly dashboard reports to Secretary Morgan summarizing a high-profile project's status, and I am conducting follow-up meetings with agency project authorities regarding any "yellow" or "red" status indicators on their dashboard reports. DOA also has procedures in place to review the charters, procurements, contracts, and any contractual changes for high-profile projects, with assistance from the ITDC. The ITDC is currently devising processes for state staff-led periodic evaluations of high-profile projects, so that those projects can benefit from, and add to, the IT expertise throughout state agencies.

We greatly appreciate this opportunity to report on the progress of DOA projects and state government IT management. Please do not hesitate to contact me if you have any questions or comments about these efforts.

Sincerely,

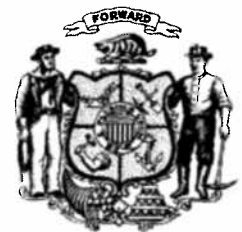


Oskar Anderson
State Chief Information Officer
Division of Enterprise Technology

cc: Michael L. Morgan
Dan Schoof



WISCONSIN STATE LEGISLATURE



Information Technology Projects

- 1 ☉ **Recommendation (pg. 34)** ✓
We recommend the Department of Transportation report to the Joint Legislative Audit Committee by October 1, 2007, on whether customer waiting times for Division of Motor Vehicles services have declined since June 2006.
- 2 ☉ **Recommendation (pg. 40)** ✓
We recommend the Department of Revenue report to the Joint Legislative Audit Committee by October 1, 2007, on the status of conversion to FAST sales and use tax software, and its plans to include its own staffing costs when determining the software's total cost.
- 3 ☉ **Recommendation (pg. 46)** ✓
We recommend the Department of Workforce Development report to the Joint Legislative Audit Committee by October 1, 2007 with: ☉ specific milestones necessary for completing SUITES software development;
A ☉ methods for limiting further addition of functions not required to meet Unemployment Insurance program requirements in remaining SUITES development; and
B ☉ revised, detailed project cost and time line estimates.
C
- 4 ☉ **Recommendation (pg. 49)** ✓
We recommend the Department of Workforce Development report to the Joint Legislative Audit Committee by October 1, 2007, on its progress in:
A ☉ completing a detailed assessment of the costs and benefits of continuing to maintain or customize Cúram software for use in EnABLES or other unemployment insurance systems; and
B ☉ modifying or streamlining its business processes before pursuing any further software development for EnABLES or other unemployment insurance systems.
- 5 ☉ **Recommendation (pg. 57)**
We recommend the Department of Administration report to the Joint Legislative Audit Committee by October 1, 2007, with:
A ☉ a revised time line for server consolidation; and
B ☉ a revised analysis of server consolidation to include all implementation costs, as well as anticipated revenues to be generated from agency charges.
- 6 ☉ **Recommendation (pg. 62)**
We recommend the Department of Administration report to the Joint Legislative Audit Committee by October 1, 2007, on the status of e-mail consolidation, including costs to date and the estimated completion date of the project.
- 7 ☉ **Recommendation (pg. 66)** ✓
We recommend the Department of Administration report to the Joint Legislative Audit Committee by October 1, 2007, on the status of IBIS implementation, including costs to

date, the project's estimated completion date, and the status of its effort to limit agency customization of the software.

8 ☉ **Recommendation (pg. 69)** ✓

We recommend the Department of Administration, in collaboration with executive branch agencies:

A ☉ prescribe a standardized format for agencies' annual strategic plans for IT and require inclusion of all ongoing or planned projects;

B ☉ develop a methodology for identifying large, high-risk IT projects; and

C ☉ report to the Joint Legislative Audit Committee by October 1, 2007, on its progress in selecting both a format and a methodology.

9 ☉ **Recommendation (pg. 71)** ✓ ?

We recommend the Department of Administration, in collaboration with executive branch agencies and the IT Directors' Council, establish planning standards for large, high-risk projects and report to the Joint Legislative Audit Committee by October 1, 2007, on progress in developing standards that require:

A ☉ a consistent, formal, documented review of business processes that allows an assessment of the adequacy of available off-the-shelf software and measures the costs and benefits of software customization before development is initiated;

B ☉ complete project specifications before software customization or development is initiated;

C ☉ project costs and time lines that are documented as part of the planning process, linked to specific deliverables, and updated when changes to the project plan occur; and

D ☉ adequate review of complex deliverables, such as database conversions or programming changes required for software to function within an agency's current operating system.

10 ☉ **Recommendation (pg. 72)** ✓

We recommend the Department of Administration report to the Joint Legislative Audit Committee by October 1, 2007, on its progress in developing a plan to enhance IT project monitoring by:

A ☉ establishing standardized, quantifiable project performance measures for large, high-risk projects;

B ☉ implementing policies and procedures for routine monitoring of these projects;

C ☉ developing a formal process for modifying project specifications when doing so is necessary because of changes in program requirements; and

D ☉ developing methods for recovering or discontinuing projects that are failing to meet established performance measures.

11 ☉ **Recommendation (pg. 74)** ✓

We recommend the Legislature consider reactivating the Joint Committee on Information Policy and Technology and the IT Management Board to enhance oversight of large, high-risk executive branch projects.

requested of both houses leadership - Senate ✓
Assembly ?

