

LEGISLATIVE AUDIT DIVISION

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MEMORANDUM

TO: Legislative Audit Committee Members WRS
FROM: Will Soller, Deputy Legislative Auditor for Performance and Information Systems Audits
DATE: December 2, 2020
RE: Potential Information Systems Audit Areas for Calendar Year 2021

Please find enclosed a list of potential information systems audit topics for calendar year 2021. This list has been compiled to provide an opportunity for the Legislative Audit Committee to highlight areas of interest for future audit work. These topics have been identified through previous audit work, areas of legislative or general interest, and initial review of the value and risk of state agencies' systems or applications.

Potential audit topics include:

- Criminal Justice Data Reliability and Coordination
- Analysis of Transitioning from Information Technology to Information Management
- Electronic Database for Docket Information (EDDI)
- Montana Family Safety Information System (MFSIS) Project

We are requesting you assign a priority ranking (low, medium, high, or very high) for the potential topics on the attached list. It is important you assign a score to each topic; any unassigned score will result in a low priority score being applied to that specific topic.

To assist in scheduling information systems audit work for the next year, we would like to receive your priority rankings by December 23, 2020, if possible. If you are unable to turn in your prioritization rankings by that time, you may also return them to the office by mail, fax, or email. We will be available during the committee meeting for any questions or comments regarding the potential information systems audit list.

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Enclosure

Information Systems Audit CY2019 Topic Update

Audit Topic Updates:

Agency	Audit Topic	2020 Average Score
Department of Administration	eGovernment Services in Montana	3.3
Update: Audit in progress.		
Fish, Wildlife and Parks	Licensing & Reservation System (Explore MT)	2.9
Update: Anticipated start in Spring 2021.		
Department of Administration	State of Montana Benefit Plan Eligibility and Administration System	2.0
Update: Due to low interest, this is removed from high-priority topics and will be assessed with system baseline work.		
Office of Public Defender	Public Defender Case Management System	1.9
Update: Due to low interest, this is removed from high-priority topics and will be assessed with system baseline work.		

Information Systems Audit Prioritization Calendar Year 2021

Audit Topic Descriptions:

Criminal Justice Data Reliability and Coordination

Montana's criminal justice systems rely on accurate, current, and well-understood data to operate in the service of the public good. This data lives in multiple systems managed by the Department of Justice (DOJ), Department of Corrections (DOC), Office of State Public Defender (OPD), Montana Board of Crime Control (MCC), and Montana Judicial Branch (OCA). In the last 10 years, these agencies have received \$26 million in funding for projects related to critical systems like FullCourt, the Offender Management Information System (OMIS), the Criminal Justice Information Network (CJIN), and the Montana Enhanced Registration and Licensing Information Network. The data managed by each agency is crucial to further justice and public safety. For example, local, state, and federal agencies, as well as certain public entities, share criminal justice information to ensure timely information is available for local law enforcement and highway patrol officers. Sometimes, these systems will collect the same information during the criminal justice process, from arrest, to sentencing, to incarceration/treatment/supervision, to release. The success of this process relies on the uniformity and completeness of data gathered across systems. In previous work, these agencies have discussed issues with this data including data errors, inconsistencies, missing data, and inefficient processes that increase frustration and risk with these agencies and the public. Our previous work has also identified the inability for this data to provide important information related to research and Montana's justice reform initiatives. Without quality, reliable data, the ability to make sound, fact-based decisions on justice reinvestment and monitor the impact of decisions is limited. To address these risks, audit work would focus on data quality and gathering procedures from multiple systems as opposed to data within one system. An audit could examine the governance of data management between the agencies and systems as well as look at potential areas of improved efficiency for data entry and sharing.

Analysis of Transitioning from Information Technology to Information Management

The Department of Environmental Quality has six divisions that all manage different areas of the environment including Air, Energy & Mining, Water Quality, Waste Management and Remediation, Centralized Services, and the Directors Office. Data is both shared and obtained by various stakeholders including the federal government and private organizations. The agency has recently shifted their Information Technology Bureau to Information Management Bureau. The change is to denote that DEQ is not focusing on technology structures that support business, but rather focus on understanding the information required to run a business. As more agencies move into cloud services to support this type of transition with less focus on managing technology, it's important to understand whether this change is effective and efficient. An audit could include analyzing the pros and cons for other agencies looking to change from information technology to information management or move towards more cloud-based solutions. By using DEQ as a case study, we could evaluate how agencies can manage this type of transition while maintaining low risk and high reward. Risks areas that can be reviewed include staff support, ensuring agency aligns with industry standards, and fiscal consequences to implementing changes.

