



A REPORT
TO THE
MONTANA
LEGISLATURE

LEGISLATIVE AUDIT
DIVISION

23DP-01

INFORMATION SYSTEMS AUDIT

*eGovernment Series 2:
Accountability Through
Agency Coordination and
Effective Reporting*

Department of Administration

MARCH 2023

INFORMATION SYSTEMS AUDITS

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IS audits are performed as stand-alone audits of IS controls or in conjunction with financial-compliance and/or performance audits conducted by the office. These audits are done under the oversight of the Legislative Audit Committee, which is a bicameral and bipartisan standing committee of the Montana Legislature. The committee consists of six members of the Senate and six members of the House of Representatives.

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March 2023

The Legislative Audit Committee
of the Montana State Legislature:

This is the second report in our eGovernment Series. This series of reports is focused on the State Information Technology Services Division's (SITSD) statewide IT strategic plans that relate to digitizing state services and infrastructure. It provides the Legislature with information about the Department of Administration's role in providing IT services to citizens and state agencies.

This second report focuses on legislative and executive agency IT reporting roles and coordination of strategic goals by SITSD. It includes a recommendation to the Legislature to clarify metrics for investment management best practices and a recommendation to the department to improve strategic goal alignment. A written response from the department is included at the end of the report.

We thank the Department of Administration personnel for their cooperation and assistance during the audit.

Respectfully submitted,

/s/ Angus Maciver

Angus Maciver
Legislative Auditor

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APPOINTED AND ADMINISTRATIVE OFFICIALS

Department of Administration

Misty Ann Giles, Director, Department of Administration

Kevin Gilbertson, Chief Information Officer, SITSD

April Grady, Chief Financial Officer, SITSD

Matt Van Syckle, Chief Technology Officer, SITSD



MONTANA LEGISLATIVE AUDIT DIVISION

INFORMATION SYSTEMS AUDIT

eGovernment Series 2: Accountability Through Agency Coordination and Effective Reporting

DEPARTMENT OF ADMINISTRATION

A report to the Montana Legislature

BACKGROUND

The Department of Administration is responsible for carrying out the planning and program responsibilities for IT in state government. With a new administration taking office in January 2021, the statewide strategy on IT changed.

We will issue multiple focused reports to ensure timely recommendations on new initiatives and services. This report focuses on IT reporting requirements and IT strategic objective alignment.

Agency:

Department of Administration

Director:

Misty Ann Giles

Program:

State Information Technology Services Division (SITSD)

As Montana transitions to a new eGovernment services model, IT reporting and coordination among all stakeholders are critical. Without these, eGovernment services can be impacted by disruptions or lack of funding to manage project risks. For the 2023 Legislative session, the executive budget request for long range information technology projects was approximately \$240 million dollars. The state legislature needs to establish and track specific IT project metrics to identify funding needs and ensure appropriated funds for eGovernment solutions provide value. The Department of Administration needs to ensure statewide IT strategic initiatives are in alignment, so agencies can deliver quality and timely eGovernment services.

KEY FINDINGS:

Statute surrounding IT project budget requests needs to contain specific metrics.

The governor’s budget request related to major IT projects needs additional information so that the legislature can identify the benefits and risks of those projects. Through statutory change the legislature can require specific metrics and enhance the IT project budget request process to oversee the return on appropriated funds.

SITSD has multiple IT strategic initiatives that need to be aligned.

SITSD created the 2022-2023 statewide IT strategic plan. This plan contains initiatives surrounding communication, governance, and enterprise applications. These initiatives will help SITSD meet their goals, but do not have clear individual goals or a plan on how they will work in tandem.

RECOMMENDATIONS:

In this report, we issued the following recommendations:

To the department: 1

To the legislature: 1

For the full report or more information, contact the Legislative Audit Division.

leg.mt.gov/lad

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RECOMMENDATION #1 (page 8):

Statute Change

The legislature should establish IT project reporting metrics statute.

RECOMMENDATION #2 (page 12):

Governance and Planning

SITSD should align IT strategic initiatives to ensure resources are efficiently utilized and increase likelihood of successful implementation.

Department response: Concur

Chapter I – Introduction and Background

Introduction

Electronic government service (eGovernment) is a set of Internet applications that provides services to citizens, businesses, or other governmental entities. An eGovernment service aims to provide a complete start-to-finish solution to the customer whenever possible. When online services are implemented in this fashion, the state and the customer should gain efficiencies.

Within Montana, every agency has a role in deciding what eGovernment will look like based on its operations and mission to serve the public. However, the State Information Technology Services Division (SITSD) within the Department of Administration (department) also plays an essential role in delivering eGovernment services. SITSD's role in eGovernment is reflected in their mission: to lead the nation in digital transformation.

In 2021, a new executive administration took over governing responsibilities, and since that time, SITSD has focused on improving the structure of online services through the state strategic information technology (IT) plan. These initiatives significantly change the landscape of eGovernment, such as restructuring how agencies and SITSD interact, implementing near real-time reporting, and centralizing reporting of all IT projects.

While the new administration shifted the eGovernment landscape, there is still uncertainty and risk over collaboration efforts between agencies and SITSD, and how SITSD would report information to agencies and the legislature. The legislature's role in directing services for citizens and the agency's role in providing those services are both critical in delivering effective eGovernment services.

The eGovernment Service Model Has Changed

Since 2001, the State of Montana had contracted with a third-party vendor to provide key electronic services:

1. A payment portal for online services,
2. Single sign on service, and
3. eGovernment application development as part of a “self-funding” model which includes work in exchange for a share of transaction fees applied to payments.

In 2019, the state contract with the third-party vendor for eGovernment services was soon to expire. Due to this, significant changes in the eGovernment model would come in the form of separate vendors for single sign-on service, application development, and payment processing. At the same time, SITSD would manage the transaction fee from payment processing. SITSD would also play a more prominent role in maintaining the previous vendor's applications.

Starting in 2021, many changes have occurred at SITSD. They have focused on improving the structure of online services and digitizing state government through the state strategic plan. The plan for these changes can be found in the statewide strategic IT plan. It covers areas regarding IT investment, services, and reshaping the IT workforce.

Due to the varied nature and timelines of these strategic areas, we are developing multiple audit reports to ensure timely recommendations. Audit areas are tied to SITSD strategic goals, and fieldwork will be prioritized based on SITSD's timelines. SITSD strategic areas for review include:

- ◆ IT Reporting
- ◆ IT Strategy and Performance
- ◆ IT Asset Management
- ◆ IT Innovation Funding
- ◆ Security Consolidation (report published in June 2022)

These changes occurring at SITSD create risks that impact routine operations such as IT reporting, executive branch operations, and agency relationships. The focus of this audit is IT reporting and how SITSD's strategy and performance intend to improve eGovernment operations.

Audit Scope and Objectives

We developed the following objectives for this examination:

- ◆ Determine if IT reporting requirements are followed
- ◆ Determine if SITSD evaluates IT governance and strategic performance

The audit scope included relevant state law regarding SITSD's IT reporting and governance responsibilities. We also reviewed how the legislature interacts with those reports up to the 2023 Legislative Session. Agency chief information officers were contacted to discuss SITSD communication efforts and IT strategic planning.

Audit Methodologies

Methodologies conducted for the above objectives are summarized below:

- ◆ Identify relevant state law and policy regarding SITSD IT governance responsibilities and IT reporting requirements.
- ◆ Research and interview other states and national associations on IT project reporting.
- ◆ Interview SITSD employees on new IT strategic initiatives and reporting responsibilities.
- ◆ Interview other agency chief information officers to determine SITSD feedback expectations and satisfaction.
- ◆ Identify which legislative committees receive reports from the SITSD and the information received.
- ◆ Analyze IT reporting requirements and assess if they met minimum reporting requirements.

We also reviewed industry governance and IT investment management standards to determine how they can be applied to Montana. Industry standards include:

- ◆ **Control Objectives for Information and Technology (COBIT):** Standards for Information Technology management and governance. These standards outline control practices to reduce technical issues and business risks. While the department is not required to use this standard, the practices identified incorporate many industry best practices.

Chapter II – IT Reporting and Legislative Role

Introduction

Legislators and SITSD have a responsibility to work together to ensure eGovernment and IT projects are properly funded and managed. SITSD provides the legislature vital reports on these projects at the initial budget request and updates during quarterly Legislative Finance Committee (LFC) meeting updates. SITSD and the executive branch are ultimately responsible for the execution of these projects but the reports they provide the legislature help ensure appropriated funds are delivering value. Together legislators and the executive branch can ensure a proper investment, project management, and overall eGovernment management structure is in place for Montana IT projects.

