State of Montana Project Management Advisory Workgroup

SITSD has requested the PMWG to perform the following:
1. Midpoint review or periodic checkpoint should be established to ensure the investment is still delivering against the intended metrics.
2. Define criteria and corrective action processes for underperforming investments.
Come up with corrective actions for projects that are currently failing or in a failing status to get them back on track.

SITSD Audit where Project Management Advisory Workgroup (PMAW) is referenced (link)

Page 15-16 "Missing Approvals and Inconsistent Information for Allocating Long-Range Funds"

SITSD is aware there is no defined procedure for this process, contributing to the insufficient records. SITSD indicated the project plan template is on the list of update projects for the newly implemented project management advisory workgroup. This group consists of various project managers from state agencies and started meeting in 2017.

- Comment is made about PMAW in the audit but no identification in the Department Response. (See Recommendation #3).

Recommendation #3
We recommend the Department of Administration:
A. Include all required IT Investments and investment information within the Governor's Budget and requests for long-range funding.
B. Define the procedures, templates, and responsibilities for approving allocation of long-range funds ensuring the state CIO signs required documents.
C. Coordinate with the Information Technology Board and Office of Budget and Program Planning to define and document criteria for a "major" project to be used throughout the IT investment life cycle.

Department Response:
A. We concur. SITSD will continue to work with agencies and ITB to ensure IT investments are captured for consideration by OBPP during the executive planning process. No major IT projects were approved for the 2019 biennium budget and therefore, no major projects were reported per MCA 2-17-526. When major IT projects are approved for the Governor's budget, they will be incorporated into Volume 10.

B. We concur. SITSD will define the procedures, templates, and responsibilities for recommending projects for long-range funding. SITSD intends to utilize a portfolio investment tool to aid in this process. State CIO review and approval will be incorporated into the workflow process for IT investments. SITSD will ensure the review and recommendation of long-range IT investments is properly documented.

C. We concur. The current criteria for a "major" project was developed in collaboration with SITSD and OBPP and has been routinely reviewed and modified several times since the inception of MITA. As stated in the Department's response to Recommendation #2 A and B, SITSD will work with OBPP and the ITB to ensure the criteria relates to the identification, prioritization, and recommendation of "major" IT projects.

> MITA requires that implementation of major IT projects be reviewed and rule states that agencies shall report progress of software and management system procurement or development in accordance with policies, procedures, and guidelines. We found no such policies, procedures, and guidelines were formally documented; however, SITSD and the recently established project management advisory workgroup were developing a policy to define agency procedures for reporting major projects. Based on the limited direction for reporting, audit work used the generally accepted rules for reporting major projects.

Recommendation #8

We recommend the Department of Administration establish a reporting framework that:

A. Defines criteria, metrics, and procedures for all IT investment-related reporting based on investment characteristics.
B. Coordinates timing and uses consistent metrics.
C. Provides agencies guidelines and support for reporting.

Department Response:

A. We concur. The current criteria, metrics, and procedures were approved by LFD and LFC. SITSD will collaborate with the State of Montana Project Management Advisory Workgroup to expand the current reporting of all IT investments based on investment characteristics. SITSD will submit the recommendations to the ITB, LFD, and LFC for approval.

> Currently, when a project reported to the LFC changes status, a supplemental report is required to describe the change in terms of milestones, scope changes, and issues or risks. It is up to the agency to determine a plan to solve the issue and continue to update the same status report for LFC every quarter. In some cases, the agency will rebaseline the project, which then adjusts the budget and completion date.
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> When reviewing LFC meetings, it is clear that this process has led to frustration with LFC members because the new health status for the project will be compared to the new goals, even though the project will not hit original targets. This is consistent with the information received from the survey sent to LFC members.
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> Industry standards require defined criteria and corrective action steps be established and monitored by an oversight body. Within the duties of the IT Board (ITB), these corrective actions can be closely monitored, and the decision to rebaseline can be made in conjunction with appropriate oversight as part of a corrective action plan.

Recommendation #9

We recommend the Department of Administration improve IT Investment reporting processes by:

- A. Defining and documenting periodic reviews after investment approval.
- B. Defining and documenting final evaluation based on characteristics that align with overall reporting framework.
- C. Expanding periodic review of investments to more than development projects through implementation.
- D. Defining and documenting the criteria and corrective action process for underperforming investments.

Department Response:

- A. We concur. SITSD will define and document a process for periodic review of investments in the development of the IT investment framework.
- B. We concur. SITSD will expand on the current supplemental reporting requirements by defining and document a process for final evaluation of all IT investments.
- C. We concur. SITSD will expand on the current project reporting requirements by defining and document a process for periodic review of all IT investments.
- D. We concur. SITSD will collaborate with the State of Montana Project Management Advisory Workgroup to define and document the criteria and corrective action process for underperforming investments.