Information Systems Audit Prioritization Calendar Year 2021

Electronic Database for Docket Information (EDDI)

The Electronic Database for Docket Information (EDDI) is a case management and calendaring system and is the backbone of operations for the Public Service Commission (PSC). PSC oversees regulated utilities and uses EDDI to communicate with them. Utilities must apply to PSC whenever they want to change rates and EDDI is used to track these applications and exchange confidential information. During the 2017 Legislative Session PSC received \$450,000 as part of their IT budget for EDDI's development. PSC contracted with the State Information Technology Services Division (SITSD) for the development of EDDI and the system went live in July 2019. According to PSC staff they are still trying to get basic functionality from EDDI. PSC is now using a portion of their regular operating budget and enhancement and maintenance budget in order to get through initial EDDI development. There has been disagreement between PSC and SITSD about whether SITSD has completed development of EDDI. EDDI has not been working as intended and PSC is using work arounds while they resolve the disagreement with SITSD. There has been back and forth communication between the two but SITSD stated that until a path forward is found, technicians will stop work on EDDI development. PSC is a small agency and lacks the funding and expertise to develop and implement a new IT system on their own. They must rely on SITSD in order to ensure the system is operating as intended and secure. An audit could focus on SITSD's IT development procedures with agencies, contract agreements for development services between agencies and SITSD, and EDDI's remaining development and security posture.

Montana Family Safety Information System (MFSIS) Project

The Child and Family Services Division (CFSD) within the Department of Public Health and Human Services (DPHHS) provides protective services to children and uses an information system to facilitate these processes and manage investigation and individual data. MFSIS is intended to be the new child welfare case management system, replacing the Child and Adult Protective System (CAPS) that has been operating for over 20 years. The replacement plan is broken into phases with each phase addressing a specific module of functionality. The initial phase of the project is focused on developing the intake and investigations module and the second phase is focused on case management. Initially, the replacement was going to be another agency's case management system with some customization for DPHHS. The entire project was expected to finish in 2016, however, various problems arose, and the first phase was not completed until 2019. This module is currently managed by the State Information Technology Services Division (SITSD). DPHHS received \$5.4 million in Long-Range Information Technology funds for MFSIS in the 2019 legislative session, however, the request for information completed by the agency indicated costs were more likely to be around \$30 million to finish the project. Due to the discrepancy in funding DPHHS is trying to find enterprise level solutions to use across multiple applications, including MFSIS. While MFSIS waits to be finished, CAPS is running concurrently with technology that is not supported. Another \$5.4 million in Long-Range Information Technology funds was given to DPHHS in the 2019 legislative session to upgrade technologies for various systems, like CAPS. An audit could cover multiple areas for the Legislature and DPHHS including a review of the decisions to manage and incrementally replace CAPS and the cost of those decisions overall. The audit could also look at how they determined the \$30 million need and what other states have spent to replace similar systems. We could analyze and identify best practices on the process of determining enterprise level solutions for DPHHS applications and depending on the time of the audit, conduct a review of project management practices and controls for the second phase of the project.

Information Systems Audit Prioritization Calendar Year 2021

Risk Area Definitions:

Regulatory Requirements: represents the amount of legal or contractual requirements of the system or data within the system as well as the level of complexity and volatility of those requirements and the impact on the ability to comply.

Rating Description: Higher classifications indicate few documented requirements of the system or complexity and volatility of current requirements pose risk in the organization's ability to comply.

Topic of Interest: represents any interest from the Legislature, the public, or other audit work.

Rating Description: Higher classifications indicate higher levels of interest and prior audit issues.

Security Management: represents the level of risk associated with the security management and risk assessment procedures of an organization, as it relates to the specific system.

Rating Description: Higher classifications indicate minimal security management policies, monitoring, or assessments with a higher impact if a security incident were to occur.

Impact of System Failure/Issue: indicates the level of risk associated with errors in the system due to flawed, manipulated, or missing data; change control processes; and continuity of operations if affected by a disaster or system failure.

Rating Description: Higher classifications indicate the data within the system is critical or failure within the system poses a high risk.

Management and Governance: defined by the structure, oversight, and management procedures the department has related to the topic/system.

Rating Description: Higher classifications indicate minimal governance or ability to manage the system.

Potential for Fraud/Abuse: shows the potential for fraudulent activity to occur based on review of fraud controls, likelihood of fraud or abuse due to the nature of the data or operations associated with the system, and historic information about the system or program.

Rating Description: Higher classifications indicate known weaknesses or high likelihood of fraudulent activity or abuse due to sensitive data or processing associated with the system.

Nature and Profile: defined by the complexity, age, and cost of a system; number of users; levels of security within a system; criticality of system operations; sensitivity of information processed; and reliance on decisions a system executes.

Rating Description: Higher classifications indicate an expensive, aged, complex system(s) with multiple users and levels of security, and critical operation support with a significant reliance on system output.

2020 Information Systems Audit Topics

Score 1-4

- 1 = Low Priority
- 2 = Medium Priority
- 3 = High Priority
- 4 = Very High Priority

General Information		Risk Areas Shaded Red = High Risk Shaded Yellow = Medium Risk Shaded Green = Low Risk						
Agency	System/Technology	Regulatory Requirements	Topic of Interest	Security Management	Impact of System Failure/Issue	Management and Governance	Potential for Fraud/Abuse	Nature and Profile
Multiple	Criminal Justice Data Reliability and Coordination							
DEQ	Analysis of Transitioning from Information Technology to Information Management							
PSC	Electronic Database for Docket Information (EDDI)							
DPHHS	Montana Family Safety Information System (MFSIS) Project							

(no score assigned will result in the assumption of low priority; meaning a score of 1 will be applied)

Additional Audit Topics You Would Like Us To Consider for 2021 Calendar Year: