

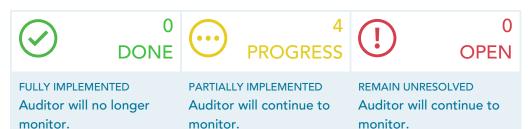
KING COUNTY AUDITOR'S OFFICE

Follow-up on IT Rates: Model Could be Improved to Enhance Transparency and Decision-Making

King County Department of Information Technology (KCIT) has nearly completed work on a modern financial management system that will increase transparency, accuracy, and oversight of the rates it charges county agencies for IT services. KCIT is in the final testing phase for the rate model part of the new financial system and plans to fully implement it by the end of April, before county agencies submit their 2025 proposed budgets to the County Executive. Managers have been in close communication with the office of Performance, Strategy, and Budget (PSB) to communicate progress and coordinate time for PSB to conduct its analysis. The new financial system has taken about two years longer than expected to complete so far, resulting in an additional biennium of rate issues that include potential errors and limited oversight.

Any additional schedule slippage will result in KCIT missing the window for PSB and county agencies to review the rates before the County Executive transmits his 2025 proposed budget to the County Council. If additional delays occur, KCIT plans to manually update agency service request forms with information from the existing systems during the agency proposed budget timeframe. Continued delays could mean that users may not have necessary time to review the 2025 rates and assess their information technology needs.

Of the four remaining audit recommendations:



See details below for implementation status of each recommendation.

Recommendation 1	On August 3, 2020	DONE	\oslash
Recommendation 2	On August 3, 2020	DONE	\oslash

Recommendation 3

PROGRESS

King County's Department of Information Technology should update its rate model to reduce complexity and improve consistency, accuracy, and oversight. At a minimum, this effort should include the following elements:

a) reduce the number of calculations and spreadsheets supporting the model

b) provide templates to rate model contributors for how to structure the calculations.

STATUS UPDATE: KCIT has been working with a vendor since 2021 to build a modern IT financial management system to calculate the rates it charges county agencies for IT services. The process has been lengthy and complicated in part due to the number and variety of county systems and databases that hold the inputs the system uses to calculate rates. In addition, turnover of project staff has put KCIT behind schedule.

Even though the new system is not fully launched, KCIT has been able to use it to plan and forecast IT expenditures, identify the costs of each type of service it provides to county agencies, and calculate many of the rates for the 2025 budget. This is an improvement from the condition at the time of our 2019 audit, which found that the rate model consisted of hundreds of interconnected spreadsheets that contained inconsistencies and errors. KCIT broke down and analyzed its cost drivers to build the new system, increasing transparency and accuracy. In its last phase before completely rolling out the system, KCIT is testing all the calculations to make sure they are correct.

WHAT REMAINS: To complete this recommendation, KCIT should complete the rollout of the new financial system and train KCIT customer service managers, PSB analysts, and agency finance staff on how to use it.

Recommendation 4

King County's Department of Information Technology update of the rate model should include an assumptions page to improve visibility to policymakers and facilitate alternatives analysis.

PROGRESS

STATUS UPDATE: KCIT's new financial management system can answer "what if" questions related to changes in inputs, but the system does not include all elements yet.

WHAT REMAINS: To complete this recommendation, KCIT should complete the rollout of the new financial system so that it can manage the full range of alternatives analyses.

Recommendation 5

PROGRESS

King County's Department of Information Technology and the Office of Performance, Strategy and Budget should work together to ensure the updated rate model has clear assumptions and is reviewed prior to approval.

STATUS UPDATE: KCIT leaders indicated that they wanted to have a full understanding of how the new system works before providing training to PSB — they have been learning about the system as they collaborate with consultants to configure it to the County's needs. KCIT meets with PSB on a biweekly basis to keep them up to date on the new system's progress and coordinate time for training and review. PSB staff indicated that while the new system rollout is later than expected, there is still enough time for their review as long as the date does not slip again.

WHAT REMAINS: To complete this recommendation, KCIT should complete the rollout of the new financial system and provide training to PSB. This should happen in time for PSB to analyze the rate model prior to agencies developing their proposed budgets.

Recommendation 6

PROGRESS

King County's Department of Information Technology should develop, document, and implement a plan to increase the accuracy of its process to count workstations.

STATUS UPDATE: KCIT developed an automated method to count workstations using its Cherwell asset management system. Managers indicated that they are very close to completing the fine-tuning process. Initial tests returned 92 percent accurate workstation counts as compared to a manual tally, and the latest tests returned 97 and 99 percent accurate counts. The remaining work involves incorporating additional device status changes as agencies acquire, deploy, decommission, and dispose of workstations.

WHAT REMAINS: To complete this recommendation, KCIT should complete and implement its process to increase workstation count accuracy as part of its automated asset management system.

Recommendation 7	On August 3, 2020	DONE	\oslash
Recommendation 8	On August 3, 2020	DONE	\oslash

Luc Poon conducted this review. If you have any questions or would like more information, please contact the King County Auditor's Office at KCAO@KingCounty.gov or 206-477-1033.