☉ **Recommendation (pgs. 77-78)** ✓

12 We recommend the Department of Administration report to the Joint Legislative Audit Committee by October 1, 2007, on its progress in:

- A ⌚ *establishing policies and procedures for use of the master lease program to finance IT system costs, as well as for monitoring IT systems projects financed under the program; and*
- B ⌚ *creating an annual report on IT systems projects financed under the program that, at a minimum, includes:*
 - ⌚ *the amount of financing approved during the previous fiscal year;*
 - ⌚ *specific projects for which financing has been approved, and amounts approved;*
 - ⌚ *principal and interest paid by agencies on projects for which debt is outstanding, compared to total financing originally approved; and*
 - ⌚ *projects for which all debt has been repaid during the previous fiscal year.*

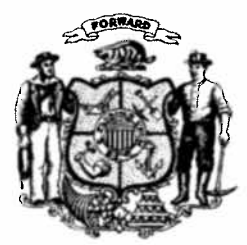
13 ⌚ **Recommendation (pg. 81)**

We recommend the Legislature consider requiring regular reports from UW System on its plan, budget, and schedule for implementing new human resources and procurement IT systems, including its plans to:

- A ⌚ *modify and standardize its business processes before beginning to customize Oracle/PeopleSoft software;*
- B ⌚ *establish procedures to limit subsequent software customization; and*
- C ⌚ *coordinate its project with the Department of Administration's development of the Integrated Business Information System (IBIS) project.*



WISCONSIN STATE LEGISLATURE





**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

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August 3, 2007

Senator Jim Sullivan
Representative Suzanne Jeskewitz
Co-Chairpersons
Joint Legislative Audit Committee
Wisconsin State Legislature
State Capitol
Madison, WI 53703

Dear Senator Sullivan and Representative Jeskewitz,

I am pleased to provide an update on the Department of Administration's (DOA) efforts to further strengthen the State's management of information technology initiatives and its information technology infrastructure. Attached is an interim report on our efforts to address the specific recommendations outlined in the Legislative Audit Bureau's April 2007 report. In October, we will provide detailed plans and cost updates as requested by the Committee.

Strengthening IT Capacity

When we appeared before your committee in May, I discussed some of the initiatives the department had been proactively engaged in to strengthen the State's management of information technology initiatives and its information technology infrastructure. As we discussed, DOA continues to pursue a strategic information technology direction of consolidation, where appropriate, and shared service delivery. To successfully achieve this strategy, DOA has engaged the collective expertise and mutual commitment of all of the state's IT organizations.

Fulfilling the State's Statutory Oversight Responsibilities

The Legislative Audit Bureau's report highlighted the long standing challenges faced by the State as it pursues complex and dynamic information systems projects. The report identified problems and shortcomings that were scattered across the enterprise and existed over many years. While most IT projects demonstrated effective project planning and oversight, results were inconsistent. In the Legislative Audit Bureau Report a common theme emerged: the need for adherence to standards and processes.

Ultimately, DOA is responsible for ensuring that these standards are met. However, we believe the most effective way to build excellence and ensure compliance is through a shared governance model. This model will ensure that all stakeholders have the necessary input into the decision-making process and enable DOA to leverage the talent and expertise that exists across the state's IT enterprise. DOA now works closely with the Information Technology Directors Council (ITDC), the Executive Steering Team for Server Consolidation and the Technical Leaders Council (TLC) through formal, regular meetings. I am pleased to report that we have had significant success with this approach.

August 3, 2007

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To date, the ITDC has initiated specific assignments for developing models for improved IT management and governance, including IT planning and management, high risk IT project classification, identification, monitoring and reporting, IT project performance measurement and monitoring, IT financial planning and compliance standards.

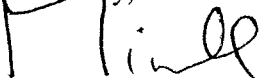
Prioritizing our Operational Focus

The Department of Administration will continue to be aggressive in its approach to harnessing technology to deliver cost effective services to Wisconsin's taxpayers. Our operational focus for FY 08 will be to support statewide business automation, particularly the Integrated Business Information System (IBIS), Server and E-mail Consolidation, as well as to provide strategic leadership for statewide application development. DOA recognizes that despite the pressing demand for application development, a strategy of focus and finish will better ensure the success of important and needed projects.

In FY 08, DOA will continue to work closely with state agencies as we complete the re-planning of the server consolidation initiative and move forward with successful consolidation. DOA is working with the Executive Steering Team for Server Consolidation (EST – a cross agency team), to accomplish this important project.

The interim report provides a summary of the progress we've made on the specific recommendations included in the Audit Bureau's April report. We look forward to providing you with more detail on these specific recommendations by October 1, 2007. In the meantime please do not hesitate to contact me or Oskar Anderson, DOA's Chief Information Officer. Again, thank you for your continued interest in the important work of State information technology management.

Sincerely,


Michael L. Morgan



cc. Joint Audit Committee Members
Janice Mueller, State Auditor

**AUGUST 2007 UPDATE ON
LEGISLATIVE AUDIT BUREAU RECOMMENDATIONS:
INFORMATION TECHNOLOGY PROJECTS**

LAB Recommendation:

We recommend the Department of Transportation report to the Joint Legislative Audit Committee by October 1, 2007, on whether customer waiting times for Division of Motor Vehicles services have declined since June 2006. (p. 34)

Registration & Titling System Update:

- The DOT Registration and Titling system is producing the products DMV needs to issue reliably; DMV has now issued over 17 million products using this system. DOT has experienced a decrease in the time needed to process and mail titles to customers.
- First quarter 2007 data, compared to the 2006 data documented in LAB's report, show that wait times decreased by 25%, or from 63 days to 47 days. Other variability in wait times at customer service centers and mail-in title processing times reflect seasonal and other changes in demand and staffing availability due to vacation and other schedules and not system issues. DMV plans to report back to the committee again in October.

LAB Recommendation:

We recommend the Department of Revenue report to the Joint Legislative Audit Committee by October 1, 2007, on the status of conversion to FAST sales and use tax software, and its plans to include its own staffing costs when determining the software's total cost. (p. 40)

Sales & Use Tax System Update:

- The sales tax module of WINPAS is on budget and on schedule for implementation in December, 2007.
- System testing, designed to verify the accuracy of specific functions, began in mid July and will continue through early October.
- In August, a team of testers will conduct detailed analysis and testing of the new system's accuracy in calculating and distributing local sales tax.
- Parallel and end-to-end testing will occur in October through mid November.
- A step by step plan has been established to shut down the legacy system and implement the new software, and the agency will closely manage the new system's implementation.

LAB Recommendation:

We recommend the Department of Workforce Development report to the Joint Legislative Audit Committee by October 1, 2007 with:

- *specific milestones necessary for completing SUITES software development;*
- *methods for limiting further addition of functions not required to meet Unemployment Insurance program requirements in maintaining SUITES development; and*
- *revised, detailed project cost and time line estimates. (p.46)*

SUITES Update:

- SUITES programming is complete and DWD is now engaged in user acceptance testing (UAT). The testing is going well and DWD management is optimistic about meeting its release date of December 2007 for the major part of the system.
- The project leadership has implemented strict controls to regulate changes to the software on the SUITES project in order to maintain the current timeline.

