

Oversight Audit

State of Arizona – Department of
Administration

Informational

2/21/2024



Our Vision

Excellence in Arizona government with leading-edge
enterprise support

Our Mission

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



Project Team Introduction

Oversight Audit

- Chuck Brown - Business Sponsor
- Haleh Farhadi - Business Owner
- Lindsey Daberko - Project Manager

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Project Description

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

Findings are as follows:

Did not consistently receive or review IT project Status reports

Did not consistently track project start and end dates

Did not consistently corroborate or receive IT project expenditure information

Closed IT projects with unresolved issues and have not developed process for taking action

Has not taken enforcement action to suspend IT projects

Did not evaluate or ensure that agencies evaluate project outcomes

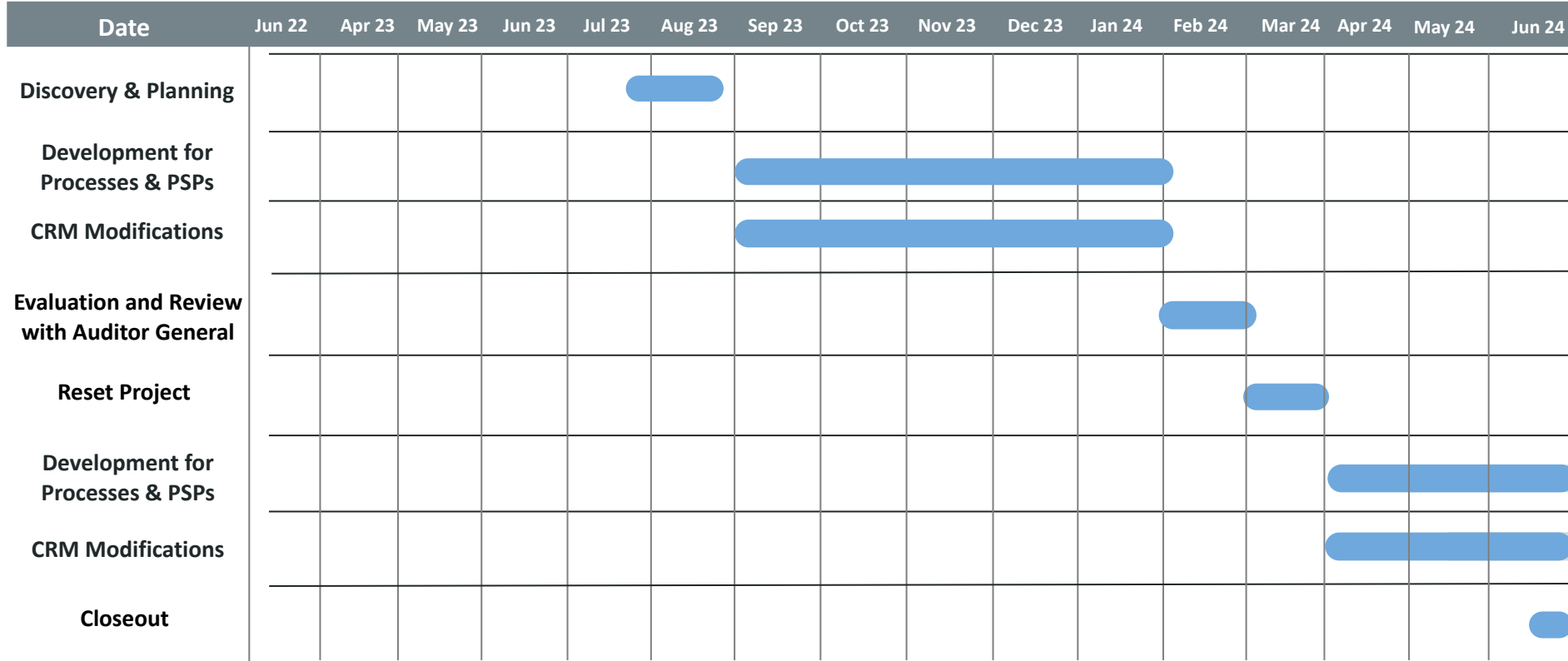
Has not established accountability mechanisms related to the independent third party review before going to ITAC

Why we are returning (only if it is not a regular update):