State Law Requires Several Information Technology Reports

State law describes the IT reporting requirements for the department and, ultimately, SITSD. These requirements are contained within Title 2, Chapter 17, Part 5, MCA, with IT Project Updates requirements defined by LFC. There are seven main reports outlined in this section.

- ◆ State Strategic IT Plan
- ◆ IT Biennial Report
- ◆ Information Technology Board (ITB)
- ◆ Information Technology Activities
- ◆ Agency IT Plans
- ◆ IT Project Budget Report Summary
- ◆ IT Project Updates

Table 1 (see page 4) contains information on the reports and whether requirements were met.

Table 1
SITSD Required Reporting to the Legislature

Report Name	Due Date	Information	Meets Minimum Requirements	Presented To	Created By
State Strategic IT Plan	Sept. 1 Even Years	Statewide mission, goals, and objectives for the use of IT.	✓	SAVA*	SITSD
IT Biennial	Sept. 1 Even Years	Show what IT resources are available to the state, what projects are underway, and what future IT projects are being requested.	✓	SAVA	SITSD
Information Technology Board (ITB)	Sept. 1 Even Years	ITB activities, a review of the eGovernment program.	✓	SAVA	SITSD
Information Technology Activities	Sept. 1 Even Years	IT activities undertaken by the department.	✓	SAVA	SITSD
Agency IT Plans	June 30, Even Years	Statement of the agency's mission, goals, and objectives for information technology.	✓	SITSD	Agencies
IT Project Budget Summary	Sept. 1 Even Years	Statewide summarization of proposed major new IT projects to be funded within the current operating budgets.	✓	Legislative Fiscal Analyst	SITSD
IT Project Updates	Every Quarter	Total number of major IT projects across the executive branch.	✓	Legislative Finance Committee	SITSD

Source: Compiled by the Legislative Audit Division.

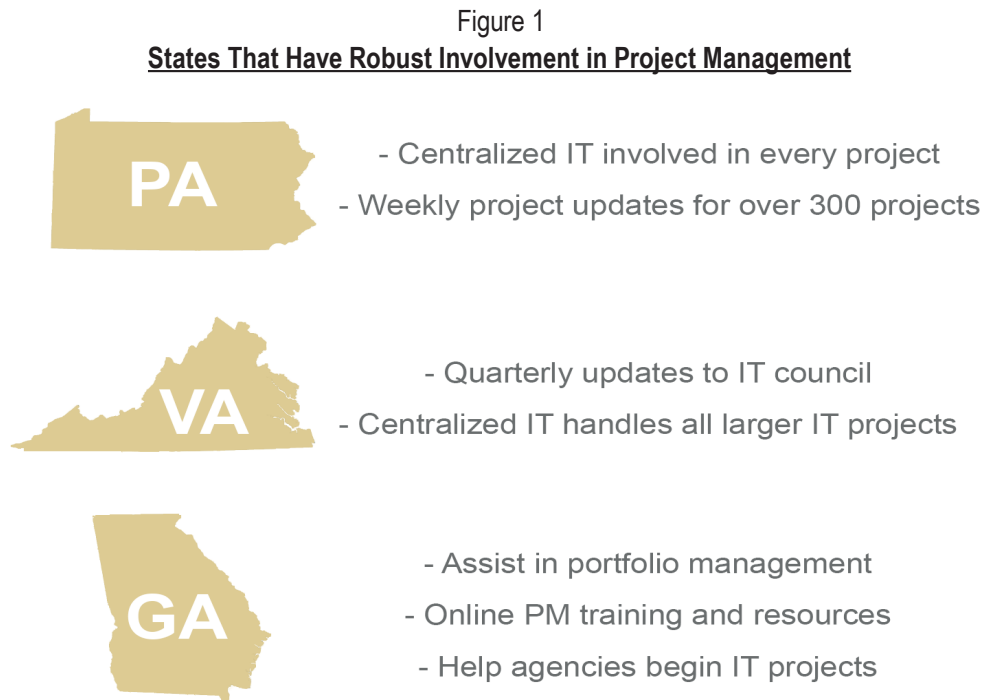
*State Administration and Veterans' Affairs (SAVA) Committee

Montana's IT reporting contains important information legislators need to track performance of IT, as well as goals, initiatives, projects, and other activities. While these reports are meeting statutory requirements, the content of the reports varies. It is easy to see how specific information is required for strategic planning. However, required information is not clearly defined for IT project reporting, which is arguably the most important area of reporting due to the amount of money it requires for significant IT initiatives.