LAB Recommendation:

We recommend the Department of Workforce Development report to the Joint Legislative Audit Committee by October 1, 2007, on its progress in:

- *completing a detailed assessment of costs and benefits of continuing to maintain or customize Curam software for use in EnABLES or other unemployment insurance systems; and*
- *modifying or streamlining its business processes before pursuing any further software development for EnABLES or other unemployment insurance systems (p. 49)*

EnABLES Update:

- DWD has just completed a reassessment of Unemployment Insurance Benefits service delivery methods and has concluded that the Curam platform should be replaced with an in-house application utilizing DWD standard software. DWD is conducting research and analysis of viable alternatives for replacing the current, outdated IDMS mainframe database technology.
- A separate, smaller effort will begin in September to review the current Appeals processes and determine where process improvements can help reduce processing time and improve customer service.

LAB Recommendation:

We recommend the Department of Administration report to the Joint Legislative Audit Committee by October 1, 2007, with:

- *a revised time line for server consolidation; and*
- *a revised analysis of server consolidation to include all implementation costs, as well as anticipated revenues to be generated from agency charges. (p. 57)*

Server Consolidation Update:

- DOA is re-planning efforts for server consolidation, and is assessing the impact of information recently received from agency strategic plans.
- In FY 2008, DOA will relocate servers that are currently housed at 101 East Wilson to the Femrite Data center using a four phase approach. DOA will accommodate additional agency requests for consolidation as part of its planning efforts.
- The FY09 server consolidation plan will be prepared in consultation with other agencies as a parallel activity to the FY 2008 move of DOA resident servers.
- DOA is in the process of recruiting a project director for server consolidation.

LAB Recommendation:

We recommend the Department of Administration report to the Joint Legislative Audit Committee by October 1, 2007, on the status of e-mail consolidation, including costs to date and the estimated completion date of the project. (p. 62)

E-mail Consolidation Update:

- There are 24 agencies and nearly 20,000 mailboxes on the statewide e-mail system using the Microsoft Exchange 2003 platform. Availability for the system continues to exceed 99.9 percent.
- DOA is working with DOT, DWD and DHFS on their e-mail migration plans and also testing with Exchange 2007, the platform for the system's strategic solution. During FY08, DOA expects to upgrade to the Exchange 2007 environment, move the current system to that environment, and then migrate the few remaining agencies to the enterprise e-mail system.

LAB Recommendation:

We recommend the Department of Administration report to the Joint Legislative Audit Committee by October 1, 2007, on the status of IBIS implementation, including costs to date, the project's estimated completion date, and the status of its effort to limit agency customization of the software. (p. 66)

IBIS Update:

- Enterprise procurement activities will be the initial priority of the IBIS project. The team is examining current business processes and standardizing them as much as possible across state agencies to minimize application customization. The development plan is being updated to reflect this direction.
- Assuming the successful recruitment of PeopleSoft contractors and staff, the plan projects an initial implementation in mid FY09.
- DOA is in the process of hiring a project director. Two implementation managers are in place, one for managing technical tasks and the other for working with business areas on functional definitions.

LAB Recommendation:

We recommend the Department of Administration, in collaboration with executive branch agencies:

- *prescribe a standardized format for agencies' annual strategic plans for IT and require inclusion of all ongoing or planned projects;*
- *develop a methodology for identifying large, high-risk IT projects; and*
- *report to the Joint Legislative Audit Committee by October 1, 2007, on its progress in selecting both a format and a methodology. (p.69)*

Strategic Planning Update:

- DOA and the Information Technology Directors' Council (ITDC) defined a new format for the annual IT plans and all agencies submitted plans in June. DOA created a state agency plan from the annual IT plans which is currently under review. By fall of 2007, the team will develop a process that agencies can use to continuously update their planning information as well as request analytical reports.
- A sub-group of the ITDC is defining an interagency process for developing the next biennial enterprise IT plan, which is due in September 2008. The biennial plan will be presented as a state-wide plan, rather than a DOA summary of individual agency plans.

Methodology for Identifying High-Risk Project Update:

- DWD has taken the lead in developing criteria for identifying and classifying high-risk IT projects for the ITDC. The criteria will be reviewed by the ITDC and adopted early this fall.
- Federal models for identifying, managing, and reporting on high-risk IT projects are being considered as part of this project.

LAB Recommendation:

We recommend the Department of Administration, in collaboration with executive branch agencies and the IT Directors' Council, establish planning standards for large, high-risk projects and report to the Joint Legislative Audit Committee by October 1, 2007 on progress in developing standards that require:

- *a consistent, formal, documented review of business processes that allows an assessment of the adequacy of available off-the-shelf software and measures the costs and benefits of software customization before development is initiated;*
- *complete project specifications before software customization or development is initiated;*
- *project costs and time lines that are documented as part of the planning process, linked to specific deliverables, and updated when changes to the project plan occur; and*
- *adequate review of complex deliverables, such as database conversions or programming changes required for software to function within an agency's current operating system. (p. 71)*

Planning Standards for High-Risk Projects:

- DOA is taking the lead for the ITDC in analyzing current industry best practices and developing a framework for successfully initiating, managing and completing IT projects. In June the ITDC initiated weekly Executive Committee meetings to develop this framework and the entire ITDC will review and adopt this framework for projects by early fall. This framework will evolve based on experience of use on projects and by ITDC agreement.
- Through attorney consolidation DOA will provide centralized legal contract expertise, standardized IT contract and license guidelines and regular review of IT contract administration.

LAB Recommendation:

We recommend the Department of Administration report to the Joint Legislative Audit Committee by October 1, 2007, on its progress in developing a plan to enhance IT project monitoring by:

- *establishing standardized, quantifiable project performance measures for large, high-risk projects;*
- *implementing policies and procedures for modifying project specifications when doing so is necessary because of changes in program requirements; and*
- *developing methods for recovering or discontinuing projects that are failing to meet established performance measures. (p. 72)*

Enhancing Project Monitoring Update:

- DOA is taking the lead for the ITDC in defining uniform methods for tracking high-risk IT projects. The ITDC Executive Committee is defining a project management and technical review process for projects that will be adopted by the ITDC early this fall and proposed for implementation. The project reviews will be conducted by cross-agency teams with assistance from external experts.
- DOA intends to create a Technology Architecture Unit that will be led by a chief systems architect who will work collaboratively with agency architectural staff to review DOA IT applications for adherence to common IT technical standards.
- In addition, DOA will establish a unit within the Bureau of Application Services in the Division of Enterprise Technology (DET) focused on managing and monitoring IT projects. These DOA project managers will be available to work in cooperation with ITDC project review teams as well as for other agencies based upon request.
- Project manager recruitments for IBIS and Server Consolidation are underway.

LAB Recommendation:

We recommend the Department of Administration report to the Joint Legislative Audit Committee by October 1, 2007, on its progress in:

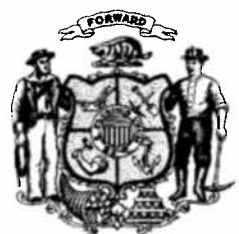
- *establishing policies and procedures for use of master lease program to finance IT system costs, as well as for monitoring IT systems projects financed under the program and*
- *creating an annual report on IT systems financed under the program. ... (p. 77-78)*

Master Lease Financing Update:

- DOA is formalizing DET's involvement in reviewing master lease requests involving IT. Master lease documentation will indicate DET's recommendation in addition to that of Capital Finance and other applicable parties within the State Budget Office. DOA is in the process of enhancing the master lease approval process and documentation to ensure that agencies clearly establish a business case justifying the appropriateness of master lease financing for an IT system.
- Through attorney consolidation, DOA will develop standardized IT contract guidelines and centralize contract oversight of IT projects funded through master lease financing.



WISCONSIN STATE LEGISLATURE





State of Wisconsin • DEPARTMENT OF REVENUE

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Jim Doyle
Governor

Roger Ervin
Secretary of Revenue

The Status of the DOR Conversion to New Sales and Use Tax Software

Legislative Audit Bureau Recommendation:

We recommend the Department of Revenue report to the Joint Legislative Audit Committee by October 1, 2007, on the status of conversion to FAST sales and use tax software, and its plans to include its own staffing costs when determining the software's total cost.

The Department of Revenue Response and Status:

The Department of Revenue (DOR) WINPAS project is approximately two-thirds of the way through its timeline for the sales and use tax roll-out, which is planned to be implemented December, 2007. To date, the progress on all aspects of the project are on schedule.

Requirements definition has been completed. Seven full mock conversions of data from the legacy system into WINPAS have been run, with two more planned before rollout date. In the most recent full mock conversion, virtually all customers successfully converted. DOR business staff are actively working to review this converted data to verify its accuracy.

System testing, designed to verify that specific functionality works correctly, began in mid-July and is scheduled to continue through mid-October. As of September 11, 2007, approximately 60% of test scenarios have been completed and approved. Parallel and end-to-end testing, in which complete batches of real-life returns will be processed through the system, are scheduled for October and the first half of November.

A cutover plan, which includes a step-by-step roadmap to shutting down the legacy system, conversion and reconciliation, has been drafted and is being refined. Work is starting on the plan for controlled production after cutover.

To address county/stadium tax distribution in particular, DOR has assembled a specific team of testers to conduct intensive testing of distributions. This team includes DOR staff familiar with the issues that were experienced in the legacy system and the system assurance work that was used to correct those problems. Staff have incorporated into the test plan the scenarios that were used to verify legacy system accuracy. This specialized testing began in August and is nearing completion. Issues identified to date are in the process of being resolved. Also, several queries are being designed to help identify equipment scanning and/or taxpayer error in reporting county taxes.

DOR has improved its project management cost accounting. The introduction of the enterprise Payroll Time and Attendance (PTA) system enabled DOR to expand its project accounting to the full agency. This system captures all personnel costs related to a project. DOR also has modified its methods to include interest as part of the master lease costs.

In summary, this project is on time and on budget.

September 18, 2007



DWD Report to Joint Legislative Audit Committee September 19, 2007

The Legislative Audit Bureau Recommendations in their report of April 2007 indicated that DWD should report on the status of two of its largest projects by October 2007: SUITES (State Unemployment Insurance Tax Enterprise System) and EnABLES (Enhanced Automated Benefits and Legal Enterprise Services).

The goal of these two projects was to modernize computer systems that are more than 25 years old. While enhancements and modifications have been made over the years, DWD needed to take advantage of technological advances, increase system efficiencies and increase programming flexibility, and therefore began full scale efforts to replace the two systems.

This paper summarizes the steps DWD has taken since the LAB report and our report to the Joint Audit Committee in May:

LAB's SUITES Recommendations:

We recommend the Department of Workforce Development report to the Joint Legislative Audit Committee by October 1, 2007 with:

1. *specific milestones necessary for completing SUITES software development;*
2. *methods for limiting further addition of functions not required to meet Unemployment Insurance program requirements in remaining SUITES development; and*
3. *revised, detailed project cost and time line estimates.*

DWD's SUITES status as of October 2007:

1. Milestones:

SUITES is progressing steadily and nearing completion.

- June 2007: programming completed
- Mid-July: User Acceptance Testing began
- Two weeks prior to deployment: All staff trained
- Two weeks prior to deployment: User Acceptance Completion and System sign off
- Two weeks prior to deployment: Mock deployment exercise
- One week prior to deployment: Performance tuning
- December: Statewide deployment
- May 2008: Implementation of collections and reports module.

2. Limiting further addition of functions:

- Only system changes which have been deemed critical to system functionality have been allowed. Changes or enhancements which are not critical to system functionality have been deferred for later consideration.

