



DATE: November 7, 2016

TO: Metropolitan King County Councilmembers

FROM: Kymber Waltmunson, King County Auditor

SUBJECT: Follow-up on 2012 Performance Audit of King County's Investment in Information Technology

The Department of Information Technology (KCIT) and the Office of Performance, Strategy & Budget (PSB) have made significant progress addressing the five remaining recommendations since our 2014 review. Their efforts have strengthened and enhanced the county's strategic investment framework. For example, they have implemented a system to capture and document lessons learned from information technology (IT) projects to help King County avoid repeating mistakes. They have also instituted a new decision-making tool to help select projects based on a clear and transparent set of criteria to increase the likelihood that the County is investing its IT funds to address the county's most pressing needs.

Of the five audit recommendations remaining from the 2012 audit and the previous follow-up:

| | | |
|----------|---|--|
| DONE | 4 | Recommendations have been fully implemented Auditor will no longer monitor |
| PROGRESS | 0 | Recommendations are in progress or partially implemented Auditor will continue to monitor |
| OPEN | 0 | Recommendations remain unresolved Auditor will continue to monitor |
| CLOSED | 1 | Recommendation has been resolved using alternate approach Auditor will no longer monitor |

Please see below for details on the implementation status of these recommendations.

Implementation Status as of November 2016

| # | Quick Status | Recommendation | Status Detail |
|----|--------------|--|---|
| 1 | DONE | <p>The Office of Performance, Strategy and Budget (PSB), in consultation with King County Information Technology (KCIT), should further mature the strategic investment framework for formal approval by stakeholders, including the King County Council. PSB and KCIT should then clearly communicate and apply the framework. The strategic investment framework should include:</p> <ul style="list-style-type: none"> a) Roles and responsibilities for guiding resource allocation and ensuring intended results and modified business processes. b) Definition and communication of investment types, categories, criteria and relative weightings to the criteria to document value decisions among projects. c) Clear requirements for stage completion and other reviews. d) Definition of a balanced set of project and portfolio performance objectives, metrics, targets, and benchmarks. e) Alignment with the countywide strategic plan and its goals for delivering value. | <p>PSB and KCIT have taken a number of steps to continue to mature the strategic investment framework for selecting and evaluating IT projects. By implementing this and other recommendations, PSB and KCIT have enhanced King County’s process for making IT investment decisions and put in place steps that increase the likelihood that IT investments will address county priorities and realize benefits.</p> |
| 11 | DONE | <p>PSB and KCIT should develop and implement a plan to ensure that lessons learned are captured and consulted at key points in the project lifecycle.</p> | <p>KCIT has developed a searchable “Lessons Learned” database as part of its project management resources on SharePoint. The database currently contains lessons learned for 10 projects. KCIT has updated its project close-out report guidelines to include directions and guidance on collecting and documenting lessons learned. By effectively collecting and sharing lessons learned among project managers, PSB and KCIT can help projects avoid repeating prior mistakes.</p> |

| # | Quick Status | Recommendation | Status Detail |
|----|--------------|--|---|
| 12 | CLOSED | KCIT and PSB, working with all county offices and agencies including those of separately elected officials, should annually collect and report information on the total cost of IT broken out by operational, project, and debt service costs. | Since we made this recommendation in 2012, King County has made a number of changes to how it budgets and reports IT costs. With the introduction of the KCIT Service Catalog as well as greater clarity around how KCIT charges customers for IT services, decision-makers have more information about how much the County is spending on IT. Therefore, annually collecting and reporting this cost information in a report is no longer necessary. |
| 14 | DONE | The Office of Performance, Strategy & Budget should develop and apply a funding prioritization system that ranks projects within funding categories based on weighted criteria. The results of applying the system should be made available to stakeholders and county policy-makers during the budget process. | For the 2017-18 King County Budget, KCIT and PSB used a collaborative decision-making tool called Decision Lens to rank projects based on a set of weighted criteria to determine which projects to include in the Executive's proposed budget. This tool can help increase the likelihood that IT projects are addressing the county's strategic priorities. |
| 15 | DONE | The Office of Performance, Strategy & Budget (PSB) should improve the analysis of information technology (IT) projects by: <ol style="list-style-type: none"> Immediately fixing technical flaws in the cost benefit analysis tool used for evaluating IT projects. Ensuring that users of the cost benefit analysis tool have sufficient instructions and training to use the tool correctly. Developing an effective quality assurance process to ensure that outputs of the cost benefit analysis tool are accurate. | Since our previous follow-up, KCIT and PSB have addressed the technical flaws in the cost benefit analysis tool. They provided training sessions for project managers on how to use the tool and are in the process of developing more detailed instructions on its use, and increasing the accuracy and utility of this tool. Fixing this tool and taking steps to make sure it is used consistently and correctly will ensure the County is basing its IT project decisions on accurate cost and benefit information. |

Ben Thompson, Deputy County Auditor conducted this review. Please contact Ben at 477-1035 if you have any questions about the issues discussed in this letter.

- cc: Dow Constantine, King County Executive
 Fred Jarrett, Deputy County Executive
 Rhonda Berry, Assistant Deputy County Executive
 Dwight Dively, Director, Office of Performance, Strategy & Budget
 Bill Kehoe, County Chief Information Officer, King County Information Technology
 Melani Pedroza, Acting Clerk of the Council
 Shelley Harrison, Administrative Staff Assistant, King County Executive Office