Other States Have Robust Project Reporting Structures

Due to the continual nature of IT project management and push for IT modernization across the nation, we examined how Montana compares to other states. Information compiled by The National Association of State Chief Information Officers aided our efforts in identifying states with a central IT

division to support agency operations that have more structure in place for project management. The figure below highlights the different IT reporting procedures from each state.



Source: Compiled by the Legislative Audit Division.

These other states show how the department can alter their IT project management procedures to have more frequent involvement and training at the agency level. The other states reviewed have similar organizational structures as Montana but have more involvement throughout the initiative's life cycle, rather than through setup or implementation. This reporting structure allows these states to provide agencies and legislators timely metrics on IT projects from initiation to closeout. This information is vital for stakeholders, such as the legislature, to manage IT investments for both initial budget requests and ongoing funding. Having information readily available is the first step in investment management, the second step involves having a robust framework in place to receive and understand the information throughout the entire life cycle. Montana legislators need to establish an investment management framework to help guide decision making.

Stakeholders in Charge of Investment Prioritization **Need Metrics to Guide Their Decision Making**

Industry standards for investment management provide example metrics and questions to help guide stakeholders, such as the legislature. Right now, legislators do not have an investment management framework in place to help guide them.

There are two main instances where the legislature can interact with the executive branch regarding IT investments. The initial budget request occurs during the session and subsequent follow-ups on projects that arise at quarterly LFC meetings throughout the year.

Initial Budget Requests

During the initial budget request, it is important to gain an understanding over the agency's ability to take on new projects and the impact the project will have. Metrics that are missing from the current process and statute are below.

- ◆ Satisfaction levels of customers with service delivery capabilities.
- ◆ Satisfaction levels of executive management with business process capabilities.
- ◆ Number of benefits (e.g., cost savings) achieved through optimum utilization of resources.
- ◆ Number of resource management performance targets realized.
- ◆ Percent of projects and programs with a medium- or high-risk status due to resource management issues.
- ◆ Percent of projects with appropriate resource allocations.
- ◆ Lessons learned from previous application use.

Figure 2

Initial Budget Request Questions



Does this project align with statewide and agency IT strategic initiatives?

Can this project be consolidated with other IT projects?

Who will be leading the project and
What is their experience with project management?

Source: Compiled by the Legislative Audit Division.

These questions and metrics will give legislators a better understanding of the importance of a project to an agency and their capability to handle it while not overloading agencies with reporting requirements. Overall, this can give legislators appropriate information for funding requests for eGovernment solutions and general IT budget requests.

Project Updates

The next opportunity for legislators to discuss projects is during the interim LFC meetings, where SITSD presents significant IT project updates. This is the legislature's opportunity to understand if projects are on budget and on time so they can ensure appropriated funds are being used efficiently and effectively. Agencies will be able to give information on the overall life cycle of the project and show both its impact and costs after implementation. Additionally, the LFC meetings right before the legislative session can be used to discuss the entire state's IT project portfolio and overall health.

Specific metrics to consider at these checkpoints include:

- ◆ Percent of IT enabled investments for which claimed benefits in the business case are met or exceeded.
- ◆ Percent of projects which expected benefits are realized.
- ◆ Number of programs/projects on time and within budget.
- ◆ Number of programs needing significant rework due to quality defects.
- ◆ Percent of stakeholders satisfied with program/project quality.
- ◆ Level of understanding within IT management of current enterprise organization and context.
- ◆ Level of knowledge within IT management of enterprise goals and direction.
- ◆ Number of lessons learned and opportunities for improvement captured for future use.
- ◆ Percent of projects in the IT project portfolio that can be directly traced back to the IT strategy.
- ◆ Percent of business units involved in the evaluation and prioritization process.
- ◆ Trends in ROI of initiatives included in the IT strategy.
- ◆ Numbers of deviations between expected and actual budget categories.
- ◆ Number of budget changes due to omissions and errors.
- ◆ Percent of variance among budgets, forecasts, and actual costs.

Figure 3
IT Project Update Questions



What are the lessons learned from delayed projects?

How many projects have revised deadlines?