3. Detailed time line and cost estimates:

Time line:

- Primary tax deployment: December 2007
- Collection module and reports: May 2008

Cost estimates:

- \$47.2 million

LAB's recommendations for EnABLES stated:

We recommend the Department of Workforce Development report to the Joint Legislative Audit Committee by October 1, 2007, on its progress in:

1. *completing a detailed assessment of the costs and benefits of continuing to maintain or customize Cúram software for use in EnABLES or other unemployment insurance systems; and*
2. *modifying or streamlining its business processes before pursuing any further software development for EnABLES or other unemployment insurance systems.*

DWD's EnABLES status as of October 2007:

Following the suspension of the EnABLES Project in February 2007, UI re-examined options for modernization of the Benefits System and the Appeals System and has concluded that several actions should be taken immediately so UI can continue to meet its obligations to its customers.

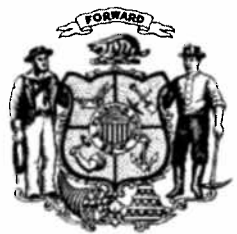
1. Cost and Benefit Assessment
 - DWD conducted a cost/benefit analysis of viable alternatives for replacing the current, outdated IDMS mainframe database technology. The analysis clearly indicated that the Curam platform should be replaced with an in-house application utilizing DWD standard software.

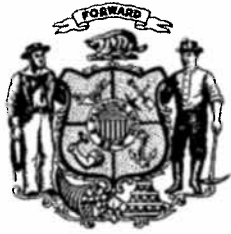
Option and Costs	SFY 2008	SFY 2009	SFY 2010	TOTAL
Status Quo	\$843,600	\$1,350,900	\$859,100	\$3,053,600
Custom Build	\$907,700	\$703,000	\$0	\$1,610,700
Upgrade Curam	\$1,303,400	\$1,183,300	\$687,300	\$3,174,000

- DWD initiated a project in July to replace the costly Curam framework with an in-house system that retains the functionality provided by the Curam framework but will be easier and less expensive to maintain and support.
 - Initial project estimates indicate an 18-month timeline and costs of \$1.6 million
2. Modernizing and streamlining business processes:
 - DWD has embarked on a re-engineering effort for handling of unemployment insurance appeals. The re-engineering effort will seek efficiencies through streamlined processes, elimination of unnecessary steps, and other process improvements to improve quality and time management, as well as reduce costs while optimizing customer service. Department staff and other members of the reengineering team will seek to reduce the time and resources expended in scheduling appeals, conducting hearings and issuing and mailing decisions. The team will especially focus on attempts to compress appeal cycle time, by various means, such as by simplifying case-by-case scheduling requirements and reducing or eliminating certain time consuming correspondence with parties. The re-engineering will also seek to identify areas where technology can enable more efficient processes, such as by automating the calendar functions, bar coding data for input, using automated dialers for telephone hearings and increasing centralized mailing of decisions.
 - UI is also conducting research and analysis of viable alternatives for replacing the current, outdated IDMS mainframe database technology. The assessment will include research and examination of other public and private entities who have migrated from IDMS to newer mainframe technologies and will examine alternative solutions. Four alternative solutions are being analyzed: (1) in-house, manual conversion of IDMS; (2) purchase automated conversion tool; (3) enhance current IDMS; and (4) maintain the status quo. The cost analysis and recommendation on how best to proceed will be completed in October.



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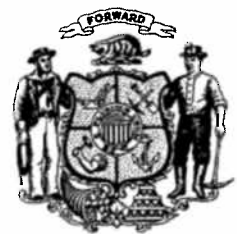


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Most large publications have been added to the Theoblod Legislative Library's collections. Search LRBCat (<http://lrbeat.legis.wisconsin.gov/>) for availability.

For further assistance, contact the reference desk at (608) 266-0341 or lrb.reference@legis.wisconsin.gov.

State of Wisconsin - Legislative Reference Bureau
1 East Main Street, Suite 200
Madison, WI 53703



**State of Wisconsin
Department of Administration**

**Report to the
Joint Legislative Audit Committee:
A New Approach to
Information Technology Management**



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

Michael Morgan
Secretary

Oskar Anderson
Chief Information Officer

101 East Wilson Street
P.O. Box 7864
Madison, WI 53707-7864



Report to the Joint Legislative Audit Committee: A New Approach to IT Management

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**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

JIM DOYLE
GOVERNOR
MICHAEL L. MORGAN
SECRETARY

Office of the Secretary
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1741
Fax (608) 267-3842

October 1, 2007

Senator Jim Sullivan, Co-chair
Representative Suzanne Jeskewitz, Co-chair
Joint Legislative Audit Committee
State Capitol
Madison, Wisconsin 53702

Dear Senator Sullivan and Representative Jeskewitz:

I am pleased to provide you with a report that presents a new, comprehensive operational plan to manage state government IT projects. We have developed a disciplined approach that puts in place best practices from the conception to the completion of state agency IT projects. Standardized procurement, planning, reporting and monitoring procedures have been developed over the past five months in collaboration with other agency IT directors that will govern projects that start after October 1, 2007.

The plan defines high profile projects and establishes roles and responsibilities for project teams. It also lays the groundwork for regular monitoring and anticipates Legislative oversight.

The Department of Administration will take steps to establish the IT Management Board as recommended by the Legislative Audit Bureau as soon as the legislative oversight committees are formed.

Since joining the Department of Administration in March, our Chief Information Officer, Oskar Anderson, has been working tirelessly with the Wisconsin IT Directors' Council to develop the IT management framework described in this report. He brings credibility, expertise and common sense to these highly complex technology projects. His approach is collaborative and works to efficiently utilize state resources and expertise.

I am confident that the new IT management plan we are presenting today will help ensure the success of future state IT projects.

Sincerely,

Michael L. Morgan, Secretary
Department of Administration



Report to the Joint Legislative Audit Committee: A New Approach to IT Management

EXECUTIVE SUMMARY

The State of Wisconsin has developed a new approach to information technology (IT) management based on increased interagency collaboration, standardized project frameworks, regular reporting to the appropriate legislative groups, and a focus on effective communication among all entities involved in a project. The new approach, drafted in consultation with the state IT Directors' Council (ITDC), consists of four fundamental components:

- Improving IT planning;
- Establishing standards for IT project planning and management;
- Improving project monitoring; and
- Establishing collaborative organizational structures for IT management.

