

# LEGISLATIVE AUDIT DIVISION

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## MEMORANDUM

**TO:** Legislative Audit Committee Members  
**FROM:** Miki Cestnik, Information Systems Auditor  
**CC:** Sheila Hogan, Director, Department of Administration  
Sheryl Olson, Deputy Director  
Ron Baldwin, State Chief Information Officer  
Tammy LaVigne, Chief Business Officer  
**DATE:** May 2014  
**RE:** Information Systems Audit Follow-Up (13SP-16): Strengthening Processes  
Related to IT Governance (orig. 11DP-13)  
**ATTACHMENTS:** Original Performance Audit Summary

### Introduction

The information systems audit report *Strengthening Processes Related to IT Governance (11DP-13)* was issued to the Committee in June 2012. The audit included three recommendations to the Department of Administration (department). In June 2013, we conducted follow-up work to assess implementation of the report recommendations. At that time, follow-up work was delayed due to organizational changes in the State Information Technology Services Division (SITSD). SITSD was contacted again in February 2014 to finish assessing implementation of the recommendations. This memorandum summarizes the results of our follow-up work.

### **Overview**

Our review of the governance of information technology (IT) within the state of Montana identified areas that needed to be strengthened. The audit report contained three recommendations for strengthening policies, defining standards, and improving information technology planning. The agency concurred with all of the recommendations and is currently working to implement them. Agencies are starting a new IT planning process this year using revamped templates and instructions. SITSD is also in the process of revising the Montana Operations Manual to better define IT standards and policies as well as update any old policies. Project management policies are going through the same review.

### Background

The state should have strong and clearly defined policies and procedures to govern its information technology. The objective of this audit was to review the effectiveness of the Montana Information Technology Act (MITA) that was implemented in 2001. The audit noted MITA was effective, but could be strengthened and clarified in certain areas including IT planning, project management, and policy clarification.

### Audit Follow-up Results

The following sections summarize the progress toward implementation of the report recommendations. Audit staff met with the State Chief Information Officer (CIO) and key personnel of SITSD to review

what work had been done to complete implementation. Various policy and procedure documents were reviewed as well.

**RECOMMENDATION #1**

**We recommend the Department of Administration modify its agency information technology plan template and review process to ensure completeness and continuity.**

***Implementation Status: Partially Implemented***

Since the audit, the new State CIO (appointed January 2013) identified the need for better IT planning throughout state agencies. A recognized information technology research and advisory company facilitated a process that combined industry best practices with the needs of the state to redefine the IT planning process. The State CIO met with a majority of agency CIO's and obtained agreement on the sections that should be included in the plan. Through this, a new template with expectations was created as well as a timeline for all agencies to follow. Completion of all IT plan sections is mandatory. Project Management Office personnel within the department are responsible for reviewing agency IT plans to identify projects, possible impacts, and duplication. While this new process is intended to help ensure completeness, it is unclear if the new process will improve continuity. Agency initiatives are to be defined in IT plans. Once an initiative is funded, it becomes a project. Projects are managed through a completely separate process within the Project Management Office. According to SITSD personnel, initiatives are not carried through to subsequent IT plans and will only reappear in biennial IT reports after the projects are completed and included in the "accomplishments" section. Even though a new template and process have been defined, the department is currently in the midst of the IT planning process for the upcoming biennium.

**RECOMMENDATION #2**

**We recommend the Department of Administration expand project management policy guidance and reporting procedures for state agencies.**

***Implementation Status: Being Implemented***

In the original audit we noted project management policy did not include details or guidance for project managers. The Project Management Office has now defined guidelines within its website with documents and process charts. They are currently working on strengthening existing policy and getting more complete and consistent reporting from agencies. The department indicated that this policy review would be complete by July of 2014. There is also a new system in place to manage projects and add to the clarity of the project reporting process.

**RECOMMENDATION #3**

**We recommend the Department of Administration clearly delineate information technology policies and formalize a systematic policy development process.**

***Implementation Status: Being Implemented***

After the audit was issued, IT policy was incorporated into the Montana Operations Manual. As part of this process, IT policies were reduced down to less than twenty policies. After the new State CIO was appointed, old policies were re-established. SITSD has reviewed policies and developed an inventory. A new Enterprise Security Policy was implemented, and SITSD is now reviewing existing policies for absences, duplication, and need for clarification. The next step will be to complete this process for other IT policies. While reviewing policies, the differences between a policy and a standard is being redefined to help agencies better understand. It is expected this process will be done by the end of 2014. The policy development process includes the same steps as identified in our original audit, however, the process is now completed as part of the Montana Operations Manual workflow process.