Which projects need significant rework?

What benefits have been realized from projects?

Source: Compiled by the Legislative Audit Division.

By requiring these specific metrics, agencies will be able to provide the legislature with information related to the overall health of IT projects throughout the life cycle of implementation, review, upgrade, change, and decommission. Clearly reporting the health of projects will help the legislature understand if the appropriated funds for eGovernment solutions are providing value.

Legislators Have an Opportunity to Improve Montana Investment Management Practices

Every session the governor provides the legislature with a budget proposal, including a section dedicated to IT projects. These projects are considered major IT investments with costs of at least \$500,000. Beyond that, more information on these projects is not given in the proposal but rather during agency presentations to the relevant appropriations subcommittee. Presentations will be heard, discussion amongst the subcommittee members and executive branch will occur, and ultimately a bill is finalized to fund these projects, House Bill (HB) 10.

HB10 contains all major IT projects to be funded and, in some instances, specific stipulations that address risks surrounding the project before funds are released. These can include anything ranging from requiring security plans, project management plans, or quarterly updates on the project. This is the moment where legislators have the most influence on major IT projects. By including and requiring specific metrics in the governor's original budget request, agencies will have a better opportunity to communicate more business-like information with legislators. When legislators can understand IT funding requests from a business perspective, they can develop additional questions and successfully identify the benefits and risks of projects. These risks and benefits can then be reviewed during the quarterly LFC update meetings that occur following legislative session.

The current budget request process does not include specific metrics outlined in industry best practices. The legislature and executive branch need to work together to ensure information is available, risks are identified and discussed, and funds are appropriated. If legislators are prepared to require specific metrics related to IT projects, they can work with agencies to ensure eGovernment solutions are funded and delivering value. This in turn will help SITSD meet its mission and vision of empowering Montana and leading the nation in a digital transformation. When legislators have this information and are more apprised of IT projects and their impact, they can better fulfill their role as stewards of Montana citizens' tax dollars and help ensure benefits are gained from IT projects. By establishing the metrics noted above into statute the legislature can ensure that IT reports are delivered timely and contain appropriate information.

RECOMMENDATION #1

We recommend the Montana Legislature identify and establish appropriate and achievable IT reporting metrics within statute.

Chapter III – Governance Over Strategic Goals

Introduction

SITSD is responsible for the planning and execution of Montana’s IT strategy. The current IT strategy calls for many initiatives aimed at improving eGovernment services. These include strategic IT investment, securing data, and digitizing access to government services across all agencies. As a state that is moving toward more centralized IT operations, there will need to be a coordinated effort between SITSD and agencies in order to ensure the success of this wide spectrum of initiatives. Without a structured process in place, SITSD runs the risk of duplication of effort, disconnected agency and citizen stakeholders, and unsuccessful implementation of strategic initiatives.

Montana State Law Requires SITSD to Manage Enterprise IT Strategy

The Montana Information Technology Act (MITA) establishes the guiding principles for the use of IT. It requires the department to provide IT infrastructure and coordinate the shared use of technology wherever possible. While MITA establishes guidance for the use of IT within the state and requires the department to provide infrastructure, it also directs the department to manage the statewide IT strategy.

Regarding statewide IT strategy, SITSD must establish the strategic direction and ensure agencies are supported and able to move in the same direction. Title 2, Chapter 17, Part 5, MCA, outlines specifics SITSD must follow, including establishing the state IT strategic plan with mission, goals, and objectives, directing how state agencies will develop and use IT, approving agency IT plans, and reporting on IT activities.

State law outlines the time frame, audience, content, and alignment with agency IT plans but does not specify how SITSD should go about meeting these requirements.

Montana’s New Strategic Approach Increases Interactions

With Agencies

SITSD has developed a new approach to IT strategy creation. The State IT strategic plan covers areas impacting eGovernment services such as IT investment, IT services, and reshaping the IT workforce. SITSD and agency personnel attended a strategic conference in 2021 to develop these goals and priorities. Additionally, in 2022 they met again to start the development of key performance indicators (KPI) to measure success. We were able to attend these conferences and observe the increased interaction between SITSD and agencies. Regarding feedback on the IT strategic goal process, SITSD holds quarterly meetings, with agency chief information officers (CIOs). At these quarterly meetings there is an opportunity for agencies to work with SITSD on finalizing the KPI work they started at the strategy conference as well, as discuss any pressing matters happening at the agencies.