Improving IT Planning

- State agencies will use a standard template to submit IT plans.
- Agency plans will include a list of all IT projects and also identify "high-profile" projects, which are those costing \$1 million-plus or are otherwise considered vital by the agency.
- The Department of Administration (DOA) will maintain a Web site with all agency plans and a list of all the high-profile projects.
- The ITDC will work together to produce the biennial, statewide IT strategic plan due in September 2008.

Establishing Standards for IT Project Planning and Management

- Project planning, reporting and monitoring must adhere to ITDC-adopted standards.
- Specific roles of the project manager, agency IT organization, business areas, DOA and vendors will be defined for all projects.
- Significant stakeholders will be identified in the communication plan.
- Required project documentation will be kept current and stored in a folder specific to the project at the agency in order to facilitate monitoring efforts.
- Agencies will follow standard procedures for determining whether available off-the-shelf software can provide solutions.
- If master-lease financing is used, established policies and procedures will be followed.
- A change control process, with oversight by a Change Control Board, is required to document all changes in project scope, cost and completion schedule.



Report to the Joint Legislative Audit Committee: A New Approach to IT Management

Improving Project Monitoring

- All high-profile IT projects will be monitored through an independent validation and verification (IV&V) process. IV&V reviews will include assessment of financial status, adherence to standard project management principles, adoption of IT industry technical standards, and satisfaction of business goals.
- The IV&V process will be conducted by a combination of state staff and contractors.
- IV&V reports and recommendations will go to the management team of the project being reviewed, the ITDC Steering Team, the agency Secretary's Office, the DOA Secretary's Office, the IT Management Board (see below), the Joint Legislative Audit Committee, and any other committees designated by the Legislature.

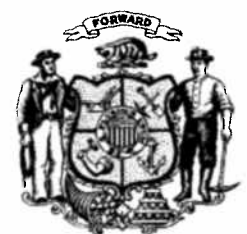
Establishing Collaborative Organizational Structures for IT Management

- Enhanced collaboration and information sharing between agencies, DOA, the ITDC, the IT Management Board and legislative committees will improve the transparency of IT project planning and management. Timely recognition of problems then becomes much more likely.
- The IT Management Board is authorized to advise DOA in the management of the state's IT assets and to monitor progress on IT activities. The board's membership includes the co-chairs of the Joint Committee on Information Policy and Technology and the Governor or his designee.
- The State Chief Information Officer, an appointed position within DOA, has a key role in ensuring that this collaboration and information sharing takes place, and that project management standards are being consistently communicated and applied.

This report to the Joint Legislative Audit Committee also includes status updates on projects highlighted in recommendations from the Legislative Audit Bureau's April 2007 Review of Information Technology Projects.



WISCONSIN STATE LEGISLATURE



Questions from IT Follow-up

Establishing Standards for IT Project Planning and Management (Pages 7 – 14)

1) Policies for High Profile Projects – pgs. 7-8

- Do stakeholders have an opportunity for comment on how a project will help/hinder their agency/department?
- Is it necessary for reports to be submitted to JLAC if the JCIPT is active?

2) Off-The-Shelf Software Evaluation Standards – pgs. 8-9

- At what point is a cost/benefit analysis done? (LAB pg. 71)
- At what point is a completed project specification done? (LAB pg. 71)
- At what point are deliverables specified (LAB pg. 71)

3) IT Project Procurement – pgs. 10-11

- When are the initiatives mentioned going to be implemented – report says FY08?

Improving Project Monitoring (Pages 15 – 17)

1) Routine Monitoring (pgs. 15-16)

- When was the Wisconsin Systems Architecture Team started and who are they?

2) Project Change Control Process (pgs. 16-17)

- When will this be implemented?

FYI - Pg 19 mentions some members of the IT Management Board,

The full membership of the board– from the Blue Book...

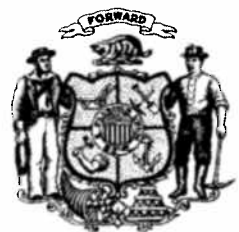
The board's membership includes the governor, the cochairpersons of the legislature's Joint Committee on Information Policy and Technology or their designees, a member of the minority party from the senate and the assembly, the secretary of administration or designee, 2 heads of departments or independent agencies appointed by the governor, and 2 other members appointed by the governor to 4-year terms. The board was created by 2001 Wisconsin Act 16 and attached to the Department of Administration by 2003 Wisconsin Act 33.

DOR Report on conversion to new Sales and Use Tax Structure

- What issues have you identified during the testing process for the county/stadium tax distribution piece?



WISCONSIN STATE LEGISLATURE



SPECIFIC PROGRAM STATUS

Server Consolidation Program Status

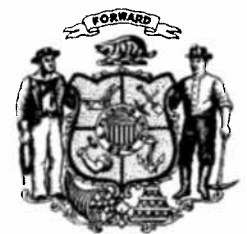
- Current concentration is moving servers from 101 East Wilson to Femrite Data Center and increasing production support capabilities. Currently 178 of 491 servers have been moved.
- Detailed plans are being prepared to move DOR applications from 2135 Rimrock Road to the Femrite Data Center between January and August 2008.
- Other smaller agencies have expressed interest in moving applications to Femrite before the end of this fiscal year.
- Agencies will be asked to include plans for moving services from their data centers or computer rooms to Femrite as part of their March 2008 IT plan submissions.
- The DOA IT plan in June 2008 will contain a draft plan for merging all agency service consolidation plans with a completion date of June 2010.
- As of June 30th 2007, the distributed services cost pool had a deficit of about \$40 million for transition and ongoing operational costs. The proposal to recover this deficit plus future transitional costs is an annual assessment over a 20 year period, starting in fiscal year 2008. The total cost of the program through FY10 is expected to be about \$110 million, and cost recovery through service billings in that timeframe is estimated at \$22.5 million. The total annual assessment to be shared across the agencies will be about \$3.4 million plus interest.