To provide most recent project update

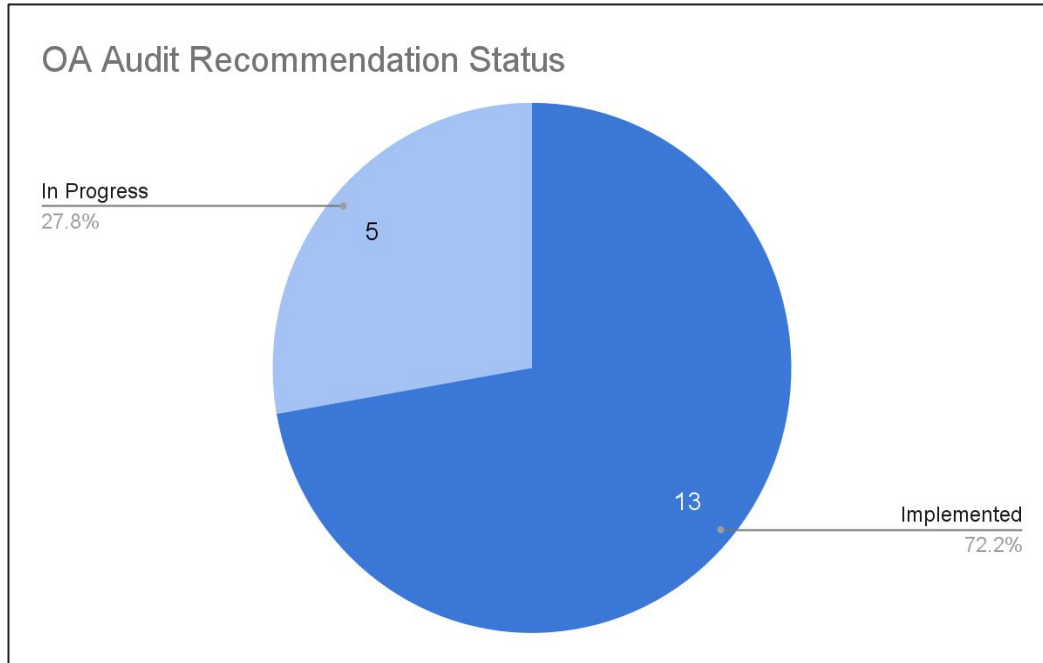
Project Timeline

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Project Overall Progress Update

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Recommendations still in progress are 3b, 5, 7b, 7d & 10 -

- Recommendations 3b and 7b are related to expenditure corroboration
 - We are currently in the process of piloting options to enhance our expenditure corroboration processes
- Recommendations 5 and 7d are related to ASETs authority to recommend failing projects for suspension
 - A process has been drafted, however, discussions regarding the consequences of implementing this process are ongoing
- Recommendation 10 is related to developing a process, including policies and procedures, for requiring agencies to obtain and provide ASET & ITAC with initial results of independent third-party reviews
 - ITAC Process is complete, PIJ Review & Approval Process complete, IV&V Process going through final stages of review/approval

Policies, Standards and Procedures Update

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- **Independent Verification & Validation (IV&V) Statute (18-104 A1(g))**
 - Projects over \$5 Million must engage Independent third party
 - To review technology approach, scope, estimated cost, timeline for completion and overall feasibility
 - Report to ITAC and JLBC each calendar quarter
- **Independent Validation and Verification (IV&V) Policy (P1020)**
 - Projects over \$5 Million must engage Independent third party
 - To review technology approach, scope, estimated cost, timeline for completion and overall feasibility
 - Report to ITAC and JLBC each calendar quarter
- **Independent Validation and Verification (IV&V) Process**
 - Details and assigns responsibility for all items in Policy with step by step instructions for procurement of IV&V vendor, engagement, processes, risk identification, issue remediation and tracking, as well as project closure.

Policies, Standards and Procedures Update (cont.)

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[Project Investment Justification Standard \(S3400\)](#)

- 5.8 added - ADOA-ASET Oversight Staff shall inform the BU of the process for submitting measurements of the project success at project closure and beyond, when applicable.

[Project Status Reporting & Closeout Standard \(S3410\)](#)

- 5.1.1.8 added - All risks and/or issues have been closed.
- 5.1.2.9 added - All milestones are complete or the appropriate justification documentation has been provided to ADOA-ASET.
- 5.1.2.10 added - The results of measurable key performance indicators and project success criteria outcomes. Key performance indicators provided as part of the PIJ approval but not available at project closeout, must be provided to ADOA-ASET on the date specified by the BU in the project closeout report.

[Project Investment Justification Policy \(P3400\)](#)

Training & ASPS Disclosure Statement

ADOA Sunset Audit

LAW2000 Class in TraCorp

- Annual training for ITAC Committee Members, Advisory and Voters regarding Standards of Conduct

Arizona State Personnel System (ASPS) Disclosure Statement

- Conflict of interest form to ensure compliance with State Personnel Rules regarding business interests, secondary employment and employment of relatives

Q & A Session