“...communication with SITSD has been going well, and the entire strategic process has been collaborative.”

In our discussion with agency CIOs, they informed us that communication with SITSD has been going well, and the entire strategic process has been collaborative. They specifically mentioned the Customer Success Manager (CSM) program at SITSD, which aims to improve agency and SITSD interactions. CSMs are resources for agencies to contact SITSD and learn more about enterprise products.

Agencies have opportunities in attending the Enterprise IT Financial Workgroup that SITSD chairs as well. Enterprise applications and service rates are reviewed and discussed in this workgroup. Additionally, every quarter SITSD prioritizes work for the next quarter and agencies are welcomed to attend.

SITSD has provided agencies numerous avenues to participate in creating the statewide IT strategic plan, provide feedback on the process, and selection and discussion on enterprise applications. In the past agencies had limited interactions with the strategic plan. While this is a step forward in effectively delivering eGovernment services, this new statewide IT strategic plan calls for many changes at the department and agency level that could be overwhelming if not approached in a systematic way.

SITSD Is Undergoing Internal Changes to Support the IT Strategy Plan

SITSD has also started many internal initiatives while trying to transform eGovernment across the state since the new executive administration took over governing responsibilities in January 2021. Notable changes include:

Improving Communication: SITSD is creating new teams to improve internal and external communication, develop a collaborative process for adopting enterprise applications, and manage change throughout the state.

- ◆ The CSM program at SITSD started in July 2021 and has been reaching out to agencies to help get them the tools they need from SITSD. Since then, communication and relationships between SITSD and agencies has started to strengthen. But SITSD has yet to define what a successful CSM program looks like.
- ◆ Within the last two years, SITSD has also set up an enterprise architecture team. This team is meant to improve business processes within SITSD, statewide, and improve eGovernment services provided by agencies.
- ◆ SITSD has started building a communication team to help better communicate with stakeholders inside and outside of SITSD. This team is comprised of a business transformation manager and business communication manager. They will work with CSMs to help ensure projects (change initiatives) meet objectives on time and on budget by increasing employee adoption and use of IT resources.

Improving Governance: In addition to these initiatives, SITSD is piloting a new governance structure for an enterprise tool. This governing structure comprises three boards, portfolio, technical, and executive/strategic boards. These three boards work together to handle and anticipate demand, communicate technical standards, plan major updates, and ensure team coordination. Eventually, SITSD intends to establish this model statewide.

SITSD Is at Risk of Not Being Able to Support Agency Needs

SITSD has created numerous avenues for agencies to participate in creating the statewide IT strategic plan, providing feedback on the process, and discussing enterprise applications. At the same time, the statewide IT strategic plan includes multiple initiatives and changes that could be overwhelming if not approached systematically.

These different initiatives are occurring simultaneously but impact one core stakeholder, executive branch agencies trying to deliver eGovernment services. Agencies indicated that the customer service efforts have improved communications; however, SITSDs service still lacks the speed to meet agency needs and the ability to support all agencies with competing demands simultaneously. Without the current capability to be timely, adding initiatives and more procedures may impact service capabilities further.

Strategic alignment and simple, clear forms of coordination are necessary to ensure all the state's IT goals are met. Without a comprehensive plan to ensure objectives and goals align, there is potential for information overload and the initiatives' failure. Lacking organizational alignment can lead to decreased engagement, increased frustration, and a lack of momentum with strategic initiatives. Agencies could easily be overwhelmed with these statewide strategies while trying to maintain their day-to-day operations and individual agency strategies. This will impact other parts of the strategic plan, such as defining a cross-agency support model.

SITSD Needs a Structured Approach to Mitigate Risk of Overloading Agencies

SITSD can implement management practices to ensure proper strategic management and the overall success of Montana's IT transformation. While we did not identify any specific concerns raised by agencies for all these initiatives, there are ways SITSD can approach this in a structured way to ensure continued success. Implementing a proper strategic management approach will help ensure that the CSM, enterprise architecture, and communication initiatives goals align with one another and statewide strategic goals.

For SITSD to realize desired business value and reduce the risk of unexpected delays, costs, and value erosion, they must manage their initiatives. Industry standards suggest a nine-step approach, as shown in the following list.