Email Consolidation Program Status

- A total of 25 agency, boards and offices have been consolidated to date, or about 21,000 email accounts.
- The remaining agencies with accounts equaling about 14,000 will be consolidated by the end of 2008.
- All agencies will be using the same, most recent version of Microsoft Exchange 2007 at that point.
- The cost of email consolidation to date is \$9.7 million.
- The estimated cost of the program is about \$13.6 million including the operation of the system through the end of CY 2008.

Integrated Business Information System Status

- An updated charter, statement of work and workplan for implementing the first phase of the Integrated Business Information System has been prepared.
- The first phase of the project includes procurement and supporting functionality.
- A project director has been hired to support the project and 2 project implementation managers have been assigned.
- The Request for Bids that will qualify vendors to provide PeopleSoft skills to satisfy service requests for the project has been re-issued.
- The projected implementation date for the first phase is March 31, 2009 if the phase starts by November 1, 2007.
- The cost to date for the project is approximately \$10 million and the first phase is estimated to cost an additional about \$16 million, if the proposed mix of state staff versus contractors can be achieved.



Information Technology Projects

Legislative Audit Bureau

October 2007

1

Executive Branch Agencies and IT Projects Reviewed

Agency	Number of Projects
Departments	
Administration	18
Agriculture, Trade and Consumer Protection	4
Commerce	1
Corrections	7
Employee Trust Funds	1
Financial Institutions	16
Health and Family Services	10
Justice	4
Military Affairs	1
Natural Resources	19
Public Instruction	10
Regulation and Licensing	1
Revenue	13
Tourism	1
Transportation	19
Veterans Affairs	0
Workforce Development	43
Independent Agencies	16
Total	184

2

Large, High-Risk, Ongoing Projects

- ◆ 22 projects, as of July 1, 2006
 - Each has costs of \$1.0 million or more
- ◆ Total projected costs of \$186.4 million

3

Projected Costs of Large, High-Risk, Ongoing Projects

Description	Agency	Projected Costs (in millions)
SUITES	DWD	\$46.4
Medicaid Management Information System (MMIS)	DHFS	32.3
EnABLES	DWD	23.6
Statewide Voter Registration System	Elections Board	22.7
Integrated Corrections System, Phase 1a	DOC	9.0
Income and Fiduciary Tax Software	DOR	6.5
Annuity Payment System	ETF	6.4
Integrated Corrections System, Phase 2	DOC	5.9
Other Agencies		33.6
Total		\$186.4

4

Case Study Projects

- ◆ DOT: Registration and Titling System
- ◆ DOR: Sales and Use Tax Software
- ◆ DWD: SUITES
- ◆ DWD: EnABLES
- ◆ DOA: Server Consolidation; E-mail Consolidation; and IBIS

5

Recommendations for DOA

- ◆ Collaboration with executive branch agencies;
- ◆ Enhanced project monitoring; and,
- ◆ Policies and procedures to guide the use of master lease financing for IT projects.

6

Recommendation to the Legislature

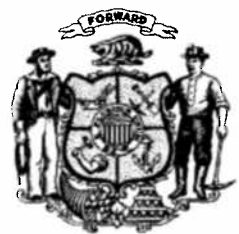
To enhance oversight of large, high-risk executive branch IT projects, consider reactivating:

- ◆ the Joint Committee on Information Policy and Technology

- ◆ the Information Technology Management Board



WISCONSIN STATE LEGISLATURE





WISCONSIN STATE LEGISLATURE

Joint Legislative Audit Committee

Committee Co-Chairs:
State Senator Jim Sullivan
State Representative Suzanne Jeskewitz

October 3, 2007

Mr. Frank Busalacchi, Secretary
Department of Transportation
120B Hill Farms State Transportation Building
Madison, Wisconsin 53707

Dear Mr. Busalacchi:

As indicated on the enclosed hearing notice, the Joint Legislative Audit Committee will hold a public hearing to follow-up on the Legislative Audit Bureau's review of *Information Technology Projects* (report 07-5), on Thursday, October 18, 2007, at 10:00 a.m. in Room 411 South of the State Capitol. At this hearing, the Committee will revisit the findings and recommendations presented in report 07-5 as well as consider the written updates provided by the Department of Administration to the Committee on August 3, 2007, and October 1, 2007.

As these reports reviewed the Registration and Titling System (RaTS) project of the Department of Transportation, we ask you, or the appropriate members of your staff, to be present at the hearing to offer testimony in response to the audit findings and to respond to questions from committee members. Please plan to provide each committee member with a written copy of your testimony at the hearing.

Please contact Ms. Pam Matthews in the office of Representative Suzanne Jeskewitz at 266-3796 to confirm the Department's participation in the hearing. Thank you for your cooperation and we look forward to seeing you on October 18th.

Sincerely,

Senator Jim Sullivan, Co-chair
Joint Legislative Audit Committee

Representative Suzanne Jeskewitz, Co-chair
Joint Legislative Audit Committee

Enclosure

cc: Ms. Janice Mueller
State Auditor



WISCONSIN STATE LEGISLATURE
Joint Legislative Audit Committee

Committee Co-Chairs:
State Senator Jim Sullivan
State Representative Suzanne Jeskewitz

October 3, 2007

Mr. Roger Ervin, Secretary
Department of Revenue
2135 Rimrock Road
Madison, Wisconsin 53713

Dear Mr. Ervin:

As indicated on the enclosed hearing notice, the Joint Legislative Audit Committee will hold a public hearing to follow-up on the Legislative Audit Bureau's review of *Information Technology Projects* (report 07-5), on Thursday, October 18, 2007, at 10:00 a.m. in Room 411 South of the State Capitol. At this hearing, the Committee will revisit the findings and recommendations presented in report 07-5 as well as consider the written updates provided by the Department of Administration to the Committee on August 3, 2007, and October 1, 2007.

As these reports related to the customization of sales and use tax software by the Department of Revenue, we ask you, or the appropriate members of your staff, to be present at the hearing to offer testimony in response to the audit findings and to respond to questions from committee members. Please plan to provide each committee member with a written copy of your testimony at the hearing.

Please contact Ms. Pam Matthews in the office of Representative Suzanne Jeskewitz at 266-3796 to confirm the Department's participation in the hearing. Thank you for your cooperation and we look forward to seeing you on October 18th.

Sincerely,

Senator Jim Sullivan, Co-chair
Joint Legislative Audit Committee

Representative Suzanne Jeskewitz, Co-chair
Joint Legislative Audit Committee

Enclosure

cc: Ms. Janice Mueller
State Auditor



WISCONSIN STATE LEGISLATURE
Joint Legislative Audit Committee

Committee Co-Chairs:
State Senator Jim Sullivan
State Representative Suzanne Jeskewitz

October 3, 2007

Ms. Roberta Gassman, Secretary
Department of Workforce Development
201 East Washington Avenue, Room A400
Madison, Wisconsin 53703

Dear Ms. Gassman:

As indicated on the enclosed hearing notice, the Joint Legislative Audit Committee will hold a public hearing to follow-up on the Legislative Audit Bureau's review of *Information Technology Projects* (report 07-5), on Thursday, October 18, 2007, at 10:00 a.m. in Room 411 South of the State Capitol. At this hearing, the Committee will revisit the findings and recommendations presented in report 07-5 as well as consider the written updates provided by the Department of Administration to the Committee on August 3, 2007, and October 1, 2007.

As these reports reviewed the State Unemployment Insurance Tax Enterprise System (SUITES) and the Enhanced Automated Benefits and Legal Enterprise System (EnABLES) projects of the Department of Workforce Development, we ask you, or the appropriate members of your staff, to be present at the hearing to offer testimony in response to the audit findings and to respond to questions from committee members. Please plan to provide each committee member with a written copy of your testimony at the hearing.

Please contact Ms. Pam Matthews in the office of Representative Suzanne Jeskewitz at 266-3796 to confirm the Department's participation in the hearing. Thank you for your cooperation and we look forward to seeing you on October 18th.

Sincerely,

Senator Jim Sullivan, Co-chair
Joint Legislative Audit Committee

Representative Suzanne Jeskewitz, Co-chair
Joint Legislative Audit Committee

Enclosure

cc: Ms. Janice Mueller
State Auditor



WISCONSIN STATE LEGISLATURE
Joint Legislative Audit Committee

Committee Co-Chairs:
State Senator Jim Sullivan
State Representative Suzanne Jeskewitz

October 3, 2007

Mr. Michael Morgan, Secretary
Department of Administration
101 East Wilson Street, 10th Floor
Madison, Wisconsin 53703

Dear Mr. Morgan:

As indicated on the enclosed hearing notice, the Joint Legislative Audit Committee will hold a public hearing to follow-up on the Legislative Audit Bureau's review of *Information Technology Projects* (report 07-5), on Thursday, October 18, 2007, at 10:00 a.m. in Room 411 South of the State Capitol. At this hearing, the Committee will revisit the findings and recommendations presented in report 07-5 as well as consider the written updates provided by the Department of Administration to the Committee on August 3, 2007, and October 1, 2007.

As these reports relate to the activities of the Department of Administration, we ask you, and the appropriate members of your staff, to be present at the hearing to offer testimony in response to the audit findings and to respond to questions from committee members. We anticipate that your testimony would speak both to the larger role of the Department in oversight of information technology projects, and to the specifics of the server consolidation, e-mail consolidation, and Integrated Business Information System (IBIS) projects implemented by the Department. Please plan to provide each committee member with a written copy of your testimony at the hearing.

Please contact Ms. Pam Matthews in the office of Representative Suzanne Jeskewitz at 266-3796 to confirm your participation in the hearing. Thank you for your cooperation and we look forward to seeing you on October 18th.

Sincerely,

Senator Jim Sullivan, Co-chair
Joint Legislative Audit Committee

Representative Suzanne Jeskewitz, Co-chair
Joint Legislative Audit Committee

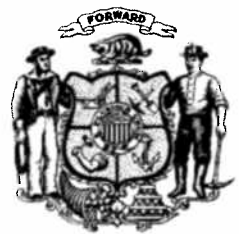
Enclosure

cc: Mr. Oskar Anderson, Administrator
Division of Enterprise Technology
Department of Administration

Ms. Janice Mueller
State Auditor



WISCONSIN STATE LEGISLATURE



NEWS RELEASE
FOR IMMEDIATE RELEASE
December 28, 2007

For More Information Contact:
Senator Cowles
at 1-800-334-1465

COWLES TO INTRODUCE BILL TO ENHANCE IT PROJECT OVERSIGHT
Move Comes in Wake of another Failed State Computer Project

MADISON - State Senator Robert Cowles (R-Green Bay) today announced that he is introducing a bill to give the Legislature more oversight of State Information Technology (IT) projects. This week, the state's Department of Health and Family Services announced that a computer program designed to run the state's Medicaid program will now cost over \$64 million, double the original cost estimate. The program will also be completed nearly two years behind schedule.

"This latest Medicaid IT project news is just one more reason why we need to increase oversight of state computer projects," said Cowles. "We need to pass this bill to provide more accountability for the taxpayers by getting these costly IT projects under control."

An audit released by the non-partisan Legislative Audit Bureau showed an appalling amount of waste and mismanagement in a number of costly, high-profile government IT projects in recent years. Cowles was one of the leaders pushing for the completion of the audit. It detailed how a lack of oversight and inability to properly update timelines and budgets has caused millions of dollars in cost overruns.

"The audit of government IT projects showed that poor planning and execution with little oversight has led to tens of millions of taxpayer dollars being wasted," said Cowles. "In order to get these projects under control there needs to be more accountability, and that's what my bill will provide."

Cowles' bill will provide the Legislature with oversight of all medium to large executive agency IT projects. Under the bill, the Joint Committee on Information Policy and Technology, if it is organized, or the Joint Legislative Audit committee will review these IT projects. The agencies will be required to provide original and updated cost projections as well as timelines for completion for these projects. The agencies will also have to provide other information relating to contracts with outside vendors and the sources of funding for these projects.

"I am introducing this bill to make sure that all of the recommendations of the audit are fully implemented. The taxpayers need to know that this waste of their money will not be allowed to continue," Cowles concluded.

-30-