1. Maintain a standard approach for initiatives
2. Start initiative
3. Management agency and citizen engagement
4. Develop and maintain the initiative plan
5. Launch and execute the initiative
6. Monitor, control, and report on initiative outcomes
7. Manage initiative quality
8. Manage initiative risk
9. Close out initiative

Right now, the three initiatives mentioned earlier are being implemented with no clear indication on how they will work in tandem and ensure agencies are not overwhelmed. These initiatives have been launched (step 5 in the process) but SITSD has not managed agency and citizen engagement (step 3), developed a plan (step 4), nor developed a means to monitor, control, and report on initiative outcomes (step 6).

Strategic Goal Alignment Helps Ensure Success of Statewide Strategic Initiatives

Along with this guidance, SITSD first needs to identify where there is overlap in their internal programs and ensure they have organizational alignment. This can be achieved by providing the proper roles, working on relevant initiatives, clarifying roles and responsibilities, and aligning teams, with a central mission or goal. SITSD has existing FTE in place, such as the business transformation manager, to work on this strategic alignment. To align teams, SITSD needs to make clear what success is, how it will be measured, and how cross-functional teams need to coordinate. Core values and goals can also be identified amongst the teams to align their work better and improve eGovernment services.

While the state has the direction and ideas to make a significant digital transformation, coordination, alignment, and simplicity need to be reviewed to ensure statewide success without impacting normal agency operations.

RECOMMENDATION #2

We recommend that State Information Technology Services Division:

- A. *Define goals, align missions, review responsibilities, and ensure clear coordination for the customer service, enterprise architecture, and communication teams.*
 - B. *Develop a plan to coordinate the statewide initiatives to increase the effectiveness and success.*
-

DEPARTMENT OF
ADMINISTRATION

DEPARTMENT RESPONSE



**MONTANA
DEPARTMENT OF
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RECEIVED

MAR 17 2023

LEGISLATIVE AUDIT DIV.

Director's Office

Greg Gianforte, Governor
Misty Ann Giles, Director

March 17, 2023

Angus Maciver, Legislative Auditor
Legislative Audit Division
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Helena, MT 59620

RE: Information Systems Audit-EGovernment Series 2: Accountability Through Agency Coordination and Effective Reporting.

Dear Mr. Maciver,

The Department of Administration (DOA) has reviewed the Information Systems Audit-EGovernment Series 2.

Thank you to you and your staff for your work and professionalism during this audit. We view the audit process as an opportunity to improve the department's operation and performance.

Our responses to the recommendations are as follows:

Recommendation 1: The legislature should develop an IT reporting metrics statute.

SITSD would like to participate with LFC in statute development to ensure data consistency and value.

SITSD provides LFC with a project reporting dashboard to report project timelines, budget, and status. This dashboard is updated quarterly by the agencies. SITSD is working to improve this reporting mechanism to include Return on Investment, benefits and risks, and opportunities for project consolidation through strategic portfolio management and IT procurement requests.

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Recommendation 2: SITSD should align IT strategic initiatives to ensure resources are efficiently utilized and increase likelihood of successful implementation.

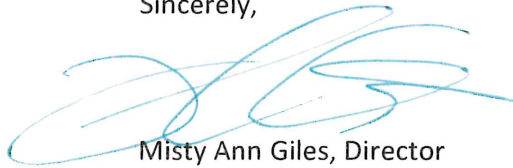
Department Response: Concur

SITSD is in the process of defining success for the Customer Success Management program and developing a method to review communication metrics to ensure external communications from SITSD are reaching the correct audiences. SITSD also plans to improve the process for agencies to submit project demands to be included in the project planning process, standardize utilization of the governance boards (portfolio, technical, and executive), and expand the availability of the strategic portfolio management tool and Enterprise Architecture processes to agencies. SITSD has begun internal discussions regarding the value of including agency representatives in the procurement request review process and will continue to improve agency collaboration during the strategic conferences and quarterly reviews.

SITSD will be developing an updated strategic plan in August 2023, which includes follow-on quarterly Key Performance Indicator (KPI) reviews. Implementation of this recommendation would be realized on or before June 30, 2024.

We look forward to implementing the correction measures on the recommendations provided in this audit.

Sincerely,



Misty Ann Giles, Director

cc: Kevin Gilbertson, Chief Information Officer
Matt Van Syckle, Chief Technology Officer
April Grady, Chief Financial Officer-SITSD